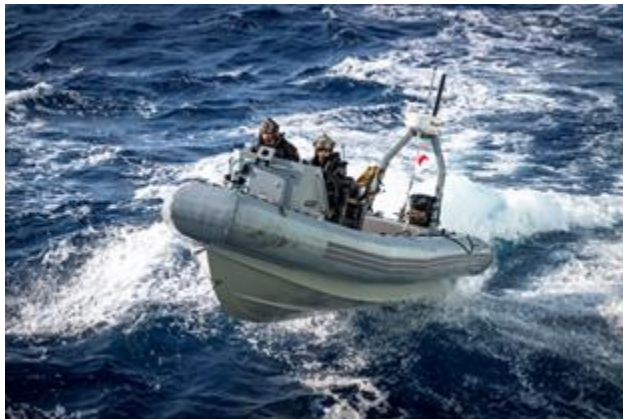**Reviewed by ADM(RS) in accordance with the *Access to Information Act*. Information UNCLASSIFIED.**

Assessment of the Defence Resource Business Modernization Programme

1259-3-0060 ADM(RS)

November 2021

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Acronyms

ADM(DIA)	Assistant Deputy Minister (Data, Innovation and Analytics)
ADM(Fin)/CFO	Assistant Deputy Minister (Finance)/Chief Financial Officer
ADM(HR-Civ)	Assistant Deputy Minister (Human Resources – Civilian)
ADM(IE)	Assistant Deputy Minister (Infrasturcture and Environment)
ADM(IM)	Assistant Deputy Minister (Information Management)
ADM(Mat)	Assistant Deputy Minister (Materiel)
ADM(RS)	Assistant Deputy Minister (Review Services)
ARA	Accountability, Responsibility and Authority
CAF	Canadian Armed Forces
CCSI	Chief of Combat Systems Integration
C Prog	Chief of Programme
DMM	Delivery Management Meeting
DND	Department of National Defence
DRBM	Defence Resource Business Modernization
DRMIS	Defence Resource Management Information System
DRMIS Mod	DRMIS Modernization
DSC	Defence Supply Chain
DSX	Defence Strategic Executive Committee
EMI	Enterprise Modernization Initiative
FP&F	Financial Planning and Forecasting
GC	Government of Canada

HLMR	High-Level Mandatory Requirement
HR	Human Resources
IRMC	Investment and Resource Management Committee
KPI	Key Performance Indicator
L1	Level 1
MAP	Management Action Plan
MI	Materiel Identification
MILPERSCOM	Military Personnel Command
MISL	Modernization and Integration of Sustainment and Logistics
OCI	Office of Collateral Interest
OPI	Office of Primary Interest
PAD	Project Approval Directive
PMB	Programme Management Board
POC	Programme Oversight Committee
PSC	Programme Steering Committee
S/4 HANA	SAP's fourth generation business suite software architecture
SCD	Strategic Context Document
SJS	Strategic Joint Staff
TBS	Treasury Board Secretariat
VCDS	Vice Chief of the Defence Staff

Report Guide

Here are some guidelines for navigating the document.

This document is best viewed on a device such as a laptop, desktop or tablet, as opposed to printing.

This document, if printed, should be done so in colour to maintain the integrity and intent of the graphical components.

This icon indicates a finding made by ADM(RS).

This icon indicates a recommendation made by ADM(RS), for which the Management Action Plans can be found in Annex A.

Executive Summary

Background

The Defence Resource Management Information System (DRMIS), the system of record built in a version of SAP software for activities and transactions within the Department of National Defence (DND), is scheduled for a major software upgrade. This software upgrade will transition the existing software to maintain alignment with the Government of Canada (GC) transformation initiatives and for greater integration between organizational functions, business processes, applications and systems, and data sources throughout the full business cycle in the Department. This transformation will impact all Level 1 (L1) organizations, and its scale of complexity cannot be effectively managed within a single project. Thus, the Defence Resource Business Modernization (DRBM) Programme was established to oversee this multi-year transformation.

DRBM Programme Overview

The goal of the Programme is to establish an integrated, secure and trusted foundation for the future of defence resource management in support of DND/Canadian Armed Forces (CAF) objectives and operations. To accomplish this, the Programme has set out to digitalize and modernize the Defence resource management business, impacting functions which include Finance, Real Property, the Defence Supply Chain, Materiel Management, Equipment Engineering and Maintenance, and consolidated Reporting and Predictive Analytics. The DRBM Programme portfolio currently includes the following key initiatives and projects: DRMIS Modernization (DRMIS Mod) Project; Modernization and Integration of Sustainment and Logistics (MISL) project; Materiel Identification (MI) project; Financial Planning and Forecasting (FP&F) Project and Business Partners. The Programme structure was established in 2019 to ensure enterprise alignment, and effective oversight of multiple interdependent projects and initiatives, supported by a new governance structure.

Engagement Objective and Importance

Given the impact of this transformation on DND/CAF operations, effective oversight and monitoring of this Programme's progress and risks will be critical to its successful implementation. The Programme is a key enabler for the modernization and digitization of Defence's operations, including the implementation of *Strong, Secure, Engaged*. As such, Assistant Deputy Minister (Review Services) (ADM(RS)) conducted the assessment of DRBM during the early stages of the DRBM Programme.

The objective of this assessment was to determine whether governance is in place and whether appropriate business processes, controls and programme management are established and support the achievement of DRBM Programme objectives and planned benefits. Additional information on the assessment and its methodology are included in **Annex D.**

Key Findings

A governance structure has been established, providing a multi-level oversight function of the DRBM Programme; there is an opportunity to clarify the role of the Programme Management Board (PMB) in relation to the programme as it has the potential to provide enterprise-level oversight and support the programme in its request for resources. The lack of a performance measurement process that enables measuring and reporting on the Programme's activities and desired outcomes may impact the oversight effectiveness of the Programme.

While programme activities such as management of interdependencies, change and risk are underway, an overarching programme plan has yet to be developed to demonstrate how activities are effectively being sequenced and undertaken. The Programme Management Team Accountabilities, Responsibilities and Authorities (ARA) have not been formally established and communicated. Further work is required to formalize the intake process which in turn determines the inclusion of projects and initiatives in the programme portfolio. Including relevant projects and initiatives enables their risks and interdependencies to be holistically managed. Finally, current resources may not enable the programme to deliver on its outcomes and benefits.

The Programme has leveraged best practices in developing its Change Management Strategy, and mechanisms are in place to measure and report performance of stakeholder engagement activities. Improvement is required to refine change management with respect to clarity and communication of roles and responsibilities as well as the stakeholder analysis process.

Overall Conclusion

A programme-level governance framework has been developed and continues to evolve, providing oversight and monitoring of the DRBM Programme, with many programme activities underway and progressing. Opportunities exist for the Programme to further define ARAs and establish programme-level management mechanisms that provide visibility on how risks, interdependencies and resources are managed.

Executive Summary – Findings and Recommendations

FINDINGS	RECOMMENDATIONS
Governance and Oversight A departmental governance framework exists to provide oversight and monitoring of the DRBM Programme. Opportunities exist to clarify the roles and authorities of existing governance bodies. **Programme Management** While programme management activities are progressing, Programme team ARAs, resourcing requirements, and interdependency and risk management require improvement.	R1. In consultation with key DRBM Programme stakeholders, enhance programme governance framework by including clearly defined Programme ARAs and a Programme plan. R2. Establish performance management and measurement process which includes key performance indicators (KPI) to measure the achievement of the Programme's outcomes and benefits, and enable the oversight committees to monitor the Programme's progress. R3. Continue to formalize and implement programme-level management mechanisms including the management of risk and interdependencies, and project intake processes. R4. Review and update the staffing strategy, including funding requirements and balance of civilians and military members to ensure that resource level is sufficient and sustainable to support Programme activities.
Change Management A change management strategy has been developed, and stakeholder engagement has been conducted. These key activities should be formalized as the Programme evolves and matures.	N/A

Context

DRBM Programme

The DRBM Programme is a complex and multi-year transformation established to support the migration of DND/CAF's current Enterprise Resource Planning system to SAP's fourth generation business suite software architecture (S/4Hana) Platform. It plays a pivotal role in coordinating and integrating underlying projects and initiatives, on which many key business processes rely, including Finance, Real Property, the Defence Supply Chain, Materiel Management, Equipment Engineering and Maintenance, and consolidated Reporting and Predictive Analytics. Thus the Programme will significantly contribute to the modernization and streamlining of DND and CAF business and operations. The Programme has defined four enterprise-level business outcomes: increased visibility and enablement of readiness; increased business resource management efficiency and consistency; increased trust, transparency and reliability of data; and information and enablement of a modern workforce and workplace, demonstrable through eleven identified benefits.

In addition, the Programme keeps abreast of and actively takes part in the development of other departmental or related GC initiatives and projects such as the SAP Model Company for Canada.[1]

Assistant Deputy Minister (Data, Innovation and Analytics) (ADM(DIA)) as the Programme sponsor and Assistant Deputy Minister (Information Management) (ADM(IM)) as the Programme implementer, are jointly accountable for the management of the DRBM Programme in delivering the enterprise benefits and coordinating organizational changes, in collaboration with the business owners including Vice Chief of the Defence Staff (VCDS), Assistant Deputy Minister (Materiel) (ADM(Mat)), Assistant Deputy Minister (Finance) (ADM(Fin)), Assistant Deputy Minister (Infrastructure and Environment) (ADM(IE)) and Strategic Joint Staff (SJS). A Programme Management Office was established to ensure integration and coordination of various interdependent initiatives and projects which will deliver into the new S/4HANA platform.

DRBM 11 Benefits
- *Holistic, reliable, real-time view of CAF readiness*
- *Improved serviceability of assets*
- *Increased cross-functional cooperation and information sharing*
- *Increased levels of integration*
- *Increased confidence in and consistency of business decisions*
- *Enhanced service delivery enabled by leveraging technologies to streamline processes*
- *Increased stakeholder adoption and adherence to policies, standards and processes*
- *Increased accuracy and productivity*
- *Reduced level of effort to sustain and support the integrated solution*
- *Reduced time reconciling duplicate entries and identifying which data source is correct*
- *Reduced time to make business decisions*

Programme Governance

The Department has an established governance process and management approach for projects in the Project Approval Directive (PAD) which is in line with the Treasury Board *Policy on the Planning and Management of Investments and the Directive on the Management of Projects and Programmes.* While the latest PAD conceptually introduced programme management, it is primarily geared towards project management. The limited programme-level guidance may present a challenge, but it also provides the opportunity to establish a tailored programme-level governance framework and tools that meet the Department's specific needs.

A programme-level governance structure is in place to provide oversight and strategic direction while monitoring DRBM interdependencies, risks and impact of any conflicting interdependencies. The Programme reports to and receives oversight from the Programme Steering Committee (PSC) regularly at the L2 level and the Programme Oversight Committee (POC) at the L0.5 level, and periodically to the Defence Strategic Executive Committee (DSX) and Departmental Audit Committee on its progress and risks, as required. The Programme has developed Terms of Reference for the PSC and POC. Projects and initiatives, under the Programme, report through the departmental PAD process, while also reporting into the DRBM governance structure. **Annex B** provides a visualization of the reporting structure and relationship of the DRBM Programme governance and oversight committees. A more detailed description of PSC and POC is available at **Annex C**.

[1.]Model Company for Canada is a pre-packaged, ready to use, end-to-end S/4Hana reference solution based on SAP best practices for the GC, which is being further enhanced with additional functionalities that support the requirements of the existing GC departments.

Context

Inclusion of Projects and Initiatives

The Programme currently includes the listed projects and initiatives which all contribute to the defined Programme High-Level Mandatory Requirements (HLMR). There are seven HLMRs: 1) Standard, integrated, end-to-end business processes; 2) Skilled high-performance workforce; 3) Enterprise Data Management; 4) Integrated systems and data; 5) Reporting and analytics; 6) Secure systems of record; and 7) Deployed operations.

Projects	Dependencies	Project Sponsor	Project Implementer
Business Partners	MISL, MI	ADM(DIA)	ADM(IM)
Financial Planning and Forecasting (FP&F)		ADM(Fin)	ADM(IM)
DRMIS Modernization (DRMIS Mod)	MISL, MI	ADM(DIA)	ADM(IM)
Modernization and Integration of Sustainment Logistics (MISL)	DRMIS Mod, Business Partners, MI	SJS	ADM(IM)
Materiel Identification (MI)	DRMIS Mod, Business Partners, MISL	ADM(Mat)	ADM(IM)

The largest project under the DRBM Programme's portfolio is the DRMIS project which drives 70 percent of the HLMRs of the Programme. DRMIS is DND's Enterprise Resource Planning (ERP) system of record and is a built-in version of SAP software which supports over 26,000 users across most L1s and CAF operations. Given the increasing needs for capability enhancement and that the DRMIS would no longer be supported by SAP by 2027, an update to the Department's ERP system is required. As such, transition to a new SAP platform was included in the 2018 Defence Investment Plan to better support Canada's defence policy on modernizing "the business of defence" and deliver on the Defence Service Program.

The MISL project is planned to run over the period of 2019-2024 and will integrate functionality of various stand-alone logistics systems and enhance current DRMIS functionalities into a robust, integrated SAP ERP for Warehousing and Distribution within the Defence Supply Chain (DSC). The MI project, expected to occur during the time period of 2018-2023, will modernize the legacy MI process with a focus on creating quality master materiel data within a newly defined data governance model for maintaining quality data. The FP&F project aims to implement department-wide processes and enabling tools for in-year financial forecasting and out-year financial and business planning. Finally, the Business Partners initiative intends to migrate DRMIS SAP-related Business Partners (including vendors, customers, employees, lessees, lessors, carriers and plants) and the Canadian Government Cataloguing System for Manufacturer Vendors to SAP S/4 HANA platform.

Other projects with interdependencies to the Programme remain outside of the Programme's portfolio at this stage but may be screened for inclusion in the future.

Key Themes

The Key Findings were aligned with three themes as follows:
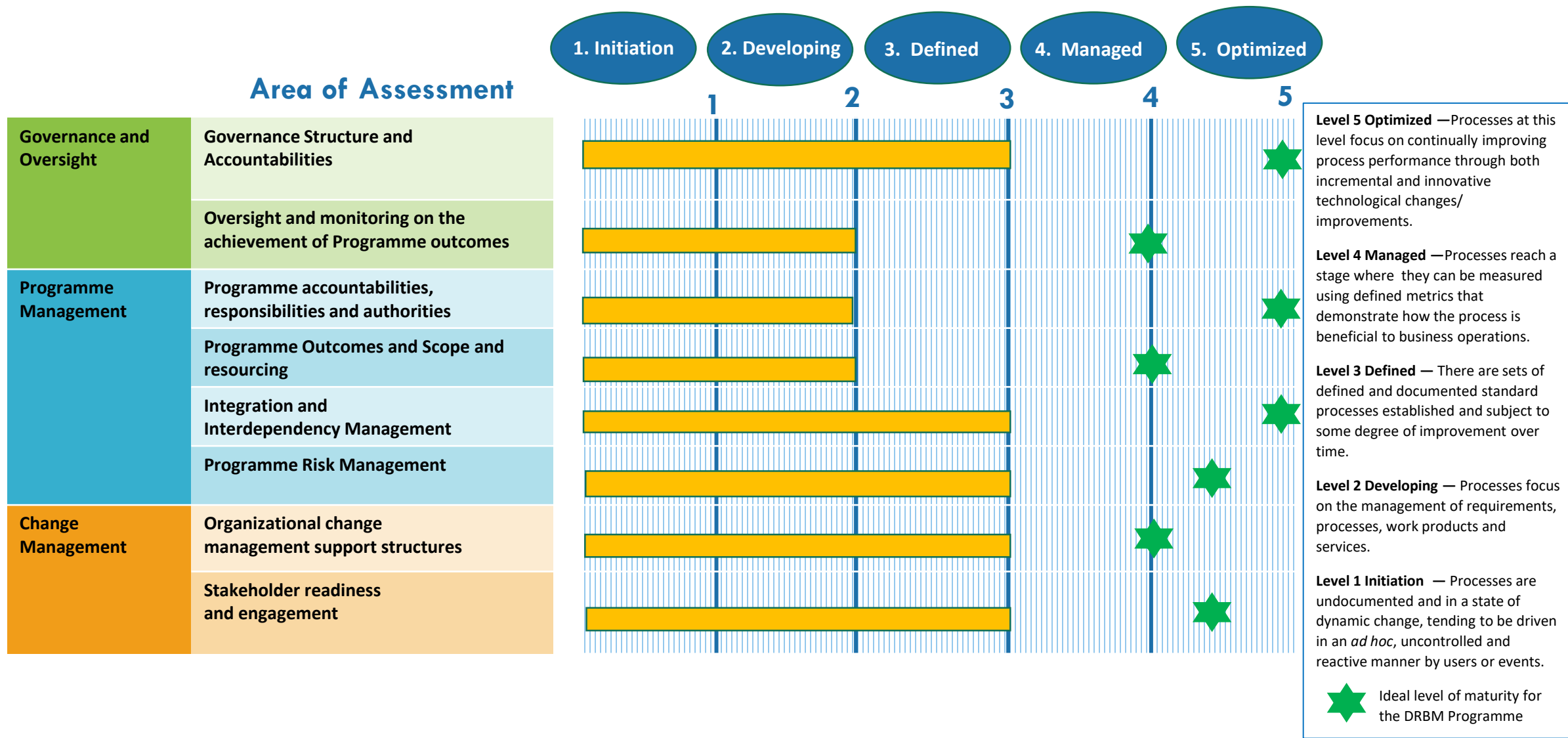
1 **Governance and Oversight**

2 **Programme Management**

3 **Change Management**

Sgt Shilo Adamson, Canadian Forces Recruiting Group Headquarters, CFB Borden, RG2018-0021-01

DRBM Programme Maturity Assessment

| 1. Initiation | 2. Developing | 3. Defined | 4. Managed | 5. Optimized |

Area of Assessment

		1	2	3	4	5

Governance and Oversight
- Governance Structure and Accountabilities
- Oversight and monitoring on the achievement of Programme outcomes

Programme Management
- Programme accountabilities, responsibilities and authorities
- Programme Outcomes and Scope and resourcing
- Integration and Interdependency Management
- Programme Risk Management

Change Management
- Organizational change management support structures
- Stakeholder readiness and engagement

Level 5 Optimized —Processes at this level focus on continually improving process performance through both incremental and innovative technological changes/ improvements.

Level 4 Managed —Processes reach a stage where they can be measured using defined metrics that demonstrate how the process is beneficial to business operations.

Level 3 Defined — There are sets of defined and documented standard processes established and subject to some degree of improvement over time.

Level 2 Developing — Processes focus on the management of requirements, processes, work products and services.

Level 1 Initiation — Processes are undocumented and in a state of dynamic change, tending to be driven in an *ad hoc*, uncontrolled and reactive manner by users or events.

★ Ideal level of maturity for the DRBM Programme

Governance and Oversight

🔍 FINDING 1 – A departmental governance framework exists to provide oversight and monitoring of the DRBM Programme. Opportunities exist to clarify the roles and authorities of existing governance bodies.

Why It Matters

Governance plays a key role in directing, monitoring and supporting the success of the Programme. Clear and sufficient guidance allows the Programme to deliver according to Departmental expectations, enable effective oversight, and reduce inefficiencies in programme management. Establishment of a performance measurement process and indicators enables the Programme Team to identify, manage and monitor key areas, including projects interdependencies, programme risks and organizational changes that are critical to the Programme's overall success, and provides governance bodies the visibility and basis for effective oversight and decision making.

What We Found

The Programme established its own governance framework in February 2021 to enable effective oversight and ensure visibility for senior management. The DRBM main governance bodies, the Steering Committee and Oversight Committee, provide regular oversight on many aspects of the Programme such as alignment between the DRBM Programme and Strategic DND/CAF objectives, management of programme-level risk, integration and prioritization of component projects and initiatives. Overall, their respective mandates were found to be distinct and clear with no significant overlap or gaps identified.

The PMB is an existing governance committee that operates as part of the PAD process. It is mandated to provide oversight and strategic direction on the management of the Capital Program and the Vote 1 component of the Defence Services Program (DSP) and the implementation of the Defence Policy. PMB plays a key role in providing oversight to DND projects including those component projects, and recommends L1s resources allocation to the Investment and Resource Management Committee (IRMC) as part of the business planning process. While the Programme is meant to report very high risks to the PMB, the role of PMB with respect to DRBM has not yet been fully defined, in particular with regards to items warranting discussion and escalation. Overall the DRBM governance is complex, being multi-layered and is nested within existing projects level governance in which it does not actively participate. The DRBM Programme Team is also not directly involved with other governance bodies, such as the Information Management Board, DSC and Defence Capabilities Board. Business governance processes that provide guidance and direction on projects under the Programme have not been clearly established. This would support better alignment with strategic goals and Programme activities, and ensure that actions are taken in a timely manner. Ongoing reviews and improvements to the governance framework are being identified given its relatively recent establishment.

The Programme is also responsible for benefits realization which includes defining, identifying, quantifying and realizing benefits that are expected to be created and contributed by its projects and initiatives. While a draft Benefit Management Strategy was initiated, the Programme has yet to develop a process to measure its performance and success in alignment with the anticipated benefits defined in the Strategic Context Document (SCD). This is important to the Programme's success as it will provide relevant performance measurement information and visibility to senior management in support of their oversight responsibilities. Overall, complex governance may impact visibility, ownership and escalation of risks and issues at the right level, as well as having the right information for decision making.

Programme Management

🔍 FINDING 2 – While programme management activities are progressing, Programme ARAs, resourcing requirements, and interdependency and risk management require improvement.

Why It Matters

The Programme requires effective processes and mechanisms to manage the day-to-day activities on its areas of responsibilities. Those include the identification and management of interdependencies within the programme portfolio, which in turn rely on project intake processes for inclusion into the DRBM Programme. Clearly defined and communicated ARAs are also essential for effective programme management as are performance measurement, risk management and reporting. Finally, the Programme, together with its projects, requires adequate resources and expertise to enable delivery of outcomes.

What We Found

The PAD provides guidance and tools for DND projects to develop, document and communicate project management information throughout the project lifecycle. For example, project team ARAs are established within the Project Charter, and project activities and timelines are developed in the Project Management Plan in the early project stage. Given that these guidance and tools are project focused, and that a Programme approach to manage multiple interdependent projects and initiatives is innovative and new, guidance and tools for programme management is limited. DRBM developed its structure and adopted programme management practices through consultation with key stakeholders, including other departments and consultants to leverage best practices and lessons learned. The Programme has adapted the project template and developed the DRBM SCD which defines its overall mandate. To demonstrate how the Programme will be executed and controlled, it is also necessary that the DRBM establish and communicate the ARAs of the Programme Team, and develop an overarching Programme-level plan that defines and prioritizes the Programme activities according to the milestones and phases of projects and initiatives that fall under its umbrella. Without clearly communicated ARAs across the multiple stakeholders and governance committees, governance effectiveness may be limited. The absence of an overarching plan may impact the Programme's ability to demonstrate how outcomes are being achieved.

Projects included in the Programme are subject to its governance, oversight and support. This includes having access to the Programme Management Office's services which provide a holistic approach to interdependency management, change management and risk management. The screening criteria to evaluate whether or not a project should be included in the Programme have been developed and are based on a combination of pre-defined HLMRs and non-HLMRs with a listing of non-HLMR provided in the adjacent box.

PROJECT SCREENING CRITERIA AT A GLANCE (Non-HLMR):
Strategic Alignment – with GC and Department's directions
Capacity (Achievability) – ability to deliver on proposed solution
Integration and Interoperability – ability to integrate with other Departmental/GC solutions
Standardization – ability to adopt standard business processes/solutions
Benefits – ability to deliver on benefits that support DRBM business needs and outcomes.
Solution Cost – expected monetary investment
In-Service Support Cost – expected annual operations and maintenance costs
Sustainability – flexibility of system/functionality – minimal customization.

Programme Management

🔍 FINDING 2 - Continued

What We Found

The screening process has not yet been put into practice, as the current projects and initiatives pre-date the establishment of the programme. There is limited guidance on how each criteria is to be assessed. The next step, once a project is deemed 'in', is to onboard it. That process is in development. With intake process not yet operationalized, the programme may not be in a position to include relevant projects with common mandatory requirements, leaving it exposed to interdependencies not being identified and managed accordingly.

Effective management of interdependencies is a core Programme activity that ensures enterprise alignment and informs risk management and decision making. This is done through the monthly Delivery Management Meetings (DMM) where the Programme receives regular status reporting from each DRBM project and initiative. The DMMs also allow for the interdependencies to be identified collaboratively with Programme stakeholders, and recorded centrally under the DRBM tracker. It provides detail on impacted project, action log, schedule linkage, etc. As an example of a current interdependency, some activities and deliverables of the MISL project will rely on the establishment of the new SAP "Materiel Types" to better govern materiel data, which will be delivered by the MI project. For projects that fall outside of the DRBM Programme, while their interdependencies are also captured in the tracker, they are not subject to DMM discussions and reporting. The process requires formalization to ensure that key interdependencies, particularly those outside of the DRBM Programme, are fully identified, captured, prioritized and managed holistically.

The DRBM Risk Management Strategy describes the process for managing and reporting programme-level risks. It is based on DND's Enterprise Risk Management Guide and tracks risks through the Programme risk register which includes high risks from individual DRBM projects and initiatives. Risks are reviewed on a monthly basis through oversight committees, with escalation for higher risks to POC, and to PMB for very high-risk items. The risk analysis process identifies four environmental factors: likelihood, impact, urgency and controllability. Currently, likelihood and impact are the two factors being rated to determine the risk ratings. Finally, while Programme risks assessed as "high" are communicated to the governance and oversight bodies, the Programme needs to develop more specific mitigation strategies, such as detailed action plans, progress reporting on actions and timelines for implementation. Effective risk and mitigation reporting provides assurance that the Programme is controlled and enables informed decision making as well as oversight.

The Programme Team, which is currently staffed at 30 percent with most of the key management roles being dual-hatted, occupies a similar position within the DRMIS Mod Project. Approximately 26 percent of the current vacant positions are considered high priority and at least three of them are in lead roles. Lack of committed and stable funding, creating and identifying the required positions in a timely manner, as well as the highly sought after skillsets have made it challenging to resource it appropriately. This can be augmented by high turnover (e.g., linked to posting season), and have an impact on continuity and knowledge retention. The Programme's current level of resources and capacity may not be sufficient to carry out programme activities.

Governance and Oversight & Programme Management

Recommendations

R1

In consultation with key DRBM Programme stakeholders, enhance the programme governance framework by including clearly defined Programme ARAs and a programme plan.

OPI: ADM(DIA)
OCI: VCDS/C Prog, ADM(Fin)/CFO, ADM(IM)

R2

Establish a performance management and measurement process, which includes KPIs to measure the achievement of the Programme's outcomes and benefits, and enable the oversight committees to monitor the Programme's progress.

OPI: ADM(DIA)
OCI: VCDS/C Prog, ADM(Fin)/CFO, ADM(IM)

R3

Continue to formalize and implement programme-level management mechanisms, including the management of risk and interdependencies, and project intake processes.

OPI: ADM(DIA)
OCI: ADM(IM)

R4

Review and update the staffing strategy, including funding requirements and balance of civilians and military members, to ensure that the resource level is sufficient and sustainable to support Programme activities.

OPI: ADM(DIA)
OCI: VCDS/C Prog, ADM(Fin)/CFO, ADM(IM), ADM(HR-Civ), MILPERSCOM

Change Management

🔍 FINDING 3 – A Change Management strategy has been developed, and stakeholder engagement has been conducted. These key activities should be formalized as the Programme evolves and matures.

Why It Matters

Change management should be prioritized throughout the life of any high-risk, complex transformation initiative, to ensure the Department can support a change in direction and achieve expected benefits. Clear communication, defined roles and responsibilities, and comprehensive stakeholder analysis allow for the identification and engagement of all relevant stakeholders, which helps to facilitate a substantial, successful and sustainable change to an organization.

What We Found

The DRBM Programme's approach to change management is based on industry best practices, as well as leveraging the investment made to date by the DND Change Management Community of Practice and within ADM(DIA). Several common change management best practice methodologies and tools have been put in place to support the Programme, including the development of a comprehensive change management strategy.

Opportunities exist to improve communication on the scope of the change management activities and change management responsibilities of projects and initiatives. Based on interviews with programme and project resources, there is a lack of understanding of the overall change management process and the difference between Programme-level and project-level deliverables. Clearly defined and communicated roles and deliverables will support the on-going implementation of DRBM's change management strategy.

The Programme has consulted key stakeholders, organized stakeholder engagement workshops, and established mechanisms to measure and report regularly on the performance of these engagement activities. As well, the Programme has developed a stakeholder database which identifies and categorizes key stakeholders, including their roles and relationships to the Programme. Going forward, the stakeholder analysis process can be formalized to support their continued engagement, including updating any changes in stakeholders' positions, such as their roles, interests, ability to influence, degree of support and impact. To ensure overall achievement of outcomes, the change management strategy and activities may need to consider external projects that have interdependencies with the Programme.

Finally, the Programme could benefit from having an ongoing improvement process that captures lessons learned, as the Programme structure will need to respond to events and evolve over its lifetime.

Overall Conclusion

The SAP-based DRMIS, which is the system of record for activities and transactions across most business processes within DND, is scheduled for a major software upgrade. This software upgrade presents a critical opportunity for a large-scale improvement of business processes throughout the Department. This transformational initiative will impact all L1 organizations, and its scale of complexity cannot be effectively managed within a single project. The DRBM Programme was established to provide the necessary enterprise alignment and oversight, and supporting activities to the projects and Enterprise Modernization Initiatives (EMI) that fall under its umbrella. The assessment aimed to determine whether governance and programme management are in place to support the success of the Programme.

While a departmental governance framework exists and continues to evolve to provide oversight of the DRBM Programme, clarifying the role of the PMB and better coordinating disposition of guidance from different governance committees will strengthen the oversight that can be provided to the Programme. Enhancement to the departmental programme management guidelines and establishment of a performance measurement process will contribute to effective programme management and improve the basis for measuring the Programme's achievement of outcomes, benefits and capabilities.

Partly related to the gap in departmental guidance for programme management, the DRBM Team has yet to develop the Programme ARAs and overarching Programme plan. These elements are fundamental to the success of the DRBM as they serve to direct, execute and monitor programme activities, and facilitate effective oversight on the achievement of its outcomes. The Programme and its interdependent projects and initiatives require adequate resources and expertise to continue developing processes and activities that are key to the Programme's success. The Programme also needs to clearly define the screening criteria that will determine the inclusion of future projects under DRBM, and formalize the intake processes to ensure all key interdependencies will be captured and managed holistically. Furthermore, risk management practices can be improved to strengthen the management, oversight and monitoring of the Programme risks.

The DRBM Programme is a department-wide transformation initiative that will impact a wide range of stakeholders, both internal and external to DND/CAF. The Programme change management practices can be improved with respect to clarity and communication of roles and responsibilities as well as the stakeholder analysis process, which will be beneficial to facilitate a substantial, successful and sustainable change to the department.

Annex A – Management Action Plan

ADM(RS) Recommendation	Management Action

R1. In consultation with key DRBM Programme stakeholders, enhance the programme governance framework by including clearly defined Programme ARAs and a programme plan.	• ADM(DIA) will create a Programme Management Plan framework to establish and formalize critical elements of the programme, including:
	  • Scope and Schedule Management (including an intake process);
	  • Governance and Organization (including ARAs);
	  • Human Resources (HR) Management; and
	  • Financial Management.
	
	Closure: This Management Action Plan (MAP) will be considered closed upon initial release of a DRBM Programme Management Plan framework which will include Scope, Governance, HR and Financial management.
	
	OPI: ADM(DIA)
	OCI: VCDS/C Prog, ADM(Fin)/CFO, ADM(IM)
	
	Target Date: March 31, 2022

Annex A – Management Action Plan

ADM(RS) Recommendation	Management Action
R2. Establish a performance management and measurement process, which includes KPIs to measure the achievement of the Programme's outcomes and benefits, and enable the oversight committees to monitor the Programme's progress.	• ADM(DIA) will develop and release a performance management and measurement process with KPIs in consultation with the Programme's stakeholders, to assist with the oversight and monitoring effort. The development process will include these steps:

• ADM(DIA) will develop and release a performance management and measurement process with KPIs in consultation with the Programme's stakeholders, to assist with the oversight and monitoring effort. The development process will include these steps:
  • Define the measurement strategy;
  • Describe the characteristics of the programme that are relevant to measurement;
  • Identify and prioritize the information needs;
  • Select and specify measures that satisfy the information needs;
  • Define data collection, analysis, access and reporting procedures;
  • Define criteria for evaluating the information items and the measurement process;
  • Identify and plan for the necessary enabling systems or services to be used; and
  • Define the programme KPIs and communicate them to the programme governance and stakeholders.

Closure: This MAP will be considered closed upon initial release of the performance management and measurement process, approved by ADM(DIA) as the Programme sponsor.

OPI: ADM(DIA)
OCI: VCDS/C Prog, ADM(Fin)/CFO, ADM(IM)

Target Date: August 31, 2022

section 05

Annex A – Management Action Plan

ADM(RS) Recommendation	Management Action

R3. Continue to formalize and implement programme-level management mechanisms, including the management of risk and interdependencies, and project intake processes.	• ADM(DIA) will develop specific plans, separately from the Programme Management Plan that will:
	  • Build upon the existing risk management strategy to create a risk management plan;
	  • Formalize an interdependencies management process between DRMIS Mod and the EMIs, as well as for the EMIs amongst themselves;
	  • Review timeframe through a Configuration and Integration Management plan; and
	  • Establish a Programme Intake Process in collaboration with Director DRMIS, based on the DRBM Programme established Business Outcomes and Benefits (SCD).
	
	Closure: This MAP will be considered closed upon initial release of the relevant plans outlined in the Programme Management Plan.
	
	OPI: ADM(DIA)
	OCI: ADM(IM)
	
	Target Date:
	• Intake Process: December 31, 2021
	• Risks and issues management plan: February 28, 2022
	• Interdependencies management: March 31. 2022

Annex A – Management Action Plan

| **ADM(RS) Recommendation**	**Management Action**

R4. Review and update the staffing strategy, including funding requirements and balance of civilians and military members, to ensure that the resource level is sufficient and sustainable to support Programme activities.	• ADM(DIA) will engage L1 partners and establish a staffing strategy for the Programme which will include the following steps:
	  • Refine and update HR plan based on the programme scope;
	  • Identify future programme business needs;
	  • Identify competencies consistent with the business needs; and
	  • Review, refine and update HR plan that outlines the personnel requirements to perform lifecycle processes to achieve the Programme objectives and the way to maintain competencies, in line with the Programme's business needs.
	
	Closure: This MAP will be considered closed once there has been an initial release of an updated HR Plan.
	
	OPI: ADM(DIA)
	OCI: VCDS/C Prog, ADM(Fin)/CFO, ADM(IM), ADM(HR-Civ), MILPERSCOM
	
	Target Date: March 31, 2022

Annex B – Programme Governance
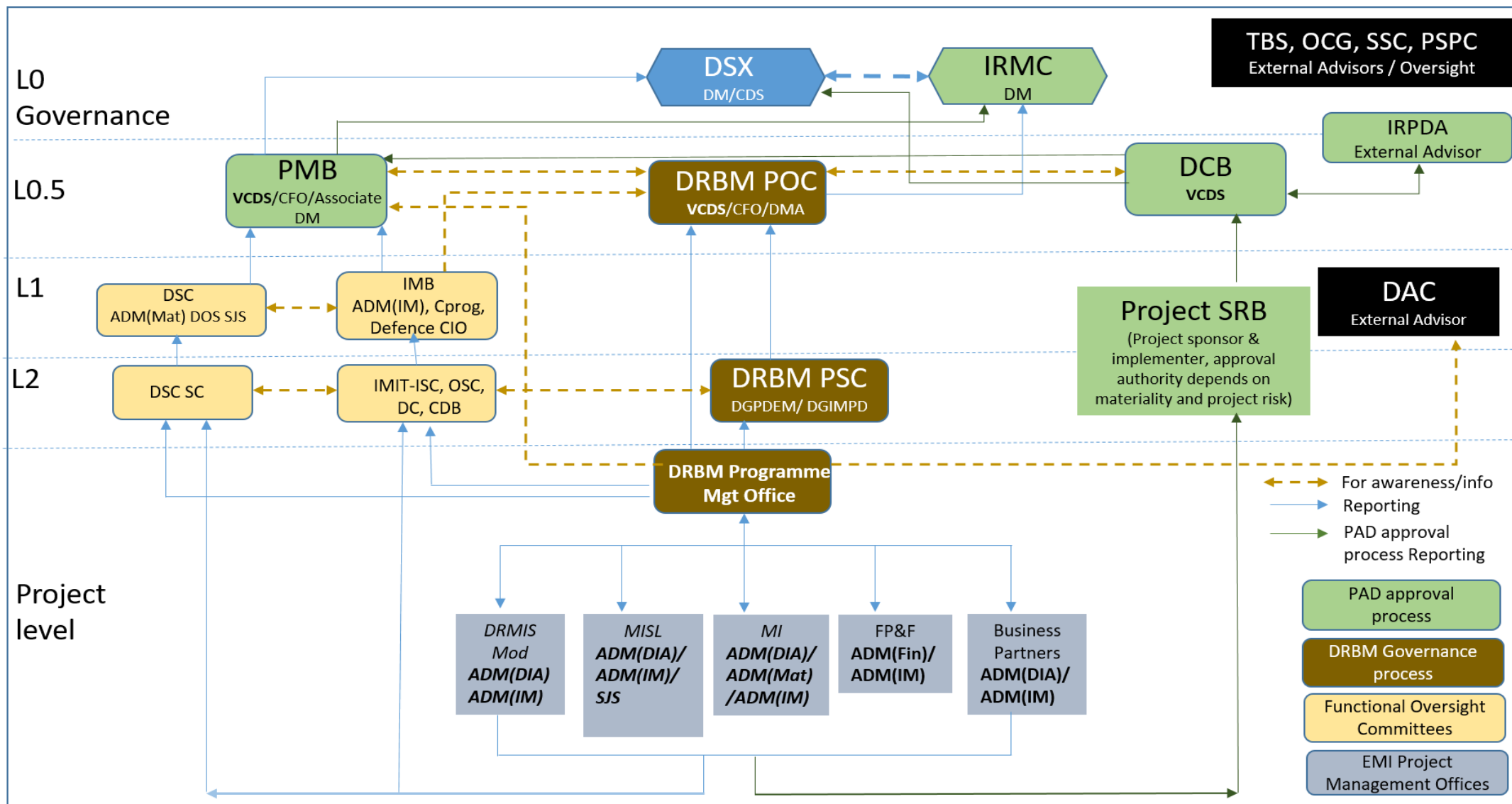
Annex C – DRBM Key Governance Committees

	Programme Oversight Committee (POC)	Programme Steering Committee (PSC)
Co-chaired by	The Vice Chief of the Defence Staff (VCDS), the Associate Deputy Minister, and the Chief Financial Officer (CFO)	Director General (Program Defence Enterprise Modernization) and Director General Information Management Project Delivery
Authorities and Responsibilities	Ensures that Programme activities, along with the projects and EMIs under it, remain aligned with strategic objectives and are appropriately supported by the various DND/CAF business areas. In conjunction with other departmental governance bodies (including DSX, PMB, IRMC, etc.), the DRBM POC meetings provide a venue for Level 0 decision making and direction setting for the DRBM Programme.	Provide support to the POC, bring together project/EMI leaders to facilitate early and informed decision making to address challenges and deliver 'best for enterprise' solutions including prioritization and de-conflicting activities. Members have the authority to speak on behalf of the organization which they represent, and the power to make decisions including resource allocation (outside of capital projects and within existing approved budgets and expenditure amounts).
Mandate	Provide institutional leadership, recommend resource allocation, resolve strategic and directional issues between activities, provide direction and guidance, and support alignment of reporting and assurance activities.	Resolve issues between activities, approve target benefits and realization plan, approve and manage the impacts of change, recommend cost/capability trade-offs and changes to the DRBM Programme scope, while ensuring programme delivery remains within acceptable boundaries and supporting reporting and assurance activities.
Membership	The DND/CAF Functional Authorities, who are the business owners for programme objectives - ADM(DIA), ADM(IM), ADM(Mat), Director of Staff SJS, ADM(IE), Associate ADM(Fin), Associate ADM(IM), VCDS Chief of Combat Systems Integration (CCSI), VCDS C Prog, VCDS Chief of Force Development (CFD). External stakeholders, including representatives from the Treasury Board Secretariat and Office of the Auditor General, may be invited to ensure alignment with broader government objectives and transformation initiatives.	Membership includes the primary business areas affected by the DRBM Programme (including major projects and/or enterprise modernization activities within those areas), together with broader government (non-DND/CAF) stakeholders. DND members include Director General Strategic Financial Governance (Fin), Director General Enterprise Application Services (IM), ADM(IE) Chief of Staff, Director General Materiel Systems and Supply Chain (Mat), DG Support, Strat J4 (SJS), Director General (Data Analytics Strategy & Innovation) (Chief Data Officer), VCDS Digital Transformation (CCSI), VCDS Director General Defence Force Planning (C Prog), VCDS Director General Capability and Structure Integration (CFD). Advisory members include Senior Oversight Executive (Treasury Board Secretariat (TBS) Chief Information Officer Branch), Senior Executive Director Capability Planning (TBS Office of the Comptroller General), Director Project Delivery Management Information Systems, and Project Managers for DRBM projects.

Source: DRBM Governance Structure – Terms of Reference for POC and PSC

section 05

Annex D – About the Assessment

Objective

To determine whether governance is in place and whether appropriate business processes, controls and programme management are established and support the achievement of DRBM Programme objectives and planned benefits.

Methodology

Document Review

The assessment team completed a review of relevant internal/governmental policies, legislations, directives, communications, procedures, guidelines and templates. Documents were maintained for evidence as required and were substantiated with other methods of evidence collection.

Interviews

The assessment team conducted interviews with key stakeholders. These responses were used to improve the team's understanding of areas of concern, existing processes and controls, and risks.

Assessment Criteria

- Governance and oversight structures and processes are in place that support the DRBM Programme monitoring and informed decision making.
- Programme management aligns the DRBM Programme project components to ensure that Programme objectives are achieved and program benefits are optimally delivered.
- A comprehensive organizational change management strategy is in place to support the achievement of DRBM Programme objectives.

Scope and Timeframe

The scope includes the DRBM Programme, with specific focus on programme management and governance practices, guidance and mechanisms, planned or in place to support the DRBM Programme from its inception to completion.

Scope Exclusion

Procurement governance and EMIs under the DRBM Programme's mandate. The afore-mentioned areas are excluded from the scope as procurement governance is done at the project level, and the EMI will be included under a separate engagement.

Conduct work started in March 2021 and was substantially completed in June 2021.

Statement of Conformance

The findings and conclusions contained in this report are based on sufficient and appropriate evidence gathered in accordance with procedures that meet the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. The assessment thus conforms to the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* as supported by the results of the quality assurance and improvement program. The opinions expressed in this report are based on conditions as they existed at the time of the engagement and apply only to the consulted entity.