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Canada

Standard on Enterprise Resource Planning Systems

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Standard on Enterprise Resource Planning Systems

1. Effective date

1.1 This standard takes effect on May 1, 2012. The standard applies to all investments in or upgrades to enterprise resource planning (ERP) systems.

2. Application

2.1 This standard applies to departments as defined in section 2 of the [Financial Administration Act \(FAA\)](#), unless excluded by specific acts, regulations or Orders in Council. Throughout this standard, the terms “government-wide” and “across government” refer to these departments.

2.2 The portions of sections 6.2.2, 7.1 and 7.2 regarding the role of the Treasury Board Secretariat (TBS) in monitoring compliance and directing consequences for non-compliance do not apply to the Office of the Auditor General, the Office of the Privacy Commissioner, the Office of the Information Commissioner, the Office of the Chief Electoral Officer, the Office of the Commissioner of Lobbying, the Office of the Commissioner of Official Languages and the Office of the Public Sector Integrity Commissioner. The deputy heads of these organizations are solely responsible for monitoring and ensuring compliance with this standard within their respective organizations as well as for responding to cases of non-compliance in accordance with any Treasury Board instrument that addresses the management of compliance.

3. Context

3.1 This standard sets out the designated senior departmental official’s responsibilities related to investments in and upgrades to ERP systems. The senior departmental official designated responsible by the deputy head may be the department’s Chief Information Officer (CIO), Information Management Senior Official (IMSO), Chief Administrative Officer (CAO), Chief Financial Officer (CFO) or Senior Human Resource Officer (SHRO). This standard supports the [Policy on the Management of Information Technology](#), the [Policy on Information Management](#), the [Policy on the Management of Projects](#), the [Policy on Investment Planning – Assets and Acquired Services](#) and the [Policy on the Stewardship of Financial Management Systems](#), by outlining requirements for investing in, or when upgrading, ERP systems.

3.2 Enterprise Resource Planning (ERP) is defined as a technology strategy that integrates a set of business functions such as finance, materiel, human resource (HR), purchasing and asset management, through tight linkages from operational business transactions through to financial records. ERP systems enable the flow of information across the organization, in end-to-end business processes, through a comprehensive set of interconnected systems modules. ERP systems are packaged application software suites, which support the common business processes, functions and data for the systems of record in an enterprise. The system of record is defined as the authoritative source of data that any stakeholder in an enterprise can reference to support their activities and responsibilities. The systems which this standard applies to are outlined in Section 6.1 and prescribed by the different policy authorities described in Section 8, “Roles and responsibilities of government organizations.”

3.3 ERP systems, configured in alignment with the Government of Canada (GC)’s common business processes for Finance, Materiel and HR, will enable a consistent government-wide approach to corporate administration by enabling the standardization of business processes, data and supporting information systems. This standardization facilitates both the integration of information systems and resources and their interoperability across the GC’s back-office administration. The implementation of standard ERP systems supporting common business processes will improve the quality, timeliness and reliability of information for decision making, both within departments and government-wide and will serve over time, to reduce inefficiencies, duplication and costs in back office administration.

3.4 This standard is issued under the authority of section 7 of the FAA.

3.5 This standard is to be read in conjunction with the [Policy Framework for Information and Technology](#), the [Policy on Management of Information Technology](#), the [Policy on Information Management](#), the [Policy on Investment Planning – Assets and Acquired Services](#), the [Policy on the Management of Projects](#) and the [Policy on the Stewardship of Financial Management Systems](#).

4. Definitions

4.1 Definitions to be used in the interpretation of this standard are included in the Appendix.

5. Standard statement

5.1 Objectives

5.1.1 Ensure that investments made in ERP systems, either at the moment of initial acquisition by a department, or when departments are required to upgrade their existing systems, drive the adoption of standardized ERP product configurations in use with the common GC-wide business processes for financial, materiel and HR management.

5.1.2 Maximize the benefits of the GC's investments in ERP systems by rationalizing the number and diversity of systems of record in use, thereby reducing the complexity and overall costs associated with implementation and ongoing operations, through increased standardization and economies of scale.

5.1.3 Facilitate the migration from individual department-specific IT infrastructure and information systems to service cluster groups wherein departments' individual systems of record cohabitate securely. This supports multiple departments accessing the shared IT infrastructure and information systems in use by each member of the cluster group.

5.2 Expected results

5.2.1 Increased efficiency and effectiveness of information technology used to support improved program and service delivery;

5.2.2 Increased use of government-wide standardized common business processes, data and systems as defined by the Office of the Chief Human Resources Officer (OCHRO), the Office of the Comptroller General (OCG) and the Chief Information Officer Branch (CIOB);

5.2.3 Improved leveraging of Government of Canada investments in ERP systems which can reduce overall costs and achieve economies of scale;

5.2.4 Increased consolidation of common technology, information assets and services in support of ERP systems, resulting in fewer, more interoperable systems;

5.2.5 Increased standardization, consistency, quality and reliability of information within ERP systems to support improved decision making and stewardship.

6. Requirements

6.1 The designated senior official is responsible for:

6.1.1 Ensuring that new investments in, or upgrades to existing, financial and materiel management systems result in the implementation of the product configuration (SAP) in accordance with OCG and CIOB policy direction; and

Ensuring that new investments in, or upgrades to existing, HR management systems result in the implementation of the product configuration (PeopleSoft) in accordance with OCHRO and CIOB policy direction.

Variances or exemptions to this requirement are not recommended and will need to be justified in a Request for Exemption to the CIOB at TBS for consideration and consultation with the appropriate policy authority in OCG or OCHRO prior to any investment decision.

6.1.2 Identifying and taking advantage of opportunities to further consolidate departmental IT infrastructure required to support ERPs through the use of existing common or shared IT infrastructure (such as that managed by Shared Services Canada), information systems and services.

6.1.3 Ensuring ERP systems in use are configured to align with and effectively enable the common business processes, configuration and data standards established by the OCG, OCHRO, and CIOB.

6.1.4 Ensuring ERP systems use common data management practices which are established to improve information quality and to support information sharing within and across departments.

6.1.5 Ensuring that ERP systems implementations enable effective interoperability with the other government back-office systems of record including, but not limited to, those for payroll and pensions administration.

6.2 Monitoring and reporting requirements

6.2.1 The designated senior official is responsible for supporting the deputy head in overseeing departmental implementation and compliance with this standard, bringing to the deputy head's attention any deviations from the standard, gaps in performance or compliance issues and developing proposals to address them, and reporting significant performance or compliance issues to the CIOB at TBS.

6.2.2 TBS will monitor compliance with this standard in a variety of ways, including but not limited to: reviewing Management Accountability Framework (MAF) assessments; examining Treasury Board submissions, Reports on Plans and Priorities, Departmental Performance Reports, results of audits, evaluations and studies, investment plans, system impact assessments, and departmental information management (IM) or IT plans or business cases; and monitoring government-wide progress against established strategic IM or IT directions.

6.2.3 TBS will review this standard and its effectiveness at the five-year mark from its effective date (or earlier if warranted).

7. Consequences

7.1 Consequences of non-compliance can include informal requests from the Treasury Board of Canada Secretariat, requirements for external audits, or formal direction on corrective measures.

7.2 Consequences of non-compliance with this standard can include any measure allowed by the Financial Administration Act that the Treasury Board would determine as appropriate and acceptable in the circumstances.

7.3 For a range of consequences of non-compliance, refer to Appendix C: Consequences for Institutions & Appendix D: Consequences for Individuals in the [Framework for the Management of Compliance](#).

8. Roles and responsibilities of government organizations

This section identifies other departments that have a role in this policy instrument. In and of itself, this section does not confer authority.

8.1 Treasury Board Secretariat

8.1.1 Chief Information Officer Branch: The CIOB at TBS provides interpretive advice and guidance on this standard. On an as-needed basis, the CIOB will recommend to the Secretary of the Treasury Board that Section 6.1 be modified to capture the products and services that should be considered when planning an investment in or an upgrade to an ERP system.

8.1.2 Office of the Comptroller General: The OCG provides functional direction for and assurance on financial management and internal audit across the federal government. Any new investment in the Financial Management category of Internal Services is to be done in consultation with the OCG. Departments should consult OCG's Financial System Authority (FSA) for information on common financial management business process, configuration and data.

8.1.3 Office of the Chief Human Resources Officer: OCHRO's mandate recognizes supports and creates the conditions for deputy heads to take full responsibility for people management in their organization, performance measurement, policy frameworks and core compensation services and programs. Any new investment in the Human Resources Management category of Internal Services is to be done in consultation with OCHRO whose mandate includes the definition of the Government of Canada Common Human Resources Business Processes.

8.2 Shared Services Canada (SSC)

SSC is responsible for all IT infrastructure service delivery for in-scope departments needed to support information systems, including those covered by this standard.

8.3 Department of Public Works and Government Services Canada (PWGSC)

PWGSC's Shared Services Integration Sector supports the finance, materiel and HR clusters groups through management of the software licensing and related services.

9. References

9.1 Relevant legislation and regulations

- [Financial Administration Act](#)

9.2 Related policy instruments and publications

- [Directive on Management of Information Technology](#)
- [Management Accountability Framework \(MAF\)](#)
- [Results-based Management](#)
- [Policy on Management, Resources and Results Structures](#)
- [Policy on Information Management](#)
- [Policy on Investment Planning – Assets and Acquired Services](#)
- [Policy on Management of Information Technology](#)
- [Policy on the Stewardship of Financial Management Systems](#)

10. Enquiries

For questions on this policy instrument, please contact [TBS Public Enquiries](#).

Appendix — Definitions

applications (*applications*)

A subclass of computer software that employs the capabilities of a computer directly and thoroughly for a task that the user wishes to perform.

cluster group (*regroupement d'utilisateurs*)

An arrangement where a number of participating departments create and jointly fund an ongoing service, a joint procurement, or a project.

Departmental CIO or Equivalent (*DPI du ministère ou équivalent*)

Refers to the senior official designated by the deputy head to represent the department to TBS on matters relating to IT management, as established under Section 6.1.6 of the [Policy on Management of Information Technology](#). The requirements in this standard do not include all the duties and responsibilities of the departmental CIO or equivalent; in addition to IT management, other responsibilities could involve IM or IT security.

information asset (*ressource d'information*)

Refers to data structure(s) and data within ERP systems, that must be managed to support the outcomes of programs and services, as well as the operational needs and accountabilities of functional business areas.

information technology(IT) Infrastructure (*infrastructures des technologies de l'information*)

Includes any equipment or system that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information. It includes all matters concerned with the design, development, installation and implementation of information systems and applications to meet business requirements.

internal services (*service interne*)

Groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization

interoperability (*interopérabilité*)

The ability of departments to operate in synergy through consistent management policies, practices, processes and technologies.

investment (*investissement*)

The use of resources with the expectation of a future return, such as an improvement in outcomes and increased efficiency, productivity or capacity.

Management Accountability Framework (*cadre de responsabilisation de gestion*)

Refers to a set of key statements summarizing TBS expectations for modern public service management. It was developed to provide public service managers, especially deputy heads, with a clear list of management expectations within an overall framework for high organizational performance.

management of information technology (*gestion des technologies de l'information*)

Includes planning and procuring for, architecting, designing, configuring, implementing, operating and measuring performance of IT and ERP systems.

product configuration (*configuration des produits*)

In the context of this standard, refers to the baseline configuration (including selection, configuration, integration, and utilization) of software products and associated services in order to respond to functional requirements.

service (*service*)

Provision of a specific output that addresses one or more needs of recipients and contributes to the achievement of an outcome.

shared service (*service partagé*)

An arrangement where a service is delivered by an internal service provider, which is not one of the participating departments, but rather an independent organization or unit created with a mandate to deliver the specific service to its clients and itself.

upgrade (*mise à niveau*)

Refers to the replacement of a system or product with a newer version of the same system or product, excluding routine maintenance activities such as production fixes or minor changes to the system.