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OECD-PUMA

**Expert meeting on  
Management of Large Public Sector IT Projects**

Paris, 26-27 October 2000

HAND OUT

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### 1. GENERAL INSTITUTIONAL FRAMEWORK

#### 1.1. Policy

1. A number of initiatives are in place to ensure there is a proper framework within which large projects are run.

2. The first and most important is regulatory and this applies to how IT is developed. In 1997 new "Delegation arrangements for IT Related Expenditure" (Circular 16/97) was issued. While this covers a number of areas which ensure that monies spent on IT must be aligned with business and strategic objectives, there is a requirement stated that all IT projects must be run in a controlled fashion, and yearly returns must provide details and mechanisms on how projects are controlled.

3. The project management methodology PRINCE is used to manage and control projects. Methodologies were adopted in 1990 throughout the Irish Civil Service and these are used as appropriate in each project. Methodologies are used as a means to an end and not as an end in itself. A project management training programme identified by civil service staff has been developed and is now run by a commercial company (following a market exercise).

4. To assist departments and offices in their projects, various advice notes and publications have been issued since 1993 on issues around projects, *e.g.* providing assistance on how best to manage consultants.

5. In general we have a policy of using non-propriety software platforms with a number of suggested open platforms for consideration. All business solutions must be run as part of a tendering process and must be flexible and cost-effective.

#### 1.2. Funding

##### 1.2.1. IT Vote Control

6. Funding is provided for in the estimates process. Delegated sanction is given for yearly expenditure following this, and each year there is a review on achievements as per Circular 16/97. Expenditure must follow from an IT Strategy against the backdrop of business plans as part of the overall strategic objectives.

##### 1.2.2. Decisions and Assessment

7. IT Vote Control approval is required either as part of the delegated sanction process or on the foot of an RFT and market exercise following procurement rules and regulations.

8. Expenditure in the estimates is related to business objectives and strategic objectives. Expenditure must be planned for on a yearly basis.

9. Successful tenders are accepted on the basis of weighted award criteria in the proposal. These typically include the quality of the proposal; content; experience of the people proposed to complete the job; CVs of the personnel; time-scale and cost.

10. Each project is proposed on expected results; benefits; outcomes proposed and value for money (VFM).

11. IT Vote Control liaise with the division in the Department of Finance responsible for overall expenditure. All assessments are on the basis of VFM, inclusion in the estimates process, and ensuring outcomes and outputs are in line with government spending and policy.

12. Progress is monitored by Steering Groups, Project Boards and Status Groups, with high membership from the business side of the projects.

13. Benefits are not always measured on cost. On many occasions they are measured on administrative necessity, or are required as a result of policy as outlined in the government's budget, or as a result of broader EU requirements, or sometimes as a result of a ministerial decision.

14. Projects are audited by the Comptroller and Auditor General as part of a VFM examination or, indeed, as a comparison of the realisation of benefits versus proposals.

### **1.3. Management Models**

15. Projects are usually commenced as part of discussions. Partnerships are formed; project Boards are set up; and the first formal documentation is usually the Project Initiation Document (PID). This defines the scope; ownership; organisational and control frameworks; and responsibilities, etc. As a result, ownership is clear, formal project management is in place, a steering committee is established to oversee the project, and risks are stated, monitored and managed.

16. There is a clear QA strategy. All project planning includes resources, activities, technical details, controls and end stage assessments. Change management, if required, is also included and there are clear project closures. Most importantly, there is clarity on project structures and matching resources where the need arises.

## **2. LESSONS LEARNED**

17. Systems which are successful have the required structures in place. In many cases failures have the same structures, but the difference is in how they are managed. Successful projects are driven forward. Tasks and people are focused towards the goal, *i.e.* the end product. Failures arise because tasks and people are simply monitored. Project management is not about monitoring, but about achieving.

18. Some examples of why projects fail are:

- using consultants without managing them;
- not seeing potential problems and acting on them before they became real problems;
- not having the right expertise in place;
- ownership not clear or not accepted;
- no project sponsor;
- people not working together towards the one goal;
- risks not assessed nor continually monitored and updated;
- tasks being monitored - not being driven forward;

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- advice being sought and given but not acted upon;
- scope changing;
- not putting resources in place;
- roles changing;
- lack of trust in parties.

19. A successful project outcome would seem to depend on the following factors:

- quality assurance and audit processes in place;
- resources in place before commencement;
- adapting to changing needs;
- legal advice on contract before commencement.

Other:

- ownership must be clear with defined responsibilities;
- risks should be assessed and modified as time passes;
- independent legal advice should be taken;
- project management guidelines available;
- compliance process to assess success;
- benefits achieved in place;
- QA and audit in place;
- in-house resources in place;
- legal advice focused on risk;
- penalty clauses (or liquidated damages) included if necessary.

### 3. REFERENCES

*Planning Extreme Programming*, Kent Beck and Martin Fowler, Addison-Wesley at <http://www.awl.com/cseng/titles>.

<http://www.irlgov.ie/finance>

<http://ringd@cmod.finance.irlgov.ie>