

DRAFT OUTLINE FOR COUNTRY PAPER – IT AUDIT SEMINAR SLOVENIA

WHY IT PROJECTS FAIL – A RESPONSE FROM THE ECA (EUROPEAN COURT OF AUDITORS)

The ECA would like to respond to the UK's lead paper in two ways:

- Firstly to comment on the concept of the success or failure of an IT project;
- Secondly to draw on our own experience of auditing major IT projects of our principal audit client.

What is Failure ?

Before one can speak of an IT project as having failed, one must first determine the criteria for success. We suggest that the main components should be the quality functioning of the new system in question, the delivery on time and remaining within the cost envelope.

It is too simple to judge a project on time and/or cost overruns. It may be perfect sense to trade off slippage on these elements in return for the delivery of a system which functions and meets the original needs of the users. The question then to explore is, what can be acceptable in this balancing act to be regarded as a success.

ECA's experience in IT projects

We limit the discussions for this paper to two IT projects launched by the European Commission, although these are by no means the only such reviews we have carried out.

Twice in the last 15 years the Commission has undertaken major IT projects to acquire a new accounting system, with in the later version integrated budgetary and information systems.

We examine the extent to which lessons have been learnt from the first experience and taken account of in the second project. We look at the factors for success (or failure) which the original article puts forward in the light of these particular developments. Finally we review the projects for success according to the three criteria proposed above and attempt to arrive at a conclusion.