Stocktake of Technology Enabled Initiatives

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MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
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New Zealand Government
Te Kāwanatanga o Aotearoa

Contents

Purpose and Summary

1. The purpose of this report is to provide an evidence-informed stocktake of in-flight technology-enabled initiatives across MBIE, in accordance with the approved Terms of Reference. The stocktake is intended to identify emerging governance, delivery and control themes, and to support decisions about where immediate intervention or further targeted review may be required
2. The stocktake assessed portfolio-wide governance, reporting, financial integrity, risk management, delivery confidence and assurance alignment with a focus on identifying systemic weaknesses and areas where intervention is required.
3. The analysis indicates that while core governance and control structures are generally in place across the portfolio, their implementation is inconsistent with emerging themes relating to the consistency of project and financial reporting, the visibility of cumulative project change, the alignment between reported project status and underlying delivery signals, and the effectiveness of governance challenge, escalation and intervention practices.
4. Project artefacts and governance reporting do not always provide an integrated view of the combined impact of scope, time, cost and quality variances on project outcomes and benefits. This makes it difficult to manage exceptions, prioritise intervention and focus attention and resources on the areas of greatest delivery risk.

Scope and Limitations

5. This stocktake was undertaken in accordance with the Terms of Reference dated 23 June 2026 as a time-bound, targeted review of technology-enabled initiatives across MBIE's portfolio and does not constitute a full-scope audit.
6. Findings are dependent on the availability, completeness and reliability of information obtained during the review. The stocktake relied primarily on existing project and portfolio documentation, supported by targeted validation activities, rather than extensive interviews or detailed examination of every initiative. As a result, findings reflect the quality and completeness of the documentation available at the time of testing. Variability in the consistency, completeness and currency of project records limited the ability to efficiently validate some activities and should be considered when interpreting the results.
7. The scope and approach were set out in the approved Terms of Reference and remained unchanged throughout the review. Refinement was, however, required to identify in-scope technology-enabled initiatives from an initial population primarily comprised of registered projects. As additional information became available, the review population was adjusted by the Assurance Review Programme Steering Committee to better align with the approved scope by excluding initiatives that did not meet the agreed definition and incorporating technology-enabled initiatives[1] that were not readily identifiable in the original dataset.
8. External quality assurance has been applied; however, given timing and coverage constraints, this provides challenge and validation rather than full independent assurance.

[1] For example non-technology projects such as property fit-outs

9. Accordingly, this report should be interpreted as identifying key findings and areas requiring further validation or deeper examination, rather than definitive conclusions across the full portfolio.

Recommendations

- Note a rapid stocktake of MBIE's 70 in-flight technology-enabled initiatives has been completed.
- Note that core governance, reporting and project control disciplines are generally in place, but effectiveness and maturity are variable across the portfolio.
- Note that the findings will inform broader work to strengthen MBIE's investment planning, portfolio management, governance and assurance practices.
- Note that we did not identify any instances of projects exceeding Cabinet or Ministerial approval delegations

Background

10. In response to the findings of the Greg James report on the Biometric Capability Update project, MBIE committed to undertake a portfolio-wide stocktake of technology-enabled investments and seek independent assurance that these arrangements are fit for purpose.
11. This review is intended to provide a structured assessment to confirm whether core governance, project governance, assurance, reporting, escalation, financial and delivery controls are in place and operating effectively, aligned to best practice and to identify where immediate intervention is required.

Approach

12. The stocktake applied a consistent assessment approach across in-flight technology-enabled initiatives, focusing on the following 6 core control domains:

Investment definition and viability	Governance, accountability and decision-making	Risk, assurance and escalation
Delivery performance and confidence	Financial oversight, control and reporting	Reporting, capability and benefits

13. The stocktake relied on existing portfolio and project records, including Project Management Office (PMO) information, Project Online data, governance reporting, project documentation and financial information, supplemented by information provided by project teams, sponsors, the PMO and other central functions. The review covered 70 in-scope, in-flight technology-enabled initiatives identified through the agreed Terms of Reference and available portfolio information at a specific point in time. The table below, captures the combined WOLC for all 70 initiatives (noting WOLC includes BAU operating costs for the first five years):

Total Number of initiatives in scope	Total combined WOLC
70	$537,850,000

14. Of the 70 in-flight initiatives, 31 were formally governed projects, while the remaining 39 were maintenance activities, or smaller initiatives with budgets below $250,000 each, which generally do not maintain the same level of governance and assurance documentation. Across the portfolio, the total Whole-of-Life Cost (WoLC) reviewed was $537.85 million, including three projects above the Treasury endorsement threshold of $20 million WoLC. No in-flight projects were identified as exceeding Cabinet, Treasury, or Ministerial approval and delegation thresholds.
15. These projects were assessed against defined best practice benchmarks including Treasury Investment Management System (including Better Business Cases, Strategic Assessment, Risk Profile Assessment, Gateway and Investment Assurance requirements); as well as recognised programme and project management good practice (including PRINCE2 and benefits realisation disciplines).
16. The approach combined quantitative data analysis with structured assessment of control effectiveness, including the alignment between reported project status and underlying delivery signals, the timeliness and completeness of escalation and the quality of information provided to governance committees and Ministers.
17. The stocktake was undertaken by MBIE Internal Assurance in its role as an independent third-line assurance function. Assessment conclusions were developed through Internal Assurance's review of project and portfolio documentation, governance records, financial information and supporting evidence. Internal Assurance remained responsible for the assessment methodology, testing, findings and overall conclusions.
18. The review has been subject to external quality assurance by Maven Consulting, providing challenge and validation of the methodology and emerging findings. Maven's feedback has been incorporated in finalising this memo.
19. Testing confirmed that technology-enabled initiatives are being delivered through a range of delivery mechanisms, including formal projects, programmes, maintenance activities and operational funding arrangements. While this approach may be appropriate in some circumstances, it can reduce the consistency of portfolio visibility and governance oversight where significant technology investments or changes are not subject to the same enterprise governance and reporting expectations as formally managed projects.
20. The stocktake also identified limitations in existing portfolio classifications. Project Online does not always provide a classification that accurately reflects the nature of the underlying activity, resulting in some initiatives being recorded as projects or programmes primarily for reporting purposes. This makes it more difficult to obtain a complete and consistent view of technology-enabled investment and change activity across the in-flight initiatives.

Overall Findings

Finding 1: Core governance, reporting and change control disciplines are generally in place

21. Testing identified that core governance, reporting and change control disciplines are generally in place across the portfolio. However, there is variability in the degree to which these disciplines are applied which is outlined in findings 2 through 8.

22. Overall, the stocktake identified a strong and generally consistent application of project management, governance, reporting practices across the 70 projects and assessed domain areas. Good practices were evident throughout the portfolio, with the majority of projects demonstrating effective controls, clear governance arrangements, and robust reporting disciplines.

23. Variability in performance was not found to be systemic in nature. Opportunities for targeted improvement have been identified rather than widespread weaknesses across the portfolio. As a result, the overall level of maturity and consistency observed provides confidence in the effectiveness of project delivery practices across the portfolio

Finding 2: Project performance tracking is not consistently comparable across the in-scope initiatives

24. Testing identified that core project tracking and reporting practices are generally in place across the in-scope initiatives. However, variability exists in how project progress is measured, aggregated and reported, limiting the comparability of portfolio-wide performance information. While this does not indicate a widespread absence of project controls, differences in methodology and reporting practices reduce confidence in the consistency of reported delivery performance.

25. Testing also identified instances where historical RAG status information was not consistently presented across successive governance reporting packs, limiting confidence in trend analysis and the ability to independently trace project performance over time.

26. Over the course of fieldwork, we note that an additional three projects changed their overall RAG status to red, and an additional two projects changed their RAG status to amber.

Finding 3: Financial information is not always readily accessible or reconciled from a single source

27. Financial information was generally well maintained across the in-flight initiatives, with most projects providing sufficient visibility of approved budgets, expenditure, funding movements and approvals. Testing identified limited instances where establishing a complete financial position required reconciliation across multiple governance papers, business cases, change requests, financial workbooks and project reports. In a small number of instances, this reduced financial transparency and made it harder for governance to readily confirm the current approved position, track funding movements and assess affordability.

Finding 4: Financial treatment of WoLC and approved budgets is variable

28. The stocktake identified that all projects were monitoring WoLC. Testing identified variability in how WoLC, approved budgets, previously approved funding and funding adjustments are presented across projects. This testing indicates that approved funding changes can reflect both delivery-related pressures and accounting or financial treatment adjustments. Governance reporting does not always clearly distinguish between these drivers, limiting the ability to assess underlying cost performance consistently.

29. WoLC methodology and presentation are not always consistent. The presentation of financial information, particularly Whole of Life Cost (WoLC), is not always consistent across project documentation. Examples include projects where both nominal and discounted lifecycle costs are presented, projects where discounting is explicitly excluded and projects where the underlying WoLC methodology is not readily apparent from summary financial information.

Finding 5: Early cost-performance indicators are mixed and require cautious interpretation

30. Testing showed that 69% of projects are achieving progress broadly ahead of expenditure levels, 6% are broadly on track and 25% are behind, suggesting that overall cost performance appears broadly positive at this stage. However, this should be interpreted with caution because several projects are in early stages, with low budget utilisation and limited spend history.

31. Change requests were observed to support a range of adjustments, including schedule extensions, funding changes, scope refinements, benefits realignment, and financial treatment changes. While formal change control processes appear to be operating, the cumulative impact of approved changes is not always readily visible through governance reporting.

Finding 6: Benefits are not always expressed in measurable terms

32. Evidence showed that benefits were generally well understood across the in-scope projects. Testing identified, however that benefits reporting did not consistently enable assessment of the impact of delivery delays, scope changes or revised implementation approaches on expected benefits. Testing showed that benefits are sometimes described as single, high-level statements rather than as measurable, attributable outcomes. This makes it difficult to assess whether projects are on track to deliver intended benefits or whether benefits remain valid as scope, cost, timing, or delivery conditions change. This in turn limits the ability of governance to test whether projects remain viable and whether continued investment is justified. The main gaps identified relate to the definition of measurable targets, ownership of benefits, establishment of baselines and reassessment of benefits where project scope, timing, or cost assumptions have changed.

33. Testing also indicates that benefits realisation information is not always sufficiently developed to enable governance to assess the impact of delivery delays, scope changes, or revised implementation approaches on expected benefits.

Finding 7: Current portfolio classifications and governance arrangements may not provide complete visibility of technology-enabled investment activity

34. Technology-enabled initiatives are being delivered through a range of delivery mechanisms, including projects, programmes, maintenance activities and operational funding arrangements. While these approaches may be appropriate, they are not always subject to consistent governance, reporting and oversight expectations. Combined with limitations in portfolio classification, this reduces confidence that management has a complete and comparable view of technology-enabled investment activity and may warrant review of the criteria used to determine which initiatives require enterprise-level governance and oversight.

Finding 8: Governance challenge and escalation practices may not be consistently effective.

35. Project and programme reporting generally identifies risks, issues, dependencies and changes. However, reporting does not always explain what those factors collectively mean for delivery confidence, benefits realisation or investment viability. As a result, governance forums may not always be presented with an integrated and consolidated view of the implications of emerging issues on project outcomes, benefits or investment viability, reducing their ability to make informed decisions regarding intervention, reprioritisation, re-baselining or the continued viability of an initiative.

36. While assurance activities are referenced within project reporting, the visibility of assurance outcomes and evidence of action taken in response to recommendations is variable.

37. Testing also identified variability in the extent of challenge and critique evident within governance and project oversight processes. Examples were observed where significant re-planning activity, delivery concerns, cost pressures or emerging risks were reported, however governance reporting did not always provide sufficient evidence of the resulting discussion, challenge, escalation or intervention response.

38. Testing also identified variability in the extent to which Ministerial reporting communicated current project status, delivery confidence and emerging risks. Ministerial report backs commonly referenced project risks but did not always explicitly communicate current RAG status or overall delivery confidence.

39. Evidence of key role turnover was noted within a small number of projects, but testing did not assess the effectiveness of succession planning, role continuity and knowledge transfer arrangements.

Conclusion

40. Testing identified that core governance, reporting and change control disciplines are generally in place across the portfolio. However, inconsistencies in reporting, financial transparency, benefits management, portfolio classification and governance visibility reduce confidence in the extent to which emerging delivery concerns are consistently identified, escalated, understood and acted upon.

41. The findings represent portfolio-level themes arising from completed testing across the in-scope initiatives. While the majority of projects demonstrated generally effective control environments,

the stocktake identified opportunities to strengthen governance, reporting, financial management, benefits management and escalation practices across the portfolio.

42. A small number of initiatives that exhibited indicators of greater delivery complexity, change activity or assurance interest have already been subject to, or are currently undergoing, Independent Quality Assurance (IQA) and/or Technical Quality Assurance (TQA) reviews. Accordingly, management and governance forums already have access to independent oversight, recommendations and monitoring of corrective actions, and no additional project-specific assurance activity is recommended through this stocktake at this time.

43. The completed stocktake provides a basis for prioritising remediation activity across the in-flight initiatives and strengthening the effectiveness and consistency of governance, reporting and control practices. This would provide greater confidence regarding delivery oversight, investment viability and the effectiveness of governance arrangements across MBIE's technology-enabled initiatives.

Next steps

44. The findings are portfolio-level themes arising from completed testing across the in-scope initiatives. Their practical implications are most acute where weaknesses in governance visibility, escalation, change control, benefits management, financial transparency and delivery confidence require targeted remediation and management attention.

45. The completed stocktake provides a basis for prioritising remediation activity across the in-flight initiatives, particularly where initiatives have been assessed as Partially Effective or Not Effective against one or more assessment criteria.

    There are two key next steps recommended:

    1. The stocktake has identified a number of control deficiencies and opportunities to strengthen governance, reporting, financial management, benefits management and escalation practices across the portfolio. It is recommended that project sponsors and business owners for initiatives assessed as Partially Effective or Not Effective against one or more assessment criteria develop and implement remediation plans to address the identified deficiencies, strengthen control effectiveness and improve confidence in project oversight, reporting and delivery by 30 September 2026 unless the identified deficiency is dependent on the completion of an existing Independent Quality Assurance (IQA), Technical Quality Assurance (TQA), Gateway Review or other agreed assurance activity, in which case remediation should be completed as soon as reasonably practicable following receipt of the assurance outcomes and recommendations.

    2. MBIE’s Internal Assurance function will subsequently undertake follow-up validation to assess whether agreed remediation actions have been implemented and whether initiatives previously assessed as Partially Effective or Not Effective demonstrate improved effectiveness against the relevant assessment criteria.