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Interim
Australian/New Zealand Standard™

**Corporate governance of projects
involving information technology
investments**



AS/NZS 8016(Int):2010

This Joint Australian/New Zealand Interim Standard was prepared by Joint Technical Committee IT-030, IT Governance and Management. It was approved on behalf of the Council of Standards Australia on 24 November 2009 and on behalf of the Council of Standards New Zealand on 13 November 2009. This Interim Standard was published on 18 February 2010.

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Australian Chamber of Commerce and Industry
Australian Computer Society
Australian Industry Group
Australian Information Industry Association
Australian Institute of Company Directors
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PREFACE

This Interim Standard was prepared by Standards Australia/Standards New Zealand Committee IT-030, IT Governance and Management.

The objective of this Interim Standard is to promote a substantial improvement in the business outcomes for business projects that involve investment in new or changed IT capabilities (these projects are often referred to as ‘IT Projects’). To achieve this, This Interim Standard proposes a framework, comprising definitions, principles and a model for effective governance of such projects.

This Interim Standard is aligned with the set of principles and framework in ISO/IEC 38500, *Corporate governance of information technology*.

Attention is drawn to the fact that this document is an Interim Standard and should be regarded as a developmental Standard and liable for future alteration. The date of expiry is two years after publication, at which time this Interim Standard will be confirmed, withdrawn or revised in the light of public comment.

The term “informative” has been used in this Interim Standard to define the application of the appendix to which it applies. An “informative” appendix is only for information and guidance.

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FOREWORD

This Interim Standard focuses on the governance of projects in which IT is an enabling tool for delivering value to the business. Such value could include—

- (a) competitive advantage through delivery of new services;
- (b) improvements in organization efficiency;
- (c) cost reduction; and
- (d) risk reduction.

The historical record of obtaining value from such project outcomes has been poor. This is despite the fact that, in many cases, the potential for problems should have been obvious at the outset.

One key reason for these negative outcomes is the emphasis on the technical, financial and scheduling aspects of IT activities rather than emphasis on ensuring that required business outcomes will be achieved. In many cases projects are seen as “IT projects” and are not subject to adequate attention by senior business managers

The potential for success is increased through active participation of directors and senior business managers in the governance of the projects from initiation to realisation of the benefits. The achievement of business value is enhanced by active involvement from senior business management in project decision making and promotion of the organizational change required to achieve the anticipated business value.

This interim standard provides a framework for effective governance of projects involving investment IT, to assist those at the highest level of organizations to ensure that investments in IT contribute positive to the performance of the organisations and that

The framework comprises definitions, principles and a model. The principles are derived from those defined in ISO/IEC 38500:2008 Corporate governance of information technology, and tailored to clarify the application of the ISO/IEC 38500 principles to projects.

This Interim Standard does not prescribe or define specific management practices required for projects since they are already well defined in other sources. By focussing on principles for governance of projects and behaviours that contribute to project success, this Interim Standard provides guidance that is applicable to all organizations. It is a corporate governance responsibility to ensure the appropriate behaviours and mechanisms are in place within the organization.

STANDARDS AUSTRALIA/STANDARDS NEW ZEALAND

Interim Australian/New Zealand Standard Corporate governance of projects involving information technology investments

SECTION 1 SCOPE AND GENERAL

1.1 SCOPE

This Interim Standard provides guiding principles for directors or organizations (including owners, board members, directors, partners, senior executives, or similar) on the corporate governance of projects involving IT investment.

The Interim Standard applies to the governance process to be applied to all aspects of such projects and not merely to the aspects of the projects that deliver the IT capability. It applies to the entire business lifecycle of the projects, from conception to confirmation, to ensure, as far as practicable, intended business outcomes, benefits and value have been realized. This is to ensure organizations do not just focus on the IT aspects of projects and risk neglecting the importance of the non-IT aspects in achieving intended business outcomes. This Interim Standard uses the Concise Oxford English Dictionary definition of a project: *‘an enterprise carefully planned to achieve a particular aim’*.

This Interim Standard provides guidance to those advising, informing, or assisting directors. They include—

- (a) project managers, and program and portfolio managers;
- (b) members of groups monitoring the resources within the organization;
- (c) external business or technical specialists, such as legal or accounting specialists, retail associations, or professional bodies;
- (d) vendors of hardware, software, communications and other IT products;
- (e) internal and external service providers (including consultants); and
- (f) auditors.

1.2 APPLICATION

This Interim Standard is intended to be used by all organizations, regardless of size, ownership and purpose. For the avoidance of confusion, its application includes for-profit and not-for-profit; public, private and government owned; smallest to largest; wholly-owned, private equity and listed corporations; subsidiaries and joint ventures.

All the principles identified in this Interim Standard are generic and intended to be applicable to all organizations. The actions to implement a governance system based on these principles should be tailored to suit the specific organization that is using it, based on the risks in their environment.