



# PULSAR

## Financial Reporting Community of Practice (FINCOP)

### 5th Workshop

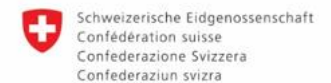
Vienna, Austria, November 21-22, 2019

IFMIS Deployment and Architecture



Public Sector Accounting and Reporting Program

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# Agenda



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- 1. IFMIS – COTS vs Custom-developed**
- 2. Deployment models – centralized vs decentralized**
- 3. Phased implementation vs Big-bang;**
- 4. Integration level and architecture.**

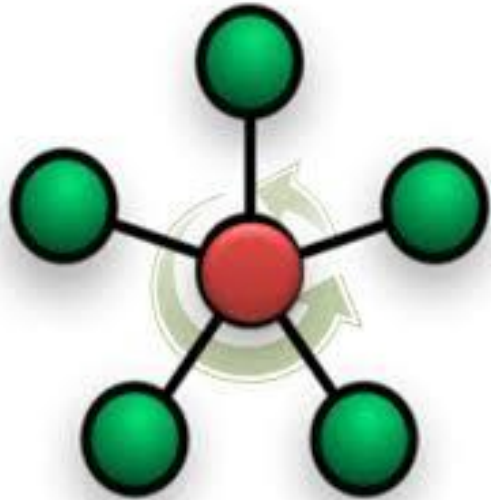
# 1. COTS VS Custom-developed



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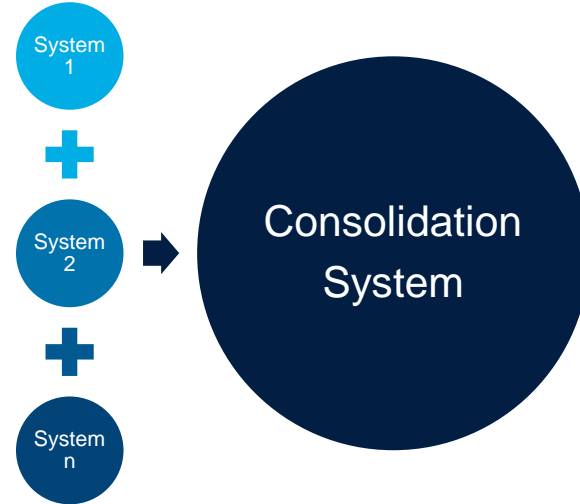
- Key elements of the decision
  - What is the value – best practices or automation
  - Capacity to develop the system
  - Change management effort
  - Scalability for future reforms
  - Expert lock-in
  - Intellectual Property
  - Context and political economy
- Decision framework
- Resources for help

## 2. Centralized deployment strengthens controls and saves costs



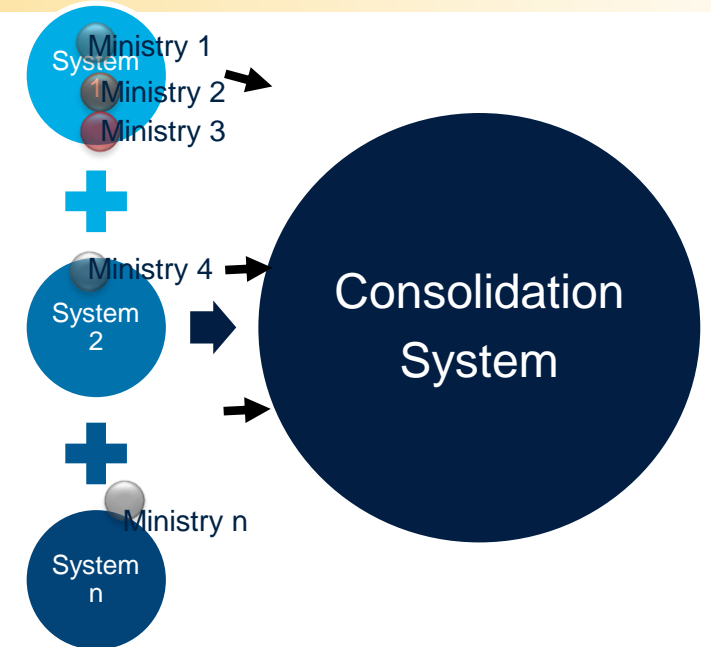
### Centralized

- Austria
- Russia
- France
- Pakistan
- Indonesia
- Zambia
- Zimbabwe



### Decentralized

- USA
- Philippines - now moving to centralized systems



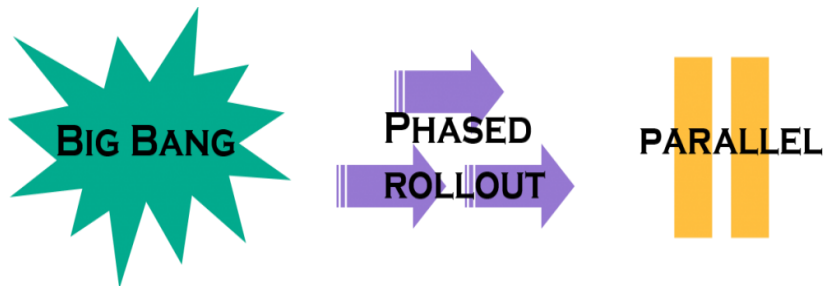
### Hybrid

- Denmark
- Portugal
- Kingdom of Saudi Arabia
- Georgia

### 3. Phased Implementation vrs. Big-bang



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IFMIS is the ICT reflect of PFM reform.

PFM reforms are complex in terms of:

- Concepts to be implemented.
- Institutions to be covered.
- Geographical distribution of expenditure.
- Diverse level of technical capacities, political willingness, etc.

PFM reforms take time and require significant resources:

- More than 7 years.
- Several million of dollars.

NONE PFM neither IFMIS reform has been implemented completely as Big-Bang.

The question is: HOW to define the PHASES and when keep PARALLEL systems?

# 3. Phased Implementation vrs. Big-bang



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Definition of Phases: RISK MITIGATION - OBJECTIVE COMPLIANCE - QUICK WINS.

Phases could be analyzed in three dimensión:

## Functional Coverage

- More functionalities → More time, more complexity.
- Technical feasibility (For Example: Single Treasury Account, Centralized Accounting, etc.)
- Integration level → Could increase complexity & Cost

## Institutional Coverage

- Expeniture coverage → Number of transctions – Value of transactions (Objetive)
- Number of potential users → Training, Change mangement, implementation cost.
- Institutional readiness.
- Political willingness.

## Geographic Coverage/ Disconcentration

- Cost – Efficiency of disconcentration ( # of transctions, Value of Transctions → Type of tool)
- Institutional readiness --> Technical capacities, ICT infrastruture, etc.
- Deployment effort → Geographical dispersion of users, etc.

## 4. Integration Level & Architecture



- Integration is NOT ONLY Information Systems integration.
- It is not an ICT task.

### Standard Clasifications & Catalogs (Semantics)

- Public Investment Project
- Input Classification (Budget) → Goods & Services Clasification (Procurement), etc.
- Budget classificaton → Chart of Accounts (Accounting)

### Harmonized Processes and Controls

- Purchase Order → Commitment.
- Validation of Invoices (E-invoicing)
- Budgeting control as part of HHRR and Procurement Processes for example.

### Avoiding Multiple Registration for same Economic Event

- ICT is essential.xxx
- Cost – Benefit Analysis is needed. (for example: Vehicule Maintenance)

**ICT Architecture: MUST SUPPORT Integration. → Technology, Processes & Catalogs.**