

1. Assessment by the Danish Council for IT Projects

In the past six months, two events have particularly dominated work by the Danish Council for IT Projects to professionalise government IT projects. Firstly, at the initiative of the Ministry of Finance, during the first quarter of 2016 an evaluation was carried out of work done by the Danish Council for IT Projects since it was set up in 2011. The Council is very pleased to note that the evaluation indicates that the Council has created value in relation to securing more management focus and better risk management in government IT projects.

Secondly, during the spring, the Danish Council for IT Projects began a close dialogue with government authorities, IT suppliers and sector associations on good customer-supplier collaboration. Good customer-supplier collaboration is an important factor in achieving IT-project goals as planned, and the objective of the Council's initiative is to establish the right framework to ensure that this happens more often.

The Danish Council for IT Projects has created value

The evaluation of the Danish Council for IT Projects and the Ministry IT Projects Division has aimed at examining how initiatives in the period from 2011 to 2015 have created value and contributed to increasing the professionalisation of government IT projects.

Digitisation is part of management's agenda for government authorities, in part as a result of the common public sector digitisation strategies, and because of the closer coupling between IT and business development at authorities. The evaluation shows that the Council has particularly contributed to sharper management focus through risk assessments, which dictate that the project-owner authority must be represented through its board. Furthermore, publication by the Council of the half-year status report has contributed to more management focus. However, the authorities require a more differentiated approach to project assessment, for example depending on the risk profile of the project, or the authority's project maturity.

Government project managers have also become more professional. Work by the Council and the Ministry IT Projects Division to disseminate the common public sector project model and management products has contributed to ensuring a common standard for work on major government IT projects. In addition, work has ensured a "common language" for projects across public authorities and out to suppliers. The Council welcomes this development and can see great potential in the specialist environment that has arisen around IT project management. However, several Council members and representatives from the authorities point out in the evaluation that there is no actual career path for government IT project managers, and this could make it difficult to retain and attract competent personnel.

Finally, the Council would like to highlight the conclusion that the risk-assessment process has generated greater focus on risks and managing these risks. Although the number of risks cannot necessarily be reduced through a risk assessment, the process ensures that the risks are addressed and that the authority can carry out mitigating actions on the basis of recommendations from the Council.

The Council agrees that there has been a significant professionalisation of work on government IT projects. However, there is still a lot to do, and the evaluation highlights a number of challenges that the Council also considers necessary focus areas in further professionalisation work.

Important supplier collaboration

A pivotal element of an IT project is collaboration between the customer and the supplier, and the Council perceives helping to enhance and professionalise collaboration as a crucial task. The Council has often observed the consequences of poor collaboration, e.g. risks are not addressed in time, solutions fail to meet needs, or contracts and requirements come to obstruct good collaboration. Therefore, the importance of good collaboration cannot be emphasised enough, and responsibility for establishing the framework lies with both the customer and the supplier.

In this context, the Danish Council for IT Projects is pleased that the past six months have seen strong support from the IT sector, IT suppliers and the authorities to enter into dialogue on the challenges and to draw up a set of common principles for good collaboration. These principles build on practical experience from both successful and less successful government projects and they demonstrate how the parties assess, and can contribute to, fruitful collaboration.

The trade associations, DI Digital, the Danish IT Industry Association (ITB) and Dansk IT, several suppliers and the relevant authorities have all taken an active part in a series of workshops held during the spring. The Council saw positive contributions from all parties and an open debate on both the challenges and solutions in project collaboration. There is sharp focus that the set of principles and good dialogue resulting from this work should contribute to enhancing collaboration to benefit all the parties involved. The Council hopes that the set of principles can be presented as an “agreed document” later this year, so that all the parties take joint responsibility for establishing good collaboration so that together they can successfully overcome challenges.

Three themes in particular are important for the Council.

□ *Anchor in senior management:* One of the most important requirements for successful collaboration and thus a successful IT project is management involvement from both parties. It is especially important for the authorities as project owners that management ensures the necessary coupling between business development and IT development. IT projects should be at the top of the management agenda as a tool for strategic business development.

□ *Early and sustained dialogue on progress:* In connection with the start-up phase of a project, as early as possible, the parties should identify common milestones for the progress of the project, including what common tools and processes are to form the framework for transparent and good collaboration in progress follow-up.

□ *Openness regarding challenges and joint risk management:* A common log of risks should be prepared and this should be discussed openly by the customer and the supplier at steering group/project meetings so that risks are regularly addressed and assessed. Risk mitigation should be addressed so that risks can be mitigated by both parties and resolved by the party in the best position to manage the risk.

The Council is concerned that the parties actually apply the principles, and therefore the Council will focus on this in ongoing dialogue with future projects.

The Digital Strategy 2016-2020

The Digital Strategy 2016-2020 was launched in spring 2016. The Strategy contains initiatives on user-friendliness, reuse of data, IT architecture, security, digital competences, etc. Associated with the Strategy is a number of large IT projects and the Council is looking forward to becoming involved in these. In order to ensure that projects are scoped so that they promote successful completion, the Council is available for consultation with the authorities in charge of projects on exactly how their projects unfold.

Further to this, the Council encourages dialogue between the Council and the authorities in charge of projects to agree the correct follow-up and risk assessment, depending on the scope and nature of the project. In its last leader, the Council already introduced the concept of a more differentiated approach to projects, depending on their complexity and the experience of the authority in charge of the project, etc.

The IT projects in the IT Project Council's portfolio

The Status Report for the first six months of 2016 describes the 26 current projects in the portfolio and the status of programs. Assigning a traffic light highlights the challenges by illustrating the status of the projects with a colour, especially for programs with many underlying sub-programs or highly complex projects or projects with many dependencies.

A red traffic light has been allotted to *Landspatientregistret 3 (the national patient registry)* from the Danish Health Data Authority and the *Grunddataprogrammet (the basic data programme)* from the Agency for Digitisation. The basic data program has seen good progress and has achieved all its milestones in the past six months, but a number of challenges identified in some of the sub-programs will have serious consequences in the near future for the timetable and financial aspects of the overall program.

The Council assesses that unforeseen challenges will be hard to avoid in such complex programs and projects organised across the three sectors. However, this does not change the need for the authorities responsible for the project to have maximum focus on identifying and implementing the required mitigating initiatives.

In addition to the two red traffic lights, the Council has allocated five yellow traffic lights and 18 green traffic lights to the projects in the portfolio. *Implementeringscenter for Inddrivelse (ICI) (implementation centre for tax collection)* from the Danish Ministry of Taxation has been allocated a green traffic light because there are no changes between the project's status reports and its baseline, as these were set simultaneously. However, the Council sees many risks in the project and looks forward to monitoring progress.

The IT Project Council assesses that *Implementeringscenter for Ejendomsvurderinger (ICE) (implementation centre for property valuations)* from the Ministry of Taxation entails many risks and it will be difficult to complete. In connection with the risk assessment of the project, the IT Project Council and the Ministry of Taxation agreed that a separate business case was not to be prepared as the project is pending adoption of a bill for a new property valuation act. As all documents have therefore not been submitted, the IT Project Council has assessed that it is unable to allocate a traffic light to the project.

In addition to the active projects in the portfolio, the Report also covers data from two completed projects, *Digitalisering af selskabsskatten (DIAS) (digitisation of corporation tax)* from the Central Customs and Tax Administration (SKAT), and *SU-reformprojektet (the student grant reform project)*

from the Danish Agency for Higher Education. The final report on the *SU-reformprojektet (the student grant reform project)* is extremely positive about the project as the project was completed on time and about 15% under budget, with no effect from this on the benefits, which are expected to be realised as planned. The Council looks forward to the evaluation meeting with the Agency in the autumn so that experience from the project can be collected and brought into play when advising other government IT projects.

IT Project Council

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