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.

**Management**

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

Management makes decisions for implementing the policies.

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 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

Increase IT Value through IT Governance

Set expectations
Current state analysis
Build Committees
Build the IT Governance Process
Implement and communicate
Implement
Assess
Build
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?

- Governance of Projects: 89%
- Governance of Services: 83%
- Governance of IT Portfolios/Investments: 72%
- Governance of Information: 61%
- Governance of Risk: 61%

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

- Projects: 33%
- Services: 22%
- Portfolio: 28%
- Information: 6%
- Risk: 11%

n = 16
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 ($)
- Efficiency tracking
- Planned vs. actual resources (FTE)
- % of project milestones met
- Forecasted value vs. actual value
- Number of existing project dependencies impacting the new project
- ROI of training ($)
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.
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 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

**IT STEERING COMMITTEE MEMBERS**

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

**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.

<table>
<thead>
<tr>
<th>R</th>
<th>Responsible</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Responsible for getting the job done</td>
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</table>

<table>
<thead>
<tr>
<th>A</th>
<th>Accountable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accountable for each task (only one person can be accountable)</td>
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</tbody>
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<table>
<thead>
<tr>
<th>C</th>
<th>Consulted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Involved through input of knowledge and information</td>
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</table>

<table>
<thead>
<tr>
<th>I</th>
<th>Informed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Receives information about process execution and quality</td>
</tr>
</tbody>
</table>
# Prioritized Responsibilities and Accountabilities of the ITSC

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

**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

(INFORMATIONAL)
- Increased control
- Better information
- Better integration
- Improved quality
- Faster cycle time

(INFRASTRUCTURE)

(TRANSACTIONAL)
- Cut costs
- Increase throughput

(STRATEGIC)
- Increased sales
- Competitive advantage
- Competitive necessity
- Market positioning

(INNOVATION)
- (Major Change)
- (Facilitation)
- (High Value Added)
- (Interact with customers)

(ENTREPRENEURIAL)


() = public sector
Overview of IT Governance Workflow
Overview of IT Governance Workflow

1. PMO Submittal Review
2. PMO Evaluation of Request
3. Office of CIO Review
4. Steering Committee Review

Diagram:
- Submitter
- Director/Designee

Flow:
- Submitter to PMO Submittal Review
- PMO Submittal Review to PMO Evaluation of Request
- PMO Evaluation of Request to Office of CIO Review
- Office of CIO Review to Steering Committee Review
### 1. Making City-Wide IT Project Prioritization and Budget Recommendations

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Input</th>
<th>Process</th>
<th>Output</th>
<th>Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Owner through the CIO Committee</td>
<td>• Business case proposal (go through CIO Committee)</td>
<td>• Evaluate projects business cases from each department based on the City’s Strategic Plan</td>
<td>• Approval</td>
<td>• Project Owner</td>
</tr>
<tr>
<td></td>
<td>• Cost forecasting and analysis for all project requests</td>
<td>• Evaluate the technology fund alignment to projects need</td>
<td>• Reject with justification</td>
<td>• Budget Management Service Department</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Prioritization of projects</td>
<td>• CIO Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Forward with recommendation to obtain funding</td>
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</tbody>
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### 2. Approving City-Wide IT Standards

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Input</th>
<th>Process</th>
<th>Output</th>
<th>Customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>TS Management through the CIO Committee</td>
<td>• Benchmarking data from other organizations</td>
<td>• Evaluate the proposed standard and approve or deny proposals</td>
<td>• New or revised standard</td>
<td>• TS Management</td>
</tr>
<tr>
<td></td>
<td>• Value proposition (costs, ROI, etc.)</td>
<td></td>
<td>• Rejection of new or revised standard</td>
<td>• Purchasing agents</td>
</tr>
<tr>
<td></td>
<td>• Best practices and industry standards in aligning software, hardware to solving City business problems</td>
<td></td>
<td></td>
<td>• Executive Team</td>
</tr>
<tr>
<td></td>
<td>• Recommended standards for adoption</td>
<td></td>
<td></td>
<td>• CIO Committee</td>
</tr>
</tbody>
</table>

Durham – Where Great Things Happen

www.durhamnc.gov
Citywide Enterprise IT Strategic Plan Management

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

<table>
<thead>
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<th>Output</th>
<th>Customer</th>
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<tbody>
<tr>
<td>CIO Committee</td>
<td>• Citywide Enterprise IT Strategic Plan</td>
<td>➢ Approve the target investment mix and strategically prioritize resource allocation</td>
<td>• Approved multi-year Citywide Enterprise IT Strategic Plan</td>
<td>• CIO Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>➢ Prioritize initiatives that are best aligned with the City’s strategic plan</td>
<td>• Mechanism for rejecting, postponing and re-evaluating strategic project proposals</td>
<td>• Business Unit Owner</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• PMO Office</td>
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</tbody>
</table>

**TABLE:**

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<td>• Business Unit Owner</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• PMO Office</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Task</th>
<th>Estimated Start Date</th>
<th>Estimated Completion Date</th>
<th>Task Owner</th>
<th>Actual Start Date</th>
<th>Actual Completion Date</th>
<th>Dependencies and Prerequisites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hire PMO Manager</td>
<td>1-May-16</td>
<td>1-Jun-16</td>
<td>CIO</td>
<td>1-Mar-16</td>
<td></td>
<td>Interview candidates</td>
</tr>
<tr>
<td>Get Approval for Plan</td>
<td>7-Mar-16</td>
<td>1-May-16</td>
<td>CIO</td>
<td>24-Mar-16</td>
<td>24-Mar-16</td>
<td>Meet with BMS Director</td>
</tr>
<tr>
<td>Document Project Flow &amp; Where Committees Participate</td>
<td>7-Mar-16</td>
<td>31-Mar-16</td>
<td>Assistant Director</td>
<td>15-Mar-16</td>
<td>31-Mar-16</td>
<td>Finalize the flowchart</td>
</tr>
<tr>
<td>Determine the Feasibility of the Governance Model (Current Commitments and Capacity)</td>
<td>7-Mar-16</td>
<td>31-Mar-16</td>
<td>CIO</td>
<td>15-Mar-16</td>
<td>31-Mar-16</td>
<td>Work with TS Management Team to collect data</td>
</tr>
<tr>
<td>Develop Standard Request Forms &amp; Workflows</td>
<td>1-May-16</td>
<td>30-Jun-16</td>
<td>Assistant Director</td>
<td>19-May-16</td>
<td></td>
<td>Must first have established thresholds/criteria</td>
</tr>
<tr>
<td>Establish Criteria for Project Approval (Priority-based Modelling)</td>
<td>7-Mar-16</td>
<td>31-Mar-16</td>
<td>CIO/Business Units</td>
<td>1-Mar-18</td>
<td>7-Apr-16</td>
<td>Hire Project Manager</td>
</tr>
<tr>
<td>Approve Updated Policies</td>
<td>16-May-16</td>
<td>30-Jun-16</td>
<td>CIO</td>
<td>16-May-16</td>
<td></td>
<td>Develop a draft policy</td>
</tr>
<tr>
<td>Finalize Responsibilities &amp; Timing for Prep Activities</td>
<td>7-Mar-16</td>
<td>15-Mar-16</td>
<td>CIO</td>
<td>7-Mar-16</td>
<td>31-Mar-16</td>
<td>Add to agenda for TS Management Meeting on March 8; invite Sean, J.J., Robin, &amp; Edward</td>
</tr>
<tr>
<td>IT Governance Pilot (City Works, Data Center Refresh)</td>
<td>1-Jun-16</td>
<td>30-Oct-16</td>
<td>CIO</td>
<td></td>
<td></td>
<td>Confirm pilot projects</td>
</tr>
<tr>
<td>Full Implementation</td>
<td>1-Nov-16</td>
<td>1-Nov-16</td>
<td>CIO</td>
<td></td>
<td></td>
<td>Successful completion of pilot</td>
</tr>
</tbody>
</table>