CalPERS

May 17, 2017

Item Name: IT Governance Overview

Program: Information Technology Services Branch

Item Type: Information

Executive Summary

This agenda item provides the Board of Administration with an overview of the Information Technology (IT) governance process. The Information Technology Services Branch (ITSB) will provide an overview of how IT projects are approved and governed from concept phase through project optimization. The overview will highlight key governance activities and decision points as they relate to the Actuarial Valuation System Redesign & Enhancement (AVSRE) and benefits realized through the my|CalPERS Functional Optimization (FO) project.

Strategic Plan

This agenda item supports Goal B of the CalPERS 2012-17 Strategic Plan, which is to "cultivate a high-performing, risk-intelligent, and innovative organization". Specifically, this item addresses the rigorous governance process used for IT projects that serve our members as well as the CalPERS organization.

Background

IT Governance begins at the development of a project concept and carries through its implementation and optimization. Governance serves to ensure that from an information technology (IT) perspective, CalPERS is focused on its highest business priorities and that IT project investments are governed appropriately and deliver business value in alignment with strategies.

The IT Governance overview communicates how CalPERS IT projects are developed, vetted, and approved and how approved projects representing CalPERS IT investments are governed to ensure successful outcomes.

The AVSRE project began in FY 2015-2016 and is expected to be completed in FY 2018-2019. This multi-year effort will deliver a solution that supports the business operation of the Actuarial Office (ACTO), reduces the risk of the current system support model, and inability to remain responsive to new requirements. AVSRE governance activities and decisions are representative of CalPERS' commitment to transparency, accountability, and fiscal stewardship and span across the project's planning and development activities.

The my|CalPERS Functional Optimization project began in FY 2014-2015 to develop and implement prioritized functional optimization initiatives to enhance the my|CalPERS platform and infrastructure and benefit our CalPERS team, members and employers. Since its inception, FO has implemented over 30 major initiatives focused on reducing costs and risks, improving customer service, and streamlining business processes. The project is scheduled to be completed in FY 2017-2018.

Analysis
As a decision-making and oversight framework, IT governance serves to ensure the most effective and efficient use of IT resources to enable CalPERS to achieve its business goals and objectives through IT project investments.

Budget and Fiscal Impacts
Funding requests for IT projects are part of the overall fiscal year budget submittal. IT projects approved through the governance process are presented to the Board during the annual budget process. The FY 2016-17 Enterprise Project budget is $37.7 million. The FY 2017-18 proposed Enterprise Projects budget is $23.3 million, a decrease of $14.4 million or 38.2 percent from the FY 2016-17 approved budget. IT projects for FY 2017-18 are centered around the final year of the my|CalPERS functional optimization effort, continuing the redesign of the Actuarial Valuation System, continuing Business Intelligence activities, completing the redesign and modernization of the CalPERS Education Center, and procurement for data backup, restoration, and disaster recovery functions for the organization.

Benefits and Risks
Benefits:
- Increased leadership insight to the Enterprise Project Portfolio Health
- Clear accountability for and visibility to IT investment decision making
- Increased likelihood for successful enterprise project outcomes
- Reduced IT project investment risk
- Business benefits realization

Risks:
- Delays in the IT projects run the risk of missed implementation dates and cost overruns
- Business and technology advancements and changes affect project scope and outcome

Attachments
Attachment 1 – Enterprise and Project Governance and my|CalPERS Functional Optimization
Attachment 2 – CIO Quarterly Report Sample #1
Attachment 3 – CIO Quarterly Report Sample #2

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