

Replacement of Financial Management System (FMS)

Director/Head of Department:	Georgina Ayling – Interim Head of Finance & Business Development
Report Author:	Steven Tickner, Accountant

Recommendation: that members note the report

1. BACKGROUND

- 1.1 A decision was made to replace the existing Financial Management System (FMS) with a modern flexible new system due to the fact that the license for the old system was not to be renewed by the supplier due to the age of the product.
- 1.2 Executive approved an allocation of £250,000 from the Major Projects Fund (now Reserves Fund) on 18 October 2005 to purchase a new FMS.
- 1.3 Tenders were issued to potential suppliers and these were evaluated in line with normal procedures. The contract for the supply of the system was awarded, with Executive approval, on 15 August 2006, to Consilium.

2. PROJECT IMPLEMENTATION

- 2.1 As the project only had a short implementation period (September 2006 to 31 March 2007) it was imperative that sound Project Management procedures were set up. Implementations of this kind and size have normally taken well over 12 months in other Authorities and have required significant resources to ensure success.
- 2.2 For these reasons a dedicated Project Team was set up with a dedicated IT and Accountancy Lead Officers. The Project Team was made up as follows:

Head of Finance & Business Development (Project Sponsor)
Accountancy Services Manager
Accountant (Accountancy Lead Officer)
Business Development Manager
Audit and Fraud Prevention Manager
Head of Customer Services
ICT Project Manager (Overall Project Manager)
IT Systems Support Officer
ICT Systems Team Leader
Consilium Project Manager

- 2.3 The Project Team met every 2 weeks to discuss progress on the project and to ensure that the project plan was maintained and achieved.
- 2.4 Project documentation was drawn up to ensure that the Project was successful. A Project Initiation Document (PID) was drafted to ensure that the outcomes expected from the Project were clear before the project began. A Risk Register was also maintained, monitored and updated at the Project Meetings. There was also a Communications Plan to ensure that the progress on the Project was communicated across the authority, and a Data Migration Plan was also created to ensure that any data that needed to be transferred from the old system was successfully done.
- 2.5 Training sessions were held with Consilium in order to set up the system. Sub groups were set up within accountancy for each module so that detailed knowledge was spread across the department. The Accountancy Lead Officer coordinated these Sub-Groups.
- 2.6 As part of the implementation an additional backup server was purchased. This server was installed with software that allows it to run concurrently with the main server, so that in the event of failure of the main server, the backup will run concurrently and will switch over straight away. This is hoped to reduce the potential for the system to be unavailable.
- 2.7 All user guides and manuals associated with the system and how to use it were successfully prepared and tested prior to go live and a library of these is maintained in the accountancy office.
- 2.8 As part of the implementation and prior to going live, a full Testing schedule was produced and the system was fully tested to ensure that it worked as expected and that the system could be switched to live on the planned date. All of this testing was successful and the system went Live as planned on 1 April 2007.
- 2.9 Since going live there have been some teething problems with the new system, but on the whole these have not led to any serious implications in the running of the system.
- 2.10 It is hoped that the payment of Creditor Invoices can be streamlined in order that the processing of invoices can be done more efficiently. At the present moment, due to staffing issues in Accountancy, invoices are being processed in the same way as with the old system. Purchasing and Creditor payments are to be looked at as part of e-procurement and it is hoped that these issues can be resolved then.
- 2.11 There has also been little progress on reconciling the information coming across to the FMS from the payroll system. Previously, a lot of manual entries had to be done to reconcile the two systems, but with the introduction of the new system, a lot of these were automated in the interface. This has meant that the procedure for reconciling the systems has fundamentally changed. Again, due to staffing and resource issues this has yet to be looked at, however, a temporary Project Accountant is to come in and help to develop these procedures and reconcile the two systems.

- 2.12 It was expected that there would be issues with the implementation and after going live due to the fact that this is a completely different system to what has been used before and a lot of the procedures and processes have changed in order to accommodate it.
- 2.13 It is intended that now the project has been successfully implemented, that a user group be established within accountancy in order to monitor the progress of the systems development and to look at any issues that arise and need to be looked at.

3. FINANCIAL MONITORING

- 3.1 When Executive approved the awarding of the Contract it was expected that the total cost of delivering the project would be £187,187. This amount included the tender price from Consilium and also additional hardware that was required and amounts for contingency and additional resources.
- 3.2 As of 31 August 2007, the project has incurred expenditure of £149,634. This represents an under spend against the approved cost of the Project of £37,553. All of the items under the original contract have been delivered and this spend also includes the first year's licence fee. There are, however, some commitments outstanding that relate to support for when the first year end process is run in March 2008 and for some additional training sessions for Debtor Recovery. These commitments total approximately £2,000.
- 3.3 It has also been agreed with the Head of Finance and Business Development that as the under spend on the FMS project is to be utilised to look at implementing an e-procurement module. This will link in to the FMS and will allow for greater purchasing power for the authority.
- 3.4 The project has therefore been delivered under budget and also under the original allocation that was approved. Any final under spend will be released back to the Reserves Fund.

4. CONCLUSION

- 4.1 The project successfully went live on the planned date, 1 April 2007 and was achieved within the approved and reported resources, despite the requirement of substantial additional resource requirements on those within accountancy and IT and the requirement to continue to provide the day to day duties of both sections.
- 4.2 The system continues to be developed and will take time to become a fully established management and operational tool, but already, benefits have been identified and the flexibility of the system has been commented on by users. It is hoped that as the system develops that this will continue to provide improvements in the way financial information is collated, recorded and reported.

List of Appendices

None

List of Background Documents: OSC PR 30-11-06
EXE 21-02-06
EXE 15-08-06
EXE 18-10-05
Project Files

CHECKLIST FOR DEALING WITH KEY ISSUES

Please confirm against the issue if the key issues below have been addressed. This can be by either a short narrative or quoting the paragraph number in the report in which it has been covered.

Impact on Crime and Disorder	
Impact on Sustainability	
Impact on Rural Proofing	
Health and Safety Implications	
Impact on Equality and Diversity Issues	
Children and Young Persons Implications	
Human Rights Act Implications	

EQUALITY AND DIVERSITY

LEAD OFFICER: Martin Jepson

REPORT AUTHOR: Martin Jepson

Summary and Recommendation:	That the report be noted and that further update reports be made to the Overview and Scrutiny Management Committee and where particular issues are raised of relevance to other Overview and Scrutiny Committees, then to those Committees.
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1. INTRODUCTION

- 1.1 The standard by which the committees are assessed in relation to progress made in Equality and Diversity is The Equality Standard For Local Government. There are 5 levels within the equal standard, 5 being the highest. In March 2006 this Council self-assessed itself at level 1. This Council is currently working towards achieving level 2 by next year.
- 1.2 Latest figures show that approximately 90% of local authorities are at either level 1 or level 2. Within Cumbria, Cumbria County Council are at level 2. Carlisle, Eden, South Lakes, Barrow and Copeland are at level 1, and Eden are looking to achieving level 1 shortly.

2. PROGRESS MADE AND TO BE MADE

- 2.1 Broadly speaking level 1 required this Council to commit itself to improving its Equality and Diversity procedures. In order to heighten awareness of Equality and Diversity issues, computer based training has been provided for those officers who have ready access to computers and for Members. Face to face training has been provided to those officers who do not have ready access to computers.
- 2.2 Face to Face training sessions have been provided for Members and various face to face training sessions have been arranged for officers.
- 2.3 The Council has also approved an Equalities Policy which includes with it the statutorily required, Race, Gender and Disability Schemes. These can be found on our Intranet and Website. The Policy includes some Action Plans which are currently being worked through.
- 2.4 The requirements for level 2 are set out in appendix A to this report and will be seen that the principle requirement for level 2 are to carry out assessments and community engagement.
- 2.5 In order to progress work on assessments your officers have visited other authorities and taken advice from consultants. Having done so we have produced an Equality Impact Assessment Toolkit which has been tested out prior to its implementation. Following an assessment session with Corporate Team a prioritised list of the 21 Services Units of the council has been produced and a regular programme for carrying out equality impact assessments has been devised. Your officers began work with Cultural Services in June and Human Resources in July. We anticipate that the process will speed up as we progress through the service units. We believe that the Assessment Toolkit will provide a very effective means of assessing gaps in the services the Council provides to its customers.
- 2.6 Allied to the work on Equality Impact Assessments the Council also needs to carry out a detailed programme of community engagement. A small sub-group of officers is currently working on