

**REPLY BY THE MINISTER OF
THE COMMERCE AND EMPLOYMENT DEPARTMENT
TO A QUESTION ASKED PURSUANT TO RULE 6 OF THE
RULES OF PROCEDURE BY DEPUTY MARY LOWE**

1. *Have any external or internal post go-live reports been produced for your Department Board/Policy Council since SAP went live*

Yes

2. *How many?*

Commerce and Employment Board has not commissioned any external reports.

Board Members did consider an internal report/Board Paper on 27 March 2013, specifically on the challenges of the SAP system implementation after “go live”. This report and associated debate focused specifically on the operational challenges experienced at the Dairy and an evaluation of risk being experienced to what is a commercially facing business. The discussion was operationally focused around detailed working logistics and operational matters.

The Commerce and Employment Board also considered the response to Deputy Gillson’s two rule 6 questions related to SAP issues

3. *Would you provide a copy of the latest internal report?*

Under section 18A of the Code of Conduct the Commerce and Employment Board would not wish to release a copy of the Board papers. This is on the basis that the contents are specifically related to commercial and operational matters concerning the Dairy and contain particularly sensitive data regarding customer payments, suppliers, contracts and debtors. The C&E Board, however, unanimously support releasing the decision that was reached at this meeting on this item. The Board resolved to keep the Dairy in SAP and not revert to an alternative accounting system. Whilst there was full recognition that the implementation had caused considerable pressure on the business it was felt that the level of risk remained manageable and that reverting back to the previous system, at the time, could have potentially caused greater risk during such a turbulent transient phase. There was, however, acknowledgment of the challenges that the implementation was causing to the Dairy business model and the considerable additional time was being taken on procurement and finance related matters.

It was also noted, however, that in the mid term the new system should provide more robust financial processing and reporting. Staff and the Dairy Management Board continue to monitor the situation closely.

4. *Would you provide a copy of the latest external report?*

No external reports have been commissioned by the Board

Date of Receipt of the Question: 9th August 2013

Date of Reply: 21st August 2013