

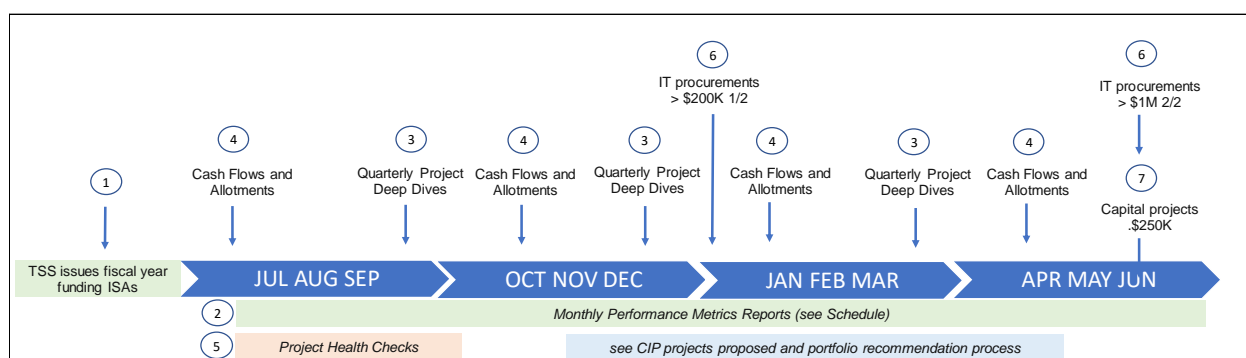
Executive Office of Technology Services and Security  
Office of Capital Planning  
**IT capital portfolio governance**

## IT capital portfolio governance

The Executive Office of Technology Services and Security (EOTSS) oversees the information technology (IT) capital investment portfolio through the Office of Capital Planning. The EOTSS secretary, in collaboration with the IT Investment Advisory Board (IIAB), reviews and recommends projects for inclusion in the annual IT Capital Investment Plan (CIP) based on this capital planning framework. The Framework also includes the tools and processes that govern individual project governance and implementations, and how completed projects are assessed for benefits realization.

The framework provides guidelines and standards for the annual IT capital planning process of the executive branch secretariats and agencies (hereafter referred to as ‘agencies’) and is recommended best practice for all other agencies outside of the executive branch.

This document provides information on how the IT capital portfolio is governed and individual projects are monitored and reported.

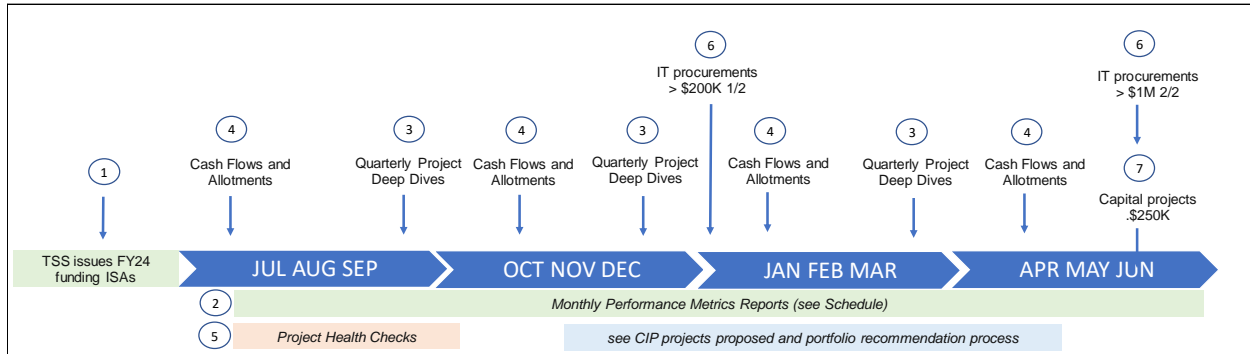


### Portfolio governance and implementation

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## Portfolio governance and implementation

The Office of Capital Planning is charged with overseeing CIP project implementations and monitoring performance. A number of tools are employed to achieve this goal.



### Governance

Project governance refers to the system of policies, procedures, and practices that an agency puts in place to oversee its projects. It involves defining the roles and responsibilities of project stakeholders, establishing clear communication channels, and creating mechanisms for decision-making, risk management, and accountability.

The goal is to ensure that projects are aligned with the agency's (and Commonwealth) strategic objectives, are delivered within budget and schedule constraints, and meet quality assurance standards. It also involves monitoring and controlling project performance, identifying, and mitigating risks, and resolving conflicts that may arise during the project lifecycle.

Governance objectives are typically exercised through Executive Steering Committees (ESC) and Program Management Offices (PMO). Independent Verification and Validation (IV&V) activities report to the ESC rather than the PMO.

The level of oversight to be exercised by the Office of Capital Planning depends upon the level of complexity of the project. The project Complexity Matrix provides a scoring mechanism to determine the level of complexity associated with a project. The scoring evaluates the project on a number of dimensions that relate to the level or degree of risk, the technical requirements, the size of the project team, total project cost and other key factors. It is used to assign each project a complexity level of 1, 2 or 3. This level is then used to determine (a) which project management templates should be used for the project, (b) what governance structure should be established to support the project, and (c) whether an Independent Verification and Validation (IV&V) will be required.

### ① TSS issues fiscal year funding ISAs

See **The IT Capital Planning Framework**, section ⑧

### ② Monthly performance reporting

Under the terms of the ISA capital funds transfer agreement, fund recipients (Project Sponsor/SCIO) are required to submit to EOTSS, on a monthly basis, project performance metrics that will be sufficient to derive a project status representation. The purpose of monthly project performance reporting is to track progress

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against the project plan, identify and address issues, forecast the operating impact of the project and the total costs of ownership, and ensuring that the project is on track to meet its stated milestones and objectives.

### ③ Quarterly Project Deep Dives

A project deep dive is a detailed examination or analysis of a specific project or aspect of a project. It involves taking a thorough and comprehensive look at various elements of the project, including its objectives, goals, scope, timeline, budget, resources, risks, and deliverables. During a project deep dive, the Office of Capital Planning may review project documentation, conduct interviews, hold meetings, and use various tools and techniques to gather information about the project's progress and performance with the business sponsors, SCIOs, project managers, stakeholders, and team members.

The goal of the project deep dive is to gain a better understanding of the project's overall status, identify any potential issues or challenges, and develop strategies to address them. Overall, a project deep dive can be a valuable tool for improving project management and ensuring project success.

The deep dive is conducted quarterly at the Secretariat level, using the Monthly Performance Metrics report for each project.

### ④ Cash Flows and Allotments

The quarterly C&A exercise allows A&F to check on the progress of all capital plan items, ensure that prior spending is appropriately accounted for, assess whether spending is on track for this Fiscal Year (adjusting if needed), and provide the next period's funds.

### ⑤ Project Health checks

A project health check is a process of assessing the overall performance and progress of a project against its objectives, timelines, budget, and scope. It involves a review of the project's status, risks, and issues to determine whether the project is on track to deliver its intended outcomes. The purpose of a project health check is to identify any potential problems that could impact the success of the project and to provide recommendations for corrective action. The assessment can be conducted at any stage of the project lifecycle, from initiation to closure, and is typically carried out by a project manager or a team of experts.

A project health check may include a review of the project plan, stakeholder engagement, resource allocation, project management processes, communication, and change management. The assessment may also involve interviews with project team members, stakeholders, and sponsors, as well as a review of project documentation and deliverables.

There are two critical outcomes of a Health Check: (a) a clear, accurate, independent, and transparent view of status of a project that clearly articulates level of risk across the different phases and dimensions; and (b) realistic and detailed recommendations for risk management focused on delivery enablement to get the project back on track.

Health Checks can vary from a little as 6 weeks to 16 weeks, depending on the size and complexity of the projects and the agreed upon scope.

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**⑥ IT procurements greater than \$200K**

The FY 2020 General Appropriations Act included language in line item 1790-0100 that requires the Commonwealth's Chief Information Officer to review and approve "any planned information technology development project or purchase" by Executive Agencies under the authority of the Governor for which the total projected cost exceeds \$200,000 – before the agency obligates funds for the procurement.

Given the breadth and depth of our IT investment programs across the Commonwealth, there is likely to be a large volume of such procurements and projects. Conscious of the impact of adding any additional layers to the already comprehensive approval processes in place at the Secretariats and to ensure these compliance obligations are not burdensome to your business, the Commonwealth's Chief Information Officer (CCIO) has delegated approval authority to the Secretariat Chief Information Officers (SCIO) —providing that a complete list of IT procurements in excess of \$200,000 is presented for review by the CCIO no later than January 1st and June 1st each fiscal year.

Such a list should include a minimum amount of information necessary to describe each procurement, its related expenditures totaling \$200,000 or more, and its purpose. Examples of expenditures include, but are not limited to, hardware, software, consulting fees, and professional services.

EOTSS provides templates for procurement approvals and project reporting to be completed by the SCIOs.

**⑦ Capital projects greater than \$250K**

Beginning in FY20, the Commonwealth's Chief Information Officer (CCIO) is required to annually submit to the State Auditor and Legislature "a complete accounting of and justification for all project-related expenditures totaling \$250,000 or more over the previous 12-month period" regardless of source of funds or authorization for such expenditures.

Accordingly, Secretariat Chief Information Officers (SCIO) should provide a complete list of all IT projects and related expenditures totaling \$250,000 or more in any fiscal year with a brief description of the project outcomes and benefits to the Commonwealth before June 1st every year.

End/...