



Updated March 2017

IM/IT Capital Investment Management



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Treasury Board Decision

In December 2012, Treasury Board mandated the Deputy Ministers' Committee on Transformation and Technology (DMCTT) (now the Deputy Ministers' Committee on Public Service Innovation (DMCPSI)) with the responsibility for all of government's IM/IT capital investments. DMCPSI has delegated responsibility for executing and reporting on IM/IT priorities to the IM/IT Capital Investment Board (IM/IT CIB).

In support of this, the IM/IT CIB is responsible for:

- prioritizing government's IM/IT investments from a total cost of ownership perspective, and;
- maximizing the life cycle value government derives from its IM/IT investments.

IM/IT Capital Investment

Intention

Government will manage IM/IT capital investments as an envelope. The envelope approach is based on a model where the DMCPSI, through the IM/IT CIB provides recommendations to government on all IM/IT Consolidated Revenue Fund (CRF) capital investments, and Treasury Board approves the overall envelope size. To manage the envelope, the Government Chief Information Officer (GCIO) develops a detailed three-year investment plan that includes infrastructure and line of business initiatives that require capital. This plan will incorporate contemporary strategic thinking on what the information technology environment should be, and ensure government does not miss opportunities presented by emerging technologies.

Financial and performance oversight has been consolidated within the IM/IT Capital Investment program, and the IM/IT Governance Framework.

Principles

Principles and criteria for IM/IT investments are set annually as part of the IM/IT planning instructions issued by IM/IT CIB on behalf of DMCPSI. Selection of appropriate IM/IT investments consider relevant aspects of the BC Government Strategic Plan. Using the Copperleaf C55 Asset, Investment and Planning Management System, the value provided by each investment is assessed and optimized by considering the financial benefit, impact on other benefits, risk mitigation, and cost. Some investments are strategic and some more tactical; all contribute to ensure that IM/IT sustainment of core systems support business and mission-critical services for government.

Annual Process

IM/IT capital investments align with the annual budget process. The IM/IT planning process is the primary path for IM/IT investments and involves two stages:

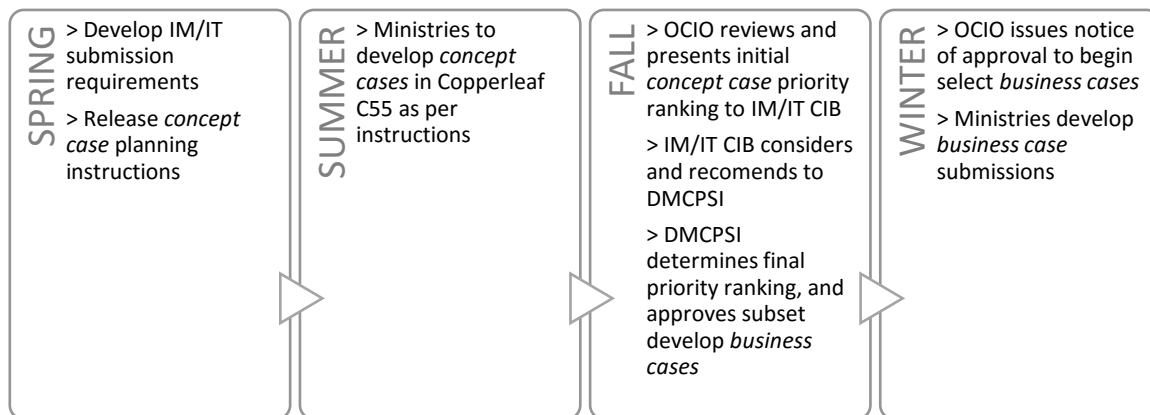
- 1) **Concept Case** - a three-page document which focuses on refining the business problem, specifying change drivers and identifying the outcomes to be realized. It includes approximations of scope, schedule, and budget.
- 2) **Business Case** - a comprehensive document that includes a significant level of effort and great detail across scope, schedule, and budget.

Each stage of the process requires formal signoff by business area, financial, and IM/IT Executive. Concept cases are reviewed by DMCPsi and IM/IT CIB and only approved cases proceed to business case development. Similarly, only business cases approved by DMCPsi are recommended for envelope funding. This two-step, gated approach helps focus ministry efforts on cases with a higher likelihood of being approved.

Timeline

1. Concept Case

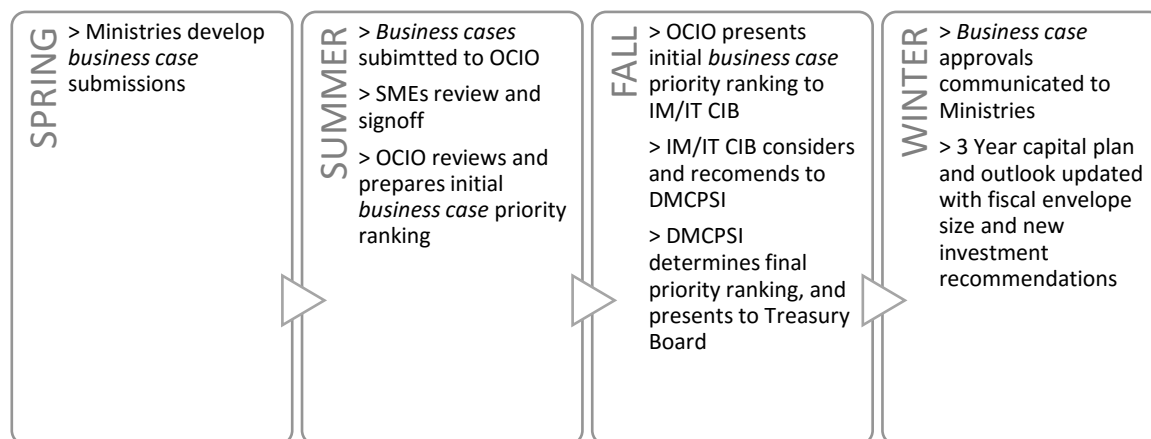
Instructions, including principles and criteria for concept case development, are issued to ministries in the spring of each year. Ministries develop concepts that reflect their IM/IT priorities and readiness. These cases are assessed by the Office of the Chief Information Officer (OCIO) using Copperleaf C55 and an initial priority ranking is presented to the IM/IT CIB for consideration and recommendation to DMCPsi for direction and decision. DMCPsi determines the final priority ranking of the concept cases, and based on the size and current utilization of the IM/IT envelope, approves a subset of investments to proceed from concept case to business case development. The OCIO issues notice of approval to ministries and development of business cases begin.



2. Business Case

Through the spring, ministries develop business cases based on approved concept cases. The development includes engaging and consulting with stakeholders and subject matter experts (SME) across government. Business cases are submitted to the OCIO and proceed through a formal review and signoff by SMEs. They are assessed by OCIO using Copperleaf C55 and an initial priority ranking is presented to the IM/IT CIB for consideration and recommendation to DMCPsi for direction and decision.

DMCPSI determines the final priority ranking of the business cases, which in turn, informs the annual IM/IT investment plan. This plan is presented in the fall to Treasury Board, who decide on the size of the IM/IT envelope.



Governance & Accountabilities

Body	Role
Treasury Board	<ul style="list-style-type: none"> Approves annual overall capital targets Makes decisions on major IM/IT projects (e.g., NRPP-class projects)
DMCC	<ul style="list-style-type: none"> Reviews capital priorities and the DMCPSI 3 Year IM/IT Capital Investment Management Plans
DMCPSI (replaces DMCTT)	<ul style="list-style-type: none"> Sets IM/IT priorities against corporate direction within the approved envelope Makes trade-offs as required to stay within the envelope and other corporate priorities Endorses the annual 3 Year IM/IT Investment Plan Endorses annual IM/IT capital, including any new projects
IM/IT CIB	<ul style="list-style-type: none"> Reports to DMCPSI and has delegated authority for IM/IT priorities Oversight of the annual IM/IT planning process with Ministries Recommends trade-offs as required to stay within the envelope and other corporate priorities Endorses the annual 3 Year IM/IT Investment Plans Endorses annual IM/IT capital, including any new projects
GCIO	<ul style="list-style-type: none"> Develops the detailed 3 Year IM/IT Capital Investment Management Plan with a 10-year outlook IM/IT Capital Investment Management Plan Recommends IM/IT projects to DMCPSI Manages the annual IM/IT planning process for IM/IT investments Makes trade-offs as required to stay within the categories Reports back to DMCPSI regarding performance against plans/approvals
Ministry of Finance/TBS	<ul style="list-style-type: none"> Work with the OCIO to review IM/IT proposals/funding recommendations to determine fiscal plan impacts (impacts on corporate capital and operating plans) and providing analysis/advice to executive, as appropriate. Integrates this process into the annual budget process Takes the recommendations from DMCPSI to DMCC which informs TB on the overall IM/IT capital process

Ministry	<ul style="list-style-type: none"> ▪ Develops plans, concept cases and business cases ▪ Responsible to GCIO for financial reporting and investment outcomes on IM/IT capital ▪ Signs-off on operational funding ▪ Has enhanced accountability to the GCIO for DMCPPI-endorsed projects
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Core Policy

Chapter 5 in the Core Policy and Procedures Manual provides guidance on Capital Asset Management and identifies the IM/IT Capital Investment Management Framework (this document) as the source for the roles, responsibilities and processes for all CRF IM/IT capital investments.

Chapter 12 in the Core Policy and Procedures Manual provides a policy framework on Information Management and Information Technology Management, including providing guidance for key legislation and defining authorities, responsibilities and accountabilities for information and technology management. Over the next 12-18 months Chapter 12 will be reviewed and updated to reflect recent changes in authorities, responsibilities, and accountabilities including those of the Government Chief Records Officer.

IM/IT is a continuously changing field and therefore both Core Policy and the IM/IT Capital Investment [website](#) should be referenced to ensure the most up to date information.

Categories of Capital

IM/IT Capital

IM/IT capital will be allocated as either major or minor.

Major Capital

A major capital IM/IT initiative is defined as one that is more than \$10 million capital in one fiscal year and/or more than \$20 million capital for the initiative (multiple years).

Minor Capital

Minor capital is for all other initiatives and projects that are not major. IM/IT capital funds corporate infrastructure, ministry line of business purchases, and projects. Minor capital can be used for new capital initiatives, as well as for IM/IT asset improvement projects to maintain or improve the useful life of the asset.

Hybrid Capital Projects

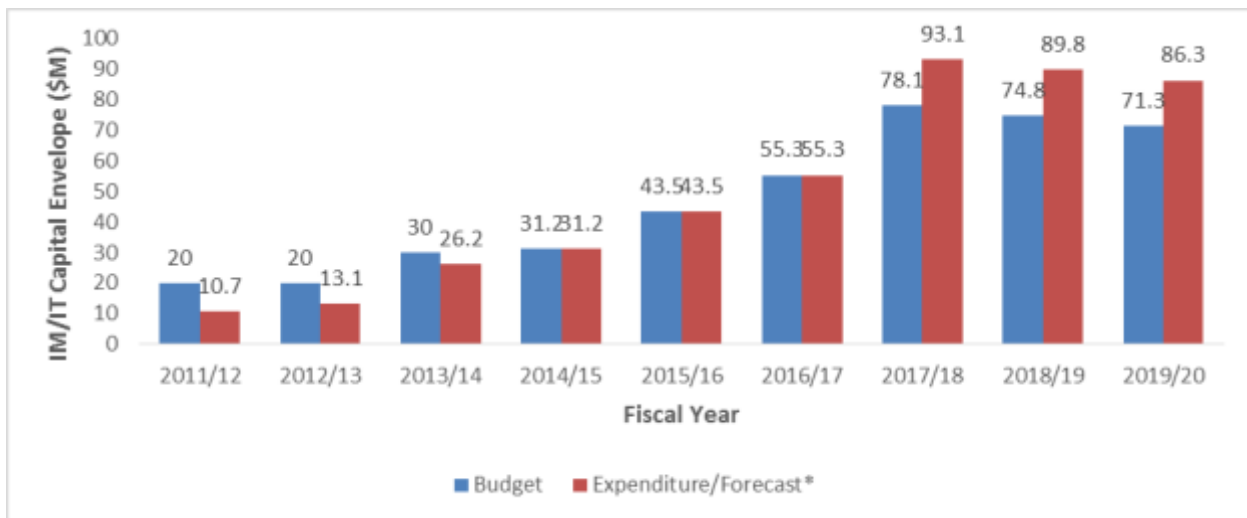
There can be broad projects and initiatives which are not solely IM/IT but that that include a component of IM/IT. These projects may primarily leverage a different capital category such as facilities; however, require technology systems or infrastructure; it is expected that they are reviewed by OCIO and meet the same standards and conditions as all IM/IT projects.

Funding & Approval Processes

IM/IT Investment Target

Part of the IM/IT Governance Framework is the concept of a sustainable IM/IT capital envelope for core government. Included in the FY2012/2013 10 Year Capital Investment Plan was the request for Treasury Board to support a base funding commitment (approval-in-principle of the CRF IM/IT capital envelope approach, funding level decision deferred). The table below shows current investments (in blue) and proposed budget for planning (in red). Funding levels will grow to historical levels with government's affordability.

IM/IT Minor Capital Envelope



Envelope Management

The OCIO manages investments within the Treasury Board approved envelope, with IM/IT CIB recommending and DMCPSTI approving the annual IM/IT Capital Investment plan. Initiative funding requirements often change during the year, or require access to approved funding in different years than originally planned. All ministry requests are managed within the prescribed and accepted thresholds, consideration of risk to government (micro and macro), and impact to the envelope. Other direct project criteria, such as the relative size of the request to the project, will be considered.

The GCIO and the OCIO work within the minor capital category, the approved initiatives, and funding thresholds. The following thresholds can be confirmed annually or as required:

- IM/IT CIB recommends and DMCPSTI approves the IM/IT plan annually
 - An approved list of minor initiatives/projects is developed from the IM/IT planning process intake
 - Upcoming major initiatives are included in IM/IT plan

- TB approves the IM/IT envelope and major initiatives list
- GCIO manages the annual minor capital category (cash flow) within 15 per cent of approved initiative budgets
 - Regular reports on project budgets and accelerations and decelerations will be reviewed by the core government Ministry CIOs Council.
 - Requests to re-profile funds to future years, and any other changes are formally submitted through a change control process and will be assessed against other projects approved for that ministry and the ability to afford the request within the envelope
- Exceptions go through IM/IT CIB to DMCPST

Reporting

GCIO delivers reports to IM/IT CIB, DMCPST and Treasury Board staff detailing the financial and performance targets as scheduled.

Performance Measurement

Ministries are required to have GCIO-approved investment outcomes complete with performance measures and targets by initiative. Quarterly, ministries must provide the GCIO with a status update on results achieved to date, and expected progress within next reporting period.

Financial Reporting

As per Core Policy and Procedures Manual (CPPM), ministries must report to the GCIO financial management branch for routine reporting on planned versus actual initiative capital spending.

