

5 Program governance

At a glance

Background

The magnitude and complexity of CJEP required the establishment and periodic review of a well structured program governance and management framework.

Key findings

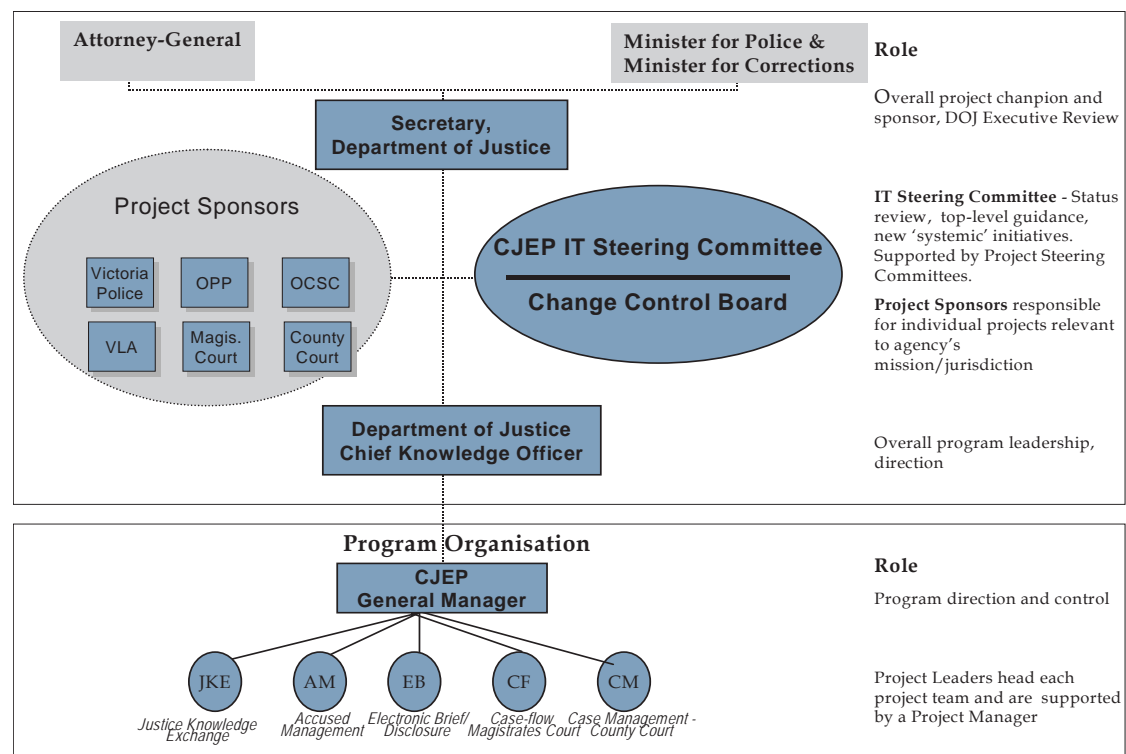
- The Department of Justice (the department) has demonstrably placed significant emphasis on the governance and management arrangements for CJEP since its inception, and these arrangements largely met audit expectations.
- The CJEP Steering Committee had adequate stakeholder representation, and was provided with regular reporting by the program director regarding the program's progress. The committee was fully aware of the extent to which CJEP had exceeded its original timeframes and budget for implementation.
- The department took appropriate action to strengthen CJEP's governance and management structures in response to recommendations made in our May 2003 report to Parliament on the progress of CJEP.
- While high level partner agency commitment to the CJEP program was always present in a formal sense through membership of the CJEP Steering Committee and allocation of internal resources by agencies to support the program, this was not always matched by actions and 'on the ground' commitment and ownership.
- We identified deficiencies in the application and enactment of the CJEP governance and management arrangements and in CJEP's monitoring and reporting framework that adversely affected the oversight and management of CJEP's implementation and assessment of the expected program and project deliverables and outcomes.

5.1 Overview of CJEP governance

CJEP's governance, management structures and processes including its risk, quality and change management plans were originally outlined in the CJEP Project Definition document which was completed in August 1999.

Figure 5A provides an overview of CJEP's governance and management structure, as established in 1999. The structure has varied slightly over the period of CJEP's implementation but remained largely intact.

Figure 5A
CJEP Governance and Management Structure



Source: Department of Justice.

The key layers of CJEP's governance and management structure were as follows:

- **Secretary of the department**—the project champion and provides project oversight in the role of chairperson of the CJEP Steering Committee
- **CJEP Steering Committee**—oversight responsibility for the delivery and governance of CJEP and includes agency project sponsors from Victoria Police, Corrections Victoria, County Court, Magistrates' Court, Victoria Legal Aid and Office of Public Prosecutions

- **Program Director**—overall project responsibility including project planning, liaison with agency project sponsors, financial, change, quality and risk management issues. Reports to the steering committee, the project champion and the relevant ministers. In February 2002, the Program Director was promoted to Chief Knowledge Officer within the Department of Justice but maintained overall responsibility for CJEP. A CJEP General Manager was appointed to perform the day to day functions previously performed by the Program Director. This was subsequently reversed in October 2003 due to change and quality management issues
- **Contract Management Group**—consisted of a contract administrator (CJEP Program Director), contract manager and contract monitor responsible for monitoring the progress of the contract to ensure that all the tasks are implemented within budget, on time, and to the satisfaction of all agencies concerned. This group reported to the CJEP steering committee through the Program Director
- **Project Teams**—led by project managers and supported by team leaders and business analysts, were initially established with cross-agency responsibility for resolving all issues specifically related to each of the five projects making up CJEP (Accused Management, Electronic Brief, Caseflow Improvement, Case and List Management System, and JKE). The project teams were periodically re-allocated to better reflect CJEP's changed implementation phases.

In addition to the above structures, the following management processes were put in place:

- **budget and financial management**—through the department's Finance Unit with regular reviews exercised by the department's Secretary, as project champion, and chief financial officer. A dedicated financial resource to the CJEP Project Team was also appointed in December 2003, with responsibility for day to day cost management and reporting
- **monitoring and reporting**—regular status reports were provided to the steering committee by the Program Director and key contractors responsible for major deliverables. The Program Director also reported to the Secretary and the relevant ministers.

5.2 Previous audit findings

Our May 2003 report to Parliament on the progress of CJEP included an assessment of the adequacy of the project's governance and management at that time. The key recommendations made in our 2003 report included that the department:

- ensure that the Program Director did not fulfil both the roles of program manager and chairperson on the program steering committee, which are incompatible
- ensure that key aspects of the program (including performance monitoring, budgetary control, risk management and quality assurance) were subject to periodic independent scrutiny by an independent body, such as the department's audit committee

- determine, monitor and report on program-wide expenditure (including the costs incurred by participating agencies) so that the aggregate program costs could be included in the department's annual report to Parliament.

Audit followed up the department's action on these recommendations and examined whether the department had established, and maintained throughout the program's lifecycle, robust program/project management and control structures including:

- comprehensive program implementation/management plans—with clearly documented delivery objectives (including anticipated benefits/savings and functionality), scope, budgeted costs and delivery timelines; together with supporting project management plans (including quality, change and risk management)
- a program steering committee to oversee and manage CJEP—with appropriate membership/representation and skills; clear roles and responsibilities; and regular meetings to facilitate effective program management and direction
- a program director with clear roles, responsibilities and accountabilities, to oversee and manage the individual project teams and regularly report to the program steering committee
- project teams for the major projects within CJEP—maintaining effective project risk management, quality management, change management and contract management practices, and timely reporting to the program director and program steering committee on project progress and performance
- a comprehensive program risk management strategy, register and management process
- effective and timely reporting of the program's implementation progress to the program director, steering committee and senior management—with appropriate and timely action taken in response to the results of any performance deviation
- the conduct of periodic independent reviews (internal or external) of program management and progress—with appropriate and timely action taken in response to any findings or recommendations made.

5.3 Effectiveness of CJEP governance

The department has demonstrably placed significant emphasis on the governance and management arrangements for CJEP since its inception and these arrangements largely met audit expectations. However, appropriate governance and management structures and arrangements do not, on their own, guarantee the success of any major project. There also needs to be real commitment to and ownership of the project by the stakeholders and agencies tasked with implementing it.

There is clear evidence that the CJEP Steering Committee had adequate stakeholder representation, and was provided with regular reporting by the program director regarding the program's progress including financial, change, quality, risk and contract management issues and further reporting by key contractors regarding their deliverables. On this basis, the steering committee was fully aware of the extent to which CJEP had exceeded its original timeframes and budget for implementation.

In addition, following recommendations made in our May 2003 report to Parliament on the progress of CJEP and the results of a review of CJEP by a consultant appointed by the department in 2003, the following changes were made to further strengthen CJEP's governance and management structures:

- the Secretary of the department replaced the Program Director as the chairperson of the CJEP Steering Committee
- steering committee meetings were held on a monthly basis from October 2003
- monthly meetings (or more frequently if required) were held in the period October 2003 to December 2005 between the chairperson of the CJEP Steering Committee, the CJEP Program Director and the responsible IT contractor to monitor progress and resolve outstanding issues
- the Chief Knowledge Officer of the department was seconded back to the full time position of CJEP Program Director in October 2003 to address issues which had arisen following his transfer from that position in February 2002.

A detailed CJEP Project Risk Management Plan was prepared by the CJEP Program Director in November 2000. This document provided a framework setting the processes, controls and responsibilities for managing risk over the whole CJEP development program.

A CJEP risk register was also developed and maintained by the Program Director with input from project managers, suppliers and stakeholder representatives who are encouraged to monitor, identify and manage risks relating to CJEP. The risk register included the most significant risks to CJEP, the ranking of the risks with the likelihood of the risk occurring and the controls or mitigation strategies to reduce the likelihood of the risk occurring. All key risks were reported by the Program Director at each CJEP Steering Committee meeting. CJEP risks were incorporated in the department's risk register.

Notwithstanding this, we identified a number of deficiencies in the application and enactment of the CJEP governance and management arrangements that have undermined the effectiveness of these arrangements, specifically:

- Both the original and revised Terms of Reference for the CJEP Steering Committee briefly state the purpose and membership of the committee but lack clear and detailed direction in respect of the purpose, objectives, roles, responsibilities and authority of the committee, its chairperson and members; and do not set out governance, communication and reporting requirements and meeting protocols.

- The CJEP Steering Committee did not meet often enough during a critical period for the project in 2002–03. This was addressed from October 2003 when monthly meetings resumed.
- The CJEP Steering Committee was provided with insufficiently detailed reporting on project progress in the period in the earlier phase of the program's implementation. In addition, between May 2003 and August 2004, the level of project progress reported to the committee fluctuated between 80 per cent and 85 per cent with little explanation for the apparent slowdown or stalling of progress.
- The target completion date for the project reported to the CJEP Steering Committee progressively moved outwards with no explicit approval of this by the committee.
- The CJEP Program Director who has overall project management responsibility was also a member of the CJEP Steering Committee, potentially affecting the level of independent scrutiny by the committee.
- The transfer of the CJEP Program Director from the day to day management of CJEP in the period February 2002 to October 2003, a critical stage of its implementation, resulted in change, quality, risk and contract management issues not being resolved on a timely or effective basis. The Program Director had intimate knowledge of CJEP and its stakeholders and the necessary experience to effectively manage a large and complex IT project. This situation was addressed in October 2003.
- The department has not fully acted on the recommendation made in our 2003 report to Parliament on CJEP to strengthen its governance arrangements through greater independent oversight by having an independent body such as the department's audit committee providing independent scrutiny. While not involving an independent body such as its audit committee, the department has periodically engaged consultants to review and advise the steering committee on the overall progress and specific aspects of CJEP.
- Key documents and reports that were endorsed by the steering committee, subject to certain changes being made, were not re-presented at a subsequent meeting in their final form for final adoption or approval. In these circumstances, it was difficult to ascertain which version was the final document or report.
- The CJEP Quality Management Plan (September 1999) and the CJEP Risk Management Plan (December 2000) included relevant and comprehensive principles and processes to facilitate adequate project management of CJEP and we saw evidence of periodic reporting against these plans and a change management plan to the CJEP Steering Committee. However, there was limited evidence that these plans were effectively implemented during the period February 2002 to October 2003, a critical stage of CJEP's implementation.

While high level partner agency commitment to the CJEP program was always present in a formal sense through membership of the CJEP Steering Committee and allocation of internal resources by agencies to support the program, this was not always matched by actions and 'on the ground' commitment and ownership.

The level of commitment by some partner agencies was questioned by both the chairperson and the CJEP Program Director at various stages at committee meetings. Ultimately, the timely and successful completion of CJEP was partly dependent on the partner agencies and the CJEP Steering Committee did not have the authority to compel commitment and ownership by agencies, its powers were essentially persuasive.

Early problems with the quality, stability and reliability of CJEP applications rolled out into agencies for testing, whether caused by poor supporting IT infrastructure or contractor performance issues, damaged the confidence of agency staff in the CJEP program.

The ongoing governance arrangements for CJEP are set out in the June 2006 CJEP Memorandum of Understanding (MOU) and are appropriate. The CJEP partner agencies, except Victoria Legal Aid (VLA), have signed the MOU to signify their agreement to comply with its provisions. VLA is expected to sign the MOU when it becomes an active user of CJEP systems.

5.4 CJEP monitoring and reporting

Monitoring and reporting the progress, deliverables and outcomes of a large and complex program such as CJEP is critical to its effective oversight and management and impacts on whether an overall assessment of the success of the program's implementation can be undertaken by project stakeholders including ministers.

The CJEP Project Definition developed in August 1999 provided the basis for the program's cost and financial management framework and specified the following monitoring and reporting processes:

- The Program Director and key contractor(s) responsible for major deliverables were required to provide status reports to the steering committee including:
 - overall program status including budget performance (month and year to date actual against budget), schedule and deliverables
 - completion rate by project
 - release program for entire program
 - key risk summary
 - implementation and agency issues.
- The Program Director was required to provide regular briefing papers to the project champion at least monthly and the ministers as required.
- The department was required to provide quarterly reporting to the Department of Treasury and Finance (DTF) during the term of the project.

We found that the majority of these monitoring and reporting processes were established. However, our review of various documents and reports including the CJEP Steering Committee minutes, funding submissions and briefing papers to the project champion and relevant ministers identified a number of deficiencies.

Adequacy of reporting to CJEP Steering Committee

Reporting by the CJEP Program Director to the steering committee, particularly in the earlier phase of the program's implementation, was consistent with the CJEP's Project Definition requirements. However, it lacked sufficient detail to facilitate the level of oversight and management required for such a large and complex project.

Reporting to the steering committee was strengthened in 2003 when consultants were engaged by the department to review CJEP and were also required to provide monthly status reports to the steering committee commencing in October 2003. The content of these status reports was comprehensive and informative. They ceased in November 2005 on the basis that development work on CJEP's core projects, with the exception of E*Brief, had been completed by that time.

Failure to monitor whole of project costs

There is no monitoring and reporting of the program's whole of project and whole of life project costs incurred by the department and other agencies.

The department does not monitor and report the program costs incurred by partner agencies. This is despite the recommendation made in our May 2003 report that the department determines, monitors and reports on total program expenditure (including the costs incurred by partner agencies) so that the aggregate program costs could be included in the department's annual report to Parliament.

Based on information provided by some CJEP partner agencies, they have incurred costs in excess of \$10 million in CJEP ongoing maintenance and support costs over and above what has been spent by the department. The Magistrates' Court, OPP and VLA did not provide us with information on costs they have incurred in implementing CJEP systems.

Failure to report regularly to DTF

Despite CJEP's August 1999 Project Definition indicating a requirement for the department to provide a quarterly progress report to DTF during the term of the project, this has not occurred.

5.5 Overall conclusion

The department has demonstrably placed significant emphasis on the governance and management arrangements for CJEP since its inception and these arrangements largely met audit expectations, specifically:

- the CJEP Steering Committee had adequate stakeholder representation, and was provided with regular reporting on the program's progress
- the department took appropriate action to strengthen CJEP's governance and management structures in response to recommendations made in our May 2003 report to Parliament on the progress of CJEP.

Appropriate governance and management structures and arrangements do not, on their own, guarantee the success of any major project. There also needs to be real commitment to and ownership of the project by the stakeholders and agencies tasked with implementing it.

While high level partner agency commitment to the CJEP program was always present in a formal sense—through membership of the CJEP Steering Committee and allocation of internal resources by agencies to support the program—this was not always matched by actions and ‘on the ground’ commitment and ownership.

We identified deficiencies in the application and enactment of the CJEP governance and management arrangements and in CJEP’s monitoring and reporting framework that adversely affected the oversight and management of CJEP’s implementation and assessment of the expected program and project deliverables and outcomes.

