Context and Conditions for Success
Areas for Discussion

• Leader or Follower
  – How does FMIS fit into the larger Public Financial Management Reform Program?

• Getting Started
  – What to put into place before charging ahead or
  – How to avoid the “common” problems of failure?
Leader or Follower

• FMIS includes some or all of:
  – General Ledger (Budget Control and Reporting)
  – Accounts Payable
  – Procurement
  – Fixed Assets
  – Payroll / Human Resources
  – Cash Management
Leader or Follower

- FMIS includes some or all of:
  - *Budget Development*
  - *Debt*
  - *Inventory*
  - *Macroeconomic Forecasting*
  - *Purchasing (Bids, Purchase Orders)*
  - *Web Links*
Leader or Follower

• Why FMIS?
  – Better control over budget
  – Up-to-date financial information
  – Transparency of information
  – Enhanced efficiency
  – Ability to decentralize functions and processes yet maintain overall control by Ministry of Finance
Leader or Follower

- Public Performance Measurement Framework
  - Credibility of the Budget
  - Comprehensiveness and Transparency
  - Policy-Based Budgeting
  - Predictability and Control in Budget Execution
  - Accounting, Recording and Reporting
  - External Scrutiny and Audit
Leader or Follower

LEADER !!!!
Getting Started

- FMIS projects are complicated, labor intensive and high risk.

WHAT CAN GO WRONG

WILL GO WRONG
Getting Started

• Understand and Plan for Your Risks
  – Political Environment
  – Expertise
  – Hardware / Software
  – Organization / People
  – Funding
  – Chart of Accounts (Transaction Coding) and Business Processes
Getting Started

• Mission, Objectives and Vision

Develop a common mission, project objectives and vision of where you want to go, or you will be pulled in MANY directions.
Getting Started

• Mission and Objectives

The mission statement should simply and clearly lay out the goals and priorities for the project, for example:

To select and install new financial software to support the functions of general ledger, accounts payable, commitment control.
Getting Started

• Mission and Objectives
  – *Project Objectives Should*
    • Minimize conflict by establishing project objectives.
    • Control project direction, participant expectations and, ultimately, project costs.
    • Clearly lay out what you want to achieve and the parameters to which the project must conform.
Getting Started

• Mission and Objectives

Examples of Objectives

– To support the vision of decentralized responsibility.
– To improve the quality of financial information.
– To minimize development and maintenance costs through no customization and the use of workarounds.
Getting Started

• Feasibility Study
  – *What is the full cost, both internal and external, of this project?*
  – *Can we afford the goals and objectives or should they be revised?*
  – *Do we have the expertise in-house or do we need to look outside?*
  – *Should we build or buy?*
  – *Should we phase the implementation?*
Getting Started

• Feasibility Study
  – Design and Development Costs
    • Hardware Including Back-Up Systems
    • Software and Interfaces
    • Consultant Support
    • Communication
    • In-House Project Team / Knowledge Transfer
    • Training
Getting Started

• Feasibility Study
  – *On-Going Costs*
    • Hardware Replacement
    • Software Maintenance and Upgrades
    • Communication Costs
    • Maintenance Support
    • Training
Buy Versus Build

• **When Might Build Be Preferable**
  – One of a kind application
  – Limited functionality
  – Interim (2-5 years) to transition from manual or spreadsheet logs
  – Small number of users
  – Lower cost than purchased software
Buy Versus Build

• Problems With Build
  – Often over budget and not on time
  – Understanding of government functions by the technology staff developing the solution is limited
  – Limited controls built into the system (internal edits and audit trails)
Buy Versus Build

• Problems With Build
  – Future requirements not or ill considered so system has limited capability to expand, accommodate needed changes or integrate with other systems
  – Testing not always adequate so many problems upon implementation
Buy Versus Build

• Transition to GFMIS
  – When transitioning to a GFMIS, there will be few circumstances which justify development.
Obtaining Knowledge

• Conferences
• Vendor Demonstrations
• Research
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