



# Policy on Project and Programme Management

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<b>Business Owner:</b>	Director General Investment Procurement and Project Management (IPPM)
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## *Revision History*

Version	Description	Date	Approval Authority	Business Owner
1.0	Initial release.	3 July 2019	Chief Financial Officer (CFO)	DG: Investment Procurement and Project Management (IPPM)

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## 1 Title

Department of Employment and Social Development Canada (ESDC)—Policy on Project and Programme Management.

## 2 Effective Date

This policy takes effect on 11 October 2019 and applies to all projects approved after this date. This document forms part of the ESDC policy suite on Project and Programme Management. This policy rescinds and replaces the following policy instruments effective immediately:

1. Project Programme Management Framework
2. Project Programme Management Foundation

## 3 Review Date

This policy will be reviewed according to the Enterprise Project Management Office (EPMO) Quality Management System<sup>1</sup>; however, the Senior Designated Official for the Management of Projects and Programmes has reserved the right to conduct intermittent revisions to this policy instrument on a limited and specific basis.

## 4 Authorities

- This policy complies with the Treasury Board Policy on the Planning and Management of Investments and the Treasury Board Directive on the Management of Projects and Programmes.
- This policy acts as the authoritative means under which all projects and programmes within ESDC are managed.
- In accordance with Treasury Board (TB) policy, the Deputy Minister has appointed the Chief Financial Officer as the [Senior Designated Official for the Management of Projects and Programmes](#) with the authority to implement, amend, and rescind ESDC framework, policies, directives, including standards, mandatory procedures and other appendices as they relate to the management of projects and programmes within ESDC.

## 5 Application

This policy sets the mandatory requirements for the management of all [projects](#) and [programmes](#) within ESDC. All ESDC personnel that direct, oversee, or manage projects and programmes must adhere to this policy, including:

- ESDC executives, senior responsible owners, executive project sponsors, programme managers, project managers, programme and project management office personnel, business change managers, technical authorities, and external resources such as consultants who operate within ESDC's project and programme management environment; and

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<sup>1</sup> *Standard on Quality Management System, ESDC, May 2019, pending approval.*

- ESDC project and programme stakeholders, as a reference for project management and programme governance, oversight, and life cycle applicable to projects and programmes.

## 6 Context

Pursuant to the Treasury Board *Directive on the Management of Projects and Programmes*, the senior designated official for the Management of Projects and Programmes is responsible for developing and implementing enterprise-wide policy and processes to support projects and programmes in the department. Within the context of ESDC, the Senior Designated Official for the Management of Projects and Programmes is the Chief Financial Officer (CFO).

ESDC uses projects and programmes to introduce new business capabilities, transform existing capabilities, and improve service delivery. As projects and programmes continue to increase in both size, and complexity, the level of project and programme management maturity must continue to develop and adopt a culture that embraces best practices. To ensure a successful enterprise, it is critical for the department to have a consistent, accountable, responsible, and achievable approach to project and programme delivery.

## 7 Policy Statement

### 7.1 Objectives

**The objectives of the policy will:**

1. Ensure compliance with the Treasury Board *Policy on the Planning and Management of Investments* and the *Directive on the Management of Projects and Programmes* through the enforcement of [Consequences of Non-Compliance](#);
2. Ensure accountability and success of the Portfolio of projects and programmes with a specific focus on the benefits of investments in projects and programmes;
3. Ensure an enterprise-wide approach to delivering projects and programmes across the department, by supporting the application of the ESDC Directive on Project Management and the ESDC Directive on Programme Management;
4. Ensure consistency in policy interpretation, rationale, and decision-making as they relate to the management of projects and programmes; and
5. Support an ongoing development of maturity and capability, and capacity for project and programme management in line with organisational need.

## 7.2 Guiding Principles

### 7.2.1 Projects are Managed Consistently

Anyone managing projects and programmes in ESDC must follow the mandatory requirements for project management and programme management as defined in the ESDC *Directive on Project Management* and the ESDC *Directive on Programme Management*<sup>2</sup>.

### 7.2.2 Projects and Programmes are Appropriately Defined

Careful consideration must be made on whether a body of work is a project, programme, or an operational activity. Not all work performed by ESDC is a project or programme categorized as work. What work constitutes a project and a programme is outlined in [Appendix A: Definitions](#) of this policy.

### 7.2.3 Accountability is Clear

This policy requires that clear accountabilities are established and documented across all project and programme team members and stakeholders.

These accountabilities are defined in the Oversight and Compliance section of this document as well as the supporting Directives of this policy suite.

### 7.2.4 Appropriate Approvals are Obtained

Appropriate approvals are mandatory and must be obtained for all projects and programmes in accordance with the Project Complexity and Risk Assessment as described in this policy.

### 7.2.5 Proper Knowledge, Experience, and Skills are Obtained

Knowledge, experience, and skills required to effectively support project and programme management are identified and obtained.

### 7.2.6 Reporting is Timely, Relevant, Accurate, Complete, and Transparent

Reporting project and programme status, progress, decisions, and key risks accurately and in accordance with the ESDC *Directive on Project Management* and the ESDC *Directive on Programme Management* is an essential responsibility of the project manager or programme manager. This ensures senior management is able to foster ongoing commitment, support, and engagement for the project or programme throughout the department.

Reporting should meet the following criteria:

- **Timely:** Reports are up-to-date, based on the current reporting period.
- **Accurate:** Reports are factual and based on empirical data.
- **Relevant:** Reports focus on key information.
- **Transparent:** Reports provide clear and honest insight of a project or programme's current situation and environment.
- **Complete:** Reports are inclusive of all information that could be relevant, including traceability of key decisions and approvals as well as all stakeholder information.

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<sup>2</sup> These directives are currently under development.

### 7.3 Expected Results

The expected results of this policy are that:

1. Policy and processes as they relate to the management of projects and programmes are consistent across ESDC.
2. Roles, responsibilities, and accountabilities for the management of projects and programmes are clearly defined and understood by all ESDC employees engaged in a project or programme environment.
3. A discernable increase in the level of project and programme maturity and capability are observed through the application of best practices and consistent processes.
4. Projects and programmes managed by ESDC deliver benefits consistent with business needs and objectives.

## 8 Policy Requirements

### 8.1 Treasury Board and Treasury Board Secretariat

Treasury Board Secretariat (TBS) reviews all projects with a Project Complexity and Risk Assessment (PCRA) rating higher than a department's Organisational Project Management Capacity Assessment (OPMCA).

ESDC has been approved at the OPMCA Class 2 level, indicating TBS reviews the PCRA for every project with a [project cost](#) of \$5 million, or more.

Treasury Board (TB) approval of fund expenditure is required for all projects over \$5 million with a PCRA rating of Level 3 (Evolutionary) or Level 4 (Transformational).

Table 1: Project thresholds for completing and submitting a PCRA and for authority limits

Threshold <sup>3</sup> above which all PCRA must be completed and submitted to TBS	\$5M or over	
	Minister Project Approval (PCRA) <sup>4</sup>	TB Project Approval (PCRA)
Level 1 – Sustaining	X	
Level 2 – Tactical	X	
Level 3 – Evolutionary		X
Level 4 – Transformational		X

<sup>3</sup> ESDC may elect to complete an internal PCRA for projects below the threshold. These PCRA's do not need to be submitted to TBS. *Reference: Directive on Project Management.*

<sup>4</sup> TBS may require any project to be brought forward for their consideration and approval.

Table 2: Programme threshold for authority limits

Approval Limits	Financial Threshold
ESDC must consult with TBS early in the programme life cycle to confirm the requirements and processes that will support a request for programme approval.	All programmes

### 8.1.1 Organisational Project Management Capacity Assessment

ESDC ensures that the department's capacity to manage projects is accurately assessed using the Organisational Project Management Capacity Assessment (OPMCA) tool and that the resulting capacity class is approved by the TB at least once every three years, typically in conjunction with the department's investment plan.

### 8.1.2 Project Complexity and Risk Assessment

Pursuant to the ESDC Project Classifications (Section 8.2), it is mandatory for certain ESDC investment projects to complete a Project Complexity and Risk Assessment (PCRA) for TBS. All Major Investment Projects must submit a PCRA to TBS through the Investment, Procurement and Project Management Office within CFOB, to TBS for review.



## 8.2 Project Classification

ESDC classifies projects into classes based on project cost, risk, capability, and complexity, as outlined in Table 3.

Table 3: ESDC Project Classifications

	Size	Project Cost	Class	Capability	Gated	TBS PCRA <sup>5</sup>	Governance <sup>6</sup> - (A) Approval; (I) Information; (O) Oversight.
Investment Projects	Major	\$25M +	A	New or enhancement	Yes	(4) Transformational (3) Evolutionary	(A) Treasury Board (I) Office of the Comptroller General (A) Major Projects Investment Board (O) Project Steering Committee
						(2) Tactical (1) Sustaining	(I) Office of the Comptroller General (A) Major Projects Investment Board (O) Project Steering Committee
	\$5M to \$25M	B	New or enhancement	Yes	(4) Transformational (3) Evolutionary	(A) Treasury Board (A) Major Projects Investment Board (O) Project Steering Committee	
					(2) Tactical (1) Sustaining	(A) Major Projects Investment Board (O) Project Steering Committee	
	Minor	\$2.5M to \$5M	C	New or enhancement	Yes	Not Required	(A) Director General Project Oversight Committee (O) Project Steering Committee
Small	Less than \$2.5M	D	New or enhancement	Yes	Not Required	(A) Director General Project Oversight Committee (O) Project Steering Committee	
Projects	Lite	Less than or equal to \$500K.	E	Enhancement (Information Management [IM] / Information Technology [IT])	No	Not Required	(A) Project Portfolio Oversight Committee (O) Portfolio Office: Quarterly Reporting  Note: Total annual cost of all Lite projects must not exceed \$2M.
	Non-Gated	Less than or equal to \$500K	F	Enhancement (non IM/IT)	No	Not Required	(A/O) Branch level governance and oversight

<sup>5</sup> ESDC may elect to complete an internal PCRA for projects below the threshold. These PCRA's do not need to be submitted to TBS. *Reference: Directive on Project Management.*

<sup>6</sup> TBS and/or MPIB may require any project to be brought forward for their approval, for information and/or oversight.

## 9 Oversight and Compliance

Table 4: Oversight and Compliance Description

Authority	Description
Chief Financial Officer (CFO)	<p>CFO is the Senior Designated Official for the Management of Projects and Programmes, with delegated authority from the Deputy Head to:</p> <ul style="list-style-type: none"> <li>• support and provide advice to the deputy head;</li> <li>• ensure that all relevant policies are in place, and that key departmental stakeholders have been consulted in their development; and</li> <li>• identify requirements and support development of the capacity, competency and knowledge of the department's workforce in project and programme management, procurement, real property, and materiel management.</li> </ul>
Director General, Investment Procurement, and Project Management (DG-IPPM)	<p>DG-IPPM as the business owner of investment, procurement project policy and practice is responsible for:</p> <ul style="list-style-type: none"> <li>• implementing all relevant investment policies, directives and standards; and</li> <li>• approving and administering policies and processes as they relate to the management of projects and programmes within ESDC.</li> </ul>
Director, Enterprise Project Management Office (EPMO)	<p>EPMO is responsible for:</p> <ul style="list-style-type: none"> <li>• establishing department-wide project and programme management policy suite based on TB requirements and industry best practice;</li> <li>• establishing standard project and programme management tools, templates, and guides;</li> <li>• ensuring effective best practices in project and programme management through providing advisory and support services;</li> <li>• building project and programme management capability and maturity within the department;</li> <li>• monitoring compliance with standards and processes; and</li> <li>• managing the Project Management Information Solution (PMIS) as the official departmental repository for project and programme management information.</li> </ul>
Director, Investment and Performance Management	<p>Director, Investment and Performance Management is responsible for:</p> <ul style="list-style-type: none"> <li>• developing and submitting the department's Investment Plan to TB;</li> <li>• establishing a project and programme management governance framework where projects and programme governance decisions are made;</li> </ul>

Authority	Description
	<ul style="list-style-type: none"> <li>ensuring compliance to TB requirements in relation to investment management;</li> <li>providing an independent assurance review of in-flight projects and programmes at predetermined intervals; and</li> <li>providing strategic portfolio analysis for the department.</li> </ul>
Director, Asset Management, Policy and Procurement	Director, Asset Management, Policy and Procurement holds the functional authority for contracting and is responsible for department-wide policy and process management for procurement, preparation, and publication of the annual procurement report, capacity building, and acting in an advisory capacity for project-based procurement plans in addition to client relationship management.
Assistant Deputy Ministers (ADM)	ADMs are accountable for ensuring compliance with this policy.
Project Sponsors	Executive Project Sponsors (Project) are accountable for compliance with this policy.
Programme Sponsors	Programme Sponsors are accountable for compliance with this policy.

## 10 Alignment with EPMO Policy and Directives

Branches may develop additional standards and processes tailored to branch-specific requirements. However, these standards and processes must align with and follow the policy and directives outlined by the EPMO.

## 11 Consequences of Non-Compliance

Non-compliance with this Policy will give rise to a denial in advancing through the Project or Programme life cycle and rejection of further investment expenditure on proposed or in-flight projects and programmes. This is subject to review by the Senior Designated Official for the Management of Projects and Programmes, holding delegated authority from the Deputy Minister for the management of projects and programmes within ESDC.

Non-compliance with this policy will put the OPMCA rating of the department at risk and can impact the department's effectiveness in deploying future projects.

The enforcement of consequences of non-compliance is the responsibility of the Senior Designated Official for the Management of Projects and Programmes in relation to the Treasury Board Policy on the Planning and Management of Investments.

## 12 References

### 12.1 Canadian Legislation

- *Financial Administration Act*
- *Public Service Employment Act*

### 12.2 Treasury Board Policy and Directives

- *Treasury Board Policy on the Planning and Management of Investments*
- *Treasury Board Policy on Results*
- *Treasury Board Directive on the Management of Projects and Programmes*

### 12.3 ESDC Directives

- *Directive on Benefits Management*
- *Directive on Project Management (In Development)*
- *Directive on Project Management Competency Development Program*
- *Directive on Programme Management (In Development)*
- *Directive on Project Assurance (In Development)*

### 12.4 ESDC Other Supporting Documents

- *Standard on Quality Management Systems (In Development)*

## 13 Enquiries

Enquiries on this policy may be directed to the Director of the Enterprise Project Management Office (EPMO) in the Chief Financial Officer Branch (CFOB).

## 14 Appendix A: Definitions

**“Enhancement”** refers to adding features as new requirements or process improvements to enhance an existing solution in terms of performance, appearance, function, operation, platform, and usability.

**“Initiative”** is an organisation’s response to meet a Government’s committed priority, solve a problem, and/or introduce an improvement in the way the organisation functions or delivers programs and services to clients.

It can range from, for example, minor updates to operational procedures, a key acquisition, or the implementation of a new tool; legislative, regulatory and policy changes that introduce or modify how and to whom programs are delivered; as well as projects and programmes that fundamentally alter the way the department delivers benefits and services.

Initiatives are designed to help the organisation achieve its target performance. These are outside of the organisation's day-to-day operational activities that are implemented with the goal of achieving specific and measurable outcomes.

**“Investment Project”** is a Gated project for which funds are allocated to implement an investment proposal, with the purpose to obtain future benefits that are aligned to the departmental strategic framework.

**“Non-Gated Project”**: is an activity or series of activities required to produce defined outputs and realize specific outcomes in support of a public policy objective, within a clear schedule and resource plan. Non-gated projects at ESDC are governed within the Branch and undertaken within specific time, cost, and performance parameters.

**“Operational Activity”** refers to ongoing and permanent activities with repetitive outputs such as fulfilling standard service requests or the maintenance of regular operations including normal infrastructure maintenance of applications and systems. It is generally in operations that the benefits resulting from investment programmes and projects are realized.

**“Programme”** is defined by the Treasury Board as “a group of related projects and change management activities that together achieve beneficial change for a department.”

**“Programme Management”** is defined by the Treasury Board as “the coordinated management of projects and change management activities to achieve beneficial change.”

**“Project”** is defined by the Treasury Board as “an activity or series of activities that has a beginning and an end. A project is required to produce defined outputs and realize specific outcomes in support of a public policy objective, within a clear schedule and resource plan. A project is undertaken within specific time, cost, and performance parameters.”

**“Project Cost”** is the total expected cost needed to complete the project or work that consists of a Direct Cost and Indirect Cost. This includes employee salaries, non-salary, Employee Benefit Plan, corporate, contingency, and Goods and Services Tax or Harmonized Sales Tax incurred in the defining, implementation, transition, and closeout of the project. Costs incurred for the planning and identification phase are not considered project costs for purposes of approval.

**“Project Management”** is defined by the Treasury Board as “the systematic planning, organising, and control of allocated resources to accomplish identified project objectives and outcomes. Project management is normally reserved for focused, non-repetitive, time-limited activities with some degree of risk, and for activities beyond the usual scope of the programme (operational) activities.”