Project Management Policy 2023

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1. Policy Objectives

1.1   The purpose of this policy is to guide the successful delivery of Ruapehu District Council (Council) projects.

This policy articulates the principles, requirements, and responsibilities for the management, planning and execution of projects, so that projects deliver quality outcomes and benefits and provide value for money for the communities of Ruapehu District.

1.2   The objective of this policy is to ensure Council has a sound approach to delivering Council projects through:

- a) Promoting best practice and consistent project management.
- b) Demonstrating transparent and responsible project management processes that align with documented good project management practice.
- c) Using scale, complexity, and risk as the basis for resourcing and managing projects efficiently.
- d) Establishing appropriate governance structures for overseeing and directing projects.
- e) Identifying critical management roles and responsibilities.
- f) Aligning and embedding appropriate risk management practices into project management practices.
- g) Actively considering hapū, iwi, community and relevant stakeholders associated with the delivery of project outcomes and benefits.

2. Definitions

2.1   Approving Manager

Refers to the Manager that has the delegated decision-making authority to approve a Project Brief, Business Case, or change. In the context of this Policy, this will usually be the Project Sponsor acting under delegated authority.

2.2   Council

Refers to the Ruapehu District Council – governed and represented by its elected members.

2.3   DWS

Council's electronic document and records management system.

2.4   Long Term Plan

Refers to Council's 10-year planning document that contains information on Council's activities and services and the forecast expenditure for the next 10 years. The Long Term Plan (LTP) is updated every three years.

2.5   Project Brief

A document that provides definition of the project scope and objectives as well as indicative costs and timeframes. Sometimes used for budget approval of low-risk projects that do not require a full business case.

2.6   Project Business Case

A document that provides detailed definition of the project scope, cost and timeframes and intended outputs and outcomes, used for achieving budget approval for execution of a project.

2.7   Project Management Framework

Refers to the guidance document and associated templates and artefacts that Council has adopted for use by all staff that sponsor, own, or manage projects, regardless of type or size of the project undertaken.

2.8   Project Manager

The individual assigned to plan and manage the delivery of the project.

2.9   Project Owner

The individual who represents the Council business group or unit holding the budget and who will accept and own the outputs of the project.

2.10   Project Sponsor

The individual responsible for ensuring the project achieves its stated objectives, outcomes, and benefits.

2.11   Project Control Group

The group of people assigned to overseeing the decision making and management of the delivery of a project.

2.12   Project Management Office (PMO)

The group of people and function that supports and oversees project controls for Council projects.

2.13   Project Portfolio Governance Group

The wider stakeholder governance group (does not refer to Council Governance) that oversees the delivery of projects with significant external stakeholder interest and provides governance and strategic direction.

3. Principles

3.1   The Community Wellbeing Outcomes that reinforce the purpose of Council are:
    a) Social - Safe, Healthy Communities.
    b) Cultural - Vibrant and Diverse Living.
    c) Environmental – Sustaining Beautiful Environments.
    d) Economic - Thriving Economy.
    e) Strong Leadership and Advocacy.

3.2 The principles of this policy are underpinned by the afore-mentioned community wellbeing outcomes and policy objectives. The principles of the Project Management policy are:

      a) To observe good practice in accordance with the Project Management Framework.
      b) Maintain continuous improvement (of project planning, budgeting, and delivery).
      c) To achieve value for the Community through sound project investment.
      d) Demonstrate transparency and accountability.
      e) Appropriately manage risk.

4. Background

4.1 Council is committed to prudent management of all projects. To achieve this, Council is investing in its capability, resources, and methodology for planning and executing projects.

4.2 Council has a significant number of projects underway at any one time. Some of these projects involve large amounts of external funding and a wide range of stakeholder interests, both within and beyond the Ruapehu District. In this environment, Council must provide certainty to its communities and wider stakeholders that it can deliver the necessary outcomes and benefits in terms of new and upgraded assets and operational improvements from its project.

4.3 To provide for consistency, transparency and accountability, Council is implementing a Project Management Framework that provides a detailed set of guidance for delivering projects, with a focus on appropriate resourcing, governance, and methodology for the range of scale, risk, and complexity of projects it has to deliver.

5. Policy Statement

5.1 Project Management Framework

5.1.1 Council has adopted a Project Management Framework to guide the planning and delivery of its projects. As a minimum, all Council projects will be managed in accordance with the project governance and management requirements, and controls as set out in the Project Management Framework.

5.1.2 The PMO is responsible for the general support, use, review and updating of the Projects delivered across Council and in accordance with the Project Management Framework.

5.1.3 The PMO is responsible for reviewing and approving any substantial changes to the Project Management Framework on recommendation of the framework user.

5.2 Project Categorisation

5.2.1 All projects will be categorised during project initiation in accordance with the Project Management Framework criteria for categorising projects.

5.2.2 Projects will be categorised as either 'basic', 'intermediate', or 'advanced', taking into account the scale and risk profile of the project.

5.2.3 The category of the project will determine the relevant minimum requirements for that project in terms of the applicable project governance and controls described in the Project Management Framework.

5.3 Project Stages and Gates

5.3.1 Projects follow a lifecycle consisting of four stages. These are:

1. Project Initiation.
2. Project Planning.
3. Project Execution.
4. Project Completion.

5.3.2 Every project shall receive appropriate approval before passing through each stage gate and progressing into the next stage. Refer to the framework for stage approval criteria.

5.4 Project Budget and Funding

5.4.1 Where Council is funding part or all of the cost of a project, the funding of that project must be through a budget approved through the Long-Term Plan, Annual Plan or Forecasting Process.

5.4.2 Where another entity or agency is funding part or all of the cost of a project, Council will meet all conditions of the funding agreement, including providing that entity or agency with sufficient reporting and evidence of compliance with the conditions of the funding agreement, as may be required by that entity or agency.

5.4.3 Expenditure of any project budget will be in accordance with Council's delegated financial authority policy.

5.4.4 Projects will firstly be allocated funding from the project budget sufficient for the project to progress to the end of the initiation stage. Once the project has progressed through the initiation stage gate, further budget will be made available for the project for completion.

5.5 Project Governance

5.5.1 All projects will have a governance structure established in the project initiation stage that is commensurate with the category of project. The Project Owner will ensure that the governance for the project is established and working as it should to provide the Project Manager with appropriate guidance, direction, and decision making to allow the project to realise the intended benefits.

5.5.2 Every project will have the governance structure and individuals involved in project governance and management, explicitly identified, and documented, including the delegated authority for decision making.

5.6 Project Roles and Responsibilities

5.6.1 The Project Management Framework will cover in detail the roles and responsibilities for the different individual and group roles and responsibilities involved in planning and delivering a project.

5.6.2   Projects in every category will have a minimum requirement of an assigned Project Manager, who is responsible to the Project Owner and Project Sponsor for delivery of a quality project on time and to budget and liaise with the Project Owner on specific council budget obligations.

5.6.3   Every project will have a Project Owner. The Project Owner is responsible for the Council budget for the project, effectively ensuring the business unit obligations and outcomes are achieved.

5.6.4   Every project will have a Project Sponsor who has overall accountability for the project delivering the intended outcomes. The Project Sponsor will be a member of the executive team unless the role is delegated in an appropriate circumstance. The Project Sponsor may also be the Project Owner for a basic project.

5.6.5   Where appropriate for intermediate and/or advanced projects with a degree of complexity, risk, impact on Council and community, a Project Control Group will be established for a project. The Project Control Group will provide governance and control over the progress, key decisions, and outcomes of the project. The Project Control Group membership will primarily be internal staff with the requisite experience and skill set. Membership of the Project Control group will be documented in the project Terms of Reference.

5.6.6   Council has established a Portfolio Governance Group that involves a variety of stakeholders with different interests across the range of Council-led projects. The Portfolio Governance Group will have oversight of relevant Intermediate or Advanced projects that have significant community impact and/or some element of external funding.

5.6.7   The Portfolio Governance Group is governed by a Terms of Reference which sets outs its membership and authority.

5.6.8   The Project Office is an internal group made up of key Council project control personnel under the guidance and management of the EMI. The role of the Project Office is to exercise project controls, provide delivery support to Project Managers and ensure the Project Sponsor and Control Group have visibility of the status and performance of the project and project team.

5.7   Project Assurance

5.7.1   Project assurance activities will be undertaken for each project to ensure that projects are being managed well and will deliver the desired outcomes and benefits.

5.7.2   The Project Management Framework will cover the range of project assurance activities that can and will be undertaken depending on the project category and the associated scale and risk profile for the project. Project assurance activities and reviews will be undertaken within the stages and at the stage gates in the lifecycle of the project, as specified in the Project Management Framework. The process of review will be monitored across all projects by the Project Office.

5.7.3   The Project Office will run an internal program of project audits with the purpose of improving the way Council manages projects. Any project may be subject to an internal audit and the Project Manager will implement any recommendations or findings that result from an audit of a project.

5.7.4 Where required, external audit review of a project may be part of the Project Assurance activity for that project. External audit review must be expected and allowed for as part of any project that is either partially or fully externally funded.

5.8 Project Completion and Closure

5.8.1 As part of project assurance, all projects will follow a project completion process. A project will only be formally completed or terminated when the Project Sponsor signs off the project plan as completed having regard to the completion and handover requirements of the Project Management Framework.

5.8.2 For intermediate and advanced projects, the Project Manager will lead a review of the effectiveness of the project in order to capture outcomes and learning's from the project for subsequent similar packages of work and review the success of the project. The outcomes of this review will be captured in a completion and handover report. This report is a requirement of project completion for all intermediate and advanced projects.

5.8.3 For advanced projects a Project Evaluation will be undertaken some time after completion (3 – 12 months) for the purpose of confirming that:
- the outcomes and benefits are as expected
- any operational expectations are working as planned
- any ongoing costs or resource demands are as expected.

5.8.4 As the individual responsible for the project delivering its outcomes and benefits, the Project Sponsor will instigate and lead the Project Evaluation. However, it may be a person independent to the original project who undertakes the full Project Evaluation.

5.9 Project Records and Documentation

5.9.1 Every project must have an individual and unique project account and record to enable the project records and accounts to be stored, identified, and retrieved.

5.9.2 All project outputs are required to be stored and maintained in DWS against the project record, in compliance with Council's Information and Records Management Policy.

5.9.3 Project approval documents such as Project Briefs and Project Business Cases must be granted written approval by the Approving Manager with the appropriate decision-making delegation. Any changes to the project scope, budget, and delivery timeframes outside of agreed tolerance levels must be documented and signed by the Approving Manager, in line with Council's Delegation's Register.

5.10 Project Risk Management

5.10.1 An appropriate risk assessment for every project will be conducted in accordance with Council's Risk Management Policy.

5.10.2 All active risks will be managed by the Project Manager during project execution by means of a risk register. The risk register will provide detail of the risk, the assessment of the risk, and the relevant risk mitigations that are in place. There is an internal review process in place in relation to risk management, as part of that process a suitable report is to be presented to Elected Members in relation to the review of project risks.

6. Annotations

Date	Description
[Date]	New policy adopted by Council

7. Policy Version Control

Policy drafted by	Policy Team Infrastructure Team
Policy reviewed by	Executive Manager Infrastructure
Policy reviewed and recommended by the Information System Governance Group (ISGG)	N/A
Policy reviewed and recommended by the Audit and Assurance Committee	19/09/2022 Audit and Risk Committee recommend to adopt this policy.
Policy reviewed and adopted by Council	[Date]