ARIZONA DEPARTMENT OF ADMINISTRATION	Arizona Strategic Enterprise Technology Office **STATEWIDE** **Policy**	State of Arizona

POLICY 1360: INFORMATION TECHNOLOGY PLANNING

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1. AUTHORITY

To effectuate the mission and purposes of the Arizona Department of Administration (ADOA), the Agency shall establish a coordinated plan and program for information technology (IT) implemented and maintained through policies, standards and procedures (PSPs) as authorized by Arizona Revised Statutes (A.R.S.)§ 18-101 et seq.

2. PURPOSE

The purpose of this policy is to establish an effective planning methodology that will enable State Budget Units (BUs) to implement IT initiatives that meet their goals and objectives while aligning with statewide IT strategies and initiatives and the annual budgeting process.

3. SCOPE

3.1 This policy applies to all BUs that meet the following criteria :

3.1.1 Have submitted a Project Investment Justification (PIJ) to ADOA – Arizona Strategic Enterprise Technology (ASET) since 2001, or

3.1.2 Currently consume services from ADOA-ASET, or

3.1.3 Plan to submit a PIJ to ADOA-ASET during the plan period, or

3.1.4 Plan to consume services from ADOA-ASET during the plan period.

3.1.5 Procured or plan to procure IT equipment or services through the State Procurement Office

3.2 Section 6.7 of this policy applies to all BUs, regardless of the applicability of the above criteria.

3.3 Applicability of this policy to third parties is governed by contractual agreements entered into between the BU and the third party/parties.

4. EXCEPTIONS

4.1 Policies, Standards and Procedures may be expanded or exceptions may be taken by following the Statewide Policy Exception Procedure.

5. ROLES AND RESPONSIBILITIES

5.1 ADOA-Arizona Strategic Enterprise Technology (ASET) shall (COBIT 5.0; EDM04, Resource Optimization; APO02 Manage Strategy):

5.1.1 Create and publish a statewide, annually rolling, three-year IT Statewide Strategic Plan, in alignment with the Governor's initiatives, on the first working day of the calendar year;

5.1.2 Provide standard templates to State BUs for developing IT Plans and documenting proposed projects;

5.1.3 Provide consultative assistance to State BUs to establish and implement IT Plans.

5.1.4 Gather, track, review and approve the BU IT Plans annually, and incorporate the BU IT strategies into the ADOA-ASET IT Statewide Strategic Plan (A.R.S. § 18-104);

5.2 BU Chief Information Officers (CIO) shall:

5.2.1 Facilitate compliance with federal and State laws by establishing and monitoring compliance with policies, standards and procedures. (COBIT 5.0; APO12 Manage Risk; MEA03 Compliance);

5.2.2 Provide direction and leadership to the BU through the recommendation of IT programs and projects that will enable BU initiatives and operations;

5.2.3 Annually align IT strategies, programs, goals, objectives, and performance measures to the BU strategic plan and the ADOA-ASET 3-Year IT Strategic Plan. (COBIT 5.0; EDM04 Resource Management)

5.2.4 Assist the BU director or designee in the submission of the BU's IT Plan to ADOA-ASET.

5.3 BU Director or Chief Executive Officer shall ensure the effective implementation of Statewide IT PSPs (COBIT 5.0; EDM01.3 Monitor Governance).

5.4 BUs shall participate in the planning process and submit the planning documents to ADOA-ASET as specified in this policy.

6. STATEWIDE POLICY

6.1 In accordance with A.R.S. § 18-104 (A)(1)(f), and AAC Title 2 Chapter 18, ADOA-ASET evaluates and approves or disapproves BU IT Plans.

6.2 **Background:** The annual planning cycle for a given fiscal year ending June 30 (year n+2) takes place in multiple stages as depicted in Figure 1 below:

6.2.1 The IT Planning Cycle begins on June 1 (year n) with the submission of the BU IT Trends and Challenges Report to ADOA-ASET, and ends on the first working day of the following calendar year (year n+1) with the release of the annual IT Statewide Strategic Plan by ADOA-ASET for FY n+2 to FY n+4. (See Figure 1, line 6)

6.2.2 Financial Planning cycle:

a) ADOA-ASET Financial Planning begins on June 1 (year n), and ends on July 31 (year n) when ADOA-ASET Budget Issues to support the IT Statewide Strategic Plan must be submitted to the ADOA Director (See Section 6.5). BUs may have similar processes and schedules.

b) At all stages between July 31 (year n) and August 31 (year n), BUs and ADOA-ASET shall support each others' final IT plans to ensure alignment with submissions to the Governor's office on September 1st (year n) for the following fiscal year (year n+2).

6.2.3 Budget issues for ADOA-ASET and all State BUs are submitted to the Governor's Office of Strategic Planning and Budgeting (OSPB) via existing BUDDIES and AZIPS applications on or before September 1 (year n).

6.2.4 The budget is passed during the legislative session that begins on the second Monday of January (year n+1) and ends approximately April 30 (year n+1).

6.2.5 The fiscal year begins on July 1 (year n+1), and is funded in accordance with the appropriations passed in the legislative session.

6.2.6 BUs should expeditiously seek PIJ review and approval from the Information Technology Authorization Committee (ITAC), when applicable, including review by the Joint Legislative Budget Committee (JLBC), when funding requires such review, after the budget becomes law, in order to avoid delays in launching projects.
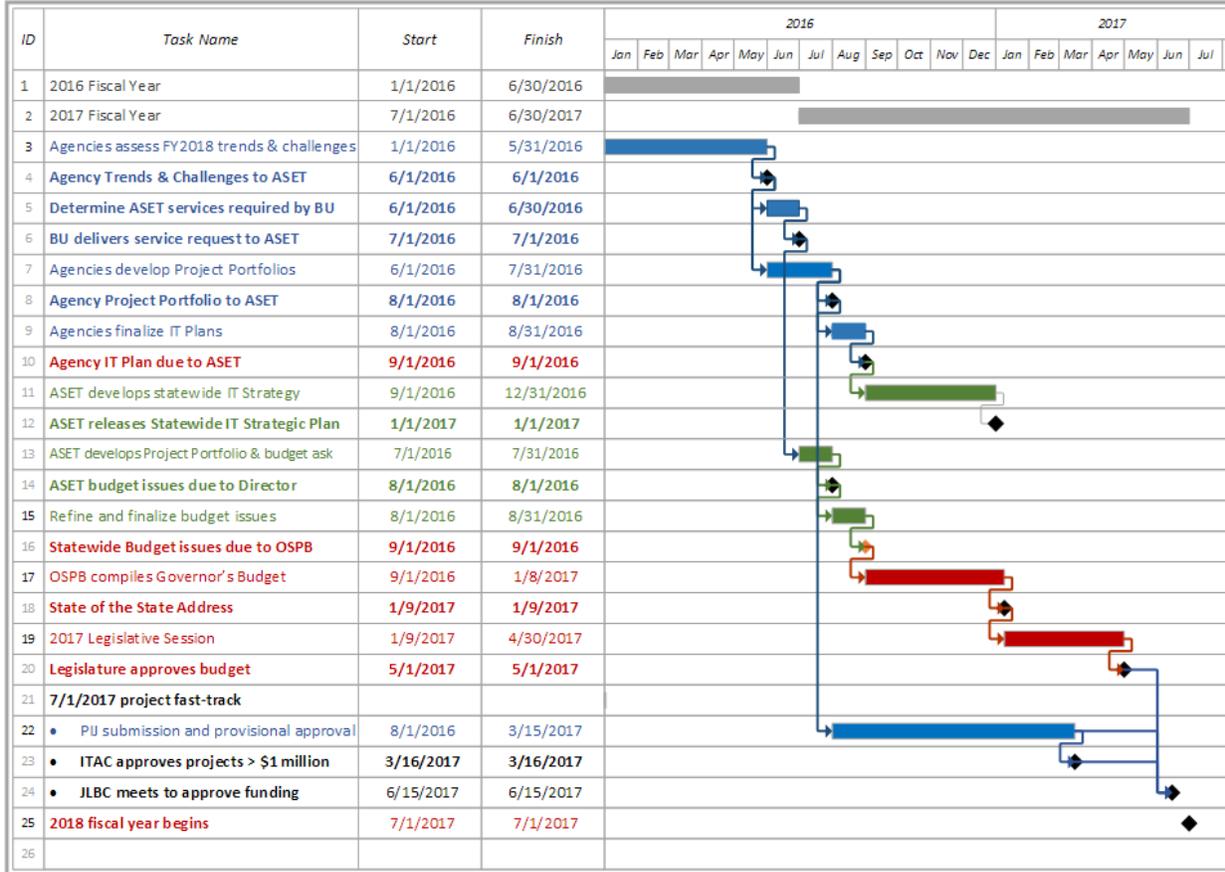
FY 2018 Planning Cycle

ID	Task Name	Start	Finish
1	2016 Fiscal Year	1/1/2016	6/30/2016
2	2017 Fiscal Year	7/1/2016	6/30/2017
3	Agencies assess FY2018 trends & challenges	1/1/2016	5/31/2016
4	Agency Trends & Challenges to ASET	6/1/2016	6/1/2016
5	Determine ASET services required by BU	6/1/2016	6/30/2016
6	BU delivers service request to ASET	7/1/2016	7/1/2016
7	Agencies develop Project Portfolios	6/1/2016	7/31/2016
8	Agency Project Portfolio to ASET	8/1/2016	8/1/2016
9	Agencies finalize IT Plans	8/1/2016	8/31/2016
10	Agency IT Plan due to ASET	9/1/2016	9/1/2016
11	ASET develops statewide IT Strategy	9/1/2016	12/31/2016
12	ASET releases Statewide IT Strategic Plan	1/1/2017	1/1/2017
13	ASET develops Project Portfolio & budget ask	7/1/2016	7/31/2016
14	ASET budget issues due to Director	8/1/2016	8/1/2016
15	Refine and finalize budget issues	8/1/2016	8/31/2016
16	Statewide Budget issues due to OSPB	9/1/2016	9/1/2016
17	OSPB compiles Governor's Budget	9/1/2016	1/8/2017
18	State of the State Address	1/9/2017	1/9/2017
19	2017 Legislative Session	1/9/2017	4/30/2017
20	Legislature approves budget	5/1/2017	5/1/2017
21	7/1/2017 project fast-track		
22	PIJ submission and provisional approval	8/1/2016	3/15/2017
23	ITAC approves projects > $1 million	3/16/2017	3/16/2017
24	JLBC meets to approve funding	6/15/2017	6/15/2017
25	2018 fiscal year begins	7/1/2017	7/1/2017
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Figure 1 –IT Strategic Planning Process Timeline for the 2018 (n+2) Fiscal Year

6.3 Refer to Figure 1: BUs shall develop a rolling three-year IT Plan (FY n+2 to FY n+4) and submit it to ADOA-ASET on or before September 1 (year n) of each year. The plan is completed in multiple stages. (COBIT 5.0; EDM04 Resource Management)

6.3.1 BUs shall perform an assessment of the BU's business issues and challenges for fiscal year (n+2) with due consideration to the Statewide IT Strategic Plan, their BU's business environment, and new obligations assumed as a result of legislative changes and submit an Issues and Challenges report to ASET by June 1 (year n) of each year. The report shall outline the impact of the business trends and challenges on their IT environment.

6.3.2 BUs and ASET shall collaborate to determine what, if any, services the BU requires ASET to deliver during the next fiscal year (n+2). The BU shall deliver a service request for any new services to ADOA-ASET by July 1 (year n) of each year. ADOA-ASET may be unable to provide services in the (n+2) fiscal year if they are requested later than this date due to budget and resource constraints.

6.3.3 BUs shall develop an IT Project Portfolio representing projects that must be undertaken to meet the BU's strategic goals and shall submit it to ADOA-ASET

on or before August 1 (year n). Proposed projects shall be supported by business cases, initiatives and risks of the BU. (COBIT 5.0; APO03 Manage Enterprise Architecture; APO05 Manage Portfolio; COBIT 5.0; APO05.03 Evaluate and Select Programs to Fund);

6.3.4   BUs shall incorporate the IT Project Portfolio into their annual IT Plan and submit it to ADOA-ASET on or before September 1 (year n). (COBIT 5.0; APO03 Manage Enterprise Architecture; APO05 Manage Portfolio; COBIT 5.0; APO02 Manage Strategy)

   a)   BU IT planning shall utilize the ADOA-ASET template, which follows the Governor's Office of Strategic Planning and Budgeting (OSPB) Managing for Results - Strategic Planning and Performance Measurement Handbook, with respect to goals, objectives, IT Issues and Challenges, and performance measures;

   b)   BU IT Plans shall align with the Statewide IT Plan published by ADOA-ASET in January and with plans submitted to OSPB on or before September 1 (year n). (COBIT 5.0; APO02.01 Understand Enterprise Direction);

   c)   BU IT Plans shall align with the BU's operating plan submitted to OSPB on or before September 1 (year n).

   d)   BUs shall incorporate accomplishments, completed, deferred and cancelled projects from prior IT Plans into each IT Plan;

   e)   BUs shall include new and revised goals, objectives, actual target measures, and updated performance measures in the IT Plans; (COBIT 5.0; EDM04 Resource Management);

   f)   BUs shall include plans to close or mitigate gaps in Statewide IT Policies, Standards and Procedures in their IT Plans;

   g)   BUs shall provide a brief explanation of significant changes to the August 1 Project Portfolio, to enable ADOA-ASET to respond to strategic changes.

6.4   Annually, during the Strategic Planning Cycle commencing September 1 (year n), ADOA-ASET shall study the BU IT Project Portfolios and IT Plans, and develop the three-year Statewide IT Strategic Plan. That plan shall be published on or before the first working day of the calendar year (year n+1). The plan shall take into account the Governor's Strategic Plan as well as the IT Plans and supporting documentation provided by the BUs.

6.5   Annually, ADOA-ASET shall determine the funding and resources that ADOA-ASET will require to execute on the Statewide IT Strategic Plan, as well as the resources and funding that ADOA-ASET will need in order to provide the services required by BUs as identified in their IT Plans. This information shall be submitted to the ADOA Director for inclusion in the Budget Submission Cycle.

6.6   BUs shall inform ADOA-ASET within 10 business days after the close of the Legislative Session (year n+1) whether or not funding was approved by the Legislature for each of the projects in the Project Portfolio.

6.7   Additional Annual Reporting Requirements for all BUs.

  6.7.1   In accordance with A.R.S. § 18-105(C)(2), BUs shall complete the Technology Infrastructure and Security Assessment (TISA) questionnaire from ADOA-ASET annually, by September 1 of each year. (COBIT 5.0; BAI10.02 Configuration Baseline).

  6.7.2   In accordance with A.R.S. § 18-104 (A)(1)(e) BUs shall maintain IT asset inventory (ITAI) information in the AFIS Fixed Asset Module and shall ensure the inventory is as accurate as possible, by September 1 of each year. (COBIT 5.0; BAI09.01 Identify Assets).

7.   DEFINITIONS AND ABBREVIATIONS

7.1   Refer to the PSP Glossary of Terms located on the ADOA-ASET website.

8.   REFERENCES

8.1   A.R.S. § 18-104

8.2   CobiT 5.0, Information Systems Audit and Control Association (ISACA)

9.   ATTACHMENTS

9.1   IT Strategic Plan Guidelines

10. REVISION HISTORY

Date	Change	Revision	Signature
10-11-2016	Policy approved by State CIO – replaces P136.	1.0	Morgan Reed

ATTACHMENT "A" – IT Plan Guidelines

ADOA-ASET uses the criteria below for evaluation and acceptance of the budget unit's IT Plan. If the plan does not fully articulate the IT Plan and the budget unit's IT direction, ADOA-ASET will communicate with the budget unit's contact to further clarify its IT direction.

1) IT Goals
   a) Goals are statements that define what an organization is trying to accomplish both programmatically and organizationally, expressed in terms of outcomes.
   b) The Goal should support the following:
      i) The BU's mission.
      ii) The BU's IT vision and mission.
      iii) The Statewide 3-Year IT Strategic Plan.
   c) The Goal should be stated in business terms. ie: refer to the business objectives, not about IT implementation.
   d) The goal should be sustainable.
   e) The goal should clearly state what you want to accomplish.

2) IT Objectives
   a) There should be at least one objective for each IT goal.
   b) The objectives must clearly support the IT goal.
   c) Provide descriptions and major milestones for multi-year projects.
   d) Objectives should specify a result rather than an activity.
   e) Objectives should be quantifiable and measurable.
   f) Objectives should specify a time frame for performance and results.

3) Performance Measures
   a) Performance measures should measure not only the completion of the objective, but also the extent to which the expected results of the objective have been met.
   b) There should be a specific time frame, (eg. Monthly, quarterly, etc.) when applicable, for taking the measurement.
   c) Target results and performance measures should be set and included in the IT plan.

4) Additional Factors
   a) The IT plan should reflect the depth and breadth of the budget unit rather than focusing on only one area.
   b) The IT plan should address any large IT initiatives.
   c) The IT plan should address any statewide IT initiatives in which the budget unit is participating.
   d) The IT plan should address any security, IT Policy or other compliance gaps.