

# Assessment by the Danish Council for IT Projects

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## Cross-project tendencies

With the launch a large number of new IT projects by government authorities, there has been a high level of activity in the spring. This has resulted in no less than 11 risk assessments in the last half year, with eight of the new projects being included in this status report. The Agency for the Modernisation of Public Administration launched three major projects, and for the first time, the IT Project Council assessed the risk of projects from The Danish Agency for Labour Market and Recruitment, the Danish Building and Property Agency, the Danish Natural Environment Portal, and the Danish Business Authority. The portfolio of projects now comprises an even broader segment of the government authorities.

With these eight new projects, a picture is forming of a portfolio of projects with higher project costs than previously. Almost a third of the projects have budgets over DKK 100 mill, and just under 40 per cent of them have budgets over DKK 60 mill, which is the threshold for requiring the submission of a project to the Finance Committee of the *Folketing* (Danish Parliament). Economic magnitude is one of many parameters that are used to define the risk profile of a project. Hence, is it surprising with so many cost-heavy projects in the portfolio that four out of the eight new projects have received a 'high' risk profile due their size, but also because of their complexity. Two of these major projects have also been allocated yellow traffic lights based on their reporting. 38 per cent of the total project portfolio is now assessed to be of high risk. The IT Council encourages both agencies and departments to adhere to the fourth principle for government IT projects regarding delineating projects by minimising their scope and complexity with a focus on the business objectives.

The Council notes that several of the projects in the current portfolio have reported delays in the tender process. This applies to challenges involving legal aspects, for example with regard to the new Act on Tendering Procedures, internal planning as well as the dialogue and collaboration with suppliers. With the launch of the 'code of conduct for good customer-supplier collaboration' last year, the Council focused precisely on dialogue and collaboration in the tender process. And the tendency in the current portfolio emphasises the need to maintain this focus. The Council encourages both authorities and suppliers to continue to use the code of conduct as inspiration for establishing a good dialogue even before entering into a contract and continuing throughout the course of the project. An evaluation of the code of conduct has been launched, and authorities and suppliers have expressed a great deal of interest in participating in an exchange of lessons learned.

In the current period, the IT Project Council has put forward many recommendations regarding project timetable in which the tender process makes up a significant element with regard to the planning of projects. On the other hand, very few specific recommendations have been suggested regarding tenders, and in light of the current challenges, a greater focus is needed on the potential pitfalls that may arise in conjunction with the new legal circumstances, the new types of tenders, and in setting good internal timetables.

## The IT projects in the Council's portfolio

The number of red and yellow traffic lights has remained stable in relation to the last status report and should be taken seriously as an expression of the fact that the projects continue to require increased attention from management. The red and yellow traffic lights indicate that extra focus must be placed on specific areas of a project in order to achieve our objective. For example, the collaboration between the project, management and the supplier often needs to be improved.

The eight new projects, corresponding to 30 pct. of the portfolio, have contributed to increasing the impression of a green portfolio. The status report also contains many green traffic lights, for instance for those projects that have gotten off to a good start. At the same time, the IT Project Council does note however that the tendency for additional financing and re-planning continues, which indicates that many projects are still experiencing problems during implementation. Re-planning and additional financing mean that projects are given a new baseline (a new timetable and a new economic framework), which the subsequent status reports are then based on. Thus, delays and budget overruns become less visible across the status reports.

### **Red and yellow traffic lights**

Two projects were allocated red traffic lights, *Projekt Tidsstyring* from the Danish Defence Personnel Organisation and *RejsUd* from the Agency for Modernisation the Ministry of Finance.

*Projekt Tidsstyring* is currently being subject to an external review, and its development has therefore been put on hold. For this reason, the project has not reported on its status. The project maintains its red traffic light from the previous status report, and the Council looks forward to discussing the further plans for the project in autumn 2017. *RejsUd* has been additionally delayed, and the additional delay also means increased project costs. The delay is due to a reassessment of the implementation model for the project and to the fact that the supplier has not delivered corrections to the solution at the appropriate pace. Despite the delay, the project reports that good progress is being made and that the system has been put into operation at 10 institutions. Five projects and one program were allocated yellow traffic lights. These comprise *Domsdatabasen* from the Danish Court Administration, the *National Digital Identity Signing Solution (NDIS/MitID)* and *The Basic Data Programme* from the Danish Agency for Digitisation, *NemVirksomhed* from the Central Customs and Tax Administration (SKAT), *Netprover.dk* from the National Agency for IT and Learning as well as *Implementering af EU-fiskerireform i Danmark* from The Danish Agriculture Agency.

//The Government's IT Project Council