

Review of IM/IT Governance

From: Transport Canada

Internal audit report outlining results of the assessment of the Review of IM/IT Governance at Transport Canada.

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Statement of conformance

This Review conforms with the Government of Canada's Policy on Internal Audit and the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, as supported by the results of an

external assessment of Internal Audit's Quality Assurance and Improvement Program.

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Background

- The Government of Canada (GC)'s Policy on Service and Digital highlights the need for departments to establish an enterprise-wide, integrated approach to governance, planning, and management.
- Transport Canada (TC)'s Information Management/Information Technology (IM/IT) branch has undergone several changes in its organizational structure and management over the past few years, including the creation of the Digital Services and Transformation Office (DSTO), since November 2022 renamed the Service and Digital Group.
- The regulatory context and the environment in which TC operates are changing at a rapid pace. Robust and effective IM/IT governance including structure, processes, and practices is essential to enable the Department to meet its mandate, objectives, and priorities.

Review objective and scope

- The Review examined whether sound IM/IT **governance** (structure and process) is in place to oversee IM/IT **investment planning** to align with the departmental mandate, objectives and priorities, and how **resource management** (financial and people) supports governance bodies' decision-making to ensure **benefits are realized**.
- This Review did not exam the governance that oversees the specific IT technical components, such as architecture, services, data, individual

project management, etc.

- The areas reviewed are categorized under 4 themes:
 - Governance
 - Investment Planning
 - Resource Management
 - Benefits Realization

Methodology

Interviews

- TC Senior Management (Transport Executive Management Committee (TMX) members)
- Service and Digital Group directors general, directors, and key staff
- Corporate Services - Enterprise Project Management Office (EPMO), Corporate Planning and Reporting, and Financial Management Advisors
- Newly created Corporate Secretariat
- Other Government Departments (OGDs)

Document review

- IM/IT Governance-related documents presented by the Service and Digital Group and Corporate Services to senior governance bodies
- Documents from IM/IT governance bodies (e.g., Terms of Reference, Records of Decisions, etc.)
- Previous governance-related reviews conducted by external parties

Governance review summary

Overall conclusions

- The IM/IT governance structure (number and size of governance committees) is cumbersome and should be streamlined to improve effectiveness.
- While the Department set up the IM/IT governance structure and process to oversee investment planning and project gating, members of the various governance committees need better information and support to play their roles effectively.

Recommendations

1. Improve support to IM/IT governance committee members to help them better understand and discharge their oversight roles and responsibilities for IM/IT proposals/requests. The support could include the following:
 - Onboarding training/support for new committee members
 - Playbooks for committee members outlining their roles and responsibilities, rules of engagement (delegation, challenge)
 - Criteria/questions/discussion points for committee co-chairs to engage committee members and encourage challenge
2. Reform the Director General Investment Management (DG-IM) committee to effectively address programs' IM/IT needs/issues/risks by:
 - Selecting specific DGs tasked with the responsibility to review, challenge, and recommend IM/IT projects to the Investment Management Board (IMB) as part of the investment planning, monitoring, and reporting processes.

- Having DG-IM collaborate directly with the DG Horizontal Committee to leverage its broad horizontal view of the Department to help identify issues and opportunities to optimize IM/IT investments and governance.
3. The newly formed Corporate Secretariat responsible for enhancing departmental governance structures and processes should help the Department to reduce the complexity of the current IM/IT governance structure to improve its effectiveness.

Investment Planning review summary

Overall conclusions

- The IM/IT investment planning process involves stakeholders at various stages but there is a limited horizontal integrated view of the IM/IT planning strategies, projects, and applications across the modes (i.e., annual Investment Planning process).

Recommendations

4. Implement changes to help provide a more horizontal integrated view of the IM/IT investment planning across the modes. For example, optimize the involvement of the Architecture Review Board as early as possible in the planning process to help ensure a more integrated horizontal departmental approach to IM/IT investments.

Resource Management review summary

Overall conclusions

- Committee members' perception is there is a lack of IM/IT project health-related information provided to them, especially a lack of information that tracks costs over time.
- Roles and responsibilities of the various Service and Digital Group directorates are not always clear to both Service and Digital Group employees and TC employees.
- Shortage of key skilled resources to support the effective oversight and management of IM/IT investments.

Recommendations

5. Financial – Present additional details of historical cost data for IM/IT projects to provide better information for governance oversight processes.
6. People – Clarify, document, and communicate throughout the Department the roles and responsibilities of Service and Digital Group directorates (Business Relationship Managers, others).
7. People – Clarify the roles and responsibilities of the various stakeholders (EPMO, Service and Digital Group-PPM (Project Portfolio Management), and the new Corporate Secretariat) to define how they work together to support IM/IT governance.

Benefits realization review summary

Overall conclusions

- Senior management has underlined the importance of having clearly defined and measurable outcomes and indicators for projects, which need to be continuously tracked and communicated to oversee implementation of the IM/IT investments.

Recommendations

8. Finalize and implement the draft Benefits Realization Framework for IM/IT projects.
 - Provide clear guidance to business owners to develop SMART outcomes and indicators.
 - Ensure outcomes, indicators, and results are reported to governance committees at all stages of a project's lifecycle.

Recommendations and management action

plan

Recommendation	Management Action Plan	Completion date	ADM responsible
<p>Governance</p> <p>1. Improve support to IM/IT governance committee members to help them better understand and discharge their oversight roles and responsibilities for IM/IT proposals/requests. The support could include the following:</p>	<p>1. This response is meant to address ADM-IM, DG-IM and IMB. EPMO will lead for DG-IM and IMB and Service and Digital Group will lead for ADM-IM. The focus will be to improve information to ensure IM/IT governance committee members have a baseline understanding of the business solution strategy and technology platforms of IM/IT investments by:</p> <ul style="list-style-type: none"> • Developing onboarding materials for 	<p>March 2023</p>	<p>Corporate Services (EPMO)</p>

Recommendation	Management Action Plan	Completion date	ADM responsible
	<p>committee members</p> <ul style="list-style-type: none"> Revising briefing and gating templates, tools and products to enhance the value of engagement between project and product leads and senior management to strengthen oversight and evidence-based decision-making 		
1.1 Onboarding training/support for new committee members		March 2023	Corporate Services (EPMO)

Recommendation	Management Action Plan	Completion date	ADM responsible
1.2 Playbooks for committee members outlining their roles and responsibilities, rules of engagement (delegation, challenge)		March 2023	Corporate Services (EPMO)
1.3 Criteria/questions/discussion points for committee co-chairs to engage committee members and encourage challenge		March 2023	Corporate Services (EPMO)
2. Reform the Director General Investment Management (DG-IM) committee to effectively address programs' IM/IT needs/issues/risks by:		March 2023	Corporate Services (EPMO)

Recommendation	Management Action Plan	Completion date	ADM responsible
2.1 Selecting specific DGs tasked with the responsibility to review, challenge, and recommend IM/IT projects to the Investment Management Board (IMB) as part of the investment planning, monitoring, and reporting processes.	2.1 EPMO will work with Service and Digital Group to examine roles and responsibilities and Service and Digital Group representation on DG-IM to ensure members have the appropriate information and knowledge to strengthen the rigor around IM/IT investments.	March 2023	Corporate Services (EPMO)

Recommendation	Management Action Plan	Completion date	ADM responsible
2.2 Having DG-IM collaborate directly with the DG Horizontal Committee to leverage its broad horizontal view of the Department to help identify issues and opportunities to optimize IM/IT investments and governance.	2.2 A recommendation will be formulated once the results from the streamlining exercise around governance and the review by DMO to best position DG committees is finalized.	To be determined	Corporate Services (EPMO)

Recommendation	Management Action Plan	Completion date	ADM responsible
<p>Governance</p> <p>3. The newly formed Corporate Secretariat responsible for enhancing departmental governance structures and processes should help the Department to reduce the complexity of the current IM/IT governance structure to improve its effectiveness.</p>	<p>3. The Corporate Secretariat are working with Corporate Services and the Service and Digital Branch to develop and implement a streamlined committee structure for all corporate service functions, including IM/IT. Two new committees (DG Resource Committee and the ADM-level Resource and Investment Management Committee) have been established, merging the following committees: Investment</p>	<p>January 2023</p>	<p>Corporate Secretary, with input from ADM, Corporate Services and ADM, Service and Digital Branch</p>

Recommendation	Management Action Plan	Completion date	ADM responsible
	<p>Management Board (IMB), DG Investment Management Committee, Resource Management Committee (RMC), Senior Procurement Review Committee (SPRC) and DG Cost Recovery.</p> <p>The new Committee structure was approved in November 2022 and will be operational by early 2023.</p>		

Recommendation	Management Action Plan	Completion date	ADM responsible
<p>Investment Planning</p> <p>4. Implement changes to help provide a more horizontal integrated view of the IM/IT investment planning across the modes. For example, optimize the involvement of the Architecture Review Board as early as possible in the planning process to help ensure a more integrated horizontal departmental approach to IM/IT investments.</p>	<p>4. Service and Digital Group will review and revise investment planning processes to include the Architecture Review Board earlier in the investment planning and project management process.</p> <p>Service and Digital Group will also work with EPMO to develop a new digital investment prioritization process to strengthen the horizontal integration of program areas and corporate</p>	<p>December 2022</p>	<p>Service and Digital Group</p>

Recommendation	Management Action Plan	Completion date	ADM responsible
	services in digital investment planning.		
Resource Management 5. Financial – Present additional details of historical cost data for IM/IT projects to provide better information for governance oversight processes.	5. EPMO will work with Service and Digital Group to improve the flow of information within templates and project gating deliverables to link historical and future IM/IT costs to better inform decision making.	March 2023	Corporate Services (EPMO)

Recommendation	Management Action Plan	Completion date	ADM responsible
6. People – Clarify, document, and communicate throughout the Department the roles and responsibilities of Service and Digital Group directorates (Business Relationship Managers, others).	6. Service and Digital Group to develop and distribute products to clarify and communicate the roles and responsibilities and the services provided by Service and Digital Group.	March 2023	Service and Digital Group

Recommendation	Management Action Plan	Completion date	ADM responsible
7. People – Clarify the roles and responsibilities of the various stakeholders (EPMO, Service and Digital Group-PPM (Project Portfolio Management), and the new Corporate Secretariat) to define how they work together to support IM/IT governance.	7. EPMO will work with Service and Digital Group and the new Corporate Secretariat to develop a RASCI (Responsible, Accountable, Supporting, Consulted and Informed) table to articulate the roles and responsibilities of IM/IT governance stakeholders.	March 2023	Corporate Services (EPMO) leads
Benefits Realization 8. Finalize and implement the draft Benefits Realization Framework for IM/IT projects.		June 2023	Corporate Services (EPMO)

Recommendation	Management Action Plan	Completion date	ADM responsible
8.1. Provide clear guidance to business owners to develop SMART outcomes and indicators.	8.1. Service and Digital Group will work with EP MO to finalize the Benefit Realization guide for IM/IT projects to support digital project management stakeholders in developing effective outcomes and indicators.	June 2023	Corporate Services (EP MO)

Recommendation	Management Action Plan	Completion date	ADM responsible
8.2. Ensure outcomes, indicators, and results are reported to governance committees at all stages of a project's lifecycle.	8.2. EPMO and Service and Digital Group will review and revise project management gating material and work with the Business Owners to help them meet requirements to ensure that outcomes, indicators, and results are reported to governance committees at all stages of a project's lifecycle including post project closeout where benefits are not realized at project close-out.	June 2023	Corporate Services (EPMO)

Acronyms

- ADM - Assistant Deputy Minister
- ADM-IM - Assistant Deputy Minister Investment Management
- DG – Director General
- DG-IM - Director General Investment Management
- DMO - Deputy Minister’s Office
- DSTO - Digital Services and Transformation Office
- EPMO - Enterprise Project Management Office
- GC - Government of Canada
- IMB - Investment Management Board
- IM/IT - Information Management/Information Technology
- OGDs - Other Government Departments
- PPM - Project Portfolio Management
- TMX - Transport Executive Management Committee

Date modified:

2023-05-24

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