

**POLICY**



**CENTRAL TABLELANDS WATER**

**DRAFT 5**

**PROJECT  
MANAGEMENT  
POLICY**

## DOCUMENT CONTROL

Document Title		Project Management Policy			
Policy Number		CTW-PRO			
Responsible Officer		Director Finance and Corporate Services			
Reviewed by					
Date Adopted					
Adopted by		Council			
Review Due Date					
Revision Number		1			
Previous Versions	Date	Description of Amendments	Author	Review/ Sign Off	Minute No: (if relevant)

## Introduction

Council has implemented a common project management framework that is to be used by all Council project managers to deliver successful projects.

## Purpose

For Council to develop, maintain and implement an overarching Project Management Framework that:

- Provides a consistent Council wide framework for managing projects.
- Aligns projects with Council's strategic plans.
- Increases project transparency and visibility to enable effective decision making regarding the optimal use of resources.
- Delivers services through improved project management capability.
- Improves the efficiency and consistency in project delivery.
- Defines roles and responsibilities, performance measures and accountability for success.
- Identifies and manages project risks.
- Supports the capability development of staff managing projects.
- Supports process improvement, staff development and learning.

## Scope

The Project Management Framework applies to all Council staff responsible for delivering any Council project with an estimate capital value exceeding \$1million (GST excl). The framework will consider the nature and size of different lower value projects to determine the complexity of the required documentation and reporting requirements.

If a project exceeding \$1million (GST excl) requires any exemption from, or variation to, the processes and documentation in this framework, prior approval must be obtained from the General Manager to proceed.

Projects not exceeding the threshold estimated cost may adopt this policy depending upon the complexity and/or risk of the project.

All projects must have funding approved and voted by Council. Funding may be from revenue, cash reserves, grants, or borrowings. In case of works considered an emergency funding approval may be sought after a commitment to the works has been made, subject to approval by the General Manager and Chairperson.

## Policy

Council's Project Management Framework provides a systematic, consistent, and corporate wide approach to managing projects.

### Policy Statement

Council strives to continually improve the efficiency and effectiveness of its performance in the provision of works and services for its customers, the community, and stakeholders. The following principles will guide how the projects will be managed.

### Principles

Key principles of effective management of projects are:

- Project decisions are integrated with corporate strategic planning.
- Project investment decisions are based on Investment Logic Maps, Business Cases or similar with documented understanding of the project considerations, evaluation of alternatives, incorporation of 'life cycle' costs, benefits, and risks of project deliverables.
- An effective internal control structure is established to manage the projects.
- Review of project outcomes and documentation of learnings
- Projects are approved and funded by Council in its Operation plan or Quarterly Budget Review Statement.

This Project Management Framework addresses these principles by providing guidance for employees about matters that need to be taken into account when managing a project related to policies, procedures, templates and relevant checklists, to facilitate:

- effective and consistent project management across the organisation
- appropriate project governance
- effective change, communication, and risk management
- improvement to Council's project methodology through the use of post implementation reviews.
- Projects consider the impact of intergenerational equity.
- Project cost estimates to include a 20% contingency factor.

### Project Management Framework Overview

- The Project Management Framework developed for Central Tablelands Water covers the lifecycle of a project and is broken down into four (4) generic project phases:

Phase 1 – Initiation and Approval

Phase 2 – Project Definition and Planning

Phase 3 – Execution and Control

Phase 4 – Closing

- The Framework includes of a set of streamlined processes, tools and templates that can be used by all project managers across the organisation, to capably manage any project (small or large scale) that they have, through its entire lifecycle

### Project Sources

- Projects may be initiated from a variety of sources, including Council adopted strategies or plans, legislative requirements, community needs, Council resolutions or Council officer initiatives identified prior to annual business plan reviews and development.
- Regardless of their place of origin, a project is only to commence after the relevant approval process has been completed and business case supported.

### Project Categorisation

- All projects will be subject to an Initial Project Assessment based on Council's Enterprise Risk Management Policy and involves consideration of project risk factors as well as projected cost. The outcome of that assessment then determines which category a project falls into low, medium, or high risk and subsequently, the appropriate level of diligence to be applied. The higher the level of project risk, the higher the level of planning and detail required.
- The appropriateness of project diligence is important. By providing the tiered approach to Project Management, the Framework aims to avoid unnecessary frustrations and delays that may result from over-management of simple, straight-forward projects, but at the same time, looks to prevent complications that can arise from complex projects being under-managed.
- All projects must follow the processes relevant to its categorisation, to ensure that appropriate controls are in place throughout the duration of the project.

### Approval of Project Variances

- Any variance to a project's initial approved project plan, including to budget and/or timeline that falls outside of a project's defined tolerances, needs to be reported to and approved by the General Manager.
- All contract variations (capital or service) must be managed in accordance with Council's procedure for contract variation, detailed within Council's Procurement and Tendering Procedures.
- Where a contract variation is within the approved contingency it must be approved by an officer with an authority of financial delegation calculated on the total value of the variation.
- Where a contract variation results in the project contingency being exceeded, the variation will need to be reported to Council for funding approval. This may be done through the quarterly Budget Review Statement (QBRs) or in a report to the Council.

## Reporting

- Council's Project Management Framework has been designed to ensure accurate and timely reporting. This policy requires Project Managers to enter regular status updates for projects under their control.
- At a minimum, a progress and budget update report showing the status of projects previously assessed as being medium or high-risk projects is to be presented to each ordinary meeting of Council.
- Project Management is also reportable to Council's Internal Audit Committee and therefore projects may be selected for internal audit test how this policy has been applied.

## Mandatory Project Management Requirements

### All projects will:

- Adhere to the Council Project Management Framework and be managed through the project management lifecycle.
- Have a direct link to an Operational Plan, Delivery plan or Asset plan. Exceptions to this will be approved by the General Manager and/ or responsible Director (delegations shall apply) only
- Have the documented Project Management Assessment/ Charter approved by the General Manager, responsible Director.
- Be subject to project assurance processes as appropriate to the scale and risk of the Project
- Have documentation managed in the corporate records management system. Ensure project cost estimates contain financial contingency at a minimum of 20% of estimated costs.
- Where the confidence level in the project estimates is low a higher contingency may be provided.
- Specify level and type of funding being sought and timeframe for the use of the funds when requesting additional or new funding from Council.
- Adhere to procurement processes.
- Be allocated (for capital projects only) a unique work order number/ general ledger (for financial budgeting and accounting purposes) and to be added to Council's assets register.
- Undertake post-completion report that will include an analysis of benefits realised, lessons learned and include a sign off on the quality and adequate completion prior to Project ledgers and Work Orders closed out.
- Have a designated Project Sponsor. This may be Council or an external party.

### Project Sponsors will:

- Make themselves aware of their responsibilities of the role of Project Sponsor.
- Be accountable for the project benefits being realised and holds the responsibility and accountability for ensuring the project objectives are achieved.
- Align the project governance structure and processes with the Project Management Framework and undertake an orientation on project roles and responsibilities.
- Critique and if appropriate provide documented approval to the project for any foreseeable variation (this includes variation to project scope) to project cost and/ or project time greater than the approved tolerances.
- Where a foreseeable variation to project cost over and above the approved Council budget, becomes apparent, shall liaise with Finance to ensure that appropriate funding is located, and Councillor approval is sought for change in funding as appropriate.
- Complete appropriate project over expenditure reports
- Ensure records of meeting minutes and project decisions are kept in records.

- Ensure that when project sponsorship responsibility for projects change, a formal record of project sponsorship acceptance is gained and stored in records.
- Designate a project manager that is trained in project management (at the appropriate level) prior to starting a project.

**Project Managers will:**

- Be competent in project management prior to starting a project.
- Be responsible and is accountable for the delivery of the project objectives as well as ensuring the management of the project adheres to this Policy.
- Ensure all subject groups are managed effectively (integration, stakeholder, scope, resource, time, cost, risk, quality, procurement, and communication).
- Ensure project risks are articulated, the controls and risk treatment are monitored.
- Report the status of the project on a monthly basis to the project sponsor or more frequent as determined by the project sponsor.
- Provide the necessary information to the Project Sponsor so as to provide the Project Sponsor visibility and facilitate sound decision making.
- Gain documented Project Sponsor approval for any foreseeable variation (this includes variation to project scope) to project cost and/ or project time greater than the approved tolerances.
- Ensure that when responsibilities for projects and/ or project deliverables change a formal record of acceptance is stored in the records system.
- Maintain project management documentation necessary to provide information for project assurance activities.
- Shall ensure that appropriate project closure documentation is completed to enable asset capitalisation to occur, within 60 days of closing the project.

**Project Team members will:**

- Participate in the definition and estimation of work to be completed.
- Be responsible for the delivery of the project objectives as well as ensuring the management of the project adheres to this Policy

**Project Related Document Management**

All documentation associated with the management of a project is to be stored within records.

**Policy Compliance**

- All those persons involved in Council’s project work are expected to read and understand this Policy so as to ensure that they are intimately aware of their responsibilities and processes to which they are to conform.
- Non-compliance with this Policy may result in appropriate remedial action in the form of disciplinary action and/or dismissal, being taken.

**Review**

A review of the policy for any necessary amendments will be undertaken no later than four (4) years after its formulation or after the last review.

## Accountability, Roles, and Responsibilities

### General Manager

The success of a particular project is dependent on the support and guidance of the General Manager and their input at strategic stages of the project to:

- The General Manager is responsible for the authorisation of this Policy.
- Ensure the project aligns with Council's strategic intent
- Provide oversight to the project from inception to completion
- Negotiate with and influence stakeholders to achieve the project outcomes
- Approve the project at key hold points, throughout its lifecycle
- Ensure the Council financial plan provides for the Whole of life costs of the new assets created including the long-term operating and maintenance costs

### Council's Delegated Officers (including Managers and Directors)

- Develop an Investment Logic Map, Business Case, or similar process
- Identify and document outcomes and objectives
- Development of project scope, concept plans and cost estimates
- Develop and implement funding strategies
- Develop and implement community engagement strategies where applicable
- Appoint a Project Manager and Project Team
- Maintain an overview the project, and review project status report

### All Employees

Any employee who has agreed to the appointment of Project Manager for a project shall take ownership of that projects' outcomes collaboratively with the Project Sponsor to achieve a holistic solution.

Project Managers are responsible for:

- Review and acceptance of project brief
- Development of a Project Plan
- Facilitating project development and delivery
- Liaison with and obtaining stakeholder approvals
- Monitor and seek approval for any changes to project scope, budget, and timing
- Prepare project progress reports throughout the project and as requested
- Project closures and handover



## Definitions

Council means	Central Tablelands Council
GM, Directors, Managers,	any person employed by Council that holds a financial delegated authority to undertake the engagement of a contractor for the purchase of goods and services.
Project	An action being delivered by an individual or organization to meet unique objective; and/or deliverables within defined schedule, cost, and performance parameters.
Project Management	The process of guiding a project from its beginning through its performance, to its closure.
Project Sponsor	May be the Council or on behalf of an external party. External parties may include, but not be limited to, other tiers of Government.
Project Manager	The officer responsible for the day-to-day management of the project objectives, tasks, progress, and project team.
Project Team	Individuals, groups and/or organisations, including consultants, who are responsible for undertaking project tasks as directed by the Project Manager.