ព្រឹត្តិបត្រព័ត៌មានគម្រោង FMIS

News

• A Better Understanding of Current Business Process of Provincial Treasury and Communication on FMIS

From the end of August to early September 2014, FMIS Management Working Group (FMWG) of Information Technology Department had a site visit with the leaders and officials of some Provincial Treasuries in order to gain greater understanding of current business process and challenges related to organization, management and execution of budget at sub-national level. At the same time, FMWG took an opportunity to learn about the level of their understanding of FMIS.

Meeting about the current business process and face to face Communication

As a result, FMWG found some important inputs of daily actual implementation from provincial treasury, including revenue-expenditure transaction record; and procurement by institutions (Provincial Departments of Line Ministries) and sub-national entities (Provincial Hall, City/District and Commune/Sangkat). Provincial Treasury acts as accountant, in charge of reviewing and recording all revenue-expenditure transactions. It also acts as cashier, in charge of receiving all revenue and payments to institutions and sub-national entities. Regarding procurement, the Provincial Treasury is obligated to support only Commune/Sangkat's affairs.

Provincial Treasury takes responsibility for the whole process of procurement, including review and commitment of budget payment. However, for the provincial departments of Line Ministries, Provincial Halls and City/District, they must process the documents for commitment, procurement and expenditure via provincial Department of Economy and Finance before submitting them to Provincial Treasury for recording and making payment.

The Provincial Treasury is facing some challenging issues, such as a lack of human resource (computer literacy), internet connection problems, no budget line cover the utility expenditure. The FMWG team learned of two significant issues related to daily transaction recording. One critical issue is to record a number of duplicated daily revenue-expenditure transactions of Provincial Treasury submitted to General Department of National Treasury.
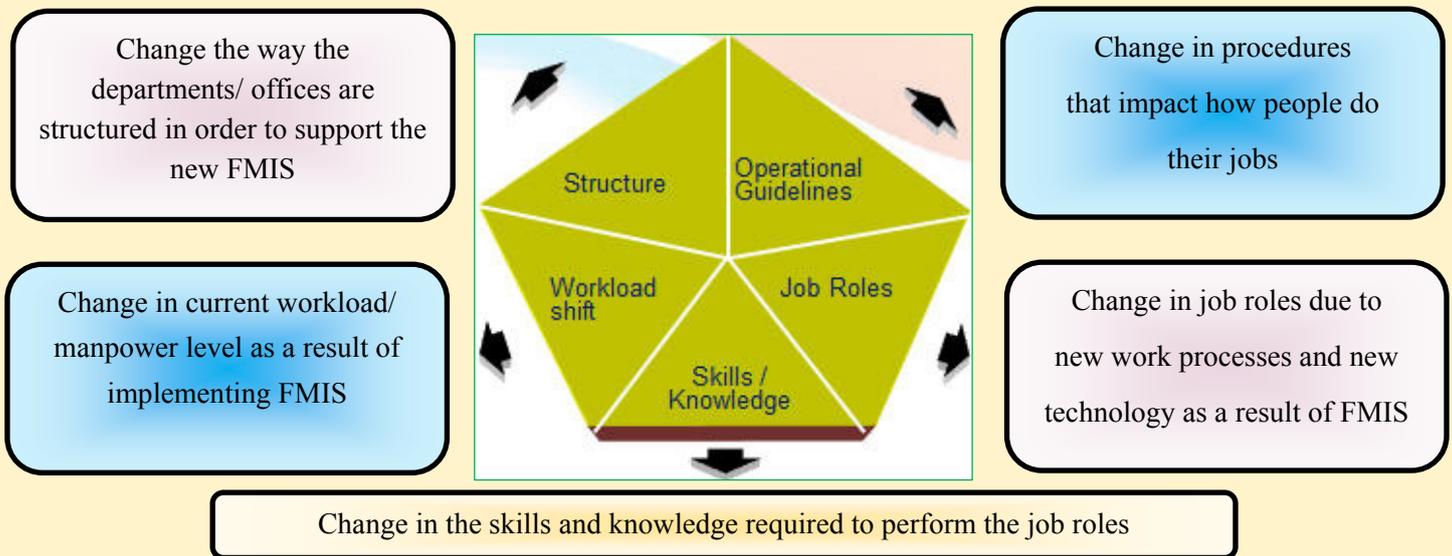
For instance, the reports are recorded manually (computer illiteracy and insufficient computers), recorded by using Microsoft Excel and the Web Portal. Another problem is to review the attached documents of expenditure payment which creates a lot of extra tasks for officials. However, these challenging issues would be mitigated by FMIS. Officials of Provincial Treasury are waiting for the upcoming FMIS as it would assist them to perform the current daily task.

During the visit, FMIS working group asked the officials about the FMIS newsletters and website in order to assess the effectiveness of the FMIS communication network. The group also provided them Newsletter #2 and Bulletin #5. The officials advised that they had received newsletters, but they had not accessed the FMIS website. Most officials said that their understanding of FMIS and its usefulness is quite limited. FMIS implementation will simplify their daily tasks. For example, FMIS will assist the expenditure payment record (No Manual Record, Microsoft Excel and Web Portal); it will check budget availability automatically and reduce unnecessary verifications of paper documents. The system will be able to generate the revenue-expenditure report daily, monthly, quarterly, semi-annually and annually.

The working group also suggested the officials read the newsletters and try their best to access the FMIS website for updated information on FMIS and to help prepare themselves for FMIS, which will be implemented in the middle of 2015. **The next missions to Provincial Treasuries to both learn about their operations and inform about FMIS will be conducted in September, October and November.**

Conduct Change Impact Analysis

From September 2014 the FMIS CM team will start the task to assess the Change Impact by FMIS implementation. Change Impact analysis is the process employed to identify key changes brought about by the implementation of FMIS, that will be assessed based on 5 criteria, such as:

Change the way the departments/ offices are structured in order to support the new FMIS

Change in procedures that impact how people do their jobs

Change in current workload/ manpower level as a result of implementing FMIS

Change in job roles due to new work processes and new technology as a result of FMIS

Structure
Operational Guidelines
Workload shift
Job Roles
Skills / Knowledge

Change in the skills and knowledge required to perform the job roles

When this work is completed, a whole picture of the change impacted by FMIS will be provided to the project team and FMIS Users to understand totally what will be changed and what need to be prepared for implementing FMIS.

The information about the FMIS Change Impact will be continually provided to FMIS users in FMIS Newsletters.

Main Project Activities

What has been done in the Elaboration phase ?

✓ Building FMIS To-be business process (Completed 95%)

✓ Developed a Communications Plan and Stakeholders Management Analysis

✓ Setup FMIS Development/Test and Training environment

Activities will be conducted in Construction Phase

⇒ Identify Change Impacts of FMIS

⇒ Development of training materials

⇒ Start to establish the Helpdesk to prepare for the system support

⇒ Continue implementing Communication Plan

- **Overview of FMIS To-Be Solution**

The FMIS to be function is delivered based on the Oracle PeopleSoft Application Commercial-off-the-Shelf–System (COTS) architecture which encapsulates the best practice for public sector business processes as per MEF's requirements.

FMIS supports processing from the Center level to the sub-national level of Royal Government of Cambodia with the key following financial and budgetary processes:
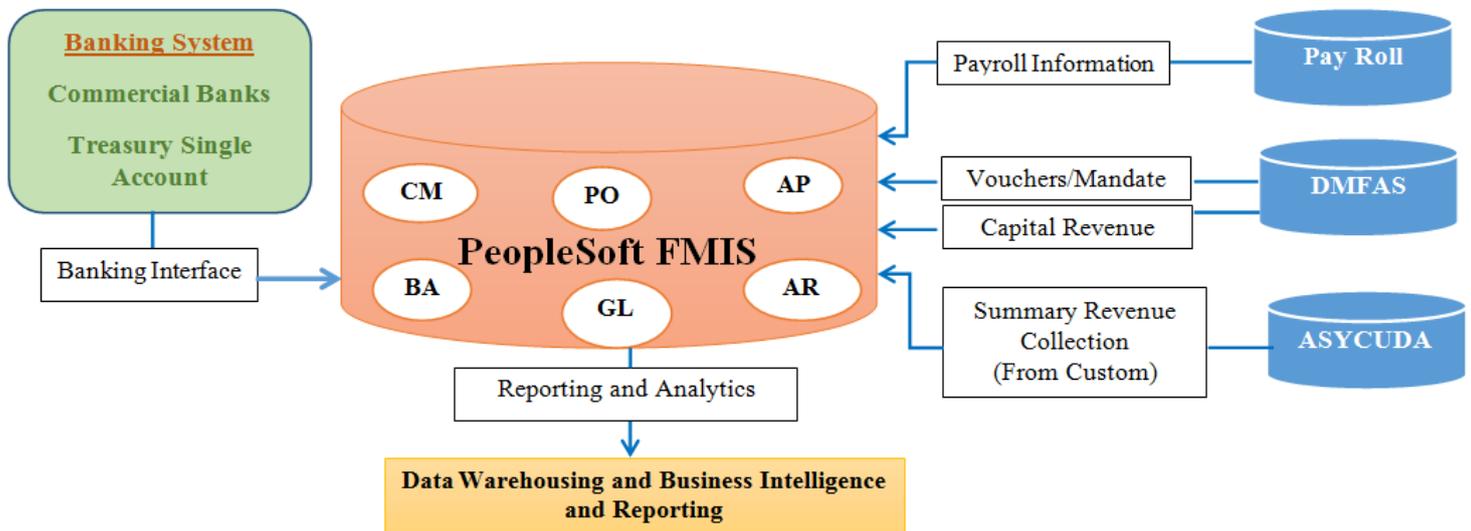
General Ledger (GL) supports its entire accounting requirements based on Modified Cash/ Accrual accounting and reporting requirements under the International Public Sector Accounting Standard. It also ensures full integrity, transparency and auditability of all transactions.

Budgetary Allocation (BA) is used to carry on the issuing of budget credit allocation (warranting process), withdrawal or reduction of budget credits and transfer of budget credits.

Purchasing (PO) provides the support to the end-to-end procurement functionality. However, it should be noted though that, under this contract, Government intends to only implement very limited purchasing functionality, i.e. recognizing Commitments, Purchase Orders, Goods Receiving, tranche payments, and to facilitate invoice matching. Other purchasing functionality related to the actual tendering and contracting processes will not be implemented under this contract.

Accounts Payable (AP) facilitates not only payments through the Treasury Single Account (TSA), but also the operation and payments through a large number of bank accounts for donor funded projects in commercial banks.

Accounts Receivable (AR) supports to manage revenues and receipts from all sources, prompt collections, and ensure prompt remittance of collections to the TSA.

Cash Management (CM) provides the cash management and forecasting function by drawing upon information on current bank balances, due revenue receipts, planned purchases, due invoice payments, interfaced formation on public debt scheduled payments, other scheduled payments, and profiled budget information.

The factors which contribute to the success story of the similar project with FMIS

In the last two issues of FMIS Newsletter we have introduced the success story of TABMIS in Viet Nam and SPAN in Indonesia. These two projects have many similar factors to FMIS so the lessons learned from the success of these projects will be useful lessons for a successful FMIS implementation.

Many factors contributed to the success of TABMIS and SPAN project; however some common aspects can be found which greatly influence the outcome of projects, including:
- ✓ *The commitment of Leadership at all levels*
- ✓ *Communication amongst all interested parties*
- ✓ *The high performance of project Team*
- ✓ *The benefits are fully realized*
- ✓ *The administration, logistic for implementation*
- ✓ *The tight co-operation with contractor*

In this Newsletter we mention the first factor "The commitment of Leadership at all levels" and the lasts will be provided to you in next Newsletters.

From the start of both these projects, Leadership at all levels demonstrated strong commitment. The communicated vision, the importance of the projects; and took a keen interest in project progress. They acted quickly to resolve any issue that could not be addressed by the project teams.

During the implementation period, the project were agenda items at all Leadership meetings. The Leadership created favorable conditions for the projects; developed and promulgated the required new or changed policies, and encouraged inter-departmental cooperation to ensure the benefits were realized.

It is clear that the keen interest and direct commitment by the Leadership was the most important factor in the success of the projects.

The FMIS project has received strong and continued commitment from the Ministry Leadership and this will be a key basis for a successful implementation.

Q&A

Question: To implement FMIS, what need to be prepared by the Ministry of Economy and Finance (in terms of human resources, technology, etc.)?

Answer: Ministry of Economic and Finance should prepare the followings:

✓ *IT proficiency of Ministry of Economic and Finance 's officials:* The officials who will be the FMIS users must have at least 'A' level IT proficiency certificate or equivalent and be familiar with basic PC skills such as Window, internet navigation and email. For implementing site must have IT help desk to ensure all technical questions of end users will be answered.

✓ *IT infrastructure:* Implementing site must have connection to FMIS center network and all end users' computers are connected to that network.

✓ *FMIS users have awareness on FMIS benefit and impacts:* The MEF officials should get updated with the latest information about FMIS via FMIS communication (through FMIS website, FMIS Newsletter, Briefing meeting,....). They should be fully aware of benefits as well as challenges bring about by FMIS to him/her and his/her organization. All staff at the central and provincial levels should start getting themselves updated regularly about FMIS. They should approach their Communication Network for more information.

✓ *To provide Training, knowledge about FMIS for all FMIS users:* FMIS users need to join in Training courses about FMIS function, FMIS system that have knowledge of FMIS then can apply for daily working when FMIS is implemented.

Thank You!

For further information, please access: *http://fmis.mef.gov.kh/*
Or please contact FMIS Change Management Team

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