



IT Governance

City of Durham, NC

June 13, 2016

Goal 4: An INNOVATIVE and High Performing City

Create a Culture of Efficiency Through Innovation

- Establish multidisciplinary City/County Innovation Lab.
- Identify and Implement technology that supports the Performance Management System Citywide.
- Identify best practices and opportunities for a process improvement program.
- **Develop and implement an IT governance model to effectively leverage the investment in the City**



Governance fosters Innovation and High Performance

Core benefits of IT governance are seen through:

Value creation

Increases the speed of decision-making and alignment with business priorities.

Operating cost reduction

Limits duplication of effort, and ensures meetings are effective by setting appropriate meeting goals and participation.

Risk optimization

Increases regulatory compliance, and ensures the appropriate processes are in place and monitored to mitigate risk issues.

IT governance is difficult to structure appropriately, but having an effective structure will allow the City of Durham to:

- Clarify decision-making accountabilities and provide a formalized process for managing organizational decision making.
- Save time and money – by optimizing the responsibilities and participation on IT governance committees.
- Improve transparency of IT costs.
- Foster a culture of accountability for decision making, identifying and resolving issues, and open communication throughout the organization.
- Ensure processes are in place and followed around the prioritization and management of projects, changes, and services.
- Optimize the City's resourcing by ensuring that priority initiatives, services, and projects are provided adequate staffing through defined, documented, and communicated roles and responsibilities.

Separate IT Governance from IT Management

It's important not to blur the lines between governance and management; each has their unique role to play. Confusing these means wasted time and confusion around ownership.

Governance

IT Governance **sets direction** through **prioritization and decision making**, and monitors overall IT performance.

Governance **sets the vision** and policies for the organization.

An IT Governance committee decides which projects IT undertakes, including resource allocation and investment. The governance committee reviews the success metrics of the project.



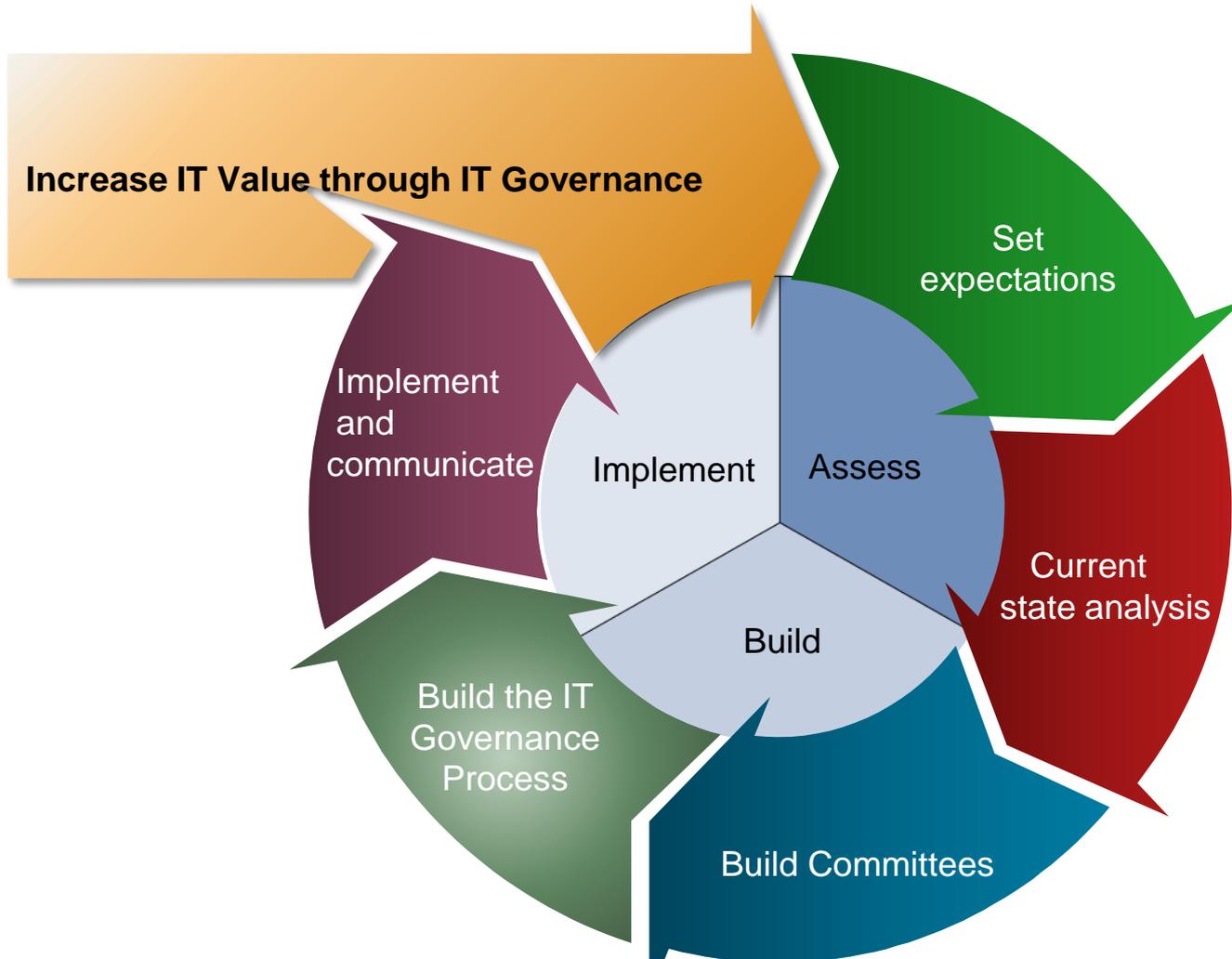
Management

Management is responsible for **executing** on, **running**, and **monitoring** activities as determined by IT governance.

Management makes decisions for **implementing** the policies.

Management receives the list of projects which have been prioritized, creates a strategy to build and implement these, and reports on their success to the governance committee.

Best Practice Governance Structure Development





Five IT Governance Areas

The five governance areas are:

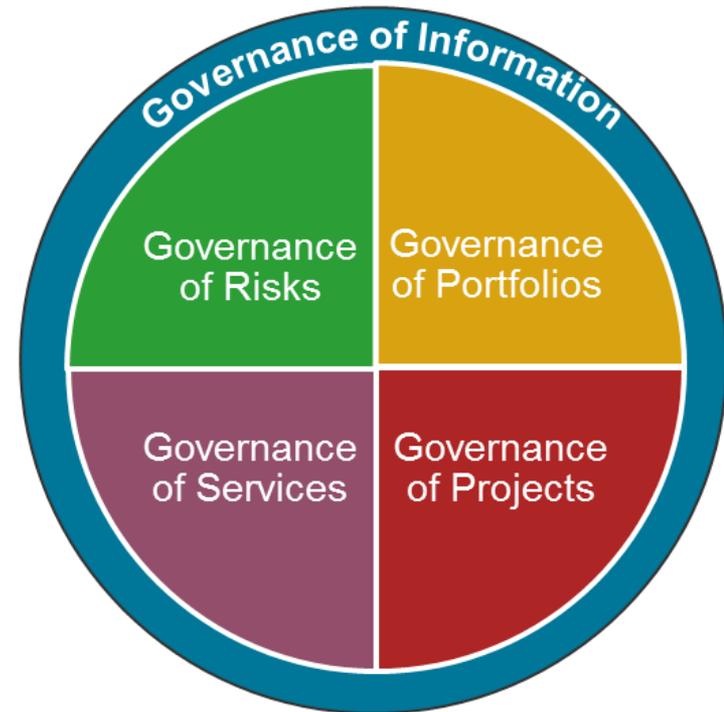
Governance of Risks: ensures the city's ability to assess and deliver IT projects and services with acceptable risk.

Governance of the IT Portfolios: ensures that funding and resources are systematically allocated to the priority projects and services that deliver value.

Governance of Projects: ensures that IT projects deliver the expected value and defines decision-making accountabilities for the project management process, particularly for issues and change control.

Governance of Services: ensures that IT delivers the required services at the acceptable performance levels, and recommends service candidates and funding models.

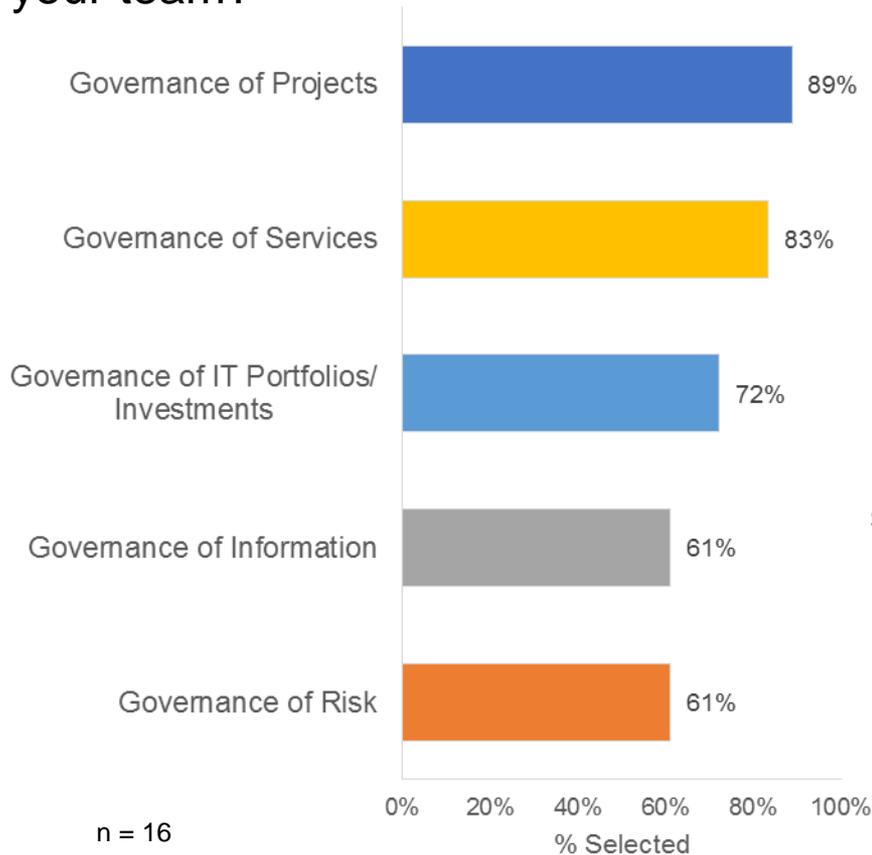
Governance of Information: ensures the appropriate classification and retention of data, based on business need.



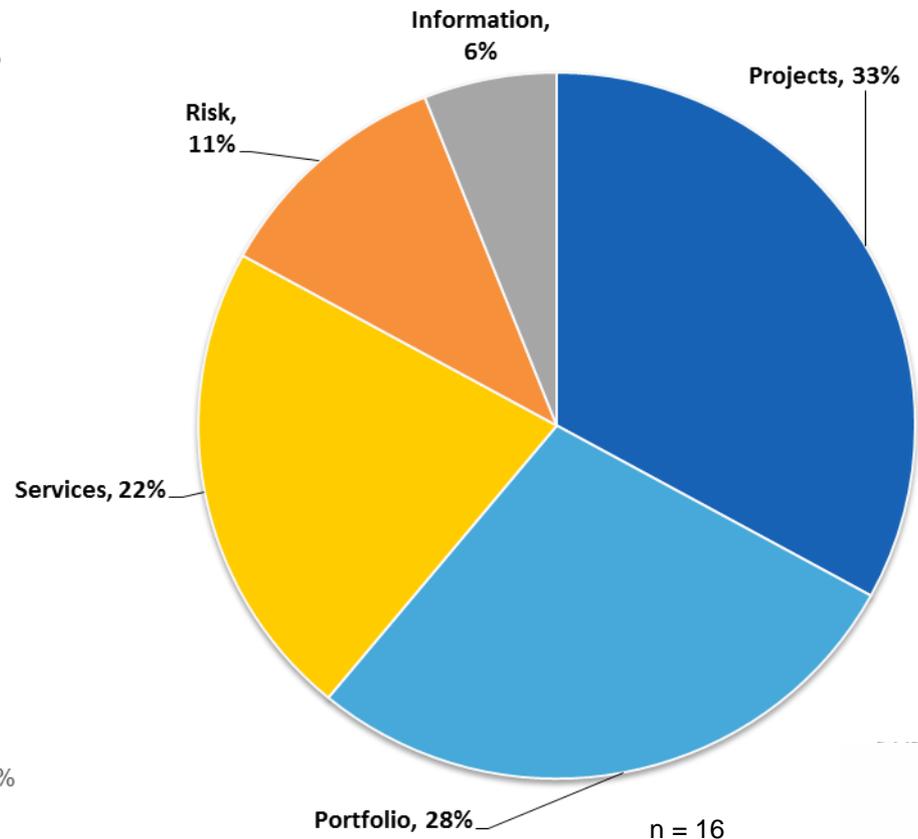
By leveraging the division of governance that account for most key IT decision-making, City management can better understand their role in governance, fostering ownership and joint accountability.

A survey of City Stakeholders identified the governance of projects and portfolio/investment as their two biggest priorities

Which areas of IT governance impact your team?



In which IT governance area would you most like to see improvement?



Proposed Success Metrics for Portfolio & Project Governance

Portfolio

- % of projects completed (vs. approved)
- % of projects that went through formalized approval process (vs. ad hoc)
- % Department Utilization of Platform Solutions
- % of systems in support with redundant capabilities
- % of IT staff hours allocated to high priority projects
- % of staff hours allocated to portfolio management

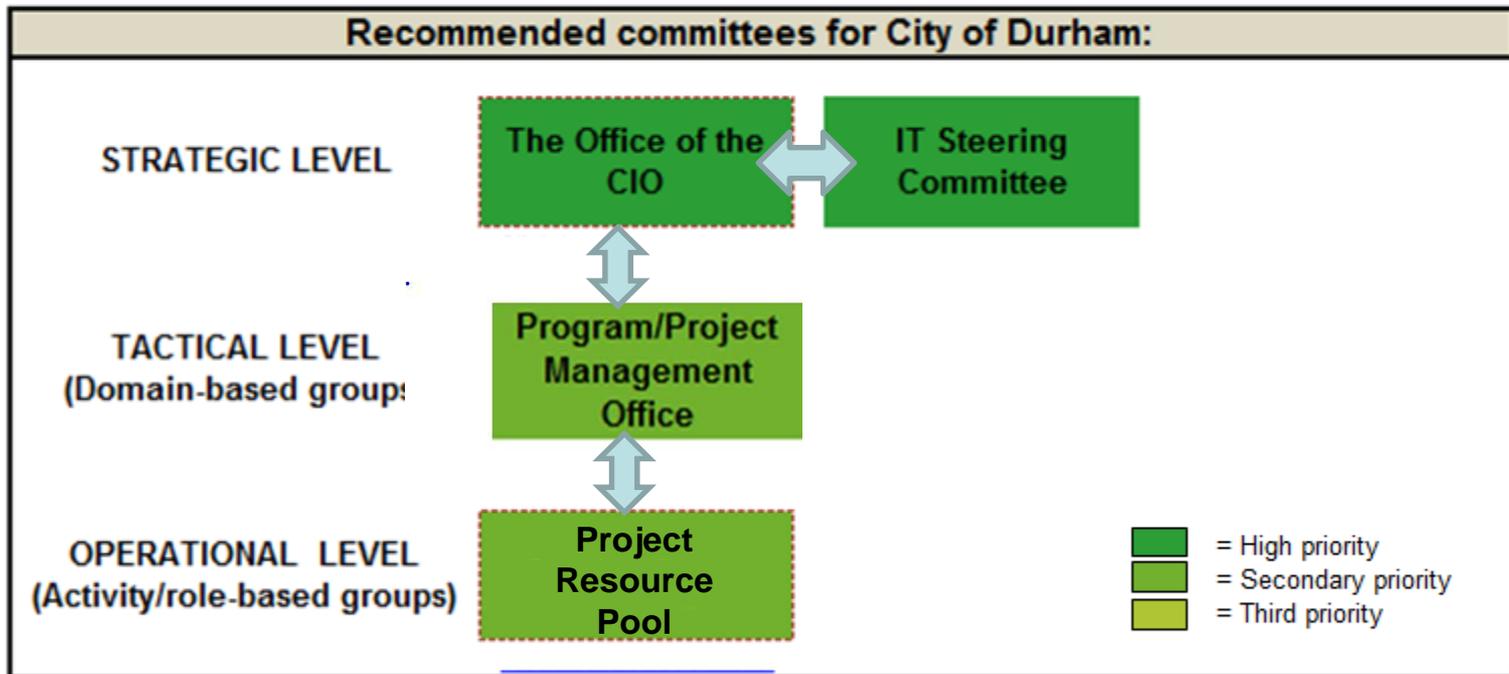
Project

- % of projects completed on time
- ROI from project (\$)
- Efficiency tracking
- Planned vs. actual resources (FTE)
- % of project milestones met
- Forecasted value vs. actual value
- Number of existing project dependencies impacting the new project
- ROI of training (\$)

IT Governance Committee Structure

After completing the current and target state analysis the group identified the need for an IT Steering Committee and an IT Governance Team located in the Office of the CIO

Recommended Committee Structure





IT Steering Committee

IT STEERING COMMITTEE PURPOSE STATEMENT:

The IT Steering Committee is responsible for the alignment of IT standards and projects to the City of Durham's Strategic Plan.

To this end, the IT Steering Committee is tasked with reviewing, prioritizing, and approving major IT portfolio projects, as well as the assessment of project success and the overall value Technology Solutions provides the City of Durham.

IT STEERING COMMITTEE MEMBERS

Deputy City Manager
Deputy City Manager
Deputy City Manager
CIO
Budget Director
Finance Director

IT STEERING COMMITTEE RESPONSIBILITIES

- Making City-Wide IT Project Prioritization & Budget Recommendations
- Approving City-Wide IT Standards (Supported Technology)
- Recommendation of a Target Investment Mix & Strategically Prioritizing Resource Allocation
- Selecting, Approving & Evaluating (Scheduled & Unscheduled) Projects within defined threshold
- Approving the Process for Determining IT Value
- Identifying Process for Reviewing Obstacles to Project Completion
- Approving Optimization Plans for IT Governance Structure/Process

COMMITTEE MEETING CADENCE

The IT Steering Committee will meet once a quarter with a focused agenda tailored to its members. Departments will be invited to make presentations on agenda items for approval

IT Steering Committee Participant RACI analysis

It is not enough to participate in committee meetings; there needs to be a clear understanding of who is accountable, responsible, consulted, and informed about matters brought to the attention of the committee.

- ✓ An authority matrix is often used within organizations to indicate roles and responsibilities in relation to processes and activities.
- ✓ Using the RACI model as an example, there is only one person accountable for an activity, although several people may be responsible for executing parts of the activity.
- ✓ In this model, *accountable* means end-to-end accountability for the process. Accountability should remain with the same person for all activities of a process.

- R Responsible**
Responsible for getting the job done
- A Accountable**
Accountable for each task (only one person can be accountable)
- C Consulted**
Involved through input of knowledge and information
- I Informed**
Receives information about process execution and quality



Prioritized Responsibilities and Accountabilities of the ITSC

Responsibilities	Priority #	DCM 1 (Chair Wanda)	DCM 2 (Keith)	DCM 3 (Bo)	CIO (Facilitator Kerry)	Budget Director (Bertha)	Finance Director (David)
Making City-Wide IT Project Prioritization & Budget Recommendations	1	A (D)	R (D)	R (D)	R,C	C	C
Approving City-Wide IT Standards (Supported Tech)	2	A (D)	R (D)	R (D)	R,C	C	C
Approving Target Investment Mix & Strategically Prioritizing Resource Allocation	3	A (D)	R (D)	R (D)	R,C	C	C
Selecting, Approving & Evaluating (Scheduled & Unscheduled) Projects	4	A (D)	R (D)	R (D)	R,C	C	C
Approving the Process for Determining IT Value	5	A (D)	R (D)	R (D)	R,C	C	C
Identifying Process for Reviewing Obstacles to Project Completion	6	A (D)	R (D)	R (D)	R,C	C	C
Approving Optimization Plans for IT Governance Structure/Process	7	A (D)	R (D)	R (D)	R,C	C	C

Legend:

Accountable

Responsible

Consulted

Informed

D = Decision-Making Member



IT Governance Model Roles and Responsibilities

Business Units Role

- All Departments/business units will submit all IT projects for approval and prioritization prior to implementation
- After approval if new resources are required, the request will be forwarded to the BMS Budget development process as new budget initiatives

TS Project Management Office Role

- Assist business units with IT project business case preparation for governance committees' review
- Determine resource requirements for projects
- Manage approved projects
- Prepare Project Management Office performance metrics



IT Governance Model Roles and Responsibilities

Office of CIO

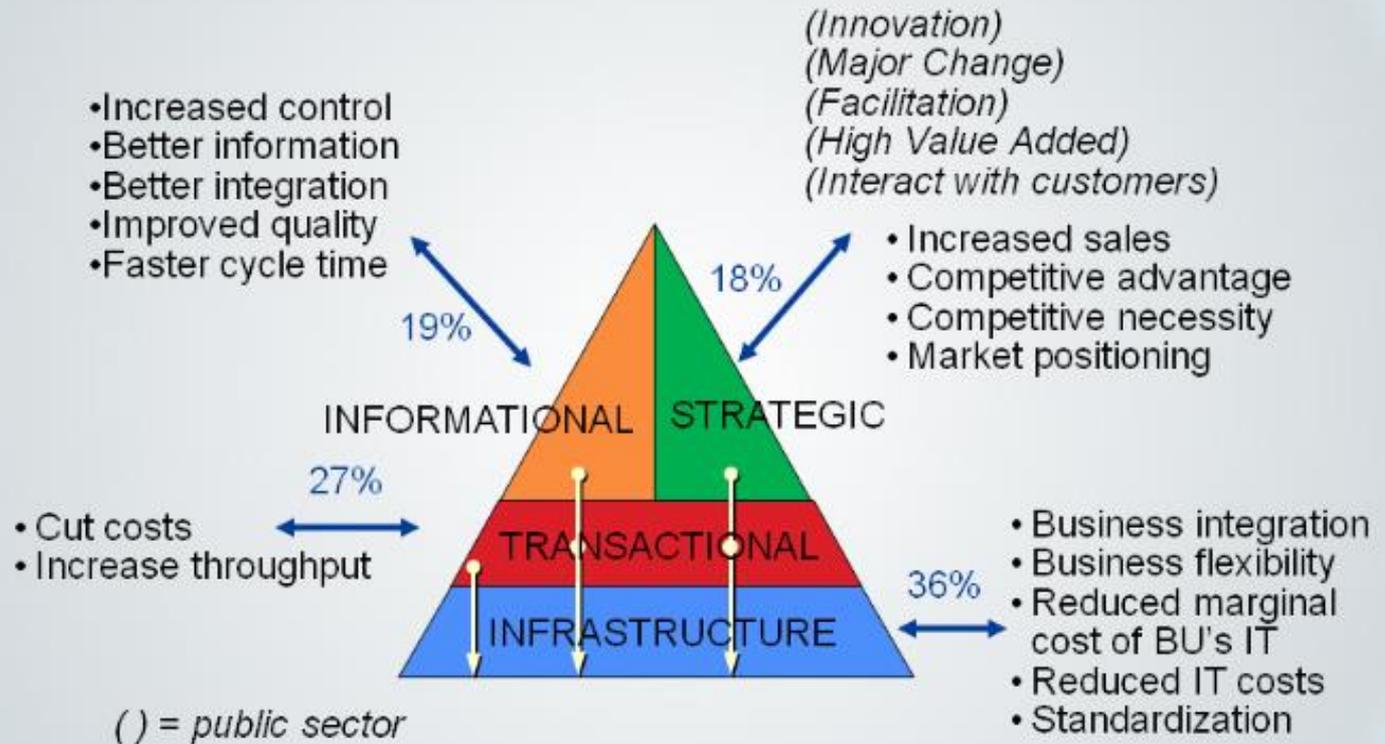
- Prepare agenda for Governance Steering Committee
- Review all projects prior to submission to Governance Steering Committee with recommendations for project priority and schedule
- Develop a Citywide Enterprise IT Strategic Plan for steering committee review and approval
- Propose enterprise IT standards for approval by steering committee

IT Steering Committee

- Approve and prioritize all IT projects for the City
- Approve Citywide Enterprise IT Strategic Plan
- Approve City IT standards such as security standards

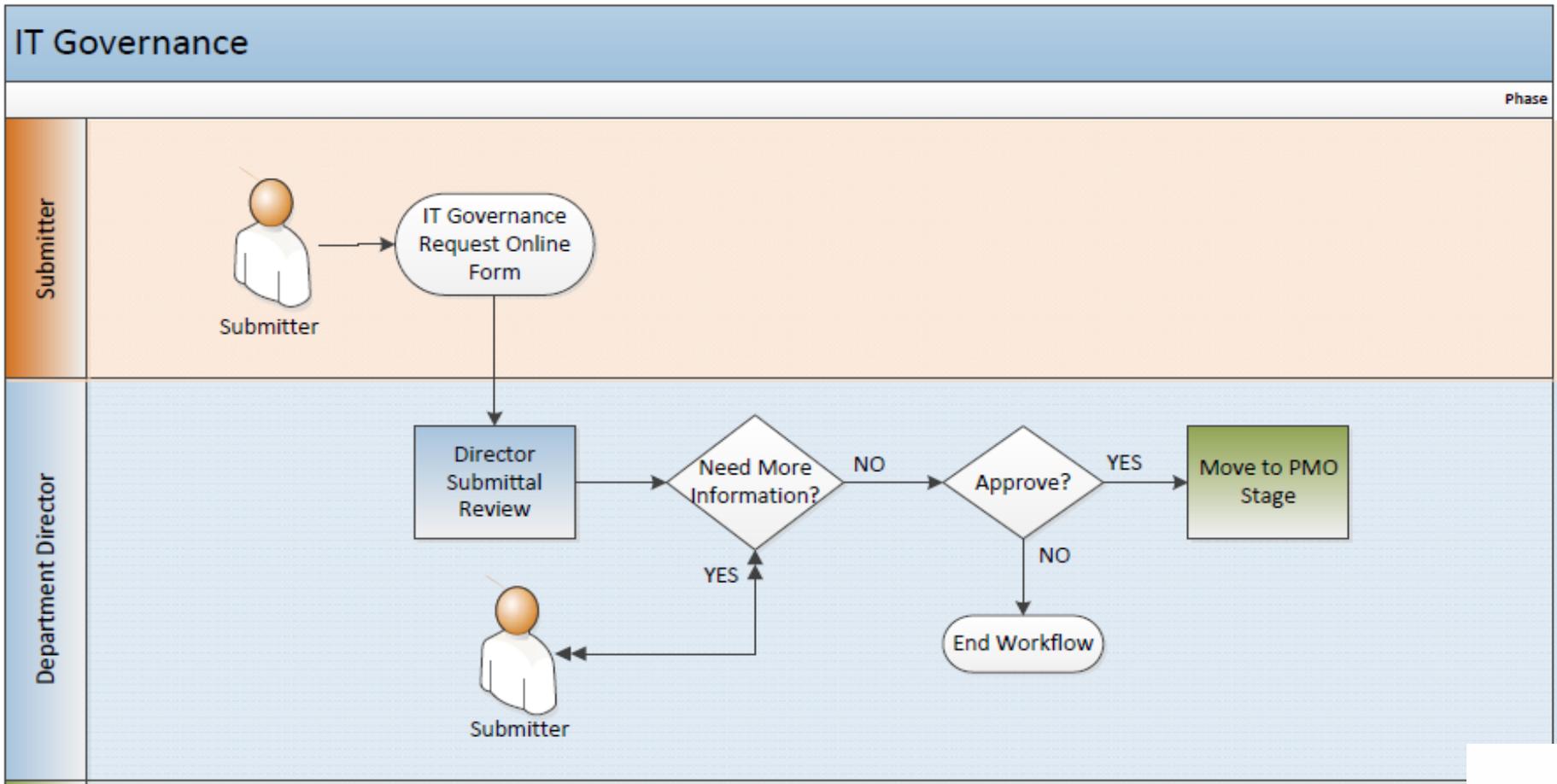


Rethinking IT as an Investment Portfolio — Four Different Asset Classes

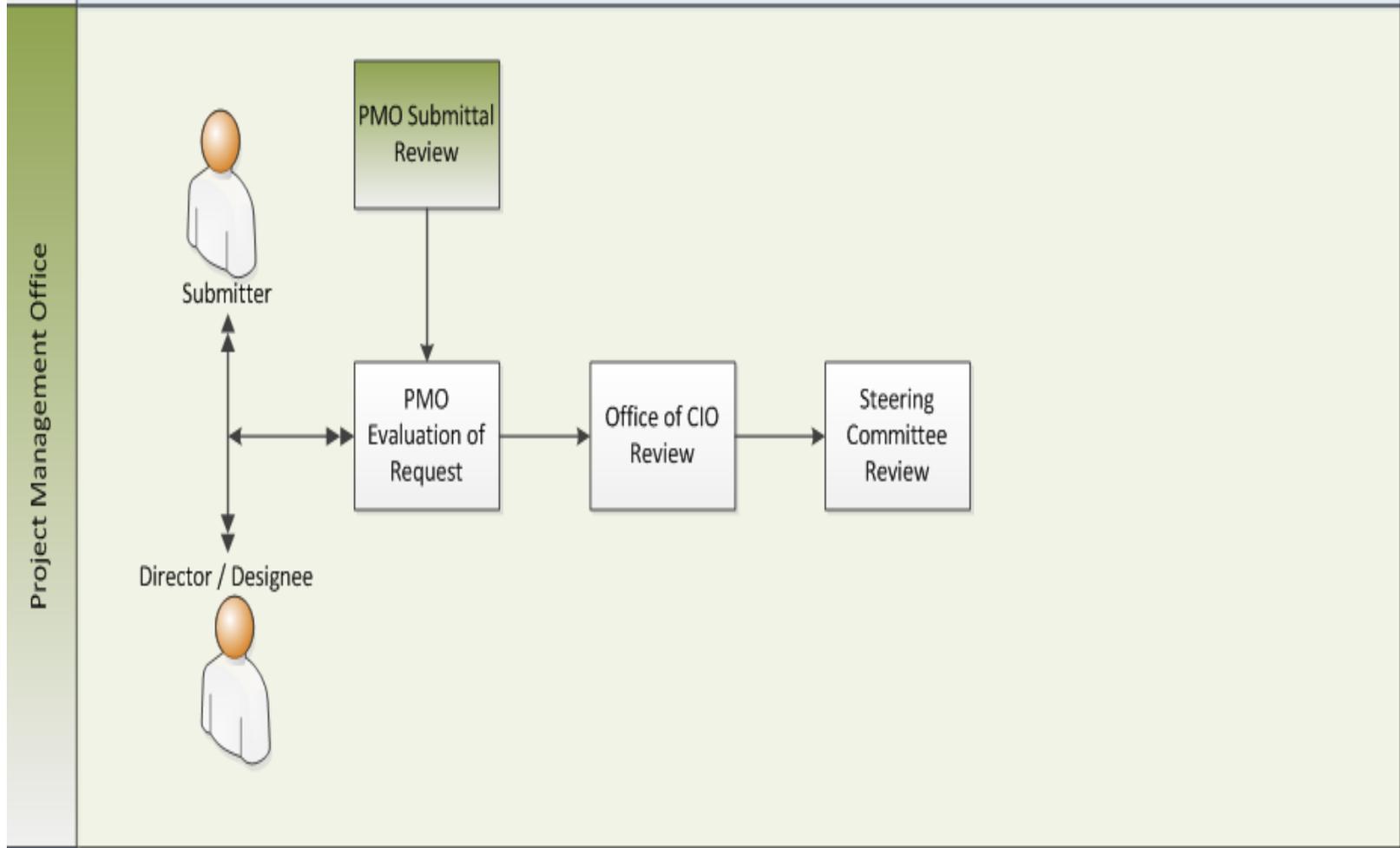




Overview of IT Governance Workflow



Overview of IT Governance Workflow



IT Steering Committee Responsibility SIPOC

1. Making City-Wide IT Project Prioritization and Budget Recommendations

Supplier	Input	Process	Output	Customer
Project Owner through the CIO Committee	<ul style="list-style-type: none"> •Business case proposal (go through CIO Committee) •Cost forecasting and analysis for all project requests 	<ul style="list-style-type: none"> •Evaluate projects business cases from each department based on the City's Strategic Plan •Evaluate the technology fund alignment to projects need 	<ul style="list-style-type: none"> •Approval •Reject with justification •Prioritization of projects •Forward with recommendation to obtain funding 	<ul style="list-style-type: none"> •Project Owner •Budget Management Service Department •CIO Committee

2. Approving City-Wide IT Standards

Supplier	Input	Process	Output	Customer
TS Management through the CIO Committee	<ul style="list-style-type: none"> •Benchmarking data from other organizations •Value proposition (costs, ROI, etc.) •Best practices and industry standards in aligning software, hardware to solving City business problems •Recommended standards for adoption 	<ul style="list-style-type: none"> •Evaluate the proposed standard and approve or deny proposals 	<ul style="list-style-type: none"> • New or revised standard •Rejection of new or revised standard 	<ul style="list-style-type: none"> •TS Management •Purchasing agents •Executive Team •CIO Committee

IT Steering Committee Responsibility SIPOC (continued)

Citywide Enterprise IT Strategic Plan Management

3. Recommends the Target Investment Mix & Strategically Prioritizing Resource Allocation

Supplier	Input	Process	Output	Customer
CIO Committee	<ul style="list-style-type: none"> •Citywide Enterprise IT Strategic Plan 	<ul style="list-style-type: none"> ➤Approve the target investment mix and strategically prioritize resource allocation ➤Prioritize initiatives that are best aligned with the City's strategic plan 	<ul style="list-style-type: none"> •Approved multi-year Citywide Enterprise IT Strategic Plan •Mechanism for rejecting, postponing and re-evaluating strategic project proposals 	<ul style="list-style-type: none"> •CIO Committee •Business Unit Owner •PMO Office

CIO Committee

CIO COMMITTEE PURPOSE STATEMENT:

The CIO Committee provides strategic direction to the City of Durham's IT Steering Committee and business units regarding IT operations and project planning.

It also provides oversight around project feasibility and resource allocation for IT Steering Committee decisions and initiatives.

CIO COMMITTEE GOVERNANCE RESPONSIBILITIES

- Creating Standards & Policies for Resource Management
- Reviewing PPM, PM & Project Metrics
- Determining the Cadence for Project Launches
- Reviewing Project Proposals prior to Steering Committee approval
- Assessing Ongoing Project Risk
- Propose alternative solutions for Steering Committee approval (for high risk/investment projects)
- Propose IT Standards for Steering Committee review

CIO COMMITTEE MEMBERS

Committee Members:
CIO
IT Project Manager
Assistant Director
CSM Manager

COMMITTEE MEETING CADENCE

The CIO Committee will convene a Governance meeting once per month



High-level communication plan

What is Changing?

In support of its strategic goal – to become an **Innovative & High Performing Organization**, the City of Durham is moving towards a structured, process oriented governance model. The first stage of establishing an IT Governance model for the city is the creation of an IT Steering Committee tasked with making high-level IT decisions, and establishing the City's technology priorities.

Why is it Changing?

The City of Durham is making this change to improve IT Portfolio Governance and IT Project Governance. These governance areas were identified by stakeholders throughout the organization as the top priorities for optimization.

When is it Changing?

The roll out of the new governance structure and processes will begin with a pilot phase commencing in July 2016. Prior to this, TS will be refining its project lifecycle processes and will be meeting with key stakeholders throughout the organization to review the changes and opportunities. Upon the completion of a successful pilot, the full implementation is scheduled for the FY2018 budget cycle.

Who will be communicating the change?

The plan will be communicated by the PMO in collaboration with the PA Office.

Action Plan for March 7 – Oct 1

Project Information						
Task	Estimated Start Date	Estimated Completion Date	Task Owner (Must use drop-down menu)	Actual Start Date	Actual Completion Date	Dependencies and Prerequisites
Hire PMO Manager	1-May-16	1-Jun-16	CIO	1-Mar-16		Interview candidates
Get Approval for Plan	7-Mar-16	1-May-16	CIO	24-Mar-16	24-Mar-16	Meet with BMS Director
Document Project Flow & Where Committees Participate	7-Mar-16	31-Mar-16	Assistant Director	15-Mar-16	31-Mar-16	Finalize the flowchart
Determine the Feasibility of the Governance Model (Current Commitments and Capacity)	7-Mar-16	31-Mar-16	CIO	15-Mar-16	31-Mar-16	Work with TS Management Team to collect data
Develop Standard Request Forms & Workflows	1-May-16	30-Jun-16	Assistant Director	19-May-16		Must first have established thresholds/criteria
Define Thresholds & Criteria for Simple vs. Complex Projects	7-Mar-16	15-Mar-16	CIO	15-Mar-16	21-Mar-16	Work with TS Management Team
Establish Criteria for Project Approval (Priority-based Modelling)	7-Mar-16	31-Mar-16	CIO/Business Units	1-Mar-16	7-Apr-16	Hire Project Manager
Approve Updated Policies	16-May-16	30-Jun-16	CIO	16-May-16		Develop a draft policy
Finalize Responsibilities & Timing for Prep Activities	7-Mar-16	15-Mar-16	CIO	7-Mar-16	31-Mar-16	Add to agenda for TS Management Meeting on March 8; invite Sean, J.J., Robin, & Edward
IT Governance Pilot (City Works, Data Center Refresh)	1-Jun-16	30-Oct-16	CIO			Confirm pilot projects
Full Implementation	1-Nov-16	1-Nov-16	CIO			Successful completion of pilot