

Performance audit — Audit Planning Memorandum

ICT STRATEGY, CRITICAL SYSTEMS AND INVESTMENT

Introduction



Tasmanian
Audit Office

Digital innovation is transforming the way we work, live and learn. Governments are harnessing the potential of digital and emerging technologies to improve how they design and deliver more efficient and effective services for their communities. Examples of some of the potential benefits are illustrated in Appendix One.

Many governments are shifting from the relatively inward focus of their previous ICT Strategies, to outward looking Digital Strategies that prioritise citizen-centric, responsive and integrated service delivery through digital innovation, collaboration, information management, data analytics, cybersecurity and digital capability development.

The Tasmanian Government has signalled a similar appetite for change with the creation of a new *Digital Strategy and Services* division within the Department of Premier and Cabinet. Development of a digital transformation strategy has commenced and it is timely to conduct a 'building inspection' of the existing ICT foundations upon which a broader digital agenda can be built.

The Information and Communications Technology (ICT) strategy is an important part of that transformation, a map to guide the public sector in seizing the opportunities provided by new technologies in order to reshape the way services to the community are planned, delivered and supported. ICT is no longer only about information and communication technology, boxes and wires, programs and processes. Technology and the need for information pervade every aspect of the modern and increasingly digital world.

Strategic decisions about technology now focus less on hardware and software and more on how to deliver government services in a global and fast-changing environment. The entire public sector needs to develop and mature the capabilities required to turn government into digital government, in order to meet the expectations of a community living and working in a digital world.

The success of an ICT strategy relies on strong ICT governance being in place at both agency and whole of government level. This requires a clear framework to assist agencies in governing, planning and monitoring ICT projects and service delivery, strategically, effectively and safely. Effective ICT governance must be strong, disciplined, strategic and appropriate to the size and type of project or service being overseen. Formal, structured governance of all ICT projects and service delivery must exist that ensures alignment with business priorities, includes suitably senior business and ICT representatives and has well defined roles, responsibilities and escalation points. It is the responsibility of ICT governance to ensure effective planning, risk management, decision principles and monitoring is undertaken and reviewed.

The Tasmanian Government ICT Strategic Framework

The Tasmanian Government ICT Strategy was approved by the Government in December 2011 and aimed to drive improved and transformed service delivery, greater public sector productivity and informed decision making relating to ICT. This was to be enabled by ICT resources that were forward-looking, adaptable and effectively managed across the public sector.

To drive the implementation of the ICT Strategy, the Department of Premier and Cabinet, through the Office of eGovernment (which has since been merged with TMD to become the *Digital Strategy*

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and Services division, was tasked with monitoring the progress of the ICT Strategy, advising on ICT investments, and developing benchmarks on ICT investments and performance across the Government.

The Government also established the ICT Policy Board (which was recently reconstituted to become the Digital Services Board), with its role being to provide advice to the Premier on strategic directions for ICT within government, including investment and performance of ICT across government. This was to be achieved through the coordination and consolidation of agency:

- strategic ICT plans
- ICT asset management plans
- ICT investment proposals.

Following the preparation of agency ICT investment plans, agency ICT asset plans and common ICT requirements (ICT components that are common to many or all agencies), agencies were expected to, as part of their budget process, make budget bids for specific projects, strategic infrastructure investment review process bids or find alternate funding, including Commonwealth and agency funding, for other initiatives.

Audit objective

The objective of this audit is to assess whether:

- the objectives and major actions detailed within the ICT Strategy have been achieved
- agencies prepared and maintained contemporary ICT strategic plans
- agencies are effectively managing critical ICT assets that are essential for service delivery
- the ICT investment and decision making framework has facilitated an effective approach to ICT investment
- the adequacy current governance, investment models and decision frameworks to deliver true digital transformation

Audit scope

State entities that will be included within the scope of the audit are:

- Department of Premier and Cabinet, including the *Digital Strategy and Services* Division (previously the Office of eGovernment)
- Department of Communities Tasmania
- Department of Education
- Department of Health (including the Tasmanian Health Service)
- Department of Justice
- Department of Police, Fire and Emergency Management
- Department of Primary Industries, Parks, Water and Environment
- Department of State Growth
- Department of Treasury and Finance.

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Key stakeholders that may be included within the scope of the audit include:

Key stakeholders
Digital Services Board
Deputy Secretaries Digital Services Committee
Digital Services Advisory Group

In scoping this audit, we considered whether we should assess digital strategies rather than ICT strategies. We recognise the critical importance of digital transformation for Tasmanian Government. Most governments are preparing digital strategies to harness the potential of digital and emerging technologies to improve how government and citizens/customers interact and to deliver better outcomes for everyone. Such strategies incorporate elements of ICT strategies but also consider citizen/customer experience, digital innovation and collaboration, information management, data analytics, cybersecurity and digital capability development.

Given the Government’s progression towards digital strategy development and implementation, we have decided to limit the scope of this audit to the more traditional elements of ICT strategies (which generally cover ICT applications, databases, operating systems and infrastructure) and the adequacy of current governance, investment model and decision framework to deliver true digital transformation of Tasmanian Government services.

Audit Criteria

Criteria	Sub-criteria
1. Have the objectives and major actions in the Tasmanian Government ICT Strategy been achieved?	<ul style="list-style-type: none">1.1. Has the Strategy built the capacity of the Government through ICT?1.2. Has the Strategy improved the way the Government manages ICT?1.3. Has the Strategy transformed the Government through ICT?
2. Have agencies prepared and maintained contemporary ICT strategic plans?	<ul style="list-style-type: none">2.1. Are ICT strategies aligned to the broader business or digital strategic direction of the agency?2.2. Are current ICT challenges, issues and opportunities identified?2.3. Are business and ICT objectives, outcomes and benefits, including key performance indicators, identified?2.4. Are ICT strategies subject to periodic review?2.5. Are ICT strategies monitored for implementation of strategies and achievement of objectives, outcomes and benefits?

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Criteria	Sub-criteria
3. Are agencies effectively managing critical ICT assets that are essential for service delivery?	<p>3.1. Have agencies identified critical ICT assets that are essential to the delivery of agency services?</p> <p>3.2. Have agencies identified when critical ICT assets will need to be replaced or renewed?</p> <p>3.3. Have agencies adequately planned for the funding of critical ICT assets that are due for replacement or renewal in the near future?</p>
4. Has the ICT investment and decision making framework facilitated an effective approach to ICT investment?	<p>4.1. Were Government ICT investment priorities identified and implemented?</p> <p>4.2. Was an ICT Roadmap comprising agreed building block components of the ICT environment developed?</p>
5. How 'digital ready' are current governance, ICT investment models and decision making frameworks?	<p>5.1 Are current governance structures, investment models and decision making frameworks appropriate in order to drive digital transformation of Tasmanian Government services and the associated benefits outlined in Appendix 1?</p>