
IFMIS Project Management

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Agenda

- n Managing the Core Team
- n Managing Expectations, Change Management and BPR
- n Tracking Progress and Addressing Risk

Managing the Core Team

n **Sponsor** – propose the project, provide the business justification for new IFMIS or upgrade, lead the steering committee (MoF)

n **Project Manager** – lead and execute the IFMIS (range from USD 5-25 Million project, provide detailed cost assessments on refined scope, assign tasks to core team, progress reports

Business Manager – detailed business requirements and expand on the business benefits, help develop the change management and communication plans, acceptance testing

Managing the Core Team

- n **Project team** – Need strong recruitment, retention and training policies, and incentives
 - n Business Staff – good knowledge of budget and accounting processes with expense and revenue chains, linkages to work of the government
 - n ICT Staff – perform a wide range of tasks which contribute to the project, including programming, systems admin, database, telecoms, HW/SW configurations, web
 - n Change Management and Information Staff

Skills needed by the core team

- n **Requirements for project team may change during project cycle:**
 - n Preparation (feasibility studies, organizational and institutional assessments, identification of key problems and risks, project proposals and charter, budget skills);
 - n Design (technical and functional specifications and translation into system design, BPR, IT strategy, write tender documents, define data structures and interoperability);
 - n Execution (management and fiduciary skills including procurement and contract supervision, configuration analysis, development of detailed plans including assessment of training needs, technical skills including programming, network/ server/ database management, quality testing);
 - n Close-out (communication including record keeping and report writing of technical and programmatic documentation, especially ability to prepare financial reports).

Adding to the Core Team

- n **Make strategic use of consultants to supplement core skills:**
 - n extensive PFM experience in the management and operations of computerized government FM systems for budget planning, execution and accounting;
 - n country context;
 - n BPR;
 - n training;
 - n HR, organizational and project management;
 - n any specific technical area such as security or web

Managing Expectations for IFMIS

We all know what the MoF wants from an IFMIS...

n **Robust identification of user requirements:**

- n Functional requirements (core functionality – reporting, institutional and policy reforms, document and transaction control, system access codes, financial and accounting controls)
- n Non Functional requirements (not intrinsic to the system but consisting of reliability, interface and human factors including look and feel)

n **Set the legal framework**

- n Create a climate for transparency and accountability as well as judiciary and legislative oversight; set the macroeconomic policy; appropriate laws which govern financial regulations and reporting
 - n Freedom of Information Act
 - n Integrity of Public Officials Act

Managing Expectations

- n **Establish Control and Reporting Mechanism** – internal and external audit, procedures for procurement, how financial information is to be disclosed
- n **Oversight body/steering committees** – high level body in charge of accountability for decision making; formation of a National Anti-Corruption Strategy and Council
- n **Acceptance Testing** – Provides the highest level of assurance on quality

Managing Expectations

- n **Expectations of the core team themselves:**
is this part of their normal job, is this a special assignment, are there any incentives?
- n **Institutional arrangements and capacity of in-house staff**
- n **Build in some slack**

Business Process Reengineering – improving government financial procedures

- n Structure of the budget accounts (unify codes and classifications, chart of accounts)
- n Decision on main budgeting and accounting principles (cash/accrual)
- n Managing cash flows/information flows
- n Approvals and Controls
- n Requirements for report generation

Change Management

- n Changes to project design or scope:
 - n Requires mechanism for recording requests, approval or rejection
 - n Scope changes may affect budget, time, resources, or skills needed (e.g., increase # modules, # districts to be connected)
 - n Changes may affect other government projects or may be affected by external factors
 - n Long implementation periods can lead to loss of institutional memory and other challenges

Change Management

- n Changes to behavior – need a change management strategy and a clear timetable:
 - n Process changes: how the work is to be done, workflow
 - n Functional changes: different skills and job descriptions, organizational relationships
 - n Cultural changes: mindset of efficiency
 - n Emotional changes: deal with fear and resistance; wide consultation to gain commitment from different levels within the organization
 - n Responding to changes: ask for feedback, and do something about it

Communications

- n Need strategy and format for communications to different stakeholders:
 - n Sponsor, Steering Committee, Ministerial Level
 - n High level progress, major delays or milestones, major changes to scope or cost
 - n Staff directly affected
 - n How IFMIS will affect their jobs, what new processes or skills needed and what training is to be offered
 - n Public at large
 - n How this will lead to better government transparency, reduced corruption, better PFM and how much this will cost

Tracking Progress

- n Management should focus on the substance of whether the project achieved the objectives (impact/outcome) and not just on whether the activities have taken place and what they cost (input/output) by tracking the following functions:
 - n Policy – need qualitative metrics to manage holistic project, understand how management processes affect cost, schedule and performance and how to use corrective actions to reduce risks
 - n Scope – how closely the functionality reflects the requirements, fitness for use
 - n Technical aspects – system and data administration (adhere to common set of policies, procedures and standards; throughput of system)
 - n Capacity building – can they use the system, maintain it, and continually improve it

Addressing Risk – many government officials are risk averse to long term projects

- n **Risk 1:** Lack of institutional capacity, technical skills and project management including PM
 - n **Mitigating Strategies:** Strengthen the project team with both technical and business skills, get top notch project manager, hire consultants for very technical activities, Stay with proven technologies. PM must have clout and maintain good relationship with sponsor and teams
- n **Risk 2 :** Weak government sponsorship or commitment leading to lack of funds
 - n **Mitigating Strategies:** Insist on high level sponsorship at all times, help government prepare for incremental and operating costs

Addressing Risk

- n **Risk 3:** Project too complex
 - n **Mitigating Strategy:** Work breakdown structure and good understanding of interdependencies amongst activities, Hold phase reviews with very specific deliverables
- n **Risk 4 :** Lack of communication or change management
 - n **Mitigating Strategy:** Have professional communication and change management team on board. Be sure to keep end user needs in mind in system design and communication
- n **Risk 5:** Changing priorities or vested interests
 - n **Mitigating Strategy:** Keep very good records of changes to the project; insist on a steering ctte to approve all major changes, procurement rules

Conclusions

- n Project management essential to the success of an IFMIS – must have strong commitment, sufficient manpower and other resources, widespread support, and agenda for change management
- n Installation of IFMIS part of broader reform (while not driven by ICT, it is sometimes used as a lever, not advised to just do the reforms and not provide the tool to reflect new way of working)
- n Implementation strategy must be phased so that benefits occur over time and have to ensure interim arrangements facilitate financial continuity, control and reporting