APPENDIX 2

Project Documentation

POST PROJECT EVALUATION DOCUMENT (PPE)

Financial Management System

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Approved by:	<Name and date>

Document History

Revision Date	Version	Summary of Changes	Reviewer(s)
14/11/16	1	Initial Draft	HB
23/12/16	2	comments	MD
03/01/17	3	Update following comments by FMS Project team	HB

Consideration by the Corporate Improvement Team

Date	Reviewing Officer	Comments for Consideration
12/01/17	Andy Buckley	PPE reviewed - nothing to add

Approvals
This document requires the following approvals:

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1. PURPOSE OF DOCUMENT

This document provides a review of how the purchase and implementation of a new Financial Management System (FMS) project performed against the original intentions set out in the Project Initiation Document (PID).

It allows lessons learned to be passed on to other projects and ensures that provisions have been made to address all open issues and risks alongside follow on actions and recommendations where appropriate.

It also provides the opportunity to assess any expected outcomes that have already been achieved and/or provide a review plan for those outcomes yet to be realised.

2.   ORIGINAL PROJECT DESCRIPTION

In 2012, the Council operated 7 different systems to complete its financial suite as shown in table 1.

Table 1:

System	Function
Oracle Financials 11i	General Ledger Accounts Payable Accounts Receivable
EGS IDeA Marketplace	Purchase ordering Procurement
Real Asset Management Asset 4000	Fixed Asset Accounting
SAP Business Objects Xlr3	Financial/HR Payroll Reporting
Midland/Trent	HR Payroll
CAPITA AIM/Axis	Cash receipting streams
TRACE	Stock control

The council had used Oracle Financials as its core financial systems since 1994, undergoing upgrades as necessary, and more recently using the business intelligence tool, business objects, for reporting and financial information analysis. The Oracle financial system was mainly used by the core accountancy team and only a few people in service departments. The cost of the configuration was considered to be expensive and unintuitive with limited capabilities.

In 2012 the version of Oracle being used was nearing the end of its supported life, and so a major upgrade implementation would have been required to move to the new version. Unlike previous major upgrades using in house expertise, this upgrade would not have been possible without buying in external support and additional training to some end users.

Also the server platform which the Oracle system sat on was also due to be de-supported from January 2014, and one aim of the ICT strategy was to move onto more cost effective platforms.

Due to the high annual cost of maintaining all of these different systems and the need to undertake a major re-implementation for Oracle, it was felt that officers should review what other options were available for an integrated FMS, that provided the opportunity to seek efficiencies both in terms of cost but also business processes, and how financial information was delivered to budget managers.

In 2012, approval was given to undertake an open EU compliant procurement exercise to seek to replace the Financial Management System (FMS) with a view to achieving ongoing revenue savings in relation to the cost of ownership of the financial systems used.

3.   PROJECT OBJECTIVES

3.1   Outputs

Project included:

1. Selection of software or solution provider for the replacement or upgrade of the existing financial management system – *Achieved by procuring a new financial management system.*

2. Procurement of financial management system software to be either directly implemented by the Council or hosted by either a commercial or public sector partner – *Achieved. New system was implemented and using an in-house installation.*

3. Procurement of any hardware infrastructure necessary to deploy the system – *Achieved via ICT server replacement programme.*

4. Procurement of consultancy and training services necessary to implement any new system and train key staff – *Achieved using software supplier consultancy days as part of procurement process for new financial management system.*

5. Integration with the current CAPS Uniform property system – *Achieved.*

The project excluded:

1. Any re-design of hardware and software schema specifically to reduce the cost of the existing Oracle database license.

2. The replacement of the Midland Trent HR Payroll system (though this project may facilitate this at a later date).

3. The replacement of the current Solaris servers configuration except where that may be influenced by the requirements of this project.

4. The replacement of the property management system.

3.2   Outcomes

1. Continue the delivery of a robust, properly supported and cost effective financial management system – *Achieved by the required date of 1 April 2014.*

2. Improve integration between system functions; removing the need for ancillary systems, principally IDeA Marketplace and Asset 4000 – *Achieved as both these systems are now part of the integrated Civica financial system.*

3. Improve quality of and accesses to financial information for members, senior officers and budget managers – *Achieved as all council staff have access to the system with security permissions to tailor their views of the financial data and which tasks they can perform.*

4. Reduce the total cost of ownership through amalgamating systems and procuring a solution better suited to the functions of the Council – *Achieved as reduced costs have realised annual revenue savings of*

£55,817.

5. Implement a solution that will in the future allow for the incorporation of further Council integrated systems such as HR Payroll and stock control and corporate financial reporting:

   a. *HR Payroll – Civica do not have an integrated HR Payroll solution, however the improved integration between MHR iTrent and Civica financials provides full secured drilldown for managers to detailed payroll data (where security permissions allows).*
   b. *Stock Control – While integration with Civica financials purchasing is possible this was an optional item at an additional cost. After assessing the costs/benefits relating to the CCS stock control system and discussions with the service it was decided not to proceed.*
   c. *Council wide access to the live Civica financials application has replaced the need for the vast majority of corporate 'flat' financial reports previously generated using Business Objects. As a result those licenses have now been cancelled resulting in the Council achieving an additional saving of £25,000pa not previously identified as part of its deficit reduction plan.*

6. Simplified and more efficient administration with less duplication of work – *Achieved as service efficiencies were expected as part of the service review in accountancy, along with re-engineering processes for ordering goods and services to improve service department administration.*
   Also as financial information is available to all users directly from the finance system, including drill down facilities and scanned invoices. This has changed the type of service delivered to the budget managers and improved the use of accountancy staff resources to a more technical added value service rather than the delivery of information.

3.3 Outcome Measures

Success Criteria

1. Selection of a cost effective and appropriate financial management system – *Achieved following an open tender process that was compliant to EU procurement regulations.*

2. To replace the necessary financial systems in a timely manner to ensure continuity of service. So specific targets set were:
   - Implementation of core financials equivalent to the existing Oracle Financials product by 1st April 2014 – *Achieved by the due date with the Council able to manage its financial data, pay its suppliers and raise invoices for the goods and services it has given to its customers as required.*

   - Replacement of the existing purchasing system by November 2014 – *Achieved by 1st April 2014, so 7 months ahead of schedule for over 250 end users.*

5

- Replacement of the existing asset management system by 1st Apr 2015 – *Implementation to be achieved in February 2017.*

3. Reduction in the total cost of ownership – *Achieved as savings realised of £55,817 pa, plus a further £25,000 saving per annum due to other licence changes as a result of this project.*

4. Simplified / better integration with third party systems such as the Income and property management systems – *Reporting integration between CAPS and CIVICA for the purpose of property KPI monitoring is nearing completion with draft reports under review by the Estates team. The cash receipting interfaces have been improved, as Civica is able to store more detailed granular and searchable information passed from AIM that can be accessed by service managers using drill down queries.*

5. To provide a financial system with an easy to use interface that will allow managers to access real time financial information – Achieved as d*ata is refreshed every 15 minutes from any interfaces, plus transactions undertaken and approved will feed through the system in this time frame.*

6. To provide a system that can be accessed remotely and will be suitable for deployment to council staff that are not office based – *Achieved as the system can be accessed remotely via vpn.*

7*.* Facilitate the movement towards more cost effective platforms for the delivery of council systems – *Achieved as the new system operates on a SQL server.*

3.4   Dis-benefits

1. A service review of the accountancy team was to be undertaken following the implementation of the new system, which included a business process review and agreement of a revised delivery standard for support service provision to the council.
Due to the timescale for implementing a new system there was a long lead in time before the review took place which some staff felt was unacceptable and unsettling. But as the service was expected to find savings as part of the approved deficit reduction plan, the Head of Finance & Governance agreed that this linked project should be communicated at the outset.

2. Service delivery standard for accountancy needed to be changed as budget managers would be able to self-serve using the new financial system which gave them the financial tool in line with the competencies of budget managers. There was some resistance to this change which the Accountancy Service has tried to overcome by delivering specific training sessions, which were not identified at the outset for this project and were funded by the contingency provision in the approved project budget.

4.   PROJECT COSTS

Project Budget

The indicative figures for the PID budget were based on Preferred Option - Replacement System Managed In house. The approved budget reflects the budget required following the outcome of the tender process.

Table 2 – Capital Budget

	PID Budget*	Approved Budget	Actual Costs	Variances
Capital Costs	£	£	£	£
Purchase Cost	110,000	50,100	50,100	0
Implementation Consultancy	110,000	97,200	97,200	0
Data base Server	13,000	-	-	-
Other IT Hardware & Soft ware	5,000	800	601	(199)
Platforms training for operations staff	4,000	-	-	-
Contingency (20%)	-	29,600	41,431	11,831
TOTAL CAPITAL COSTS	**242,000**	**177,700**	**189,332**	**11,632**
Legacy System Costs				
Oracle Financials Licence to 29/05/2015	48,713	48,710	26,397	(22,313)
Marketplace Licence to 09/11/2014	14,334	14,340	0	(14,340)
Asset 4000 License	3,500	3,500	0	(3,500)
Extended server maintenance to 31/12/14	2,000	2,000	0	(2,000)
Oracle Server Licenses	-	7,000	0	(7,000)
Contingency	-	15,050	0	(15,050)
TOTAL LEGACY SYSTEM COSTS	**68,548**	**90,600**	**26,397**	**(64,203)**
TOTAL CAPITAL BUDGET	**310,548**	**268,300**	**215,729**	**(52,571)**

Table 3 – Revenue Budget Position

	PID Budget	Approved Budget	Actual Costs	Variances
Revenue Savings – Removal of Existing Provision:	£	£	£	£
Solaris Server Replacement[1]	7,500	-	-	-
Oracle Financials License	42,000	42,000	42,000	0
Marketplace License	24,000	24,000	24,000	0
Asset 4000 License	3,500	3,500	3,500	0
TOTAL REVENUE SAVINGS	**77,000**	**70,400**	**70,400**	**0**
Revenue Budget for Replacement System				
Annual system maintenance/License	24,000	14,583	14,583	0
Provision for upgrade support	5,000	2,000	0	(2,000)
TOTAL REVENUE BUDGET REQUIREMENT	**29,000**	**16,583**	**14,583**	**(2,000)**
NET ANNUAL SAVINGS	**48,000**	**53,817**	**55,817**	**(2,000)**

Notes

*When the PID was submitted no contingency provision was requested, following the tender exercise this position was corrected.

[1] It should be noted that the hardware on which to run the new FMS was considered to be outside the scope of this project prior to undertaking the tender process, as this was agreed to be part of the ICT server/infrastructure replacement programme instead.
The required platform for Civica Financials was less expensive than replacing the platform for the Oracle financial system. So the new system fitted in well into the Council's infrastructure and IT platforms strategy. Any savings realised from this change, was absorbed into the IT server/infrastructure replacement programme, and are not counted as a saving against this project.

5.   PROJECT PLAN
Table 4

Project Stage	Scheduled Completion Date	Actual Completion Date	Comments
Tender			
Tender - Specification & preparatory work	August 2012	1 August 2012	Completed on time
Supplier Selection	January 2013	8 January 2013	Completed on time
Procurement			
Contract Agreed	January 2013	1 May 2013	Delayed as general T&C's used in ITT so some changes required reflecting an ICT software contract. CDC should have its own standard ICT software T&C's available.
Design			
Scoping	February 2013	15 May 2013	Delayed by contract documentation completion but initial meeting took place to set out preparation work which would be required over the life of the project.
Preparation			
Source Hardware (if needed)	March 2013	9 May 2013	Delayed whilst scanner solutions explored by Project Team
Install			
Install hardware & software	May 2013	31 May 2013	Completed on time
Training Admin			
Administrator	June 2013	10 June 2013	Completed on time

Project Stage	Scheduled Completion Date	Actual Completion Date	Comments
training			
Configuration			
Design GL	July 2013	29 July 2013	Completed on time
Design AP	August 2013	30 August 2013	Completed on time
Design AR	August 2013	30 August 2013	Completed on time
System Interface Design	September 2013	18 October 2013	Completed on time
Supplier vendor conversion – data load	December 2013	5 July 2013	Completed ahead of schedule as preparation work undertaken earlier during contract delay.
System Configuration	January 2014	11 December 2013	Completed prior to Christmas break.
Implementation			
AR Implementation	February 2014	31 March 2014	Completed latest possible date to ensure outstanding debtor balances correct in new system.
AP Implementation incl. cheque printing	February 2014	28 March 2014	Completion slightly delayed due to live system configuration not as per Council's requirements.
GL Implementation	March 2014	19 March 2014	Completed on time
Pilot Testing			
Interface testing	February 2014	18 October 2013	Completed ahead of schedule as certain interfaces were already available with software supplier and other third party systems used by the council.
User Training			
AR/AP user training	February 2014	26 March 2014	Completed – slight delays due to training room changes
GL user Training	February 2014	19 March 2014	Completed – slight delay due to training room changes
Purchasing Design			
Purchasing Design & Implementation	June 2014	30 August 2013	Completed ahead of schedule to improve end user experience

Project Stage	Scheduled Completion Date	Actual Completion Date	Comments
			wef 1 April 2014.
Corporate Testing			
UAT Sign off	March 2014	11 March 2014	Completed on time.
Deployment Launch			
Go Live Core Financials	April 2014	**1 April 2014**	Achieved –key milestone met by the project team.
Purchasing System			
Purchasing Roll-out	November 2014	**1 April 2014**	Brought forward and implemented on 1 April 2014 otherwise over 250 users would have had to use 2 systems leading to inefficiency and potential errors.
Fixed Asset System			
Fixed Asset Configuration	December 2014	22 December 2014. New configuration commenced in 2016 – completed September 2016	Configuration required twice as system issues addressed in later versions so new implementation restarted in 2016.
Fixed Asset testing and date conversion	January 2015	December 2016	In 2014 testing revealed issues with the accounting treatment for certain asset types. System work arounds not available so project implementation was put on hold awaiting future releases. Also due to other work priorities for final accounts deadlines and effect of staffing review as vacancies in the team, added to a delayed implementation until a new capital accountant was appointed.

Project Stage	Scheduled Completion Date	Actual Completion Date	Comments
Fixed Asset Go Live	February 2015	Consultancy day booked for Go Live February 2017.	Further testing using version 17.5 was required as system was not upgraded to latest version in November 2016. Go Live delayed now until the live system is upgraded from version 16 to version 17.5 which is scheduled for late January 2017.

6.   PROJECT MANAGEMENT PROCESS

The project progressed very well once the contract documents were signed. To avoid this sort of delay in future any terms and conditions included in the Council's tender documents do need to cover the industry standard items, rather than just generic general terms and conditions. The preference is to have Council conditions in the invitation to tender where appropriate to do so.

During the implementation and the training of end users in February and March 2014 (just before the Go Live date), the project team were unable to deliver hands on training as expected, due to the North Wing being leased to a third party, removing the large training rooms in that extension. Lecture style presentations were given to all relevant staff but this is not the best way to help all staff to learn a new system. This was despite receiving assurances that the rooms would be available for the agreed training dates.

During 2016, to address this training need across the organisation, an external company was employed to deliver hands on training to all staff using the purchasing, creditor and debtor modules. The approach taken was that all high level service users and a number of lead users in each service area were given training for each of the modules, on the basis that they are to train new staff and act as the lead user to answer simple queries in their service team. The cost of providing this training was funded by contingency provision within the approved budget.

A general lesson from this project is to ensure that adequate training is built into any major system change for the end user, as the training delivered by the software supplier was more in relation to the configuration and set up of the system and not end user training. The initial training was delivered by the expert user in the project implementation team.

After the implementation of the finance system, a full scale service review of the accountancy team was undertaken and a standard of service delivery was agreed by the Corporate Management Team. This standard set out how the Accountancy Service would support the service and budget managers now they had the tool to monitor their own budgets by using the system directly rather than rely on accountancy providing them with business object reports.

To aid this change in service delivery, budget managers were given Finance for Non-Financial managers training by the public sector accountancy body, the Chartered Institute for Public Finance and Accountancy (CIPFA). All 60 managers were also given hands on training by an external training company on how to use the finance system for monitoring their budgets and undertaking corrective action using virements and code corrections. This training was also funded from the contingency provision in the approved project budget. Giving this type of training was seen as essential to ensure that budget managers were fully aware of their responsibilities for managing their budgets and ensuring they had the skills and knowledge.

Additional work has been delivered by the Accountancy team, not included in the original project objectives, as the Civica finance system also gave the Council the opportunity to replace two in-house developed bespoke databases used in accountancy to deliver the budget process i.e. the manpower data base and budget working papers. Both these systems were supported by one individual which was a potential risk should they have left. The team have used in the 2017/18 budget cycle the Payroll budgeting and ebudgeting modules for achieving the production of the budget.

The ebudgeting module was also set up to enable budget managers to use this system to review their controllable budgets during the 2017/18 budget cycle. This has meant that the accountancy team were implementing and training the same 60 budget managers during September/October 2016 to enable them to use the system as part of the budget process being reported to Cabinet in February 2017.

7.   FURTHER ACTION

The Civica system has a contract module which needs further investigation but could be used to manage some of the Council's contracts and assist officer's monitoring the payments against those contracts e.g. utilities etc. This module could also maintain the Council's contract register rather than in a separate application using a spreadsheet or word document.

Officers are also aware that the bank reconciliation module is also due to have a major upgrade in the coming year, which could be linked to a review of the Council's cash management system set up. Any proposal for change or an upgrade may have cost implications that will have to be considered as part of the business case.

8.   REVIEW PLAN

All the major objectives and outcomes of this project have been achieved. One area of development is in relation to the reports and dashboards that could prove to be useful. Some of which have already been developed using tools as part of the Civica system as well as a Business Intelligence tool available at the council which could improve reporting and monitoring for end users.

9.   CONCLUSION

The Council implemented a new core financial management system that was delivered on time and within the approved budget. The capital cost was

approximately £52,000 lower than anticipated, and so this sum will now go back into the council's uncommitted resources.

The project achieved its key milestones of a more cost effective solution which achieved direct savings of £55,827 pa, and the Council now has an easy to access integrated financial management system that staff have been fully trained to use. This has enabled a service review to be undertaken, which has changed the service delivery standard for the Accountancy Services Team to the Council, and its budget managers. This review achieved staff savings of £75,000, whilst increasing the technical skills and knowledge in the team enabling accountancy to added value and qualitative skills as part of the financial management of the council.

Both elements of these key projects thereby enabled the achievement of the overall savings target of £130,000 required as part of the Council's original deficit reduction plan. Plus an additional £25,000 ongoing revenue savings due to ceasing the Business Object licences which are no longer required due to the improved availability of financial data for end users via the new system.