

Finance Modernization Audit

Audit Committee – Monday May 29th, 2023



Today's Presentation

- Audit Objective
- Scope and Methodology
- Audit Conclusion
- Issues and Observations
- Management Action Plans
- Next Steps
- Questions

Audit Objective

The objective of the audit was to evaluate the adequacy and effectiveness of the controls, processes, and procedures in place to mitigate the risks associated with the implementation of the Finance Modernization Program.

Audit Scope & Methodology

- Review of the program governance process and project management framework
- KPI's
- Ensure that design concepts have been thoroughly reviewed and meet the specific objectives of the program, including the analysis of alternative designs
- Risk identification and mitigation methodology
- Assess the use of technology
- Budgetary and financial records appropriately reflect operational and capital objectives of the program
- Analyze Reports
- Conduct interviews and walkthroughs

Audit Conclusion

The audit has identified governance issues within the Finance Modernization Program that increases the risk that the program and individual projects will not be delivered on time or on budget. Due to the issues identified, the program and individual projects are at a greater risk of failing to meet expected outcomes and anticipated benefits.

Issues and Observations

The following opportunities were identified:

- Expand the Scope of the Current Finance Modernization Program to Encompass the Original Program Outcomes
- Establish a City-Wide Program Management Framework
- Develop Business Cases for Evidence Based and Transparent Decision Making
- Enhance Project Scheduling and Resourcing
- Improve Program Financial Reporting
- Standardize Risk Registers and Risk Management Process Across the Program

Management Action Plans

1. Expand the Scope of the Current Finance Modernization

- A 5-year road map had been developed for the program from 2019 – 2024 and a Business Case will be submitted in 2023 to request additional funds for the 5-year Road Map.

Management Action Plans

2. Establish a City-Wide Program Management Framework

- An RFP for a consultant to prepare a PMO integration plan has been awarded. The consultant will begin this project in Q2 2023, with a scheduled completion Q4 2023.
- The Enterprise projects and programs have been reviewed by PMO and project artefacts have been updated or developed to align with the PMO methodology and integrate with the PMO.

Management Action Plans

3. Develop Business Cases for Evidence Based and Transparent Decision Making

- Approved business case recommendations will be assessed to determine if new programs and/or projects are required and develop draft charters to support capital and resource investments.
- Updates to the Finance Modernization road map will continue to be justified through the existing OTS Business Case process.
- When a corporate Business Case Framework is introduced in Q1 2024, the Finance Modernization Program will begin using the new standardized processes.

Management Action Plans

4. Enhance Project Scheduling and Resourcing

- The PMO Integration Strategy and Plan Project is scheduled for completion Q4 2023 and a revised roadmap to integrate City wide.
- In scope for each project will be the assessment of the impact on operational resources based on the evolution of the program.

Management Action Plans

5. Improve Program Financial Reporting

- The PMO is on schedule to report on the Finance Modernization Program through corporate dashboards in Q2 2023.
- Earned Value Management can be explored within the PMO's enhancement of the Program Management Framework. This will be done by Q4 2023.

Management Action Plans

6. Standardize Risk Registers and Risk Management Process Across the Program

- The Finance Modernization Program will continue to use their existing tools until they are fully integrated with PMO in Q2 2023.
- As new program and project management processes are introduced during the Enhance Program Management Process Project, the tools and techniques to deliver the Finance Modernization Program will be also updated to the City's new standards.
- The Enhance Program Management Process Project will be phasing in new processes with estimated completion in Q4 2024.

Next Steps

- Action plans have been developed
- Implementation is underway or completed
- Internal Audit will follow up and report on the status of these action plans



Questions?





Thank You

