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# Directive on the Management of Projects and Programmes

## Note to reader

Appendices F, G and H set out the authorities that are required from Treasury Board with respect to managing a programme. The content of the appendices has been developed based on international best practices and in consultation with pathfinder programmes in the Government of Canada context. Given that programme management is new to the Government of Canada, these appendices are a first iteration and may be revised to incorporate lessons from the management of different types of programmes across the government.

## 1. Effective date

1.1 This directive takes effect on April 11, 2019.

1.2 This directive replaces the following Treasury Board policy instruments:

- *Policy on the Management of Projects* (December 10, 2009)

- Standard for Organizational Project Management Capacity (December 09, 2010)
- Standard for Project Complexity and Risk (December 09, 2010)

1.3 Departments will have six months to transition to the new directive. With the following exceptions, requirements will come into full effect on October 11, 2019.

1.3.1 Effective immediately:

- Appendix C: Project Approval Limits

1.3.2 Effective one year from the effective date in section 1.1:

- Requirement 4.1.6

1.4 In-flight projects, with final authorities in place as of the effective date in section 1.1 and that are scheduled to close within one year from the effective date, will be exempt from transitioning to the directive.

## 2. Authorities

2.1 This directive is issued pursuant to section 7 of the *Financial Administration Act* and section 31 of the *Public Service Employment Act*.

## 3. Objectives and expected results

3.1 The objective of this directive is that government projects and programmes are effectively planned, implemented, monitored and controlled, and closed to enable the realization of the expected benefits and results for Canadians.

### 3.2 The expected results of this directive are as follows:

- 3.2.1 Governance and controls over projects and programmes are effective;
- 3.2.2 Decisions are made throughout the life of the project and programme with a view to maximizing efficiency and ensuring the realization of benefits;
- 3.2.3 Performance measurement data are used in support of regular monitoring of project and programme health and evidence-based decision-making; and
- 3.2.4 Capacity for project and programme management, commensurate with organizational need, is developed and maintained.

## 4. Requirements

Senior designated official(s) for the management of projects and programmes

- 4.1 The senior designated official(s) for the management of projects and programmes is responsible for the following:
  - 4.1.1 Establishing, documenting, and maintaining a department-wide project and programme management framework, consisting of processes, systems and controls, anchored in professional best practices;
  - 4.1.2 Consulting key departmental stakeholders including procurement, real property, information technology,

finance, and human resources in the development of the project and programme framework;

- 4.1.3 Embedding within the project and programme framework an approach to project gating, that establishes;
  - 4.1.3.1 The project gates that each project and programme must pass through;
  - 4.1.3.2 The evidence required in support of gate decisions; and
  - 4.1.3.3 The process for documenting the gate decisions;
- 4.1.4 Making available to all departments and agencies, in a manner and timeframe determined by the Comptroller General of Canada, the deputy head approved departmental project and programme management framework;
- 4.1.5 Supporting management and expenditure decision-making, accountability, and transparency by establishing:
  - 4.1.5.1 Processes for the monitoring and control of the department's projects and programmes; and
  - 4.1.5.2 Standard performance measures and performance measurement tracking processes for the department's projects and programmes;
- 4.1.6 For all projects with a total cost of \$25 million or greater, collecting and submitting to the Office of the Comptroller General, baseline project information on scope, schedule, costs, and risks, following receipt of:

- Project approval;
- Expenditure authority;
- Amended project approval;
- Amended expenditure authority; and
- Project close-out;

- 4.1.7 Implementing processes that promote the coordinated management of related projects and programmes to reduce risk, contribute to shared outcomes, and realize efficiencies and benefits not available from managing the projects and programmes individually;
- 4.1.8 Identifying and addressing the department's needs with respect to acquiring the necessary knowledge, experience, and skills in project and programme management;
- 4.1.9 Putting in place a process to collect and make available best practices and lessons-learned;
- 4.1.10 Completing the *Organizational Project Management Capacity Assessment* as provided for in Appendix A: *Mandatory Procedures for Organizational Project Management Capacity Assessment*; and
- 4.1.11 Establishing processes and standards, consistent with direction provided by the Comptroller General of Canada, for the authoring, review and approval of Project Complexity and Risk Assessments.

*Project sponsor (programme sponsor)*

4.2 The project sponsor (programme sponsor) is responsible for the following:

4.2.1 The planning, definition, implementation, transition, and close-out of the project or programme;

### **Leadership and alignment**

4.2.2 Providing visible active leadership and timely direction to mitigate project and programme risks, resolve issues, and act on opportunities;

4.2.3 Collaborating with key departmental stakeholders such as procurement, real property, information technology, finance, legal, and human resources in the planning and implementation of the project or programme;

4.2.4 Where applicable, seeking integrated approval of the project, programme, procurement and real property authorities;

4.2.5 Maintaining effective relationships with key external stakeholders including implicated departments and common service providers;

4.2.6 Ensuring where business change is required to achieve the business outcomes, that the project and programme scope of work includes all the activities and outputs necessary to bring about this change;

4.2.7 Ensuring programmes employ an appropriately flexible procurement strategy, to reduce risk and/or provide

opportunity for earlier, incremental realization of benefits;  
and

- 4.2.8 Applying as appropriate, incremental, iterative, agile, and user-centric principles and methods to the planning, definition, and implementation of the project or programme;

## **Governance**

- 4.2.9 Communicating roles, responsibilities, accountability, and authority for project and programme governance to all key stakeholders;
- 4.2.10 Enable effective decision-making by ensuring essential project and programme information and performance measures are tracked and shared with all key stakeholders;
- 4.2.11 Exercising due care in the assignment of the project manager by ensuring the project manager has the required competencies and experience to manage:
- 4.2.11.1 The work needed to realize the project's outputs;  
and
  - 4.2.11.2 The relative complexity, risk, materiality, and significance of the project;
- 4.2.12 Documenting roles and responsibilities, and delegating authorities to the project manager through a project charter;

- 4.2.13 Documenting and communicating project and programme governance decisions to the project and programme team and all key stakeholders;
- 4.2.14 Assessing the project and programme governance to confirm its effectiveness and inclusiveness, and adjusting it as needed; and
- 4.2.15 Ensuring that the level of seniority at which governance is exercised and the frequency of governance meetings are commensurate with the complexity and risk of the project or programme;

Additional governance requirements for joint and enterprise projects and programmes

- 4.2.16 Working with key stakeholders to establish a common governance framework and mechanisms; and
- 4.2.17 Ensuring the roles, responsibilities, accountabilities and authorities of all departments are documented in signed agreements and are reviewed and maintained throughout the life cycle of the project or programme;

### **Project gating**

- 4.2.18 Establishing a project gating plan at the outset of the project, consistent with the department's framework, that;
  - 4.2.18.1 Documents the decisions that will be taken at each gate, the evidence and information required in support of the gate decisions, the criteria used



to assess the evidence, and the gate governance;  
and

- 4.2.18.2 Reflects the specific risks of the project; input from key departmental and external stakeholders; the procurement strategy; and project dependencies and constraints;
- 4.2.19 Including at each gate: a revalidation of the business case; confirmation that the intended benefits are still relevant and attainable; and an overall determination of the ongoing viability of the project;
- 4.2.20 For gate decisions involving consideration of operational readiness or deployment decisions, seeking and documenting input from stakeholders that are affected by the decision;
- 4.2.21 Conducting assurance activities and independent reviews in accordance with the project gating plan; and
- 4.2.22 For each gate, making a determination as to whether the project has met the requirements of the gate; and  
Additional gating requirements for joint and enterprise projects
- 4.2.23 Ensuring that gate decisions consider the interests and input of all impacted stakeholders;

### **Project Programme Approval**

- 4.2.24 Ensuring the completion of the project complexity and risk assessment in accordance with Appendix B: *Mandatory*

*Procedures for Project Complexity and Risk Assessment;*

- 4.2.25 Seeking project approval and expenditure authority as per the requirements outlined in Appendix C: Project Approval Limits and Appendix D: Programme Approval, Project Approval and Expenditure Authority; and programme approval and expenditure authority as per the requirements outlined in Appendix F: Programme Approval and Expenditure Authority, Appendix G: Programme Brief for Definition, and Appendix H: Programme Brief for Implementation (Tranche)
- 4.2.26 Support decision-making by integrating procurement planning in project approvals by ensuring that requests for project approval include market analysis and procurement strategies;

**Benefits management and transition to operations**

- 4.2.27 Ensuring that the project's and programme's expected outcomes and benefits are clearly defined and measurable as an input into the business case;
- 4.2.28 Ensuring that a benefits realization plan is in place at the time of project programme approval and is monitored and updated throughout the project programme life cycle;
- 4.2.29 Ensuring the business owner(s) responsible for the realization of benefits is identified in the benefits realization plan;
- 4.2.30 To support transition of the project or programme to operations, ensuring that:

4.2.30.1 A transition plan is developed prior to the commencement of the implementation phase; and

4.2.30.2 The transition plan is updated throughout the project or programme life cycle;

Additional requirements for joint and enterprise projects and programmes

4.2.31 Working with participating departments to ensure that requirements 4.2.27 through 4.2.30 reflect a joint or enterprise perspective;

### **Performance measurement and lessons learned**

4.2.32 Reviewing, at the commencement of a project or programme, lessons learned from similar project or programme;

4.2.33 At the end of each project phase, documenting lessons learned and sharing with all key stakeholders and the Senior Designated Official responsible for the management of projects and programmes; and

4.2.34 Completing a project or programme close-out report and sharing with the departmental committee that approved the project or programme as well as the Senior Designated Official responsible for the management of projects and programmes;

### **Other roles**

4.3 The Secretary of the Treasury Board is responsible for the following:

4.3.1 Establishing and documenting processes for the Treasury Board of Canada Secretariat (TBS) review of departments' Organizational Project Management Capacity Assessments and Project Complexity and Risk Assessments;

4.4 The Comptroller General of Canada is responsible for:

4.4.1 Providing government-wide functional leadership to the project management community, including the development and sustainability of the project management community through talent management and community development strategies;

4.5 The Chief Information Officer of Canada is responsible for:

4.5.1 Establishing a digital investment oversight program and, as part of that program:

4.5.1.1 Identifying those digital projects or programmes that are subject to oversight by the Chief Information Officer of Canada; and

4.5.1.2 Conducting oversight activities with respect to identified digital projects or programmes, including:

4.5.1.2.1 Requiring the responsible deputy head to commission, at the relevant department's cost, one or more independent reviews of projects or programmes to ascertain whether

specific actions are required to address issues or mitigate risks;

4.5.1.2.2 Commissioning one or more independent reviews of projects or programmes, at the relevant department's cost, to ascertain whether specific actions are required to address issues or mitigate risks; and

4.5.1.2.3 Requiring the responsible deputy head to undertake specific course corrections as deemed necessary by the Chief Information Officer of Canada based on evidence gathered in the course of overseeing identified projects or programmes;

4.5.2 Recommending cancellation of digital projects or programmes to the Treasury Board when evidence demonstrates that the project or programme is not viable; and

4.5.3 Assigning a project sponsor for a digital project that involves multiple departments (joint or enterprise projects) and for which a single responsible project sponsor has not been named.

## 5. Roles of other government organizations

5.1 Not applicable.

## 6. Application

- 6.1 This directive and related appendices apply to the organizations listed in section 6.1 of the *Policy on the Planning and Management of Investments*.
- 6.2 This directive and related appendices apply to all Government of Canada projects and programmes as defined in the *Policy on the Planning and Management of Investments*.
- 6.3 Requirements within this directive and related appendices are to be applied in a scalable fashion commensurate with the needs of the department and the risk and complexity of the project or programme.
- 6.4 Requirements 4.1.1 through 4.1.4 apply to those departments with an approved Organizational Project Management Capacity Class of 1 and higher.
- 6.5 Requirement 4.1.10 and Appendix A apply to those departments seeking a project approval authority limit greater than the base limit of \$2.5 million.
- 6.6 This directive does not apply to projects funded by the federal government through transfer payments. The Treasury Board *Policy on Transfer Payments* and its supporting directives set out requirements for managing and approving projects funded through transfer payments.
- 6.7 Agents of Parliament

6.7.1 The following organizations are considered agents of Parliament for the purposes of the directive:

- Office of the Auditor General
- Office of the Chief Electoral Officer
- Office of the Commissioner of Lobbying of Canada
- Office of the Commissioner of Official Languages
- Office of the Information Commissioner of Canada
- Office of the Privacy Commissioner of Canada
- Office of the Public Sector Integrity Commissioner of Canada

6.7.2 For greater certainty, the definition of a project does not include the performance of audits, investigations, or other statutory mandate activities of the agents of Parliament.

6.7.3 With regard to the agents of Parliament, the following do not apply:

- subsection 4.1.6
- subsection 4.2.25
- subsection 4.5.1.1
- subsection 4.5.1.2, including 4.5.1.2.1, 4.5.1.2.2 and 4.5.1.2.3
- subsection 4.5.2
- Appendix A: Mandatory Procedures for Organizational Project Management Capacity Assessments subsections A.2.2.3.1; A.2.2.4;

A.2.2.5, including A.2.2.5.1, A.2.2.5.2 and A.2.2.5.3; A.2.2.6; A.2.2.7; A.2.2.8; A.2.2.9; A.2.2.10 and A.2.2.11

- Appendix B: Mandatory Procedures for Project Complexity and Risk Assessments subsections B.2.2.4, including B.2.2.4.1; B.2.2.5, including B.2.2.5.1; B.2.2.6; B.2.2.7 and B.2.2.8
- Appendix C: Project Approval Limits
- Appendix D: Programme Approval, Project Approval and Expenditure Authority
- Appendix E: Project Brief

## 7. References

### 7.1 Legislation

- *Financial Administration Act*

### 7.2 Policies and related instruments

- *Common Services Policy*
- *Contracting Policy*
- *Guidance for Preparation of TB Submissions*
- *Policy on Financial Management*
- *Policy on Government Security*
- *Policy on Green Procurement*
- *Policy on Management of Materiel*
- *Policy on Results*
- *Policy on Service*
- *Policy on the Management of Information Technology*
- *Policy on the Management of Real Property*



- *Policy on Transfer Payments*

## 8. Enquiries

- 8.1 For interpretation of any aspect of this directive, contact Treasury Board of Canada Secretariat Public Enquiries.
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## Appendix A: Mandatory Procedures for Organizational Project Management Capacity Assessments

### A.1 Effective date

- A.1.1 These procedures take effect on April 11, 2019.
- A.1.2 These procedures replace the following Treasury Board policy instruments:
- *Standard for Organizational Project Management Capacity Assessments*(December 9, 2010)

### A.2 Procedures

- A.2.1 These procedures provide details on the requirement set out in section 4.1.10 of the *Directive on the Management of Projects and Programmes*.
- A.2.2 Mandatory procedures are as follows:

#### **General requirements**

- A.2.2.1 All departments seeking an increase to the base project approval authority limit of \$2.5 million must do so using the Organizational Project Management Capacity Assessment (OPMCA).

### **What the assessment covers**

- A.2.2.2 The assessment measures the capacity of a department to successfully deliver a defined volume of work over a fixed period of time.
- A.2.2.3 The generally accepted method to establish this volume of work is to prepare a list of all planned and active projects of \$2.5 million and greater, covering the period of time for which the requested authority will be in effect.
- A.2.2.3.1 If this is not practicable, the department must meet with TBS in advance of starting the OPMCA and confirm how the volume of work will be established and communicated.

### **Evidence in support of the OPMCA**

- A.2.2.4 TBS must be consulted at the start of the process to confirm the evidence that will be used to support the OPMCA;
- A.2.2.5 Sources of evidence must include:
- A.2.2.5.1 A representative sample of recent projects;

A.2.2.5.2 Findings from the past three years of internal or external audits, evaluations, reports, or other findings addressing the departments project management capacity; and

A.2.2.5.3 Treasury Board conditions from the past three years pertaining to project management capacity.

### **Submitting the OPMCA**

A.2.2.6 Submit the draft OPMCA, with its evidence, to TBS for review.

A.2.2.7 Revise, if necessary, the OPMCA based on TBS's feedback.

A.2.2.8 Submit the deputy head-approved final OPMCA to TBS through the approved centralized application.

A.2.2.9 Prepare the Treasury Board submission to seek approval of the Organizational Project Management Capacity Assessment Class.

### **Changes in Organizational Project Management Capacity Assessments**

A.2.2.10 Inform TBS in a timely manner of any significant changes to the organizational project management capacity that may affect the Treasury Board approved capacity class.

A.2.2.11 If requested by TBS, revise the OPMCA.

## A.3 References

- *Guide to Using the Organizational Project Management Assessment Tool*
- Organizational Project Management Assessment Tool

# Appendix B: Mandatory Procedures for Project Complexity and Risk Assessments

## B.1 Effective date

- B.1.1 These procedures take effect on April 11, 2019.
- B.1.2 These procedures replace the following Treasury Board policy instruments:
- *Standard for Project Complexity and Risk Assessments*(2010)

## B.2 Procedures

- B.2.1 These procedures provide details on the requirements set out in subsection 4.2.24 of the *Directive on the Management of Projects and Programmes*.
- B.2.2 Mandatory procedures are as follows:

### General requirements

- B.2.2.1 The assessment is to be completed for all projects as per the Project Complexity and Risk

Assessment (PCRA) thresholds established in Appendix C: Project Approval Limits.

B.2.2.2 The assessment is to be completed using the Project Complexity and Risk Assessment.

B.2.2.3 The assessment must take into account the full scope and life cycle of the project.

### **Submitting the Project Complexity and Risk Assessment**

B.2.2.4 Prior to the commencement of the definition phase, submit the assessment, with reference to the supporting evidence, to TBS for review and confirmation of the assessed level of complexity and risk.

B.2.2.4.1 For departments with an approved Organizational Project Management Capacity Assessment class, the Project Complexity and Risk Assessment is to be submitted through the centralized application.

### **Review of a PCRA**

B.2.2.5 TBS will review the assessed level of complexity and risk within 15 working days after the submission of the PCRA.

B.2.2.5.1 As part of its review, TBS may request the department provide supporting documentation.

- B.2.2.6 In the event that TBS does not raise questions or request additional information within 15 working days after the submission of the PCRA, the department may assume TBS is in agreement with the assessed level of complexity and risk.

### **Changes in project complexity and risk assessments**

- B.2.2.7 If during the life cycle of the project there are significant changes that would increase the assessed level of complexity or risk, the complexity and risk is to be reassessed.
- B.2.2.8 Following consultations, TBS may request that a revised assessment, with reference to the supporting evidence, is to be submitted for review.

## **Appendix C: Project Approval Limits**

In exercising oversight, the Treasury Board limits the expenditure authority exercised by ministers in the approval of projects.

All departments and agencies subject to this directive have a base project approval authority limit of \$2.5 million (inclusive of the Goods and Services Tax and the Harmonized Sales Tax).

The basis for determining the capacity to manage projects, and seeking an increase to this base amount, is provided in the *Mandatory Procedures for Organizational Project Management Capacity*. Once approved by Treasury Board, the *Organizational Project Management Capacity Class* establishes a minister's project approval authority limit.

Departments without an approved Organizational Project Management Capacity Class are to seek the approval of Treasury Board for all projects over \$2.5 million (inclusive of the Goods and Services Tax and the Harmonized Sales Tax).

For departments with an approved Organizational Project Management Capacity Class, the basis for the determination of the appropriate approval authority is the relationship between the approved Organizational Project Management Capacity Class of the department and the assessed Project Complexity and Risk Level of the project. Treasury Board may require any project to be brought forward for their consideration and approval.

The threshold for completing a PCRA is as follows:

- \$2.5 million for departments without an approved Organizational Project Management Capacity Class or with an approved Organizational Project Management Capacity Class of 1;
- \$5 million for departments with an approved Organizational Project Management Capacity Class of 2;
- \$10 million for departments with an approved Organizational Project Management Capacity Class of 3; and
- \$25 million for departments with an approved Organizational Project Management Capacity Class of 4.

The results of the PCRA will confirm the approval authority and inform the planning, resourcing, governance and management of the project.

## Minister's project approval authority limit

Organizational Project Management Capacity Class	Project complexity and risk level
Base (unassessed)	\$2.5 million
Class 1	Level 1

<b>Organizational Project Management Capacity Class</b>	<b>Project complexity and risk level</b>
Class 2	Level 2 Level 1
Class 3	Level 3 Level 2 Level 1
Class 4	Level 4 Level 3 Level 2 Level 1

## Appendix D: Project Approval and Expenditure Authority

### Projects

#### Departmental project approval

All projects within the departmental project approval authority limit require documented project approval prior to the commencement of the definition phase.

For projects approved within the department, requests for project approval must be supported by a business case and all other documents the department requires as per its project and programme management framework.

Treasury Board project approval and expenditure authority.

Projects approved by Treasury Board require two distinct and explicit approvals: project approval and expenditure authority.



In providing project approval, Treasury Board agrees that a requirement has been identified and that there is adequate justification for meeting that requirement through a particular project. Project approval provides authorization to seek expenditure authority, but does not in and of itself convey authority to expend funds on the project. A request for project approval follows completion of the business case and must be supported by an indicative cost estimate.

Expenditure authority provides the authority to expend funds against those activities for which the authority was sought. Expenditure authority granted by Treasury Board indicates that sufficient information is available, at an appropriate level of detail, to proceed with a particular phase or phases of the project. A request for expenditure authority must be supported by a substantive cost estimate.

Prior to receiving project approval and expenditure authority from Treasury Board, the responsible ministers' authority is limited to those activities necessary to seek the initial project approval and expenditure authority such as options analysis, feasibility studies, socio-economic studies, technical investigations, market analysis, topographic surveys, and pricing and availability studies. These activities are commonly referred to as pre-definition activities.

Once granted, project approval and expenditure authority will establish an agreed upon project baseline.

Amended authority in terms of project approval and/or expenditure authority must be sought from Treasury Board when:

- The total estimated cost changes such that it exceeds expenditure limits (expenditure authority) approved by Treasury Board; or

- There is a significant change to the anticipated outcomes and benefits identified at time of approval; or
- There has been a significant change to the project baseline established at time of approval.

When it is clear that one or more of the above conditions will be realized, departments must initiate in a timely fashion, the process of seeking amended authorities.

Requests for project approval, expenditure authority, or amendments to the same must be supported by the following documentation:

Appended to the submission

- Project brief (Appendix E)

Provided to TBS at the same time as the draft submission

- Business case
- Project Management Plan
- Project Gating Plan
- Procurement Plan
- Appointment letter (where applicable)
- Project charter

Other plans or documents may be requested by TBS as and when required.

## **Standard submission approach**

Following the conclusion of the initial planning and identification phase, the minister responsible for a project requiring the approval authority of Treasury Board will seek project approval for the project and expenditure authority for the definition phase.

Once the definition phase is completed, the minister responsible for a project will seek expenditure authority for the implementation and close-out phases of the project.

## **Streamlined submission approach**

For projects assessed at a PCRA level 1 or 2 that require Treasury Board approval, departments may be eligible to seek authorities for the entire project through a single submission following the conclusion of the initial planning and identification phase. The submission will seek project approval for the project, expenditure authority for the definition phase, and conditional expenditure authority for the implementation and close-out phases. The project should also seek any required contracting authorities at this time.

To be eligible for this approach, in addition to all other submission requirements, the original submission and associated documents must include a fulsome description of the overall gating approach over the project life cycle and the monitoring and control regime that will be applied to the project. In addition, the overall contingency (a measure of uncertainty) may not exceed 20%.

Departments are to confirm with TBS the suitability of this approach in advance of the preparation of the initial submission.

Following completion of the definition phase, the department may proceed with the implementation, contracting and close-out phases without returning to Treasury Board if the following conditions apply:

- The Chief Financial Officer confirms in writing to the responsible TBS Program Assistant Secretary, that the project remains within the cost baseline established through the original submission; and

- The project sponsor confirms in writing to the responsible TBS Program Assistant Secretary, that there have been no significant changes to the project baseline or intended outcomes and benefits.

## Associated authorities

In cases where projects also include real property transactions and/or contracting activities which also require Treasury Board approval, departments are encouraged to coordinate all required approvals (project, real property and procurement) to provide a consolidated view to Treasury Board ministers and in doing so, minimize the number of submissions.

## Appendix E: Project Brief

- E.1 A project brief must provide Treasury Board, the sponsoring minister, senior departmental officials, and TBS with a clear and concise understanding of the proposed initiative.
- E.2 A project brief must include a description of:
  - E.2.1 The expected outcomes of the project; the relationship of the outcomes to the sponsoring department's mandate and programs and to government-wide results; and the significance of the project within the context of the department's investment plan;
  - E.2.2 The level of service or capability to be developed or improved; a general description of the output(s); and the outcome(s) to be achieved;
  - E.2.3 A summary of the benefits realization plan including indication of the timing of the expected benefits;

- E.2.4 The results of the business case, including a description of each option, the assessment criteria, and a summary of the results of the comparative assessment;
- E.2.5 For the recommended option, the scope, schedule, cost and other critical objectives that will form the project baseline;
- E.2.6 The procurement strategy, including any relevant market information, interdepartmental procurement review process and the proposed strategy for soliciting and awarding relevant contracts, when required;
- E.2.7 The risk management plan including identification of key risks, their probability and potential impact, and the plan to proactively monitor and control them;
- E.2.8 Other features of the project that could affect its progress, such as privacy and environmental issues, land claims, regulatory or legislative changes and agreements with other governments, including international or domestic participants;
- E.2.9 The segmenting of the project into gates and the controls for managing transitions through the gates;
- E.2.10 The proposed timing of engagements with Treasury Board or TBS;
- E.2.11 The performance and outcome measures, including an assessment strategy and provision for independent third-party evaluations when required;

- E.2.12 The governance and management approach to the overall project including:
- Accountability for project outcomes;
  - Documented roles and responsibilities of participating departments and of the different units within the lead department;
  - The structure and committees focused on governing the project and achieving the project and programme outcomes;
- E.2.13 The communications strategy including identification, nature, and extent of consultations with key stakeholders; and
- E.2.14 The results of the project complexity and risk assessment.

## Appendix F: Programme Approval and Expenditure Authority

### F.1 Programme confirmation

- F.1.1 The process for programme approval is reserved for large business-transformation initiatives.
- F.1.2 Before seeking programme approval, departments must confirm with the Treasury Board of Canada Secretariat (TBS) that the investment under consideration constitutes a large business-transformation initiative that should be managed under the process for programme approval and that the

organization is ready to undertake the initiative using a programme-management approach.

- F.1.3 The investment under consideration will be screened in collaboration with TBS, and the results will inform the determination by TBS of whether an initiative will be managed under the process for programme approval.
- F.1.4 Departments must also provide evidence that their deputy head-approved departmental programme-management framework is in place with the required governance.

## **F.2 Programme approval and expenditure authority**

- F.2.1 All programmes require two distinct and explicit approvals from Treasury Board – programme approval and expenditure authority – which are described below:
  - F.2.1.1 In providing programme approval, the Treasury Board agrees that a large business-transformation initiative has been identified with sufficient complexity and interdependencies to warrant setting up a programme;
  - F.2.1.2 Programme approval provides authorization to seek expenditure authority, but it does not, in and of itself, convey authority to expend funds on the programme;
  - F.2.1.3 Expenditure authority provides the authority to expend funds against the activities for which the authority was sought; and

- F.2.1.4 Expenditure authority granted by Treasury Board indicates that sufficient information is available, at an appropriate level of detail, to justify the expenditure of funds on a particular phase or tranche of the programme.
- F.2.2 Before receiving programme approval from Treasury Board, the sponsoring minister's authority is limited to the activities necessary to seek the initial programme approval and expenditure authority in support of the definition phase.
- F.2.3 Before programme approval, the use of proofs of concept, prototypes and pilots are to be limited to the activities necessary to seek the initial programme approval and expenditure authority in support of the definition phase.
- F.2.4 Departments will need to seek the agreement of TBS in order to proceed with a pilot before programme approval.

## **F.3 Standard programme submission approach**

### **Submission for programme approval and expenditure authority for the definition phase**

- F.3.1 Following the conclusion of the initial planning and identification phase, the sponsoring minister for a programme will seek:
  - F.3.1.1 Programme approval for the programme, as well as expenditure authority for the definition phase; and



- F.3.1.2 As appropriate, a separate expenditure authority to advance implementation activities in keeping with subsection F.7.1.
- F.3.2 The request for programme approval is to be supported by a rough order of magnitude (ROM) cost estimate.
- F.3.3 The request for expenditure authority in support of the definition phase is to be supported by a substantive cost estimate.
- F.3.4 This submission for programme approval and expenditure authority for the definition phase must be supported by the following documentation:
- F.3.4.1 Appended to the submission:
- Programme brief for definition
- F.3.4.2 Provided to TBS in support of the submission:
- Appointment letter for the programme sponsor
- F.3.4.3 Other plans or documents may be requested by TBS, as and when required, to support the submission process.
- F.3.5 Once granted, programme approval will establish an agreed upon programme baseline.

## **Subsequent submissions**

- F.3.6 Following completion of the definition phase, the projects and activities that comprise the programme will be grouped into tranches.
- F.3.7 Each tranche will be the subject of a separate submission with the sponsoring minister, and each submission will:
  - F.3.7.1 Update the programme baseline;
  - F.3.7.2 Seek expenditure authority for the tranche;
  - F.3.7.3 As appropriate, seek authority to approve projects within the tranche that exceed the limits set out in Appendix C: Project Approval Limits of the *Directive on the Management of Projects and Programmes*; and
  - F.3.7.4 As appropriate, seek associated real property and contracting authorities in keeping with subsection F.8.1.
- F.3.8 The updated programme baseline is to be supported by a ROM cost estimate.
- F.3.9 The request for expenditure authority in support of a tranche is to be supported by an indicative cost estimate.
- F.3.10 Submissions requesting expenditure authority in support of a tranche must be supported by the following documentation:
  - F.3.10.1 Appended to the submission:

- Programme brief for implementation (tranche)

F.3.10.2 Provided to TBS in support of the submission:

- Programme business case
- Programme target operating model (or equivalent)
- Programme plan (or equivalent)
- Projects dossier (or equivalent)

F.3.10.3 Other plans or documents may be requested by TBS, as and when required.

F.3.11 Once granted, expenditure authority will establish an agreed upon baseline for the programme phase or tranche.

## **F.4 Amended programme approval**

F.4.1 Amended authority in terms of programme approval must be sought from Treasury Board when:

F.4.1.1 The total estimated cost of the programme changes such that it exceeds the estimate approved by the Treasury Board as part of the most recent programme approval; or

F.4.1.2 There will be significant change to the programme baseline (capabilities, outcomes and benefits) established through the most recent programme approval.

## **F.5 Amended expenditure authority**

- F.5.1 Amended authority in terms of expenditure must be sought from Treasury Board when:
  - F.5.1.1 The total estimated cost changes such that it exceeds the expenditure limit (expenditure authority) approved by the Treasury Board; or
  - F.5.1.2 There is significant change to the deliverables in terms of capabilities, outcomes and benefits established as part of the expenditure authority.
- F.5.2 When it is clear that amended authorities are required, departments must initiate the process of seeking amended authorities in a timely fashion before the existing authority is exceeded or changes to the baseline are introduced.

## **F.6 Programme tranche**

### **Expenditure authority**

- F.6.1 The expenditure authority for a tranche sets an expenditure ceiling for the realization of the capabilities and outcomes linked to the tranche. The combined costs of the projects and activities within the tranche cannot exceed this ceiling.
- F.6.2 The expenditure authority for a tranche may only be allocated to the projects and programme activities required to deliver the capabilities identified in the submission, and to undertake the planning of the next tranche.

### **Projects within a tranche**

- F.6.3 The projects within a tranche are not approved by Treasury Board as part of the submission.
- F.6.4 Subject to the appropriate governance and approvals, changes can be made to the projects that make up a tranche as long as:
  - F.6.4.1 The underlying tranche capability is delivered; and
  - F.6.4.2 The total cost of the tranche does not exceed the expenditure authority approved by the Treasury Board.

**Projects within a tranche where the Project Complexity and Risk Assessment (PCRA) level is within the Organizational Project Management Capacity (OPMC) class**

- F.6.5 Projects where the PCRA level is within the approved departmental OPMC class are to be approved and managed in keeping with the requirements set out in the *Policy on the Planning and Management of Investments* and the *Directive on the Management of Projects and Programmes*.

**Projects within a tranche where the PCRA level exceeds the OPMC class**

- F.6.6 If a tranche includes or may include projects where the PCRA will exceed the approved departmental OPMC class, the sponsoring minister may choose to seek authority to approve these projects:

- F.6.6.1 This request must be supported by information that demonstrates that the programme has taken the necessary steps to put in place the capacity to manage projects that exceed the approved departmental OPMC class;
  - F.6.6.2 This authority is only for the projects related to the tranche for which it is sought and is not transferable. The sponsoring minister must seek this authority for each tranche; and
  - F.6.6.3 Projects approved under this authority are to be approved and managed in keeping with the requirements set out in the *Policy on the Planning and Management of Investments* and the *Directive on the Management of Projects and Programmes*.
- F.6.7 If the sponsoring minister does not seek this authority or Treasury Board does not grant it, the sponsoring minister must seek a distinct Treasury Board project approval and expenditure authority for each project that exceeds the approved departmental OPMC class in keeping with the requirements set out in the *Policy on the Planning and Management of Investments* and the *Directive on the Management of Projects and Programmes*.

## F.7 Enabling programme authority agility

### **Seeking authority to advance implementation activities during the definition phase**

- F.7.1 When requesting expenditure authority for the definition phase, the sponsoring minister may seek authority to accelerate implementation work that is considered foundational to the programme:
- F.7.1.1 The request must be supported by a rationale and justification that demonstrates that the benefits of proceeding with the work exceed the risks of doing so; and
  - F.7.1.2 The request must be supported by an indicative cost estimate.

## **F.8 Associated authorities**

- F.8.1 In cases where programmes involve real property transactions or procurement activities that also require Treasury Board approval, departments are encouraged, where appropriate, to coordinate all required approvals (programme, real property and procurement) to provide a consolidated view to Treasury Board ministers.

# **Appendix G: Programme Brief for Definition**

- G.1 A programme brief must provide the Treasury Board, the sponsoring minister, senior departmental officials, and the Treasury Board of Canada Secretariat (TBS) with a clear and measurable description of the proposed initiative.
- G.2 For the programme as a whole, the programme brief must make clear:

- G.2.1 The strategic objectives of the programme, the vision statement, the relationship to the sponsoring department's mandate and programs and to government-wide results, and the significance of the programme within the context of the department's investment plan;
- G.2.2 The expected capabilities resulting from the programme, the level of service or capability to be developed or improved as a result of the programme, the impact on the target organization or organizations of the proposed development or improvement of capabilities, and the current state of these services and capabilities;
- G.2.3 The anticipated benefits to stakeholders throughout the programme life cycle that demonstrate an incremental approach and a continual iteration of benefits management;
- G.2.4 The initial understanding of the benefits, including an indication of the timing of the expected benefits and how they will be measured;
- G.2.5 The organization (structure and committees) and governance in place to manage and oversee the programme;
- G.2.6 The initial understanding of the estimated cost, schedule, and resources required to set up, run and manage the programme from definition through to close-out;
- G.2.7 The initial understanding of the projects and activities that will be included in the programme;



- G.2.7.1 A list of any projects and activities that have started and that will be absorbed into the programme or terminated as a result of the programme;
  - G.2.8 The initial understanding of risks and issues, including key assumptions and constraints, and the way they will be managed;
  - G.2.9 The degree to which stakeholders have been engaged and the level of support demonstrated;
  - G.2.10 The aspects of the programme environment that could affect its progress, such as privacy and environmental issues, land claims, regulatory or legislative changes, and agreements with other governments, including international or domestic participants;
  - G.2.11 The initial understanding of the performance and benefit measures, including an approach to assessment and initial assurance arrangements;
  - G.2.12 The preliminary procurement strategy and plan and the supporting rationale; and
  - G.2.13 The proposed timing of engagements with the Treasury Board or TBS.
- G.3 For the programme definition phase, the programme brief must make clear:
- G.3.1 The outputs of the programme definition phase;

- G.3.1.1 If the definition phase includes a proof of concept or prototype, the details of these undertakings, including the objective, how success will be measured and any procurements required;
- G.3.2 The identified cost and resources required to complete the definition phase;
- G.3.3 The schedule of activities to achieve the outputs of the programme definition phase;
- G.3.4 The plan to put in place the capabilities and resources required to complete the definition phase;
- G.3.5 The stakeholder analysis and engagement required for programme definition, including the identification, nature and extent of consultations with key stakeholders;
- G.3.6 The governance and assurance arrangements that will be applied to the definition phase; and
- G.3.7 Key procurement decisions that will be actioned during the definition phase.

## **Appendix H: Programme Brief for Implementation (Tranche)**

- H.1 A programme brief must provide the Treasury Board, the sponsoring minister, senior departmental officials, and the Treasury Board of Canada Secretariat (TBS) with a clear and measurable description of the proposed initiative.

## H.2 For the programme as a whole, the programme brief must make clear:

- H.2.1 The strategic objectives of the programme, the vision statement, the relationship to the sponsoring department's mandate and programs and to government-wide results, and the significance of the programme within the context of the department's investment plan;
- H.2.2 The expected capabilities resulting from the programme, the level of service or capability to be developed or improved as a result of the programme, the impact on the target organization or organizations of the proposed development or improvement of capabilities, and the current state of these services and capabilities;
- H.2.3 The anticipated benefits to stakeholders throughout the programme life cycle, demonstrating an incremental approach and a continual iteration of benefits management;
- H.2.4 The current understanding of the benefits, including the timing of the expected benefits and how they will be measured;
- H.2.5 The organization (structure and committees) and governance in place to manage and oversee the programme;
- H.2.6 The current understanding of the estimated cost, schedule, and resources required to set up, run and manage the programme from definition through to close-out;

- H.2.7 The current understanding of the projects and activities that will be included in the programme;
  - H.2.7.1 A list of any projects that have started and that will be absorbed into the programme or terminated as a result of the programme;
- H.2.8 The current understanding of risks and issues, including key assumptions and constraints, and the way they will be managed;
- H.2.9 The degree to which stakeholders have been engaged and the level of support demonstrated;
- H.2.10 The aspects of the programme environment that could affect its progress, such as privacy and environmental issues, land claims, regulatory or legislative changes, and agreements with other governments, including international or domestic participants;
- H.2.11 The current understanding of the performance and benefit measures, including an approach to assessment and assurance arrangements;
- H.2.12 The procurement strategy and supporting rationale;
- H.2.13 The proposed timing of engagements with the Treasury Board or TBS; and
- H.2.14 The benefits of the previous phase or tranche, including confirmation of the capabilities delivered, lessons learned and any course correction.

### H.3 For the programme tranche, the programme brief must make clear:

- H.3.1 The capabilities resulting from the tranche, the level of service or capability to be developed or improved as a result of the tranche, the impact on the target organization or organizations of the proposed development or improvement of capabilities, and the current state of these services and capabilities;
- H.3.2 The benefits associated with the capabilities resulting from the tranche, including the performance measurement plan to confirm their realization;
- H.3.3 The change management plan to support the delivery of the capabilities and benefit realization;
- H.3.4 The governance and control framework for the tranche, including:
  - H.3.4.1 The approval process for the projects within the tranche;
  - H.3.4.2 The assurance arrangements that will be deployed in support of the tranche; and
  - H.3.4.3 The process for identifying and approving changes to the projects dossier;
- H.3.5 The findings of an assessment of the organizational capabilities and capacities necessary to enable the desired outcome of the tranche, including plans to address all gaps;

- H.3.6 For each project that has been identified to be delivered as part of the tranche:
  - H.3.6.1 A description of the project;
  - H.3.6.2 A description of how the project supports delivery of the capability resulting from the tranche;
  - H.3.6.3 The cost, including the quality of the estimate; and
  - H.3.6.4 A summary of the key or critical activities with an associated schedule;
- H.3.7 The stakeholder analysis and engagement required to support the tranche, including the identification, nature and extent of consultations with key stakeholders; and
- H.3.8 Key procurement activities that will be actioned during the tranche.
- H.4 If a tranche submission for a programme includes a request for the delegated authority to approve projects within the tranche that exceed the approved Organizational Project Management Capacity class for the department, the programme brief must make clear:
  - H.4.1 The gap or gaps in the capacity for organizational project management in relation to the complexity and risk of the project or projects;
  - H.4.2 Actions that have been or will be taken within the programme to address the gap or gaps;

- H.4.3 The details of the assurance arrangements that have been or will be put in place to confirm the efficacy of the actions taken to address the gap or gaps; and
- H.4.4 The individual who will be sub-delegated by the minister to approve the projects (expressed in terms of their position within the programme governance).

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