IT Governance Framework

Summary

This document defines the governance framework for the key IT functions.

Document Control

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Approver:	Russell Morris/CIO				

Contents

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1. Purpose

The purpose of this document is to describe how the key IT processes will be governed, including how the owners of those processes are held to account.

2. Scope

IT Governance is a process used to monitor and control key information technology capability decisions in an attempt to ensure the delivery of value to key stakeholders in an organisation.

This Framework applies to TransGrid IT functions and their employees.
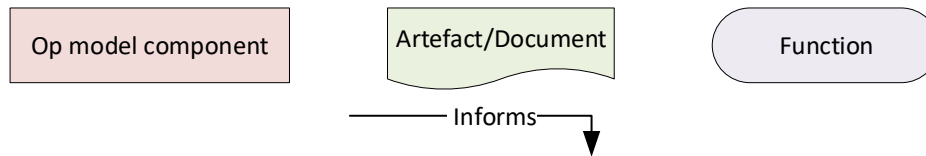
3. Framework Components

The diagram below illustrates the hierarchy of and relationships between the various components of this Framework
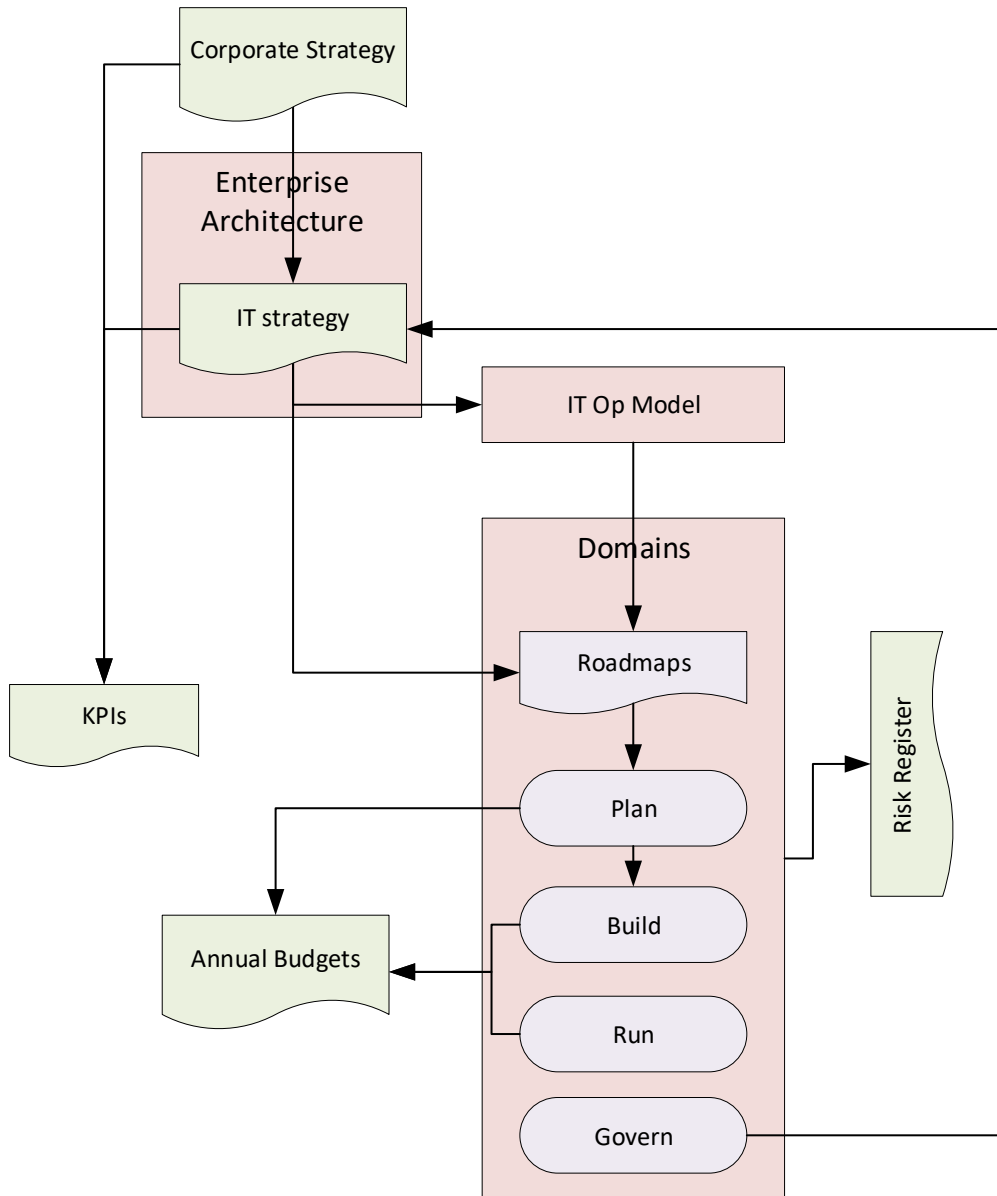
Legend below:

Op model component

Artefact/Document

Function

Informs

4. Description of the IT Governance Framework

An IT Governance Framework is based on three major elements:

- Structure: Who makes the decisions? What structural organisations will be created, who will take part in these organizations, and what responsibilities will they assume?

- Process: How are IT investment decisions made? What are the decision-making processes for proposing investments, reviewing investments, approving investments, and prioritising investments?

- Communication: How will the results of these processes and decisions be monitored, measured and communicated? What mechanisms will be used to communicate IT investment decisions to the board of directors, executive management, business management, IT management, employees, and shareholders.

4.1 IT Strategic Themes

There are four key strategic themes that inform the IT direction and decision making. They are included here for reference, as they also inform the governance framework.

1. Standardise
   - Adopt not adapt: change the business process instead of customising the system
   - Implement master data management, upgrading decision making capability
   - Build once and foster reuse, leverage enterprise integrations
2. Rationalise
   - One tool for the task: avoid duplicating functionality across systems
   - Create synergy between IT and OT: leveraging data for competitive advantage
3. Modernise
   - Create end-to-end efficiencies, utilising Robotics, Automation and Machine Learning
   - Implement an "Evergreen" strategy to avoid technical debt and legacy restrictions
4. Innovate
   - Sustain market leading position and drive new sources of business revenue
   - Leverage technology to deliver advanced business analytics that predict future trends
   - New ways of working and skilling for the future

4.2 Strategy

The Strategy Function within IT aligns IT strategy with the Corporate Strategy and ensures the roadmaps adhere to the IT strategy.

4.3 Enterprise Architecture

Enterprise Architecture function sets the technical standards and direction for IT technology implementation. This is informed by the strategic themes.

Enterprise architecture is governed by the Architectural Review Group (ARG).

4.4 IT Operating Model

The IT operating model is a domain based model where IT domains are aligned to business units. Each domain is responsible for:

- Partnering with their respective business units to ensure delivery of business needs

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- Delivery of new services and business outcomes, through coordination with other IT teams, as required.

- Defining and maintaining a roadmap of upcoming initiatives/projects

- Ensuring services are operating in a satisfactory manner, according to agreed service levels

There are five teams within IT, reporting to the CIO. Three of those are domains, listed below:
1. Operations
    - Includes NP&O, Works Delivery and BG&R
2. Business
    - Includes Corporate Services, Finance, Corporate Affairs, Legal Governance and Risk
3. Technology
    - Includes Strategy, Enterprise Architecture and Cyber

The other two IT teams are:
1. Service Delivery – responsible for the IT infrastructure, business continuity and service desk function.
2. Performance and Governance – responsible for adherence to this Framework as well as producing the external reports that document IT performance.

Furthermore the IT operating model includes a Technical Services Panel made up of four outsourced partners who will deliver and/or run various components of each Domain roadmap.

The IT operating model is designed to be Agile and adaptable to suit the current operating environment. As IT starts to deliver larger Transformational projects, the Operating Model will need to evolve to facilitate efficient delivery of those projects. The changes to the operating model will necessitate changes to the various procedures that govern it.

4.5   Domain Management

The Domain leads are responsible for the relationship with their respective business units. The Domains enable the business functions by working with their business unit counterparts to build their respective roadmaps.

The domains are accountable for delivery to their respective roadmaps. Adherence to the roadmaps is governed by the Portfolio Management function as described in section

4.6   Service Delivery

The Service Delivery team are responsible for:

- Management, upgrades and maintenance of back end infrastructure

- Operation of the Service Desk

- Management of the outsource vendor, HCL, including HCL's adherence to their obligations under the engagement contract.

- Operation of the Change Approval Board (CAB) and adherence to its processes.

Service Delivery is governed by the ITIL methodology.

4.7   Performance and governance

4.7.1   IT Portfolio

The IT Portfolio is governed by the IT Portfolio Board, made up of senior managers across the various business units impacted by IT projects as well as IT senior management.

4.7.1.1 Project delivery

Project delivery is the responsibility of each Domain Lead.

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Project delivery is governed by the IT Project Delivery Procedure, which defines the TransGrid IT implementation of the Prince 2 methodology.

4.7.2 Domain Roadmaps

Domain roadmaps are a core component in the execution of the IT strategy. They will be produced/updated annually by the end of FY Q1 by each Domain and finalised by middle of FY quarter 3 as input into the annual budgeting cycle.

The progress against each domain roadmap will be reported at the IT Portfolio Board along with any risks that may impact delivery. Reporting of domain roadmap progress is also reported in the monthly Executive report.

4.7.3 KPIs

IT Performance will be tracked against a set of KPIs to be defined at the commencement of each financial year. These KPIs define key focus areas for IT management and will form part of the performance plan for each member of the IT management team.

Progress against KPIs will be tracked during monthly IT management meetings.

4.7.4 Risk Management

IT management risks will be documented and managed in ServiceNow. Where appropriate, risks will be rolled up, documented and managed in CAMMS.

Risks will be managed per the IT Risk Management procedure.

4.8 Vendor and external resource management

The IT operating model includes the technical services panel. Panel member performance will be tracked against the KPIs defined in respective MSAs for each Panel Member. Monthly reports and quarterly meetings will be used for tracking purposes.

Day to day management of the work delivered by the Panel member is carried out by each domain.

External resources, i.e. labour hire, will be managed by the Domain they report to. The performance of each external resource will be tracked against a set of KPIs relating to their role.

4.9 Financial management

The scope of this framework includes both Capital (Capex) and Operational (Opex) expenditure.

Annual budgets for each type of expenditure are set at FY Q4 for the following financial year. Opex budget is calculated based on the running costs of the IT assets as well as the overheads.

The annual Capex budget is calculated based on the roadmap for each domain, and is constrained by the AER funding allocation for the regulatory period.

The Opex expenditure is tracked monthly and reported to the Executive.

The Capex expenditure is tracked monthly and reported to the Executive as well as the IT Portfolio Board.

5. Accountability

Title	Responsibilities
CIO	> Approval of this framework > Accountability for execution of this framework

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Title	Responsibilities
	> Approval of spend per TransGrid's financial delegations > Chairing the PB meetings
Domain Leads	> Management of Contract Resources > Creation, updates and execution of domain roadmap > Maintenance of the relationship with the business stakeholders > Delivery of projects under their domains > Operation of the IT systems under their domains
Service Delivery Lead	> Management of the HCL contract and HCL performance > Accountable for level 1 and level 2 support > Creation, updates and execution of the Service Delivery roadmap > Maintenance of core IT infrastructure and end user devices > Management of the CAB process
Strategy Domain Lead	> Development of and maintenance of the IT strategy > Ensuring adherence of projects to the IT strategy
Performance and Governance Lead	> Management of the Tech Services Panel contracts > Monthly reporting on Capex and Opex expenditure > Generation of the IT PB pack > Track progress against KPIs

6. Definitions

Term	Definition
AER	Australian Energy Regulator
ARG	Architecture Review Group
CAB	Change Approval Board
FY	Financial year
IT PB	IT Portfolio Board
ITIL	A set of detailed practices for IT service management that focuses of aligning IT services with the needs of business
KPI	Key Performance Indicator
MSA	Master Services Agreement

7. Implementation

This document will be published on the Wire under the Business Unit controlled documents.

A printed copy of this document may not be the current version. Please refer to the Wire to verify the current version.

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Upon approval and publishing, IT staff will be advised via email.

8. Monitoring and review

This framework will be reviewed quarterly at the end of quarter, at the IT manager's meeting and updated as required. The review will be documented in the meeting minutes.

A new version of this framework will be published at least once every two years.

9. Change from previous version

Revision no	Approved by	Amendment
1	Russell Morris – CIO	First approved version

10. References

Project delivery procedure

IT risk management procedure

11. Attachments

None

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