



## STAFF REPORT ACTION REQUIRED

### Review of the City SAP Competency Centre

<b>Date:</b>	June 15, 2010
<b>To:</b>	Audit Committee
<b>From:</b>	Auditor General
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### SUMMARY

---

The Auditor General's annual work plan included a review of the Information and Technology Division's SAP Competency Centre.

The objective of this audit was to review the adequacy and effectiveness of practices used by the SAP Competency Centre in managing the SAP Program with a view to identifying opportunities for improvement and cost savings. Our review identified areas where opportunities exist to strengthen the policies, procedures and governance related to the SAP Competency Centre and its relationship with City divisions using SAP. Accordingly, we have issued a report containing seven recommendations.

#### RECOMMENDATIONS

---

**The Auditor General recommends that:**

1. The City Manager, in consultation with the Chief Information Officer, review the current reporting structure and relationships between divisional SAP representatives and the Competency Centre with a view to:
  - a. minimizing delays in the completion of SAP projects
  - b. ensuring that the ownership of certain SAP modules is clarified and workable
  - c. ensuring that there is an appropriate segregation of duties between SAP divisional staff and the SAP Competency Centre.
2. The City Manager in consultation with the Chief Information Officer formalize a policy to require adherence to SAP best practices for all City-wide SAP projects, and implement quality assurance measures to ensure such practices are followed.

3. The Chief Information Officer establish a formal process for the SAP Competency Centre to develop and maintain the Integrated SAP Work Plan as part of the existing SAP governance model.
4. The City Manager in consultation with the Chief Information Officer establish a formal process for ensuring those assigned accountability for overseeing SAP projects understand the City SAP environment and have sufficient knowledge and expertise in SAP best practice and methodology.
5. The Chief Information Officer include SAP Competency Centre service level expectations in formal service level agreements currently being prepared between operating divisions and the Information and Technology Division.
6. The City Manager establish a process for maintaining a single repository for SAP related issues and risks, and the Chief Information Officer establish a formal process for collecting, addressing and reporting on such risks.
7. The Chief Information Officer develop SAP Competency Centre performance measures and standards. Such measures and standards should monitor ongoing performance.

## **FINANCIAL IMPACT**

The implementation of recommendations in this report may result in cost savings through improved efficiency and effectiveness. Potential cost savings are not quantifiable at this time.

## **COMMENTS**

This review was included in the Auditor General's Annual Work Plan in view of the importance of the SAP system to the City and future plans to expand the functionality of the SAP system.

The Auditor General's report entitled "Review of the City SAP Competency Centre" presents the results of a review of the practices and activity provided by the SAP Competency Centre.

Implementation of the seven recommendations in this report will further strengthen the administration and management of SAP related projects.

The report is attached as Appendix 1. Management's response to each of the recommendations contained in this report is attached as Appendix 2.

## **CONTACT**

Alan Ash, Director, Auditor General's Office  
Tel: 416-392-8476, Fax: 416-392-3754, E-mail: [aash@toronto.ca](mailto:aash@toronto.ca)

Ben Smid, Senior Audit Manager, Auditor General's Office  
Tel: 416-392-8478, Fax: 416-392-3754, E-mail: [bsmid@toronto.ca](mailto:bsmid@toronto.ca)

## **SIGNATURE**

---

Jeffrey Griffiths, Auditor General

09-ITD-01

## **ATTACHMENTS**

- Appendix 1: Review of the City SAP Competency Centre
- Appendix 2: Management's Response to the Auditor General's Review of the City SAP Competency Centre