

Circular 02/16 - Returns to the Digital Government Oversight Unit

1. Under Circular 02/16 Departments and Offices are required by the Department of Public Expenditure and Reform to submit the following to the Digital Government Oversight Unit (DGOU), by the end February each year:-
 - a Start of Year (SOY) Submission in the format of a summary report of the total planned ICT-related expenditure by the organisation for the current year;
 - requests for specific approval of all qualifying expenditure in the current year for which full details can be provided. Further requests for specific approval must be submitted as they arise throughout the year; and
 - an End of Year (EOY) Submission in the format of a summary report of the actual ICT-related expenditure by the organisation during the previous year.

Each submission must be in the format of the template provided by the DGOU and submitted as set out at Section 6 below. Requests should not be emailed or copied to individual members of the section.

1.1 Start of Year (SOY) Submission

The submission, by, or on behalf of, the Accounting Officer, must adhere to Circular 02/16 and be made after the Management Board for the organisation has reviewed and approved ICT-related expenditure plans for the current year. The submission must set out, in the standard template, planned ICT-related expenditure for the current year categorised as:

- (i) expenditure on proposed new initiatives/new expenditures;
- (ii) expenditure on ongoing initiatives; and
- (iii) expenditure required to maintain the existing level of service.

The submission, to be received by DGOU no later than the end of February of each year, must confirm that:

- the proposed expenditure has been approved by the Management Board;
- the proposed expenditure aligns with relevant strategies and strategic objectives including an overarching ICT/Technology Strategy for the organisation;
- governance arrangements for the management of ICT expenditure are formulated;
- expenditure is informed by the Public Service ICT Strategy, the Reform and Renewal Agendas and initiatives with regard to Shared Services;
- centrally developed procurement arrangements will be utilised, where available;

- specific prior approval will be obtained prior to commencing a new initiative with a potential value of €25,000 or greater, excluding VAT, and prior to initiating a procurement exercise or entering contract negotiations in respect of qualifying expenditure; and
- formal approval was obtained from the Department of Public Expenditure and Reform for each existing project prior to it commencing.

1.2 Expenditure Requiring Specific Approval

The following categories of expenditure require the prior specific approval of the DGOU:

- all new ICT-related expenditure, or new ICT-enabled initiatives which may give rise to expenditure, excluding VAT, of €25,000 or greater.
- all initiatives or expenditure, irrespective of the amount, which propose not to follow a current strategy or policy of the Department of Public Expenditure and Reform, including where the sponsoring body does not intend to use designated initiatives or infrastructures, centralised shared or managed services, data sharing enablers, procurement toolkits or an available, scheduled or under development centrally established Frameworks/ Build-to-Share initiatives.
- project or expenditure categories notified by this Department to the nominated ICT Liaison¹ in line with the administrative arrangements established for the implementation and operation of the Circular.
- all expenditure on each existing project or initiative if there is significant variation to the scope, schedule, deliverables, cost or quality since the original approval was conveyed by this Department.
- significant remedial action(s) or significant aggregated additional expenditure intended to address project drift.

1.2.1 Business Projects

Generally, the implementation of a Business Project to support the Statement of Strategy and Business Plan of the organisation will require the use of ICT and have associated ICT-related costs. A Business Project may give rise to a number of ICT projects and these should be reported individually, referencing the appropriate business project. Proposed new initiatives should be business driven and ICT enabled. Therefore it will be expected that the business owner/sponsor nominated for each new initiative will be from the relevant Business Division, and hold an

¹ Official of rank equivalent to, or higher than the rank of Principal Officer in the Civil Service, who has been nominated as the ICT Liaison by the Accounting Officer for the public body responsible for the expenditure, and is submitting the return on behalf of the Accounting Officer.

appropriately senior position in line with the level of overall expenditure, unless the project is initiated by and within the full control of the ICT Unit.

1.2.2 Submitting Requests for Specific Approval

Requests for approval, using the standard form, must only be submitted after they have been approved at senior management level with the organisation and should reference confirmation of such internal approval. Approval of DGOU, if conveyed, will be subject to compliance with the general conditions set out in the Appendix to Circular 2/16 and any other conditions set out by the Department of Public Expenditure and Reform.

1.3 End of Year (EOY) Submission

The submission by, or on behalf of, the Accounting Officer, must be made after the Management Board for the organisation has reviewed the actual ICT-related expenditure for the previous year and no later than the end of February of the following year. The submission must confirm that:

- the actual expenditure has been reviewed by the Management Board;
- the expenditure aligned with relevant strategies and strategic objectives including an overarching ICT/Technology Strategy for the organisation;
- governance arrangements for the management of ICT expenditure were formulated and maintained throughout the year;
- expenditure was informed by the Public Service ICT Strategy, the Reform and Renewal Agendas and initiatives with regard to Shared Services;
- centrally developed procurement arrangements were utilised, where available;
- specific prior approval was obtained prior to commencing a new initiative with a potential value of €25,000 or greater, excluding VAT, and prior to initiating a procurement exercise or entering contract negotiations in respect of qualifying expenditure; and
- formal approval was obtained from the Department of Public Expenditure and Reform for each existing project prior to it commencing.

The End of Year submission should include reasons for significant variations in actual expenditure compared to that which was planned. A reason should be included if:

- (a) the amount of overspend or underspend is equal to or exceeds €100,000; or
- (b) the amount of variance is equal to or exceeds plus or minus ten percent of the planned expenditure, whichever is the lesser level of variation.

2. Expenditure on Existing Initiatives

Specific approval each year is not required for an ongoing project if it is progressing as scheduled at the time of approval, including with regard to timescale, scope, quality, and cost. It is sufficient to include the proposed total annual expenditure in the SOY submission to the DGOU at end February each year. All expenditure on existing projects must adhere to the terms of Circular 02/16.

3. Non-Project Expenditure

Expenditure on hardware, software, licences, support, telephony equipment, etc. in line with that incurred in the previous year can be termed non-project expenditure i.e. expenditure required to maintain the existing levels of service. Similarly, additional ICT-related expenditure arising from an increase in staffing numbers across the organisation can be termed an existing level of service if it is to provide new staff with the same services, or the same level of service, as existing staff.

Initiatives that should be managed as a project require specific approval prior to commencing, where the estimated cost or anticipated aggregated expenditure during a twelve-month period exceeds €25,000. These initiatives include a full or significant replacement of desktops, servers, telecommunications equipment, office productivity devices, etc.; the replacement or major upgrade of a telephony system or network; hosting relocation; data migration; etc. Similarly, any proposal that does not intend to use an available, scheduled or under development centrally established Framework or Build-to-Share initiative requires specific approval. All non-project expenditure must adhere to the terms of Circular 02/16.

4. Governance Arrangements

Circular 2/16 sets out conditions relating to the minimum governance arrangements that should be applied to the management of ICT-related expenditure and are additional to other obligations required of organisations in respect of public money, for example, adherence to Public Financial Procedures. In particular, public bodies must ensure that appropriate governance structures, proportionate to the levels of expenditure, are in place and that all such expenditure aligns with relevant strategies and policies. Similarly, appropriate project planning and risk management procedures must be in place for all projects and initiatives in order to ensure successful delivery through proper planning and the addressing of risks at an early stage.

5. Sourcing Arrangements

Departments and Offices are responsible for sourcing goods and services in a manner that delivers best value for money from public expenditure and complies with procurement rules and

regulations. The Office of Government Procurement (OGP) was established to assist with the achievement of that objective and to facilitate the public service in procuring as ‘one voice’ for each category of expenditure, eliminating duplication, and taking advantage of the scale of public procurement. As heretofore, public bodies should utilise suitable frameworks and procurement vehicles established by the OGP or by the four key sector-retained procurement functions (Health, Defence, Education and Local Government). Details of ‘live’ contracts are available to those that register as a buyer on the OGP website (www.procurement.ie). Registration also allows access to training, templates, case studies and a discussion forum. Please note that under the terms of Circular 02/16, the threshold for publishing procurement opportunities on eTenders is raised to €25,000, excluding VAT.

6. Reporting Requirements

In addition to the submissions set out at Section 1 above, the Department of Public Expenditure and Reform may seek progress updates with regard to specific projects, initiatives, or expenditure categories from time to time. It is probable that annual, or more frequent reports, will be sought in particular with regard to new or ongoing projects, as input to published documents, as well as for input to policy formulation.

7. Submission of Information to the Digital Government Oversight Unit (DGOU)

All submissions, including initiatives seeking approval from DGOU, must be submitted by the official who has been nominated as the ICT Liaison by the relevant Accounting Officer. Submissions should be by e-mail from the named email account of the nominated ICT Liaison, or, in the event that a generic email address is used, by attaching a (legible) scanned hardcopy of the relevant documentation signed by the ICT Liaison.

All email communications with the DGOU should be through the shared mailbox of the Unit at DGOU@per.gov.ie. Communications should not be addressed to or copied to individual mailboxes.

8. Contact Details for the DGOU

Digital Government Oversight Unit (DGOU)
Office of the Government Chief Information Officer (OGCIO)
Department of Public Expenditure and Reform
3A Mayor Street Upper
Spencer Dock, Dublin 1, D01 WP44

eMail: DGOU@per.gov.ie

Telephone: 01 6767571