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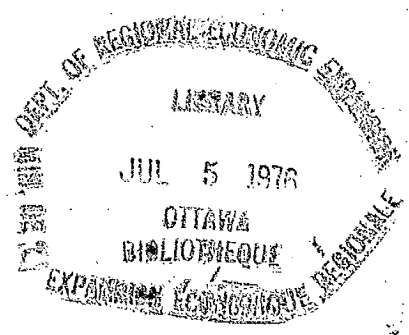
DEPARTMENT OF REGIONAL ECONOMIC EXPANSION
PRAIRIE FARM REHABILITATION ADMINISTRATION

INFORMATION SYSTEMS STUDY

VOLUME I

MANAGEMENT STATEMENT

September 1975



PEAT
MARWICK
& PARTNERS

Contract
2303

PRIVATE

September 26, 1975

Mr. J. MacNaught
Assistant Deputy Minister,
Western Region
Department of Regional Economic
Expansion
Bessborough Tower
601 Spadina Crescent East
SASKATOON, Sask.
S7K 3G8

Dear Mr. MacNaught:

We have concluded our Information Systems Study of the Prairie Farm Rehabilitation Administration (PFRA) and its relationship with the Department of Regional Economic Expansion (DREE) Western Region. The study was conducted as set out in our terms of reference and concluded with presentations during early September to yourself, the Director of PFRA and other members of PFRA and Western Region. In accordance with the wishes of the Steering Committee, we are submitting our final report to you.

The report is structured into two primary volumes, with our working papers on the four main areas of PFRA comprising four supporting volumes. The content of the volumes is as follows:

Volume I is a management statement highlighting, in consolidated form, the findings and conclusions of the study, together with our

recommendations and action plan.

Volume II consists of details pertaining to our approach and workplan, including the participants in the interview process. The findings and conclusions are detailed by the specific areas to which they relate and the recommendations are expanded to show the rationale behind them.

Volume III consists of working papers on the Finance Section.

Volume IV consists of working papers on the Land Use Service.

Volume V consists of working papers on the Water Development Service.

Volume VI consists of working papers on the Engineering Service.

The final four volumes (Volumes III to VI) are divided by section or prime function within each area of PFRA and show the key activities, the information flow and reports produced. They will be retained in the Administration Division, PFRA and copies may be obtained on request.

BACKGROUND AND OBJECTIVES

The study was designed to determine the information requirements of PFRA, and the related requirements of DREE, Western Region and Headquarters, and assess ways of satisfying these requirements.

Of particular relevance was the applicability of the DREE departmental management information systems to meeting the stated requirements.

MAJOR FINDINGS AND CONCLUSIONS

The information requirements of PFRA operating management are being satisfied by the existing manual reporting systems. They provide information with the degree of accuracy, detail and timeliness necessary for operating management.

However, the current information reporting and liaison mechanism between PFRA and Western Region are not adequate, nor will they satisfy the future requirement of Senior Management within Western Region.

In addition, the two departmental information systems for Financial Management and Project Implementation Management have little application in their present state to PFRA.

SUMMARY OF RECOMMENDATIONS

Our primary recommendations relate to the liaison mechanism between PFRA and Western Region. This function should be further developed and more formalized, and be provided with formalized status reporting on the PFRA service areas. In addition, some changes are required in financial reporting from PFRA.

No change is recommended in the use of the Financial Management Information System at this time and a gradual well-controlled

implementation is recommended for the Project Implementation Management Information System.

We are confident that the implementation of the recommendations will ensure the continued stability of PFRA programs and operations.

Finally, we would like to thank the members of PFRA, Western Region and Headquarters who have participated in this study for their considerable assistance which has enabled us to present meaningful and practical recommendations from this study.

Yours truly,

[Handwritten signature]

PEAT, MARWICK and PARTNERS

DEPARTMENT OF REGIONAL ECONOMIC EXPANSION

PRAIRIE FARM REHABILITATION ADMINISTRATION

INFORMATION SYSTEMS STUDY

VOLUME I

MANAGEMENT STATEMENT

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTION</u>	I-1
Objectives	I-1
Study Process	I-2
<u>FINDINGS AND CONCLUSIONS</u>	II-1
Financial Management Information System (FMIS)	II-1
Project Implementation Management Information System (PIMIS)	II-2
Prairie Farm Rehabilitation Administration (PFRA).	II-3
Department of Regional Economic Expansion, Western Region	II-4
Department of Regional Economic Expansion, Headquarters	II-5
<u>RECOMMENDATIONS</u>	III-1 <i>v. 1</i>
Summary	III-5
 <u>TABLE</u>	
1. Action Plan	III-5

I - INTRODUCTION

The study relates to the decision made in late 1973 to decentralize the operations of the Department of Regional Economic Expansion (DREE). As an aid to the control of the Department following decentralization, it was agreed to develop the following two computer based management information systems:

- Financial Management Information System (FMIS).
- Project Implementation Management Information System (PIMIS).

Prior to the implementation of these systems with the Prairie Farm Rehabilitation Administration (PFRA), it was decided that PFRA operations were not suited to the full implementation of the systems.

OBJECTIVES

The objectives of the study were as follows:

- provide PFRA with information systems to give management the information they require, possessing the degree of detail, accuracy and timeliness necessary for effective control of operations
- ensure that these systems are compatible with Western Region information requirements
- relate these requirements to existing and potential system capabilities
- recommend the most suitable approach to satisfy the operating needs and overall management requirements
- provide details suitable for implementing the recommended approach.

STUDY PROCESS

The study process placed heavy emphasis on the definition and confirmation of existing systems and user requirements. This was achieved by adopting a phased approach involving feedback to the participants through workshop sessions and other group meetings.

The outline of the process was as follows:

- I. Review Information Systems - acquire an accurate understanding of the concepts, organization and development, and operational status of the two departmental management information systems.
- II. Identify PFRA Operational Requirements - conduct an in-depth review of PFRA operating areas to determine their information requirement. This resulted in the preparation of Information Systems Working Papers which form Volumes III to VI of this report.
- III. Identify Management Information Requirements - determine the current and perceived requirements for information regarding PFRA by PFRA, Western Region and Headquarters management.
- IV. Develop Systems Design - design and document the information systems required to meet the needs, and provide details necessary for implementation.

Further details on the approach and work plan, together with a list of the participants, is contained in Volume II of this report.

Final
April 15 *Jan 1980*

II - FINDINGS AND CONCLUSIONS

The findings and conclusions arising from the study are summarized as they relate to the two departmental information systems, as well as to PFRA, Western Region and Headquarters. Further supporting information may be found in Volume II.

FINANCIAL MANAGEMENT INFORMATION
SYSTEM (FMIS)

7-2

The major findings on FMIS as it relates to PFRA and Western Region are:

1. Only two modules of the planned 15 are currently operational within the system. These are financial allotment control and project control.
2. No definitive plans for the extension of the system or the development of any of the remaining 13 system modules have been formulated.
3. There are currently in excess of 30 amendments and enhancements outstanding with regard to the two developed modules on a departmental-wide basis.
4. PFRA are using FMIS to input, on a daily basis, eleven summary transactions which are utilized to update expenditure by province against Western Region allotment.
5. Users in PFRA and Western Region are concerned with the present operations of the system. In particular, they detailed problems with inadequate reports, high running costs, limited application and computer prompting delays.

From these findings, we concluded the following concerning the current and planned status of FMIS:

1. Currently PFRA receive no benefit from the use of FMIS.

- 2. The further utilization of FMIS by PFRA at its current stage of development would not be advantageous to PFRA.
- 3. The current limited use of FMIS by PFRA is serving a useful purpose for DREE allotment control.
- 4. In general, FMIS is not meeting the requirements or expectations of financial and management personnel within Western Region or PFRA.

PROJECT IMPLEMENTATION MANAGEMENT
INFORMATION SYSTEM (PIMIS)

1-2

At present, the system is not fully operational within DREE.

The present status of PIMIS with respect to PFRA and the Western Region is as follows:

- 1. Narrative data on DREE programs (excluding PFRA) is being prepared by regional and provincial offices.
- 2. Financial data is not currently being input into the system. The system's link between the financial information held in FMIS and that held in PIMIS has not been developed. Initially, it is envisaged that this link will be processed manually by the Program Review area in Ottawa.
- 3. Reports generated by PIMIS are not yet available for use.
- 4. Formal operating documentation is not available for users implementing the system.
- 5. Prospective users appear to have a general lack of understanding regarding the use to which the system should be put.

Our main conclusions relating to the current development status and possible utilization are as follows:

- 1. PIMIS will not be developed into a proven working system until early 1976.

- 2. In the current development status of the system, no benefit would be achieved by the introduction of PIMIS to provide PFRA management information. In our opinion, present implementation would be likely to cause disruption in operational procedures within PFRA.
- 3. Serious reconciliation problems would likely ensue in the event of financial transactions being separately input to FMIS and PIMIS.
- 4. With well-managed implementation and user education, PIMIS has the potential to become a useful management aid.
- 5. PIMIS could be used to provide Western Region and Headquarters with carefully selected narrative and financial data relating to PFRA.

PRAIRIE FARM REHABILITATION
ADMINISTRATION (PFRA)

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From our detailed study into the current information systems within PFRA, we found:

- 1. There is a considerable amount of operating information produced on a timely basis.
- 2. All information currently produced by PFRA has a specific valid use.
- 3. The systems presently in operation meet PFRA stated management requirements.
- 4. There is some evidence of duplication in manual systems.
- 5. Much of the present reporting to the PFRA Director is conducted on an informal basis.
- 6. There is a lack of information available concerning the future program plans and role of PFRA.
- 7. Formal operating documentation and procedure manuals are lacking in many areas of PFRA.
- 8. PFRA personnel have not been involved in the development of departmental information systems.

Our conclusions relating to the current operations and information requirements of PFRA are detailed below:

1. With only minor exceptions, present information systems within PFRA are performing a valid function in providing the detail, accuracy and timeliness of data necessary for PFRA operating management.
2. No significant benefits, either economic or concerning more effective operations, would be obtained by computerizing current PFRA information systems.
3. The development of departmental information systems should include the active involvement of PFRA personnel.
4. There should be greater emphasis placed on the planning function for PFRA programs.
5. More formalized status reporting is required in certain operating areas.

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Our findings relating to the current PFRA information requirements within Western Region are as follows:

1. There is a relatively small amount of formal reporting being received from PFRA.
2. Current and previous information requirements of Western Region operational management are being satisfied.
3. There is a lack of appreciation within the Western Region of the potential information currently available within PFRA.
4. There is no apparent responsibility within Western Region for liaison with PFRA.

Taken in the context of the perceived future information reporting requirements of the Assistant Deputy Minister, Western Region, and based on our assessment of reporting needs, we conclude that the

existing reporting is inadequate.

DREE, HEADQUARTERS

There are three main findings resulting from our study of Headquarters information requirements regarding PFRA, as follows:

1. The level and accuracy of financial information received by Headquarters concerning PFRA is satisfactory
2. Summary project information is required by the Program Review Branch in Ottawa
3. No other operating areas of Headquarters expressed an interest in information from PFRA.

From these above findings, we concluded that adequate financial information reaches Headquarters with respect to PFRA operations. In the case of project information, some modifications are required, but details should be communicated through the normal reporting channels via the Western Region to the Program Review Division in Headquarters.

III - RECOMMENDATIONS

V-1
in Part II

The findings and conclusions outlined previously lead us to make several recommendations concerning the information systems within PFRA, and its relationship with DREE, Western Region. In summary form, these recommendations are:

- 1. Develop the formal PFRA liaison function within DREE, Western Region.

The existing liaison function should be more formally developed to reflect the future requirements for closer information links between PFRA and Western Region. Specific actions which should be undertaken include:

- formalize the identification and location of the liaison function within Western Region and ensure all interested parties are aware of the focal point of contact
- formalize terms of reference for the liaison function and circulate these to interested areas within Western Region and PFRA
- ensure all reporting and communications from PFRA, including the recommended revised status reporting, is provided to this function
- ensure that the liaison function is represented at regular PFRA management meetings on at least a monthly basis to ensure effective personal communications exist between this function and PFRA.

The adoption of such conditions will enhance the opportunity for success for this extremely important role for DREE, Western Region and PFRA.

2. Establish formalized status reporting within PFRA service areas, using predefined guidelines.

This reporting would be used by the PFRA Director and the Western Region liaison function as a source of consistent information on PFRA operations.

The provision of formalized status reporting will provide the first step necessary to convert to any future management information system, using narrative status information, such as PIMIS. The second step, which will only come after the formalized status reporting is functioning to the satisfaction of the key individuals, is the computerization of the information and its ready access through computer terminals and reports. It is vitally important to the success of any such computerized information system that the first step, the formalized status reporting, is well-established before any computerization step is undertaken.

3. Modify financial reporting to Western Region from PFRA in the area of cash flow forecasting and commitment reporting.

A combination of the expenditure report currently provided to Western Region and an existing internal PFRA expenditure report is recommended to fulfill the requirements of both PFRA and Western Region.

In this area of cash flow reporting, it is recommended that a quarterly report be prepared by the Service and Divisional Heads in consultation with the Director of PFRA and the Finance Section.

Specific layouts of the expenditure and the cash flow report recommended can be found in Volume II of the report.

4. Use the PIMIS system on a trial basis with a sub-set of Agricultural Service Centres.

PIMIS should only be introduced into PFRA on a trial basis following the satisfaction of specified criteria. The criteria for the implementation, using a sub-set of Agricultural Service Centres, are detailed in Volume II. Key to the success will be the establishment of an Implementation Team consisting of PFRA and Western Region personnel to ensure that experience is gained and maintained on the operation of PIMIS and its application to PFRA.

5. Reevaluate the use of PIMIS for all service areas.

The use of PIMIS for all service areas within PFRA will follow the levels of formalized status reporting detailed earlier in these recommendations.

Following the establishment of this status reporting, the successful completion of the trial use of PIMIS, and other criteria specified in Volume II, the use of PIMIS for all service areas should be reevaluated.

6. Continue in the use of FMIS in its current mode of operation.

The current application of FMIS is utilizing approximately two hours per day of PFRA time and is serving a useful purpose to Western Region and Headquarters, in that the Western Region allotment is complete

and includes PFRA expenditures. However, no benefit would be obtained by the expansion of the system at this time. Our recommendation should therefore be adopted until a major review and reevaluation of the current state and future of FMIS is made by DREE, Headquarters.

7. Assign responsibilities to provide and maintain PFRA operating documentation.

In each Service and the Finance Section, a working document was produced as part of Phase II of this study, showing the information flow for each area, specifically detailing information reports produced. Such documentation should be used as a basis for the provision of specific operating documentation within all areas of PFRA. As such, a coordinator should be assigned to develop the appropriate content specifications and guidelines. Following this, the individual Services and the Finance Section should allocate manpower to complete the documentation. An ongoing maintenance role for such documentation should also be established.

8. Nominate a PFRA representative to participate in departmental information systems design meetings and committees.

The lack of PFRA representation during the development of DREE departmental information systems in the past has led to problems as outlined earlier. Specific representation from PFRA on all information systems design and development committees and other meetings should occur to ensure that the unique operating requirements of PFRA are considered and met as appropriate.

TABLE 1

PRAIRIE FARM REHABILITATION ADMINISTRATION

ACTION PLAN

<u>RECOMMENDATION</u>	<u>ACTION</u>
1. Develop the formal PFRA liaison function. 11-03 4-1	ADM, Western Region
2. Establish formalized status reporting. 11-24 11-2	Director, PFRA Service Area Chiefs
3. Modify financial reporting. 11-3 4-3	Chief, Finance Section
4. Use PIMIS on a trial basis. 11-4 11-3	Implementation Team: <ul style="list-style-type: none">- Management Services Analyst (PFRA)- Manager, Data Services, Western Region- Junior Program Coordinator, Western Region
5. Reevaluate PIMIS for all service areas. 11-3 4-5	Implementation Team Director, PFRA
6. Continue in the use of FMIS. 11-3 4-5	Chief, Finance Section
7. PFRA Operation Documentation. 11-4 11-4	Director, PFRA
8. PFRA representative for departmental information systems design committees. 11-4 11-4	Director, PFRA ADM, Western Region
9. Develop formal planning function. 11-3 11-3	ADM, Western Region Director, PFRA
10. Detailed study of Tree Nursery. 11-4 11-4	Chief, Water Development Director, PFRA

9. Develop a formal planning function to assist PFRA.

Following discussions with Western Region's Senior Management, we are advised that the development of long-range planning, as it effects PFRA, and its programs within the Agricultural community, is actively under review.

10. Conduct a detailed study of the application of automated operating techniques in the Tree Nursery.

Although a preliminary feasibility study is already underway on the application of automated techniques in the Tree Nursery, we feel that some automated operating techniques will be appropriate and that this study should be pursued at the detail level to provide a specific recommendation of equipment and techniques necessary.

SUMMARY

Table 1, shown opposite, summarizes the recommendations contained earlier in this report and indicates the area in which action should be taken to implement the recommendations.

We feel that the implementation of the specific recommendations concerned with information reporting and closer liaison between PFRA and the rest of DREE, Western Region is important to the ongoing development and success of PFRA programs. Without such implementation, the management within Western Region and PFRA will be seriously hampered during the emerging changes in programs and management processes within the Federal Government.

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