Strategic Asset Management Framework

Practice Note: Tools and Guidance for Information and Communication Technology Projects

Purpose

This practice note provides public sector entities with an overview of materials and guidance developed by the Department of Treasury and Finance to support the planning, delivery and assurance of Information and Communications Technology (ICT) projects.

Total Cost of Ownership and Benefits Model

The Total Cost of Ownership and Benefits (TCO Model) has been developed as the standard, whole-of-government approach to capturing the costs and benefits of ICT projects. Agencies are required to complete the TCO Model for all ICT proposals submitted to government with an estimated total cost over $5 million.

Agencies may use the TCO Model to complete the sections on analysis as part of their business cases. In line with the SAMF Business Case Guidelines, agencies should conduct a broad assessment of all costs and benefits to the community (including the Western Australian Government) on all short-listed options being presented or government consideration.

When completing the TCO Model, agencies should consult the ICT Expenditure Financial Guidelines (detailed below), the ICT Modernisation Benefits Realisation Framework and the ICT Modernisation Framework, which was developed to provide agencies with a structured approach to developing an ICT Modernisation Strategy and prioritised pipeline of ICT works.

A range of supporting documents have been developed to assist agencies with completing the TCO Model, including:

- Instructions, which provide a step-by-step guide to using the TCO Model; and
- Frequently Asked Questions (FAQ).

ICT Expenditure Financial Guidelines

The ICT Expenditure Financial Guidelines (Financial Guidelines) provide agencies with a more transparent and consistent approach to tracking and reporting ICT expenditure throughout the project lifecycle. Agencies should give particular consideration to the ICT Expenditure Framework (in Chapter 6, Supplementary Information 1), which represent the standard categories agencies should adopt when outlining and managing ICT costs (both project and ongoing).

Completion of the TCO Model involves using the cost categories outlined under the ICT Expenditure Framework.

The Financial Guidelines do not impose any mandatory requirements on agencies. Recommendations in the Financial Guidelines operate within the broader public sector governance landscape and should be considered within agencies' existing financial governance, data, process, and technology landscapes. An agency's internal governance frameworks will take precedence in the event of conflict with the Financial Guidelines.

Digital Capability Fund Assurance Framework

The Digital Capability Fund Assurance Framework (the Assurance Framework) is approved by Government to set a strong centralised approach to delivery assurance and outline controls to drive delivery of ICT projects in line with Government decisions and agreed project baselines. The Assurance Framework applies to all projects assessed through DCF governance, irrespective of total project value or funding source. The Assurance Framework does not override agency accountability for project delivery and should be considered alongside other government policies and guidance. The Assurance Framework also provides guidance to agencies on the process for seeking to change project baselines.

WA Gateway Review Policy

ICT projects valued at $10 million and above are subject to a minimum of two Gateway Reviews, with one of these being at the Business Case gate. For more information, agencies are encouraged to consult the WA Gateway Policy or contact the Gateway Unit within the Department of Treasury and Finance.

Useful Contacts

Department of Treasury and Finance's Digital Transformation Unit (for TCO Model and ICT Expenditure Financial Guidelines enquiries)

- dcf@dtf.wa.gov.au

WA Gateway Unit (for enquiries on Gateway Reviews and supporting materials)

- GatewayUnit@dtf.wa.gov.au
- https://www.wa.gov.au/service/government-financial-management/procurement/gateway-review-process

The Office of Digital Government (within the Department of Premier and Cabinet)

- info-dgov@dpc.wa.gov.au
- Whole-of-Government ICT Modernisation Framework