WHAT ARE THE CHANGES FMIS WILL BRING?

FMIS will bring changes in terms of:

▶ Business Processes: to improve the account-ability and effectiveness of the government financial management process, improvements will be applied to the budgeting and treasury business processes. This change will raise the need to equip the people with new knowledge, especially related to budget and treasury processes. Implementation of FMIS will include training activities to equip the people with the new knowledge.

▶ Information Technology: to improve the efficiency, accuracy and transparency of the government financial process, FMIS use a robust Commercial-Off-The-Shelf (COTS) software with extensive database, application and internal control capabilities. The use of COTS will create the need to equip the people with new skills to use the new software. Implementation of FMIS will also include training activities related to the use of new FMIS software.

▶ Policies: the changes of business processes and technology will create the need to change policies and regulations, especially related to state budgeting and treasury practices.

WHAT NEEDS TO BE PREPARED BY MINISTRIES FOR FMIS IMPLEMENTATION?

To ensure the smooth implementation of FMIS, Ministries, departments and Sub-national levels would benefit from:

▶ Forming an FMIS working group to undertake business process review, and to understand and adopt the improved processes

▶ Streamlining the business processes as close as possible to the workflow of FMIS

▶ Accepting the standard FMIS implementation package which will be put in place by MEF

▶ Establishing a project steering committee, which consist of top leadership officials, to drive the implementation and serve as a focal point to MEF

▶ Having a dedicated, full-time project team with a good mix of professionals from all concerned departments, to work on implementation on day-to-day basis.

ក្រសួងសេដ្ឋកិច្ចនិងហិរញ្ញវត្ថុ
MINISTRY OF ECONOMY AND FINANCE
គម្រោងប្រព័ន្ធព័ត៌មានវិទ្យាគ្រប់គ្រងហិរញ្ញវត្ថុសាធារណៈ:
FINANCIAL MANAGEMENT INFORMATION SYSTEM PROJECT

WHAT IS FMIS?

Financial Management Information System (FMIS) is beyond accounting, and it is not only a reporting tool.

FMIS is a set of automation solutions that enable our Government to plan, execute, and monitor the budget. The solutions can assist the Government in the prioritization, execution, and reporting of expenditures, as well as the custodianship and reporting of revenues.

Who has the responsibility to develop FMIS?
Ministry of Economy and Finance (MEF) is the implementing government agency which has the accountability to develop FMIS.

Who will use FMIS?
FMIS will be used by relevant users at MEF and other Line Ministries, government agencies and sub-national government throughout RGC.

WHAT IS THE OBJECTIVE OF FMIS IMPLEMENTATION?

The FMIS is a part of the Government`s ongoing Public Financial Management Reform Program (PFM-RP). PFMRP is a core element of Cambodian Government"s rectangular strategy which has been implemented since 2004 with the vision to ensure Growth, Employment, Equity, and Efficiency in Cambodia. The PFMRP, led by the Ministry of Economy and Finance (MEF) has four stages:

1. Enhancing the reliability and predictability of the budget;
2. Increasing the financial accountability of program managers, and improving internal controls;
3. Improving the linkages of priorities and service targets to budget planning and implementation; and
4. Increasing accountability for results (budget managers become fully accountable for their programs` performance).

WHY WE NEED TO HAVE FMIS?

The FMIS can provide the following benefits:
► Streamlines and automates payments, revenue collection and receipts, and accounting and reporting of the central and provincial treasuries.
► Provides Ministries and departments with more authority in terms of performing their own budget disbursement and revenue collection, and also provides easier and more timely access to financial information, from which they can generate financial and management reports;
► Provides better program and financial information to program managers in all Ministries and departments, enabling them to redirect or allocate resources more effectively, efficiently and transparently; and to facilitate the timely receipt of funds by, for example, provincial and district education offices, as well as by clinics and hospitals;
► Improves the accuracy of budget transactions, i.e., the recording and processing of payments (spending on employee salaries, goods, services, and programs) and receipts (revenue received from taxes, grants, or in exchange for sale of government assets or services provided) and reporting (financial and management across organizational units and budget entities);
► Increases the efficiency and transparency of spending by making direct payments to vendors, thereby reducing uncertainty surrounding payments; and enables greater control of aggregate spending and deficits, and allows the prioritization of expenditures across policies, programs and projects.

With FMIS, the RGC will have the ability to determine how money is being spent, to coordinate the spending in a particular sector such as health or education, or to monitor whether officials are following requirements in how they spend the money.

What is the connection between FMIS and the existing systems?

Once FMIS is implemented, it will replace all of financial management systems previously used. The implementation of FMIS is also expected to encourage the reduction of paper-based work activities, with adequate streamlining of business processes.

When will FMIS be implemented?

FMIS will be implemented in 2 phases:
► Phase I, which include the implementation of basic budget and treasury functions at MEF, was performed from 2013 to 2016. The system is currently operational in MEF Central Offices and Provincial Treasuries.
► Phase II, which include the gradual implementation of FMIS to the rest of Line Ministries, government agencies and sub-national levels, will start in the beginning of 2017.