

Australian/New Zealand Standard™

Governance of IT enabled projects



AS/NZS 8016:2013

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PREFACE

This Standard was prepared by the Joint Standards Australia/Standards New Zealand Committee IT-030, ICT Governance and Management, to supersede AS/NZS 8016(Int):2010, *Corporate governance of projects involving information technology investments*.

The objective of this Standard is to facilitate 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 enabled projects' or 'IT projects'). To achieve this, this Standard proposes a framework, comprising definitions, principles and a model for effective governance of such projects.

This Standard is based on AS/NZS ISO/IEC 38500, *Corporate governance of information technology*.

The variations from the 2010 edition include the following:

- (a) A revised title.
- (b) Significantly enhanced guidance on the governance of IT enabled projects as part of organizational governance.
- (c) Enhanced guidance on the application of the governance principles to IT enabled projects.
- (d) Enhanced guidance on the governance framework for IT enabled projects.

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FOREWORD

This Standard provides guidance to assist those at the highest level of organizations in the effective governance of IT enabled projects; these are projects that deliver IT enabled business capability and outcomes.

IT supports the core functions of most organizations. Investment in IT and the contribution of IT to the business capability and performance of the organization often play a significant role in the achievement of strategic plans.

Governance of IT, including significant investments in IT, is part of sound corporate governance and is needed to meet ASX guidelines. Governance in this context is not IT management but it is supported by the organization's management system.

The mechanisms employed to govern IT enabled projects should be informed by the organization's reliance on IT and its strategy, as well as its size and risk appetite. An item relating to an IT crisis on a board agenda could be a sign of weak or immature framework for the governance of the IT enabled project, and often the resulting decision-making will occur in isolation and will address the symptoms rather than the cause.

The guidance provided in this Standard comprises principles and a model. The principles are those defined in AS/NZS ISO/IEC 38500:2010, *Corporate governance of information technology*, and this Standard offers guidance on the application of the principles to IT enabled projects. It provides guidance on the way governing bodies can own and lead the governance of IT enabled projects while providing support to those with delegated authority to deliver these projects.

This Standard focuses on the governance of projects in which IT is an enabling tool for delivering value to the business. The governing body of an organization will determine what is of value to that organization; however, the value arising from an IT enabled project could include—

- (a) competitive advantage through delivery of new services;
- (b) improvements in organizational efficiency;
- (c) cost reduction;
- (d) effective risk management; and
- (e) compliance with legislation and regulations.

Governance of IT enabled projects can provide governing bodies with a better understanding of the organization's risk profile. Mobile devices, 'apps' and 'cloud' services can be purchased with ease by business management, and often without consulting the management responsible for the business's IT or without understanding the potential implications for the organization's IT strategy. Business projects underpinned by these technologies could escape consistent oversight, and decisions could be made that are neither aligned with an overall business strategy for IT nor subject to consistent oversight.

Digital and social media opportunities are currently being discussed in terms of business strategy, as well as in terms of the challenge of calculating and monitoring return on investment. This is a changing world where, if the board does not provide leadership, the consequences will be costly to rectify, and competitive opportunities could be lost.

This Standard does not prescribe or define specific management practices required for IT enabled projects, since these practices are already well defined in other sources. However, by focusing on the principles for governance of projects and behaviours that contribute to project success, this Standard provides guidance that is applicable to all organizations. It is the responsibility of governing bodies to satisfy themselves that the appropriate behaviours and mechanisms are in place within the organization.

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Australian/New Zealand Standard Governance of IT enabled projects

SECTION 1 SCOPE AND GENERAL

1.1 SCOPE AND APPLICATION

1.1.1 Scope

This Standard provides guiding principles on the governance of IT enabled projects. It proposes a framework for governance, incorporating definitions, principles and a model.

This Standard encourages organizations to consider the importance of non-IT aspects in achieving intended business outcomes rather than just focusing on IT related aspects of projects.

1.1.2 Application

This Standard is applicable to both individual IT enabled projects and programs of projects to achieve business objectives.

It applies to the governance of 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 life cycle of the projects, from conception to completion, with a focus on realizing intended business outcomes, benefits and value.

This Standard is intended for use by the governing bodies and executive managers of organizations (including owners, board members, directors, partners and senior executives).

1.2 BENEFITS OF USING THIS STANDARD

1.2.1 General

The application of this Standard and the application of the principles in Section 3 will assist the governing body, and those with responsibility for governance of IT enabled projects, to balance value opportunities and risks arising from their investment in the use of IT.

NOTE: Governing bodies have become more concerned about IT enabled projects because the consequences of failure are well publicized. In many cases, such projects are seen as 'IT projects' under the control of the organization's IT function and are not subject to adequate attention by the governing body and senior business managers. This Standard may assist the governing body to focus on evaluating the strategic consequences and environment for success in respect of such projects.

1.2.2 Performance

Good governance of IT enabled projects (see Clause 1.4.3) helps the organization to ensure that investments in IT contribute positively to the performance of the organization and that the governing body and management are informed about the risks associated with IT enabled projects at initiation and throughout the full project life cycle.

The outcomes of good governance include the following:

- (a) Giving priority to projects that have the greatest value to the organization and align with the organization's business objectives. The value from IT enabled projects could include competitive advantage through delivery of new services, improvements in efficiency, cost reduction, risk reduction and the maintenance and enhancement of IT infrastructure.