ICT Digital Assurance Framework

Version 0.2 Draft

NSW GOVERNMENT | Customer Service

JUNE 2020

Contents

Version name	Date	Purpose
Internal Draft version 0.1	24/4/2020	Internal ICT Assurance working draft
Draft version 0.2	24/4/2020	Draft for Treasury comment

Summary

Project Name	ICT Digital Assurance Framework (IDAF)
Responsible Minister	The Hon Victor Dominello MP Minister for Customer Service
Cluster	Customer Service
Gateway Coordination Agency	Department of Customer Service
Sponsor contact details	Greg Wells, Government Chief Information and Digital Officer, Deputy Secretary, Digital.nsw
Priority	High
Objectives	The objective of the ICT Digital Assurance Framework is to ensure NSW Government's ICT projects are delivered on time and on budget through the implementation of this risk-based independent assurance framework.
Relationship with Government policies	NSW Gateway Policy NSW Treasury Guidelines for Capital Business Cases[1] Commercial Policy Framework NSW ICT Assurance Framework iNSW Expert Review Panel Framework Benefits Realisation Management Framework (BRM)[2] NSW Government Expert Reviewer Panel Framework
Proposed commencement	Ongoing

[1] Reference to NSW Treasury Business Case Guidelines https://www.treasury.nsw.gov.au/information-public-entities/business-cases

[2] Reference to Benefits Realisation Management Framework: https://www.finance.nsw.gov.au/publication-and-resources/benefits-realisation-management-framework

Glossary

Term	Definition
Clearance of gate	Notification to a Delivery Agency by DCS that a Gateway Review or Health Check for a project has been cleared, i.e. an appropriate Close-out Plan is in place to assist with project development or delivery and critical recommendations are met.
Close-out Plan	Document outlining actions, responsibilities, accountabilities and timeframes that respond to recommendations identified in Gateway Review and Health Check Reports.
Complex project	A number of elements contribute to project complexity, such as delivery in multiple stages, varying time periods for stages, the degree of business change, and/or a number of inter-dependencies. Individual project stages may be identified during the development phase or during the procurement and delivery phases (when individual project stages are being procured and delivered under different contracts and potentially over different time periods). In some cases, these individual project stages may have a different Project Tier to the overall complex project.
Deep Dive Reviews	Deep Dive Reviews are similar to a Health Check but focus on a particular issue or limited terms of reference rather than the full range of issues normally considered at a Health Check. These Reviews are generally undertaken in response to issues being raised by key stakeholders to the project or at the direction of the relevant Government Minister.
Delivery Agency	The Government agency tasked with developing and / or delivering a project applicable under this Framework and the NSW Gateway Policy.
DCS Assurance Unit	The dedicated team within DCS responsible for implementing and administering the IDAF including organising reviews. Also known as ICT Digital Investment and Assurance (IDIA) Unit.
Digital Restart Fund (DRF)	The purpose of the Digital Restart Fund (DRF) is to accelerate whole of government digital transformation. It has been designed to enable iterative, multi-disciplinary approaches to digital/ICT planning, development and service provision and complements existing investment approaches in ICTA. https://www.digital.nsw.gov.au/digital-transformation/funding-digital-transformation
Estimated Total Cost (ETC)	Total capital spend (including from capital envelopes) and recurrent spend of the project/program, including the non-ICT components, over the period of time defined in the project/program business case. - Cost of project delivery, excludes BAU Opex
Expert Reviewer Panel	Panel comprising independent highly qualified Expert Reviewers established to cover all aspects of Gateway Review needs.
Gate	Particular decision point(s) in a project/program's lifecycle when a Gateway Review may be undertaken.
Gateway Coordination Agency (GCA)	The agency responsible for the design and administration of an approved, risk-based model for the assessment of projects/programs, the coordination of Gateway Reviews and the reporting of performance of the Gateway Review Process, under the NSW Gateway Policy.
Gateway Review	A Review of a project/program by a Review Team at a specific key decision point (Gate) in the project/program's lifecycle. A Gateway Review is a short, focused, independent expert appraisal of the project/program that highlights risks and issues, which if not addressed may threaten successful delivery. It provides a view of the current progress of a project/program and assurance that it can proceed successfully to the next stage if any critical recommendations are addressed.
Gateway Review Manager	The Gateway Review Manager guides the implementation of the Gateway Review or Health Check. The Manager facilitates the Review but does not participate in the Review.
GCA Framework	A framework designed and operated by a GCA, that assesses the risks associated with a project or program of a particular nature in order to determine the application of Gateway. A GCA Framework defines the roles and responsibilities to deliver Gateway and aligns with the Gateway Review process outlined in the NSW Gateway Policy.
Health Check *and* **Agile Health Check**	Health Check is an independent reviews carried out by a team of experienced practitioners seeking to identify issues in a project/program which may arise between Gateway Reviews. For projects following an Agile methodology, a more suitable and flexible Health Check, the Agile Health Check, is carried out as an independent review by a team of experienced practitioners, in lieu of the delivery Gate or Health Check reviews.

High Priority (High Risk/High Profile) Projects	These projects are determined using a combination of the Project RAG and IDAF Response criteria. IDAF Response criteria are Escalate, Engage and Monitor.
ICT	This is the common term for the entire spectrum of technologies for information processing, including software, hardware, communications technologies and related services. In general, IT does not include embedded technologies that do not generate data for enterprise use.[3]. This may include stand-alone Operational Technology projects and programs as agreed with INSW.
ICT Assurance Portal	ICT Assurance online portal for IDAF project registration and risk profiling, and reporting.
Independence	Characterises a role or a process within the IDAF that is not influenced or controlled by the delivery agency or the delivery agency's project team. A conflict of interest test should be undertaken with the delivery agency's project to ensure that the specific role(s) commissioned or advised by ICTA under the IDAF have no conflict of interest with the project nor its sponsoring agency.
Investor	The Government, representing the State of NSW.
Mixed project	A project or program that contains a material combination of elements relating to multiple GCA frameworks.
Modified Project Assurance Plan	Document prepared by Delivery Agencies and lodged with DCS for endorsement after completion of a particular Gateway Review, after which a program or complex project may be considered in its component parts. For complex projects this would be individual stages, for programs this would be individual projects or sub-programs. The Modified Project Assurance Plan outlines the proposed Delivery Agency assurance arrangements for future Gateway Reviews for each individual component of work initiated (stage/project/sub-program).
Operational Technology	Systems used to control critical infrastructure[4]. Can include systems that relate to service delivery, such as tolling systems, rail signalling or technology to support a new school or hospital.
Policy Owner	For the purpose of the NSW Gateway Policy, the Policy owner is NSW Treasury.
Portfolio	The totality of an organisation's ICT investment program.
Program	A temporary, flexible organisation created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation's strategic objectives. A program is likely to be longer term and have a life that spans several years. Programs typically deal with outcomes, whereas projects deal with outputs. Projects that form part of a program may be grouped together for a variety of reasons including spatial co-location, the similar nature of the projects or projects collectively achieving an outcome. Programs provide an umbrella under which these projects can be coordinated. The component parts of a program are usually individual projects or smaller groups of projects (sub-programs). In some cases, these individual projects or sub-programs may have a different Project Tier to the overall program.
Project	A temporary organisation, usually existing for a much shorter duration than a program, which will deliver one or more outputs in accordance with an agreed business case. Projects are typically delivered in a defined time period on a defined site. Projects have a clear start and finish. Projects may be restricted to one site or cover a large geographical area, however, will be linked and not be geographically diverse. A particular project may or may not be part of a program. Where a project is delivered in multiple stages and potentially across varying time periods it is considered a 'complex project'. Refer to the definition for 'complex project'.
Project Assurance Plan	Document prepared by Delivery Agencies and lodged with DCS for GCIDO confirmation when registering projects via the ICT Assurance Portal. Project Assurance Plans detail proposed Delivery Agency initiated project assurance arrangements in line with the IDAF requirements.
Project Risk Profile Tool	Online tool as part of the ICT Assurance Portal available to Delivery Agencies to self-assess risk profile of projects/programs.
Project Sponsor	The Delivery Agency executive with overall responsibility for ensuring that a project meets its objectives and delivers the projected benefits.
Project Sponsor-Commissioned Review	The Project Sponsor commissioning an independent milestone or health check review on the project using the relevant Gateway Review Toolkit as part of its internal assurance arrangements. These are required at certain gates for Tier 3 and Tier 4 projects. Reviewers must be independent of the Delivery Agency and the project team.

Project Tier	Tier-based classification of project profile and risk potential based on the project's estimated total cost and qualitative risk profile criteria (level of government priority, interface complexity, sourcing complexity, agency capability, technical complexity and change complexity). The Project Tier classification is comprised of four Project Tiers, where Tier 1 encompasses projects deemed as being the highest risk and profile (Tier 1 – High Profile/High Risk projects), and Tier 4 with the lowest risk profile.
Review Team	A team of expert independent reviewers, sourced from the Expert Reviewer Panel, engaged to undertake a Gateway Review, Health Check or Deep Dive Review.

Acronyms

Abbreviation	Definition
CEO	Chief Executive Officer
CIO	Chief Information Officer
DaPCo	Delivery and Performance Committee
DCS	Department of Customer Service
DPC	Department of Premier and Cabinet
ERC	Cabinet Standing Committee on Expenditure Review
ETC	Estimated Total Cost
GCA	Gateway Coordination Agency
GCIDO	Government Chief Information and Digital Officer
HPHR	High Profile/High Risk
IDAF	ICT Digital Assurance Framework
ICT	Information and Communications Technology
IDIA	ICT Digital Investment and Assurance
INSW	Infrastructure NSW
Portal	ICT Assurance Portal
SOC	State Owned Corporation

1. Introduction

On 8 June 2016, NSW Government has agreed to strengthen NSW Government ICT Investment Governance Model to improve ICT investment outcomes and deliver better value ICT projects. This model requires all ICT projects/programs to be assessed under a new risk-based ICT Digital Assurance Framework (IDAF) in accordance with the NSW Gateway Policy.

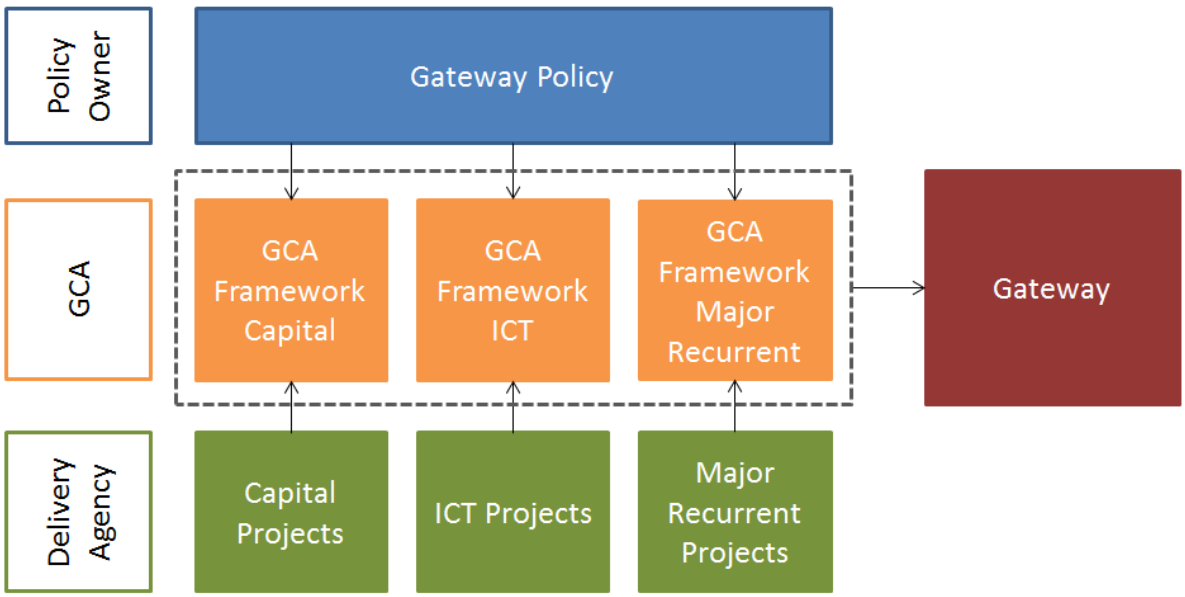
This framework document sets out the principles and arrangements for the IDAF, and covers:

- Gateway Assurance Review of ICT projects as per NSW Gateway Policy
- Application of best practice in project/program governance and delivery such as due diligence and milestone reviews requested by a Project Sponsor. In these cases, the review is commissioned by and for the Project Sponsor using the IDAF Gateway Review Toolkit
- Strategic imperatives, Business Outcomes and delivery-focused investment principles that NSW Government ICT investments must comply with, and

The objective of the IDAF is to ensure NSW Government's ICT projects are delivered on time and on budget through the implementation of this risk-based independent assurance framework. The state invests approximately $2.4 billion in ICT each year, which provides essential support for business operations and government service delivery. The IDAF will provide the NSW Government effective tools to monitor this investment, receive early warning of emerging issues, and act ahead of time to prevent projects from failing.

1.1 Relationship between the IDAF and NSW Gateway Framework

Under the proposed NSW Gateway Policy three risk-based assurance frameworks focus on specific areas of investment, with Infrastructure NSW the coordinating agency for capital infrastructure projects, DCS the coordinating agency for ICT/Digital projects (capital and recurrent funded), and Treasury for major recurrent programs. Figure 1 summarises the interaction between the NSW Gateway Policy[3], Gateway Coordination Agency (GCA) Frameworks and delivery of Gateway reviews.



- **Figure 1. NSW Gateway framework**

[3] NSW Gateway Policy

2. Framework Principles

2.1 ICT Digital assurance

The *ICT Digital Assurance Framework* (IDAF) is an independent[4] risk-based assurance process for the State's capital and recurrent ICT projects. It identifies the level of confidence that can be provided to the Cabinet Standing Committee on Expenditure Review (ERC) and the Delivery and Performance Committee (DaPCo) that the State's ICT/Digital projects are being effectively developed and delivered in accordance with the Government's objectives.

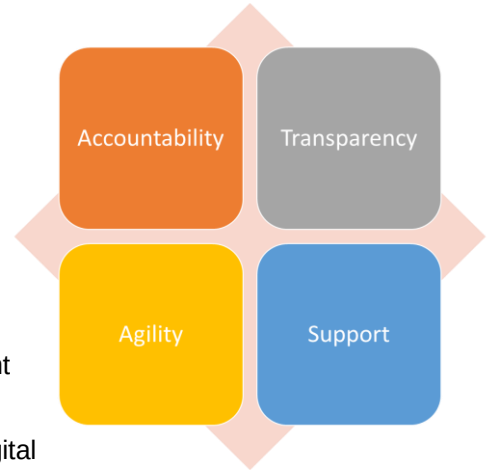
The framework's key features are categorised under the following headings:

Accountability -

- a single point of accountability for independent assurance across all NSW Government ICT projects/programs
- ensuring collective accountability among Delivery Agency Secretaries/CEOs/CIOs for best-for-Government outcomes through the ICT governance arrangements, reporting through DCS to the Minister for Customer Service and ERC/DaPCo
- Delivery Agencies retaining direct accountability for particular projects and programs

Transparency -

- ensuring alignment to the NSW Government ICT and digital strategic direction, the NSW Government Enterprise Architecture and other relevant government reforms, also enabling opportunities to reduce risk and cost through better collaboration, re-use or shared solutions
- ensuring alignment with ICT strategic imperatives and investment principles
- ensure Digital Assurance is effectively conducted for relevant digital projects e.g. through the DRF



- **Figure 2: Key features of IDAF**

Agility -

- a focus on what matters by taking a tiered approach based on project/program risk assessment

Support -

- escalating the levels of scrutiny and/or interventions applied to projects as and when emerging risks are reported/detected
- improved reporting and data collection through the development of a standardised fit-for-purpose reporting tool
- ensuring Project Sponsors complete project sponsor training coordinated by DCS

[4] Independent means independent of a Delivery Agency and a project unit.

The IDAF is applied through a range of products and services delivered by DCS including:

- a portfolio/account level review of each Cluster's current and planned ICT/Digital investment
- a series of focused, independent reviews at key project/program milestones, which are independent of Delivery Agencies and projects and include Gateway Reviews and periodic Health Checks/Deep Dives
- a series of focused independent digital assurance showcase/
- risk-based project reporting provided by Delivery Agencies and
- risk-based project monitoring conducted by DCS

ICT Digital assurance is not an audit but seeks to complement current project development and delivery to prevent project failure.

The IDAF does not take away from delivery Agency assurance requirements to meet internal governance arrangements or the need to prepare business cases to support funding decisions in the event that a project does not require a Gateway Review under the IDAF.

2.2 Benefits of the IDAF

Moving to a risk-based approach, managed by a centralised independent body, will achieve the following benefits for the Government and the public:

Whole of Government:

- a consistent whole-of-government approach to investor assurance for ICT/Digital projects
- provides a portfolio/account level view of the Government's ICT/Digital investment to drive strategic whole of government opportunities and reduce risk and cost through better collaboration, re-use or shared solutions
- fostering the sharing of skills, resources, experience and lessons learned within and across the government sector

Taxpayer Value:

- a focus on investment outcomes, not outputs
- more systematic and transparent metrics
- greater analytic support for the Government as an investor, before and after an investment decision has been made, rather than project-level assurance only

Risk Management:

- a regular level of due diligence that reflects the level of budget risk and complexity for each project, focusing investor assurance resources towards high risk complex projects
- increasing transparency regarding project development/delivery risks and progress
- contributing to improved levels of compliance with the Gateway Review process applied from the commencement of project development to project implementation

Public Good:

- improving public confidence in the timely provision of value for money ICT investments, and
- contributing to jobs growth and the State's competitiveness through ICT

2.3 Application

The IDAF applies to all ICT/Digital projects being developed and/or delivered by:

- general Government agencies and Government Businesses, and
- State Owned Corporations (SOCs) as required by NSW Treasury under NSW Treasury's Commercial Policy Framework.

Secretaries and Chief Executives are accountable for ensuring all ICT/Digital projects meet the requirements of the IDAF.

ICT/Digital projects include:

- ICT[5]
- Digital Investments
- Operational Technology (BAU), or
- other projects or programs as directed by Cabinet.

Projects will fall within the scope of the IDAF if they meet the following criteria:

- new projects
- projects yet to submit a business case to NSW Treasury, unless excluded by the GCA
- projects currently in procurement or in delivery, unless excluded by the GCA, and
- projects otherwise nominated by the Policy Owner/Sponsor

The ICT/Digital component of a Mixed project or program[10] administered by other GCAs will be referred by the GCA to DCS for assessment. If an Assurance Gateway Review is required for the ICT Digital component, Section 4.3 (Treatment of projects and programs) applies.

Digital Projects funded through the Digital Restart Fund[11], are subjected to its prescribed Digital Assurance arrangements.

2.4 Threshold

All ICT/Digital projects valued at an Estimated Total Cost (ETC) of $5 million and above are to be registered with DCS via the ICT Assurance Portal. It is mandatory for these projects to be reviewed to consider the Project Tier and the Project Assurance Plan. This is to determine the applicability of Gateway Reviews and level of project reporting and monitoring required.

ICT Projects with ETC under $5 million that are of strategic importance or of concern may be subjected to Gateway Reviews and other assurance arrangements if nominated by the Premier, Treasurer, Minister for Customer Service, Responsible Minister, Delivery Agency, the GCIDO, or IDLG. For purposes of determining Project Tier, projects under $5 million will be assessed under the $5m-$10m category.

2.5 Project Tier and Project Assurance Plan

Initial project tier assessments are made by Delivery Agencies through an online Project Risk Profile Tool when registering a project on the ICT Assurance Portal. Delivery agencies also lodge an initial Project Assurance Plan for endorsement when registering. The Project Assurance Plan must meet the minimum requirement for Gateway Reviews outlined in this Framework.

Following review by DCS Assurance Team and advice from the ICT and Digital Working Group, the GCIDO will confirm the Tier and Project Assurance Plan for each project[6]. Project Assurance Plans will be reported to

[5] ICT – Information Communication Technology

ERC/DaPCo for noting. Delivery agencies will then be notified of the endorsed Project Tier and Project Assurance Plan for each project.

Delivery agencies are to update the Project Tier on the Portal, in consultation with DCS, for all projects:

- where there are material changes to project risk/profile criteria, scope, procurement or budget, or
- upon request by DCS

2.6 Confidentiality

Investor assurance is a confidential process. Gateway Review and Health Check reports are confidential between the nominated Delivery Agency Project Sponsor and DCS.

Regular project reporting and the reporting of findings from final Gateway Review and Health Check reports[6] are provided to ERC/DaPCo and are therefore Cabinet Sensitive.

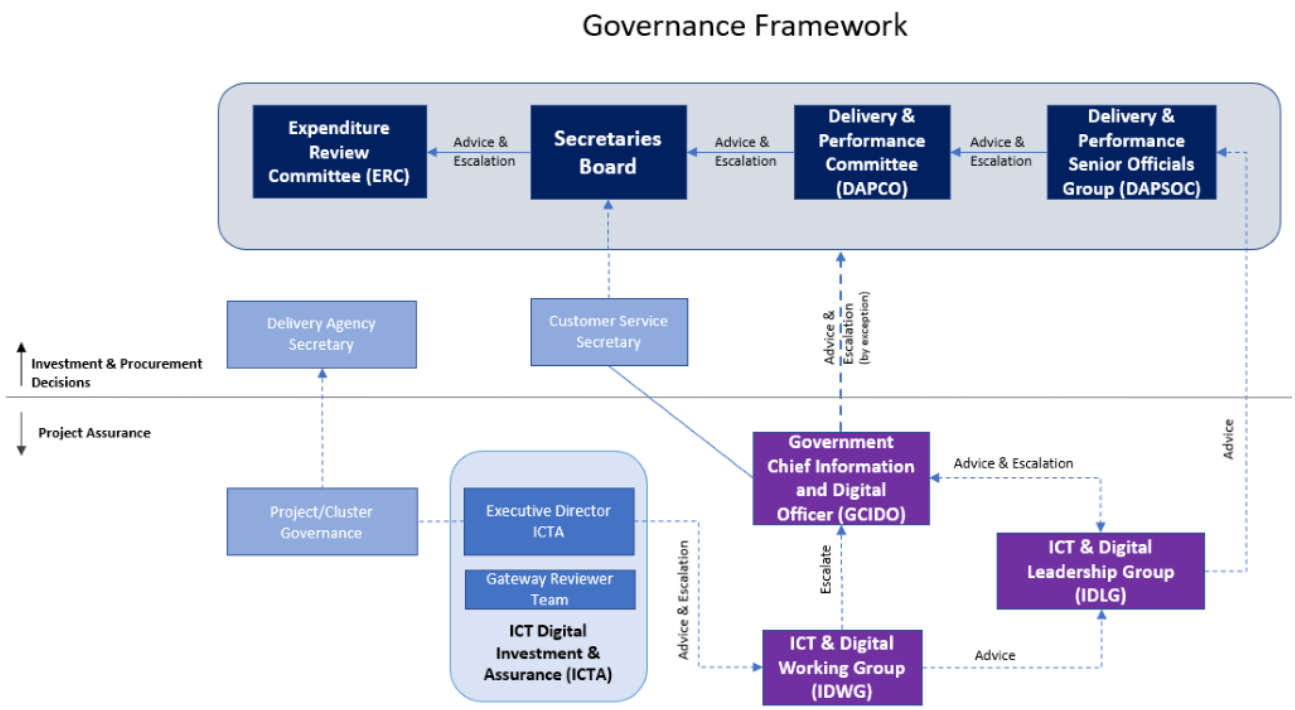
The outcomes of Gateway Reviews and Health Checks may be provided to the Secretaries Board, IDLG, and IDWG. Refer to Section 4.1 Reporting for details.

2.7 Ownership

Expert reviewers, engaged by DCS, prepare Gateway Review and Health Check Reports on behalf of DCS. These reports remain the property of DCS until finalised. Once finalised, reports become the property of relevant Delivery Agencies. Project Sponsors (as owners of reports) are able to distribute reports at their discretion, having regard to the confidential nature of the reports.

2.8 Governance

The Framework is supported by governance arrangements to guide high performing assurance, which is illustrated broadly in Figure 3. The functions of the key governance groups are outlined, along with other responsibilities, in Table 1 below.



[6] Final Gateway Review and Health Check Reports refers to reports that have been reviewed by the nominated Delivery Agency

- **Figure 3. Framework Governance**

2.8.1 ICT Digital Investment and Assurance (ICTA) Unit

The ICT Digital Investment and Assurance (ICTA) Unit has been established within DCS to conduct the assurance functions required under the IDAF. Senior staff within the Assurance Unit are assigned to particular clusters to provide a single point of contact for Delivery Agencies and central government. The ICTA Unit responsibilities include:

- regularly meeting with Delivery Agency program managers, project directors, project sponsors, project teams, stakeholders/customers
- liaising with Delivery Agencies in the preparation for ICT portfolio reviews
- organising Gateway Reviews, Health Checks and other due diligence reviews as required
- preparing summary reports post-Gateway Reviews/Health checks
- overseeing close-out plan sign-off and reporting
- overseeing regular project reporting, and
- providing a single point of contact for Delivery Agencies and central government.

The ICTA Unit facilitates Assurance Reviews by:

- liaising with the project sponsor regarding the selection of Expert Reviewer Panel members to conduct reviews
- assembling the Assurance Review Team and assisting with logistical and administrative arrangements for the planning meeting
- briefing the program/project team on the requirements of an Assurance Review
- providing the Assurance Review Team with relevant templates
- responding to queries and providing advice to the entity and the Assurance Review Team as required
- ensuring that procedural requirements have been met
- collating evaluations on the Assurance Review Team's performance; and
- analysing review reports and recommendations to identify non-attributable lessons learned.

2.8.2 Expert Reviewers

Assurance Reviews are conducted by an independent Assurance Review Team appointed by DCS. An Assurance Review Team usually consists of a Review Team Leader (RTL) and up to two Review Team Members (RTMs).

Reviewers may be sourced from the public or private sector. Public sector reviewers have the unique and strategic learning opportunity to work across government and contribute their experience to provide assurance to important programs/projects. It is important to note that public sector reviewers are selected for their expertise, and not to represent their entity (e.g. cluster, agency or project).

Similarly, private sector reviewers are selected for their expertise, not to represent their firm, and may not use the Assurance Reviews process to actively solicit business for themselves or their firm.

Further guidance on the management of the Expert Reviewers is provided through the **Expert Reviewer Panel Framework.**

2.9 Responsibilities

The responsibilities of the various bodies involved in the IDAF are described in Table 1.

Table 1 IDAF Responsibilities

Group	Responsibilities/Decision Rights

Government Chief Information and Digital Officer (GCIDO)	Responsible for IDAF oversight and performance, including:
	• approves Project Tier ratings and corresponding Project Assurance Plans
	• monitors Tier 1 and High Priority (High Profile/High Risk) projects, Tier 2 and Tier 3 (Gate 1) project performance through independent Gateway Reviews and Health Checks
	• maintains oversight of Close-out Plans
	• approves projects to proceed at certain gates for Tier 1 and Tier 2 projects:
	  ○ Tier 1 – require GCIDO approval at Gates 1, 2 and 3. Note that final approval for Tier 1 projects is granted upon the SRO's presenting their project at DaPCo
	  ○ Tier 2 – require GCIDO approval at Gates 1 and 3
	GCIDO approval may be subjected to conditions checked at the next gate or withheld until conditions are met. DCS Secretary approval is required to withhold endorsement.
	• provides independent analysis and advice on key risks and any corrective actions recommended for Tier 1 and High Priority (High Profile/High Risk), Tier 2 and Tier 3 projects
	• escalates projects to IDLG, and then Secretaries Board, DaPCo and ERC by exception, where projects present 'red flag issues' and where corrective action is needed. Low and Medium Assurance reviews are also escalated under the same conditions.
	• provides advice to ERC/DaPCo on all ICT projects being considered by ERC/DaPCo, based on Gateway Review and Health Check reports, to ensure effective investor-level assurance advice and risk mitigation strategies
	• may nominate Tier 3 and lower project for closer scrutiny (e.g. treat as Tier 2 for future gates)
	• commissions Gateway and other assurance reviews
	• works with Delivery Agencies to ensure all ICT projects and other projects of concern or strategic importance are registered and ensures they are risk profiled and assigned a risk-based project tier with an endorsed Project Assurance Plan

Secretaries Board	The primary role for the Secretaries Board in relation to the IDAF is to consider any strategic, whole-of-government issues escalated by the ICT and Digital Leadership Group or the GCIDO. By exception, the Board also considers red or deteriorating status for Tier 1 and 2 and High Priority (High Profile/High Risk projects), Assurance Reviews (Medium and Low rated), and changes to Tier ratings. The Board may provide advice to ERC/DaPCo if required.
Expenditure Review Committee (ERC)	The role of the Expenditure Review Committee (ERC) is to assist Cabinet and the Treasurer in: • framing the fiscal strategy and the Budget for Cabinet's consideration • driving expenditure controls within agencies and monitoring financial performance

	• considering proposals with financial implications brought forward by Ministers ERC periodically receives updates and details of issues relating to projects under the IDAF. By exception, ERC also considers red or deteriorating status for Tier 1 and 2 and High Priority (High Profile/High Risk projects), Assurance Reviews (Medium and Low rated), and changes to Tier ratings.
Delivery and Performance Committee (DaPCo)	DaPCo is tasked with assessing the digital or data components of **every** new policy proposal to ensure services are more seamless and uniform. DaPCo sign-off is needed before agenes move forward to Cabinet and the ERC, the government's two other major structures for determining budget priorities. In addition to signing off on policy proposals, DaPCo is also tasked with allocating funding from the Digital Restart Fund. DaPCo regularly receives updates and details of issues relating to projects under the IDAF. By exception, DaPCo also considers red or deteriorating status for Tier 1 and 2 and High Priority (High Profile/High Risk projects), Assurance Reviews (Medium and Low rated), and changes to Tier ratings. DaPCo may provide advice to the ERC if required. DaPCo requests that all SRO's of Tier 1 projects present their project as a final step in the registration process with IDAF.
ICT and Digital Leadership Group (IDLG)	The ICT and Digital Leadership Group (IDLG) is the primary governance forum for ICT decisions and work programs in the NSW Government. It provides a forum for developing a whole of government strategic approach to ICT and digital government, including: • developing, and implementing actions of, the NSW ICT Strategy • providing assurance for ICT investment to support greater re-use of existing assets (including development of digital building blocks) and better overall outcomes for projects • facilitating better collaboration and sharing expertise across the sector. In relation to the IDAF: • the Group provides advice on submissions to ERC/DaPCo • endorses Tier 1 and 2 and High Priority (High Profile/High Risk) project reports for scrutiny by ERC/DaPCo. • IDLG reviews reports prepared by ICTA
ICT and Digital Working Group (IDWG)	Responsible for supporting the operation of the IDAF by providing advice to the Government Chief Information and Digital Officer (GCIDO) and the IDLG and for monitoring projects by taking a Whole of Government perspective. • Monitor ICT program/projects performance based on monthly ICT Portfolio reporting. • Advise IDLG and GCIDO across the program/project lifecycle to ensure effective investor-level assurance advice and risk mitigation strategies. • Advise on the need to escalate the levels of scrutiny to the GCIDO and any additional assurance activities needed on projects, which need to be carried out by ICTA • Assist troubled High-Priority (high risk/high profile) projects by taking a Whole of Government perspective and potentially being part of assurance review panels. • Participate in Review Workshops for Tier 1 and Tier 2 projects. • Invite CIOs to present Tier 1 and 2 project business cases at IDWG and ensure alignment to Whole of Government/Cluster Strategies and Policies (e.g. enterprise architecture, Cyber, Procurement, etc.,). Endorse: • Tier 1 and 2, Gate 2 Business Cases. • Tier endorsement ratings and gate exits as per IDAF requirements for subsequent approval by GCIDO

	• Key reports prior to presentation to governance forums (e.g. ERC, DaPCo, Secretaries Board, IDLG, etc.) • Shape ideas/proposals and provide insights/feedback into submissions going up to IDLG. Socialise information on new initiatives being considered for the Digital Restart Fund (DRF) and report on approved DRF projects (status, issues, reviews and outcomes). The Investment and Risk Review Advisory Group (IRRAG) and Infrastructure Services and Strategic Investment (ISSI) were established under the ICT/Digital Assurance Framework (IDAF). Accountabilities of ISSI and IRRAG are now be merged into this consolidated new group - ICT and Digital Working Group (IDWG).
Executive Director, ICT Digital Investment and Assurance	Responsible for IDAF administration and performance including: • conducts Tier 1 (High Profile/High Risk), High Priority, Tier 2 and Tier 3 (Gate 1) project performance through independent Gateway Reviews and Health Checks • provides independent analysis and advice on key risks and any corrective actions recommended for Tier 1 (High Profile/High Risk), High Priority, Tier 2 and Tier 3 projects • works with Delivery Agencies to ensure all ICT projects and other projects of concern or strategic importance are registered and ensures they are risk profiled and assigned a risk-based project tier with an endorsed Project Assurance Plan • undertakes Cluster portfolio reviews of ICT investments (annual and ad hoc), consistent with the NSW Gateway Policy focusing on business need and project justification, to ensure alignment to NSW ICT and Digital Strategy and other relevant government reforms, identifying/enabling opportunities to reduce risk and cost (e.g. re-use; sharing of solutions) • provides a dedicated Assurance Unit (ICT Digital Investment and Assurance) to coordinate Reviews • oversees an appropriate Expert Reviewer Panel, the performance of individual expert reviewers, and the selection of appropriate expert reviewers, and the scheduling, commissioning and administration of Gateway Reviews and Health Checks • oversees the continuous improvement of IDAF processes • supports approaches to improving sector capability such as Project Sponsor/manager training, cross-sector knowledge sharing and skills planning initiatives. Supports insightful monthly or as needed reporting to IDWG, IDLG, ERC, and DaPCo: • results of Cluster portfolio reviews • details of approved Project Tier and corresponding Project Assurance Plans • gateway Reviews, Health Checks and Close-out Plans for Tier 1 and 2, High Priority (High Profile/High Risk) projects • project status and mitigation strategies for red flag issues • gateway Reviewer Performance • trends and analysis of the key issues, and • overall performance of the assurance framework. Regularly reports to NSW Treasury on the performance of the IDAF.
NSW Treasury	As Policy Owner, NSW Treasury has overarching policy responsibility for NSW Gateway Policy, Economic Appraisals and Business Cases. The role includes: • monitoring the application of the NSW Gateway Policy

	• reviewing GCA Frameworks submitted for review and where appropriate provide its endorsement prior to final approval by the relevant Cabinet Committee • confirming the applicable GCA Framework and informing the concerned parties where there is dispute or confusion as to the appropriate GCA to deliver Gateway • determining the appropriate GCA Framework a mixed project should follow (i.e. where it contains a material combination of more than one element of different frameworks) • reporting on the performance of the NSW Gateway Policy, including the performance of the GCA Frameworks, after one year of operation and annually. Treasury will coordinate the review of GCIDO-managed projects within DCS. A GCIDO-managed project is one that is led and/or delivered by a team or unit that has a reporting line to the GCIDO as its Deputy Secretary. For other DCS-managed projects, Treasury may elect to delegate the Gateway Review coordination to the GCIDO. ServiceNSW projects are not considered DCS-managed. Treasury retains ability to request independent review where appropriate.
Expert Reviewer Panel	The Panel comprises independent highly qualified expert reviewers established to cover all aspects of Gateway Review needs. A Review Team, for Gates 1 through 6, is drawn from the Panel. A Review Team conducts high performing Gateway Reviews and Health Checks. Panel members can also be drawn upon to provide advice to DCS on projects and to the various assurance committees on an as-need basis. Panel member performance is to be reviewed regularly and membership updated.

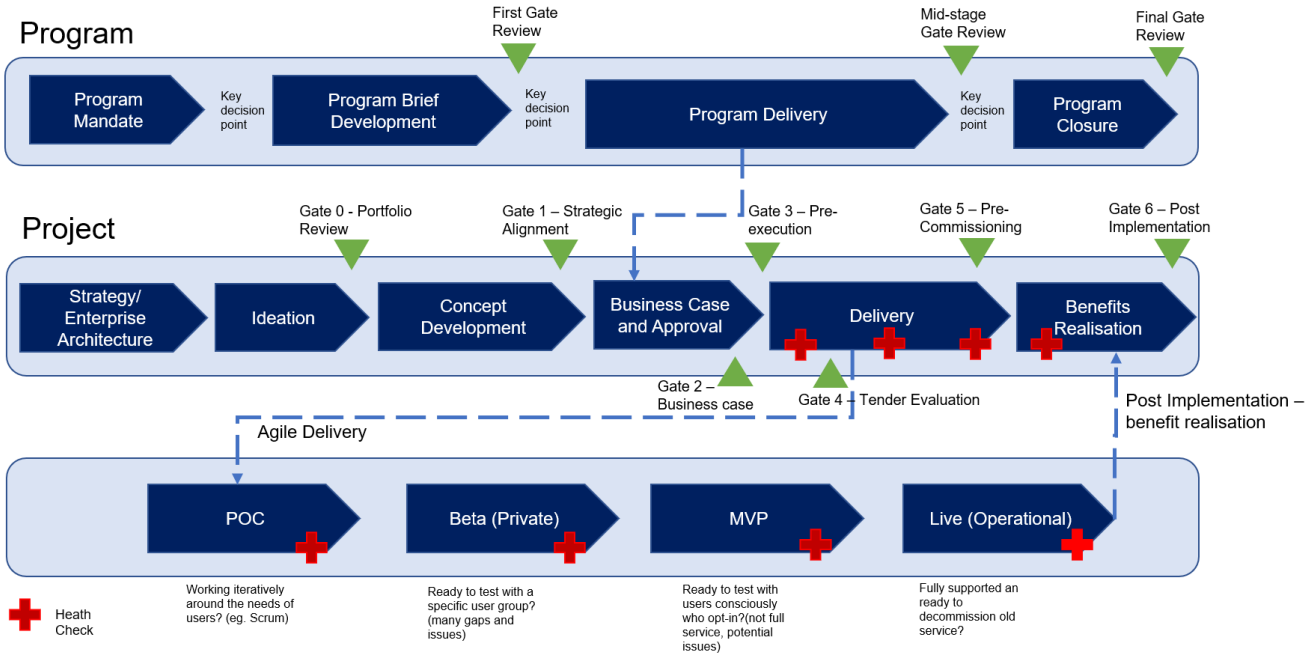
Delivery Agency	The Delivery Agency must identify the appropriate GCA Framework for a project/ program and adhere to the approach in the relevant GCA.
	
	The Delivery Agency is responsible for meeting IDAF requirements, including:
	• registration and risk profiling of projects:
	  ○ registers all ICT projects with ETC of $5 million and above, and other projects of concern or strategic importance. This applies to projects being planned, developed and/or delivered
	  ○ self-assesses Project Tier and prepares corresponding Project Assurance Plan
	  ○ updates DCS on changes of project risk criteria that may affect the Project Tier, and
	  ○ updates DCS on proposed changes to Project Assurance Plan requirements.
	• IDAF Gateway Reviews, Health Checks[13]
	  ○ registers in a timely manner for Gateway Reviews and Health Checks
	  ○ provides in a timely manner all relevant information to support Gateway Reviews and Health Checks
	  ○ responds to requests for fact checks of the draft Reports in a timely manner
	  ○ provides a Delivery Agency endorsed response to recommendations in a timely manner
	  ○ prepares formal Close-out Plan, for endorsement by DCS, for each Gateway Review or Health Check
	  ○ implements Close-out Plans
	  ○ provides regular updates to DCS on the status of Close-out Plans, and
	• regular reporting:

	○ provides timely and comprehensive project reports consistent with Project Tier frequency reporting requirements and agreed format. • ensuring Project Sponsors and project managers within the Delivery Agency complete the required training coordinated by DCS. The Delivery Agency is responsible for paying any direct costs of Gateway Reviews, Deep Dive Reviews and Health Checks. This includes time and expenses relating to the engagement of independent reviewers, as well as disbursements relating to a Review such as venue hire, catering and administrative support services (e.g. scribe). DCS will initially pay for these direct costs. These will then be recovered in full by invoicing the Delivery Agency at the completion of a Gateway Review, Health Check or Deep Dive Review. The Delivery Agency is responsible for ensuring that appropriate internal assurance arrangements, distinct from the Gateway Review process, are designed into the project to ensure its successful delivery.
Project Sponsor	• ensures that the project is focused throughout its life on achieving its objectives and delivering a product that will achieve the forecasted benefits • ensures that the project gives value for money • participates in Gateway Reviews and Health Checks • commissions an independent review at specified gates for Tiers 3 and 4 (Project Sponsor-Commissioned Review) and reports to DCS. • ensures the project meets the objectives of the business case and may initiate due diligence checks as required • completes the required Project Sponsor training coordinated by DCS

3. Framework Arrangements

3.1 Framework Outline

The IDAF incorporates a risk-based approach to ICT Digital investment assurance consistent with NSW Gateway Policy approved by ERC in June 2016. Assurance arrangements for the state's ICT investment supports the Premier, the Treasurer, the Minister for Customer Service, and ERC/DaPCo in ensuring that this investment is maximised and programs are delivered effectively. The IDAF is designed to support both the Delivery Agencies' own decision-making and assurance processes and to support Budget processes throughout the project/program lifecycle as shown in Figure 4.



- **Figure 4 Project/Program Lifecycle Assurance**

3.2 Risk-based approach to investor assurance

Risk-based assurance means that different levels of assurance and reporting are applied proportionate to a potential risk profile.

The qualitative risk profile criteria are outlined in Table 2 below.

Table 2 Qualitative risk profile criteria

Criteria	Definition
LEVEL OF GOVERNMENT PRIORITY	The level **and** timing of project or program priority, where: ○ the level of priority for a project is specifically mandated (or where a Ministerial authority has been given to mandate that a project is a priority) in documents such as the NSW Budget, Premier's Priorities, State Infrastructure Strategy, NSW ICT and digital strategy, Election Commitment, or is a response to a Legislative Change, or ○ the project is a direct enabler of a mandated priority project.
INTERFACE COMPLEXITY	The extent to which the project or program's success will depend on the management of complex dependencies with other:

	○ agencies, clusters or non-government sector organisations - contributing to the funding of the project or will be given operational responsibility, and/or ○ projects or services - there are fundamental interdependencies with other projects or services that will directly influence the scope and cost of the project. The extent to which the project impacts on the success of the program.
SOURCING COMPLEXITY	The extent to which a project or program requires sophisticated, customised or complex procurement methods (non-traditional), thereby increasing the need for a careful assessment and management of risk. Sourcing complexity may also be influenced by contractual complexity, especially if multiple suppliers are involved in the delivery of the solution with varying service levels. Sourcing complexity may also be influenced by the extent of agency experience and capability. For example, some procurement methods (e.g. Early Contractor Involvement) may be used more commonly by some agencies and represent a lower procurement risk.
AGENCY CAPABILITY AND CAPACITY	The extent to which the sponsor agency has demonstrated capability (skills and experience) or can access through recruitment or procurement the required capability in the development and / or delivery of the type of project or program proposed and/or its delivery strategy.
TECHNICAL COMPLEXITY	The extent to which a project or program requires new or unproven technology, customised technology, or complex or lengthy integration with other solutions, thereby increasing the need for a careful assessment and management of risk.
CYBER SECURITY	The extent to which a compromise of this product could result in an impact to services, loss of confidence in government (reputational, trust) or personal safety. The degree to which an attack against this product would impact significant state-wide infrastructure, and An identification of the classification level or volume of data traversing this product (to assess impact of a cyber-attack)
CHANGE COMPLEXITY	Sensitivity to the degree of business change required for the success of the project. This could be complex business or process changes internal to government or in the service delivery to government customers. Risk or perception of risk to service delivery, security and privacy, or similar issues that may impact the change management aspects. The degree of criticality of services impacted by the project such as front-line services to citizens. The degree of unknowns involved with the chosen approach.

A weighted score for the above criteria is determined based on the weightings and scores outlined in A. This weighted score is compared against ETC to determine a preliminary Project Tier based on the matrix shown in Table 3.

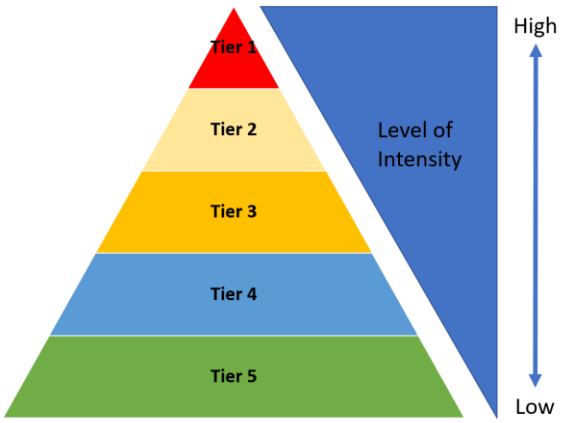
Table 3 IDAF project tier weighted risk score matrix

Risk score	ETC ($m)					
	200+	>100-200	>50-100	>20-50	10-20	5-10<
4.0 - 5.0	Tier 1	Tier 1	Tier 1	Tier 1	Tier 1	Tier 2
3.0 - 3.9	Tier 1	Tier 2	Tier 2	Tier 2	Tier 2	Tier 3
2.5 - 2.9	Tier 1	Tier 2	Tier 2	Tier 2	Tier 3	Tier 4
2.3 -2.4	Tier 2	Tier 2	Tier 2	Tier 3	Tier 4	Tier 5
2.1 - 2.2	Tier 2	Tier 2	Tier 3	Tier 3	Tier 4	Tier 5
0.0 - 2.0	Tier 2	Tier 3	Tier 3	Tier 3	Tier 4	Tier 5

The initial risk profiling self-assessment process is by Delivery Agencies through the online tools on the ICT Assurance Portal. The process involves giving each project a risk-based score against these criteria, and undertaking further qualitative analysis, enabling projects to be grouped into risk-based tiers to which different levels of project assurance can be applied. The risk-based tiers are as follows:

- Tier 1 - High Profile / High Risk
- Tier 2
- Tier 3
- Tier 4
- Tier 5

This tiered approach (Figure 5) is designed to ensure that the right balance is struck between a robust approach correctly focused on highest risks and achieving value for money.



- **Figure 5: Tiered Approach**

Throughout their lifecycle, projects may move between tiers depending on changing risk profiles.

A project may be nominated as a Tier 1 project by the:

- Premier, Treasurer, Minister for Customer Service, Responsible Minister,
- relevant Delivery Agency Secretary, Chief Executive Officer, or Project Sponsor[7], or
- the GCIDO.

For a project to be removed as a Tier 1, before it is operational, the relevant Delivery Agency Secretary or Chief Executive Officer must request the removal in writing to the GCIDO. The request may also be referred to the ICT and Digital Working Group (IDWG) for advice.

3.3 Assurance requirements

The IDAF Gateway Review process provides for a series of focused, independent expert reviews, held at key decision points in a project's lifecycle (as depicted in Table 4). The Gateway Reviews are appraisals of ICT projects/program, that highlight risks and issues, which if not addressed may threaten successful delivery.

The Gateway Review process is in place to strengthen governance and assurance practices and to assist Delivery Agencies to successfully deliver major projects and programs. Gateway Reviews are part of an assurance process which provides confidence to Government in the information supporting their investment decisions, the strategic options under consideration, and the Delivery Agency's capability and capacity to manage and deliver the project.

Gateway Reviews are supported by Health Checks which assist in identifying issues which may emerge between decision points. Health Checks will be carried out by an independent team of experienced practitioners (peers, industry experts including from the private sector), appointed by the GCIDO.

For projects following an Agile methodology, a more suitable and flexible Health Check, the Agile Health Check, is carried out in lieu of the delivery Gate or Health Check reviews.

[7] and /or in accordance with individual Delivery Agency policy

The risk-based application of Gateway Reviews and Health Checks under the IDAF are depicted in Table 4. Delivery agencies can nominate additional Gateway Reviews and Health Checks beyond those mandated by the IDAF.

Table 4 Application of Gateway Reviews and Health Checks under the IDAF

Shaded boxes are mandatory. Blue boxes are Gateway requirements.		Tier 1[1]	Tier 2[1]	Tier 3[1]	Tier 4[1]	Tier 5[1]
		External review (by GCIDO), agency decision to proceed				
Planning Phases	Gate 1	Gateway Review[2] + GCIDO endorsement[3]	Gateway Review[2] + GCIDO endorsement[3]	Gateway Review[2]	Project Sponsor-commissioned Review[4]	Optional
	Gate 2	Gateway Review[2] + GCIDO endorsement[3]	Gateway Review[2]	Project Sponsor-commissioned Review[4]	Project Sponsor-commissioned Review[4]	Optional
Delivery Phases	Gate 3	Gateway Review[2] + GCIDO endorsement[3]	Gateway Review[2] + GCIDO endorsement[3]	Project Sponsor-commissioned Review[4]	Optional	Optional
	Gate 4 tailored at Gate 2	Gateway Review[2]	Optional	Optional	Optional	Optional
	Gate 5 tailored at Gate 2	Gateway Review[2]	Optional	Optional	Optional	Optional
	Gate 6	Gateway Review[2]	Gateway Review[2]	Project Sponsor-commissioned Review[4]	Optional	Optional
	Health Checks/ Deep Dives	External review[2]	External review[2]	Optional	Optional	Optional

1) Risk tier at Gate 1 using risk assessment tool completed by agency; Confirmed / revised at subsequent gates as additional information becomes available.
2) Review commissioned by the GCA and conducted by a party other than or "external" to the agency in question; may include a mix of GCIDO, peer and independent resources depending on the tier. Accredited IQA organisations can perform external reviews.
3) GCIDO endorsement may be subject to conditions checked at next gate OR withheld until conditions are met. DCS Secretary approval required to withhold endorsement.
4) Project Sponsor-commissioned Reviews are due diligence reviews rather than part of the Gateway Review process, but will use Gateway Review toolkit.

3.3.1 Gate 1 – 6 Reviews

Reviews include interviews with significant project stakeholders and the examination of project documents. Review Teams assess the progress of projects against the criteria set out in the guidance material for the relevant Gateway Reviews and are conducted in accordance with the IDAF Gateway Review Toolkit. Appendix B details the purpose and focus areas of each Gates.

DCS will develop Terms of Reference for a Review in consultation with the responsible Delivery Agency and key stakeholders including sponsor. The Terms of Reference are used to guide the selection of appropriate reviewers and will be provided to reviewers in advance of the Review.

Good governance and project/program assurance calls for the need to have an individual as the single point of accountability and strategic responsibility: the Project Sponsor.

To enable a successful Review to take place, it is essential that the Delivery Agency's Project Sponsor participates in the Gateway Review process.

Optional Gateway Reviews or a Project Sponsor-commissioned Review can be called for at the direction of any of the following:

- Premier, Treasurer, Minister for Customer Service, ERC/DaPCo
- the GCIDO

- IDLG
- Project Sponsor

3.3.2 Project Sponsor-commissioned Reviews

Agencies are responsible for putting in place appropriate internal assurance arrangements, and the Project Sponsor may initiate due diligence checks as required to ensure the project meets the objectives of the business case.

Tier 3, Tier 4 and Tier 5 projects are required as part of their internal assurance arrangements to carry out sponsor-initiated reviews, called Project Sponsor-commissioned Reviews, for the following gates:

- Tier 3 – at Gates 2, 3 and 6
- Tier 4 – at Gates 1 and 2
- Tier 5 – Optional

A Project Sponsor-commissioned Review is defined as:

- An independent review, i.e. reviewers must be independent of the Delivery Agency and the project team.
- A review that uses the relevant IDAF Gateway Review Toolkit.

The Project Sponsor is required to provide a copy of the Review report to DCS as part of the oversight of projects.

3.3.3 Health Checks and Deep Dive Reviews

At least one Health Check is mandatory for Tiers 1 and 2, tailored at Gate 2 for each project. Health Checks should be conducted at regular intervals (minimum 6 months) for Tier 1 – (High Profile/High Risk) projects when in the delivery phase of the project lifecycle. Independent reviewers forming the Review Team can include individuals currently employed with the NSW Government if they are independent of the Delivery Agency and project team.

Triggers for optional Health Checks may include:

- Where a Gateway Review Team recommends a Health Check to be completed before the next Gateway Review.
- If there is overall low or medium delivery confidence and there are a significant number of critical and essential recommendations raised at a Gateway Review or Health Check. The Health Check would focus on ensuring recommendations have been closed effectively.
- If insufficient progress is being demonstrated in closing out recommendations from a previous Gateway Review or Health Check.
- If there is a major incident or major event or major change in the project or its environment. including change of governance or change in Delivery Agency responsibility.
- If a Delivery Agency self-nominates.

Optional Health Checks can be called for at the direction of any of the following:

- Premier, Treasurer, Minister for Customer Service, ERC/DaPCo
- the GCIDO
- IDLG
- Project Sponsor.

Deep Dive Reviews are similar to a Health Check but focus on a particular issue or limited terms of reference rather than the full range of issues normally considered at a Health Check. These are generally undertaken in

response to issues being raised by key stakeholders to the project or at the direction of the relevant Government Minister.

3.3.4 Agile Health Checks: Health Checks for Agile delivery

Gated Assurance reviews in the delivery phase of a project are more suitable to projects following a Waterfall methodology.

For projects following an Agile methodology, such as a product delivery model, the Agile Heath Check is a more suitable and flexible risk-based assurance review, in lieu of the delivery Gate reviews.

The Agile Health Check is characterised by:

- Iterative assessments.
- Conducted on a periodic basis, depending on the needs of the project and visibility to ICTA.
- Focusing on progress to treat the identified risks.
- Reviewers as integral advisors to the project to ensure continual reviews and feedback to the project.

Independent reviewers forming the Review Team can include individuals currently employed with the NSW Government if they are independent of the Delivery Agency and project team.

Agile Health Checks are mandatory for Tier 1 and 2 projects following an Agile methodology, tailored at Gate 2 for each project.

The timing and frequency of the Health Checks should be agreed on with the Delivery Agency, based on the cadence of the project when in the delivery phase.

Triggers for additional optional Agile Health Checks may include:

- If there is overall low or medium delivery confidence and there are a significant number of critical and essential recommendations raised at a previous Agile Health Check. The Agile Health Check would focus on ensuring recommendations have been closed effectively.
- If insufficient progress is being demonstrated in closing out recommendations from a previous Agile Health Check.
- If there is a major incident or major event or major change in the project or its environment. including change of governance or change in Delivery Agency responsibility.
- If a Delivery Agency self-nominates.

Optional Agile Health Checks can be called for at the direction of any of the following:

- Premier, Treasurer, Minister for Customer Service, ERC/DaPCo
- the GCIDO
- IDLG
- Project Sponsor.

3.4 Delivery agency assurance

The IDAF Gateway Reviews and Health Checks relate to those conducted under the IDAF and do not relate to reviews and checks conducted under individual Delivery Agency protocols.

3.5 Independent reviewers

Reviews are to be conducted by a highly experienced independent Review Team where independent refers to the individuals being independent of a Delivery Agency and a project team. Reviewers could be drawn from peers or independent of government.

The selected review team will possess the skills, capability and experience to enable it to provide relevant assessment and advice.

For Tier 1 – (High Profile/High Risk), Tier 2 and High Priority projects, independent reviewers forming the Review Team should be drawn from high profile industry experts and may, with the approval of the GCIDO, involve a NSW Government expert.

For Tier 3, 4 and 5 projects, independent reviewers forming the Review Team may include individuals currently employed with the NSW Government if they are independent of the Delivery Agency and project team.

Further guidelines on the management of Expert Reviewer Panel can be found in the **NSW Government Expert Reviewer Panel Framework**.

3.6 Gateway Review / Health Check Reports

The results of each Gateway Review and Health Check are presented in a report that provides a snapshot of the project's progress with recommendations to strengthen the project.

3.7 Close-out Plans

Close-out Plans are required to be prepared in response to the recommendations set out in each Gateway Review and Health Check report. Close-out Plans are supplied by Delivery Agencies as approved by the Delivery Agency Secretary, Chief Executive Officer or nominated Project Sponsor[15]. These Plans detail specific actions, timelines and accountabilities that respond to the recommendations provided in these reviews. DCS will:

- endorse the Close-out Plans and the closing out of recommendations
- monitor the progress towards closing out these actions and recommendations, and
- report on this activity.

[15] and /or in accordance with individual Delivery Agency policy

3.8 Confirmation of clearance of Gate

The GCIDO will provide a confirmation of clearance that a project can move to the next Gate or Health Check. This clearance reflects that a Delivery Agency has completed a Gateway Review for a particular stage of the project and an appropriate Close-out Plan is in place to assist with project development or delivery. Gateway Reviews are independent reviews and the project remains the responsibility of the Delivery Agency.

For Tier 1 and Tier 2 projects, the GCIDO will endorse projects to proceed at certain gates:

- Tier 1 – require GCIDO endorsement at Gates 1, 2 and 3
- Tier 2 – require GCIDO endorsement at Gates 1 and 3.

GCIDO endorsement may be subject to conditions checked at the next gate or withheld until conditions are met. DCS Secretary approval is required to withhold endorsement.

4. Framework Performance and Reporting

Performance and reporting are important components to the independent investor assurance process. Project reporting is based on inputs provided by the Delivery Agencies and DCS monitors these projects/program on a monthly basis.

4.1 Regular project reporting (traffic lights)

Reporting will be conducted for projects and programs, with data gathered for all Tiers and maintained by DCS in a central repository called the ICT Assurance Portal. These reports will record and assess implementation against time, cost, benefits, risks and issues to project development/delivery. Alerts for management attention and/or intervention will be based on analysis of data as well as Gateway Reviews and project Health Checks.

It is therefore required that the Delivery Agencies provide a sufficient level of data, including RAG (Red/Amber/Green) status and associated descriptive commentary for each of the time, cost, benefits, risks and issues categories.

High Priority (high profile/high risk) projects can be any Tier and are determined using a combination of the Project RAG (Red/Amber/Green) and IDAF Response criteria:

- Monitor – on-going monitoring of the health of the project for adverse changes/deterioration.
- Engage – assist the project in resolving their RAG status/issues via active engagement mechanisms e.g. health checks.
- Escalate – continuing issues with project RAG status; serious project issues, poor review ratings and outcomes, and unresolved engagement concerns (or a combination) can result in the need to escalate. Escalation can include to Senior Executive Management and Governance forums including ISSI, IDLG, DaPCo, and ERC.

Reporting will reflect the tiered approach with greater analysis and strategic advice provided for Tier 1, 2 and High Priority (High Profile/High Risk) projects on the Assurance watchlist on a monthly basis.

Regular project reporting (traffic light reports) for Tier 1, 2 and High Priority (High Profile/High Risk) projects (monthly) is provided to the IDWG and IDLG, and for endorsement before presentation to the DaPCo/ERC (by exception reporting only).

4.1.1 Summary of reviews

A summary of the outcomes of Gateway Reviews and Health Checks for Tier 1, 2 and High Priority (High Profile/High Risk projects) is provided to IDLG for noting and submitted to ERC/DaPCo (by exception only).

Advice will be provided to ERC/DaPCo on Tier 1 and 2 projects' business cases based on Gateway Reviews and Health Check reports.

The Project Sponsor commissions reviews at most Gates for Tiers 3 and Tier 4 projects with summary reports provided to the GCIDO.

4.1.2 Distribution of reports

DCS will only distribute reports for the following as indicated in Table 5:

- final regular project reports (traffic light)
- summary of the outcomes of Gateway Reviews and Health Checks, and
- summarised final Gateway Review and Health Check reports

Table 5 Distribution of regular project reports and Gateway Review and Health Check reports

Stakeholder/Forum	Final regular project reports	Summary of outcomes of Gateway Reviews and Health Checks	Final Gateway Review and Health Check reports
NSW TREASURY	6 monthly	6 monthly	To support investment or financing decisions made by ERC/DaPCo, when required
DELIVERY AGENCY SECRETARIES / CEOS[8]	Routinely	Routinely	Routinely[9]
SECRETARIES BOARD	On request	By exception	On request
MINISTER FOR CUSTOMER SERVICE	Monthly	By exception	On request[10]
EXPENDITURE REVIEW COMMITTEE (ERC)	Every 6 months	Every 6 months	On request
DELIVERY AND PERFORMANCE COMMITTEE (DAPCO)	Every 2 months	Every 2 months	On request
ICT AND DIGITAL LEADERSHIP GROUP (IDLG)	Monthly	Monthly	On request
ICT AND DIGITAL WORKING GROUP (IDWG)	Monthly	Monthly	On request
DRF WORKING GROUP	Monthly	Monthly	Monthly

To support reporting arrangements, Delivery Agencies are required to provide:

- Timely and comprehensive project reporting in the agreed format
- Close-out Plans which document actions and accountabilities that respond to recommendations identified in Gateway Review and Health Checks
- Mitigation Plans for red flag issues identified in Tier 1, Tier 2 or High Priority (High Profile/High Risk) project status reports.

4.2 Monitoring

DCS will monitor project status (including mitigation plans) and the findings of Gateway Reviews and Health Checks (including Close-out Plans). DCS will provide regular project reports and summary findings of Gateway Review and Health Checks to:

- ICT and Digital Working Group (IDWG) for:
    - endorsement of regular project reports, and
    - noting of findings and recommendations of project Gateway Review and Health Checks
- IDLG by exception for findings and recommendations of project Gateway Review and Health Checks
- the Secretaries Board by exception for projects with red status or deteriorating status
- ERC/DaPCo through a bi-annual summary report.

[8] Only for projects within the Cluster

[9] Copies are initially provided to the nominated Delivery Agency Project Sponsor

[10] On request to the GCIDO

The GCIDO may escalate a project to the IDLG, Secretaries Board and ERC if required, where projects present 'red flag issues' and where corrective action is needed.

Regular project reports as well as Gateway Review and Health Check summary findings are owned by DCS. In providing this reporting, DCS will undertake the necessary steps to verify the information provided by Delivery Agencies or prepared by Review Teams. This may include:

- detailed assessment of each Tier 1 – High Priority (High Profile/High Risk) project with direct input from Panel experts (this will include Health Checks and the results of Deep Dive Reviews)
- independent analysis and advice on key risks, recommended corrective actions and mitigation strategies.

4.3 Treatment of Projects and Programs

ICT projects must be registered under the IDAF as either a project or a program. After a project or program is risk-profiled and assigned, a Project Tier it is required to comply with the assurance and reporting requirements outlined in Section 4.1 according to its Project Tier.

4.3.1 Modified Project Assurance Plan for complex projects and programs

Under the IDAF, the assurance process for complex projects and programs begins with registration and risk profiling of the project/program in its entirety to establish its Project Tier. For assurance purposes (Reviews, regular reporting and monitoring), a complex project or a program may need to be considered both as a single project or program and in its component parts (project stages, individual projects or sub-programs) at various stages in the program lifecycle.

In some cases, these project stages, individual projects or sub-programs may have a different Project Tier to the overall complex project or program. This may result in the need for a Modified Project Assurance Plan.

As the different component parts (project stages, individual projects or sub-programs) are typically developed and/or delivered over varying timeframes, they may not be able to be considered in a single Gateway Review. It may therefore be necessary to have multiple Reviews to accommodate a program/project's needs. In some cases, a smaller stage of work or individual project may not warrant the application of these separate Gates.

For complex projects, the application of separate tiering for certain identified stages allows the Delivery Agency to access Reviews for a distinct stage (dependent on the risk-profiling of that stage) to accommodate a project's specific needs. For example, larger stages of work within a complex project may warrant the application of certain Gates, particularly at the procurement and delivery stages of a project's lifecycle, whereas a smaller stage of work may not require a Review. This adaptation provides for greater assurance and efficiency across a complex project.

When stages of a complex project are identified as needing separate tiering for assurance purposes, the stages are split off and undergo risk profiling, where each stage is assigned a Project Tier, and subsequently included as such in a Modified Project Assurance Plan. Importantly, a stage's tiering is assessed on its own merits, and therefore may be tiered at any level. Splitting off a stage of a complex project for risk profiling may occur at any time. Typically, this would be after the complex project's strategic or final business case. A complex project should only be considered as a linear program of staged outputs in accordance with an agreed business case.

This process is similar for programs needing to be considered as separate projects or sub-programs. For instance, a large program that is considered in its entirety during the development of strategic business cases may require the development of a series of separate final business cases for individual projects and sub-programs due to these being progressed and delivered at different times.

Where a complex project is been split into stages or a program into individual projects or sub-programs, and those component parts have their own tier assessment, it is important, for satisfaction of the originating objective of the complex project/program, to return to a single Review step. This occurs as Gate 6 - the benefits realisation stage of its lifecycle, allowing the benefits realisation assessment to be undertaken for the entire complex project or program.

Complex projects/programs include mixed projects/programs.

4.3.2 Endorsement of a Modified Project Assurance Plan

Determining the extent or need to apply the mandatory gates for complex projects or programs to the project stages, individual projects or sub-programs will require:

- Delivery agencies to provide a Modified Project Assurance Plan with self-nominated assurance arrangements for each project stage, individual project or sub-program as relevant
- DCS to assess the Modified Project Assurance Plan may refer to the IDWG for advice and recommend to the GCIDO for endorsement.

4.3.3 Treatment of Programs

Separate from Project Gate Reviews and Health Checks, Programs under all tiers must have a minimum of three program reviews, with tier 1 and 2 programs subject to up to six reviews, including three mid-stage reviews, as agreed between ICT Assurance and the Program Sponsor.

Program Gateway Reviews include:

- First gateway review
- Mid-stage gateway review
- Final gateway review

Reference should be made to the separate Program Review Guidelines for more information on Program Reviews.

4.4 ICT Assurance Portal

The ICT Assurance Portal provides an online environment to manage assurance information and reporting for ICT projects under the IDAF. The Portal will enable Clusters, appointed Gateway Reviewers, governance body members and DCS to actively and efficiently manage assurance activities within a secure online environment.

Full functionality for the Portal will feature the following capabilities:

- **'Project registration/ profiling'** – Delivery Agencies will have the ability to add, edit and review project registrations, risk profiles and Project Assurance Plans. This module will also calculate a preliminary Project Tier rating for registered projects. DCS will update the Project Tier and Project Assurance Plans as they move through the ratification process.
- **'Project reporting'** – Delivery agencies will be able to prepare, edit, review and approve regular project report data on a monthly basis. DCS will review and finalise reports and generate project reporting.
- **'Gateway Reviews'** – This module will allow for all activities associated with Gateway Reviews and Health Checks including:
    - Registration of need for Review
    - Review details – name of reviewers, location, date and agenda
    - Secure area for Review documentation provided by Delivery Agencies and Review Terms of Reference
    - Collaboration space for reviewers, stakeholders and project team
    - Copies of Review reports and summaries of Review outcomes (secure access only)
    - 360 degree feedback
    - A forward calendar of upcoming Reviews will also be made available.
- **'Close-out plan' –** Delivery agencies will be able to upload approved Close-out Plans in response to

Review recommendations, as well as report on progress against implementing the actions in the Plan. DCS will be able to monitor and report on Delivery Agency performance in closing out Review recommendations.

- **'Dashboard'** – A live dashboard reporting key project/program metrics will be available to Senior Stakeholders. The dashboard will be developed to have bespoke reporting for IDLG members, Delivery Agency Secretary or Chief Executive Officer and other key stakeholders as required.
- **'Performance'** – Performance reports prepared by DCS will be uploaded in this area for collaboration and sharing.
- **'Expert Reviewer Panel'** – This module will allow potential reviewers to register their interest in inclusion on the Expert Reviewer Panel and facilitate DCS management of the panel. This will include capability matrices on reviewer capabilities that will allow for searches of reviewers with specific expertise and capabilities, as well as tracking reviewer involvement on Reviews. Feedback on reviewers will be tracked and will assist in managing reviewer performance.
- **'Analytics'** – Using historical reporting data, portal users will be able to monitor and track historical performance of projects. This will allow the identification of common themes and trends, which will feed into the broader analytics work of DCS. Further analytics information can be requested from the ePMO team in ICTA.

4.5 Project Sponsor training

DCS will coordinate training for Project Sponsors. Delivery Agencies need to ensure that project managers complete the relevant training and Project Sponsors for Tiers 1 -3 projects complete training on project sponsorship (required for new and in-flight projects).

4.6 Performance

4.6.1 Yearly operational review

After every 12 months of operation from the finalisation of this IDAF, ICTA will review the implementation of the IDAF with NSW Treasury and Delivery Agencies.

4.6.2 Annual framework performance

A crucial part of the IDAF will be to regularly evaluate the performance of the IDAF itself and contribute to the analysis of project and assurance issues and trends. To this end, the key aspects of the performance management approach are outlined in Table 6.

Table 6 Performance reporting

Report	Description	Frequency	Primary Audience
Assessment of Expert Reviewer Panel capability	Confirm that reviewers on the Expert Review Panel have the requisite experience and skills set to provide high performing advice for the projects they review. Evaluations will be prepared by DCS and assessed by the Expert Reviewer Panel.	Annual - to match Cluster Assurance Plans.	IDLG, Treasury
Gateway Reviewer Performance	Continually monitor the robustness and timeliness of individual expert reviewer performance. 360º feedback will be obtained for each expert reviewer at the conclusion of a Gateway Review or Health Check.	Annual	IDLG, Treasury

	Collated reports on reviewer performance will be prepared by DCS for the consideration of the Expert Reviewer Panel.		
Performance of closing out recommended actions for all projects undergoing a Review	Close-out plans are confirmed by the relevant Delivery Agency and approved by DCS to identify actions and mitigation measures to address review recommendations. A report on the performance of Delivery Agencies and Clusters in closing out Review recommendations will be prepared by DCS.	Annual	IDLG
Trends and analysis of the key issues	Analysis of systemic issues identified in assurance reviews and offer recommendations to address these issues. Trends and analysis reports will be prepared by DCS.	Annual	ERC/DaPCo Minister for Customer Service
DCS performance in the operation of the IDAF	Report card on DCS's performance in key areas such as project registration, risk profiling, Gateway Reviews, Health Checks, and project reporting.	Annual	IDLG, Treasury Minister for Customer Service
Efficacy of the IDAF	Improvement in project delivery across the sector.	Six monthly Annual	ERC/DaPCo Minister for Customer Service

6. Appendix A - Project profile/risk criteria, criteria scores and weightings

The below project profile/risk criteria have been extended from the criteria referenced in The Treasury Gateway Policy to be directly relevant for ICT / Digital projects under this framework.

Criteria and Weighting	Priority and Risk level	Score
Government priority: 15% The level **and** timing of project or program priority, where: ▪ the level of priority for a project is specifically mandated (or where a Ministerial authority has been given to mandate that a project is a priority) in documents such as the NSW Budget, Premier's Priorities, State Infrastructure Strategy, NSW ICT and digital strategy, Election Commitment, or is a response to a Legislative Change, or ▪ the project is a direct enabler of a mandated priority project.	Very high Government priority ▪ mandated priority project, or a direct enabler, and final business case or construction to be completed within forward estimates.	**5**
	High Government priority ▪ mandated priority project, or a direct enabler, and final business case or construction to commence within forward estimates.	**4**
	Medium Government priority ▪ mandated priority project, or a direct enabler, and final business case or construction to be completed outside forward estimates but within the next 1-2 years beyond forward estimates.	**3**
	Low Government priority ▪ mandated priority project, or a direct enabler, and final business case and construction to commence outside forward estimates but within the next 3-6 years beyond forward estimates.	**2**
	Very low Government priority ▪ Agency priority, or a direct enabler, in Agency Strategic Plan over the next 10 years.	**1**
	Extremely low Government priority ▪ not a documented Government priority or a direct enabler.	**0**

Criteria and Weighting	Priority and Risk level	Score
Interface complexity: 10% The extent to which the project or program's success will depend on the management of complex dependencies with other: ▪ agencies, clusters or non-government sector organisations - contributing to the funding of the project or will be given operational responsibility, and/or ▪ projects or services - there are fundamental interdependencies with other projects or services that will directly influence the scope and cost of the project. The extent to which the project impacts on the success of the program or other project.	Very high interface complexity risk ▪ high degree of external dependencies (Federal, local, private or inter-agency), or ▪ fully interdependent on other projects or services, or ▪ very high degree of impact on the program's or other project's success.	**5**
	High interface complexity risk ▪ many external dependencies (Federal, local, private or inter-agency), or ▪ important interdependencies with other projects or services, or ▪ high degree of impact on the program's or other project's success.	**4**
	Medium interface complexity risk ▪ external dependencies (Federal, local, private or inter-agency), or ▪ some interdependencies with other projects or services, or ▪ moderate impact on the program's or other project's success.	**3**
	Low interface complexity risk ▪ single external dependency (Federal, local, private or inter-agency), or ▪ minor interdependence with other projects or services, or ▪ minor impact on the program's or other project's success.	**2**
	Very low interface complexity risk ▪ very little or infrequent external dependency, or ▪ very little interdependence on other projects or services, or ▪ very little impact on the program's or other project's success.	**1**
	Extremely low interface complexity risk ▪ no interface complexity, or ▪ extremely low impact on the program's or other project's success.	**0**

Criteria and Weighting	Priority and Risk level	Score
Sourcing complexity: 10% The extent to which a project or program requires, sophisticated, customised or complex procurement methods (non-traditional), thereby increasing the need for a careful assessment and management of risk. Sourcing complexity may also be influenced by contractual complexity, especially if multiple suppliers are involved in the delivery of the solution with varying service levels. Sourcing complexity may also be influenced by the extent of agency experience and capability. For example, some procurement methods (e.g. ECI) may be used more commonly by some agencies and represent a lower procurement risk.	Very high sourcing complexity risk ▪ highly complex sourcing involving multiple suppliers.	**5**
	High sourcing complexity risk ▪ unconventional complex sourcing. For example an Alliance or hybrid Alliance.	**4**
	Medium sourcing complexity risk ▪ some sourcing complexity. For example, sourcing as a service.	**3**
	Low sourcing complexity risk ▪ minor sourcing complexity. For example Directly Managed Contract.	**2**
	Very low sourcing complexity risk ▪ business as usual sourcing. For example sourcing from the ICT Services Catalogue.	**1**
	Extremely low sourcing complexity risk ▪ no sourcing complexity. For example routine procurement method for a routine ICT solution that is purchased.	**0**

Criteria and Weighting	Priority and Risk level	Score
Agency capability and capacity: 15% The extent to which the sponsor agency has demonstrated capability (skills and experience), or can access through recruitment or procurement the required capability in the development and / or delivery of the type of project or program proposed and/or its delivery strategy.	Very high agency capability risk ▪ no projects of this type previously delivered over the last 10 years.	**5**
	High agency capability risk ▪ few number of projects of this type previously delivered over the last 10 years.	**4**
	Medium agency capability risk ▪ at least 5 projects of this type over the last 5 years.	**3**
	Low agency capability risk ▪ multiple recurring projects.	**2**
	Very low agency capability risk ▪ business as usual type projects.	**1**
	Extremely low agency capability risk ▪ no agency capability risk for routine.	**0**

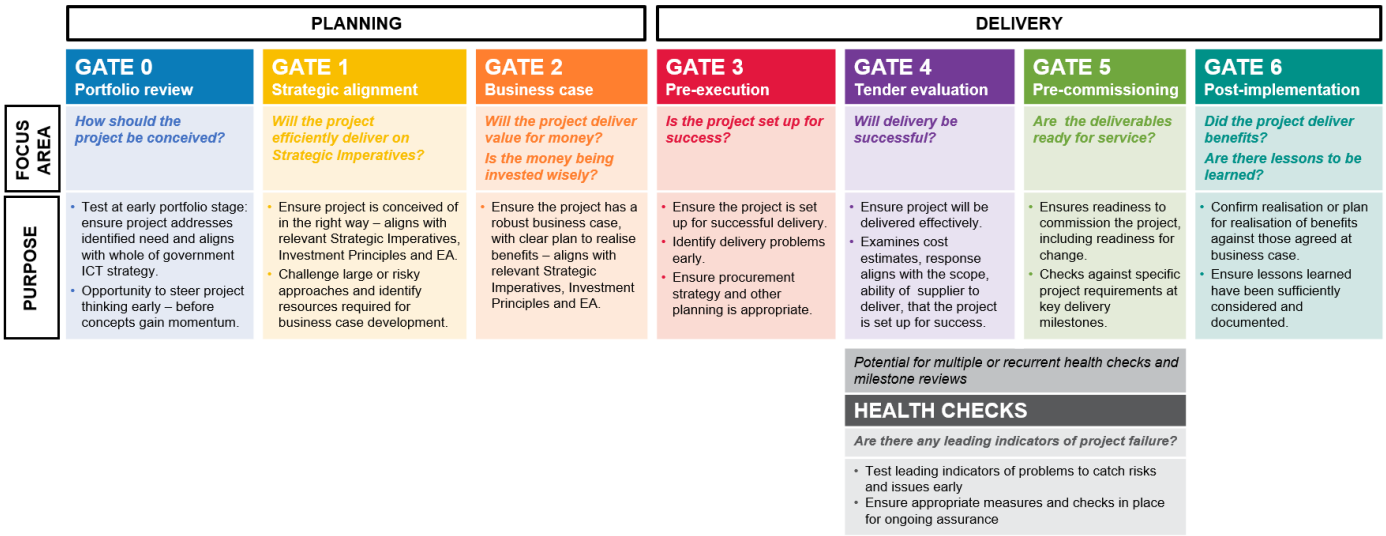
Criteria and Weighting	Priority and Risk level	Score
Technical Complexity: 15% The extent to which a project or program requires new or unproven technology, customised technology, or complex or lengthy integration with other solutions, thereby increasing the need for a careful assessment and management of risk.	Very high technical complexity ▪ extremely new technology proposed or an unproven solution and/or complex inter-operability requirements across multiple platforms.	**5**
	High technical complexity ▪ new technology proposed with numerous inter-operability requirements.	**4**
	Medium technical complexity ▪ proven technical solution with several inter-operability requirements.	**3**
	Low technical complexity ▪ proven technical solution with few inter-operability requirements.	**2**
	Very low technical complexity ▪ proven solution with known inter-operability requirements.	**1**
	Extremely low technical complexity ▪ no technical complexity, known and proven solution with no inter-operability requirements.	**0**

Criteria and Weighting	Priority and Risk level	Score
Cyber Security: 10% The extent to which a compromise of this product could result in an impact to services, loss of confidence in government (reputational, trust) or personal safety. The degree to which an attack against this product would impact significant state-wide infrastructure, and An identification of the classification level or volume of data traversing this product (to assess impact of a cyber-attack).	Very high cyber security risk • A compromise of this product could result in a major state-wide impact on services, major cluster/agency impact on services, major loss of confidence in government reputation/trust or major impact on personal safety. An attack against this product could lead to the collapse of significant state-wide infrastructure or collapse of cluster/agency infrastructure. The volume of information transmitted or stored by this product is vulnerable to a large cyber-attack. Any product containing national security classified information Secret/Top Secret/Protected/Confidential.	**5**
	High cyber security risk • A compromise of this product would result in a serious state-wide impact on services, serious cluster/agency impact on services, serious loss of confidence in government reputation/trust or major impact on personal safety. An attack against this product could lead to serious damage or disruption to state-wide infrastructure or major damage to cluster/agency infrastructure. Data traversing this product is Unclassified (Sensitive/Health/Law Enforcement/NSW Cabinet)/Official (all DLM) or equivalent.	**4**
	Medium cyber security risk • A compromise of this product would result in a significant state-wide impact on services, significant cluster/agency impact on services, significant loss of confidence in government reputation/trust or significant impact on personal safety. An attack against this product could lead to significant damage or disruption to state-wide or cluster/agency infrastructure. Data traversing this product is Unclassified /Official or equivalent.	**3**
	Low cyber security risk • A compromise of this product would result in a moderate impact on services, confidence in government and personal safety. An attack against this product could lead to moderate or limited damage or disruption to state or cluster/agency infrastructure. Data traversing this product is Unclassified/FOUO/Official or equivalent.	**2**
	Very low cyber security risk • A compromise would result in a low impact on services, confidence in government and personal safety. Data traversing this product is Unclassified/FOUO/Official or equivalent, data or information of a type gathered as a normal part of government business.	**1**
	Extremely low cyber security risk • A compromise would result in minimal or no impact to outward facing government or cluster/agency ICT systems. Data traversing this product is sourced from the public domain.	**0**

Criteria and Weighting	Priority and Risk level	Score
Change Complexity: 25% Sensitivity to the degree of business change required for the success of the project. This could be complex business or process changes internal to government or in the service delivery to government customers Risk or perception of risk to service delivery, security and privacy or similar issues that may impact change management aspects.	Very high change complexity risk ▪ transformational changes in business processes with potential impact on service delivery processes ▪ very high risk or perception of risk to service delivery, security and privacy or similar issues that may impact change management aspects ▪ very high degree of criticality of services impacted by the project, or ▪ there is a significantly high level of unknowns and/or assumptions involved.	**5**
	High change complexity risk ▪ significant changes required to business processes with no impact on service delivery processes ▪ high risk or perception of risk to service delivery, security and privacy or similar issues that may impact change management aspects ▪ high degree of criticality of services impacted by the project; or ▪ there is a high level of unknowns and/or assumptions involved.	**4**

The degree of criticality of services impacted by the project such as front-line services to citizens. The degree of unknowns involved with the chosen approach.	Medium change complexity risk ▪ changes required to some business processes with impacts to connected systems requiring rework ▪ medium risk or perception of risk to service delivery, security and privacy or similar issues that may impact change management aspects ▪ medium degree of criticality of services impacted by the project, or ▪ there is a moderate level of unknowns and/or assumptions involved.	**3**
	Low change complexity risk ▪ minimal changes required to either business process or service delivery processes. Low technology change ▪ low risk or perception of risk to service delivery, security and privacy or similar issues that may impact change management aspects, or ▪ low degree of criticality of services impacted by the project, or ▪ there is a low level of unknowns and/or assumptions involved.	**2**
	Very low change complexity risk ▪ no changes required to business or service delivery processes, minimal systems impacted ▪ very low risk or perception of risk to service delivery, security and privacy or similar issues that may impact change management aspects, or ▪ very low degree of criticality of services impacted by the project; or ▪ there is a very low level of unknowns and/or assumptions involved.	**1**
	Extremely low change complexity risk ▪ no changes required to business or service delivery processes; no other systems impacted ▪ no risk or perception of risk to service delivery, security and privacy or similar issues that may impact change management aspects ▪ extremely low degree of criticality of services impacted by the project, or ▪ there are no assumptions involved.	**0**

7. Appendix B – Gateway Review Focus Area



Gate 1 - Strategic alignment gate. Ensures the project is conceived of in the right way and aligns with relevant Strategic Imperatives, Investment Principles and Enterprise Architecture.

Gate 2 - Business case gate. Ensures the project has a robust business case, with clear plan to realise benefits, aligns with relevant Strategic Imperatives, Investment Principles and Enterprise Architecture.

Gate 3 - Pre-execution gate. Assesses delivery readiness and includes pre-tender review. Ensures the project is set up for successful delivery, identifies delivery problems early, and ensures procurement strategy and other planning is appropriate.

Gate 4 - Tender Evaluation gate. Ensures project will be delivered effectively, checks against specific project requirements at key delivery milestones, includes tender evaluation.

Gate 5 - Pre-Commissioning gate. Assesses the state of readiness to commission the project and implement the change management required.

Gate 6 - Post-implementation gate. Confirms realisation or plan for realisation of benefits against those agreed at business case, ensures lessons learned have been sufficiently considered and documented.