
For Information

REPORT TITLE: **Enterprise Resource Planning Implementation Audit – Phase I**

FROM: Jennifer Weinman, Director, Internal Audit

OBJECTIVE

To inform the Audit and Risk Committee of the result of the Enterprise Resource Planning Implementation Audit.

REPORT HIGHLIGHTS

- The 2022 Internal Audit Risk Based Work Plan included a series of audits of the Enterprise Resource Planning system implementation.
 - The Internal Audit division has been involved in the system implementation from an advisory perspective and through conducting internal auditing.
 - Phase I of the system implementation audit focused on assessing if the project plan timeline for the first phase of the system implementation is reasonable.
 - Based on the review of the project plan timeline on July 28, 2022, it has been reasonably developed to help ensure the business processes are effectively designed to include key internal controls.
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DISCUSSION

1. Background

The 2022 Internal Audit Risk Based Work Plan included a series of audits related to the Enterprise Resource Planning system implementation. In early 2022, the Region of Peel launched a project to implement a new Enterprise Resource Planning system that will support the Region's financial management, procurement management, and human capital management. It is a significant project, requiring the participation of many resources from across the Region, that will involve the design of many business processes.

In recognition of the significance of the implementation project and the high inherent risk that accompanies a project like this, the Internal Audit division has been involved in an advisory capacity. The division has been involved through participation as a member of the project steering committee and through the facilitation of a project risk assessment. Further, the division will conduct a series of three phased internal audits focusing on the design and roll out of key internal controls in the business processes. This report provides the results of Phase I of the Enterprise Resource Planning Implementation Audit. The later phases of the Implementation Audit will be reported to the Audit and Risk Committee in 2023.

Enterprise Resource Planning Implementation Audit – Phase I

2. Audit Objectives

To assess that a project plan is in place for the first phase of the Enterprise Resource Planning implementation with specific planned timelines and resources to ensure that the first phase of the system implementation has sufficient time for the necessary components to develop the business processes, configure and test the system, and train staff.

Specifically, the audit review focused on:

- Reviewing the factors considered during the development of the implementation timeline;
- Evaluating the timing of work completed to date against the planned timelines; and
- Assessing the reasonability of the planned timelines for completion of Phase I of the implementation.

This audit was conducted in conformance with the *International Standards for Professional Practice of Internal Auditing*.

3. Audit Observation

A review of the project plan timeline was conducted on July 28, 2022. The timeline for the implementation of the first phase in the Enterprise Resource Planning system has been developed with due consideration to:

- Project team experience with prior Enterprise Resource Planning system implementations;
- Staff availability including coverage for vacations and other time off;
- Regional office closures;
- Operational and reporting requirements impacting transition to new system;
- Buffer for unforeseen delays;
- Management commitment to regularly review and update the timeline as required;
- Management commitment to add additional resources if needed; and
- Timing of work completed to date.

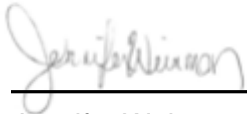
The project timeline and the factor considered in developing the timeline are reasonable for the development of business processes including key internal controls and for the training of staff to carry out the new business processes.

CONCLUSION

Overall, a project plan is in place for the implementation of the first phase of the Enterprise Resource Planning system. Based on the factors considered by management in the development of the project plan and the progress to July 28, 2022, the timeline for implementing the first phase of the system is reasonable.

Internal Audit will continue to engage in two additional phases of the Enterprise Resource Planning Implementation audit throughout the first phase of the system implementation. The results of those audits will be reported to the Audit and Risk Committee in 2023.

Enterprise Resource Planning Implementation Audit – Phase I



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