FPARS Project Overview

Audit Committee

May 29, 2013

Auditor General Recommendations

All nine (9) Auditor General recommendations-
"Fully Supported"

Financial Planning Analysis Reporting System (FPARS) Vision

The City of Toronto, through the FPARS project, will transform into a **service-based**, **performance-focused**, organization by improving **how we plan, budget, and evaluate our services** with clean financial, staff complement, and performance information organized by service

FPARS: A Large Scale Business Transformation Project

- BIG
- TRANSFORMATIONAL
- COMPLEX
- MULTI-DIMENSIONAL
- ORGANIZATIONAL WIDE
- BASED ON BEST PRACTICES
- COUNCIL APPROVED

What is FPARS?

Two concurrent and integrated projects:

1. **Business Transformation project**
    - Implementing a multi-year planning and performance framework
        - Service View- "What we do"
        - Plan, Budget and Evaluate- "How we do it"
        - Performance View- "How well are we doing"
    - Transitioning the organization through change management

2. **Public Sector Budget Formulation (PBF) Implementation project**
    - New SAP technology solution (tool) for end-to-end public sector budget formulation process
    - CoT working with IBM to configure & implement PBF tool

FPARS Background

FPARS History

2003

- Auditor General recommendations:
  - ✓ City develop long term strategic plan on future development of SAP
  - ✓ Establish SAP Competency Centre
  - ✓ SAP-First Policy

2004 / 2005

- SAP Competency Centre "Toronto Approach
  - ✓ Business Process Review
  - ✓ Best Practises redesign of processes
  - ✓ Coordinated information systems planning
- Council adopted budget framework
  - ✓ Multi-year operating budget
  - ✓ Performance Measures and Trends
  - ✓ Service Planning
  - ✓ Linkages between services & strategic plans

FPARS History (cont.)

2006 / 2007

Education

- Council approved $7.99m to begin Multi Year Planning & Budgeting Solution

- Develop a Common Service Language and approach through:
  - ✓ Program Map (Service Based)
  - ✓ Performance Measures
  - ✓ Service Planning pilot

2008 / 2009

Foundation

- Council approved increase of $7.2m for a total of $15.2m for scope change to fix foundation

- Develop a City of Toronto Service Planning & Performance-Based Budgeting Process & Structure through the use of:
  - ✓ Service Plans
  - ✓ Multi-year Budget Delivery
  - ✓ Program / Service Reviews

2010 / 2011

Continue to Build Foundation

- Council approved FPARS Capital Project of $55m for Business Transformation, PBF Implementation

- Established Service Standards and Service Levels *(foundation for Core Service Review)*

- Council reconfirmed Multi-Year Service Planning and Performance-Based Budgeting Process (2011)

FPARS History (cont.)

2012 / 2013

Delivery

- ✓ Implement SAP Public Sector Budget Formulation (PBF)
- ✓ Launch the new Service-based budget process including Service Planning
- ✓ Clean-up data in Accounting Services, Human Resources, and Pension, Payroll and Employee Benefits
- ✓ Assess the "maturity" of divisions to provide performance related measures
- ✓ Formulate an Enterprise Performance Management Strategy (EPM)

2014 onwards

Outcome

Groundwork set for High Performing Service Based Organization

Translating to Public Service View

Organizational "Accounting" View

- Salary & Benefits
- Materials & Supplies
- Services & Rents
- Contributions To
- Subsidies
- User Fees
- Donations
- Contributions From

Org
Geographic
Function
Activity
Funding
Asset

Program Maps

Public Service View

Transparent

Non-bureaucratic

Public Focused

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FPARS
FINANCIAL PLANNING ANALYSIS REPORTING SYSTEM
SERVICE. PERFORMANCE. SOLUTION. RESULTS.

The SERVICE View

Fire Services
- Fire Rescue & Emergency Response
- Disaster Response and Event Support
  - Heavy Urban Search and Rescue
  - Chemical, Biological, Radiological, Nuclear, and Explosive Response
  - Event Support
- Fire Safety Education
  - School Based Fire Education
  - Campaign Based Fire Education
- Fire Prevention, Inspection, & Enforcement
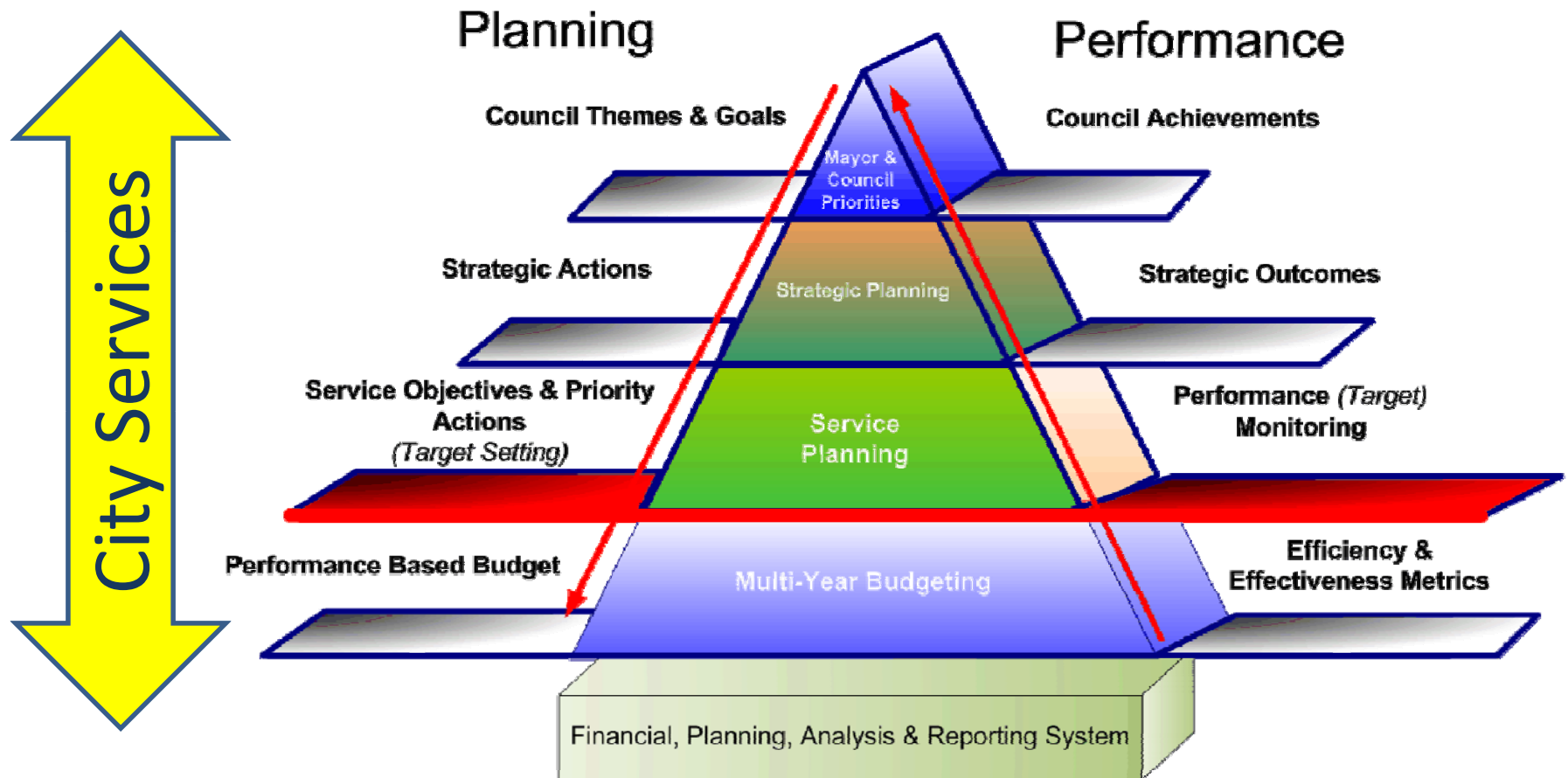 - Fire Code Enforcement
  - Development Review

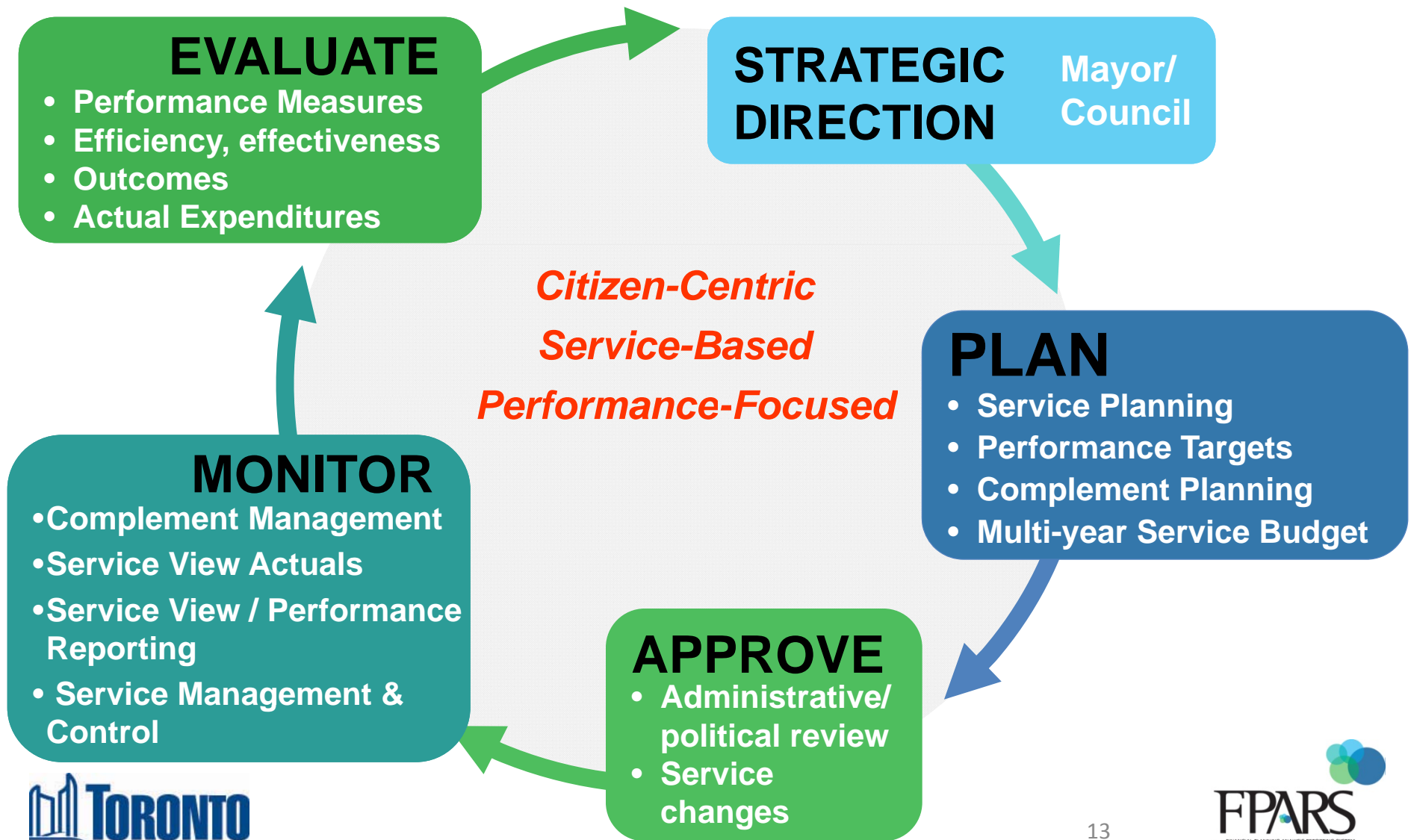Program Maps show, at a high-level "What" we do..

Services Deliver "Output"

Services are presented from a PUBLIC not Organization perspective.

Enabling a Planning & Performance Framework

New Service-Based Financial Planning Process

EVALUATE
- Performance Measures
- Efficiency, effectiveness
- Outcomes
- Actual Expenditures

STRATEGIC DIRECTION — Mayor/Council

Citizen-Centric Service-Based Performance-Focused

PLAN
- Service Planning
- Performance Targets
- Complement Planning
- Multi-year Service Budget

MONITOR
- Complement Management
- Service View Actuals
- Service View / Performance Reporting
- Service Management & Control

APPROVE
- Administrative/ political review
- Service changes

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Complement Planning & Management

Integration of Complement Planning with Complement Management enables better planning and control

FPARS Re-engineered Processes

Planning and Performance Processes - New & Streamlined:

- Multi-Year Service Planning, Budgeting
- Complement Planning
- Monitoring and Reporting

Human Resources Management Processes - Streamlined/New Data Information:

- Complement Management *(incl. Organizational Change Approval)* & Vacancy Management
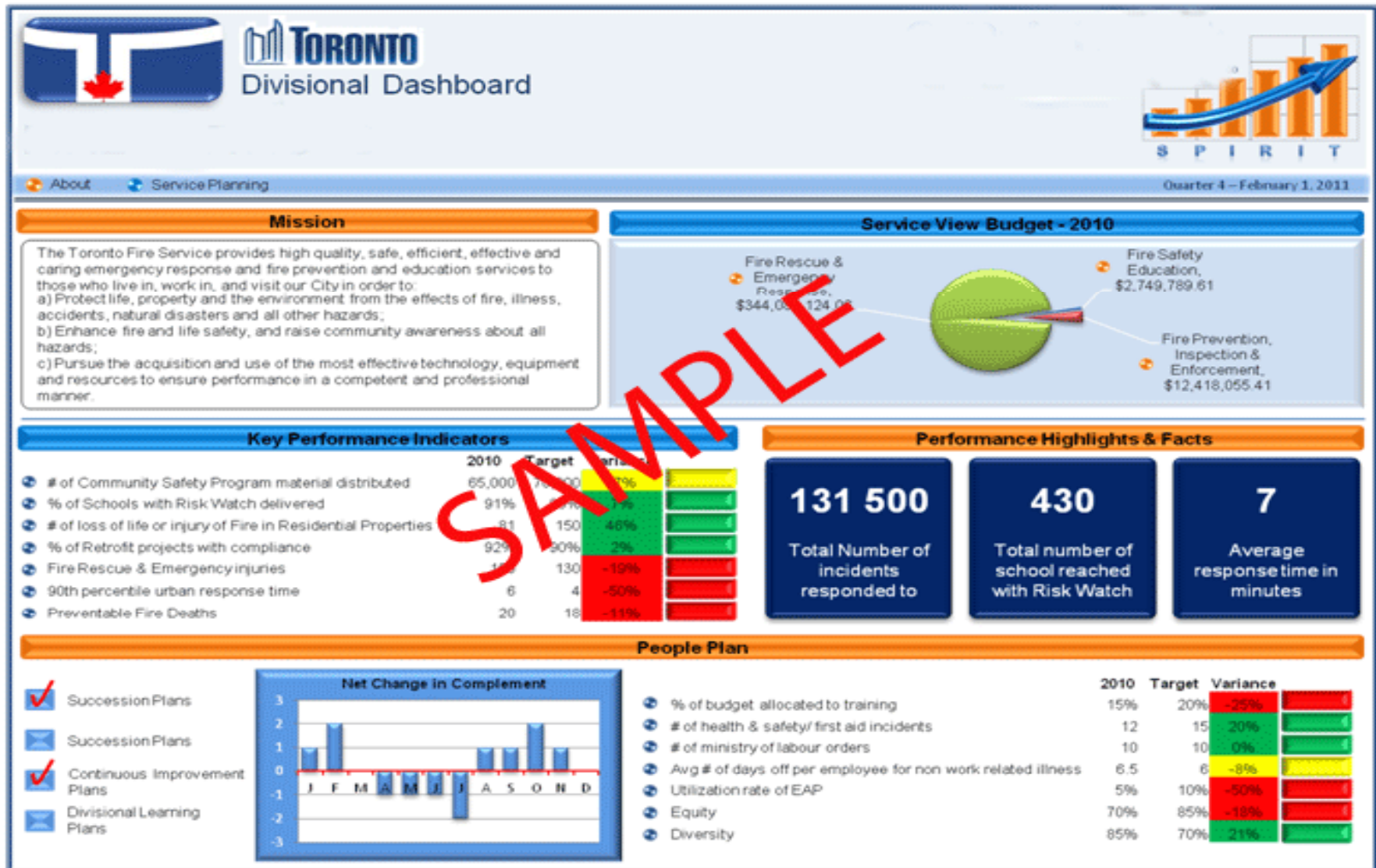
Accounting Services Processes - Streamlined:

- Cost Centre Re-Alignment to Service View
- Financial Controls/Accounts Payable / Accounts Receivable
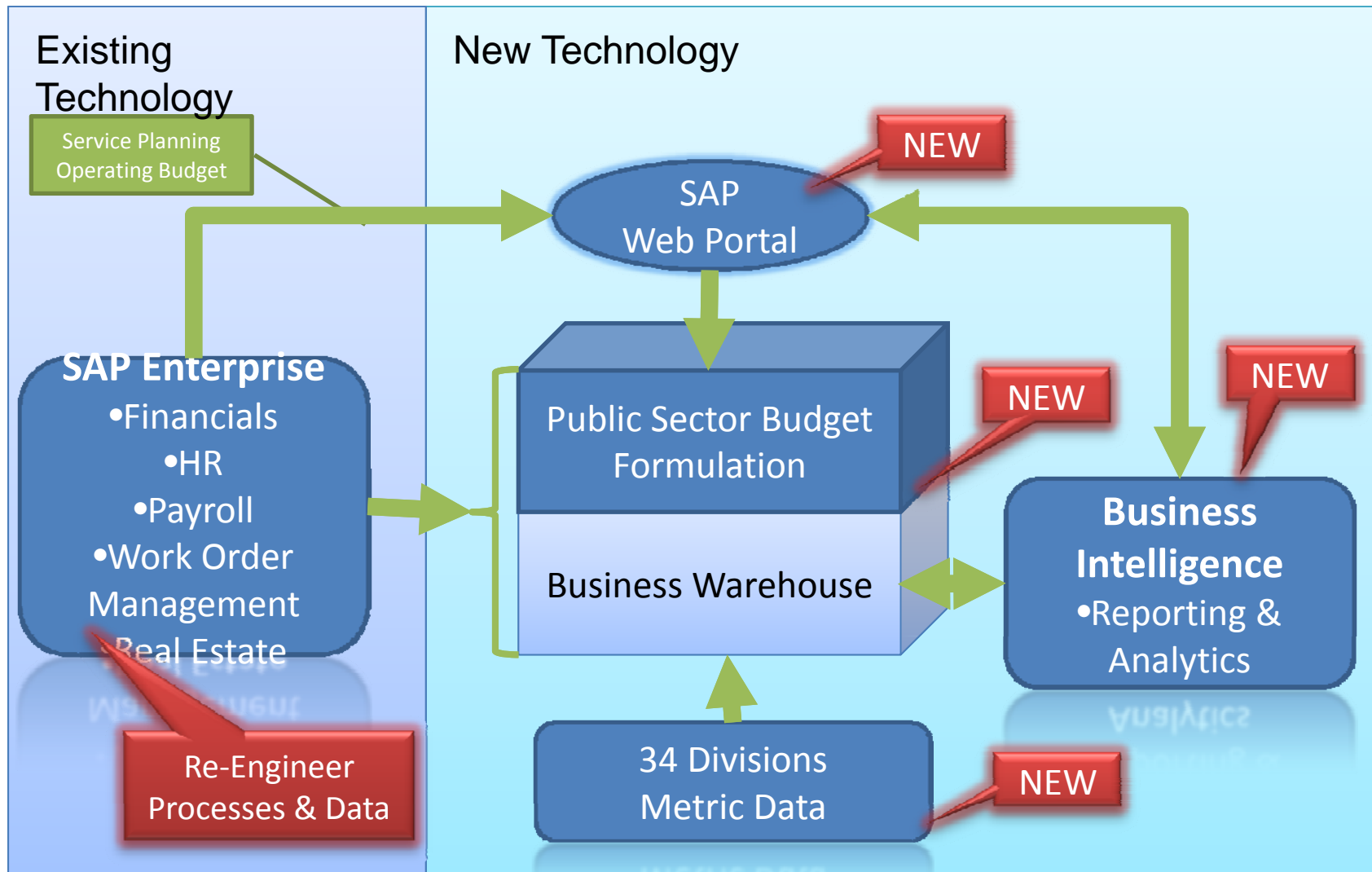- Purchasing Controls

PPEB Processes - Streamlined:
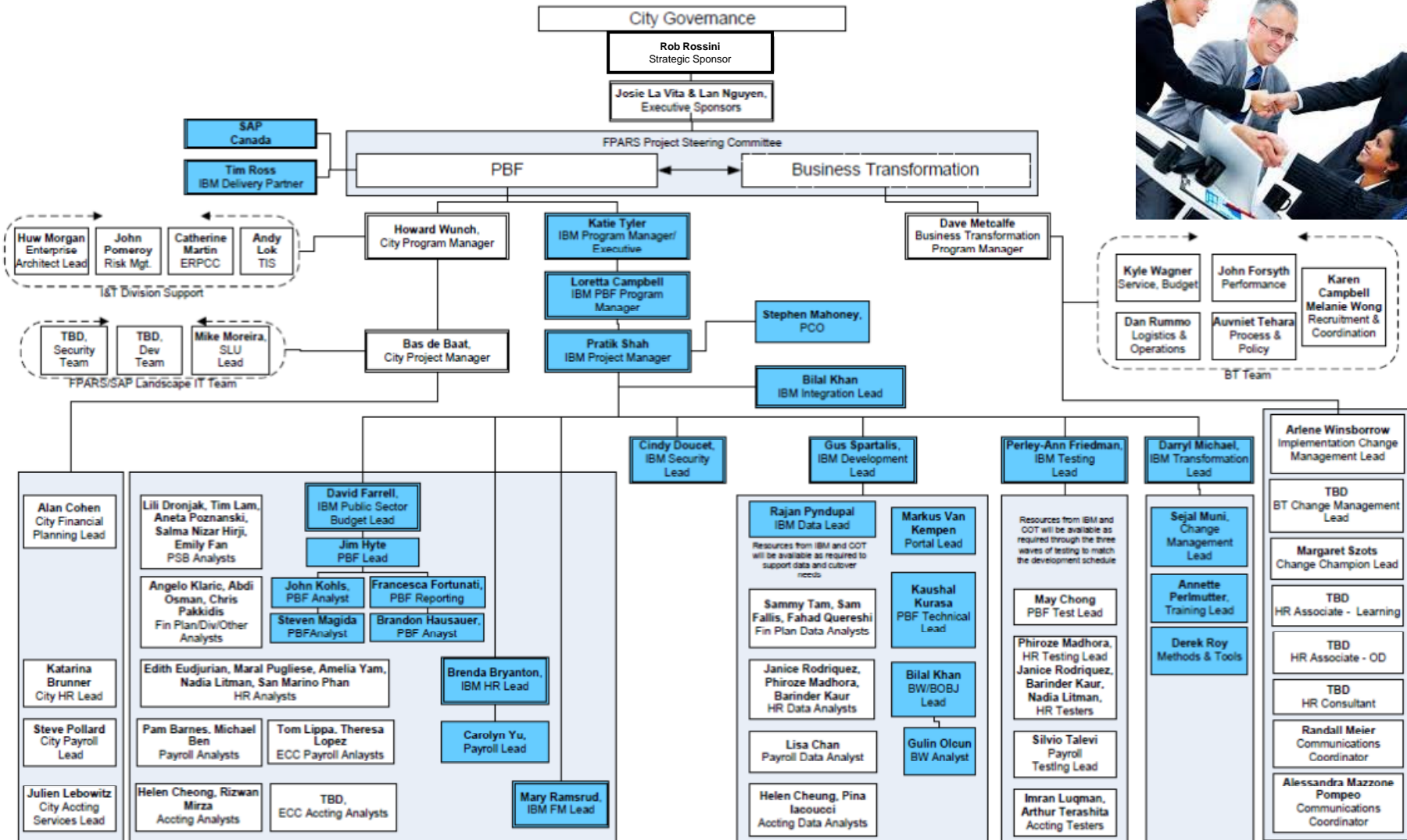
- Payroll Time Reporting Processes

Performance Measurement

Current and New SAP Technology

FPARS Project Structure

FPARS Scope & Deliverables

PROJECT DELIVERABLES: 2006-2009

SAP Configured Solution

| Qtr 3 '06 | Qtr 4 '06 | Qtr 1 '07 | Qtr 2 '07 | Qtr 3 '07 | Qtr 4 '07 | Qtr 1 '08 | Qtr 2 '08 | Qtr 3 '08 | Qtr 4 '08 | Qtr 1 '09 | Qtr 2 '09 | Qtr 3 '09 | Qtr 4 '09 |

Program Maps (Divisons)

SAP PBF Assessment #1

SAP PBF Assessment #2

As-Is / To Be Documentation of Budget

FPARS Conceptual Data Model

FPARS Detailed Requirements Document

FPARS Program Map Pilots

FPARS Proof of Concept

FPARS SAP Configured Design Blueprint

Functional Requirements

Procure SAP Configured

Project Integration Planning*

SAP Cost Centre Assessment

FPARS Capital Business Case Submiss

Service Planning Pilot #1

Service Planning Pilot #2

Municipal Reference Model (MrM v2

Enterprise Architecture Process Profiles

BI / BW Tools

Enterprise Architecture Heat Maps

Regional Chief Administrative Officer (RCAO) Taskforce

Procurement, Recruitment, Change Management & Communications

includes the assessment of Accountng, Payroll, and HR processes

PROJECT DELIVERABLES: 2010 - 2014

Business Transformation/PBF Implementation

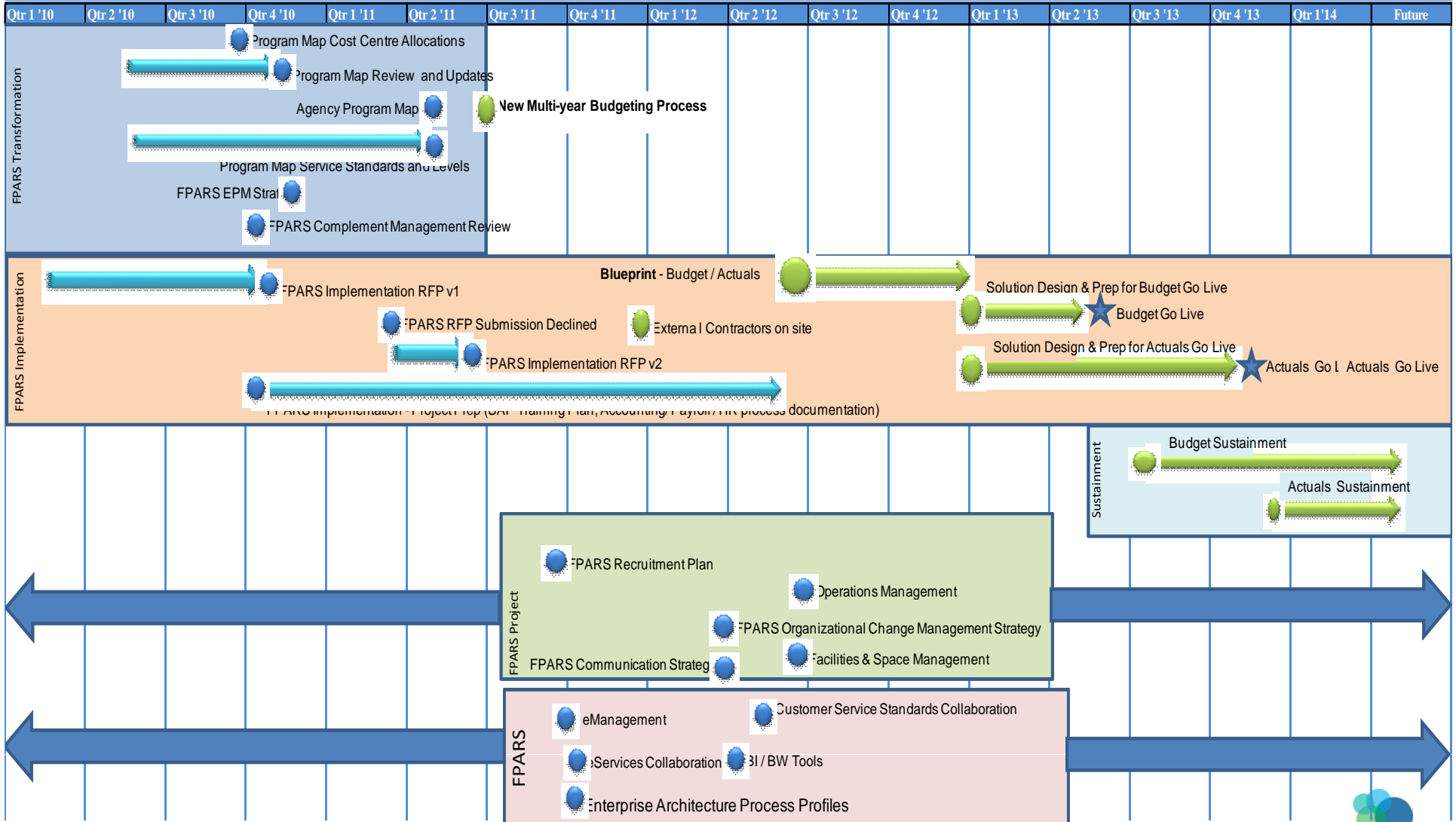| Qtr 1 '10 | Qtr 2 '10 | Qtr 3 '10 | Qtr 4 '10 | Qtr 1 '11 | Qtr 2 '11 | Qtr 3 '11 | Qtr 4 '11 | Qtr 1 '12 | Qtr 2 '12 | Qtr 3 '12 | Qtr 4 '12 | Qtr 1 '13 | Qtr 2 '13 | Qtr 3 '13 | Qtr 4 '13 | Qtr 1'14 | Future |

FPARS Transformation
- Program Map Cost Centre Allocations
- Program Map Review and Updates
- Agency Program Map
- New Multi-year Budgeting Process
- Program Map Service Standards and Levels
- FPARS EPM Strat
- FPARS Complement Management Review

FPARS Implementation
- FPARS Implementation RFP v1
- **Blueprint** - Budget / Actuals
- Solution Design & Prep for Budget Go Live
- FPARS RFP Submission Declined
- External Contractors on site
- Budget Go Live
- FPARS Implementation RFP v2
- Solution Design & Prep for Actuals Go Live
- Actuals Go L Actuals Go Live
- FPARS Implementation - Project Prep (SAP Training Plan, Accounting/Payroll/HR process documentation)

Sustainment
- Budget Sustainment
- Actuals Sustainment

FPARS Project
- FPARS Recruitment Plan
- Operations Management
- FPARS Organizational Change Management Strategy
- FPARS Communication Strateg
- Facilities & Space Management

FPARS
- eManagement
- Customer Service Standards Collaboration
- Services Collaboration
- BI / BW Tools
- Enterprise Architecture Process Profiles

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FPARS Benefits & Costs

Strategic Benefits - Planning & Performance

	Council / Public	Corporate	Programs
Multi-year service and financial planning of services to provide a long-term view of City's service delivery plan.	✓	✓	✓
Provide an **Inventory of Services** outlining Who, What, Where, Why, and How Much *(basis for organizing Information in the City by service)*	✓	✓	✓
Engage Council and public to discuss and determine "level of Service"	✓	✓	✓
Enables City to **focus efforts** on **"Customer Groups"**	✓	✓	✓
Regular Performance Reporting on City Services, objectives and targets	✓	✓	✓
Provide a **"Report Card"** to Council and Public **to demonstrate success** and whether we've achieved our objectives (staff and Council).	✓	✓	✓
Ability to **cost and support cross divisional Council Priorities and Initiatives**	✓	✓	✓
Improves transparency and accountability to the taxpayers regarding City Services, the value of those services, and the resource decision making (budget) process for those services.	✓	✓	✓

Organizational Benefits

	Corporate	Programs
Reduced manual effort and eliminate duplicate systems development and business process costs as well as subsequent sustainment costs	✓	✓
Improved/standardized information to articulate program changes and resource allocations (Program Maps)	✓	✓
Maximized use of SAP as a management and operational tool-System of Record	✓	✓
Prioritization of operational support systems - work-order or timekeeping to link to new system	✓	✓
Reduced number of shadow budgeting systems that have to be managed/supported	✓	✓
Service organized , **"Clean" financial, complement and performance data**	✓	✓
Efficiencies and Cost Saving achieved through process re-engineering allowing staff to focus on service delivery and not administrative functions	✓	✓
New Analytics and Reporting Capability-for financial, complement and performance information	✓	✓

FPARS Budget Summary

Description	Business Transformation/PBF Plan
SAP Configured Plan Budget (2009)	15.2
New SAP Technology Implementation	+ 12.0
Dedicated City Staff Teams	+ 17.5
Change Management Resources	+ 5.0
Project Office Space and Operations	+ 5.3
2010 Revised Total	$55.0

FPARS Budget / Cost Details

Description	Plan (Millions)	Actual (Millions)
Actual Costs prior to 2009 (pre PBF solution)	6.0	6.0
Information Technology Division Costs prior to 2009 (pre PBF solution)	2.3	2.3
FPARS Project Budget for Business Transformation and PBF Implementation	55.0	21.7
Information Technology Division Costs to support SAP upgrade	3.9	3.9
SAP License Costs to support PBF	2.7	2.7
Total	$ 69.9	$36.6

FPARS Project Update

PBF Implementation Status

Requirements Completed-Done ✅

Vendor Selected –Statement of Work Completed- IBM Done ✅

Vendor Arrival date-April 2nd, 2012 ✅

Project Preparation Activities-Done ✅

Project Blueprinting Activities– Done ✅

Solution (Budgets)-Go Live May 6, 2013- Done ✅

Solution (Actuals)-Target November 18, 2013 Underway

End User Budget Training- 400+ Divisional and Agency Staff Trained ✅

Taking a Measured Approach

	Year 1	Year 2	Year 3	Year 4
	2013	2014	2015	2016
Service	Service Planning			
	Service View			
Multi-Year	Multi-Year Planning			
	User Fees			
	IDC/IDR			
Performance Measures	Performance Measures			
Complement Planning & Management	PEP			

In Summary, FPARS.....

Objectives:
- Transforming Business Processes
- Resetting Foundation
- Rationalizing & Leveraging Technology
- Building Corporate Capacity
- Realigning through Partnerships

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Deliverables:
- Multi-Year Planning
- Budgeting and Reporting in a Service View
- Performance Based Decision Making
- Dashboards & future Balanced Scorecard

Auditor General Recommendations

All nine (9) Auditor General recommendations-
"Fully Supported"

Questions?