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Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

ANNEXURE B

PROJECT MANAGEMENT GUIDELINE

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1. INTRODUCTION

This Annexure provides more detail on the Corporate Governance of ICT (CGICT) on ICT portfolio, programme and project management methodology.

The prioritization and planning of ICT projects are to execute ICT Medium-Term Expenditure as determined by the **ICT plan (three-year plan)**, linked to the ICT annual operational planning (**ICT operational plan**).

2. PURPOSE

This Public Service Corporate Governance of ICT Project Management Guideline (herein called Project Management Guideline) guides departments in planning and executing their ICT projects.

3. ICT PORTFOLIO MANAGEMENT METHODOLOGY

ICT Portfolio management is defined as applying systematic management to ICT components' investments, projects and activities.

The portfolio of ICT programmes and related projects are informed by the initiatives depicted in the ICT plan (three-year plan). From the ICT plan (three-year plan), ICT initiatives translate into projects implemented in the current year as part of the ICT operational plan. However, the portfolio and its related programmes and projects can be planned over a more extended period in the case of multi-year projects as informed by the ICT plan (three-year plan) roadmap.

3.1 ICT Portfolio Management

Portfolio Management is a collection of ICT projects or programs grouped to facilitate effective work management to meet strategic objectives. It should be embedded in the departmental Portfolio/Programme/Project management structures. It must include how the department will create the necessary capacity to manage ICT-related business programmes/projects/initiatives.

A portfolio is a group of ICT projects under a coordinated management structure in the ICT context.

Managing several projects in a portfolio is a mechanism to increase the effectiveness of the entire department. It provides a holistic view of all ICT projects. These projects are prioritized, and limited ICT resources are channelled to initiatives and projects that will provide maximum value to the department.

There must be a continuous alignment of progress (projects and programmes) with the department's strategic direction. This alignment means that the department has to balance the relationships of a project to programme, project-to-project, programme-to-programme and projects/programmes to the business.

3.2 ICT Programme Management

Programme management is the process of managing a group of related ICT projects under a coordinated management structure to improve the department's performance.

3.3 ICT Project Management

ICT Projects should be managed in line with an established project management methodology.

4. ICT PROJECT GOVERNANCE

Each project will be governed in line with its requirements. The business owner will determine the governance mechanisms. It should address the following:

Project governance structure:

The following roles must be clearly defined:

- Business Owner;
- Project Sponsor;
- Project Steering Committee;
- Project Management Team
- Project Champion (business project manager); and
- Where applicable, ICT Project Manager.

4.1 Business Owners

The business owners function on an executive leadership level. They carry the authority to structure the business to execute its mandate. They are responsible for providing strategic direction to their responsibility area, directing work effort in line with the business strategy, delegating responsibility for execution of the mandate account for the business's performance, and resolving cross-functional area problems.

They are responsible to:

- (a) Provide leadership for the ICT enablement of the business;
- (b) Consider all areas of the business and its implication in the formulation of the project;

- (c) Accept or approve the project plans; and
- (d) Monitor and provide oversight for the execution of the project.

4.2 Project Sponsor

The person who champions the cause throughout the project. It will generally be a senior member of staff within a relevant area of responsibility that will be affected by the project's outcome. They are involved from the start of the project, including defining the project in conjunction with the Project Manager(s). Once the project has been launched, they should ensure that it is actively reviewed to ensure the project's desired outcome and deviations are appropriately managed.

The Project Sponsor is responsible to:

- (a) Act as a champion of the project;
- (b) Account for the delivery of planned benefits associated with the project;
- (c) Ensure resolution of issues escalated by the Project Manager or the Project steering committee;
- (d) Sponsor the communications programme; communicates the programme's goals to the department as a whole;
- (e) Make key departmental decisions for the project;
- (f) Assure availability of essential project resources;
- (g) Approve the budget and decides on tolerances;
- (h) Lead the Project steering committee; and
- (i) Be an ultimate authority and responsibility for the project.

4.3 Project Steering Committee

A project steering committee should be established and usually is composed of executive and senior management responsible for overseeing the project's progress and reacting to any strategic problems.

The project steering committee will be responsible for the overall progress monitoring, high-level risk and high-level change management of the project, such as:

- (a) Setting the tone for cooperation between all relevant parties;
- (b) Representing stakeholders that do not directly sit on the steering committee;
- (c) Ensuring equality in decision-making;
- (d) Acting as the ultimate decision-maker in handling executive, legal, organizational, technical, cost, management, cultural and personnel issues;
- (e) Developing a project charter formalizing these roles and responsibilities;
- (f) Managing project scope;
- (g) Championing business process improvement;

- (h) Obtaining support and agreement from stakeholders;
- (i) Resolving obstacles; and
- (j) Communicating to the stakeholders.

4.4 Project Management Team

The project management team is responsible for the day-to-day running of the project. The frequency of project progress meetings will be determined according to the project circumstances.

The frequency and type of project communication with the stakeholders will be determined according to the project's needs.

4.5 Project Manager(s)

In conjunction with the Project Sponsor, the Project Manager is responsible for developing a definition of the project. The Project Manager then ensures that the project is delivered on time, to budget and within the required quality standard (within agreed specifications).

The Project Manager is responsible, among other things, for project planning, scope management, resources, budget, financial management, risk management, contingency planning, escalation of problems, identifying and tracking of milestones, project review, effective communication, stakeholder management and reporting on project status, key project decisions, team management, project delivery, testing, sign-off and finally project closure.

The Project Manager is also responsible for managing the work of consultants, allocating and efficiently utilizing resources and maintaining a cooperative, motivated and successful team.

In the case of business enabling projects, it is recommended that both the business and the ICT function appoint project managers to the project. From the business perspective, this project manager will drive the business adoption of the project. From the ICT perspective, the project manager will drive the technology adoption of the project.

5. PROJECT PRIORITIZATION

During developing a portfolio of ICT projects, the prioritization of projects is informed by the initiatives approved in the ICT plan (three-year plan) reflecting budget priorities.

However, as many departments have learned, the planned budget may not align with the actual budget. Therefore the portfolio of projects should be revised annually to consider budget reprioritization.

This revision should be considered in the light of the following:

- *Strategic Alignment*: Initiative priorities are reflected in the approved ICT plan (three-year plan) aligned with the department's strategic plan.
- *Value delivery*: optimizing expenses, proving the value in line with the available budget derived from the project investment, and when the value will be achieved.
- *Risk management*: Identification of the key project risks and related tolerances. Safeguarding ICT assets and providing for disaster recovery and continuity of operations.
- *Project selection management*: Determine the impact of all the projects on each other. Identify under-performing projects and take necessary actions. If necessitated, terminate a project. Determine the department's capability and capacity to deliver and absorb all this change.

6. PROJECT PLANNING

The planning of ICT projects must be informed by the initiatives approved in the ICT plan (three-year plan).

There must be an approved:

- (a) **Business Case** for each initiative, addressing issues such as the: scope, how it links to the strategic objectives of the department (business drivers), timelines, financial metrics, human resource requirements, benefits, value management practices (e.g. increased productivity, improved service delivery, investment management and cost-effectiveness).

Other considerations are ICT security implications, risks and how the risks will be mitigated, interoperability, digital inclusion, the economy of scale and elimination of duplication.

The Business Case serves as motivation for the project's approval, monitoring, and evaluation.

A guideline for the development of a Business Case is provided in Annexure C.

- (b) **Project Plan** for each initiative, organizing and managing resources so that these resources deliver all the work required to complete a project within defined scope, quality, time and cost constraints.

The project plan should address the charter, scope and specifications, schedule, budgeting and cost management, quality criteria, human resource management, communications, risk, and procurement management.

7. PROJECT MANAGEMENT LIFECYCLE

The success of ICT projects is linked to a proper project planning model throughout the project lifecycle. As a result, an example of key aspects to consider from project initiation to closure is explained below.

7.1 Project Initiation

The ICT plan (three-year plan) must direct the identification, planning and initiation of an ICT project and be motivated by an approved business case.

7.2 Project Planning

The project plan should reflect the following:

- (a) Project Charter, which formally authorizes the project and defines the project resource structure, roles and responsibilities of the different stakeholders and role players;
- (b) Scope of the project;
- (c) Start date of the project;
- (d) Areas included in the scope of the project;
- (e) Areas specifically excluded from the scope of the project;
- (f) Critical success factors;
- (g) Assumptions on which the successful implementation of the project is based;
- (h) Objectives of the project;
- (i) Deliverables per objective;
- (j) Work breakdown structure per deliverable;
- (k) Milestones per work package or deliverable (depending on circumstances);
- (l) Timelines for milestones;
- (m) Conclusion date;
- (n) Allocation of responsibilities per human resource;
- (o) Constraints; and
- (p) Project risks.

7.3 Project Execution Management

The following structures manage the project execution:

- (a) The project steering committee is responsible for the following:
 - (i) Planning and directing the implementation of the project;
 - (ii) Oversee project progress and achievement of deliverables;

- (iii) High-level risk and change management; and
- (iv) Reporting of the progress of the project.
- (b) The Project management team is responsible for the following:
 - (i) Coordination of the implementation of the project; and
 - (ii) Reporting to the project steering committee or ICT steering committee.

7.4 Project Closure

After the project, the project steering committee is responsible for the following:

- (a) Evaluate and report on the achievement of the objectives against the final Business Case;
- (b) Compile project close-out report; and
- (c) The business owner must sign off the project and confirm the realization of value and creation of benefits as defined in the Business Case.