Audit Committee Meeting
May 29, 2013

Auditor General's Office

Financial Planning Analysis and Reporting System (FPARS) – A Large Scale Business Transformation/Information Technology Project

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FPARS

Need to Report to Council

- What FPARS is
- What are the total costs of FPARS and how have these costs changed
- What are its benefits
- When will the operating component of FPARS be implemented fully
- When will the capital component of FPARS be implemented fully
- Why does the City need to make this investment
- Will there be savings from the implementation of FPARS
- How do the Agencies and Corporations fit into FPARS
- Is FPARS best practice and what evidence is available to demonstrate this

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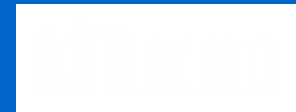
FPARS

Extracts from eCOPS report issued in early 2005:

"Developing and implementing a major information technology project carries considerable financial risk. Such projects can be complex, costly and time consuming involving the efforts of many staff and, in the case of eCOPS, the assistance of a significant number of external consultants."
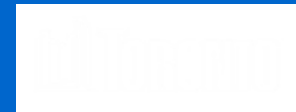
FPARS

Extracts from eCOPS report issued in early 2005:

"Many information technology projects cost more and take longer to complete than originally planned, and others are abandoned altogether when concerns mount regarding cost overruns or system malfunctions."
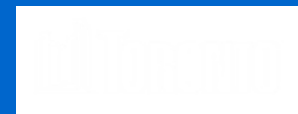
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Former Auditor General of Canada Sheila Fraser:

"Compared with other disciplines, the management of IT projects is relatively new and organizations are still finding their way with it. Therefore, any organization that invests in IT support must be cautious. Large IT projects are inherently complex, expensive and risky and they usually involve long planning and development times."
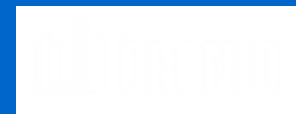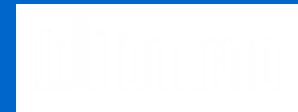
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FPARS has been:

- Costly
- Complex
- Time consuming
- Involves efforts of many staff and consultants
- Taken longer to complete than originally planned

FPARS

- Project originated in 2006

- Scheduled for completion in phases between 2014 and 2016

- Originated as a custom solution using SAP functionality– Developed internally

- Internal solution discontinued in 2009 for an off-the-shelf solution

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Extracts from eCOPS report issued in early 2005:

"For a number of years the City has an informal policy of, wherever possible, purchasing commercial off-the-shelf software. The development of major projects in-house is an avenue which the City has avoided, mainly because of the significant financial and potential longer-term risks inherent in such an endeavour."

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- The total costs of FPARS is now $70 million

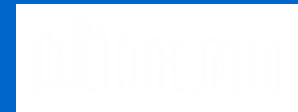- Increases in costs have been reported annually through the budget process

FPARS

Audit Has Been Difficult and Time Consuming

- Delays in providing my office information

- The non disclosure of an internal audit report

- The lack of cooperation between the IT Division and the Financial Planning Division

- The difficulties in obtaining accurate cost information

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Recommendations

- Report contains 9 recommendations

- Management response to each one of the recommendations