



**STAFF REPORT  
ACTION REQUIRED**

**The Financial Planning Analysis and Reporting System (FPARS) Project: Implementation Status Update**

<b>Date:</b>	March 24, 2014
<b>To:</b>	Government Management Committee
<b>From:</b>	Deputy City Manager and Chief Financial Officer
<b>Wards:</b>	All Wards
<b>Reference Number:</b>	P:\2014\Internal Services\Fp\Gm14009Fp (AFS #19216 )

**SUMMARY**

This report responds to the Government Management Committee's request that the Deputy City Manager and Chief Financial Officer report back on the implementation of the Financial Planning Analysis Reporting System (FPARS) project.

The FPARS project is a complex, large scale, enterprise business transformation and technology project, utilizing new SAP technologies. The project's major goal is to strengthen the foundational elements of sound financial planning, budgeting and performance management and establish principles and best practices that will support the City's transition towards a service-based and performance focussed organization.

This Business Transformation and Implementation project includes two major milestones:

- a) The implementation of the Public Budget Formulation (PBF), Reporting Analytics, and Complement Planning and Management functionality as well as re-engineering accounting and payroll transactional processes. PBF went live in May 2013, for use by City Divisions and Agencies for submission of their 2014 Operating Budget requests and was used for the balance of the 2014 Budget process, up to and including the "booking" of the 2014 calendarized budget in SAP.
- b) The implementation of changes to the City's accounting, payroll and human resources components of SAP's Enterprise Central Component (ECC) to enable the service reporting, all of which went live November 12, 2013 and became fully operational for January 1, 2014 from which time budgets and actual expenditures (payroll and non payroll) as well as complement information will be organized according to each City Division's Program Map of services and activities.

Significant work is underway to refine current functionality and reporting, to deliver additional functionality in PBF, analytics and reporting of budget, complement and financial information in a service view; developing a service planning process, and an updated change management strategy to address the transformational changes underway.

A decision was made in 2013 to delay the implementation of Enterprise Performance Management (EPM) functionality to 2014/2015. The project is currently exploring the full potential of the new SAP performance and reporting functionality offered from the SAP Business Warehouse and Business Intelligence tools and its ability to deliver reporting, analytics and score-carding solutions for the City prior to engaging in the final activity of this project. This second phase of the project will begin in mid-2014.

The total budget for the FPARS project is \$69.9 million with actual spending to December 31, 2013 of \$49.2 million. The project is still ongoing and total spending to the end of the project in 2015 is currently estimated at \$69.9 million. Ongoing operating costs to meet the sustainment needs of the Financial Planning, Accounting Services, Pension, Payroll and Employee Benefits, Human Resources and Information and Technology Divisions will be \$2.0 million and an additional 11 staff positions.

Salary and benefits savings of \$5.646 million net has been identified through the use of the new PBF personnel expenditure planning capability and will be realized in the 2014 Operating Budget. Capital savings of \$2.03 million has been realized in the Financial Services' 2011 to 2020 Capital Plan with the deletion of a separate Business Information Warehouse Project, as the FPARS project will meet these needs. Other future benefits and savings will require further analysis once the FPARS project is completed and fully operational. Staff will be reporting back on the final costs and benefits at that time.

The work assignments for internal City core project staff have been extended to September 30, 2014. Additional human resources to support the new HoMER system until the ESS/MSS project is complete is also required. In addition, staff will be undertaking a review of SAP to assess any possible impacts and risks an upgrade to the next version of PBF may have on the current system's operability. Staff is confirming the estimates for each of these three items against projected under spending in the project and will report back to Committee and Council as part of the 2014 first quarter capital variance report.

## **RECOMMENDATIONS**

---

The Deputy City Manager and Chief Financial Officer recommends that:

1. City Council receive this report for information.

## Financial Impact

The Financial Planning Analysis Reporting System project is an approved capital project with a total project cost of \$ 69.9 million, of which \$61.0 million has been approved in the Financial Services 10-Year Capital Plan and \$8.9 million within the Information and Technology 10-Year Capital Plan.

As of December 31, 2013, expenditures incurred since the inception of this project in 2006 total \$49.2 million with an additional \$20.7 million projected to be spent by the end of 2015. Total projected costs to the completion of this project in 2015 are anticipated to be \$69.9 million and are summarized below in Table 1.

The Business Transformation and SAP Implementation components of this project has a total budget of \$61 million. Actual expenditures of \$40.3 million have been incurred to December 31, 2013, including \$6.0 million for the SAP configured solution, with an additional \$20.7 million projected to be incurred to the end of 2015.

The Information and Technology costs to support the FPARS project total \$8.9 million. This includes costs of \$2.3 million to support the SAP configured solution, \$3.9 million in allocated costs from the SAP upgrade project and \$2.7 million for the acquisition of SAP PBF licenses.

Table 1  
FPARS Budget/Total Project Cost Summary  
(\$ Millions)

Cost Description	Total Project Costs	Life to Date Cost Dec 31, 2012	2013 Actual Cost	Total Project Costs to Dec. 31, 2013	Projected Project Cost 2014 - 2015	Projected Cost to End of Project
Actual Costs prior to 2009 (Configured Solution)	6	6	-	6	-	6
FPARS Project Business Transformation & Implementation	55	18.7	15.6	34.3	20.7	55
Business Transformation & Implementation Subtotal	61	24.7	15.6	40.3	20.7	61
I&T Division Costs prior to 2009 (Configured Solution)	2.3	2.3	-	2.3	-	2.3
I&T Division SAP Upgrade Allocated Costs	3.9	3.9	-	3.9	-	3.9
I&T SAP/PBF License Costs	2.7	2.7	-	2.7	-	2.7
IT Costs Subtotal	8.9	8.9	-	8.9	-	8.9
FPARS Grand Total	69.9	33.6	15.6	49.2	20.7	69.9

Table 2 provides a further breakdown of the FPARS total project costs and actual expenditures for the life of the project and approved cash flow funding required for 2014 and 2015 to complete this project. This table further delineates the budgeted costs according to the type of resources required for the project: the cost of in-house staff resources dedicated to the project (\$25.552 million); the cost of external project management and technical resources (\$28.110 million) and the cost to operate the project over its duration (\$7.338 million).

Table 2  
 FPARS Budget Total Project Cost Detail  
 (\$000s)

	Total Project Cost	Life to Date Actual Project Cost Dec 31, 2012	2013 Actual Cost	Total Project Cost Dec 31, 2013	2014 Plan	2015 Plan
<b>Internal Resources</b>						
SAP Configured Solution/Requirements	569	569	-	569	-	-
RFP/Project Preparation	1,773	1,811	-	1,811	-	-
PBF Implementation	17,043	4,624	6,498	11,122	5,315	108
Enterprise Performance Management	6,167	-	135	135	1,662	4,370
<b>Internal Resources Total</b>	<b>25,552</b>	<b>7,005</b>	<b>6,633</b>	<b>13,637</b>	<b>6,978</b>	<b>4,477</b>
<b>Professional Services</b>						
SAP Configured Solution/Requirements	4,170	4,170	-	4,170	-	-
RFP/Project Preparation	291	218	-	218	33	-
PBF Implementation	17,076	9,322	7,824	17,146	799	-
Enterprise Performance Management	6,573	-	-	-	3,932	2,642
<b>Professional Services Total</b>	<b>28,110</b>	<b>13,710</b>	<b>7,824</b>	<b>21,535</b>	<b>4,764</b>	<b>2,642</b>
<b>Project Operations</b>	<b>7,338</b>	<b>4,032</b>	<b>1,111</b>	<b>5,143</b>	<b>1,819</b>	<b>-</b>
<b>Transformation &amp; Implementation Subtotal</b>	<b>61,000</b>	<b>24,747</b>	<b>15,568</b>	<b>40,315</b>	<b>13,560</b>	<b>7,119</b>
<b>IT Costs</b>						
Information Technology Division Costs prior to 2009 (Configured Solution)	2,300	2,300	-	2,300	-	-
Information Technology Division SAP Upgrade Allocated Costs	3,900	3,900	-	3,900	-	-
Information Technology SAP/PBF License Costs	2,700	2,700	-	2,700	-	-
<b>IT Costs Subtotal</b>	<b>8,900</b>	<b>8,900</b>	<b>-</b>	<b>8,900</b>	<b>-</b>	<b>-</b>
<b>FPARS Project Grand Total</b>	<b>69,900</b>	<b>33,647</b>	<b>15,568</b>	<b>49,215</b>	<b>13,560</b>	<b>7,119</b>

Anticipated ongoing sustainment costs are estimated at \$2.00 M annually. These costs and positions are allocated to the Corporate Partner Divisions based on their sustainment responsibilities as indicated below in Table 3:

Table 3  
 FPARS Sustainment Cost  
 (\$ Millions)

FPARS Division	Number Of Positions	Total Ongoing Cost
Financial Planning	2	0.24
Accounting Service	1	0.13
Payroll, Pension and Employee Benefits	1	0.12
Human Resources	1	0.08
Information Technology	6	0.78
<b>Total Division Cost</b>	<b>11</b>	<b>1.35</b>
FPARS Other Information Technology Cost		Total Ongoing Cost
IT Licenses		0.60
IT Hardware		0.05
<b>Total Other Information Technology Cost</b>		<b>0.65</b>
<b>Total FPARS Sustainment Cost</b>		<b>2.00</b>

In terms of immediate benefits that have been identified to date, ongoing salary and benefits savings of \$5.646 million have been realized in the 2014 Operating Budget through the use of the new PBF budgeting tool's personnel expenditure planning (PEP) functionality that has automated the budgeting for salaries and benefits based on particular instructions regarding the funding of vacant positions.

As well, the need for financial information Business Warehouse for analysis and reporting purposes by Accounting Services will be satisfied by the FPARS project which resulted in the deletion of a capital project in the Financial Services 2011 to 2020 Approved Capital Plan if \$2.03 million. The savings to date are summarized in Table 4 below:

Table 4  
Savings to Date (\$ Millions)

2014 Operating Savings	Gross	Net
Fleet Services	0.150	0.150
311 Toronto	0.213	0.191
Facilities Management & Real Estate	1.003	1.003
Legal Services	0.750	0.750
Office of the Chief Financial Officer	0.034	0.034
Office of the Treasurer	0.300	0.300
Information & Technology	1.039	1.039
Toronto Water	2.178	2.178
	5.668	5.646
2014 - 2023 Capital Budget and Plan Savings	Gross	Debt
Financial Services *	2.030	2.030

\*Note: from 2011 - 2020 Capital Budget and Plan for Business Information Warehouse project.

## DECISION HISTORY

At its meeting of May 29, 2013, the Audit Committee considered a report from the Auditor General entitled, "Financial Planning Analysis and Reporting System (FPARS) – A Large Scale Business Transformation/Information Technology Project. The report contained nine recommendations along with management response to each of the recommendations. The FPARS project was selected for review by the Auditor General based on the extent of the expenditures and associated risks. The objectives of the audit were to assess the adequacy of measures, controls and processes in place to ensure successful implementation of the FPARS project, and to address a number of concerns, including the costs and benefits of the project.

Recommendation # 3 of the Auditor General's Report stated that:

*"City Council request the Deputy City Manager and Chief Financial Officer to prepare a detailed and comprehensive analysis of all Financial Planning Analysis and Reporting System related costs to date as well as those costs projected to the completion of the project. This information should also include all anticipated ongoing maintenance costs. Further, the Deputy City Manager and Chief Financial Officer quantify and document all anticipated financial and operational benefits of the Financial Planning Analysis and Reporting System project. Such analysis be completed by July 31, 2013".*

A report entitled "Financial Planning, Analysis and Reporting System – Costs and Benefits" (GM26.20) providing this analysis based on September 30, 2013 financial results, was

submitted by the Deputy City Manager and Chief Financial Officer to the Government Management Committee for its information at its meeting of November 21, 2013.

This report can be viewed at:

<http://www.toronto.ca/legdocs/mmis/2013/gm/bgrd/backgroundfile-63237.pdf>

As part of the 2014 Budget process, a status update of the FPARS project was provided in the form of a Capital Budget Briefing Note and in the Financial Services' Capital Analyst Notes, both of which were distributed to all members of Council and placed on the City's 2014 Budget website.

These documents can be viewed at:

<http://www.toronto.ca/budget2014> > Tax Supported > Briefing Notes > Internal Services)

<http://www.toronto.ca/budget2014> > Tax Supported > Analyst Notes > Financial Services)

At its meeting of February 24, 2014, the Government Management Committee considered GM38.8 – Follow-up Report on the Impact of Delays of Filling Vacant Positions submitted by the Deputy City Manager and Chief Financial Officer and a presentation from the City's Chief Information Officer regarding the impact of vacancies on capital project delivery. It was noted that the FPARS project was being impacted by both Information and Technology and vendor resource issues. As a result, the Committee requested the Deputy City Manager and Chief Financial Officer to report back to the April 7, 2014 Government Management Committee on the implementation of FPARS.

This report responds to the Government Management Committee's request and provides a further updates the status of the Financial Planning, Analysis and Reporting System (FPARS) project than that presented during the 2014 Budget process.

## **COMMENTS**

### **FPARS Project Deliverables: Status Update**

The FPARS project's major goal is to strengthen the foundational elements of sound financial planning, budgeting and performance management and establish principles and best practices that will support the City's transition towards a service-based and performance focussed organization. The project provides systems and processes to link strategic directions to service objectives, support service focused, performance-based budgeting and provide tools for planning, analyzing, evaluating and reporting financial and service performance information based on the services the City delivers to the public.

FPARS is designed as two concurrent and integrated projects:

1. Business Transformation; that will re-engineer financial planning, accounting, payroll and human resource processes to implement the City's planning and performance framework; and,

2. SAP Implementation; that will provide the planning and budgeting systems and analytical tools to facilitate the monitoring and reporting of financial, complement and performance data in a service view.

FPARS will support the City's need to maximize its limited resources by moving the City to a multi-year service and performance-based budgeting process, enabled with new technology.

The following provides a status update on the deliverables established to meet the FPARS project's objectives.

### **Service Inventory for City Programs and Agencies**

*An inventory of City services with key qualitative and quantitative information profiling each service will be established. This will form a common language for services across all Divisions and Agencies and facilitate the alignment of services to Council goals, service objectives and resource allocation decisions.*

#### **Status Update:**

The City's Service Inventory, complete with qualitative and quantitative service profile information for City Divisions was expanded during 2013 to include program maps; service profiles; and service levels for all City Agencies except TTC and Police Services. The FPARS Business Transformation team staff continue to work with TTC and Police Services to finalize their program maps and associated service information and with a few City Divisions that wish to refine or reflect service changes in time for the 2015 Budget process. The City's Service Inventory is comprised of 155 distinct City services offered to the public; to support direct service delivery and for good governance.

During the Fall of 2013, Standing Committees and Council undertook a detailed Service Level Review leveraging the service levels established for City services and activities through the FPARS project. The review resulted in the confirmation of most service levels, with recommendations made on many enhancements. These recommended service level changes were considered in the 2014 Budget process, resulting in Council's approval of some key strategic service investments.

The Service Structure was also utilized in 2013 to redesign and revitalize the City's budget website and formed the basis for producing key budget information documents for the public, info graphics; a whiteboard video and Operating Analyst Notes. Work will continue in 2014 to further enhance a service-based approach to budget information and public engagement tactics for the 2015 Budget process.

### **Service Planning as a Formal City-wide Process**

*A formal service planning process will be developed that will translate Council's strategic themes and goals into service objectives, priority actions and performance targets aligned to the resources allocated through the budget process.*



### **Status Update:**

During the last quarter of 2013, FPARS project staff completed the business and technical specifications for the configuration of the Public Budget Formulation (PBF) tool to incorporate the following key information in PBF:

- strategic goals, themes and actions;
- service objectives, targets and priority actions (to be established through the service planning process); and
- multi-year service (budget) investments (business cases and metrics).

Doing this will provide the technical structure necessary to align the 3 key elements of the City's planning and performance framework (strategic planning, service planning and multi-year budgeting) and provide the capability for reporting.

During 2014, the service planning functionality in PBF will be finalized and ready for use for service planning. The Business Transformation Steering Committee, an interdivisional senior management team, will provide direction and advice in the development of the end to end service planning process that City and Agency staff will use to create service plans in time for Standing Committee consideration in late Spring of 2015. The public portion of the process will be established in accordance with the one outlined in the report entitled "Service Review Program, 2012 Budget Process and Multi-Year Financial Planning Process" approved by City Council on April 12, 2011 (EX4.10). The report can be viewed at:

<http://www.toronto.ca/legdocs/mmis/2011/ex/bgrd/backgroundfile-36612.pdf>

### **Performance Inventory for City Programs and Agencies**

*A performance framework and an inventory of measures for City Programs and Agencies will be created. This will make it possible to measure and evaluate services and their results and create dashboards that will allow the public to evaluate Council's achievements.*

### **Status Update:**

During 2013, significant progress was made in establishing a performance inventory for City Programs. The FPARS team worked with each City Division to identify and select performance measures for each of their services and activities in their Program Map that will allow the City to gauge service performance by comparing achieved results against established targets. As well, staff completed the business and technical specifications for the configuration of PBF to incorporate performance measurement information with Service Planning and Multi-Year Budgeting and reporting.

To summarize performance measurement initiatives to date:

- 100% of divisions have completed measure identification;
- 96% of divisions have completed measure selection;
- 62% of divisions have signed off on their measures; and,

- 69% of divisions have submitted key figures. It is worth noting that 38% of the measures identified through the FPARS measurement framework were used in the 2014 Analyst Notes.

Further efforts are underway in 2014 to ensure that performance measures are accurately reflected in PBF and that processes are in place for the 2015 Budget process to assess service performance, namely:

- **Performance Profile:** documenting detailed measure-specific information that will be uploaded into PBF to facilitate the planning, tracking and reporting of performance measures. Eighty percent of divisions are well on their way to completing their performance profile;
- **Service Levels:** clarifying and documenting service levels in a manner that is consistent for upload into PBF, to facilitate the planning, tracking and reporting of service level measures;
- **Performance Review Process:** establishing a minimum standard for the City of Toronto, ensuring that all City Divisions have a common performance measurement monitoring process; and,
- **Measure Classification:** aligning the City's full performance inventory to the program map, documenting the data source and facilitating the establishment of a common language for performance measurement (e.g., compliance, cost, customer satisfaction, frequency, occupancy, turnaround time).

### **Multi-Year Service-Based Budgeting**

*Two of the four pillar processes of the integrated planning and performance framework will be implemented, namely: service planning and multi-year service-based and performance focused budgeting, monitoring, reporting and evaluation. This will be facilitated by redesigned processes, new systems and tools and training for staff in all City Divisions and Agencies.*

#### **Status Update:**

*Multi-Year Service-Based Budget using the Public Budgeting Formulation Tool (PBF):*

PBF went live in May 2013, for use by City Divisions and Agencies for submission of their 2014 Operating Budget requests and was used for the balance of the 2014 Budget process, up to and including the "booking" of the 2014 calendarized budget in the SAP Financial system which is being completed for the March, 2014 month-end. With its approval of the 2014 Operating Budget, City Council approved its first multi-year service-based operating budget based on the allocation of existing budgets to the program maps established for each City Program. It is anticipated that the City Programs will continue to refine their service-based budget estimates for 2015 and 2016 as they gain experience with the actual allocation of expenses to their services and activities.

Through the second half of 2013 and into the first quarter of 2014, the FPARS project team has been focused on addressing system and report defects experienced with the PBF tool during its use in the 2014 Budget process; developing additional functionality in PBF not

released with the May “Go-Live” date; and working on improvements and new reports in time for preparation of the 2015 Operating Budget submissions. As a result of this work and additional work noted below, core project staff team members have had their work engagements extended by 6 months to September 30, 2014.

Addressing these requirements in time for the launch of the 2015 Budget process preparation period has been hampered, as the City has been challenged with vendor resource availability, the quality and timing of deliverables for defects and new functionality and contract interpretation issues. City senior management, along with Legal Services staff are actively trying to resolve these matters with the vendor, IBM.

### *8.1 Upgrade to PBF:*

In late 2013, SAP released an upgrade to PBF (version 8.1) that would provide additional automation capabilities and enhancements to the module. In fact, the ability to upload data into PBF from source systems is a new capability established directly as a result of SAP working closely with the City of Toronto on its requirements. It was hoped that this upgrade could be implemented in advance of the start of the 2015 Budget process to take advantage of the new functionality. However, given the work currently underway and the significant amount of time and resources required to plan, configure and install the upgrade in the face of the 2015 Budget process timelines, outstanding vendor and quality issues and limited resource expertise in PBF, in fact globally, it has now been determined that the upgrade to version 8.1 cannot occur until the next available business opportunity in January/February 2015.

In preparation for the upgrade, Information and Technology staff are recommending that an SAP review occur prior to any upgrade to assess the current system configuration against the upgrade requirements to identify any possible negative impacts and risks the upgrade could have on the operability of the current PBF tool. As a result, staff are considering to engage SAP in a single source contract to undertake this assessment in 2014 and are developing plans for the upgrade in early 2015. It is expected that funding would be reallocated from the FPARS project for the assessment and the upgrade, a sustainment activity, would be included in the Financial Services 2015 – 2024 Capital Plan submission.

### **Processes to Organize Financial, Complement and Performance Data in a Service View**

*A new complement planning and management process will be created that links positions, people and their budget according to the services provided by each City Division. The new corporate process will, in turn, spawn new policies, standard definitions and a best practice approach to complement data management to support new organizational change approval process, vacancy management and complement planning.*

*The implementation of SAP Funds Management functionality and the realignment of the cost centre structure will provide financial information in both an organizational and service view. Processes for financial information reporting, expenditure/commitment tracking, accounts payable and receivable, corporate banking, purchasing and payroll time reporting will be amended to provide financial and payroll information in a service view.*

## **Status Update:**

### *Complement Management:*

With the establishment of the best practice approach to complement management, extensive work was completed in 2013 to: establish standard definitions; identify necessary information requirements to manage and report on complement, including vacancies; establish complement management process and policies; and complete a first round of data clean up based on the new complement management structure. As well, an HR Organization Management e-Request system to manage complement change requests and provide complement management reports was developed and released on December 6, 2013.

In 2014, a number of activities to support and continuously improve the City's complement planning and management processes are underway. Through the Complement Data Maintenance Plan, the FPARS project team and HR Organization Management staff are working with each Division to ensure SAP is updated with accurate complement data. These activities include a review and update of the 2013 complement information; update of 2014 Council approved positions; review and update of service allocations; and then a final review of all complement data prior to the execution of Personnel Expenditure Planning (PEP) projection for the 2015 Budget process.

The HR Organization Management E-Request system, known as HoMER, was designed and implemented as an interim workflow system to manage Divisions' requests for complement changes in SAP. A separate approved Employee Self Service/Management Self-Service (ESS/MSS) project to be completed by the Payroll, Pension and Employee Benefits Division in 2015 will provide automated workflow capability that will enable automated complement approval and inputting of complement data changes directly into SAP.

To fully utilize the additional complement data now residing in SAP, dynamic reports will be developed to enable Divisions to access the accurate information in a timely fashion they need to support their service planning, budgeting and strategic workforce planning needs.

### *Financial and Payroll Transactions:*

Modifications to the functionality of the financial and payroll components of SAP to enable the recording of financial and payroll transactions to functional (service) area codes went live November 12, 2013 and became fully operational for January 1, 2014 for the beginning of the new fiscal year. This, combined with the booking of service based budgets in SAP by the end of March, 2014, will provide service view reporting of budgets and actual expenditures (payroll and non payroll) as well as complement information, organized according to each City Division's Program Map of services and activities.

Work continues to further automate divisional accounting and payroll processes. Underway currently is a pilot project with Toronto Public Health and Solid Waste to leverage existing functionality within SAP to further automate divisional accounting and payroll processes, where needed. The pilot is testing the use of available SAP functionality for the automated allocation of accounting entries (including Purchase Orders). Solid Waste and Transportation payroll processes are also being reviewed to develop an automated solution for distribution of payroll costs.

## **Processes and Tools to Analyze and Report on Service Performance and Results**

*The new SAP Business Warehouse will be configured to house performance information and the Business Intelligence tools will be utilized to design dynamic reporting for service performance, including dashboards. Analytics and reporting capabilities will be developed to provide users with access to financial, complement, performance and service information for use to support service operations and for the planning, budgeting, monitoring, reporting and evaluation of City services.*

### **Status Update:**

Since the May, 2013 release of PBF for the preparation of the 2014 Budget, various reports were developed and used in the 2014 Budget process and a series of reports have been developed for reporting financial, payroll and complement information from SAP in a service review, including variance reports and complement reports, identifying “true vacancies”, i.e. a funded approved position that has no holder of the position on a permanent or temporary basis and no commitment of the funding for other purposes.

Work was also completed to prepare the SAP Business Warehouse for analytics and reporting using the Business Intelligence tools, beginning with budget information. Work is continuing in 2014 to refine these budget reports for use in the 2015 Budget process and to add the ability for complement, payroll and financial dynamic reporting with additional reporting security structures. As more service planning and performance information is established and complement and transactional information is created, a full suite of analytics and reporting capability will be made available to staff.

In addition, the functional and technical specifications for divisional dashboards providing key service, financial and performance information, is planned for use in the fourth quarter of 2014.

A decision was made to delay the implementation of Enterprise Performance Management (EPM) functionality to 2014. As noted above, the project is currently exploring the full potential of the new SAP performance and reporting functionality offered from the SAP Business Warehouse and Business Intelligence tools and its ability to deliver reporting, analytics and score-carding solutions for the City prior to engaging in the final activity of this project. The scoping for this phase of the FPARS project is planned to begin in the second half of 2014.

## **Organizational Change Management Strategy and Plan**

*Organizational change management, training and communication plans and tactics will be developed and deployed to implement the new planning and performance framework, its processes, policies and systems and support the organization in its business transformation to a more service-based and performance focused entity.*

### **Status Update:**

Extensive organizational change management, training and communications activities and tactics were employed across the full spectrum of City staff during 2013 to deliver the PBF, complement, financial and payroll changes. Activities included the delivery of :

- Leadership session in service mapping and performance for the Senior Management Team of all City Divisions and Agencies;
- PBF End User hands on training, with 250+ for forms training; 125+ for reports training and 100+ for Budget Support sessions, totalling 475+ trained, supplemented by (on-line) learning maps;
- Over 4,000 SAP end users trained through job aids, learning maps and "train-the trainer" activities;
- Complement Management and HoMER training for City Divisional staff and management;
- A Change Champion Network established with over 50 divisional members and 17 weekly bulletins issued and an internal FPARS website that provided regular updates.

Work is currently underway to develop a second phase of training in preparation for the 2015 Budget process to highlight changes, refinements, new reports and functionality that is planned for release. A program is being developed to roll out the analytical and reporting capabilities that will become available for use by City staff. Finally, the change management strategy will be updated by the Business Transformation Steering Committee to assist in supporting senior and divisional staff with the transformational changes underway.

By employing Program Mapping methodology to develop relevant, transparent, service information, establishing Service Planning and Performance Based Budgeting, expanding SAP functionalities, reengineering major core business processes that have not been holistically reviewed since amalgamation, revising policies, and training staff across all levels of the organization, the FPARS project is providing the foundation to strengthen the City's capacity to employ its integrated planning and performance framework; provide timely and relevant information to support sound decision making; and improve transparency and accountability

## **CONTACT**

Josie La Vita  
Director, Financial Planning  
Tel: 416-397-4229  
Fax: 416-397-4465  
E-mail: [jlavita@toronto.ca](mailto:jlavita@toronto.ca)

## **SIGNATURE**

---

Roberto Rossini  
Deputy City Manager and Chief Financial Officer