

"City Council request the Chief Information Officer, in consultation with the Business Executive Committee, to ensure that the IT governance framework is aligned with the strategic goals and objectives of the eCity Integrated Work Plan once it has been finalized."

The report and appendices can be viewed at:

<http://www.toronto.ca/legdocs/mmis/2012/au/bgrd/backgroundfile-50908.pdf>

<http://www.toronto.ca/legdocs/mmis/2012/au/bgrd/backgroundfile-50909.pdf>

<http://www.toronto.ca/legdocs/mmis/2012/au/bgrd/backgroundfile-50910.pdf>

Response and Actions

In order to address the issues identified in the Auditor General's report, the Business Executive Committee approved a new IT governance framework to improve the City's ability to make decisions in guiding the execution of the eCity strategy in June 2013, and initiated a project to implement the IT governance framework.

As part of this initiative, the IT governance framework was refined with revised committees, processes and memberships to direct and oversee IT projects across the City. The new framework clearly defined the following 4 areas:

1. Projects in Scope for IT Governance

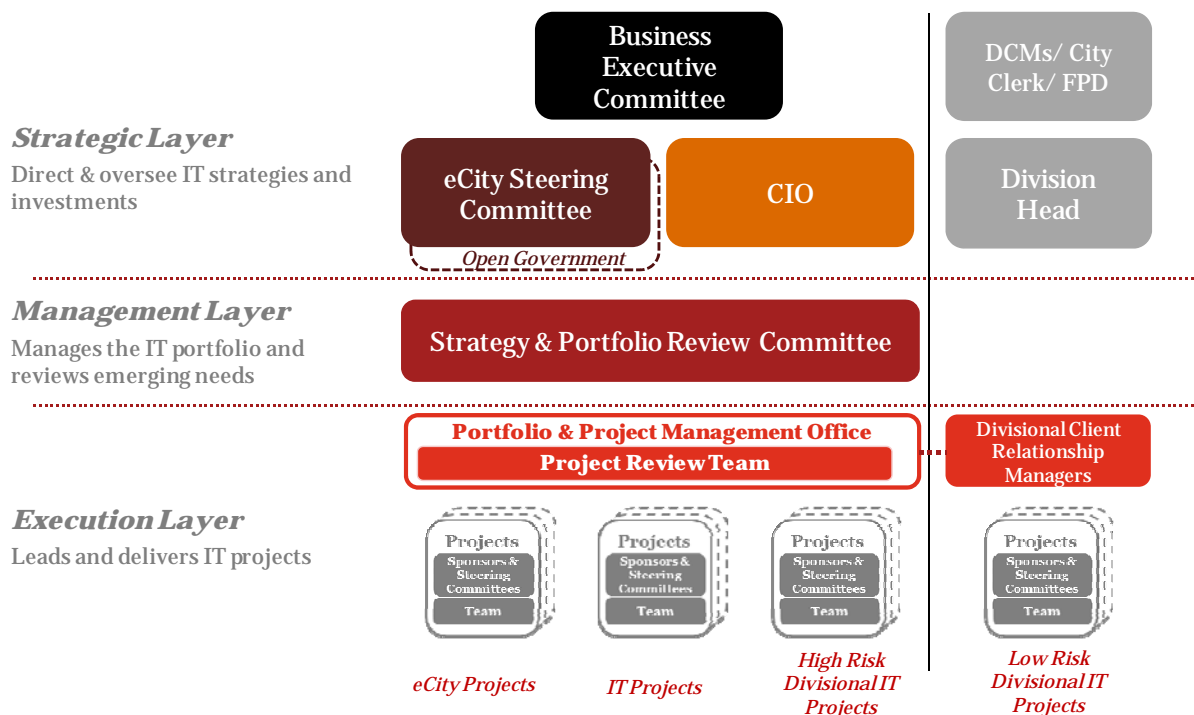
- Developing the City's technology capabilities, such as a new system, revisions or updates to existing systems, business process improvements that will involve developing or enhancing an IT solution, enhancements to the technology infrastructure that supports business systems, procuring a fully managed solution that interfaces with the City's corporate IT infrastructure or other business systems.
- Projects are categorized into 3 types (each assessed for high or low risk):
 - 1) eCity (transformational)
 - Project has a transformational impact on the City's processes
 - Project impacts multiple divisions or has significant potential to impact multiple divisions in the future
 - Project contributes to the eCity Strategy and to the City's strategic actions
 - 2) IT Project (Run & Grow)
 - Project is specific to a division(s) need and is primarily delivered by the I&T division
 - Project establishes or maintains foundational technology to support the City's business requirements
 - 3) Divisional IT Project
 - Project is specific to a division's need and is primarily delivered by the business division
 - Project achieves the division's strategy and /or is related to a business capability specific to a division

2. IT Governance Structure

A more enhanced committee structure was created to govern IT projects, with roles & responsibilities defined for the committees. These include accountabilities, authorities, key performance indicators, process metrics and frequency of meetings.

The new structure optimizes layers of governance to three layers: strategic, management and execution. It will provide transparency in defining eCity strategic objectives for IT projects; how decisions are made and who makes them (e.g. project approvals); recommending an IT Integrated Plan that maximizes contribution to eCity objectives within capacity thresholds; effective and efficient execution and management of IT Projects; and ensure benefits are realized.

The following diagram illustrates the new IT Governance Structure:



Details on the roles and responsibilities of each committee and team can be viewed in the IT Governance Report at: <http://insideto.toronto.ca/itweb/governance/pdf/ITGovernanceReport.pdf>

3. IT Governance Membership

Membership roles have been defined for each governing body. Details can be viewed in the report.

4. IT Governance and Project Gating Process

IT projects will be governed across a lifecycle from strategy to execution. By establishing well documented and communicated processes, project decisions will be made in an informed and

expedient manner to support project delivery at various gates and checkpoints through the project lifecycle.

1. Strategic Planning - Define the business priorities for IT and the corresponding plan to achieve them
2. Concept Appraisal - Approve new project concepts that are driven by and / or aligned with the IT Portfolio Integrated Plan.
3. Project Definition, Planning & Implementation - Review projects to ensure solutions are designed and delivered according to standards, and report on the execution of projects to ensure they are performing to plan.
4. Project Closure & Measure Benefits - Ensure new solutions are sustained and the full project benefits are measured and realized.

The 2015-2014 IT Integrated Plan, which is reflected in the City's 2015-2024 Recommended Capital Budget and Plan was the first IT Portfolio Integrated Plan approved under the new governance structure. As the new governance structure is in its infancy stage and still evolving, projects did not go through a formal gating process.

The Project Review Team is currently establishing the IT Project Gating Process, which will include 5 gates: Concept, Definition, Planning, Implementation and Closing. Each gate will include evaluation criteria, reporting requirements (e.g. planning will require the "as is" documentation) and approvals prior to progressing to the next gate. This process will strengthen accountability by ensuring:

- proposals are evaluated and needs are genuine;
- projects meet technology, information, and platform and security standards;
- processes are standardized and documented;
- all requirements are identified, resources are efficiently and adequately allocated;
- cost escalations and delays are minimized through regular status reporting, including change requests;
- progress and milestones are achieved;
- capital projects are completed and funding is spent; and
- benefits are measured and realized.

Once the process is established and approved, projects will begin to go through the gating process. During 2015, projects that have not started will be selected for gating. The majority of the focus will be on high risk IT projects to be submitted to the project review team for review at the various gates. However, all projects will need to meet a minimum set of requirements for standards, resources & reporting.

With redefined committees, processes and accountability, the new structure will coordinate, align and steer strategic decision making and support effective IT program and project delivery across the City. The new Governance will be agile and responsive in driving integrated solutions that maximize value from technology investments and meet business objectives.

2015-2024 IT Portfolio Integrated Plan

The mandate of the new IT Governance structure is to define the eCity Strategy (clear strategic objectives for IT projects) and the number and types of IT projects to undertake and implement in an IT Portfolio that maximizes contribution to strategic objectives, and ensure effective and efficient execution and management of IT Projects and benefits are realized.

eCity Strategy

The eCity Strategy that sets the City's business goals and objectives for IT and the strategic programs needed to achieve those goals is guided and directed by the City's 2013-2018 Strategic Actions – 1) City Building; 2) Economic Vitality; 3) Environmental Sustainability; 4) Social Development; 5) Good Governance; and 6) Fiscal Sustainability. The framework's focus and priorities contribute to the execution of sequenced projects to deliver eCity, divisional and operational needs as part of the IT Portfolio Integrated Plan.

The eCity Strategy and IT Portfolio Integrated Plan are also influenced by a number of other inputs. These include City Council direction, mandated initiatives, the I&T Business Plan, divisional business needs and the City's business capabilities to deliver services. Collectively, these inputs inform the eCity priorities and key focus areas for IT to enable more accessible, efficient and improved services.

eCity Objectives

Residents, Businesses, Employees and City Council expect information and services that are accessible, simple, integrated and tailored to their needs. They would like the options to interact with the City anytime, anywhere, by any channel or device. In order to support this vision, the City has the following eCity goals and objectives.

- **Improve Access to Government Services** by improving **channel choices** and **channel usability**. The public will enjoy multi-channel access and interaction to the City's services and information, and governing processes that are easy to use and find. Improvement in access and civic participation will promote self-service and transparency.
- **Improve Decision Making Support** by improving **information quality** and **analytical capability**. City managers, staff and the public will have access to meaningful, reliable information that fulfills their requirements to make informed decisions. Information at the City of Toronto will be transparent and open.
- **Improve Workforce Capabilities** by improving **learning opportunities** and increasing **use of IT to accomplish work**. City employees will improve their ability to use information technology. Employees will be enabled to work smarter, better, and more efficiently with information technology. Employee productivity will be maximized with the aid of information technology.
- **Improve Business Processes** by increasing the **use of common business systems**, simplifying **information sharing**, and increasing **process automation and integration**. The City will transform its business processes to gain efficiencies and cost savings while ensuring the consistent quality of its work to gain trust in its services and information.

eCity Programs

In order to achieve eCity objectives, twelve eCity business programs under four themes have been identified as the key focus areas over the next 5 years – all of which are supported by a common technology foundation. Each program has a defined purpose and desired outcome, and a coordinated set of projects to transform a specific business capability across the City. Projects under eCity Programs tend to have a transformational impact on the City's processes, impacts multiple divisions or have significant potential to impact multiple divisions in the future, and contributes to one or more eCity objectives. These projects are governed by the eCity Steering Committee.

Theme 1 – Enable Citizens

1. *On-Line Service Delivery* strives to provide residents, businesses, visitors and suppliers of the City with a channel of choice to obtain personalized and integrated services.
2. *Case Management* strives to assess and implement opportunities to establish common business systems for managing service encounters with the City's customers in order to coordinate service delivery and increase service quality across divisions.

Theme 2 – Enable Employees and Management

1. *Social Networking & Collaboration Program* strives to promote communication, collaboration and information sharing between the City's employees and with the public.
2. *Information Management & Business Intelligence* aims to develop a Business Intelligence (BI)/Data warehouse strategy to provide a City-wide framework to address and manage data quality, information sharing and performance metrics. This program also supports increased access to information and the protection of privacy.
3. *Project Management's* goals are to implement and enhance City wide project/program management and coordination capability, resulting in improved project selection, project performance, enhanced customer satisfaction and the realization of project benefits.
4. *Work & Asset Management* strives to implement an enterprise Work & Asset management system in order to enhance existing processes to plan, manage, track and report on work orders across the City's divisions.
5. *Employee Productivity* strives to become an employer of choice by empowering employees with an integrated set of services, information and tools to be able to excel at their jobs and to have a seamless experience that balances work with their personal lives.

Theme 3 – Transform Back Office

1. *Procurement & Supply Chain* strives to transform the City's procurement and supply chain capabilities through better use of information technology in order to streamline and automate procurement processes, improve transparency of purchasing, enhance warehouse services, and improve contract & vendor management across the City's divisions.
2. *Time, Attendance & Payroll* strives to implement a City-wide time and attendance management system in order to enhance existing processes for employee scheduling, time entry and payroll.
3. *Human Resource Transformation* strives to provide Residents, Employees and Managers of the City access to web-enabled, integrated enterprise HR systems to enable managers to make

informed, and fact based decisions while improving capabilities to manage the development of the City's Workforce including training, employee performance management and recruitment.

4. *Finance Transformation* strives to improve the end-to-end financial planning and management function across the City through streamlining processes, implementing common systems, and improving the quality of information to support decision making.

Theme 4 – Enable Government

1. *Open Government* strives to inform and engage the public in local decision making and in the planning, innovation and evaluation of City strategies, initiatives and policies; and to provide accessible, timely and relevant City information to the public and stakeholders.

Foundational Components

Foundational Components strives to provide the City's business divisions, partners and employees the necessary information technology components to efficiently and effectively deliver information and services. These components are dependencies for the other programs to achieve their objectives.

IT Projects

Projects are specific to a divisional need and are primarily delivered by the I&T division, or establishes / maintains foundational technology to support the City's business requirements. The governing body for these projects is the Chief Information Officer.

Divisional IT Projects

Projects are specific to a division's need and is primarily delivered by the business division, achieve the division's strategy and / or are related to a business capability specific to a division. The governing bodies for these projects are Divisional Heads for low risk projects and the eCity Steering Committee for high risk projects.

The 2015-2024 IT Portfolio Integrated Plan defines a 5-year plan of projects the City will deliver to achieve the eCity Strategy and meet divisional and operational IT needs. The 2015-2024 IT Portfolio Integrated Plan aims to provide a prioritized, sequenced and realistic roadmap of projects for the City to deliver by:

- Informing the 2015-2024 Recommended Capital Budget and Plan for the IT investments to focus in 2015, and planned for 2016-2019;
- Defining the project required to deliver each eCity program;
- Defining expected outputs, timelines and budget for projects;
- Defining owners for projects who are accountable for delivery;
- Providing the basis for IT governance committees to review progress against plan, and evaluate impact of new projects; and
- Continuing to evolve as new needs emerge.

A great deal of work went into developing and recommending the 2015-2024 IT Portfolio Integrated Plan. Over 200 projects were submitted by the divisions through the 2015 Capital Budget process, including 26 unfunded projects totalling \$86 million.

The City retained Pricewaterhouse Coopers LLP (PwC) to assist with the overall review of its IT Governance Model. As mentioned above, staff from both I&T Division and FPD and the eCity Steering Committee worked with PwC to define the eCity Strategy, objectives / programs and expected outputs for each objective as part of the review. These definitions set the framework to evaluate and prioritize the City's IT projects. Through numerous discussions with program staff, projects were either placed into one of the 12 eCity programs that most reflected its objectives, or categorized as a Foundational Component, IT Project or Divisional IT Project. Projects which are fully aligned with eCity programs, mandated (e.g. regulatory requirements, industry compliance), nearly completed (implementation stage), critical SOGR, or foundational were given priority.

In addition, the IT Portfolio Management Office and Financial Planning Division (FPD) led numerous rounds of reviews with FPD Analysts and programs in order to ensure cash flow funding aligned with dependencies, phase of the project and capacity to deliver and spend. As a result of the reviews, cash flows were adjusted for many projects and some projects were deferred or cancelled.

Both exercises informed the number and types of IT projects to undertake and implement, which formed the recommended 2015-2019 IT Portfolio Integrated Plan and 2015-2024 Recommended Capital Budget and Plan.

Highlights of the 2015-2024 IT Portfolio Integrated Plan:

- \$26.823 million for 19 projects to enable online delivery of services;
- \$94.976 million in investments to increase capabilities and provide better tools to staff and management in order to increase productivity and improve service delivery;
- \$67.587 million to Transform the Back Office, modernizing and streamlining processes, which will generate efficiencies and potential savings.
- Cash flow funding of \$41.916 million for 15 previously unfunded projects, including:
 - Additional funding of \$1.374 million required to complete Phase II of e-Learning;
 - \$2.045 million for Employee Performance Management, a system that automates the employee performance management process by connecting employee performance management, talent assessments development plans, and provide for sharing of this information;
 - \$6.290 million for eRecruitment, a new recruitment system that will enable smoother work flows and result in efficiencies in staff time in recruitment activities;
 - \$3.613 million for Workforce Business Intelligence, a solution that will integrate data from many systems and provide City leaders with increased insight into workforce planning and management;
 - \$6.996 million for Web Business Content and Redesign, which will provide the platform for the City to further develop the web as a primary channel for service delivery;
 - \$4.864 million for repairs to and configuration of Organization Management and SAP Security in order to realize automation of processes and dissemination of information. , a foundational component of SAP, in which many other projects and systems are dependent.
 - \$2.150 million for Supply chain Management Transformation; and
 - \$2.300 million for Future Integrations for 311 Toronto.

The following table summarizes the number and value of projects in each eCity Program:

2015-2024 IT Portfolio Integrated Plan*
\$000s

Category / Program	# of Projects	2015	2016	2017	2018	2019	2020-2024	2015-2024
eCity Projects								
<u>Enable Citizens</u>								
Online Service Delivery	19	10,047	12,520	2,776	500	500	480	26,823
Case Management	2	150	1,107	486	300			2,043
Total	21	10,197	13,627	3,262	800	500	480	28,866
<u>Enable Employees and Management</u>								
Information Management & Business Intelligence	21	7,128	13,139	4,754	2,186	2,501	4,740	34,448
Work & Asset Management Transformation	13	6,173	7,973	8,632	6,034	1,000	3,500	33,312
Project Management	6	2,577	2,023	466	800	440	3,860	10,166
Employee Productivity	7	8,476	1,983	1,549	617		1,513	14,138
Social Networking & Collaboration	2		515	616	683	483	615	2,912
Total	49	24,354	25,633	16,017	10,320	4,424	14,228	94,976
<u>Transform the Back Office</u>								
Procurement & Supply Chain Transformation	4	1,863	1,291	387	141			3,682
Time & Attendance & Payroll Transformation	5	6,192	12,972	494	261			19,919
Human Resources Transformation	9	2,841	2,380	3,917	2,929	1,603	348	14,018
Finance Transformation	9	2,889	2,531	7,638	8,935	200	7,775	29,968
Total	27	13,785	19,174	12,436	12,266	1,803	8,123	67,587
<u>Enable Government</u>								
Open Government	7	725	100	565	1,420	1,371	2,380	6,561
Total eCity Projects	104	49,061	58,534	32,280	24,806	8,098	25,211	197,990
<u>Foundational Projects</u>								
IT Projects	54	28,006	26,683	27,936	24,392	34,910	159,010	300,937
Divisional IT	21	10,430	23,614	6,783	5,248	3,505	22,897	72,477
TOTAL IT Portfolio Integrated Plan	185	93,570	118,353	72,490	57,962	48,198	207,118	597,691

* The IT Portfolio Integrated Plan comprises of the City's IT Projects, which are included in the respective Divisions' 2015-2024 Recommended Capital Budget and Plan.

