**Distribution List**

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<th>Position</th>
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<tr>
<td>Soraya Weber</td>
<td>National Manager, Portfolio Program Office</td>
<td>DHS</td>
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<tr>
<td>(All members)</td>
<td>CIP Working Group</td>
<td>DHS</td>
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<tr>
<td>John Howarth</td>
<td>Registered P3M3® Consultant &amp; Chairman</td>
<td>Tanner James</td>
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<tr>
<td>Ray Ahern</td>
<td>Principal Consultant</td>
<td>Tanner James</td>
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**Revision History**

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<td>18-19 Aug 14</td>
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<td>Level 4 statements of maturity</td>
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Ms Emily Canning  
Chief Financial Officer  
Department of Human Services  
ACT 2600  

17th September 2014  

Dear Emily,  

**P3M3® Independent validation**  

I am writing in relation to the P3M3® capability assessment undertaken for the Department of Human Services (DHS) which was completed in August 2014.  

Tanner James was engaged by DHS to assist the department in understanding the assessment process and in undertaking the assessment. This involved a partnership approach designed to ensure full understanding and ownership of the outcomes by DHS while still ensuring the assessment was conducted with full rigour and independence.  

I was personally the Registered P3M3® Consultant who led this assessment, and hereby confirm that I can provide an unqualified assurance (i.e. independent validation) of the accuracy, reliability and completeness of the assessment as follows:  

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I would like to congratulate the department on achieving and maintaining such high levels of maturity.  

Please pass on our thanks to all DHS staff involved, especially to members of the Portfolio Program Office for their time and support. Every person we met was pleasant, helpful, and showed a real commitment to the assessment process.  

Yours sincerely,  

John Howarth  
Chairman  
Tanner James Management Consultants Pty Ltd
EXECUTIVE SUMMARY

A P3M3® (Portfolio, Programme and Project Management Maturity Model) assessment of the Department of Human Services (DHS) ICT-enabled portfolio, programmes and projects was conducted during August 2014. This assessment was an Assisted Self-Assessment, which means that DHS took the lead in verifying usage of existing and new processes and structures. Tanner James has helped to guide and verify the overall assessment through a number of workshops and follow-up interviews, based to some degree on the DHS self-assessment of compliance. Tanner James, as the Accredited Consulting Organisation (ACO), has provided the independent assurance as required by the Department of Finance.

DHS has been assessed as having the following maturity levels:

- Portfolio Management sub-model Level 4
- Programme Management sub-model Level 4
- Project Management sub-model Level 4.

Assessment Team Observations

DHS has continued a remarkable job of professionalising and embedding management disciplines for ICT enabled change. The Department has built on previous achievements and appears to be making logical progressions towards optimal performance in those areas where higher levels of maturity are sought. An important distinction here is that the Department is not merely addressing weaknesses identified in previous reports but is implementing a cohesive and coherent improvement programme to reinforce existing strengths as well as addressing areas for improvement.

DHS has very strong leadership in this area with a clear focus and accountability upon effective delivery of initiatives and the realisation of benefits.

In particular, the benefits management and realisation process is well established across all DHS change initiatives. High-level accountabilities ensure that benefits are owned and actively measured, managed and realised. Programmes appear to be consistently applying a rigorous approach incorporating lessons learnt in previous implementations.

Future target ratings for DHS in Portfolio, Programme and Project Management Maturity, including strategies for organisational capability improvement, will be developed separately from this report.

DHS is progressing well in achieving the maturity targets it set out for itself at the end of 2013 in its Capability Improvement Plan. DHS has targeted a number of Level 5 maturity levels within the CIP (for specific process perspectives, not at a sub-model level).

The “key observations and recommendations” sections in this report contain broad recommendations as to what DHS would need to address in order to attain Level 5 maturity.

Tanner James notes that DHS has set some ambitious targets for P3M3 maturity at the end of 2015. Tanner James recommends that in pursuing these targets DHS considers, in response to the report, what benefits are sought from organisational P3M capabilities.

Where assessments are provided against these targets it should be noted that comments identifying gaps are not to be taken as criticism. Indeed few, if any, organisations in the world have reached this level of maturity consistently.
1 INTRODUCTION

1.1 Background

In September 2009, P3M3® was selected by the Secretaries ICT Governance Board (SIGB) as the capability measurement methodology for the Australian Government. In December 2009, the Secretary of Finance instructed all FMA Agencies (now known as non-corporate entities) to undertake a P3M3® Capability Maturity Assessment by December 2010.

The P3M3® model allows organisations to identify the key practices that need to be fully embedded to achieve the next maturity level in organisational capability. P3M3® is an overarching capability maturity model containing three sub-models, Portfolio Management Maturity Model (PfM3), Programme Management Maturity Model (PgM3) and Project Management Maturity Model (PjM3). The Model and its component sub models are defined in Section 2.7 Key Definitions.

1.2 Report Purpose

The purpose of this report is to:

- Support a DHS self-assessment of ICT-enabled initiatives covering Portfolio, Programme and Project Management maturity; and
- Provide external validation of DHS current P3M3® Ratings by an Accredited Consulting Organisation in accordance with Department of Finance requirements.

1.3 Scope

Scope Inclusions

The P3M3® assessment covered the portfolio, programme and project activities across DHS. This included sufficient programmes and projects to create a representative sample of DHS ICT-enabled change initiatives. The assessment covered both internally and externally funded projects and programmes within DHS. In accordance with the P3M3® model:

- **a portfolio** is the total set of ICT-enabled change governed by the DHS Executive Committee;
- **a programme** is a strategic change to DHS that is ICT-enabled and is comprised of a set of related projects;
- **a project** is a project that:
  - is managed by DHS (not externally); and
  - has an ICT component.

DHS is currently running 6 major programmes:

- Service Delivery Reform,
- Household Assistance Package Payments (HAPP).
- Child Support System Reform
- Aged Care Reform
- Optimising Online Healthcare Services for Healthcare Providers
- Shared Services.

DHS also manages a number of minor ICT-enabled programmes and around 100 active ICT-enabled projects.
Scope Exclusions

DHS Portfolio Agencies and Authorities have been excluded from this assessment.

1.4 Assessment Approach

Assisted Self Assessment – partnership and transparency

The overall intent of the approach chosen for the DHS 2014 P3M3® assessment was for the assessors to work in partnership with DHS and be as transparent as possible, so that ownership and understanding of the assessment results resides within the department not with an external assessor.

DHS has developed a strong understanding of the P3M3® Model and has exceptionally strong process compliance and assurance functions. It was therefore appropriate that DHS chose an assisted self-assessment for the 2014 review. This means that Tanner James facilitated a number of workshops, conducted interviews, guided the scoring process and provides a level of assurance. For the 2014 assessment version 3 of P3M3 was used, which is designed to be backward compatible with version 2.

Assisted self-assessment does however mean that there is a degree of reliance on DHS assessment, particularly of compliance with stated processes. In Tanner James’ opinion, DHS has strong regimes of self assessment and independent assurance which minimise any risks associated with the method of assessment.

There were four main steps to the P3M3 assessment:

1. Initial Assessment – identify processes, responsibilities and likely performance against P3M3.
2. Desktop Assessment – evaluate actual practices against P3M3.
3. Validation and Clarification – establish levels of compliance.

These four main steps are described below in further detail.

Initial Assessment – identify processes, responsibilities and likely performance against P3M3

The main purpose of the initial assessment was to make an initial judgement as to the likely level of DHS maturity, and to identify areas for further evaluation. It checked DHS has defined management processes that adequately address all seven process perspectives for each sub-model, and considered both likely organisational compliance and the arrangements for management of the processes.

To undertake the assessment the external assessors engaged with the process owners for each sub-model. This was predominantly the offices (PPO, PMOs) with relevant corporate staff involved. A few hours were spent with each of the three groups to assess whether DHS frameworks and processes adequately address the requirements set out in P3M3.

During these sessions the groups walked through the seven perspectives, to do an initial rating of maturity based on the P3M3 v3 descriptors. In setting the rating for each perspective within a sub-model the group:

- Was informed by the attribute questions related to processes, responsibilities and performance in the AXELOS enhanced online self-assessment tool;
Considered the associated observations and recommendations in the 2013 P3M3 Assessment Report, identifying any things that have changed, and also noting cases where the P3M3 v3 descriptor varies from the P3M3 v2 descriptor; and

Identified areas for follow-up in the desktop assessment (e.g. questions, areas to probe, evidence sought).

**Desktop Assessment – evaluate actual practices against P3M3**

The purpose of the desktop assessment was to make two judgements:

1. Is DHS managing its portfolio of ICT-enabled investment and constituent programmes and projects in accordance with defined management processes?

2. Are the defined management processes themselves being managed (i.e. controlled using metrics and quantitative techniques), and in areas where DHS aspires to Level 5 maturity, is there evidence of Optimisation?

DHS assessors (the PPO) had primary responsibility for item 1, and Tanner James had primary responsibility for item 2. The assessments focussed on items identified during the initial assessment, and were conducted as follows for each sub-model:

- The desktop assessment of whether portfolio management processes are being applied and whether the processes are being managed was undertaken by Tanner James working directly with the PPO and any other offices with portfolio management responsibilities.

- The desktop assessment of whether programme management processes are being applied was undertaken by the PPO conducting spot-checks on 2 of the 6 programmes. Tanner James reviewed the results of these spot checks, and worked with the PPO and Programme Offices to assess whether the processes are being managed.

- The desktop assessment of whether project management processes are being applied was undertaken by the PPO conducting spot-checks on 10 of the 96 projects. Tanner James reviewed the results of these spot checks, and worked with the PPO and Project Offices to assess whether the processes are being managed.

The desktop assessment included review of key documents as listed at Appendix B.

**Validation and Clarification – establish levels of compliance**

The final step in the actual assessment process was to meet with key DHS people to:

1. Validate the findings of the desktop assessment and

2. Clarify levels of compliance in areas which impact the final assessment ratings.

Tanner James also met with the following independent assurers and advisers to validate and clarify practices in relation to some or all of the three sub-models:

- KPMG as independent assurers; and

- John Craven of Craven Innovation.

**Report – document and communicate ratings, observations and recommendations**

The external assessors (Tanner James) created this first draft of the actual assessment report and provide it to DHS for comment. The approach taken to assessment, validation and clarification is designed to ensure that there were no surprises in the report. Where it is
deemed appropriate to include similar observations and recommendations to the 2013 P3M3 Assessment Report, DHS will be responsible for providing a soft copy of that content.

Feedback was received and incorporated into the report. None of the scores were changed as a result of the feedback.

Time has been allowed for DHS to promulgate the report to assessment participants, and to progress it through the appropriate Departmental committees.

Tanner James will remain available to meet with executives to answer questions and provide expertise on particular aspects of the assessment.
1.5 Key Definitions

**P3M3®** is an overarching capability maturity model containing three sub-models, Portfolio Management Maturity Model (PfM3), Programme Management Maturity Model (PgM3) and Project Management Maturity Model (PjM3).

**Portfolio Management**

A portfolio is defined as the totality of an organisation’s investment (or a segment thereof) in the changes required for it to achieve its strategic objectives.

**Portfolio Management** describes the management of an organisation’s portfolio of business change initiatives.

**Programme Management**

A programme is defined as 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. Programmes exist to manage the complexities involved in delivering beneficial change.

**Programme Management** is focused on the areas of tension between strategic direction, project delivery and operational effectiveness.

**Project Management**

A project is defined as a unique set of coordinated activities, with definite starting and finishing points, undertaken by an individual or team to meet specific objectives within defined time, cost and performance parameters as specified in the business case.

**Project Management** guides a project through a visible set of activities, from controlled start-up, through delivery, to controlled closure, and review.

**Process Perspectives**

The **Process Perspectives** are the seven areas of management which P3M3® focuses on in all three models as the basis for assessing Maturity Levels. For the purposes of assessment the model provides specific attributes for each process perspective which are indicative of each maturity Level. Specific Attributes relate only to a particular Process Perspective.

**Further Information**

Further definition of the model, process perspectives and maturity levels are provided at Appendix C of this report.
2 ASSESSMENT OVERVIEW

2.1 Portfolio Management (assessed as Level 4)

*Level 4 maturity definition:*
DHS obtains and retains specific metrics on its whole portfolio of programmes and projects as a means of predicting future performance. DHS assesses its capacity to manage programmes and projects and prioritises them accordingly.

*Assessment Headlines:*
DHS Portfolio Management was strong across all seven P3M3® perspectives, highlighted by particularly impressive risk, benefits and stakeholder management processes. This supports prediction of future performance and effective prioritisation of change.

2.2 Programme Management (assessed as Level 4)

*Level 4 maturity definition:*
DHS obtains and retain specific measurements on its programme management performance and runs a quality management organisation to better predict future programme outcomes.

*Assessment Headlines:*
DHS Programme Management was assessed at Level 4 across all seven P3M3® perspectives. Particular strengths are apparent in the Management Control, Benefits Management and Finance Management perspectives. This provides a solid basis for ensuring value for money delivery of DHS programmes.

2.3 Project Management (assessed as Level 4)

*Level 4 maturity definition:*
DHS obtains and retains specific measurements on its project management performance and runs a quality management organisation to better predict future performance.

*Assessment Headlines:*
DHS Project Management was assessed at Level 4 maturity across all seven P3M3 perspectives. Particular strengths appear in the Stakeholder Management, Benefits Management and Risk Management perspectives. There is a very strong platform in these perspectives for further maturity improvement.
2.4 Key Outcomes

In 2012, Tanner James remarked that DHS has done a remarkable job of professionalising and embedding management disciplines for ICT enabled change given the need to amalgamate three large agencies. In 2013, KPMG noted significant improvements in Portfolio and Programme Management that placed DHS in the top few Commonwealth agencies to have reached that maturity rating. This 2014 assessment makes it clear that professionalisation has continued and strengthened the Department’s position.

DHS has been assessed as having the following maturity levels:
- Portfolio Management sub-model Level 4
- Programme Management sub-model Level 4
- Project Management sub-model Level 4.

Whilst these overall ratings are the same as the ratings achieved in 2013, Tanner James notes there appears to be consistent improvement and the Department is well placed to achieve targets outlined in its Capability Improvement Plan.

In summary the characteristics of P3M3® Level 4 maturity (managed process) which DHS has achieved are:
- Top management are proactively seeking out innovative ways to achieve goals.
- The organisation has defined processes that are quantitatively managed, i.e. controlled using metrics. There are quantitative objectives for quality and process performance, and these are being used in managing processes.
- Using metrics, management can effectively control processes and identify ways to adjust and adapt them to particular initiatives without loss of quality.

By way of comparison, in summary the characteristics of P3M3® Level 3 maturity (defined process) which is the highest level most other Federal agencies have achieved are:
- Management and technical processes are documented, standardised and integrated to some extent with business processes. There is some process ownership and a group responsible for maintaining consistency and delivering process improvements.
- Senior management are engaged consistently, providing active and informed support.
- There is an established training programme to develop individual skills and knowledge.

P3M3® maturity level scores are determined from a number of elements. The primary determinant for award of P3M3® maturity level is making a professional judgement against the relevant maturity description P3M3®, taking account of individual attributes that are specific to a process perspective. While not every single attribute was evidenced for every process perspective at the level achieved, the assessors are fully satisfied that DHS clearly meets the relevant maturity description for every process perspective at each level.
2.5 Implications for Capability Improvement

DHS is progressing well in achieving the maturity targets it set out for itself at the end of 2013 in its Capability Improvement Plan. DHS has targeted a number of Level 5 maturity levels within the CIP (for specific process perspectives, not at a sub-model level).

Tanner James cannot provide definitive advice on Capability Improvement at this time for the following reasons:

1. Tanner James was engaged to provide support for a P3M3 self-assessment. A P3M3 assessment focuses on the ‘here and now’ and deliberately excludes potential future states. Capability Improvement Planning requires a thorough understanding of the organisation’s desire, capacity and capability to improve. Tanner James’ understanding of such desire, capacity and capability to improve is not current or complete.

2. P3M3 is not a methodology for managing Projects, Programmes and Portfolios but, rather, it is an assessment tool. There is an underpinning reality that if an organisation mandates, and uses, solid P3 methodologies such as PRINCE2®, MSP® and MoP® then it will most likely achieve maturity levels 2 and 3 in each sub model respectively. At maturity level 4 the requirement is for adaptation and integration of those models with the organisation’s functions and regular review. As such it is more difficult to be precise about what mechanisms would be needed as the overall model will vary distinctly from one organisation to the next. Maturity Level 5 introduces far more abstract concepts such as continual improvement and ‘optimisation’ that will vary widely from one organisation to the next in their implementation.

3. Given that Maturity Level 5 has greater scope for interpretation than lower maturity levels, Tanner James can advise on paths that might lead to a Level 5 assessment but ultimately a P3M3 assessor will need to make a professional judgment in the future about the extent of maturity underpinning the implementation of such paths in the context of wider business operations.

4. Capability Improvement Planning should look first at the level of operating capability that is sought and then at all of the characteristics of a desired maturity level to determine if changes can and should be made.

However, Tanner James provides the suggestions throughout this report as to how the organisation might improve towards Level 5 Maturity subject to those points stated above.

The characteristics of P3M3® Level 5 maturity (optimised process) are:

- The Organisation will focus on Optimisation of its quantitatively managed processes to take into account predicted business needs and external factors. It will anticipate future capacity demands and capability requirements to meet delivery challenges (e.g. through portfolio analysis).

- Top managers are seen as exemplars, reinforcing the need and potential for capability and performance improvement.

- It will be a learning Organisation, propagating into other programmes and projects the lessons learned from past reviews. The Organisation’s ability to rapidly respond to changes and opportunities will be enhanced by identifying ways to accelerate and share learning.

- The Organisation will be able to show that continuous process improvement is being enabled by quantitative feedback from its embedded processes and from validating innovative ideas and technologies.
P3M3® Assessment Report

- There will be a robust framework addressing issues of performance management. The Organisation will be able to demonstrate strong alignment of Organisational objectives with business plans, and this will be cascaded down through scoping, sponsorship, commitment, planning, resource allocation, risk management and benefits realization.

Although DHS has not set (overall) Level 5 targets at the sub-model level, Tanner James would expect the characteristics described by P3M3 at the sub-model level to be in place in order to achieve Level 5 maturity for individual process perspectives. The Level 5 maturity definition is:

*Does the Organisation run continuous process improvement with proactive problem and technology management for {the portfolio / programmes / projects} in order to improve its ability to predict performance over time and optimise processes?*

The “key observations and recommendations” sections in this report contain broad recommendations as to what DHS would need to address in order to attain Level 5 maturity. Such recommendations have been provided where:

a) The associated CIP target is set at Level 5, or
b) In the opinion of the assessors DHS is already significantly progressed towards Level 5 and attaining Level 5 would potentially be of value to DHS.
3 ASSESSMENT DETAILS

Legend
This part of the assessment report contains for each sub-model then within it the seven individual process perspectives:

- Definitions from P3M3® (in italics) of DHS’s maturity level; and
- Key observations and recommendations made by the assessment team (in plain text).

The following symbols are used in the report:

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<td>Key Observation</td>
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<td>Recommendation to maintain existing maturity</td>
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<td>↑</td>
<td>Recommendation for future maturity improvement where level 5 maturity is a CIP target or recommended as a CIP target.</td>
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3.1 Portfolio Management Maturity Description

DHS’s Portfolio Management maturity level is assessed as Level 4. A Level 4 assessment indicates that:

DHS obtains and retains specific metrics on its whole portfolio of programmes and projects as a means of predicting future performance. DHS assesses its capacity to manage programmes and projects and prioritises them accordingly.

3.1.1 Key Summarised Observations for Portfolio Management

The leadership and governance provided by the DHS Portfolio Board - comprising of the Executive Committee (EC), Finance & Investment Committee (FIC) and ICT Governance Committee - continues to ensure that the ICT enabled change portfolio is effectively directed and prioritised accounting for the nature of requirements, strategic alignment, risk and capacity.

These decisions are supported by strong processes across all seven P3M3® perspectives of Portfolio management.

Stand-out features of Portfolio Management include Benefits Management and Risk Management which provide a strong basis on which the Portfolio Board can make decisions to balance ‘risk and reward’ across the change portfolio.

Portfolio-level financial controls include Benefits Realisation controls and are headlined by initial costing analysis, fully-costed and centralised business case approval and rigorous benefits control.
3.1.2 PfM Organisational Governance

DHS’s maturity level for Organisational Governance of its portfolio is assessed as Level 4. A Level 4 assessment indicates that:

*The initiatives within the portfolio are prioritized in terms of their contribution to the Organisation’s strategic objectives and overall level of risk.*

3.1.2.1 Key Observations and Recommendations

Observations from the assessment were:

- DHS shows continued commitment to the value of portfolio management and appears to effectively prioritise initiatives through a model that uses the Executive Committee (EC), Finance & Investment Committee and the ICT Governance Committee. These three committees effectively operate as the Portfolio Board, with clearly defined touch-points with the Customer Committee and People & Leadership Committee. Initiatives are clearly prioritised according to risk and contribution to overall objectives.

- Modelling of the impact of potential new changes is managed through top-down and bottom up analysis and the dashboards provided to the Committees provide a sound basis on which Portfolio level decisions are made. There is strong evidence that supportability/sustainability of business decisions is considered using this analysis.

- The ICT pipeline process and associated capacity planning provides an impressive overview of impacts of new initiatives on a large and complex organisation. Additionally there is clear alignment of the portfolio initiatives to the organisation goals.

3.1.3 PfM Management Control

DHS’s maturity level for Management Control of its portfolio is assessed as Level 4. A Level 4 assessment indicates that:

*Portfolio management processes exist and are proven. Portfolio management has established metrics against which success can be measured.*

3.1.3.1 Key Observations and Recommendations

Observations from the assessment were:

- The portfolio management processes are very clear, providing visible and agreed metrics across the spectrum of initiatives and processes. A range of regular review processes capture lessons learned, use independent assurance and/or react to evidence of potential problems to determine opportunities to improve processes.

- Authorities for Portfolio Management appear to be very clearly stated and work well. Executive accountability for the change portfolio appears to be embedded clearly into the business structures.

- The terms of reference for the Portfolio Program Office (PPO) have been reviewed and improved twice in the past which provides an example of review and adjustment of processes.
The reporting cycle is supported by strong data and sophisticated reports showing trends and highlighting potential issues.

There is a strong flavour of internal and external review of both processes and outcomes with structured take-on of new ideas and adaptation to suit circumstances. It is particularly impressive that on identifying an increased potential workload arising from the 2013 change of Government, DHS implemented greater, and not reduced, governance and management control of its potential ICT projects to cope with that workload.

3.1.4 PfM Stakeholder Management

DHS’s maturity level for Stakeholder Management of its portfolio is assessed as Level 4. A Level 4 assessment indicates that:

Sophisticated techniques are used to analyse and engage the stakeholder community effectively, and quantitative information is used to underpin the assessment of effectiveness.

3.1.4.1 Key Observations and Recommendations

Observations from the assessment were:

- Evidence was provided of a wide range of Stakeholder Engagement approaches and techniques employed to support the change portfolio and that these processes and the underpinning processes are regularly assessed for effectiveness and refined where appropriate.
- Stakeholder Engagement and Communications Plans encourage consolidation of messages, analysis of stakeholders, co-ordination across projects and application of a transparent change management model. There is strong evidence of these plans being both created and implemented.
- There is strong utilisation of centralised communications to deliver the corporate messages and to consolidate messages being delivered to corporate stakeholders. The use of Region-based Change Managers in this context is stated as being highly effective.
- The organisation structure includes a range of touch points (such as the Region-based Change Managers and Senior Executive appointments) for ensuring that the needs of the portfolio’s customers are met. This supports a Level 5 assessment against the Organisation attribute of Stakeholder Management. A full assessment (in 2015) should investigate the differentiation between business as usual and change portfolio stakeholders.

3.1.4.2 Target Level 5 Comments

Level 5 Requirements Summary (Relating to the Change Portfolio):

The following points summarise the requirements of Level 5 Maturity for this perspective:

- Forward looking stakeholder management effectiveness reviews (focusing on process effectiveness and efficiency).
- Proactive identification of potential barriers/problems to effective stakeholder relationships.
- Creation, sharing and transfer of stakeholder related knowledge.
- Embedded Change Management culture, processes and behaviours.
- Performance based supply forecasts with both cost and resource loading predictions.
- Knowledge bank to help optimise stakeholder approaches.
Real time analysis of stakeholder management effectiveness such as clustering and trending.

**Items not specifically observed:**

Observed behaviours and reported comments support that there is significant retrospective analysis and adjustments to processes are made. However, no knowledge bank was presented and therefore forecasting, pro-active identification and planning is unlikely to satisfy level 5 requirements at this time.

**Possible Improvements:**

- To achieve Level 5 DHS should consider establishing a knowledge tool that contains information about portfolio stakeholder management experiences, to allow DHS to share knowledge, regularly and systematically review trends, and learn from experience.

- Any system DHS adopts must differentiate portfolio stakeholders from other stakeholders (BAU stakeholders or programme/project stakeholders). To achieve Level 5, analysis of stakeholder reactions, and resultant proactive communications to further influence stakeholders, must be evident:
  - for portfolio stakeholders in their own right, and
  - specifically in relation to the portfolio.

- To achieve Level 5 DHS should establish a clear audit trail showing continual improvement of the portfolio stakeholder management process. This should cover proposing, evaluating and implementing evidenced-based changes to the established portfolio stakeholder management approach.

## 3.1.5 PfM Benefits Management

DHS’s maturity level for Benefits Management of its portfolio is assessed as Level 4. A Level 4 assessment indicates that:

*The benefits realization and management process is well established, measurable and is integrated into how the Organisation manages itself.*

### 3.1.5.1 Key Observations and Recommendations

Observations from the assessment were:

- The Benefits realisation processes appear to have been maintained and improved and remain strong across the DHS change portfolio.

- There is good evidence of investigation of benefits management outcomes and the ensuing changes to processes. There are also established routines for reviewing those processes.

- A Portfolio Programme Office has clear responsibilities to maximise the contribution of the change portfolio to operational performance and strategic objectives. Performance metrics are consistently tracked across the business to measure improvements against baselines and targets.

### 3.1.5.2 Target Level 5 Comments

**Level 5 Requirements Summary (Relating to the Change Portfolio):**

The following points summarise the requirements of Level 5 Maturity for this perspective:

- Trending analysis for assets cost performance and risk used to support benefits identification
Whole of life decision criteria to optimise benefits from asset investment
Benefits related assurance reviews to assure Executive of effectiveness of benefits management.
Demonstrable relationship between portfolio plan and organisation strategies.
Expected and whole of life cost/benefits analysed to inform future decisions.
Benefits measurement informs future decisions.
Knowledge bank enabling optimisation of benefits management approaches.
Enterprise portfolio benefits management tools enabling trending and early warning analysis.
Benefits skills embedded throughout leadership and development programmes.
Externally recognised portfolio benefits management expertise.
Process improvement is proactive based on real time trend analysis.
Standards are continually improved using feedback from reviews and other sources.

Items not specifically observed:
Many Level 5 behaviours were reported and exhibited. However, no tools were presented showing predictive analysis. Comments and evidence surrounding non-financial benefits and dis-benefits were mixed and did present a convincing Level 5 case.

Possible Improvements

↑ Non-financial benefits and dis-benefits should be managed with the same rigour as financial benefits.
↑ To achieve Level 5 DHS should regularly and systematically review aggregated benefits data for hotspots and trends.
↑ To achieve Level 5 DHS should establish a clear audit trail showing continual improvement of the portfolio benefits management process, based on trend analysis, lessons learned and process metrics.
↑ At Level 5 the process is also likely to be updated based on analysis of predicted benefits management performance, not only past performance.

3.1.6 PfM Finance Management

DHS’s maturity level for Finance Management of its portfolio is assessed as Level 4. A Level 4 assessment indicates that:

The Organisation has effective and robust financial control of its investment decisions and the approval and monitoring of initiatives. There is proactive, evidence-based management of the portfolio.

3.1.6.1 Key Observations and Recommendations

Observations from the assessment were:

✓ The Business Case approval process includes strong costing and approval processes and this approach appears fully embedded across the organisation’s change portfolio. Review is by a number of mechanisms including gates and performance analysis. This provides the basis of robust financial control which works hand in hand with benefits management processes to support evidence based management.
There is clear evidence of regular assessments of financial processes by the Portfolio Programme Office as well as through independent assurance. There is also evidence of the application of lessons learned and review outcomes to those processes.

The change portfolio delivers within its forecasted spend profile consistently and demonstrates a clear understanding of under and over-spends for initiatives and their relationship to tolerances through a sophisticated reporting dashboard.

3.1.6.2 Target Level 5 Comments

Level 5 Requirements Summary (Relating to the Change Portfolio):

The following points summarise the requirements of Level 5 Maturity for this perspective:

- Analysis of asset costs supports optimised processes for asset investment decision making.
- Financial assurance that return on investments is optimal.
- Continual improvement of processes embedded through organisation.
- Optimised funding through understanding trends in supply chain costs.
- Cash flow is optimised through understanding trends in contracts and performance.
- Knowledge transfer (relating to finance processes) is an inherent behaviour.
- Enterprise wide portfolio management tool used for analysis such as trending and early warning.
- Externally recognised finance management expertise.
- Finance skills embedded in organisation leadership and management development programmes.
- Knowledge gained is managed, shared and used to optimise portfolio delivery plans.
- Adequate resources and funding for financial management improvement initiatives.
- Proactive process improvement based on trend analysis.
- Ability to flex appetite for financial risk to better align the change portfolio to meet organisational objectives.

Items not specifically observed:

Many Level 5 behaviours and practices were reported and observed. No evidence was provided of pro-active, forecast-based process improvement. Whilst there are enterprise financial tools in use, the use of enterprise knowledge tools to support process optimisation was not observed or supported. No evidence was presented of conscious and pro-active risk appetite management.

Possible Improvements:

↑ To achieve Level 5 DHS should regularly and systematically review aggregated financial data for hotspots and trends and use that information to adapt processes.

↑ To achieve Level 5 DHS should establish a clear audit trail showing continual improvement of the portfolio financial management process, based on trend analysis, lessons learned and process metrics.

↑ At Level 5, DHS should demonstrate it is able to flex its appetite for financial risk to better align the portfolio to meet organisational objectives - e.g. flex financial tolerances for some initiatives as long as the portfolio of initiatives balances financial risk – for those elements of the portfolio where spending is at the departments discretion.
3.1.7 PfM Resource Management

DHS’s maturity level for Resource Management of its portfolio is assessed as Level 4. A Level 4 assessment indicates that:

The Organisation has established effective capacity and capability strategies and processes for obtaining, allocating and adjusting resource levels in line with medium and long term investment plans.

3.1.7.1 Key Observations and Recommendations

Observations from the assessment were:

✓ DHS has established impressive capacity and capability mechanisms to support resource management including capacity and capability planning for both business and ICT.

✓ One threat to continued maintenance of a Level 4 assessment at the Programme and Project level arises from the Commonwealth-wide APS recruitment restrictions. Whilst this remains a threat at those levels, the DHS responses provide substantial evidence of strategies for obtaining resources based on the calculated and evidenced needs of change initiatives. Approaches such as being positioned at the front of the queue to redeploy personnel made redundant from other agencies with programme and project management experience and DHS’ ability to demonstrate impacts of reductions on benefits give confidence that the organisation, at change portfolio level, is as well placed as possible to cope with staff freezes.

✓ There is clear evidence that accountability for resource reporting, governance and management is embedded within the organisation’s structures.

✓ Sophisticated approaches exist to match resource supply and demand as well as to arrange additional resources when required.

3.1.8 PfM Risk Management

DHS’s maturity level for Risk Management of its portfolio is assessed as Level 4. A Level 4 assessment indicates that:

The Organisation’s appetite for risk and the balance of risk and benefit across the portfolio are continually reviewed and managed.

3.1.8.1 Key Observations and Recommendations

Observations from the assessment were:

✓ There is a clear understanding of portfolio risk appetite across the stakeholders participating in the review and there is evidence that this is regularly and actively assessed for effectiveness.

✓ Risk processes are regularly assessed and there are strong examples of these being changed where areas for improvement have been identified. Examples appear to come from regular review and proactive identification of potential problems.

✓ There is active analysis of risk trends but this is reported as somewhat limited due to the lack of a central data source for risk. Those limitations aside, good evidence was provided showing the organisation is well aware of risk profiles at portfolio level and actively makes decisions, especially surrounding discretionary projects, based on risk.
3.1.8.2 Target Level 5 Comments

Level 5 Requirements Summary (Relating to the Change Portfolio):

The following points summarise the requirements of Level 5 Maturity for this perspective:

- Asset management risk criteria enable optimised asset management decision making.
- Risk assurance is provided throughout the executive relating to process effectiveness and efficiency.
- Desire for continuous improvement of risk management processes is embedded throughout the organisation.
- Commercial-related risk reviews support successful and efficient procurement.
- Risk data is analysed for trends to inform commercial strategies.
- Knowledge bank allowing sharing of experiences used to optimise risk management approaches.
- Knowledge transfer is an inherent behaviour (surrounding risk).
- A portfolio risk management tool is used enabling analysis such as trending and early warning indicators.
- Organisational risk management framework interacts effectively with change portfolio risk management.
- Organisational risk knowledge and processes enable portfolios to prepare optimised plans based on past experience.
- Process improvement is pro-active based on trends and emerging evidence.
- Organisation actively seeks to improve risk processes based on trend analysis.
- Formal portfolio gate reviews proactively assess and manage investment risk and make decisions based on their impact on the portfolio.

Items not specifically observed:

Portfolio risks appear well understood but the lack of a central tool limits the availability of aggregated programme and project risk information to support that knowledge. No evidence was presented of a central knowledge tool supporting optimisation of processes or of underpinning knowledge transfer practices relating to risk processes. No claims were made relating to formal gate reviews per se, although it is understood there are structured executive reviews in place.

Possible Improvements:

- To achieve Level 5 DHS should regularly and systematically review aggregated risk data for hotspots and trends with a view to optimising risk processes.
- To achieve Level 5 DHS should establish a clear audit trail showing continual improvement of the portfolio risk management process, based on trend analysis, lessons learned and process metrics. This is likely to include comparison with other organisations.
- At Level 5, DHS should demonstrate consistent application of the portfolio risk management process to both opportunities and non-financial risks.
3.2 Programme Management Maturity Description

**DHS’s Programme Management maturity level is assessed as Level 4.** A Level 4 assessment indicates that:

*DHS obtains and retain specific measurements on its programme management performance and runs a quality management organisation to better predict future programme outcomes.*

### 3.2.1 Key summarised observations for Programme Management

- DHS has developed and consistently used a sound set of program management processes, principles and governance arrangements, including benefits management and change management disciplines that allow it to obtain and retain measurements and predict outcomes.
- Performance across all seven perspectives of Programme Management is strong (with each assessed at Level 4) with particular strengths showing up in Benefits Management and Finance Management perspectives.
- Risk Management processes are very strong but to build to Level 5 maturity some form of centralised collection of risks, such as through a database, would be required. This could support predictive analysis required to reach Level 5.
- The maturity of Programme Management in DHS is well supported by strong leadership and a culture that integrates the disciplines into the business.

### 3.2.2 PgM Organisational Governance

**DHS’s maturity level for Organisational Governance of its programmes is assessed as Level 4.** A Level 4 assessment indicates that:

*Programme and organisational governance are integrated with measurement and feedback used to refine programme governance as appropriate to make it more effective.*

#### 3.2.2.1 Key Observations and Recommendations

Observations from the assessment were:

- The primary stakeholders with roles in Organisational Governance for programmes appear to have significant, integrated roles in the range of Portfolio governance mechanisms. There are clear measurements applied to programme success, problem areas and process effectiveness that support evolutionary improvement in maturity improvement.
- As an example, the Executive Committee (EC) supported by the Finance & Investment Committee and the ICT Governance Committee is accountable for the establishment of programs to support budget funded initiatives. This is seamlessly integrated with the Portfolio Board approach. However there are very clear distinctions between Programmes and the Portfolio governance.
- Programme, and constituent project, approvals are accordingly made in the context of the wider portfolio.
- Examples were provided of continual review of authorisation approaches based on historical analysis of performance. This included changes to the SDR programme as a result of evident risk exposure and provision of seed funding to mitigate risks associated with approvals.
- The suite of programme controls, information and reporting provides a very clear view of which programmes are running, how they relate to strategic objectives and the impact of
issues and risks on portfolio outcomes. There is substantial evidence of the use of forecasts, such as those provided in the dashboard reports, to direct programme realignment to corporate objectives.

3.2.3 PgM Management Control

DHS’s maturity level for Management Control of its programmes is assessed as Level 4. A Level 4 assessment indicates that:

The programmes' management control approach is integrated with the Organisation’s control mechanisms, and uses measurement and analysis of performance to verify and refine the programmes’ effectiveness across the Organisation.

3.2.3.1 Key Observations and Recommendations

Observations from the assessment were:

✔ The provision of Program Status Reports to Programme Boards as well as the PPO and ICT PMO for maintaining portfolio level dashboards helps to integrate the programme’s controls with the organisation’s control mechanisms. Program Status Reports remain consistently used and are validated effectively, thus providing assurance to Programme Boards that the program and the projects within it are on track or to provide guidance on dealing with issues and risks. Metrics are used to monitor and control projects in quantitative terms and the concepts of tolerance setting and exception management are applied in a flexible and pragmatic manner.

✔ Performance Management approaches used include internal and external Health Checks as well as the use of Independent Assurance for a range of purposes. The organisation is proactive in establishing its review program based on emerging data trends.

✔ All programme management personnel have a range of measures built into job descriptions and performance agreements specifically relating to their programme role effectiveness. Programme Board effectiveness is internally and externally reviewed on a regular basis.

✔ The dashboard reports shown support the stated evidence that all programmes are delivering broadly within specified business case parameters. Where variances do occur they are highlighted through effective Exception Reporting and these appear to be actively managed.

✔ The creation and use of an Executive Command Centre to assist with complex transitions is a strong example of optimisation of structures to integrate programme and operational activities. This lends a strong argument in favour of Level 5 assessment for the Organisation attribute of Management Control. Whilst this does not cause the overall Management Control perspective to be assessed at Level 5, it is a logical first step towards that goal should DHS choose to add that to its Capability Improvement Plan.

3.2.4 PgM Stakeholder Management

DHS’s maturity level for Stakeholder Management of its programmes is assessed as Level 4. A Level 4 assessment indicates that:

The programmes' stakeholder management is integrated with the Organisation’s stakeholder management approach and uses measurement and analysis of performance to verify and refine the programmes’ effectiveness across the Organisation.
3.2.4.1 Key Observations and Recommendations

Observations from the assessment were:

✓ DHS demonstrates robust stakeholder management approaches and provided evidence that these processes are regularly assessed for effectiveness. As well as reviewing the communications, the outcomes of feedback exercises are actively fed into the programme structures and activities where possible.

✓ DHS uses an extensive range of communications channels and techniques to deliver messages tailored to the varied customer base and demographics. DHS have made a noticeable shift towards business readiness and benefits delivery which is evident through their engagement of both internal and external stakeholders. There is evidence of consistency, purposeful selection and regular improvement in these approaches.

✓ There are several mechanisms by which communication is consolidated and aligned to corporate messages. Consolidated media strategies are in place and these were reviewed in 2012. Twelve monthly change forecasting, the 3 month pack of detailed information on every change that is to be implemented and tools such as “Transformation Street” and the Change Info Hub provide horizontal integration of communications. These mechanisms could lend support to a Level 5 assessment of Stakeholder Management in the future.

✓ The wide range of feedback mechanisms used include mechanisms that show stakeholders consistently feel well engaged by programme teams.

↑ To achieve a Level 5 assessment, DHS might consider further integration of external and internal communications along with developing evidence of the use of knowledge management to support continuous improvement of programme communications. Use of such tools might help to provide evidence of optimisation of processes.

3.2.5 PgM Benefits Management

DHS’s maturity level for Benefits Management of its programmes is assessed as level 4. A Level 4 assessment indicates that:

The programmes’ benefits management approach is integrated with the Organisation’s performance management and uses the measurement and analysis of performance to verify and refine the programmes’ effectiveness across the Organisation.

3.2.5.1 Key Observations and Recommendations

Observations from the assessment were:

✓ Benefits identification and management at a program level is consistently undertaken and it is being used by all programs. The approaches used are consistent with and integrated in portfolio Benefits Management approaches. The central management of processes, tools and templates used for benefits management activities ensures consistent measurement and control as well as regular review of benefits processes.

✓ Convincing evidence was provided that there are defined and consistently used criteria for benefits and that these are linked clearly to organisation objectives. This evidence included a range of templates, dashboard reports and guidance.

→ Evidence was not as convincing regarding criteria and processes for identifying and managing disbenefits. DHS may wish to review criteria for capturing and managing disbenefits to reinforce the existing rating and as a step towards possible achievement of Level 5 in the future.

✓ The organisational structure contains very clear responsibilities for achievement of benefits as do benefit profiles/assessments. This attribute borders on Level 5 which requires inclusion of specific responsibilities for pre-emptive interventions based on
forecasting benefits performance. To achieve this level further use of consolidated knowledge management and centralised forecasting techniques could be beneficial.

- Evidence is provided in reports that programmes are delivering expected benefits consistently and that variations are actively managed.

- Whilst there will undoubtedly be associated costs and imposts, it would appear that a Level 5 assessment for the Benefits Management perspective of the Programme Management sub-model would be within reach of DHS if it chose to include this in the CIP. As for Portfolio Management, this would most likely require investment in knowledge management tools to support continuous and pro-active improvement of processes and enhance performance (along with supporting evidence).

### 3.2.6 PgM Finance Management

DHS’s maturity level for Finance Management of its programmes is assessed as Level 4. A Level 4 assessment indicates that:

*The programmes’ finance management is integrated with the Organisation’s finance management approach and uses measurement and analysis of performance to verify and refine the programmes’ effectiveness across the Organisation.*

#### 3.2.6.1 Key Observations and Recommendations

Observations from the assessment were:

- DHS utilise a standard approach to program business case development that is consistent and integrated with corporate finance approaches. A consistent set of metrics and analysis of programme performance is applied across DHS programmes.

- The common finance management processes for programmes are regularly assessed and validated for effectiveness. There is evidence of processes being refined when required.

- The Organisation attribute of Financial Management is, prima facie, at Level 5 in that there is a clear view of forecast cost and funding requirements for all programmes within the portfolio.

- Evidence provided supports a Level 4 assessment of Finance performance for programmes in that nearly all DHS programmes deliver within their expected costs. Level 5 assessment for this attribute requires reliable prediction of cost profiles driving optimisation of funding.

#### 3.2.6.2 Target Level 5 Comments

**Level 5 Requirements Summary (Relating to the all Programmes):**

The following points summarise the requirements of Level 5 Maturity for this perspective:

- Analysis of asset cost trends in order to optimise processes for investment decision making.

- Continually monitored programme assurance with a view to optimising programme finance processes.

- Desire for continuous improvement of finance processes is embedded throughout the organisation.

- Funding is optimised through understanding of supply chain costs.

- The mix of programme costs is optimised around factors such as funding arrangements and taxation.
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- Cash flow is optimised through understanding trends in contract terms and performance.
- Organisational knowledge is shared enabling optimisation of financial approaches.
- Finance tools forecast programme costs and funding requirements (real time).
- Lessons learned are used to optimise approaches, standards and processes across constituent projects.
- Finance skills are embedded in management and leadership development.
- Cost estimation techniques are continually reviewed (using actuals and forecasts) to improve control.
- Organisational knowledge is used to optimise plans.
- Process improvement is proactive based on (forward looking) reviews, feedback and analysis.
- Strategic business planning is embedded within programme business cases.
- Sophisticated techniques (e.g. discounted cash flow, NPV etc.) are common tools enabling investment optimisation.
- The organisation uses maturity assessments to optimise financial management capability.

**Items not specifically observed:**
Many Level 5 behaviours and practices were reported and observed. No evidence was provided of pro-active, forecast-based process improvement. Whilst there are enterprise financial tools in use, the use of them or enterprise knowledge tools to support process optimisation was not observed or supported. No specific evidence was proffered supporting process ‘optimisation’.

**Possible Improvements:**

- To achieve Level 5 DHS should regularly and systematically review aggregated financial data for hotspots and trends.
- To achieve Level 5 DHS should establish a clear audit trail showing continual improvement of the programme financial management process, based on trend analysis, lessons learned and process metrics.

### 3.2.7 PgM Resource Management

DHS’s maturity level for Resource Management of its programmes is assessed as **Level 4**. A Level 4 assessment indicates that:

*The programmes' resource management approach is integrated with the Organisation’s capacity and capability management and uses measurement and analysis of performance to verify and refine programme effectiveness across the Organisation.*

**3.2.7.1 Key Observations and Recommendations**

Observations from the assessment were:

- There is a solid resource management approach for DHS programmes which is integrated with the organisations capacity and capability management approach. There is clear understanding of performance driven from a range of reports and metrics. There are strong review mechanisms to support verification and refinement of this approach.
- Resource management processes are reviewed from a number of perspectives and channels for identification of issues are open and well-used.
- DHS is able to provide a thorough picture of resource requirements and utilisation across its programmes and is regularly reviewing that balance to assess organisational capacity to deliver.
Clear evidence shows adjustments to delivery during the programme lifecycle to re-balance supply and demand. DHS is pursuing a range of risk mitigation measures to deal with the threatened impact of APS staff freezes and redundancies. These risks could impact maturity assessments if they eventuate to the extent that Programmes no longer have sufficient resources to deliver. However, it appears at this time that programmes consistently have sufficient resources to meet their scheduled targets. The sophisticated approach the Department is taking to meeting these risks helps to show the maturity of processes.

3.2.8 PgM Risk Management

DHS’s maturity level for Risk Management of its programmes is assessed as Level 4. A Level 4 assessment indicates that:

The programmes’ risk management is integrated with the Organisation’s risk management approach and uses measurement and analysis of performance to verify and refine the programmes’ effectiveness across the Organisation.

3.2.8.1 Key Observations and Recommendations

Observations from the assessment were:

- There is a consistent risk management approach applied across the portfolio, programme and project levels that supports measurement and performance analysis to verify programme effectiveness across the organisation.
- The processes and use thereof are assessed at least monthly. There is clear evidence of processes, business rules and guidance being refined to respond to identified issues.
- Risk roles are clearly assigned across the programmes and these include the capability to respond to identified risks. There is broad usage of these roles to leverage change within programmes to avoid threats. There appears to be some identification of opportunities but this does not appear as mature as the framework for threats.
- Programmes appear to be well able to handle unpredictable events through early warning and risk response mechanisms.

3.2.8.2 Target Level 5 Comments

Level 5 Requirements Summary (Relating to the all Programmes):

The following points summarise the requirements of Level 5 Maturity for this perspective:

- Asset risk criteria support optimal asset management decisions.
- Continual monitoring of Programme assurance supports optimisation of risk assurance functions and processes.
- The desire to continuously improve risk management processes is embedded throughout the organisation.
- The creation, sharing and transfer of risk management knowledge is an inherent behaviour.
- Risk data is analysed for trends to inform and optimise future contracting strategies.
- Commercial-related reviews assure the leaders of effective and successful delivery.
- Organisational knowledge and processes enable programmes to learn from each other to optimise their risk management approaches.
- Risk status reports are centrally analysed for improvement to approaches.
- An enterprise risk management tool is used that enables analysis such as trends for common risks.
Lessons learned are used to optimise risk approaches.

Plans are optimised using past risk data.

The organisation continually monitors the application of resources to risks.

Risk policy is forward looking and seeks to anticipate (as opposed to reflecting past experiences).

The organisation actively seeks to improve risk management standards.

**Items not specifically observed:**

General use of risk management was strong and shows some maturity level 5 characteristics. Lack of a central, enterprise risk management tool limits the organisations ability to roll up project risks into programmes, to conduct analysis of effectiveness and thus predict future outcomes. No central knowledge tool was observed and this limits the ability to meet the continuous improvement aspects of Level 5.

**Possible Improvements:**

† To achieve Level 5 DHS should regularly and systematically review aggregated risk data for hotspots and trends with a view to improving processes.

† To achieve Level 5 DHS should establish a clear audit trail showing continual improvement of the programme risk management process, based on trend analysis, lessons learned and process metrics. This is likely to include comparison with other organisations.

† At Level 5 the process is also likely to be updated based on analysis of predicted risk management performance, not only past performance.

† At Level 5, DHS should demonstrate consistent application of the programme risk management process to both opportunities and non-financial risks.

### 3.3 Project Management Maturity Description

DHS’s Project Management maturity level is assessed as Level 4. A Level 4 assessment indicates that:

*DHS obtains and retains specific measurements on its project management performance and runs a quality management organisation to better predict future performance.*

#### 3.3.1 Key summarised observations for Project Management

There has been direct investment in project management learning and development and practice management. We note that across all of the P3M3 participants there was an evident uplift in project capability compared to prior years.

The DHS Portfolio Office continues to have a direct impact on project management practices, consistent application of organisational standards and generally lifting the standard of project management across DHS. For example:

† Centrally controlled project management processes and techniques are being used to effectively manage the delivery of new or enhanced capability.

† Sound project governance arrangements are being applied consistently, often within the boundaries of a larger change program.
A resource pool of trained and experienced Project Managers is being developed by DHS to support current and future projects. This is supported by a focus on ongoing development for individuals in specific roles and the creation of forums to share organisational experience, lessons learned and knowledge across projects.

Strong Portfolio Management also has a positive impact on project management practices as the DHS senior executive begin to set higher Departmental expectations on projects and Project Managers.

3.3.2 PjM Organisational Governance

DHS’s maturity level for Organisational Governance of its projects is assessed as Level 4. A Level 4 assessment indicates that:

Project and Organisational governance are integrated with measurement and feedback is used to refine project governance as appropriate to make it more effective.

3.3.2.1 Key Observations and Recommendations

Observations from the assessment were:

- Project governance roles and processes are fully integrated with those of the organisation with approvals signed off at the Executive level, either through the Portfolio Board (Executive Committee informed by Finance & Investment Committee and ICT Governance Committee) or the ICT Governance Committee for internal ICT initiatives. This joint decision making process across business and ICT ensures balance between organisational performance and the change impact.

- The project approval processes clearly include criteria to assess the value in the context of the wider portfolio. The integration of approvals with programme approvals supports this type of assessment.

- The approach to authorisation has been assessed regularly and there is evidence of changes.

- DHS has a comprehensive list of live projects that shows clearly their linkages with programmes and strategic objectives. A comprehensive dashboard reporting approach allows re-direction of projects to maintain alignment with corporate goals and there is evidence of this occurring.

† Evidence was presented to support a claim that the organisation attribute of Organisational Governance is at Level 5; that is “DHS actively tailors its approach to authorisation to suit the needs of internal and external environments”. The overall assessment of Organisational Governance perspective remains at Level 4 in this assessment but this might be an area that DHS considers as a Target Level 5 for incorporation in the CIP.

3.3.3 PjM Management Control

DHS’s maturity level for Management Control of its projects is assessed as Level 4. A Level 4 assessment indicates that:

The projects’ management control approach is integrated with the Organisation’s controls and uses measurement and analysis of performance to verify and refine project effectiveness across the Organisation.

3.3.3.1 Key Observations and Recommendations

Observations from the assessment were:
Project boards show high degrees of engagement with active decision making focused around setting strategies to improve delivery when required. The Project Boards are integrated with Programme and Portfolio management arrangements. Measurements and associated analysis is used to support these arrangements.

Performance management is conducted through a range of approaches including health checks, independent review and the normal control routines. These highlight effectiveness of project controls and there is evidence of changes to processes as a result of such reviews.

Performance appraisals of project personnel are integrated with the DHS Performance Appraisal framework and project role effectiveness is central within such appraisals.

The nature of many projects as budget measures increases the importance of delivery on time, budget and to quality requirements. One manager put this as 'we must deliver budget measures to plan and we do'. This claim is supported by dashboard reports consistently showing red light indicators for only a small proportion of projects (often less than 5%) and these red lights are rarely persistent.

3.3.4 PjM Stakeholder Management

DHS’s maturity level for Stakeholder Management of its projects is assessed as Level 4. A Level 4 assessment indicates that:

The projects’ stakeholder management is integrated with DHS’ stakeholder management approach, and uses measurement and analysis of performance to verify and refine project effectiveness across the Organisation

3.3.4.1 Key Observations and Recommendations

Observations from the assessment were:

- The project, programme and portfolio stakeholder engagement approaches are vertically integrated and there is solid examination of the effectiveness of projects’ stakeholder management across the organisation.

- Regular review of the effectiveness of stakeholder management is evidenced by a recent review of the Governance Framework which coincided with a stakeholder management review with the same intent. Project closure reports also routinely consider stakeholder management effectiveness and lessons are transferred to Lessons Learned where appropriate.

- Stakeholder communications are effectively managed horizontally across multiple projects to enable consolidation and this borders on a Level 5 assessment which requires that communications across multiple projects optimise stakeholder engagement efficiency and effectiveness. Further metrics and evidence that engagement effectiveness and efficiency is optimised would support such an assessment for the 2015 P3M3® Review as planned.

- Likewise the performance attribute of Stakeholder Management is also approaching Level 5 maturity in that there is a clear view of which projects are engaging which stakeholder groups. Similar evidence about optimisation of effectiveness of internal and external stakeholder management would support a Level 5 maturity assessment in 2015

Project Stakeholder Management would appear to be an area in which Level 5 maturity would be achievable with the introduction of improved, centralised knowledge management to drive continuous improvement along with additional evidence of optimisation of effectiveness and efficiency of communications.
3.3.5 PjM Benefits Management

DHS’s maturity level for Benefits Management of its projects is assessed as Level 4. A Level 4 assessment indicates that:

*The projects’ benefits management approach is integrated with the Organisation’s performance management and uses measurement and analysis of performance to verify and refine project effectiveness across the Organisation.*

### 3.3.5.1 Key Observations and Recommendations

Observations from the assessment were:

- There is a common benefits management framework across the portfolio, programmes and projects that allows measurement and analysis of benefits management performance across the organisation. The PPO has verified the continued usage of this framework across projects and provides ongoing support and review of the framework.

- There is a common range of criteria for benefits across DHS and these are clearly linked to the organisation’s objectives, especially linkage to the delivery of budget measures. Dis-benefits are also included in the framework but there is less evidence of common usage.

- The organisation structure includes responsibility for pre-emptive interventions into existing projects to re-direct them based on forecasting benefits performance. As such the Organisation attribute of the Benefits Management perspective can be assessed at Level 5 maturity. To ensure maintenance of this level in support of the planned 2015 P3M3® full assessment, DHS might wish to consolidate evidence of forecasts vs actual benefit performance across the portfolio and records of intervention decisions.

- The PPO, via Project Specialists together with the Benefits Management Team in the Change and Project Coordination Branch, provide specific support to business project managers in defining, measuring, managing and reporting benefits. This assists in skills transfer and operationalisation of benefits management.

- The Performance attribute of Benefits Management also approaches Level 5 maturity which would require that DHS can reliably predict when projects will collectively deliver benefits. To achieve that level DHS would need to provide evidence of prediction of individual and collective delivery of benefits, assessment of those predictions for accuracy and corrective actions where needed.

- Overall the maturity of Benefits Management in the Project sub-model is assessed at Level 4 ‘with a bullet’. The refinement and embedding of performance metrics along with structured and evidenced continuous improvement (probably using some form of knowledge management system) would make maturity Level 5 an achievable target for the CIP. Refinement of the management of dis-benefits would also assist this improvement.

### 3.3.6 PjM Finance Management

DHS’s maturity level for Finance Management of its projects is assessed as Level 4. A Level 4 assessment indicates that:

*The projects’ finance management is integrated with the Organisation’s finance management approach, and uses measurement and analysis of performance to verify and refine project effectiveness across the Organisation.*
3.3.6.1 Key Observations and Recommendations

Observations from the assessment were:

- PPO spot checks have confirmed the previous observation that Business Cases are instrumental during the project assessment phase. They are generally used as a source of truth and reference point during initial discussions for project decision making. Cost management at the project level is fully integrated with the organisation’s financial management functions.

- This use of a standard approach to project business case development that is consistent and integrated with corporate finance approaches and is integrated with programme business Case approval provides a strong and integrated basis for Finance Management. A consistent set of metrics and analysis of programme performance is applied across DHS programmes.

- The common finance management processes for programmes are regularly assessed and validated for effectiveness. There is evidence of processes being refined when required. There is a valid argument for assessment of this attribute at Maturity Level 5 which would require pre-emptive interventions based on financial reporting forecasts to redirect existing projects. Implicit in the deeper attributes of this is evidence of structured trend analysis, audit trails and continuous improvement. Recommendations are provided below for the continued improvement of this maturity level.

- The Organisation attribute of Finance Management is at Level 5 maturity as the Project and Programme dashboards provide a clear view of forecast costs and funding requirements for all projects in the change portfolio.

- The project dashboard reports show clearly that the vast majority (usually greater than 95%) of projects are delivering on track.

3.3.6.2 Target Level 5 Comments

Level 5 Requirements Summary (Relating to all Projects):

The following points summarise the requirements of Level 5 Maturity for this perspective:

- Analysis of asset cost trends in order to optimise processes for investment decision making for projects
- Continually monitored programme assurance with a view to optimising programme finance processes
- Desire for continuous improvement of finance processes is embedded throughout the organisation
- Funding is optimised in projects through understanding of supply chain costs
- Cash flow is optimised through understanding trends in contract terms and performance
- Organisational knowledge is shared enabling optimisation of project financial approaches
- Finance status reports are analysed by a central group for opportunities to improve approaches
- Finance tools forecast project costs and funding requirements across the organisation (real time)
- Finance skills are embedded in management and leadership development
- Cost estimation techniques are continually reviewed (using actuals and forecasts) to improve control
- Organisational knowledge is used to optimise plans
Process improvement is proactive based on (forward looking) reviews, feedback and analysis.

Strategic business planning is embedded within project business cases.

The organisation actively seeks to improve central finance management standards based on analysis of projects and markets.

Projects use sophisticated techniques within business case to help optimise investment decisions at the programme and portfolio levels.

Items not specifically observed:
Many Level 5 behaviours and practices were reported and observed. No evidence was provided of proactive, forecast-based process improvement. Whilst there are enterprise financial tools in use, the use of them or enterprise knowledge tools to support process optimisation was not observed or supported. No specific evidence was proffered supporting process 'optimisation'.

Possible Improvements:

↑ To achieve Level 5 DHS should regularly and systematically review aggregated financial data for hotspots and trends with a view to process optimisation.

↑ To achieve Level 5 DHS should establish a clear audit trail showing continual improvement of the project financial management process, based on trend analysis, lessons learned and process metrics.

3.3.7 PjM Resource Management

DHS’s maturity level for Resource Management of its projects is assessed as Level 4. A Level 4 assessment indicates that:

The projects’ resource management approach is integrated with the Organisation’s capacity and capability management and uses measurement and analysis of performance to verify and refine project effectiveness across the Organisation.

3.3.7.1 Key Observations and Recommendations

Observations from the assessment were:

✓ PPO spot checks support the previous P3M3® finding that mature, robust and consistent processes, supported by the ICT PMO, exist to track and measure resource utilisation and efficiency within the ICT Portfolio. These processes leverage central resource management tools such as Primavera, the ICT Work Plan and TM1.

✓ Substantial evidence was provided that common resource management processes are regularly assessed and refined when appropriate.

✓ There is a central function to compile and aggregate resource requirements and to balance these with organisational capacity and capability. There is continued recognition, at various organisational levels, for the need to share critical and/or limited resources. Examples include the Project Management Competency Centre, the Business Analyst Competency Centre, PPO Project Specialists and the Project Risk Support Team.

✓ Resource supply and demand is re-balanced during the project life-cycle by both adjustments to the project and utilisation of resources between projects. From a business perspective the tracking and measurement of resource utilisation and efficiency is focused at the branch level and is critical to allow the movement of resources across initiatives as required.
As was evident for programmes, DHS is pursuing a range of risk mitigation measures to deal with the threatened impact of APS staff freezes and redundancies. These risks could impact maturity assessments if they eventuate to the extent that projects no longer have sufficient resources to deliver. However, it appears at this time that projects consistently have sufficient resources to meet their scheduled targets. The sophisticated approach the Department is taking to meeting these risks helps to show the maturity of processes.

A training strategy remains in place to support capability development within Project Management. This is facilitated by the provision of various mechanism to support knowledge transfer and practical applications including:

- classroom and e-Learning training courses;
- project management forums;
- induction and refresh sessions; and
- ongoing coaching and mentoring provided by Project Specialists.

### 3.3.8 PjM Risk Management

DHS’s maturity level for Risk Management of its projects is assessed as Level 4. A Level 4 assessment indicates that:

*The projects’ risk management approach is integrated with the Organisation’s risk management and uses measurement and analysis of performance to verify and refine project effectiveness across the Organisation.*

#### 3.3.8.1 Key Observations and Recommendations

Observations from the assessment were:

- Risk management across the portfolio, programmes and projects is consistent and effective. There is substantial evidence of measurement and analysis of performance being used to refine project effectiveness across the organisation.

- Strong evidence exists to show regular assessment of the risk management processes for past effectiveness. Oral evidence was presented that the introduction of the PGPA Act has catalysed continuous improvement of Risk Management processes. This is supported by changes to the project processes whereby, for example, new and emerging issues and risks must be notified within 10 days. There is also evidence that use of Risk Management workshops is driving continuous improvement of processes.

- The Organisational structure includes responsibility for pre-emptive interventions to redirect existing projects based on identified risks. It is not as clear that opportunities are managed with the same rigour, however this is seen as an ongoing improvement that is underway and accordingly the Organisation attribute of Project Risk Management is assessed at Level 5 maturity.

- PPO spot checks confirm that standard risk management templates and tools, including risk registers, are used consistently and this shows that projects are generally able to handle events that were unpredictable through early warning and risk response mechanisms. The Performance attribute of Risk Management also approaches Level 5 maturity. However, evidence of *optimisation* of the project portfolio through understanding the risk profile would likely be achieved through the recommendations provided below.

#### 3.3.8.2 Target Level 5 Comments

Level 5 Requirements Summary (Relating to the all Projects):
The following points summarise the requirements of Level 5 Maturity for this perspective:

- Asset risk criteria support optimal asset management decisions.
- Continual monitoring of Programme assurance supports optimisation of risk assurance functions and processes.
- The desire to continuously improve risk management processes is embedded throughout the organisation.
- Risk data is analysed for trends to inform and optimise future contracting strategies.
- Commercial-related reviews assure the leaders of effective and successful delivery.
- Organisational knowledge and processes enable projects to learn from each other to optimise their risk management approaches.
- Risk status reports are centrally analysed for improvement to approaches.
- An enterprise risk management tool is used that enables analysis such as trends for common risks.
- Risk management skills are embedded in management and leadership development.
- Lessons learned are used to optimise risk approaches.
- Process improvement is proactive and based on analysis.
- Plans are optimised using past risk data.
- Centralised risk categories are continuously reviewed.
- The organisation continually monitors the application of resources to risks.

Risk policy is forward looking and seeks to anticipate (as opposed to reflecting past experiences).

The organisation actively seeks to improve risk management standards.

**Items not specifically observed:**

Many Level 5-like attributes are demonstrated in evidence reviewed. However, projects consistently maintain an Excel spreadsheet based Risk Register. Whilst these are subject to central review and control and a degree of analysis, this appears to be a central limiting factor in progression towards Level 5 maturity assessment. It was also noted that there were some questions over currency of a few project risk registers when these were informally presented to reviewers. At Level 5 that question would simply not arise.

**Possible Improvements:**

- To achieve Level 5 DHS should regularly and systematically review aggregated risk data for hotspots and trends with a view to process optimisation.
- To achieve Level 5 DHS should establish a clear audit trail showing continual improvement of the project risk management process, based on trend analysis, lessons learned and process metrics.
- At Level 5 the process is also likely to be updated based on analysis of predicted risk management performance, not only past performance.
- At Level 5, DHS should demonstrate consistent application of the project risk management process to both opportunities and non-financial risks.
## APPENDIX A – Assessment Participants

### Portfolio Management

<table>
<thead>
<tr>
<th>P3M3® Role</th>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio Director - CFO</td>
<td>Emily Canning</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Portfolio Director - CIO</td>
<td>Gary Sterrenberg</td>
<td>Chief Information Officer</td>
</tr>
<tr>
<td>Head of Portfolio Office (PPO)</td>
<td>Soraya Weber</td>
<td>National Manager, Portfolio Programme Office</td>
</tr>
<tr>
<td>Head of Portfolio Office (ICT)</td>
<td>Elaine Ninham</td>
<td>National Manager, ICT Portfolio Management Office</td>
</tr>
<tr>
<td>Portfolio Management Process Owner (Benefits &amp; Finance)</td>
<td>Rohan Wong</td>
<td>National Manager, Internal Budgets and Reporting</td>
</tr>
<tr>
<td>Portfolio Management Process Owner (Governance &amp; Risk)</td>
<td></td>
<td>Director, Risk Management (for John Kalokerinos - National Manager, Governance)</td>
</tr>
<tr>
<td>Portfolio Management Process Owner (Stakeholder Management)</td>
<td>Alex Dolan</td>
<td>National Manager, Government Partnerships and New Work</td>
</tr>
<tr>
<td>Portfolio Management Process Owner (Resource Management)</td>
<td>Anna Ryan, Andrea Paschalis</td>
<td>A/g National Manager, Workforce Planning National Manager, Learning and Development</td>
</tr>
<tr>
<td>Portfolio Office</td>
<td>Bianca Ruut</td>
<td>A/g National Manager, Change and Project Coordination</td>
</tr>
<tr>
<td>Portfolio Office (PPO)</td>
<td></td>
<td>Director, Portfolio Design Support and Assurance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Director, Portfolio Reporting and Support</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A/g Director, Portfolio Capability Development and Frameworks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Director, Portfolio Risk Management</td>
</tr>
</tbody>
</table>

### Programme Management

<table>
<thead>
<tr>
<th>P3M3® Role</th>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Programme Office (PPO)</td>
<td>Soraya Weber</td>
<td>National Manager, Portfolio Programme Office</td>
</tr>
<tr>
<td>Head of Programme</td>
<td>Michelle Wilson</td>
<td>General Manager, Disability, Carers and</td>
</tr>
</tbody>
</table>

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**Classification:** Unclassified  
**Task:** DHS P3M3®  
**Version:** 1.4  
**Created:** 8 August 2014  
**Updated:** 26 September 2014
## Project Management

<table>
<thead>
<tr>
<th>P3M3® Role</th>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Project Office</td>
<td>Soraya Weber</td>
<td>National Manager, Portfolio Programme Office</td>
</tr>
<tr>
<td>Project Office (ICT)</td>
<td></td>
<td>Director, ICT Portfolio Management Office</td>
</tr>
<tr>
<td>Project Office and Project Management Process Owners</td>
<td></td>
<td>Director, Portfolio Reporting and Support</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assistant Director, Portfolio Design Support and Assurance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Director, Portfolio Risk Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assistant Director, Portfolio Capability Development and Frameworks</td>
</tr>
<tr>
<td>Programme Office</td>
<td>Susan Cartwright</td>
<td>National Manager, Budget Implementation Branch, Social Services</td>
</tr>
<tr>
<td>Project Management Process Owners</td>
<td>Bianca Ruut</td>
<td>A/g National Manager, Change and Project Coordination</td>
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<td>--------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Director, Departmental Benefits Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Director, Risk Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Director, Internal Budgets and Reporting</td>
</tr>
</tbody>
</table>

**Independent Assurance**

**Interview 1**  
Thursday 14th August 2014  
10:30am – 11:30am

**Attendees:**
- KPMG
  - Paul Coromandel
  - Michael Adams
- Department of Human Services
  - Soraya Weber
  - Elaine Ninham

**Interview 2**  
Monday 25th August 2014  
2:00pm – 3:00pm

**Attendees:**
- Craven Innovation
  - Mr John Craven
- Department of Human Services
  - [Redacted]
  - [Redacted]
APPENDIX B – INFORMATION PROVIDED TO ASSESSORS

Portfolio Management
1. Portfolio Management Framework Manual
2. Portfolio Management Framework “At a Glance”
3. Portfolio Dashboard Reports July 2013 - June 2014
4. Group Dashboard Reports July 2013 - June 2014
5. Glossary

Programme Management
1. Programme Management Framework “At a Glance”
3. Glossary
4. Registration Form
5. Programme Brief
6. Co-Design Service Intent Statement
7. Programme Business Case
8. Programme Blueprint
9. Service Blueprint
10. Programme Plan
11. Programme Strategy (Control Framework)
12. Interdependency Register
13. Benefits Guides and Templates
14. Stakeholder Engagement and Communications Plan
15. Risk Management Templates and Guides
16. Programme Exception Report Template
17. Programme Status Report Template
18. Issue Identification Form
19. Programme Closure Report Template
20. Post Implementation Review Template

Project Management
1. Project Management Framework “At a Glance”
3. Glossary
4. Registration and Project Profile Modelling Tool
5. Project Profiling Guide
6. Intent Statement
7. Business Case Template
8. Project Management Plan Template
9. Project Management Logbook Tool
10. Stakeholder Engagement and Communication Plan
11. Benefits Management Templates and Guides
12. Risk Management Templates and Guides
13. Monthly Status Report Template
14. Exception Report Template
15. Change Request Template
16. End Stage Report Template
17. Issue Identification Form
18. Closure Report Template
19. Post Implementation Review Template

ICT Project Management

1. ICT Project Management Framework “At a Glance”
2. ICT Project Management Framework
3. ICT Project Mandate
4. ICT Project Brief
5. ICT Project Management Plan
6. ICT Statement of Work
7. ICT Project Governance Arrangements
8. ICT Project Monthly Status Report
9. ICT Project Manager Logbook
10. ICT Deliverables Completion Document
11. High Level Requirements Document
12. Detailed Requirements Document
13. Requirements Management Plan
14. Project Change Request Template
15. Project Closure Report Template
16. Program/Project Post Implementation Review
17. Fact Sheet: ICT Project Management Framework
19. ICT Project Delivery - Initiation, Planning, Execution & Closure Phases Checklist
20. ICT In Flight Project Compliance Checklist - Tier 1, 2 & 3 Projects

ICT Engagement Process

1. Business to ICT Account Management Relationships Matrix
2. Fact Sheet: ICT Engagement Process FAQ
P3M3® Assessment Report

3. Fact Sheet: ICT Engagement Process Costing Justification Tips
4. Fact Sheet: ICT Engagement Process Questions to Consider When Costing and Approving
5. Role Definitions
6. ICT Contact List
7. ICT Governance Arrangements
8. Acronym Dictionary
9. ICT Proposed Solution Document Template

Benefits Management
1. Benefits Management Framework Overview
2. Benefits Management Policy
3. Internal Guidelines
   o Departmental Benefits Section Offer of Services
   o Identifying / Defining Benefits
   o Governance
   o Planning / Managing Benefits
   o Appraisal / Valuing Benefits
   o Departmental Register
   o Report
   o Evaluate / Review Benefits
   o Lessons Learned
4. Benefits Map Template
5. Benefits Profile Template
6. Benefits Realisation Plan
7. Benefits (Project / Programme) Register
8. Benefits Roadmap Template
10. Benefits Profile Guide
12. Example Benefit Map
13. Example Benefit Profile
14. Example Benefit Realisation Plan
15. Benefits Management Presentation
16. Benefits Management Induction Presentation
17. Benefits Management Communications Strategy

Risk Management, Issues and Governance
1. Accountable Authority Instructions
2. Enterprise Risk Management Framework
3. Enterprise Risk Management Policy
4. Enterprise Risk Management Strategy
5. Risk Management Plan Template
7. Risk Assessment Matrix Guide
8. Quality Review Checklist
9. Group Risk Reporting Dashboard
10. Project Risk Management FAQ
11. Risk Management in Projects (Training Package)
12. Issues Management Process
13. Governance Framework
14. Escalation Coordination Policy
15. Strategic Planning and Reporting Policy
16. Strategic Planning and Risk Management (all SES training)
17. Governance Committees Charters and Terms of Reference

**Stakeholder Management**

1. Intranet - New Work Team
2. Intranet - Agreements and External Relationships
3. Terms of Reference
4. DSS/DVA/PM&C Relationships Team
5. Service Delivery Policy - Emerging Issues
6. Discretionary New Work Processes
7. Bilateral Management Agreement - Between DHS and Department of Families, Housing, Community Services and Indigenous Affairs
8. Bilateral Management Agreement - Between DHS and Department of Education, Employment and Workplace Relations
9. New Work Proposal Form
10. External Costing Request
11. Head Agreement Template
12. Services Schedule Template
13. Head Agreement between Secretary - DHS and Commissioner of Taxation
14. Stakeholder Engagement and Relationship Management Presentation

**Resource Management**

1. DHS People Strategy and Framework Matrix
2. People Metrics Scorecard
3. Job Family Project - Information Sheet
P3M3® Assessment Report

4. Work Level Standards
5. Portfolio People Strategy - Vision 2015
6. Employment Framework
7. Priority Learning Report
8. Training Investment Plan August to October 2014
10. Instrument of Delegation Authorisation for Human Resources Related Matters

Assurance Reports
1. KPMG Assurance Report 15 - Service Delivery Reform Programme Change (April 2013)
2. KPMG Assurance Report 16 - Service Delivery Reform Programme Governance and Financial Management (June 2013)
4. Mid Stage Service Delivery Reform Programme Gateway Review (June 2013)
6. 2013/14 KPMG High-Level Assurance Observations paper (June 2014)
P3M3® is an overarching model containing three sub-models, Portfolio Management Maturity Model

For each of the three sub-models P3M3® examines up to 7 different process perspectives (Management Control, Benefits Management, Financial Management, Stakeholder Management, Risk Management, Organisational Governance and Resource Management). Within each perspective 5 levels are used to describe maturity, these levels can be applied independently within each model, or across all three to assess overall P3M3® maturity.

3 Sub-models

<table>
<thead>
<tr>
<th>Sub-model</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portfolio</td>
<td>An organisation’s investment (or a segment thereof) in the changes required to achieve its’ strategic objectives.</td>
</tr>
<tr>
<td>Programme</td>
<td>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 organisations strategic objectives.</td>
</tr>
<tr>
<td>Project</td>
<td>A unique set of coordinated activities, activities, with definite starting and finishing points, undertaken by an individual or team to meet specific objectives within defined time, cost and performance parameters as specified in the business case.</td>
</tr>
</tbody>
</table>
7 Process Perspectives

<table>
<thead>
<tr>
<th>Process Perspective</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational governance</td>
<td>This perspective looks at how the delivery of initiatives is aligned with the strategic direction of the Organisation. It considers how the start-up and closure controls are applied to initiatives and how alignment is maintained during the initiative’s lifecycle.</td>
</tr>
<tr>
<td>Management control</td>
<td>This perspective covers the internal controls used by initiatives and how the direction of travel is maintained throughout the lifecycle, with appropriate breakpoints that enable initiatives to be stopped or redirected by a controlling body.</td>
</tr>
<tr>
<td>Stakeholder management</td>
<td>Stakeholder management includes stakeholder analysis and communications planning; the effective identification and use of different communications channels; and techniques to enable the achievement of objectives.</td>
</tr>
<tr>
<td>Benefits management</td>
<td>The benefits management perspective is focused on ensuring that the Organisation defines and manages the value that it anticipates gaining from the investment. It covers the initial definition of requirements through to the release of benefits or value. The perspective is active from the start and plans may continue past the closure date of initiatives.</td>
</tr>
<tr>
<td>Resource management</td>
<td>Resource management covers the management of all types of resource required for delivery of the initiative. These include human resources, deployment of building infrastructures, information technology, and access to key assets and tools.</td>
</tr>
<tr>
<td>Finance management</td>
<td>Finance management ensures that the likely costs of the initiative are captured and evaluated within a formal business case and that costs are categorized and managed over the investment lifecycle.</td>
</tr>
<tr>
<td>Risk management</td>
<td>The risk management perspective reviews the way the Organisation manages threats to, and opportunities enabled by, the initiative.</td>
</tr>
</tbody>
</table>

5 Maturity Levels

<table>
<thead>
<tr>
<th>Maturity Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Awareness of process.</td>
<td>Processes are mostly un-documented.</td>
</tr>
<tr>
<td>2 - Repeatable process.</td>
<td>The organisation can demonstrate, by reference to particular initiatives, that basic management practices have been established.</td>
</tr>
<tr>
<td>3 - Defined process.</td>
<td>Processes will be documented, standardized and integrated with other business processes.</td>
</tr>
<tr>
<td>4 - Managed process.</td>
<td>Processes are managed using metrics and quantitative techniques.</td>
</tr>
<tr>
<td>5 - Optimised process.</td>
<td>The organisation focuses on optimising its processes account for changing business needs and external factors.</td>
</tr>
</tbody>
</table>