

**FOR
INFORMATION**

FO/DIS/20/113

May 19, 2020

To: Members of the Executive Board

From: The Secretary

Subject: **FY 2021-FY 2023 Medium-Term Budget—Deletions**

Board Action:

The attached deletions from EBAP/20/30 (3/24/20) have been provided by the staff in accordance with the policy on publication of papers:

**Operational Details of
Policy Intentions**

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Additional Information:

Appendix III, VII, and Tables 2, 6, and 7 in Appendix X are not intended for publication as references to internal processes and procedures. Internal references to the appendices will also be modified accordingly.

Questions:

Mr. Schimmelfennig, OBP (ext. 34663)
Ms. Ulmschneider, OBP (ext. 34718)
Ms. Kongsamut, OBP (ext. 34541)

- The IDW and iDATA projects are scheduled to submit their proposals during FY 21. Funding in FY 21 will be conditional on development and presentation of a business case and CBA. Should IDW and iDATA get approval to begin implementation work in FY 21 as currently scheduled and resequencing or adjusting existing budget space is not possible, a supplemental capital appropriation may be sought.
- Information security projects will have a total cost of almost \$16 million, with about \$8 million falling in FY 21. ~~Of this, projects with the specific objective to protect the Crown Jewels are estimated at \$10 million, of which about \$4 million falls in FY 21. These projects are designed to bring the risk profile down to moderate as set out in the Information Security Strategy and Risk Mitigation Roadmap presented to the Board.~~ Other Security-related projects requesting new or additional funds in FY 21 include replacement and upgrade of the security events logging and monitoring system, cloud migration of the offsite business continuity center and other application controls. ~~These projects are proposed as part of the information security roadmap~~ (Box 8).
- IT infrastructure end-of-life replacements total \$10 million for FY 21. In addition to funding upgrades of the remote office infrastructure, network equipment, servers and storage capacity, mobile devices and a portion of the personal computers will also be replaced in FY 21. Medium-term needs are estimated to remain at this level, mainly due to the personal computer refresh schedule. This aligns with the long-term plan for IT infrastructure, as detailed in Appendix IX.

Box 8. Information Security and the Medium-term Budget

The level of administrative budget resources devoted to Information Security in FY 20 is approximately \$10 million. These resources fund (i) the activities of the Information Security Group in the IT department, which include Information security services for IT projects, Fund-wide security awareness program, security compliance program for financial systems, application security program, penetration testing, ongoing independent assurance of security control effectiveness, security risk metrics reporting, and security incident investigations; and (ii) Operational information security services, which include vulnerability management, identity and access management, privileged access management, endpoint security management tools for PCs and mobile devices, network and perimeter security, security monitoring, security event correlation, proactive threat detection and prevention, and security incident response.

Additionally, the capital budget request for FY 21 is \$8 million, ~~including \$4 million for crown jewels protection projects and another \$4 million for security incident monitoring, cloud migration of the business continuity center and other application controls.~~ Capital investments have averaged about \$4 million a year since FY 16. These investments were targeted at improving access management, remediation of vulnerabilities, ~~identification of Crown Jewels~~, and upgrading the security and incident monitoring system.

Often, after the main objectives of the capital project are achieved, there is a recurring administrative expense to maintain the investment. The information security projects in progress or proposed ~~in the medium-term information security roadmap~~ are estimated to result in an administrative budget impact in the range of \$4-5 million. An increase of this size, and the resulting administrative impacts from other capital investments, will require careful planning to accommodate under a flat budget constraint.

MEDIUM-TERM BUDGET PROSPECTS