

# Department of Internal Affairs

Investor Confidence Rating:	<b>C</b>
Scope of ICR assessment	Property and ICT portfolios*

**Elements Score**

	Element	Element Score
Lead Indicators	1 Asset Management Maturity (AMM)	11/15
	2 Project, Programme and Portfolio Management Maturity (P3M3)	12/15
	3 Quality of Long Term Investment Plan (LTIP)	2/10
	4 Procurement Capability Index (PCI)*	5/5
	5 Organisational Change Management Maturity	8/10
Lag Indicators	6 Benefits Delivery performance	4/20
	7 Project Delivery performance	4/10
	8 Asset performance	6/10
	9 System performance	4/5
<b>Total Score</b>		<b>56/100</b>

Total Score	Rating
81	A
66	B
51	C
26	D
0	E

**Treasury Comment**

DIA's score of 56 has decreased slightly from the 58 in 2016. As assessment in Round 2 is more robust, this indicates that some improvements have been made as the score has only marginally decreased. However, the evidence shows DIA has further work to achieve Cabinet's expected level of a B rating for investment-intensive agencies.

In Round 2 DIA's Asset Management Maturity, Organisational Change Management Maturity and System Performance have improved. There is also an excellent first result in Procurement Capability.

The Asset Management Maturity assessment has slightly improved. Key strengths are in the ICT portfolio, and asset management policy, strategy and service delivery. Improvements are to lift property maturity, and asset planning, performance and condition assessments.

Portfolio programme and project maturity showed strengths in portfolio and project, with improvements required in programme maturity and DIA's capability offerings. There is a high level of PCI maturity.

The LTIP describes DIA's contribution to the government's priorities, planned investments, operating context and organisation well. However, it could be further improved by extending the timeline and improving the clarity of the prioritisation rationale. Additionally, there could be further discussion for a number of significant projects, including the Te Ara Manaaki programme to outline rationale for the investment, impacts and value-add, such as how it could better position DIA to serve its customers.

With the more robust verification in Round 2, both Benefits Delivery and Project Delivery elements had moderate to significant verification adjustments applied this round. For benefits, improvements are to ensure there are SMART benefits and DIAs benefits are consistently managed.

The Asset Performance element for this round had quality issues within both measure data and target approval information. This has impacted DIA's score and resulted in a downwards adjustment to the self-assessed score.

**Potential Implications**

As in Round 1, based on a C rating there will be no change to the general approval thresholds or other requirements set out in Cabinet Office circular CO(19)6.

\* Excludes the Government Chief Digital Officer (GCDO) functional lead

# Department of Conservation

Investor Confidence Rating:	B
Scope of ICR assessment	All department *

### Elements Score

	Element	Element Score
Lead Indicators	1 Asset Management Maturity (AMM)	13/15
	2 Project, Programme and Portfolio Management Maturity (NZP3M)	15/15
	3 Quality of Long Term Investment Plan (LTIP)	8/10
	4 Procurement Capability Index (PCI)	4/5
	5 Organisational Change Management Maturity	10/10
Lag Indicators	6 Benefits Delivery performance	8/20
	7 Project Delivery performance	6/10
	8 Asset performance	4/10
	9 System performance	4/5
<b>Total Score</b>		<b>72/100</b>

Total Score	Rating
81	A
66	B
51	C
26	D
0	E

### Treasury Comment

DoC has made significant progress in investment and asset management, achieving an improved 72 score compared to 61 from its 2016 assessment. This is also positive considering the more robust ICR assessment process applied in Round 2. The focus should now be on embedding internal capability to sustain the improvements made.

DoC has significantly improved Asset Management Maturity. It is recommended that DoC sustain the AMM gains made and implement the priority improvements identified.

DoC has also had a significant uplift in their NZP3M score of 6 in Round 1. There is a strong commitment to improve across all levels and this is well-supported by senior level management.

The LTIP is comprehensive and future-focused. However, there are some improvements required in achievability and scenario modelling (i.e. including risks and impacts) as well as accounting for asset performance and the potential impact of this on service target levels.

DoC's change management maturity has seen a significant uplift, through concerted improvement actions.

There is opportunity for DoC to further develop and refine Benefits Delivery. Specifically, in ensuring that all benefits have clear targets and measurement is meaningful. This should serve DoC well in optimising future benefits.

This round of Asset Performance assessment included a more robust verification of asset performance data. This assessment revealed some enhancements to improve both the availability of supporting evidence and target approvals. Also, some changes to the measures used are recommended to better reveal underlying performance.

DoC respects the requirements of the investment system as evidenced by the System Performance score.

### Potential Implications

DoC intends to improve benefits, asset performance, and portfolio, programme and project capability. Based on the improved B, Cabinet approval for a higher decision threshold would normally be sought, but this is not being actioned at this time.

\* Except AMM/Asset Performance (Visitor and Road portfolios), Project and Benefits Delivery (Operations, ICT, Fleet & Plant)

# Ministry of Business, Innovation and Employment

Investor Confidence Rating:	B
Scope of ICR assessment	Property and ICT portfolios*

### Elements Score

	Element	Element Score
Lead Indicators	1 Asset Management Maturity (AMM)	14/15
	2 Project, Programme and Portfolio Management Maturity (P3M3)	15/15
	3 Quality of Long Term Investment Plan (LTIP)	6/10
	4 Procurement Capability Index (PCI)	2/5
	5 Organisational Change Management Maturity	8/10
Lag Indicators	6 Benefits Delivery performance	16/20
	7 Project Delivery performance	8/10
	8 Asset performance	6/10
	9 System performance	4/5
<b>Total Score</b>		<b>79/100</b>

Total Score	Rating
81	A
66	B
51	C
26	D
0	E

### Treasury Comment

MBIE has made good progress in investment and asset management as evidenced by the improvement from its initial assessment in 2016 (a score of 70). Given the more robust ICR assessment in Round 2, this result shows a good level of improvement. The focus should now be on developing and embedding internal capability to sustain the improvements made.

MBIE’s Asset Management Maturity shows strengths across a number of areas including Asset Management Policy and Strategy, Levels of Service and Performance Management. Key improvements are forecasting demand (especially for Immigration NZ) and introducing a property visualisation tool.

MBIE has a solid foundation to enhance the strong performance in Benefits Delivery and Project Delivery. Evidence for these elements was high quality and MBIE’s tracking and reporting of benefits and project information is clear and coherent. Projects mostly meet time, cost, and scope. A key improvement is to embed good benefits practice across all investments.

MBIE is developing a new procurement operating model to lift this capability across the organisation. A number of improvement initiatives are already in place, and MBIE’s internal procurement is supported by MBIE’s procurement functional lead.

There has been a significant uplift in P3M3 maturity since Round 1. Processes and management are robust with an active Investment Board. To maintain this elements’ score, recommendations are to improve capability, frameworks and reporting.

The Asset Performance element for Round 2 included more robust verification. This impacted MBIE’s score as verification revealed some issues in the quality of ICT measures.

MBIE’s improved LTIP has strengths in financial, asset and procurement. Improvements are to have a greater focus on service impacts, extend thinking beyond 10-years and to revisit the plan once the organisational strategy is in place. MBIE has positively improved the System Performance result to Very Good from Good.

### Potential Implications

Retain existing increased delegations from ICR Round 1. These expanded the general approval thresholds for medium or low risk baseline-funded investments up to \$35m WOLC for the Responsible Minister and up to \$20m for the Chief Executive.

\* Excludes the NZ Government Procurement (NZGP) functional lead

# Ministry of Foreign Affairs and Trade

Investor Confidence Rating:	B
Scope of ICR assessment	Property and ICT portfolios

**Elements Score**

	Element	Element Score
Lead Indicators	1 Asset Management Maturity (AMM)	14/15
	2 Project, Programme and Portfolio Management Maturity (P3M3)	12/15
	3 Quality of Long Term Investment Plan (LTIP)	8/10
	4 Procurement Capability Index (PCI)	3/5
	5 Organisational Change Management Maturity	8/10
Lag Indicators	6 Benefits Delivery performance	12/20
	7 Project Delivery performance	6/10
	8 Asset performance	10/10
	9 System performance	4/5
<b>Total Score</b>		<b>77/100</b>

Total Score	Rating
81	A
66	B
51	C
26	D
0	E

**Treasury Comment**

MFAT's score of 77 has decreased slightly from the 81 achieved in 2016. Given the more robust ICR assessment in Round 2, this result shows that improvements have been made to almost maintain this same score.

Round 2 has seen improvements in MFAT's Asset Management Maturity, Long Term Investment Plan, Organisational Change Management Maturity, and System Performance.

MFAT's improved Asset Management result is especially due to an uplift in ICT portfolio maturity. MFAT has strengths across many areas, including asset policy and strategy, asset management planning and audit and improvement.

Although the Project, Programme and Portfolio maturity score has remained the same, given the more robust assessment, there have been improvements made since 2016. There is the opportunity to be more consistent across all investments.

The LTIP has robust rationale for investment intentions across a range of different timeframes, and has clear strategic alignment with current and future states. An improvement is to describe how MFAT might better engage with external agencies and what impacts these engagements may have on their investments.

MFAT has positively lifted its Change Management capability through the Change Management Capability Uplift Project.

The Benefits Delivery and Project Delivery investments included all investments in MFAT's portfolio. The Asset Performance result is outstanding.

MFAT has improved System Performance since 2016, and are a proactive agency that seeks out opportunities with sector agencies. An area of opportunity is to further embed investment planning and management processes across the organisation.

**Potential Implications**

Retain existing increased delegations from ICR Round 1. These expanded the general approval thresholds for medium or low risk baseline-funded investments funded from baselines up to \$40m WOLC for the Responsible Minister and up to \$25m for the Chief Executive, as well as the Chief Executive having flexibility over investment reviews e.g. Gateway

# Ministry of Health

Investor Confidence Rating:	<b>D</b>
Scope of ICR assessment	Property and ICT portfolios

**Elements Score**

	Element	Element Score
Lead Indicators	1 Asset Management Maturity (AMM)	11/15
	2 Project, Programme and Portfolio Management Maturity (P3M3)	9/15
	3 Quality of Long Term Investment Plan (LTIP)	4/10
	4 Procurement Capability Index (PCI)	2/5
	5 Organisational Change Management Maturity	4/10
Lag Indicators	6 Benefits Delivery performance	4/20
	7 Project Delivery performance	2/10
	8 Asset performance	2/10
	9 System performance	2/5
<b>Total Score</b>		<b>40/100</b>

Total Score	Rating
81	A
66	B
51	C
26	D
0	E

**Treasury Comment**

MoH's score of 40 has decreased from the 62 achieved in 2016. The decrease is partly due to significant change in the organisation such as staff turnover in critical roles (i.e. leadership). The ICR assessment is also more robust in Round 2. MoH has resource, capability, and process improvements underway and is working on strengthening their health system steward role e.g. National Asset Management Plan and Health Infrastructure Unit establishment. The evidence shows MoH has further work to achieve Cabinet's expected level of a B rating for investment-intensive agencies.

AMM, P3M3 and LTIP scores have been maintained, however there has been a reduction in capability and performance across five of the nine elements. Treasury recommends that MoH identify the ICR priority improvement items and put in place a project to address these. Better information management practices will also support an uplift in capability and performance.

To lift P3M3 maturity, MoH should determine the portfolio structure to ensure oversight and management of MoH's investments, and implement a project and programme framework. For PCI, strengthening internal capability, including induction training, will support an uplift in contract and supplier relationship management.

The LTIP rating has been maintained since Round 1 with a score of 'Basic'.

Benefits and Project Delivery raw scores were adjusted down as there were moderate issues evidenced through the more robust assessment. MoH has a good foundation for Benefits Delivery in Bowel Screening which, if leveraged and applied consistently, should serve it well in optimising benefits from its other investments.

Asset Performance element verification revealed significant opportunities for improvement for ICT measures and consistency of performance measurement. This resulted in a downwards adjustment to the self-assessed score.

System Performance result has decreased as there is room to improve in complying to Cabinet requirements. However, there has been recent improvement in engagement with system leads (i.e. a joint-review for the DHB sector system).

**Potential Implications**

Based on a D rating there would be no change to the general approval thresholds or other requirements set out in Cabinet Office circular CO(19)6.

# New Zealand Customs Service

Investor Confidence Rating:	<b>B</b>
Scope of ICR assessment	Property and ICT portfolios

**Elements Score**

	Element	Element Score
Lead Indicators	1 Asset Management Maturity (AMM)	14/15
	2 Project, Programme and Portfolio Management Maturity (P3M3)	15/15
	3 Quality of Long Term Investment Plan (LTIP)	10/10
	4 Procurement Capability Index (PCI)	2/5
	5 Organisational Change Management Maturity	6/10
Lag Indicators	6 Benefits Delivery performance	12/20
	7 Project Delivery performance	6/10
	8 Asset performance	8/10
	9 System performance	5/5
<b>Total Score</b>		<b>78/100</b>

Total Score	Rating
81	A
66	B
51	C
26	D
0	E

**Treasury Comment**

NZ Customs has made good progress in investment and asset management as evidenced by the improvements made across elements. Overall, Customs has slightly increased from the 77 score from the 2016 assessment. Given the more robust ICR assessment in Round 2, this result shows good improvement. The focus should now be on developing and embedding internal capability within procurement and project delivery in addition to sustaining the improvements across other elements.

NZ Customs have consistently rated high maturity in Asset Management In AMM, a large proportion of the high priority recommendations from the 2016 AMM assessment have been implemented.

NZ Customs has made a good uplift in P3M3 maturity. An improvement is to consider implementing project management software to be more efficient and move away from the reliance on manual processing.

NZ Customs excellent rated LTIP is an exemplar for others to copy. The LTIP has a high degree of usability and can model the impacts that real-time decisions may have on their investments. It is future-focused and includes strategic alignments across many different aspects of their organisation.

The Benefits and Project Delivery elements scores for this round include a more robust verification. This has impacted on NZ Customs' score, as verification revealed some underlying issues. Similar issues were noted last round but a verification was not applied at that time.

For Asset Performance a wide range of quality measures were submitted, with positively 82 percent of targets being met.

Customs meets all investment system requirements as evidenced by the System Performance score.

**Potential Implications**

Retain existing increased delegations from ICR Round 1. These expanded the general approval thresholds for medium or low risk baseline-funded investments funded from baselines up to \$35m WOLC for the Responsible Minister and up to \$20m for the Chief Executive.