Government IT project failure: the checklist

Government IT project failure follows six causes the auditors keep finding

What should a sponsor or board do differently?

Turn each recurring audit finding into a question the board asks before approval and at every gate, and require evidence for the answer. A programme that cannot answer one of these questions is carrying the risk the auditors keep finding.

Six recurring audit findings, the question a board should ask about each, and the evidence that answers it

Recurring finding	The question for the board	Evidence that answers it
Optimistic business case	Has anyone outside the team tested the estimate, the assumptions and the options?	An independent review of the cost and schedule estimate, and the options set aside
Governance that cannot challenge	Does the steering committee have the skill, an independent member and its own information?	Its membership, decision log and the papers it actually receives
Scope settled too late	Are the requirements agreed by the business that will use the system, before the contract is signed?	Signed requirements and the trend in change requests
Supplier trusted beyond the evidence	Has the product been seen working at comparable scale, by the team that will deliver it here?	Reference sites, due diligence on the local delivery team, and who decides on contract variations
Assurance set aside	What did the last review recommend, and what was done about each recommendation?	The action record from every assurance review
Benefits never measured	Who owns each benefit, against what baseline, and when is it measured?	A benefits register with owners, baselines and dates

Why do government IT projects fail?

Australian auditors keep finding six causes: an optimistic business case, governance that cannot challenge, scope settled too late, a supplier trusted beyond the evidence, assurance warnings set aside, and benefits nobody measured. Most failures carry several of them at once.

Ten Australian audit reports on government technology programmes, 2009 to 2026, and the cause each finding illustrates

Audit report	What the auditor found	Cause
ANAO Report 21 of 2008-09, business system project approvals	Business cases lacked the information for a reality check, and benefits had no targets.	Business case; benefits
QAO Report 7: 2010, Queensland Health payroll	The agency never formally agreed the scope, and more than 47 change requests followed.	Scope
VAGO, Digital Dashboard, 2015	Agencies could not demonstrate the benefits of their ICT investments.	Benefits
ANAO Report 59 of 2016-17, myGov	Largely effective, with no measures developed to quantify the forecast savings.	Benefits
QAO Report 10: 2019-20, State Penalties Enforcement Registry	A steering committee without the skills or independence to govern the ICT work.	Governance; supplier; assurance
QAO Report 7: 2020-21, Delivering successful technology projects	Lessons are widely known and not consistently applied.	All six
ANAO Report 1 of 2021-22, Defence enterprise resource planning	Contractors involved in decisions about their own contracts.	Governance; supplier
Audit Office of NSW, Driver vehicle system, 2024	A third attempt, with no approved business case.	Business case
WA OAG Report 21: 2024-25, Major IT Projects	Ten projects at least $1.6 billion over the cost first advised to government.	Business case

Audit report	What the auditor found	Cause
Audit Office of NSW, Upgrades to core policing technology, 2026	Gateway reviews and advisers warned of delivery optimism and supplier risk.	Assurance; supplier

When should a government IT project be stopped?

When the evidence says the path to the outcome is no longer credible, and before the money already spent becomes the reason to continue. The Queensland Audit Office says cancellation can be appropriate if it comes before significant losses accumulate.

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