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Implementing IFMS in Developing and Emerging Nations
Top 10 Success Factors

COTS – Epicor ®

Core Modules

- Budget Planning
- Procurement
- Commitment
- Accounts Payable
- Accounts Receivable
- Cash Management

Interfaces/ Other Modules

- Revenue (Tax and
- Human
- CSDRMS
- Other Modules / Interfaces

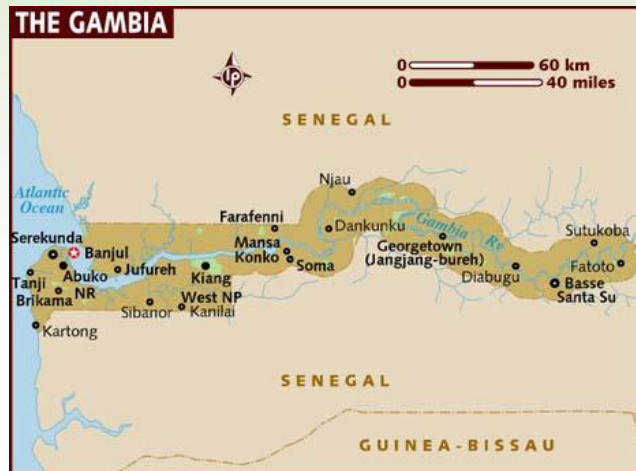USER PROFILe

General Ledger

Transaction posting

Chart of Accounts

Budget Reports

Statutory Reports

Other Reports

Our Experience

Tanzania

- Tanzania has implemented a full budgeting, accounting and fiscal control infrastructure that :
    - Underpinned significantly improved fiscal conditions in 5 years;
    - Helped the country curb unbudgeted commitments and expenditures;
    - Addressed information needs of development partners;
    - Deployed to over 200 sites with over 1,200 users;
    - Integral part of national budgeting and planning infrastructure to promote long term macro and micro economic outlook and forecasting;

Tanzania

- IFMIS in Tanzania is the most successfully implemented system in an Anglophone African country in 1998;

- Package selection based on ease of use, flexibility and scalability, supported by a local consultancy company;

- Roll out plan based on incremental approach at the Accountant General's Department and 10 pilot ministries;

- Introduced in 10 ministries, departments and agencies in 1998 – adopted best practices built in the COTS, rather than a detailed review of existing processes;

Tanzania –Cont'd

- Following review of pilot phase, rolled out to:
    - 43 MDAs;
    - 21 Sub-treasuries;
    - 21 Regional Administrative Secretariats;
    - 86 Local Authorities;
    - 26 Executive Agencies, including Tanzania Revenue Authority, Tanzania national Roads Agency;
    - 5 key Embassies
    - Project Offices
- Internalization of support function
    - Core teams trained locally;
- Over 2,000 users trained locally;

Tanzania – Cont'd

- IFMIS as a single system across the Government
  - Critical controls over commitments and expenditures;
  - Consolidation of national accounts with accurate reporting;
  - Rapid integration of additional government offices;
  - Rapid skills transfer;
- IFMIS has helped Tanzania to:
  - Significantly eliminate over expenditure;
  - Contain country's debt burden;
  - Restore confidence of international development partners;

Tanzania IFMIS – Present and Future

- National Network connecting 45 Ministries, Regional Sub-Treasuries and 21 Regional Administrative Secretariats to the central server farm at the Accountant General's Department operational for the last 2 years;

- Transition to GFS 2001 in July, 2009;

- 2009/2010 Final Accounts based on IPSA produced from IFMIS;

- Electronic Fund transfer facility with Central Bank operationalised in 2010;

- Major upgrade to Epicor 9 planned for July, 2011;

- Centralization of 132 Local Authorities planned for July, 2011;

- Disaster Recovery site in Dar es Salaam to be migrated out of Dar es Salaam;

Malawi

- Embarked on a project to computerize government and financial processes in 1995;

- IFMIS conceptual framework and the governance structure for the project set;

- Design and procurement process completed in 2000 and pilot run of customised software started in 2001 in 5 pilot ministries;

- Encountered various difficulties related to
  - Dismantling of implementation team before completion of implementation;
  - Change Management and communication not addressed adequately;
  - Overall limited stakeholder involvement

Malawi – Cont'd

- Study tour to Tanzania in 2005, decision made to adopt and implement IFMIS similar to Tanzania Solution;

- MOU signed for Accountant General – Tanzania to provide technical advise and expert resources to Accountant General – Malawi;

- Core Team training at supplier premises in Dar es Salaam embedded with study visits to Ministry of Finance – Tanzania ;

- End user training for pilot ministries at supplier premises in Dar es Salaam;

- Pilot for 5 Ministries setup with existing infrastructure;

- Rollout for 32 ministries and 3 Regional Centers after review of pilot sites, with end user training at Accountant General's Department - Malawi

Malawi – Present and future

- Centralized IFMIS connecting all Ministries in Lilongwe connecting to the central server farm at Accountant General's Department;

- Disaster Recovery site set up;

- 27 sites with over 200 users;

- July 2009/2010 – Migration to GFS 2001 and a change in Chart of Accounts Structure;

- 2010/2011 plans:

  - Enhancements to commitment control with long term commitments;

  - Implementation of Asset Management ;

  - National Revenue Management

Zanzibar

- IFMIS implemented in July 2007 for Government of Zanzibar as an extension to Government of Tanzania

- Based on IFMIS model of Government of Tanzania;

- Core Application and Technical Teams underwent training at supplier premises – Dar es Salaam;

- 5 Pilot Ministries in 2007 with a data center for capturing transactions for remaining ministries;

- Roll out to remaining ministries as connectivity was established to central server farm at Accountant General's Department;

- Total 20 Ministries with 100 end users;

The Gambia

- Commencement in 2005 as a turn key project with World Bank financing;

- Currently viewed as one of the most successful IFMIS implementation ;

- Core team composed of Local Consultants drawn from the private sector, blending with government employees;

- Excellent sense of ownership by senior government officers;

- Change management and sensitization owned by the Core team;

The Gambia

- Change management approaches include:
  - Publishing of IFMIS Newsletter;
  - Case Study Video documentary shown to Parliament, Cabinet, Government officers and broadcasted on National TV;
  - Pre and post implementation sensitization sessions ;
- Pilot consisted of 5 ministries connecting to central server farm at the Accountant General's Department;
- Disaster Recovery site set up as part of Pilot;
- Pilot included Payroll implementation with an interface to General Ledger;

The Gambia

- Strong emphasis on skills transfer to Core team with a skills transfer assessment criteria agreed at the onset with supplier

- IFMIS is currently being rolled out to 21 additional ministries with completion in February, 2011;

  - Infrastructure extension to all Ministries by Supplier;

  - End User training for 120 participants and 60 Executives conducted in the Gambia by Soft-Tech;

  - Group 1 of 11 Ministries as Soft-Tech responsibility;

  - Group 2 of 10 Ministries handled by the Core team as part of Skills Transfer Assessment;
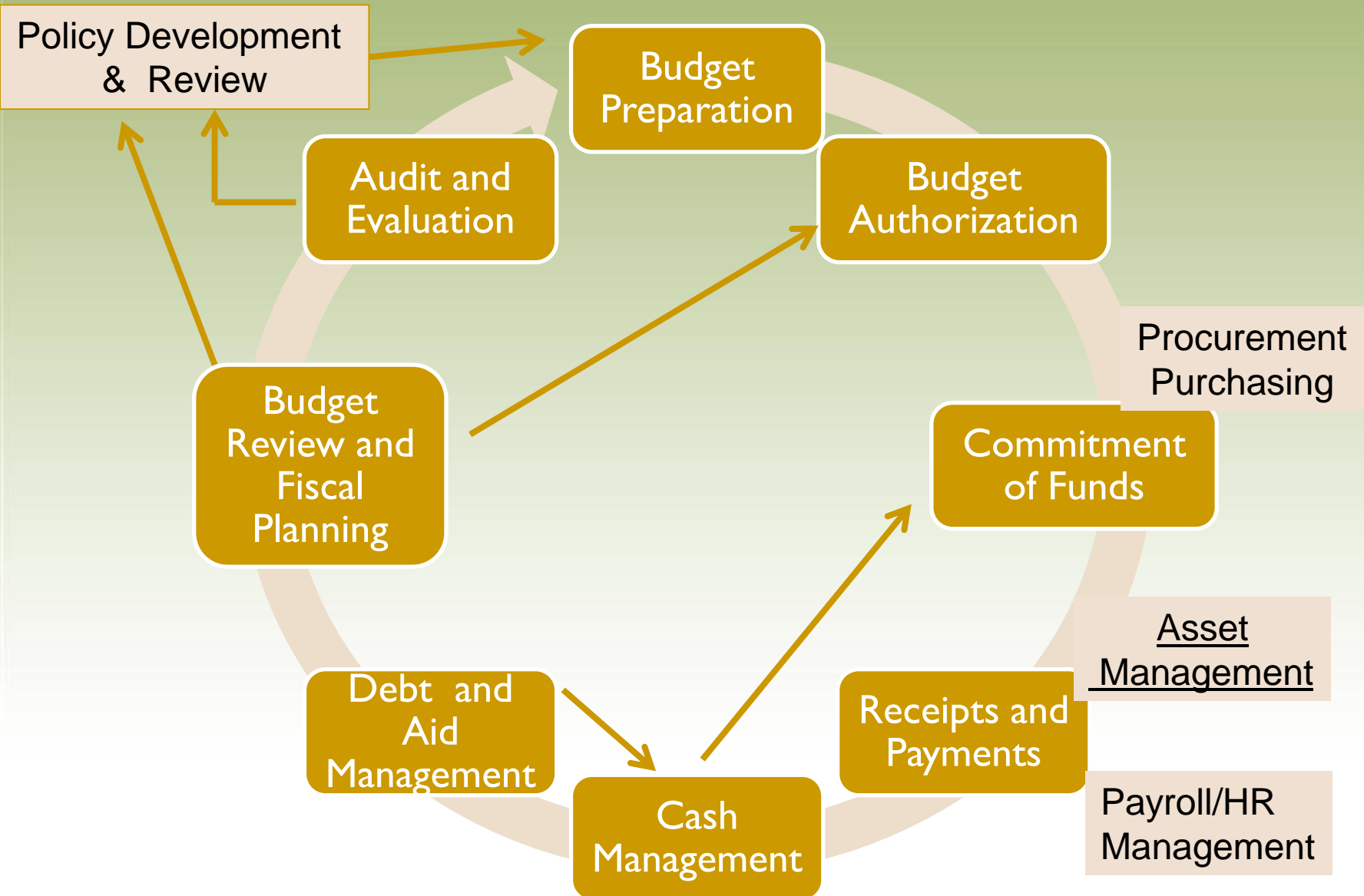
The Gambia

- 2011 Plans
  - Interface with CSDRMS;
  - Electronic Fund Transfer;
  - Preparation for MTEF implementation;
- 2012 Plans
  - MTEF Implementation
  - Upgrade to Epicor 9

Lesotho - Epicor

- EU funded Project

- Contract signed in 2007 for a turn-key solution with Soft-Tech;

- Technical infrastructure connecting 27 Ministries and 8 sub-accountancies to Central servers housed at Ministry of Communications

- Disaster Recovery site set up;

- Core technical and application teams trained - turnover is a major issue;

- 600 end users trained

- Total number of users – 1,500

- Legislative framework does not support new business processes;

PFM / IFMS Framework

Policy Development & Review

Budget Preparation

Audit and Evaluation

Budget Authorization

Procurement Purchasing

Budget Review and Fiscal Planning

Commitment of Funds

Asset Management

Debt and Aid Management

Receipts and Payments

Payroll/HR Management

Cash Management

Treasury Single Account

Budget Preparation

Budget Authorization

Audit and Evaluation

Commitment of Funds

Budget Review and Fiscal Planning

TSA Process

Levels 1-n

SU's 1 -n

Debt Management

Cash Management

Receipts and Payments

IFMS as a Catalyst for PFM Reforms

- Internal controls over data entry, transaction processing and reporting;

- Timely Report production for decision making

Effective management of collection and expenditure of funds by governments

Generate more and better services for the citizens of the country

Efficient usage of all public resources

Highest level of transparency and accountability in government finances;

- Eliminate duplication of data entry
- System enforced Validations

Standard data classification for recording and reporting financial events;

PFM/IFMS Community

External

Auditor General

Central Bank and Branches

Commercial Banks

Parliament

Donors

Business Community

General Public

Internal Audit

Other Government Entities

Local Authorities

Tax Agency

Executive Agencies

Projects

Central Government Treasury

MDAs

Regional Sub-Treasuries/ Secretariats

IFMS Requirements

Compliance	Support Financial Movements	Good Understanding of
• Budget Laws • Public Finance rules and restrictions • Accounting Rules • Reporting Requirements	• Ministries • Spending Agencies • Regional Government • Local Government • Other Government entities	• Institutional arrangement • Division of authorities and responsibilities • Political structure • Administrative Structure • Existing systems and processes

IFMS - Preparation

1. Legal Framework

2. Business/functional Process

3. Organizational Arrangements

4. Budget Classification Structures

5. Chart of Accounts

6. Change Management

7. System Requirement Specifications

8. Tender / Procurement

IFMS - Implementation

9. Systems Development

10. Testing

11. Data conversion / Migration

12. Training

13. Pilot Implementation

14. Pre and Post Change Management

15. Review Pilot

16. Roll Out / Additional modules / interfaces

17. Support Arrangement

Top Ten Success Factors

1 • Government Readiness, leadership, ownership, commitment

2 • Realistic Request for Proposal in terms of capacities, scope, readiness,

3 • Aligned vision of all stakeholders, including donors

4 • Well defined benchmarking and success factors

5 • Capable Project Management Team

Top Ten Success Factors

6
- Legal Framework aligned with IFMS framework

7
- Planned Capacity Building and Change management

8
- Data Availability – Final Accounts, Reconciled Bank accounts

9
- Understanding of IFMS Processes and Controls

10
- Technical Infrastructure – Centralized versus decentralized