



**AUDITOR GENERAL'S  
REPORT  
ACTION REQUIRED  
with Confidential Attachment**

**Maximizing Value from a Learning Management System**

<b>Date:</b>	October 7, 2015
<b>To:</b>	Audit Committee
<b>From:</b>	Auditor General
<b>Wards:</b>	All
<b>Reason for Confidential Information:</b>	The confidential attachment to this report involves the security of property belonging to the City or one of its agencies and corporations.
<b>Reference Number:</b>	

**SUMMARY**

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The Auditor General's Audit Work Plan included an audit of City training activities provided by the Human Resources Division. The focus of this review was on the controls regarding the planning, development and implementation of the City enterprise eLearning initiative (ELI).

This audit could not provide assurance that the City is receiving the anticipated value from the investment in ELI, as adequate controls were not in place to ensure costs and benefits associated with the project are being accurately recorded. Addressing the recommendations in this report will ensure the City has useful information available to evaluate the value achieved from the services provided by the vendor, under the current contract. In addition, the information will guide decisions about future investments in ELI.

**RECOMMENDATIONS**

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**The Auditor General recommends that:**

1. City Council request the Chief Information Officer and the Executive Director of Human Resources to assign individual responsibility for recording and tracking Enterprise eLearning Initiative project costs and report on annual project costs since 2010 including cumulative project costs.

2. City Council request the Chief Information Officer and the Executive Director of Human Resources to develop, maintain and report on performance measures to evaluate the efficiency and effectiveness of the Enterprise eLearning Initiative prior to any contract renewal.
3. City Council request the Chief Information Officer and the Executive Director of Human Resources to ensure actual and estimated project costs related to the development, implementation and sustainment of the Learning Management System are included in updates to the business case.
4. City Council request the Executive Director, Human Resources and the Chief Information Officer to ensure total project costs reported at the end of the Enterprise eLearning Initiative identify and include all planning costs for the project.
5. City Council request the Executive Director, Human Resources to develop a methodology and criteria to determine the most cost effective way to acquire more online learning content at a faster pace.
6. City Council request the Executive Director, Human Resources to complete a Readiness Assessment of City Divisions in order to properly plan for divisional Electronic Learning Initiative implementation.
7. City Council request the Chief Information Officer and the Executive Director of Human Resources to ensure there is a Corporate plan to address the appropriate number of Electronic Learning Initiative system administrators required at the enterprise and divisional level.
8. City Council request the City Manager to establish a corporate funding model to implement and sustain the electronic learning management system.
9. City Council request the Chief Information Officer and the Executive Director of Human Resources to ensure project documentation is recorded and retained in the central project repository.
10. City Council adopt the Confidential Recommendations contained in Confidential Attachment 1 to this report.
11. Council direct that the information in Confidential Attachment 1 remain confidential as it relates to the security of the property of the City or one of its agencies and commissions.

### **Implementation Points**

It is important to address the recommendations in this report prior to any contract renewal.

## **Financial Impact**

The implementation of the recommendations in this report has the potential to maximize the value the City receives from the current contract with the vendor. The extent of the value could not be determined at the time of the audit.

## **DECISION HISTORY**

The Auditor General included an audit of training activities in the 2014 Audit Work Plan. The audit was conducted in two phases. Improving the Administration of City Training Programs, Phase 1 was tabled at the May 2015 Audit Committee.

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-79977.pdf>

Phase 1 identified the following issues:

- Performance measures are needed to ensure City-wide and divisional training plans align with the Talent Blueprint
- City training costs are not tracked so comparative analysis and value for money cannot be evaluated
- Corporate core competencies are 16 years old and should be updated
- City-wide training needs assessment should be formalized
- Methods to improve training efficiency and effectiveness should be reviewed
- Consistent reporting protocols are needed
- Non-compliance with legislatively mandated training

Appendix 1 of this report contains the results of Phase 2, Maximizing Value from a Learning Management System.

In addition to Appendix 1 there is a confidential section of the report which is attached to this report as Attachment 1.

## **ISSUE BACKGROUND**

In 2013, a Request for Proposal was issued for the delivery of ELI using Software as a Service (SaaS). SaaS means that the vendor provides, manages and controls the infrastructure required to train employees through the internet and they maintain training records. In simple terms, the City does not own ELI but has purchased the right for City staff to access the vendor's system.

Cornerstone On Demand was awarded the contract for three years with renewal options subject to budget approval and performance evaluation. The contract is subject to renewal option in January 2017.

## **COMMENTS**

Sufficient controls were not in place to evaluate the value gained from the City's ongoing investment in ELI. Implementing the recommendations contained in this report in a timely manner will allow the City to evaluate whether or not ELI effectively supports training at the enterprise level and is achieving the anticipated efficiencies.

The focus of this review was on the controls regarding the planning, development and implementation of the City enterprise eLearning initiative (ELI). Audit findings and recommendations are contained in the report entitled "Maximizing Value from a Learning Management System." The audit report is attached as Appendix 1. Management's response to recommendations contained in the audit report is attached as Appendix 2.

Attachment 1 to this report contains confidential information pertaining to the security of property belonging to the City or one of its agencies and corporations. Management responses to audit recommendations in Attachment 1 are included in the Attachment.

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## **SIGNATURE**

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Beverly Romeo-Beehler, Auditor General

## **ATTACHMENTS**

Appendix 1: Maximizing Value from a Learning Management System

Appendix 2: Management's Response to recommendations in the Auditor General's Report entitled "Maximizing Value from a Learning Management System"

Confidential Attachment 1: Maximizing Value from a Learning Management System

**AUDITOR GENERAL'S REPORT**

**Maximizing Value from a  
Learning Management System**

**October 7, 2015**

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**Beverly Romeo-Beehler, CPA, CMA, B.B.A., JD**  
**Auditor General**



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## EXECUTIVE SUMMARY

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***Why we did this review***

The Auditor General's 2014 Audit Work Plan included an audit of City training activities provided by the Human Resources Division.

The first phase of our audit reviewed the effectiveness and efficiency of training services delivered by the Human Resources Division.

This report contains the results of the second phase of the audit of City training activities. The report includes a review of controls regarding the planning, development and implementation of the City electronic learning management system.

***Transforming learning corporately and across City divisions***

The business case to support the implementation of an electronic learning management system states that the system will "...transform the City's culture to embrace technology enabled learning to develop a flexible, adaptable and knowledgeable workforce." It will also "...enhance the City's ability to effectively and efficiently create, deliver and manage learning across City divisions."

***Electronic Learning will harmonize the approach to learning across City Divisions***

A 2011 business case developed by Human Resources and Information and Technology Divisions concluded that coordination, collaboration and reporting of eLearning results were 'significantly hampered' because there were multiple approaches to learning across divisions. The consequences included "duplicated efforts, fragmented goals and objectives, and sporadic and short-term initiatives."

***Anticipated benefits***

The ELI business case was submitted on the premise that divisions will want to join the City's initiative. The vision was to have corporate and divisional training plans coordinated in one place and to deliver and manage training, including records, through ELI. The anticipated benefits from ELI are envisioned to include increased automation, service improvement and divisional access to reliable information.

***Key Issues in  
Phase 2***

A significant amount of professional advice was gathered to enable the City to adequately plan for the implementation of a learning management system. Our audit identified the following issues relating to the administration and implementation of the system:

- Current project costs or benefits to date for ELI are not being adequately monitored
- Performance measurement framework needs to be developed
- \$3 million business case increased to \$5.1 million in four years and not all costs are included
- Inadequate controls to ensure consultant recommendation on electronic learning were addressed
- Current Inventory of Online Content is limited
- Two Divisions are onboard and it is unknown if other 42 will use ELI for their business requirements
- A funding model is required to sustain the Learning Management System

Addressing the recommendations in this report will strengthen controls to ensure the City achieves value from the money invested in 'ELI,' the system used for electronic learning. Leveraging the lessons learned in this report will also help the City avoid similar issues in the future.

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## **BACKGROUND**

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***Training is a  
shared  
responsibility***

The City provides employee training to:

- Comply with mandated legislative requirements or corporate directives
- Provide education and awareness regarding technical business requirements
- Fulfill requirements of professional organizations
- Provide ongoing staff development



Training the Toronto Public Service is a shared responsibility involving employees, divisional management and the Human Resources Division.

The Auditor General included an audit of training activities in the 2014 Audit Work Plan. The audit was conducted in two phases. The first phase of our audit of training services provided by Human Resources Division was tabled at the May 2015 Audit Committee, Improving the Administration of City Training Programs.

<http://www.toronto.ca/legdocs/mmis/2015/au/bgrd/backgroundfile-79977.pdf>

***Phase 1 Audit issues***

The phase one audit report identified the following issues:

- Performance measures are needed to ensure City-wide and divisional training plans align with the Talent Blueprint
- City training costs are not tracked so comparative analysis and value for money cannot be evaluated
- Corporate core competencies are 16 years old and should be updated
- City-wide training needs assessment should be formalized
- Methods to improve training efficiency and effectiveness should be reviewed
- Consistent reporting protocols are needed
- Non-compliance with legislatively mandated training

This report is the second phase in completing the audit of City training activities. The report includes a review of controls regarding the planning, development and implementation of the City enterprise eLearning initiative.

***62% of City workforce use computers***

The benefits of an electronic learning management system includes online catalogue of training opportunities, automated registration, electronic delivery of courses, electronic registration, training activity analysis, as well as data storage and maintenance.

Approximately 62 per cent of the workforce has access to computers and software at the City.

***Co-sponsors are Human Resources and Information and Technology***

In 2011, Council approved funding for an enterprise eLearning project which is co-sponsored by Human Resources and Information and Technology Divisions. The initiative received funding in 2011 as part of the Information and Technology Capital Budget process.

***Consultant recommended 79 actions to guide the City***

In 2011, the City hired a consultant to provide advice in preparing for a successful electronic learning management system implementation. The consultant provided a road map which included 79 recommendations for the development and implementation of a learning management system.

***Software as a Service (SaaS)***

In 2013, a Request for Proposal (RFP) was issued for the delivery of ELI using Software as a Service (SaaS). Under SaaS arrangements, the vendor provides, manages and controls the infrastructure required to train employees through the internet and they maintain training records. The City does not own the eLearning system.

***Six phases for implementation***

The business case and the Request for Proposal noted that the project would be considered complete once the system has been deployed to 44 Divisions across the City.

There were six phases included in the Request for Proposal:

1. Project Initiation
2. Interface, Configuration and Integration Requirements Validation
3. Build, Customize and Integrate Interface
4. Implementation Planning and Solution Configuration
5. Go Live – Monitored Deployment to Divisions
6. Final Acceptance

***3 year SaaS contract signed***

Cornerstone On Demand was awarded the contract for three years beginning September 1, 2013 with renewal options subject to budget approval and performance evaluation.

***ELI operational in February 2014***

The eLearning system was called ELI and went live February 2014. The system allows for online course registration, online learning and maintenance of training records. Several functionalities, including the managing staff certifications, staff collaboration, career development and planning modules are not yet functional.

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## AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

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***Auditor  
General's 2014  
Work Plan***

In accordance with the 2014 Annual Audit Plan, the Auditor General's Office initiated a review of City training initiatives coordinated by the Human Resources Division Corporate Learning and Leadership Development Unit (CLLD).

***Audit objective  
and scope***

The objective of the review was to assess corporate training and identify opportunities to achieve greater efficiencies in providing training to the City workforce. This included a review of the learning management system known as 'ELI', the subject of this report.

***Audit  
Methodology***

Our audit methodology included the following related to ELI:

- review of consultant reports on the enterprise eLearning initiative
- review of business cases, project capital budgets and expenditures
- review of the request for proposal and evaluation of bids received for the delivery of ELI by using Software as a Service (SaaS)
- interviews with City staff and fairness monitor
- review of the contract with the successful proponent for the delivery of Software as a Service
- review of strategic plans and project governance
- review of relevant legislation, policies and procedures

The audit reviewed corporate training programs and records for the period January 2011 through July 2015.

***Compliance with  
generally  
accepted  
government  
auditing  
standards***

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## AUDIT RESULTS

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### A. ENTERPRISE LEARNING MANAGEMENT SYSTEM

The City Human Resources Division and the Information and Technology Divisions are the co-sponsors for the enterprise eLearning initiative.

*19,000 staff have logged in to ELI*

Project achievements since the February 2014 system roll-out are shown below:

- electronic registration for courses delivered in a classroom. These courses have previously been available and include more than 200 instructor-led training courses by Corporate Learning and Leadership Development (CLLD) Unit.
- wait lists for training
- 23 online training sessions (approximately 13 hours)
- 20 videos
- uploading of Human Resource training records from 2010
- six standard training record reports available
- staff access (approximately 19,000 have signed on)
- the onboarding of two Divisions of 44
  - Toronto Fire Services is the first Division to use ELI for its own operational training requirements.
  - Toronto Employment and Social Services launched the system for Divisional training requirements in July 2015.

*7 Divisions may be on board by end of 2015*

The two primary project co-sponsors are not expected to integrate their respective training programs into ELI in 2015. However, future plans are underway for five of 44 City divisions to provide training programs to meet their business requirements through ELI.

## A.1. Inadequate Controls to Monitor Project Costs to Date

### *Current costs of ELI project are unknown*

To evaluate whether the City has received 'value for money' from the purchase of access to a third party eLearning system, it is necessary to understand how much was spent on the ELI project. The City's project management methodology requires project sponsors to:

- establish project reporting protocol
- review detailed reports about the project
- manage the budget
- acquire the necessary resources to complete the project

We could not determine who was responsible to record and track ELI project costs. The capital project accounts and cost centres related to ELI expenditures are not tracked and maintained. A complete and current summary of ELI total project costs for each fiscal period and total cost to date was not available.

We noted, for example, that project costs for five employees from two divisions working on ELI are not being accurately recorded and charged to the project. The lack of monitoring over the project life results in the inability to manage and compare planned costs with actual costs.

If the City plans to further develop and expand ELI implementation to all 44 divisions it is necessary to have a proper account of project costs.

### **Recommendation:**

- 1. City Council request the Chief Information Officer and the Executive Director of Human Resources to assign individual responsibility for recording and tracking Enterprise eLearning Initiative project costs and report on annual project costs since 2010 including cumulative project costs.**

## **A.2. Performance Measures Are Required to Demonstrate Value for Money**

### ***The Goal***

To determine value for money, the benefits from the system must be identified.

The vision for ELI was to co-ordinate corporate and divisional training initiatives, and training records in order to have reliable, accessible and useful information by providing better service with timely cost effective training. Full implementation of the system includes onboarding 44 Divisions to the ELI system.

Adequate data or information is not available to verify the usage rate by City employees. The measures that are typically used to monitor electronic learning services are not in place, including: the number of times the system was accessed for learning purposes, time of data statistics, the course completion rates, user satisfaction ratings, types of course content most and least used, feedback from management regarding whether the learning has been transferred appropriately.

### ***Useful information is needed for decisions***

The City has paid two years of full license fees in the amount of \$345,000 annually but the system has not been fully implemented.

The City is committed to the current contract with the vendor until the end of 2016, with annual renewal options.

### ***Contract renewal decision December 2016***

The RFP noted that prior to any contract renewal, the City will review and assess a number of criteria:

- emerging learning and development needs
- status of outstanding issues
- evaluation of the overall performance of the Learning Management System (LMS) over the prior year
- availability of funds

Prior to renewal, the City will need information to properly evaluate the system. This includes confirming full implementation and ensuring there is proper data to evaluate ELI's performance. Indicators should be developed, measured, analyzed and monitored to evaluate ELI's use and benefits. This information will be essential in determining whether the investment in ELI relative to the benefits is cost effective.

**Recommendation:**

2. **City Council request the Chief Information Officer and the Executive Director of Human Resources to develop, maintain and report on performance measures to evaluate the efficiency and effectiveness of the Enterprise eLearning Initiative prior to any contract renewal.**

**B. OUTSTANDING PLANNING ISSUES**

**B.1. Incomplete and Inadequate Business Case for Learning Management System**

*Business case should summarize costs and benefits*

A detailed business case is needed to evaluate the purchase of a complex, large scale computer system. The business case documents the analysis done to support or reject a project and provides information about anticipated financial resources and benefits.

A well prepared business case should answer three primary questions:

- Why are we doing this?
- What will it cost?
- What business value do we expect to achieve?

*ELI project budget increased from \$3 to \$5 million in four years*

City policy requires all resources dedicated to a specific capital project be clearly identified in the business case prepared for each project included in program capital budgets. The original business case for the learning management system was approved in 2011 and included estimated total project costs of approximately \$3 million dollars.

The 2015 capital budget business case approved by Budget Committee for ELI, did not contain all financial information such as relevant project salary costs. The 2015 IT Capital Budget business case increased the project budget to \$5.1 million. The increased costs result from extending the implementation date for the project, from 2015 to 2018, which increased salary costs on the project.

***2015 Operating budget increased by \$600,000***

In addition to the approved 2015 IT Capital Project Budget, an approved \$600,000 increase was made to the 2015 Human Resources Operating Budget directly related to ELI. This increase is to fund license fees for the learning management system and two new permanent Human Resource positions.

**Recommendation:**

**3. City Council request the Chief Information Officer and the Executive Director of Human Resources to ensure actual and estimated project costs related to the development, implementation and sustainment of the Learning Management System are included in updates to the business case.**

**B.2. Planning Costs Should Be Included in Project Costs**

***Planning costs are part of project costs***

Under the current IT governance model, all stages of capital project development and implementation are to be included in the business case. These include system concept, design, planning, implementation and close-out, including a plan to measure and track benefits. Any costs associated with these activities are to be included as part of project costs.

***\$690,000 spent on planning***

The planning for ELI included a number of projects to assist the ELI Steering Committee in planning for the enterprise learning management system.

***Number of planning projects seeking professional advice completed***

The planning costs related to projects were conducted by Human Resources and Information and Technology Divisions to assist the ELI Steering Committee in:

- Gaining an understanding of the opportunities and challenges associated with learning content and learning management tools
- Obtaining information regarding RFP requirements, City project expectations and priorities
- Identifying Corporate and divisional staffing requirements needed to implement the learning management system
- Informing the City's learning management governance structure and sustainment capacity
- Understanding implementation requirements and the roll out strategy.



Planning costs were incurred to refine the project design and assist in developing the business case. A total of \$690,000 in capital funds was invested in planning the learning management system. These planning costs were neither included in the business case nor the total project costs. The project team agreed and noted that this practice has changed under the new IT Governance Model. Hence, these planning costs will be included in the total project costs on a 'go forward' basis.

***Consultant  
advice from 2011  
still not  
addressed***

Included in the planning costs, the City spent \$285,000 to hire a consultant to provide advice on implementing electronic learning across the City. The consultant produced a comprehensive roadmap with 79 recommendations for the City to address in 2011. We were unable to locate information to confirm that someone monitored whether the consultant's recommendations were implemented.

Our Phase 1 audit report confirmed that these recommendations were key pre-requisites to having effective learning system. The following examples of the consultant recommendations were not implemented *prior* to embarking on eLearning:

- The City should measure learning outcomes
- The City should implement a City-wide learning evaluation program that includes measurement of both learner satisfaction and learning outcomes
- The business unit needs to establish metrics that measure outcomes
- It is important to measure the efficiency and effectiveness of learning service providers
- The City should establish business metrics for learning service providers

ELI is in its second year of development. The consultant's 2011 recommendations are still outstanding.

**Recommendation:**

- 4. City Council request the Executive Director, Human Resources and the Chief Information Officer to ensure total project costs reported at the end of the Enterprise eLearning Initiative identify and include all planning costs for the project.**

### **B.3. Current Inventory of Online Content is Limited**

***Large amount of learning content maximizes value of Learning Management System***

The availability of substantial learning content when a learning management system is launched can maximize the value achieved from online learning. The 2011 consultant's report also identified the need for the City to acquire a substantial amount of learning content early in the system implementation to ensure success.

***Limited learning content available***

At the time of the audit, the amount of learning content available in ELI was limited. The system was launched with 20 online learning videos. In the second year, three videos were added. Many of these videos were already available through other sites. The majority of learning content available in ELI consists of mandatory training. Exhibit 1 provides a listing of ELI's online learning content. During the audit additional online content was purchased and added in June 2015.

***Need to buy or develop learning content***

It is important to have a plan to ensure online learning content is acquired in the most cost-effective manner and the plan should address whether to purchase “off the shelf” learning content for the learning management system or to develop learning content internally. The learning content should be based on the learning needs across Divisions. Phase 1 recommended City-wide training needs assessment should be formalized. This data will inform which online modules need to be purchased.

#### **Recommendation:**

- 5. City Council request the Executive Director, Human Resources to develop a methodology and criteria to determine the most cost effective way to acquire more online learning content at a faster pace.**

#### **B.4. Readiness Assessment Needs Updating**

*Divisional readiness assessment needs to be completed*

In 2011, a consultant noted that the City would need to conduct a divisional readiness assessment prior to ELI implementation. Readiness assessments are important because they help to ensure an effective, seamless implementation of the system across divisions. They help to identify where a Division needs guidance or support.

*Most Divisions lack resources for a LMS*

A Readiness Assessment of 21 City divisions was completed in 2011. At the time, it was noted that there was a wide spectrum of readiness among divisions. Some divisions appeared ready to utilize eLearning while others were not at all prepared. Most did not have resources required to implement or sustain eLearning.

*Divisions that will use ELI is unknown*

In order to achieve a better understanding of each division's readiness to adopt eLearning the consultant recommended that another assessment be completed prior to implementation.

The assessment recommended by the consultant was not completed and consequently the number of divisions prepared to utilize eLearning for divisional training needs is not known.

#### **Recommendation:**

- 6. City Council request the Executive Director, Human Resources to complete a Readiness Assessment of City Divisions in order to properly plan for divisional Electronic Learning Initiative implementation.**

#### **B.5. Corporate Plan is Needed for ELI System Administrators**

*ELI administrators required for enterprise & Divisions*

At the time of the audit no corporate plan was in place to address how many ELI system administrators are required to support the system for both the enterprise and Divisional levels. Audit confirmed that other enterprise systems have one individual designated as system administrator.

*Efficiencies can be achieved from a corporate plan*

In the absence of a corporate plan, each division is required to develop their own ELI resource and maintenance plan. There is a risk of resource duplication across the City when the system is deployed to 44 Divisions. A corporate plan should be developed to ensure the number of ELI administrators is appropriate for managing the system efficiently and effectively.

**Recommendation:**

- 7. City Council request the Chief Information Officer and the Executive Director of Human Resources to ensure there is a Corporate plan to address the appropriate number of Electronic Learning Initiative system administrators required at the enterprise and divisional level.**

**B.6. Establish a Funding Model for the Learning Management System**

*Enterprise or divisional fee for service funding*

A funding model for ELI has not been identified. A proper funding model provides guidance, policies and procedures that assist in managing the funding and maintenance of IT projects. Two common project funding models are the enterprise model and the divisional fee for service model.

The enterprise model is based on funding and managing the project at a corporate level. The divisional fee for service model sometimes referred to as the project sustainment model requires divisions to contribute project funding based on service levels provided to the respective divisions once the project is complete.

*Sustainment funding needed*

Typically, the enterprise funding model is used in the earlier stages to fund project development and implementation. The division fee for service or sustainment model is used in later stages.

The 2011 consultant report included a recommendation that the City confirm a funding model for the learning management system. The consultant suggested that the enterprise model be used for the first several years with further funding transferred to a sustainable funding model upon conclusion of project development.

The lack of a clearly defined funding model has resulted in a fragmented funding strategy with gaps in financial information. Particularly related to funding requirements to implement and sustain ELI in the 44 Divisions across the City.

**Recommendation:**

- 8. City Council request the City Manager to establish a corporate funding model to implement and sustain the electronic learning management system.**

## **B.7. Project Documentation Should Be Maintained in a Central Repository**

### ***Gaps in project documentation***

Our review of the documentation retained in the project repository noted that not all project information was being stored in the repository. For example, the current approved business case, current project cost information, minutes from meetings, issue tracking and resolution were not available.

### ***Central project repository***

It is important to maintain key IT project management documents in a central location. The Project Management Institute recognizes this as a generally accepted practice for sharing knowledge about a project.

#### **Recommendation:**

- 9. City Council request the Chief Information Officer and the Executive Director of Human Resources to ensure project documentation is recorded and retained in the central project repository.**

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## **CONCLUSION**

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This report presents the results of Phase 2 of our review of corporate training. The focus of this review was on the controls over the planning, development and implementation of the City's Enterprise eLearning Initiative (ELI).

Electronic learning is an important step forward. The City should continue the pursuit of eLearning as a method to deliver training while ensuring maximum value is received from contracts.

We did not find adequate controls in place to ensure costs and benefits associated with the project are being accurately recorded, monitored and retained as project management information was limited. Based on the audit, we could not conclude that the City was receiving the anticipated value for money from ELI.

Sufficient controls were not in place to ensure issues identified in the planning stage were adequately addressed before proceeding with project implementation. Consequently, several planning issues are still outstanding and need to be addressed.

Performance measures are needed to evaluate the value gained from the City's ongoing investment in ELI. Although the system was not fully implemented the City was charged for full license fees. At the time of the audit there were insufficient performance measures to confirm the degree of usage. There is an opportunity to collect information which can guide the City's decisions about future directions.

Implementing the recommendations contained in this report in a timely manner will allow the City to evaluate whether or not ELI effectively supports training at the enterprise level and is achieving the anticipated efficiencies.

**EXHIBIT 1****Online Learning Content Available in Electronic Learning Initiative<sup>1</sup>**

<b>Title</b>	<b>Duration in minutes</b>
<b>1</b> Worker Health and Safety Awareness in 4 steps	60
<b>2</b> Supervisor Health and Safety Awareness in 5 Steps	60
<b>3</b> Picket Line Management	45
<b>4</b> Performance Management in a Unionized Environment Part 1	45
<b>5</b> Performance Management in a Unionized Environment Part 2	
<b>6</b> Mission Values and Ethics - Part1	50
<b>7</b> Mission Values and Ethics - Part2	
<b>8</b> Managing Through a Labour Disruption	60
<b>9</b> Managing Labour Relations: Part One	50
<b>10</b> Managing Labour Relations: Part Two	
<b>11</b> Fraud Prevention and Whistleblower Protection - Part 1	60
<b>12</b> Fraud Prevention and Whistleblower Protection - Part 2	
<b>13</b> Dispute Resolution, the Grievance Procedure and Arbitration Process	45
<b>14</b> Conflict of Interest - Part 1	60
<b>15</b> Conflict of Interest - Part 2	
<b>16</b> AODA – OHRC	45
<b>17</b> AODA - IASR Information and communications Standard training	25
<b>18</b> AODA - IASR General Requirements	25
<b>19</b> AODA - IASR Employment Standard	20
<b>20</b> AODA - IASR Design of Public Spaces Standard	20
<b>21</b> AODA - IASR AODA - IASR Transportation Standard	20
<b>22</b> AODA - Customer Service Standard	40
<b>23</b> 2015 Performance Management for Non-Union Employees	30

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<sup>1</sup> The City purchased 30 new Business Skill courses (40 hours) from a third party provider for \$28,800 per year for 500 users (June 2015).

**APPENDIX 2**

**Management’s Response to the Auditor General’s Review of  
Maximizing Value from a Learning Management System**

Rec No.	Recommendations	Agree (X)	Disagree (X)	Management Comments: <i>(Comments are required only for recommendations where there is disagreement.)</i>	Action Plan/Time Frame
1.	<b>City Council request the Chief Information Officer and the Executive Director of Human Resources to assign individual responsibility for recording and tracking Enterprise eLearning Initiative project costs and report on annual project costs since 2010 including cumulative project costs.</b>	X			The Chief Information Officer and the Executive Director of Human Resources will ensure the project manager will assume the role and responsibility for recording and tracking ELI project costs and report on those costs annually, retroactively back to 2010. It will include cumulative project costs. This will be completed in Q1 of 2016.
2.	<b>City Council request the Chief Information Officer and the Executive Director of Human Resources to develop, maintain and report on performance measures to evaluate the efficiency and effectiveness of the Enterprise eLearning Initiative prior to any contract renewal.</b>	X			The Chief Information Officer and the Executive Director of Human Resources will ensure performance measures are developed, maintained and reported on in Q2 of 2016. The performance measures related to the efficiency and effectiveness of the enterprise learning management system will be in alignment with the performance measures of the Talent Blueprint.
3.	<b>City Council request the Chief Information Officer and the Executive Director of Human Resources to ensure actual and estimated project costs related to the development, implementation and sustainment of the Learning Management System are included in updates to the business case.</b>	X			The Chief Information Officer and the Executive Director of Human Resources will ensure the project manager tracks estimated project costs related to the development, implementation and sustainment of the learning management system and will be included in the updates to the 2016 business case.



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4.	City Council request the Executive Director, Human Resources and the Chief Information Officer to ensure total project costs reported at the end of the Enterprise eLearning Initiative identify and include all planning costs for the project.	X			The Chief Information Officer and the Executive Director, Human Resources will ensure the project manager calculates total project costs captured to the end of the ELI project. It will identify and include all planning costs for the enterprise learning management system. This will be done during the project close out period at the end of 2018.
5.	City Council request the Executive Director, Human Resources to develop a methodology and criteria to determine the most cost effective way to acquire more online learning content at a faster pace.	X			The Executive Director, Human Resources will revisit the current methodology and criteria in Q2 of 2016 to ensure the most cost effective and appropriate use of eLearning is used to acquire more online content at a faster pace.
6.	City Council request the Executive Director, Human Resources to complete a Readiness Assessment of City Divisions in order to properly plan for divisional Electronic Learning Initiative implementation.	X			The Executive Director, Human Resources will continue to complete high level Readiness Assessments with the remaining City Divisions to properly plan for divisional ELI implementation. Readiness Assessments will be completed by Q2 of 2016.
7.	City Council request the Chief Information Officer and the Executive Director of Human Resources to ensure there is a Corporate plan to address the appropriate number of Electronic Learning Initiative system administrators required at the enterprise and divisional level.	X			The Chief Information Officer and the Executive Director of Human Resources will ensure there is a Corporate plan to address the appropriate number of ELI system administrators required at the enterprise and divisional level. Plan to be completed by Q3 of 2016.
8.	City Council request the City Manager to establish a corporate funding model to implement and sustain the electronic learning management system.	X			The City Manager will continue to further work on a funding model to implement and sustain the electronic learning management system.

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9.	<b>City Council request the Chief Information Officer and the Executive Director of Human Resources to ensure project documentation is recorded and retained in the central project repository.</b>	X			The Chief Information Officer and the Executive Director of Human Resources will ensure the project manager records and retains project documentation in a central repository, namely the Enterprise Project Management (SharePoint) repository, as the authoritative source by Q4 of 2015.