PROVINCE OF SASKATCHEWAN

10-11

ANNUAL REPORT

INFORMATION TECHNOLOGY OFFICE

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This annual report is also available in electronic format from the Information Technology Office's website at **www.ito.gov.sk.ca**.

Letters of Transmittal

July 2011

The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor, Province of Saskatchewan

May It Please Your Honour:

The Government of Saskatchewan has continued to deliver on its promises and commitments of sustained economic growth, making Saskatchewan a safe place to live, and operating with integrity and accountability to the people of our province. It has done this through policies and financial decisions that are Balanced, Forward-Looking and Responsible. The 2010-11 Annual Report for the Information Technology Office (ITO) demonstrates the progress made towards those commitments as they relate to this Ministry as of March 31, 2011.

The Government clearly defined its vision for a secure and prosperous Saskatchewan with the release of its first three budgets and again for the coming 2011-12 fiscal year. Ministries and agencies have developed strategic plans that align with the Government's vision and goals, which also help guide strategic planning, workforce planning and budgeting.

In June 2010, Premier Brad Wall gave me the privilege of overseeing the work of the ITO as Minister Responsible for Information Technology Office. I'm pleased to report that during that time the ITO took many important steps to move the Government's vision and goals forward.

Under its mandate, the ITO has implemented a culture of customer service throughout the organization, and provided responsible and value-added delivery of IT services to other Government ministries and agencies. It has also engaged private sector firms in the delivery of IT services and enabled the efficiency and effectiveness of Government through business solutions.

One of the key goals of the Government is to continue building on a solid record of transparency and accountability to the people of Saskatchewan. This report is part of that record, allowing the public and legislators to clearly see the initiatives pursued and results achieved in 2010-11. The results achieved also set the tone for future priorities and influence future Government activities. Annual reports are not only an important accountability document, but can help to inform future plans and the allocation of valued resources in the years ahead.

With respect,

Tim McMillan
Minister Responsible for Information Technology Office

July 2011

The Honourable Tim McMillan
Minister Responsible for Information Technology Office

Dear Minister:

I have the honour of submitting the Annual Report of the Information Technology Office (ITO) for the fiscal year ended March 31, 2011.

As you are aware, the ITO undertook a new direction and was given a new mandate in 2009-10. As a result, in 2010-11 the ITO was able to implement significant improvements to the way it operates and delivers IT services to its Government customers. It was also able to further the Government's goals to be accountable to the people of Saskatchewan by helping its customer ministries and agencies improve their operations by providing more efficient and effective services to the public.

This fiscal year the ITO made major strides in improving customer satisfaction. A key step taken was the creation of a branch within the ITO dedicated to the support and enhancement of IT applications used to deliver customer programs and services to citizens and businesses. The ITO also provided a number of new opportunities for private sector firms that advanced both the Government's service delivery and economic growth agendas. The results achieved are directly linked to the Government's vision and goals.

The ITO takes its responsibility for public accountability seriously and has made every effort to ensure the accuracy, completeness and usefulness of the information contained in its 2010-11 Annual Report. As Deputy Minister, I am responsible for the overall management and integrity of the financial administration of the organization. I am confident that the ITO operates in the kind of accountable and forthright manner expected by the people of Saskatchewan.

Respectfully submitted,

Gerald Fiske
Deputy Minister

Introduction

This annual report presents the Information Technology Office's (ITO) activities and results for the fiscal year ending March 31, 2011. It reports to the public and elected officials on public commitments made, and other key accomplishments of the Ministry.

With the release of the Ministry Plan for 2010-11, results are provided on the publicly-committed strategies, actions and performance measures identified in the Plan. This report also demonstrates progress made on government commitments as stated in the *Government Direction for 2010-11*, the Minister's Mandate letter from the Premier, throne speeches, and other commitments.

The 2010-11 ITO Annual Report sets the stage for the 2012-13 planning and budgeting process by providing an opportunity to assess the accomplishments, results and lessons learned. It also identifies how to build on past successes for the benefit of Saskatchewan people.

As part of an aggressive agenda to improve the quality and calibre of the ITO's services and the way it does business, the ITO continued to undergo organizational changes during the reporting year. These changes have helped bring an enterprise (government-wide) focus to the delivery of information technology services and IT-based business solutions that enable the efficiency and effectiveness of government programs and services. It has also enabled the ITO to work more collaboratively with the private sector, leading to better government IT services and a stronger provincial IT industry.

During the reporting year, the ITO made significant progress on the majority of the strategies, actions and performance measures outlined in the ITO Plan for 2010-11. This success was due, in large part, to a new mandate and direction provided to the ITO in 2009-10.

Alignment with Government's Direction

The Information Technology Office's activities in 2010-11 align with government's vision and three goals:

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Government's Goals

- Sustain Economic Growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.

- Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.

- Keep Government's Promises and fulfill the commitments of the election, while operating with integrity and transparency, accountable to the people of Saskatchewan.

Together, all ministries and agencies support the achievement of government's three goals and work towards a secure and prosperous Saskatchewan. In 2010-11 the ITO advanced the government's agenda internally and externally by:

- Implementing measures to help foster a culture of customer service throughout the organization, including a Customer Service Excellence training program for employees.

- Launching a new customer satisfaction survey tool that enables the ITO to quickly develop solutions that lead to service enhancements. This benefits both the ITO's government customers and Saskatchewan citizens and businesses.

- Working with private sector partners on projects that provide effective, efficient and secure IT services to government ministries and agencies, which also serve to generate economic activity in the province.

- Applying Lean methodologies to ITO processes, leading to more cost-effective and efficient IT services throughout Executive Government.

- Taking important steps in establishing enterprise architecture standards to guide the development and operation of all IT systems, including the development of a Common Computing Environment (CCE) that is improving the effectiveness and efficiency of Government of Saskatchewan IT operations. Enterprise architecture standards provide a roadmap of technical standards and policies to ensure IT investments align with business needs. A CCE provides consistent technologies for all government ministries, leading to efficiencies and lower costs.

Ministry Overview

The ITO mandate statement is to bring an enterprise focus to the delivery of information technology services and IT-based business solutions that enable the efficiency and effectiveness of government programs. The Office promotes a culture of customer service, and provides responsive and value-added delivery of ITO services to partner ministries and agencies. The Office engages the expertise, best-practices and innovation of private sector firms in the delivery of its services. The Office ensures the protection and privacy of citizen, business, and government information by implementing state-of-the-art IT security solutions.

This mandate is aimed at constantly improving government IT services in a way that will be even more beneficial to our ministry customers and the people of Saskatchewan. In the reporting year the ITO undertook a variety of initiatives that supports both its mandate and the overall vision and goals set forth by the Government of Saskatchewan.

The ITO manages government's corporate IT agenda and is responsible for the activities that help government meet its IT goals. In 2010-11, the Office helped to further the government's overall vision and goals by employing Lean methodologies to streamline and make its service delivery and procurement processes more cost-efficient. Lean methods are being used world-wide to maximize value for customers, while minimizing waste. Adopting Lean methods has enabled the ITO to supply IT services to customer organizations more quickly and effectively, as well as reduce the time commitment and costs for private sector vendors who contract their services through the ITO.

The ITO also continued to improve its relations and communications with its government customer ministries and agencies, largely through its Customer Services Branch. A key factor in improving customer relations was the development of a new tool for measuring customer satisfaction on an ongoing basis.

It is also important to ensure that IT service delivery is measured and that accountability practices, processes and IT standards are in place. In the reporting year the ITO began taking more of an enterprise view of government IT services. This work will help increase accountability for IT projects; ensuring decisions are focused on business needs, not technology.

The ITO currently provides IT services to over 12,000 Government of Saskatchewan employees in 31 ministries and agencies. All ITO government customers receive a wide array of services from the ITO, including IT infrastructure services, data security, help desk services, IT application support and development, project management expertise, and procurement of hardware and software.

As of March 31, 2011, the ITO had 283.2 full-time equivalent (FTE) positions based in Regina, Saskatoon, Prince Albert, Swift Current, Meadow Lake, Yorkton, North Battleford, and La Ronge. The budgeted number of FTEs for 2010-11 was 296.3. The variance is due to a number of staff voluntarily choosing to seek employment with the ITO's new private sector data centre partner and retirements. These measures helped the ITO exceed its workforce targets for the year

The ITO operates under the direction of six main branches. Branches include Application Management Services, Chief Technology Office, Corporate Services, Customer Services, Operations, and Supply Chain Management. The four main areas of activity are:

- creating a culture of customer service;
- providing responsive and value-added delivery of ITO services to our customer ministries;
- engaging private sector firms in the delivery of ITO services; and
- enabling the efficiency and effectiveness of government through business solutions.

Progress in 2010-2011

This section of the report presents the ITO's key results, activities, accomplishments and outcomes in 2010-11. During the reporting year the ITO was able to achieve significant progress on the majority of the strategies and actions included in its Plan for 2010-11. As well, substantial work was undertaken to address all the performance measures outlined in the Plan for 2010-11, with the exception of one. Competing priorities resulted in only preliminary work being done in implementing measures to reduce overall paper consumption and printing costs across government. However, that performance measure remains valid and will be addressed in the future.

The information in this report has been organized around the most significant achievements that support government direction, along with progress made on the ITO's Plan for 2010-11. The ITO presented a new Plan with the budget for 2011-12 that is consistent with its ongoing efforts to support its mandate statement and the government's overall vision. The ITO will report on the strategies, activities and performance measures of that plan in its Annual Report for 2011-12.

Further information on the ITO Plans for both 2010-11 and 2011-12 is available on the ITO website at **www.ito.gov.sk.ca**.

The ITO supports the Government's goals of Growth, Security and Promises, however, the Ministry predominantly aligns with the Government's goal to Keep Government's Promises and fulfill the commitments of the election, while operating with integrity, transparency and accountability to the people of Saskatchewan.

Create a culture of customer service

Results:

- Implemented a customer service model to strengthen customer relations and provide better service that includes a Customer Services Branch dedicated to overseeing all aspects of service delivery to customer ministries and agencies. The Customer Service Executives and Managers of the branch liaise with customers on a daily basis to ensure their needs are being met and to resolve any disputes that may arise. This branch is the first point of contact for customers in the areas of application development and project management that lead to the creation of business solutions. The change to a customer service excellence model of delivery has vastly improved the ITO's capability to help government organizations provide quality programs and services to private businesses and the people of Saskatchewan.
- Explored options and solutions to enable customers to have more choices in managing their own computers by implementing self-service functions. All customer employees currently have access to a self-help function that enables them to manage their computer passwords. It was determined that options explored in the reporting year for further self-service functions were not cost-effective. However, this action remains a priority for the ITO and it will continue to investigate solutions that can potentially be rolled-out in the new fiscal year.
- Introduced a new customer satisfaction measuring tool that assesses customer satisfaction with ITO services and identifies areas for improvement on an ongoing basis. Known as a Conditions of Satisfaction Card (COSCard), customer ministries complete and provide the ITO with a detailed satisfaction survey on each IT project where they utilize ITO services. This continuous measurement provides a better overall picture of how the ITO is performing and allows it to quickly respond to problems and implement service improvements. Data gathered from the COSCards during the reporting year indicates an increase in customer satisfaction of approximately 20 per cent. Customer satisfaction levels

Progress in 2010-2011

increased from a base metric of 6.1 on a scale of zero-to-ten in 2009-10 to 7.3 in 2010-11.

- Managed and enhanced the Government of Saskatchewan central web portal, working with the government's private sector web partner and ministries across government to add new information and services as needed, ensuring the portal met the needs of internal stakeholders and the public. In addition, ITO staff coordinated the response to over 3,000 public requests received through the portal for government information or services. At the end of the reporting year responsibility for content management and enhancement of the central web portal was transferred to Executive Council.
- Developed and launched a new and improved on-line version of the ITO Service Catalogue, which lists all the services and products available to ITO customers. Available on the ITO Customer Service intranet site (**http://itonet.gov.sk.ca**), the new catalogue was developed as a direct result of customer feedback. The new version contains easy-to-understand descriptions of each service bundle and the options available for each, along with links to fact sheets that contain technical specifications, pricing and other information customers require when ordering services. The catalogue has greatly simplified the job of ordering products and services, and is another step in providing service excellence at all times to customer ministries and agencies.
- Undertook the most significant customer-focused, employee development program in the ITO's brief history as a government organization. The *Service Excellence Development Program* is designed to create a culture of customer service among ITO employees where service excellence is valued just as much as technical knowledge. All ITO employees are receiving training that will enhance their customer relation skills and effectiveness as IT professionals. Employees receive three days of intensive, interactive training focused on instilling in them the kind of attitudes, behaviours and mindsets that will enable them to provide the best service possible to internal and external customers. Training for all staff will be completed in the new fiscal year, with planning underway to reinforce the ideals of the program going forward.
- Developed and introduced a new service Memorandum of Understanding (MOU) that serves as the "contract" between the ITO and its customers. These MOUs clearly outline the services the ITO provides and the service expectations of its customers. The MOUs replace the Service Level Agreements (SLAs) that have guided service delivery to ITO customers in the past. The MOUs contain several advantages over the former SLAs, including:
  - more focused on customer concerns and needs;
  - more concise and easier for customers to understand – they are focused on the services provided, not on internal ITO processes; and they are
  - more flexible and easier to update – appendices can easily be adjusted according to changing customer requirements, without impacting the base MOU.
- All customers have been given the base MOU and are working with ITO Customer Service representatives to negotiate the details of their individual needs and requirements. All customer MOUs are being targeted for completion and signing early in the new fiscal year.
- Supported the Business Analysis Centre of Excellence (BACE) with resources to assist in training members in business case development. Made up of IT business analysts from across Executive Government, the BACE provides a mechanism for government ministries to identify and analyze their business requirements from an IT perspective. As a group, the BACE

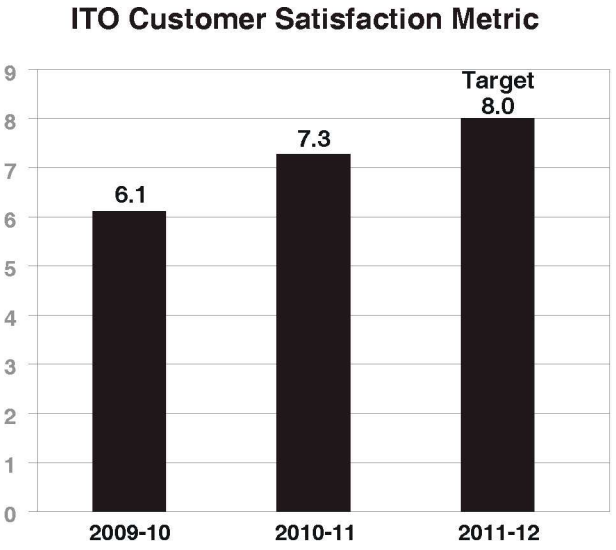
Progress in 2010-2011

identifies and escalates business needs and opportunities for enterprise-wide IT projects when appropriate. It also provides a forum for professional development, peer review and sharing of knowledge both within the Government of Saskatchewan and with external professional organizations, such as the International Institute of Business Analysts. The ITO will continue to support the Centre in the future.

- Supplied reliable and responsive help desk assistance to customer ministry staff, responding to more than 97,000 requests for service. The ITO Service Desk is the first point of contact for all break-fix hardware and software issues for more than 12,000 employees government-wide.
- Managed work of the Saskatchewan Geospatial Imagery Collaborative and its now 30 organization partners (provincial, municipal, federal, Crown, First Nations, industry, universities, and non-profit organizations). The main goal is to implement a multi-year plan to acquire provincial satellite imagery and aerial photography. Approximately 85 per cent of provincial imagery has been acquired, with completion expected by 2011-2012. A new on-line system has been developed for all partners and the public to access the imagery from a common repository at **www.flysask.ca**. The project is assisting companies working in the petroleum, mining, agriculture and other sectors, helping to generate activity and economic growth in those sectors.
- Represented the province on the Canadian Council on Geomatics and built collaboration between other jurisdictions in matters of geomatics – surveying, mapping and remote sensing. This group has sponsored the development of a national spatial data infrastructure (**www.geobase.ca**), whereby Saskatchewan provides its maintained road network database and other data to create seamless national coverage. These map layers are used extensively by Canadians from all jurisdictions, as well as international users with an interest in Canada for projects ranging from municipal planning to locating and establishing new businesses.
- Managed the government's E-Learning portal that is available to more than 12,000 Executive Government employees on the ITO Customer intranet site at **http://itonet.gov.sk.ca**. The portal offers on-line training for a variety of software products that government staff must use in their everyday work and dealings with public clients. The training is a value-added part of the enterprise software licensing agreement negotiated and administered by the ITO, and is provided at no additional cost to customer ministries and agencies.

Measurement Results:

Customer Satisfaction



(Source: ITO Internal Data)

This measurement specifically relates to how customer service is perceived by the ministries and agencies the ITO serves, and measures the ITO's success in responding to issues and creating a culture of customer service excellence. The ITO implemented a new satisfaction survey process in 2010-11, known

Progress in 2010-2011

as a Conditions of Satisfaction Card (COSCard). Under the COScard system, customers gauge their satisfaction with services provided by the ITO using a wide-variety of criteria, including communications, collaboration, resources, execution and deliverables. COScards are completed by customers for every project undertaken by the ITO, enabling the ITO to quickly respond to problems identified and take measures to improve service. Customers were surveyed in 2009-10 to determine a baseline of customer satisfaction, which remains valid for future reporting years. Following implementation of the COSCard survey tool in the reporting year, the ITO was able to achieve an increase in customer satisfaction of approximately 20 per cent.

Service Requests

ITO Yearly Service Desk Requests

Type of Request	*Number of Requests 2009-10*	*Number of Requests 2010-11*
New hardware, software, e-mail accounts, network access, etc.	35,687	27,862
Troubleshooting (malfunctioning hardware, software, etc.)	67,075	60,681
Inquiries (how-to questions)	9,988	9,036
Total of all requests	**112,750**	**97,579**

[Source: ITO Internal Data]

The table outlines the volume and kinds of service requests the ITO Service Desk received from all its ministry and agency customers during the 2009-10 and 2010-11 fiscal years. The total number of service requests declined by more than 15,000 from 2009-10, partially due to a drop of more than 9.5 per cent in the number of troubleshooting calls. The drop can be attributed to a variety of factors, including better infrastructure and better communication with front-line computer users. This measurement demonstrates the ITO's efforts to improve services and infrastructure, while effectively and efficiently handling a large volume of requests from front-line government computer users.

Protect the security and privacy of data entrusted to government's care

Results:

- Maintained and operated an extensive system of security-related IT infrastructure to protect government systems from increasing world-wide attacks on computer systems. According to the *Symantec Internet Security Threat Report*, over three billion malware (malicious software) attacks were reported world-wide in 2010. And, the average number of daily web-based attacks increased by 93 per cent in 2010. Despite this ever-increasing threat, for the sixth year in a row there was no significant down-time as the result of intrusions or attacks on the ITO network.
- Validated a comprehensive Business Continuity Plan that enables the ITO to respond in a proactive manner in the event of disaster or extended disruption of the IT services it supplies to Executive Government organizations. The plan is focused on the protection of people and preservation of property and the environment. An essential aspect of business operations, the plan will assist in restoring critical government IT services that impact the lives of people or the province's economy as quickly as possible following an incident. An initial mock-disaster test and several power-outage tests were held during the reporting year, which identified gaps and improvements for communication procedures. Testing of the plan's various components will continue to be conducted periodically and the plan strengthened to ensure it takes into account the business needs of the ITO's customer organizations.

Progress in 2010-2011

- Began the process of creating a security architecture, or blueprint that sets standards for privacy and security of data across Executive Government organizations. Working with a private sector partner, appropriate measures will be designed to guide all aspects of IT security, including procedures and practices, technical specifications, security project implementation rules, and security awareness provisions.
- Contracted with two private sector firms that employ industry best-practices and independently audited controls for security to operate and maintain two data centres for the ITO. One of the firms has also assumed responsibility for operating and maintaining ITO networks. The firms employ industry best-practice Section 5970 of the Canadian Institute of Chartered Accountants security controls. Due to their expertise and access to greater resources, this is a higher standard of security than the ITO could employ independently. This is resulting in much improved security and privacy of data.
- Cooperated with the Provincial Auditor's Office in conducting a fifth annual audit of the ITO's data centre and security processes. The Auditor concluded that the ITO has adequate rules and procedures in place to safeguard public resources and made recommendations aimed at further improving security procedures. The ITO has made significant progress in addressing the Auditor's concerns, including disaster recovery capabilities and establishing minimum security standards for customers. The ITO will continue to work with the Auditor's Office to further strengthen ITO security procedures in the coming fiscal year.
- Began working with the Provincial Auditor's Office on improving the ITO's security reporting to customers. When completed, the style of security reports provided to customers will be changed to a "service audit" which provides more complete and meaningful information. That information can be used to guide improvements to security procedures and practices.
- Operated and maintained firewalls and other security infrastructure to protect the ITO network from viruses and reduce the incidents of government staff receiving spam e-mails. During the reporting year, more than 100 million external, Internet-based e-mails were directed toward the network, with more than 40 per cent rejected as viruses, spam or other attacks.
- Approved and communicated to ministries and agencies six security policies. An additional 10 will be completed and communicated during the new fiscal year. As well, new internal security standards and five technical security specifications were communicated to customer ministries.
- Helped organize, coordinate and publicize a government-wide Privacy and Security Awareness Month. A series of training and awareness activities related to access to records, privacy, records management, and information security were made available to all government employees. The ITO will participate in even more security awareness activities in the new fiscal year, including a planned Security Expo.

Measurement Results:

Government E-mail Traffic

Approximate Daily (average) Internet-based E-mail Traffic on ITO Networks

Request	***Total***
Rejected (sent from known spam site, etc.)	110,000
Blocked (virus or spam)	2,000
Allowed	165,000
Daily Average Total	**277,000**

** In addition to Internet-based e-mail traffic, the ITO network handles approximately 275,000 e-mails a day that are sent by government employees, plus voice traffic on its Voice over Internet Protocol system.*

[Source: ITO Internal Data]

Progress in 2010-2011

The table details the number of e-mails the ITO network received and processed on a daily basis from outside sources during 2010-11. Over 40 per cent of e-mails received during the year were rejected as spam or contained viruses or other intentional 'attacks' on the network. The number of daily attacks on the network varies widely, depending on factors such as the introduction of new viruses and malware around the globe. Despite a volume of more than 100 million e-mails received during the fiscal year, the ITO network experienced zero per cent of down-time as a result of Internet-based e-mail attacks. This measurement demonstrates the effectiveness of the IT security infrastructure the ITO has put in place to protect government computer systems and the information entrusted to government.

Provide world-class IT operations and service delivery

Results:

- Established an Enterprise Architecture (EA) Office for Executive Government. The EA office took a variety of steps during the reporting year to standardize the government's approach to technology and information management, which will help ensure IT investments align with government ministry business needs. Steps taken include:
  - selecting architecture and development methodologies for translating business requirements from customer ministries into working business solutions;
  - establishing enterprise information technology standards and guidelines to assist project teams and solution architects with the specification of suitable technologies for the government's IT environment; and
  - defining architectural building blocks (ABBs) for a number of IT components to promote the reuse of technology within the enterprise, with many more ABBs to be created in the new fiscal year.
- Reduced costs and aligned project management practices to better fit the needs of customer ministries' by streamlining processes and associated paper work. Large numbers of Statements of Work (SOWs) were replaced with three standard templates that save time while clearly spelling out project requirements such as scope, deliverables and timelines. A Letter of Authorization (LOA) was introduced that allows the ITO to quickly engage with the business community and to better understand the business needs associated with customer projects. In addition, risk assessments are now undertaken and ongoing project reviews were implemented to ensure the business requirements of customers are being met as initiatives proceed. Project costing was also reviewed, resulting in the costs the ITO charges for project management being lowered to industry standard best-practices. This initiative has not only significantly reduced costs, but made it possible for the ITO to commit more project managers to oversee projects, giving the business community more confidence in the ITO's project management capabilities.

  (Minister's 2010 Mandate Letter)
- Introduced a new funding model and invoicing system that is more transparent, more accountable, less work-intensive and less costly to administer. For example, the size of a typical monthly invoice has been reduced by more than 94 per cent, from more than 500 pages to fewer than 30 pages. The new invoicing system efficiencies were achieved as the result of an overall revamp of the ITO's funding model. Under this new model the ITO no longer charges customers for core services such as application support or management work related to inventory, procurement, software licensing, asset disposal and Request for Proposal (RFP) development. The new system has resulted in far fewer customer disputes and made the ITO's cost-

Progress in 2010-2011

recovery funding model more efficient and effective.

(Minister's 2010 Mandate Letter)

- Reached an initial agreement for the ITO to provide IT services to Ministry of Health staff. Work was started on transitioning Health IT services to the ITO, but the initiative is on hold while the ministry re-evaluates its IT needs and requirements.
- Established a Common Computing Environment (CCE) that has become the preferred hosting environment for all Executive Government business applications. Applications being deployed into the CCE benefit from improved performance and availability, and lower operational and support costs. Physical infrastructure components (servers, storage) are shared between business applications using virtualization technologies. This has resulted in better utilization of computing assets, which leads to higher efficiencies and corresponding lower costs to ITO customers.
- Began developing a consolidated portfolio of all the applications used by government ministries and agencies. The application list is a major component of application portfolio rationalization, business continuance planning, and high risk applications assessment activities that are planned for the new fiscal year. Focusing on the elimination of low-value business applications, consolidation of similar applications, and improvements to poor performing or at-risk applications, will lead to significant cost reductions and an improved end user experience for ministry customers.
- Increased accountability to customer ministries on IT projects and day-to-day service by establishing tighter cost controls throughout the ITO. Line budgets were established for every ITO business unit, ensuring fiscal accountability resides with each line manager. In addition, cost control mechanisms were put in place that requires all IT operations expenditures over $10,000 to be approved by the ITO executive management team.
- Established a new Application Management Services branch within the ITO that better fits the business needs of customer ministries and agencies. This branch is responsible for supporting, maintaining and enhancing the application programs that government customers need to supply quality programs and services to their stakeholders. Four groups within the branch work with specific ministry customers to address their business requirements. The branch also includes shared database and other technical resources, and utilizes industry best-practices and standards to provide creative IT solutions to customers. The transformation of application services is an ongoing process. When fully implemented, the new system will be defined by a culture of customer service excellence that is proactive and responsive to customer needs.
- Continued to manage and mature the government's enterprise IT Governance Framework, by implementing changes to the Information Management Advisory Council's (IMAC) governance structure, and improving the accountability and authority of the Council. The IMAC is a select group of Deputy Ministers and Assistant Deputy Ministers appointed to review major IT initiatives from a government enterprise-wide perspective. During the reporting year the IMAC reviewed and approved six major IT projects through the annual *Call for IT Initiatives* process, which were approved for funding by Treasury Board to proceed.

  (Minister's 2010 Mandate Letter)
- Developed and published the first IMAC Annual Report, outlining the performance and health of all IT projects in the major IT project portfolio. This served to increase transparency and accountability for major IT project performance across Executive Government ministries.
- Improved major IT project performance transparency by moving to quarterly reporting for major IT projects. These

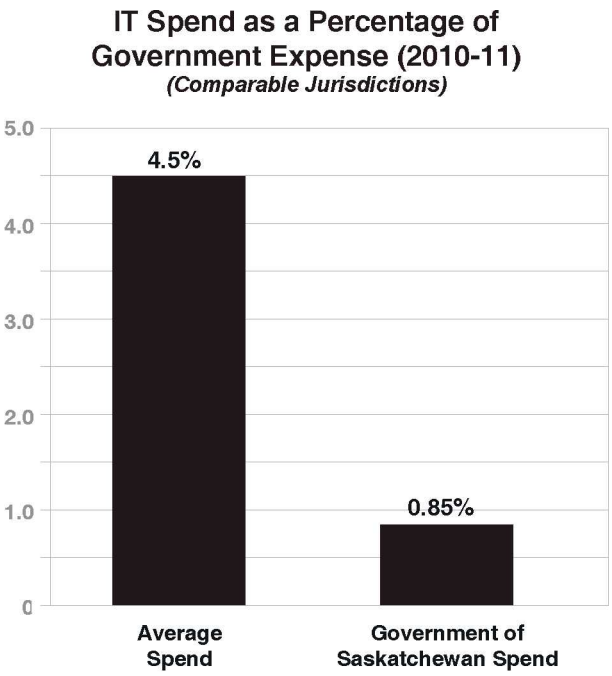
Progress in 2010-2011

reports provide detailed information on projects currently underway, ensuring projects remain on-time and on-course.

- Assisted the Ministry of Justice in redeveloping the Guardian Rewrite and the Coroner's Database projects, which were previously approved by IMAC, but have yet to receive funding. The revamped projects make a stronger business case for the initiatives to proceed in the future.

Measurement Results:

IT Spend as a Percentage of Government Expenses



(Source: Gartner, Inc. "IT Key Metrics Data 2010: Key Industry Measures: Government Analysis")

This measure is widely used in government organizations to help understand the relative amount of IT spend compared to other governments. IT spend includes all monies spent on IT infrastructure and applications that support government ministries' and their respective programs.

Saskatchewan continues to have a relatively low level of IT spend when compared to other jurisdictions. Gartner Inc., a world leading IT research and advisory company, indicates governments of a comparable size to Saskatchewan have an average IT spend of 4.5 per cent of their total operational expenses. Saskatchewan's IT spend is significantly less compared to these other jurisdictions. Saskatchewan's overall IT spend percentage increased slightly, from 0.75 per cent in fiscal year 2009-10 to 0.85 per cent in this reporting year.

Obtaining support for the re-investment of the IT cost savings achieved through operational improvement initiatives remains a challenge. Re-investment of IT cost savings is critical for the implementation of new technologies that will enhance IT services being delivered to the ministries.

Work in partnership with the IT sector to provide reliable and innovative IT service

Results:

- Leveraged the innovation and expertise of a wide variety of private sector firms to deliver quality IT services that enabled customer ministries to provide programs and services to citizens and businesses. These contracts with private sector companies also helped to generate activity and create employment in Saskatchewan's private IT industry. A prominent example of this kind of public-private sector partnership is the development of a new Criminal Justice Information Management System (CJIMS) that the Justice and Corrections systems require to manage increasingly large caseloads. The ITO's involvement and work with the private sector on this project has resulted in significant savings in the overall cost of the initiative. This is just one example of how public-private sector agreements are benefiting government as a whole. Other major examples of initiatives

Progress in 2010-2011

where the innovation of private sector firms is being leveraged include:

- redevelopment of the oil and gas (PRIME) system that the Ministry of Energy and Resources uses to provide its stakeholders with on-line access to data and files;
- creation of a new system (LINKIN) for the Ministry of Social Services to better track its income assistance and disability clients; and
- implementation and customization of a Results-Based Regulatory (RBR) Information Management application that the Ministry of Environment is pursuing in the transformation of its approach to environmental management.

(Minister's 2010 Mandate Letter)

- Contracted with two private sector suppliers to operate and maintain two data centres for the ITO. The initiative will result in upgrading of aging and disparate infrastructure and include implementation of a second data centre that would ensure disaster recovery capabilities. Disaster recovery capabilities are a recommendation that has been made by the Provincial Auditor and a requirement for government mission-critical applications. A private sector partner has taken over operation and maintenance of the ITO's main data centre, while negotiations with a second private sector partner for operation of a second data centre will be completed in the new fiscal year.

  (Minister's 2010 Mandate Letter)

- Contracted with a private sector supplier to operate and maintain ITO networks, which is the core infrastructure for all government data and voice traffic. The agreement is resulting in upgrades to outdated equipment, faster speeds, more reliable service, and an increased ability to be proactive when outages occur. Since the transition took place there have been no government-wide service outages.

  (Minister's 2010 Mandate Letter)

- Implemented an IT sourcing strategy that increases the government's ability to leverage private sector innovation and expertise, in order to improve the delivery of ITO services to its customers and strengthen the private IT sector in Saskatchewan. A key part of the strategy is a "master resource agreement" which contains a list of more than 30 companies that have been screened and pre-approved to do contract work for the ITO and its government ministry customers. The system makes it easier and less time consuming for the ITO to access private sector resources when required and is less costly for private IT firms bidding for contract work with the government.
- Contracted with a private sector supplier to warehouse computer and related IT equipment prior to distribution to ITO customers. This has resulted in a more efficient method of deploying and refreshing desktop computer hardware, as well as providing cost savings to government.
- Worked with a private sector supplier to implement a Contract Management System (CMS) that provides a standardized approach to the creation and management of IT contracts the ITO enters into with private sector firms. By streamlining the creation and workflow involved in contract management, the new system saves time and is less costly to operate than the former system. It also generates statistical reports, allowing ongoing tracking through the lifecycle of all contracts. The CMS will be further improved and customized in the new fiscal year, leading to even greater efficiencies.
- Engaged and encouraged Saskatchewan youth to consider a career in the IT industry in the public or private sectors. With declining enrolments in IT-related disciplines in post-secondary institutions, a shortage of skilled workers available to both the public and private IT sector is a growing problem across North America. The ITO is helping to alleviate the worker shortage, by:
  - participating in a variety of student career fairs around the province that

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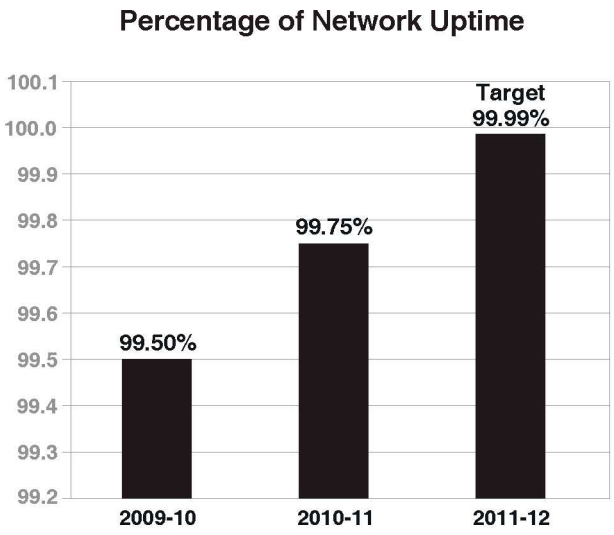
were attended by more than 12,000 Saskatchewan students and youth;

- sponsoring youth programs and activities, such as a $10,000 sponsorship to the University of Regina's Paul J. Hill School of Business team that participated in the annual Jeux du Commerce (JDC) Western student competition, and a $5,000 sponsorship to the Lieutenant Governor's Leadership Forum; and
- participating on the Saskatchewan Institute of Applied Science and Technology (SIAST) Business Information Systems Program Advisory Committee.

Measurement Results:

Network Up-Time



(Source: ITO Internal Data)

The chart outlines the percentage of time the ITO network was available to customers during normal business hours. Ensuring networks are available on a consistent basis impacts the ability of ITO customer ministries and agencies to provide efficient and effective programs and services to citizens and businesses. Network up-time also has major cost implications for government. A significant disruption of ITO services costs government upwards of $2.4 million a day in lost productivity. Since network operations were contracted to a private sector partner in the 2010-11 reporting year, there have been fewer service disruptions and no government-wide outages. This is a clear indication of the success of leveraging private sector expertise to help provide efficient IT services to ITO customers.

Improve the effectiveness and efficiency of the Ministry's programs and services to ensure that technology is an enabler of government programs and services

Results:

- Implemented an ongoing management practice of assessment and continuous improvement by adopting Lean methodologies to evaluate the effectiveness and efficiency of ITO operations. Lean is a management style utilized by private and public sector organizations around the globe that seeks to eliminate waste and increase value for customers. Lean practices were applied in the reporting year to the ITO's help desk, client request processes and technology procurement processes, leading to time and cost savings in all areas. These Lean initiatives are reported on in greater detail elsewhere in this report. More Lean initiatives are planned for the new fiscal year, including further improvements in the area of help desk services.
- Conducted preliminary work on the key action of assessing the government's print environment, in order to achieve cost savings and reduce the environmental impact of printing. A project was initiated to issue an RFP to enter into agreements with the private sector to undertake a multi-year project that will achieve the desired outcomes of the initiative. This goal remains a priority for the ITO and government as a whole. It will be included as a performance measure in the ITO Plan for 2011-12.
- Introduced Lean principles to technology procurement processes. This action has

Progress in 2010-2011

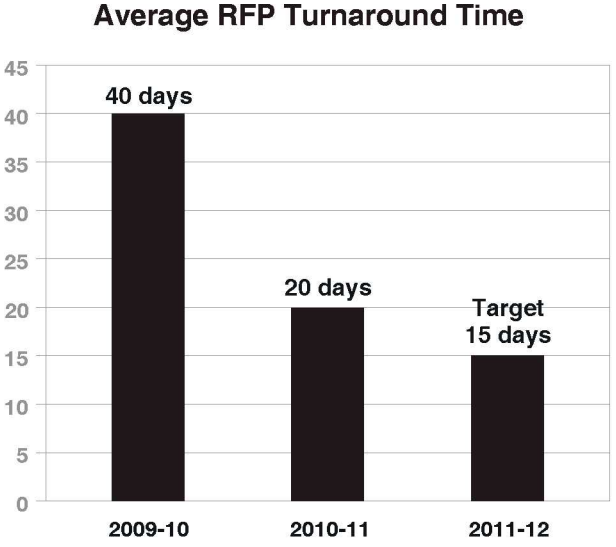
eliminated "red tape" making the IT procurement process more cost-effective for both government and the private sector, while enhancing industry bidding opportunities. The time it takes to complete the RFP process has been reduced by 50 per cent.

(Minister's 2010 Mandate Letter)

- Employed Lean methodologies to improve and simplify the processes used for fulfilling IT service and application change requests submitted by customers. As a result, request forms for some services no longer have to be submitted and can be provided by the customer simply calling the ITO Service Desk. Other improvements remain in development, including combining service and change request forms into one easy-to-use form.
- Applied Lean principles to customer requests for non-standard new services and applications not included in the ITO's Service Catalogue. Quick-wins of a 10 per cent reduction in errors and a 10 per cent reduction in the time it takes to handle non-standard requests were achieved. After further review it was determined that non-standard customer requests could be more efficiently and effectively handled by implementing the best-practices of other jurisdictions and organizations. As a result, non-standard requests are now handled by the new Application Management Services branch and other areas of the ITO's operations that can better address our customers' business needs.
- Chaired and led a Citizen-Centred Service (CCS) Deputy Minister Committee initiative that developed a vision and business case for Saskatchewan Citizen-Centred Service Delivery within Executive Government. As part of its work, the committee identified citizen needs, reviewed experiences in other jurisdictions and explored citizen service delivery alternatives for Saskatchewan. CCS is about ensuring that the citizens of the province are receiving the quality of service they need, when they need it and in the manner they want it. The committee will continue to deliberate and advancement of this initiative will continue into the new fiscal year.

Measurement Results:

Request for Proposal (RFP) Turnaround Time



(Source: ITO Internal Data)

This measure shows the success of the ITO's actions to reduce the time it takes to process and evaluate the RFPs submitted by private vendors when bidding on government IT contracts. Reducing administrative roadblocks in the RFP process reduces the time it takes the ITO to obtain necessary resources or to start projects that support customer ministries' business objectives. For the private sector, it reduces their costs and time commitments, and allows them to better plan to meet the government's needs.

Using Lean processes, the ITO exceeded its target of a 10 day reduction in the average turnaround time to complete the RFP process. Turnaround time has been reduced from 40 days to 20 days. Further steps will be taken in the new fiscal year to reduce RFP turnaround time by a further five days.

Progress in 2010-2011

Paper Consumption and Printing Costs

Targets upon government-wide implementation:
TBD

While only preliminary work was done on this performance measure in 2010-11, the measure and its results remain a priority for the ITO and government going into the future.

Action will be taken in the new fiscal year to achieve the goals of cost savings, improved service, and reducing the environmental impact of printing across government ministries and agencies. A Request for Qualifications (RFQ) is currently in development, seeking a private sector partner to develop and implement a print strategy that will include targets for reduced costs and paper consumption.

2010-2011 Financial Overview

The ITO's 2010-11 expense budget was $16.472 million.

The recovery of amortization is treated as a statutory adjustment and reduced the ITO's actual appropriation. The appropriation was $18.348 million and ITO expended $18.252 million which was $92,000 less than the appropriation. Total 2010-11 expenses were $16.796 million, which is $324,000 above the $16.472 million expense target.

The significant variances are explained in the following pages, but the variance is mainly due to financial recording of expenses and capital. A major multi-year project budget was given as capital but the preliminary stage of the project incurred operating expenses, total expenses did not exceed the budget.

The ITO recovered revenues (expenses) of $266,627 related to prior year's expense refunds, $3,235 related to gain on other miscellaneous transactions, and $8,800 in casual revenues were recorded. Costs ($1,939,659) related to providing IT services to external government agencies (Saskatchewan Grain Car Corporation, Saskatchewan Municipal Board, Saskatchewan Housing Corporation, Saskatchewan Apprenticeship and Trade Certification Commission, Saskatchewan Legal Aid Commission, and the Public Guardian and Trustee of Saskatchewan) were offset by an equivalent recovery from the external government agencies.

The ITO budget included 296.3 full-time equivalent (FTE) positions.

2010-2011 Financial Overview

Expenditures

The following table outlines information on actual and budgeted expenditures by subvote and subprogram. Variance explanations are provided for all variances that are greater than $50,000.

	(in thousands of dollars)				
Program	**2009-10 Actual**	**2010-11 Estimates** [1]	**2010-11 Actual**	**2010-11 Variance**	
Central Management and Services					
Executive Management	816	852	927	75	[2]
Central Services	1,047	1,013	1,593	580	[3]
Accommodation Services	210	208	338	130	[4]
Minister's Salary (Statutory)	–	–	40	40	
Subvote Total	**2,073**	**2,073**	**2,898**	**825**	
IT Coordination and Transformation Initiatives					
Information Technology Coordination	2,769	4,257	3,785	(472)	[5]
Office of Geomatics Coordination	150	120	110	(10)	
Information Technology Transformation	988	311	466	155	[6]
Service Transformation	709	600	332	(268)	[7]
Subvote Total	**4,616**	**5,288**	**4,693**	**(595)**	
Application Administration and Support					
Applications Support	–	**6,405**	**7,091**	**686**	[8]
Supply Chain Management	–	**2,332**	**1,996**	**(336)**	[9]
Subvote Total		**8,737**	**9,087**	**350**	
Major Capital Asset Acquisitions	**649**	**2,250**	**1,574**	**(676)**	[10]
Total Appropriation	**7,338**	**18,348**	**18,252**	**(96)**	[11]
Capital Acquisitions	649	(2,250)	(1,574)	(676)	[12]
Amortization – Office and IT		748	118	(630)	[13]
Amortization – Allocated	0	(374)	0	374	[14]
Total Expense	**6,689**	**16,472**	**16,796**	**324**	

Explanations for major variances:

(1) 2010-11 Estimates as tabled with the Provincial Budget.

(2) The increased costs are related to salary pressures.

(3) The increased costs are related to IT Services. Budget dollars were given as capital but the preliminary project phase is an operating expense.

(4) The increased costs are related to improvements made to ITO office buildings that were under the capitalization threshold.

(5) Program savings used to offset increased costs in other areas of the ITO.

(6) The increased costs relate to IT projects.

(7) The decreased costs are related to project costs that are reflected in the IT Transformation subprogram.

(8) The increased costs are related to increased support needed for numerous out-dated applications.

(9) The decreased costs are used to offset pressures in Applications Support.

(10) (12) The decreased costs are related to the preliminary stage of the CJIMS project which was an operating expense instead of a capital expense.

(11) $5,386 of amortization has been removed from the 2010-11 actual appropriation and is not included in the final appropriation total.

(13)(14) Variance is due to projects not being completed in the fiscal year so assets could not be amortized.

Net Zero IT Operations

Under its mandate to provide IT services to Executive Government ministries and agencies, the ITO charges its customers for services on a cost-recovery, break-even basis. The ITO does not receive any funding in its core budget to provide those services. The following table outlines the cost-recovery financials for the IT services provided to ministries and agencies.

	(in thousands of dollars)				
Program	**2009-10 Actual**	**2010-11 Estimates** (1)	**2010-11 Actual**	**2010-11 Variance**	
Inter-ministerial Services Expense	5,144	0	**306**	**306**	(1)
Appropriation	5,144	0	(176)	(176)	

(1) The ITO under-recovered by $306,000 due to capitalization of projects and the accounting related to capital cost recovery. The appropriation variance was $176,000.

For More Information

If you have any questions or comments, or would like additional copies of the 2010-11 ITO Annual Report, we invite you to call (306) 787-8880 or contact:

Information Technology Office
Corporate Services Branch
8th Floor, 2101 Scarth Street
Regina, Saskatchewan
S4P 2H9

Or, send us an e-mail through the ITO website at **www.ito.gov.sk.ca**.

Appendix A: ITO Service Delivery Customers

As the major supplier of IT services to Executive Government, the ITO supplies a full-spectrum of services to 31 Executive Government ministries and agencies.

Ministries (20)

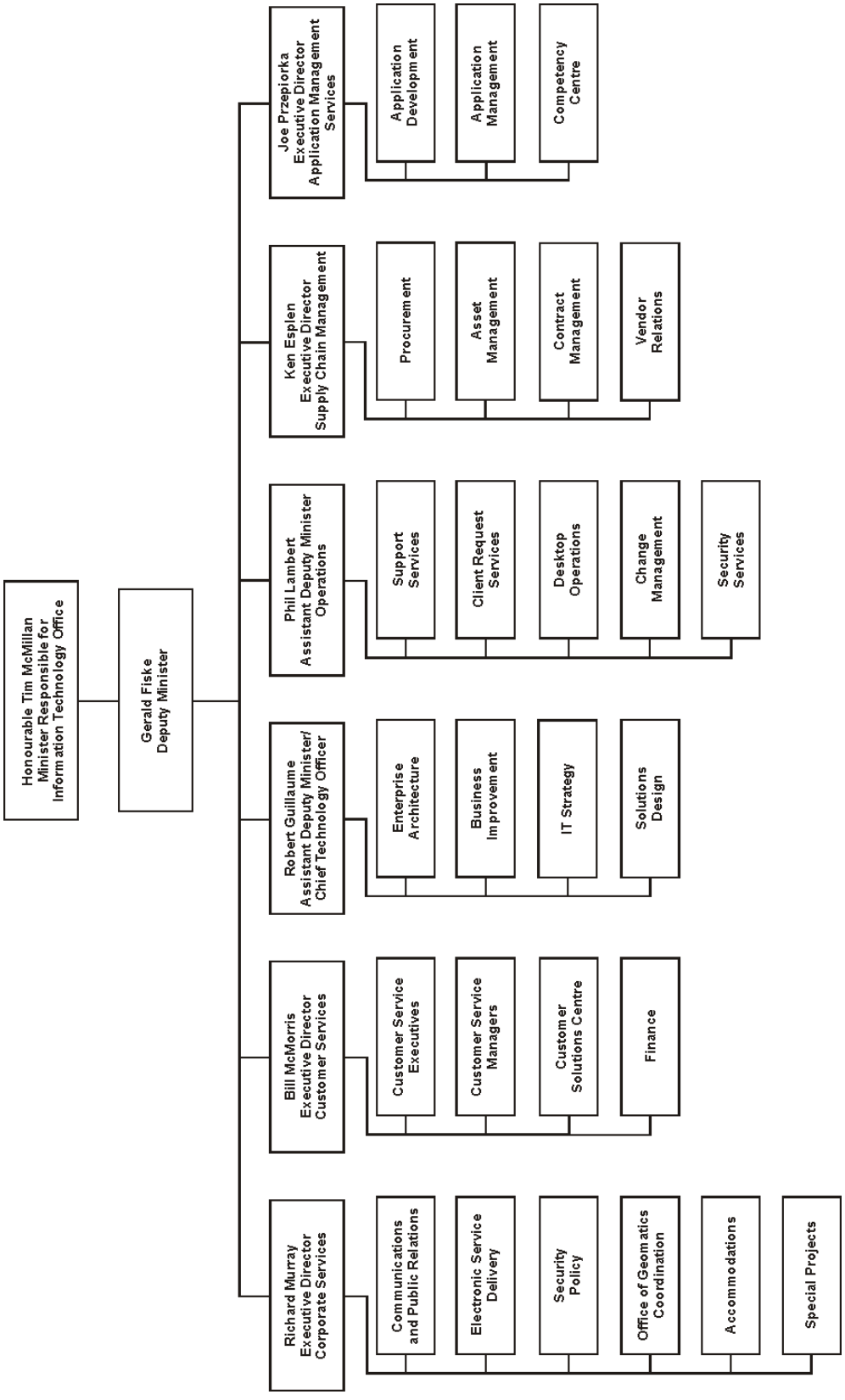
Advanced Education, Employment and Immigration
Agriculture
Corrections, Public Safety and Policing
Education
Energy and Resources
Environment
Executive Council
Finance
First Nations and Métis Relations
Government Services
Health
Highways and Infrastructure
Information Technology Office
Justice and Attorney General
Labour Relations and Workplace Safety
Municipal Affairs
Office of the Provincial Secretary
Public Service Commission (PSC)
Social Services
Tourism, Parks, Culture and Sport

Agencies (11)

Enterprise Saskatchewan
Global Transportation Hub Authority
Office of the Provincial Capital Commission
Physician Recruitment Agency of Saskatchewan
Saskatchewan Financial Services Corporation
Saskatchewan Grain Car Corporation
Saskatchewan Municipal Board
Saskatchewan Housing Corporation
Saskatchewan Apprenticeship and Trade Certification Commission
Saskatchewan Legal Aid Commission
Technical Safety Authority

Appendix B: ITO Acts and Regulations

The Minister Responsible for Information Technology Office is responsible for the following acts and regulations:

- *The Economic and Co-operative Development Act, 2006,* Sections 8(c) and 9(1)(h)
- *The Information Technology Office Regulations, 2007*
- *The Canadian Information Processing Society of Saskatchewan Act, 2005*

Appendix C: ITO Organizational Chart