



Treasury Board of Canada
Secrétariat

Secrétariat du Conseil du Trésor
du Canada

Canada

Standard for Project Complexity and Risk

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Standard for Project Complexity and Risk

Disclaimer

In June 2007, Treasury Board Ministers approved the [Policy on the Management of Projects](#). This policy replaces the [Project Management Policy](#), the [Policy on the Management of Major Crown Projects](#), and the [Project Approval Policy](#) for departments and agencies listed in Section 2 of the [Financial Administration Act](#). This policy is a significant change in how government manages projects. As a result, the Treasury Board Secretariat has adopted a phased implementation approach, starting in 2007, that began with a group of four departments. Following this first phase of implementation, three more groups of departments will be brought on board so that, by April 1, 2012, departments and agencies will have the systems and processes in place to meet the policy requirements. In addition, based on lessons learned, amendments to the [Policy on the Management of Projects](#) were approved and came into effect in December 2009.

1. Effective date

1.1 This revised standard takes effect on December 9, 2010.

1.2 It replaces the 2007 version of the Treasury Board *Standard for Project Complexity and Risk*.

1.3 This standard is to be phased in over a five-year period in conjunction with the *Policy on Investment Planning – Assets and Acquired Services*.

1.4 Departments will have until April 1, 2012 to implement this standard.

1.5 Transitional considerations

1.5.1 Projects approved prior to Treasury Board approval of the department's Organizational Project Management Capacity class have the option to continue to be subject to the policies that were in effect at the time the project was approved or be subject to the *Policy on the Management of Projects*.

1.5.2 Proposals to transition a project approved under the *Project Approval Policy* to the *Policy on the Management of Projects* can only be approved by the Treasury Board and will be reflected in a Treasury Board decision.

2. Application

2.1 This standard applies to all departments as defined in section 2 of the *Financial Administration Act*, unless specific acts or regulations override it.

2.2 This standard applies to all Government of Canada projects as defined in section 4 of the *Policy on the Management of Projects* with a total estimated cost exceeding \$1M, including all applicable taxes.

2.3 This standard does not apply to projects funded by the federal government through transfer payments. The Treasury Board *Policy on Transfer Payments* and its supporting directives provide direction on the management and approval of projects funded through transfer payments.

3. Context

3.1 Deputy heads are responsible for the effective management of projects in their organization. This standard establishes the mandatory assessment process that Treasury Board has approved for government-wide use. The Treasury Board *Policy on the Management of Projects* requires deputy heads to ensure that each planned or proposed project, which is subject to the policy, is accurately assessed to determine its level of risk and complexity for the purposes of project approval and expenditure authority.

3.2 Projects are managed in a manner that is consistent with the assessed level of complexity and risk. This includes demonstrating that both knowledgeable, integrated, multi-disciplinary project teams and effective project management systems and processes support the project management function.

3.3 The *Project Complexity and Risk Assessment Tool* rates the level of risk and complexity of individual projects across four levels by evaluating criteria in each of the following project knowledge areas:

- Project characteristics
- Strategic management
- Procurement
- Human resources
- Business
- Project management integration
- Project requirements

3.4 The *Project Complexity and Risk Assessment Tool* provides the basis for determining the level of project risk and complexity. Its

use will assist in identifying areas of project risk and complexity warranting further assessment and active risk management.

3.5 The assessment results form the basis from which Government of Canada projects are approved, managed and monitored both organizationally and from a central agency perspective. Levels of assessed project complexity and risk range from sustaining to transformational and determine the expected management processes and controls necessary to foster the achievement of project outcomes and limit the risk to stakeholders and taxpayers.

3.6 This standard is issued pursuant to section 7 of the *Financial Administration Act*.

3.7 This standard is to be read in conjunction with the *Policy on the Management of Projects*, the *Policy on Investment Planning – Assets and Acquired Services*, and the *Standard for Organizational Project Management Capacity*.

3.8 Treasury Board has provided to the Secretary of the Treasury Board of Canada the authority to issue such operational standards as necessary.

4. Definitions

4.1 risk (*risque*)

Refers to the uncertainty that surrounds future events and outcomes. It is the expression of the likelihood and impact of an event with the potential to influence the achievement of an organization's objectives.

4.2 project complexity (*complexité du projet*)

Is based on the number of business rules, the technology employed and the project's size. It is a major component of project risk. Complexity should be determined at the start of all large projects, and when changes occur, so that appropriate action can be taken to minimize risk.

5. Requirements

5.1 All projects, which are subject to this standard, must be assessed to determine their level of risk and complexity prior to the expenditure of project funds. Only those specific phases of the project that have been appropriately defined and costed can be approved. If during the life cycle of a project there are significant changes that would impact on its assessed complexity and risk the project's level of risk and complexity must be reassessed and the Treasury Board Secretariat must be informed of the result.

5.2 These assessments are to be completed using the *Project Complexity and Risk Assessment Tool*.

6. References

6.1 Related policies and publications:

- [Policy on Investment Planning - Assets and Acquired Services](#)
- [Directive on Delegation of Financial Authorities for Disbursements](#)
- [Policy on Privacy Protection](#)
- [Directive on Privacy Impact Assessment](#)
- [Policy on Government Security](#)
- [Policy on Transfer Payments](#)
- [Contracting Policy](#)
- [Project Complexity and Risk Assessment Tool](#)
- [Organizational Project Management Capacity Assessment Tool](#)
- [Standard for Organizational Project Management Capacity Assessment](#)
- [Procurement Administrative Directive¹](#)
- [Policy on Managing Procurement¹](#)

6.2 Further information

Treasury Board Secretariat will maintain up-to-date information on best practices on its website. Additional background information supporting the implementation of this standard will also be available on the Treasury Board Secretariat's website.

7. Enquiries

Please direct enquiries about this policy instrument to the organizational unit in your department responsible for this subject matter. For interpretation of this policy instrument, the responsible organizational unit should contact: [TBS Public Enquiries](#).

Footnotes

Footnote fn1

Policy instruments or other documents referenced by title only and without links, are under development and not yet in effect. They will be published as they are approved.

[Return to footnote 1 referrer](#)