



Project Management Policy

1. Background

The WA Country Health Service (WACHS) undertakes a number of time limited projects that deliver organisational change. Projects have a defined scope, deliverables, start and end dates, cost and can be conducted in an appropriate quality controlled manner. Whilst project management is the technical side of the process, change management is focused more on people.

2. Policy Statement

The purpose of this policy is to outline the WACHS' overarching intention to ensure that projects are managed in accordance with a consistent and appropriate methodology throughout the duration of the project so that the deliverables are met on time, within scope and on budget.

Project management is a structured way of managing change that focuses on developing specific defined outputs that are delivered by a certain time. Applying a formalised project management methodology to projects can assist in gaining formal agreement to project objectives; clarifying scope; identifying required resources; ensuring accountability for performance and results; and promoting a focus on the final outcomes to be achieved.

Whereas project management is the technical side of initiating, planning, executing, and closing the work to achieve specific goals and meet success criteria; change management is the application of structured processes and tools for leading the people side of change to achieve a desired outcome. These activities are complementary with the shared objective that focuses on results and outcomes (measurable).

The application of project management methodology:

- provides a framework and processes that are easy to understand and apply
- enables project teams to identify and mitigate issues and risks early
- is scalable, i.e. complex projects will require more oversight and resources than a small project
- is customisable to WA Health's processes such as budget cycles, risk and quality frameworks
- is measurable, i.e. key performance indicators from the Business Case can be tracked and reported against
- enables continuous improvement by capturing lessons learnt from other projects

Project Sizing

Projects can be categorised depending upon budget, number of team members involved, size and duration of deliverables, complexity and timeframes as either:

- Small – low risk or by work stream
- Standard – medium risk
- Complex – high risk / key projects.

All projects that have a political impact (including Election Commitments), require visibility by the Board or Chief Executive or those that are high cost may be considered complex. Project Sponsors are to monitor low risk projects locally and escalate accordingly. Refer Figure 1: Guide to determining the size of a project.

Project Classification

Key (high risk) projects (considered for monitoring by the Project Support Office (PSO) or key steering committee) are those where delivery within time, cost, scope tolerances affect WACHS' ability to achieve its strategic objectives. This may include any project with risk/s identified as being of high likelihood or consequence and as such, warrant specific PSO Governance Group (PSOGG) oversight.

The PSO is to classify projects for the purpose of monitoring.

These classification categories are:

- (a) High political impact
- (b) High cost
- (c) Government priorities (Sustainable Health Review, WACHS Strategic Plan or Election Commitments)
- (d) Board or Chief Executive require more visibility / transparency; or
- (e) Patient Safety Imperative.

Routine or low risk projects are to be monitored by the Project Sponsor and reported within WACHS Directorates / Regions. Patient safety initiatives may fall into this category.

Note: Capital projects are subject to the WACHS [Asset Investment Program Governance Policy](#), and in the main are excluded from PSO monitoring. Resource allocation for capital works projects are outlined in the WACHS [Cost Planning for Capital Works Project Officers Guideline](#). WACHS policy also outlines the [Roles and Responsibilities for Infrastructure Projects](#).

Determining the size of a Project: Place a '1' in the adjacent column which most accurately describes the project in relation to the criteria. If necessary, make appropriate allowances for other qualitative factors and adjust the sizing of the project accordingly. Total the sum of each column. Initial project size is determined by the highest summed column. Where there are marks against visibility by the Board / Executive¹, significant political impact² or high cost, these projects will always be considered 'complex' and likely monitored by the project office. Document all reasons supporting this decision, e.g., project-specific risks not covered by any of the other decision factors, including technical, financial, business, and human resource issues.

Criteria	Small	Standard	Complex
Oversight / Visibility	Does not require visibility by an executive	Visibility required by the Executive / Regional Director	Visibility required by the Chief Executive or Board ¹
Political Impact	No political impact	Minor political impact	Election Commitment, High, significant political impact ²
Project Cost* (*contextual)	Low cost (e.g. <\$250K*)	Mid cost (e.g. \$251- 2M*)	High Cost (e.g. >\$2M*)
Strategic Importance	Operational impact only	Relates to 1-2 priority initiatives in the Operational or Strategic Plan	Strategic impact; directly relates to key initiatives in the Operational or Strategic Plan, Sustainable Health Review
Scope and Service Level Impact	Outcome impacts one Region / Directorate only	Outcome impacts across Directorates/Regions	Outcome impacts across WACHS
Effort (Duration)	Less than 6 months	6 – 12 months	More than 12 months
Complexity	Easily understood project and the solution is clear and easily achievable	The project is difficult to state OR the solution is unclear or difficult to achieve	Both project and issue are difficult to define or understand, and the solution will be difficult to achieve
Dependencies	No major dependencies or inter-related projects & or programs	Some major dependencies or inter-related projects	Major high-risk dependencies or inter-related projects, programs, or involves other related Govt. / non Govt. agencies
External Agency Involvement	No external agency involvement	Some external agency involvement	Significant external agency involvement
Risk	Low risk	Medium risk	High or Extreme risk
Legislative Implication	Low, no legislative implication	Medium, little legislative implication	High, significant legislative implication
SUM			

Figure 2: Guide to determining the size of a project



Project Phases

Projects are designed and implemented through a phased approach which includes:

1. Start Up
2. Register (Initiating a project)
3. Governance and Planning (Directing a project)
4. Execute (Implement, Manage and Control)
5. Close and review (Evaluation, Lessons learned and/or handover to business as usual).

Complex Projects may be broken down further during the 'implement, manage and control' phase into smaller more manageable chunks. There is an opportunity to initiate a 'phase review' at the end of one phase or at the commencement of the next phase. This governance process allows for questions around viability / benefits realisation to be addressed, and for the realignment of project activities and outcomes to the project aim to ensure that the project's scope or delivery method is on track. Refer Figure 2: ePMS and Prince II Project Phases.

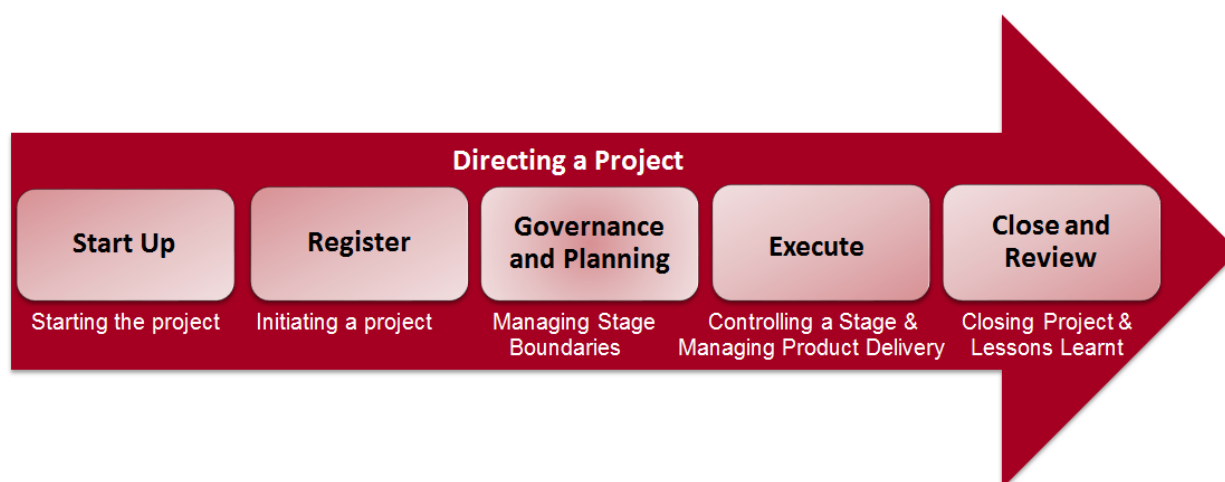


Figure 2: ePMS and Prince II Project Phases

Project Management Methodology (PMM)

The goal of any Project Management Methodology (PMM) is to achieve efficiency and effectiveness through the use of consistent, repeatable, standardized processes. Project methodology should be tailored to suit the project's complexity.

The WACHS Project Management Framework provides guidance and resources for each project phase. The suite of WACHS Project Management Tools is available to assist with the planning and implementation of WACHS projects and can be accessed via the WACHS [Project Support Office intranet page](#).

Essential Control Elements of Project Phases

The essential control elements of the project phases are outlined as follows in Table 1 Matrix of Essential Control Elements of Project Management Phases.

Table 1: Matrix of Essential Control Elements of Project Management Phases

Project Activity / Practice	Requirements depending on project size or scope			
	Document Required	Complex	Standard	Small
1. Starting Up a Project				
Project Business Case and Benefits Realisation assessment				
Formal process for initiation / start up with approval of project feasibility or project assessment	Briefing Note / Other Endorsement	✓	✓	
Business Case including: • sound basis, justifiable assumptions and consistency in methodology • a measure of Return on Investment • specific 'SMART' KPIs [SMART = Specific, Measurable, Achievable, Relevant, Time-based] • key project benefits and functional requirements • a plan to realise those benefits and a method to allow for comparison during review	Business Case	✓	A	
2. Register				
Concise project overview for endorsement at the PSO Governance Group	Project on a Page Project Sizing Tool	✓	A	
Project will be registered in the electronic PM tool	WACHS Project Mgt System	✓	A	✓
Monitoring of Project via reporting to Project Support Office or to Directorate / Region	Status Report	✓	✓	Manager
Reports endorsed by Project Support Office Governance Group (Key Projects) or by Region/Directorate for distribution		✓	A	
3. Governance and Planning				
Project Structure and Governance				
Project Sponsor has seniority and understanding to lead the successful project delivery	Project Sponsor Responsibilities	✓	✓	
Project Officer allocated with skills and understanding to assist in ensuring successful project delivery	Project Officer Responsibilities	✓	✓	
Establishment of Project Team with members of sufficient skill and experience	For noting	✓	✓	O
Project User Group (PUG) or Stakeholder Consultation Group/s ensuring appropriate representation of stakeholders. Communication not decision making forums.	User group Oversight Responsibilities	✓	O	O
Creation of Project Working Group (PWG) with members of sufficient skill and experience including appropriate Delegated Authority	Project Working Party Responsibilities	✓	✓	O
Creation of Project Control Group (PCG) with members of sufficient skill and experience including appropriate Delegated Authority	Project Control Group Responsibilities	✓	O	
4. Execute a Project				
Planning				
Creation of Project Plan that includes justifiable assumptions in terms of time, scope, budget, quality and human resources	Project Plan (incl Work Breakdown Structure)	✓	✓	✓
Risk Management				
Creation of Risk Register (Dept. of Health Risk Management Policy) including at a minimum: risk description, rating, risk owner, mitigation plan, status/progress	Risk Matrix	✓	✓	
Regular updating of Risk Register and reporting through Project Governance structure.	For noting	✓	✓	A
Issue Management				
Creation of Issue Register including at a minimum: description, rank / priority, responsibility, status/progress	Issue Register	✓	✓	A
Regular reporting through Project Governance Structure	For noting	✓	✓	A
Reporting				
Establish reporting requirements including: regularity, responsibility for creation and target audience (Project Support Office, Project Governance structure, team).	Project Status Report	✓	✓	
'End of stage' reporting with signoff requirements	For noting	✓	✓	
Change Process				
Documented change process that ensures appropriate delegation of authority sign-off requirements and project flexibility	Change Process Plan	✓	✓	
Quality Assurance				
Documented project plan with specific objectives or tasks to ensure achievement of project deliverables.	Project Plan	✓	✓	A
Use of an Decision Log as a record of decisions made	Decision Log	✓	✓	✓
Document management system as per Records Management Act	For noting	✓	✓	✓
Communication Plan				
Establish Communication Plan (stakeholder engagement)	Communication Plan	✓	✓	
5 Closing a Project (and review)				
Project Evaluation +/- Benefits Realisation Review	Report / checklist	✓	✓	A
Log/action plan for handover		✓	O	O
Lessons Learnt Report	Lessons Learnt Log	✓	✓	✓

KEY: ✓ = required; A = Abridged, O = Optional; N/A = Not Applicable

3. Reporting

All WACHS' projects need to provide accurate and timely reporting; either to the PSO or to the Project Sponsor (Directorate / Region) depending upon the complexity and size of the project. Key matters reported to the governance groups (including the Project Support Office, where warranted) may include:

- progress against time
- progress against budget
- adherence to agreed scope (and any approved changes)
- stakeholder management
- quality management
- risks and issues management
- dependencies affecting the critical path
- media opportunities.

Red / Amber / Green (RAG) Status

RAG status reporting (refer Table 2 below) is used at the project level by the project officer and at a monitoring level by the PSO. RAG is used to indicate how well a project is progressing using the traffic light series (Red / Amber / Green) and considers Project Tolerances (if any). **Red** indicates problems requiring immediate intervention and mitigation, **Amber** indicates emerging problems and **Green** signals that the project is tracking as planned.

Table 2. RAG Status Reporting

Category	RAG Status	Guidelines
Schedule (Time)	Green	On target or delivery before due.
	Amber	Minor delays up to 30 days but recoverable with agreed actions. Reasonable doubt that final delivery will be met.
	Red	Significant delay of critical milestones of greater than 30 days or likely that the stage will finish after that due date.
Scope	Green	Scope in line with endorsed Business Case / Paper.
	Amber	Likely to be minor changes.
	Red	Significant changes to scope or governance issues.
Cost	Green	On target.
	Amber	Likely cost over-run but will be managed. Flag financial year underspend for tied funded projects.
	Red	Over-run or under-run of greater than 10%.
Risks	Green	Identified risks have an acceptable mitigation.
	Amber	Risks are causing concern with some intervention from governing bodies.
	Red	High or extreme impact risks which are likely to be realised and cause disruptions to the project.
Dependencies	Green	No issues.
	Amber	Lack of resources or dependencies that can be resolved by the project sponsor.
	Red	Dependency issues which are not resolvable.

4. Definitions

Table 3 below provides a detailed summary of the project definitions used within WACHS.

Table 3. Project Definitions

Assumptions	Statement/s taken as being true for the purpose of planning a project, which could change later. Assumptions are made where some facts are not yet known.
Baseline	Original schedule, budget and scope plus or minus approved changes. Fixed at a specific point in time and only adjusted through approved change requests via a governance process.
Benefit	The measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders.
Business Case	The justification for an organisational activity (project) which typically contains costs, benefits, risks and timescales, and against which continuing viability is tested.
Change Control	The procedure that ensures that all changes that may affect a projects' agreed objectives (baseline) are identified, assessed and either approved, rejected or deferred.
Communication Plan	The Communication Plan is created as part of the project planning documents and is a record of all interested project parties, such as stakeholders, quality assurance etc. It details the means and frequency of communication agreed between stakeholders and the Project Team.
Critical Path	Shortest possible path from the first activity to the last. If an activity on the critical path is late in delivery, it impacts the whole sequence and may cause the project to run over schedule.
Deliverable	Product, service, processes or plans produced by the project.
Dependencies	<p>The relationship between products or activities e.g. Product C cannot commence development until Products A and B have been completed. Dependencies may be internal or external to the project.</p> <ul style="list-style-type: none"> • Internal dependencies are those under the control of the Project Manager, including resources. • External dependencies are those outside the control of the Project Manager - e.g. the delivery of a product required by this project from another project.
Electronic Project Management System (ePMS)	The WACHS Project Management System used to plan, organise, track and monitor projects against key milestones and deliverables and monitor project delivery against time, cost, scope, risk and dependencies. The ePMS captures lessons learned, issues identified and is a key tool used for reporting on the status of the project.
Governance	Effective governance of project management ensures that an organisation's

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	project portfolio is aligned to the organisation's Strategic Priorities, is delivered efficiently and is sustainable.
Issue	An event that unless resolved, will result in a change to a base-lined product, plan or objective (time, cost, quality, scope, risk and benefits).
Lessons Learnt	An informal repository for lessons learnt that apply to this project or future projects.
Milestone	A milestone is a marker in a project that signifies a change or stage in development, e.g. a project's start or end date, date for external review or submission of a major deliverable. Milestones have a fixed date but no duration.
Outcomes	The result of change, normally affecting real-world behaviour and / or circumstances. Outcomes are desired when a change is conceived. They are achieved as a result of the activities undertaken to effect the change.
Output	A specialist product that is handed over to a user(s). Note that management products are not outputs but created solely for the purpose of managing the project.
Project	Time limited activity that produces a change within the organisation.
Project Sizing	Projects may be small, standard or complex. Complex projects require the full implementation of Project methodology due to a significant increase in the areas of risk, resources, cost, visibility and time.
Risk	An uncertain event or condition that, if it occurs, has a negative effect on a project's objectives. High risks require mitigation and should be reported to the Project Sponsor.
Scope	The scope is the defined features and functions of the product(s). It provides the limitations of the work to be undertaken and is described by the product breakdown structure for the plan and associated deliverables to be produced.
Tolerance	Allowable deviation above or below a project plan time / cost targets; after which a change request is escalated up to the next level of management via the project's governance group.
Work Breakdown Structure (WBS)	A WBS is a key project deliverable that organises the team's work into manageable sections / components of work. This ensures that the deliverables are precise so that the project team knows exactly what needs to be accomplished within each deliverable, by whom and by when. Thus estimations of cost, risk, and time are more accurate because it is possible to work from the smaller tasks back up to the level of the entire project. The WBS may be inputted into other project tools such as GANTT charts or software applications, e.g. MS Project ®

5. Roles and Responsibilities

Table 4 below provides a detailed summary of the roles and responsibilities for the WACHS project team and governance by the WACHS Management / Executive.

Table 4. Roles and Responsibilities

Role	Responsibility
Chief Executive (CE)	<ul style="list-style-type: none"> Has overall responsibility for WACHS. Reports to the WACHS Board, and has responsibility to Minister for Health and the Director General Health.
Project Support Office	<ul style="list-style-type: none"> Owns the project management policy and has primary responsibility for intended business outcomes of the PSO Provides ongoing training and support in the methodology and tools for project teams and sponsors Provides quality assurance of project deliverables, and assessments of projects against the methodology Provides consolidated project reporting and support for decision making to WACHS Board, CE, and WACHS Executive Provides specialist skills to project teams, such as project planning and scheduling, and issue and risk management Manages lessons learnt and ensures they are applied to new projects to continuously improve the methodology and tools Monitors, reports and makes recommendations for changes based upon lessons learnt.
Executive Sponsor (Project Sponsor)	Normally a member of the WACHS Executive (or delegate) who sponsors the project through initiation and approval phase of the project. The governance / oversight responsibilities (initiate, governance and planning, implement, manage and control, and project close and review phases) for the project may be assumed by a Project Steering Committee / Project Control Group. The Executive Sponsor is most likely the chair of this governance group.
Project Officer	Responsible for the day to day planning and delivery of the project, process and people responsibilities. Develops the project plan (including a work breakdown structure). Reports on project performance to the governance bodies.
Project Board / Project Control Group (depending upon the size of a project)	<p>Members include the WACHS Executive and leaders who are entrusted with the governance / oversight responsibilities for the project. They provide direction and assurance for the delivery and close out phases of a project.</p> <p>Small projects may have a Project Working Group (PWG) for Governance. Larger projects may have PWGs reporting to a Project Control Group.</p> <p>Decisions that affect the project (either - scope, time, cost, quality) are made within the relevant Financial or Procurement Delegated Authorities.</p>

6. Compliance

All WACHS project staff are required to comply with WACHS policies and guidelines to ensure that WACHS projects meet their objectives, are delivered through appropriate governance, aligned with the agreed quality standards, and within the agreed scope, budget and schedule.

7. Records Management

All WACHS corporate records must be stored in the approved Electronic Documents and Records Management System in accordance with the WACHS [Records Management Policy](#).

8. Evaluation

Evaluation of this policy is to be carried out by the Policy Owner and will be reviewed and updated every three years.

9. Standards

[National Safety and Quality Health Service Standards: 1.1, 6.4](#)

10. References

Axelos Ltd, 2009, *Managing Successful Projects with PRINCE2®* London
Martin, P Tate, K 1997, *Project Management Memory Jogger™* USA
Victorian Government Chief Information Office 2013 *Project Management – Selecting a Project Management Methodology*

11. Related Policy Documents

WACHS [Cost Planning for Capital Works Project Officers Guideline](#)
WACHS [Asset Investment Program Governance Policy](#)
WACHS [Roles and responsibilities for Infrastructure Projects Policy](#)

Related WA Health System Policies

[MP0003/16 Procurement and Contract Management Policy](#)
[MP0001/16 Information and Communications Technology \(ICT\) Governance Policy](#)

12. Policy Framework

[Procurement](#)
[Risk, Compliance and Audit](#)

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