



PULSAR

Financial Reporting Community of Practice (FINCOP)

5th Workshop

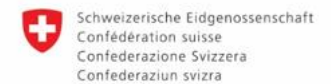
Vienna, Austria, November 21-22, 2019

IFMIS: implementation implications and critical aspects



Public Sector Accounting and Reporting Program

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Agenda



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- 1. Policy and Process are critical complements to IFMIS success**
- 2. IFMIS coverage issues could hamper optimal results**
- 3. IFMIS ex-ante controls strengthen budget compliance**
- 4. Phased implementation vs Big-bang;**
- 5. Integration level and architecture.**

1. Policy and Process are critical complements to IFMIS success



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- **Control Fiscal Deficit targets**
 - Cash – Treasury Single Account
 - Commitment
- **Report for transparency and decisions**
 - Chart of accounts and budget classification
 - IPSAS and accounting framework
 - Budget Execution Reports



Financial Reporting

Control

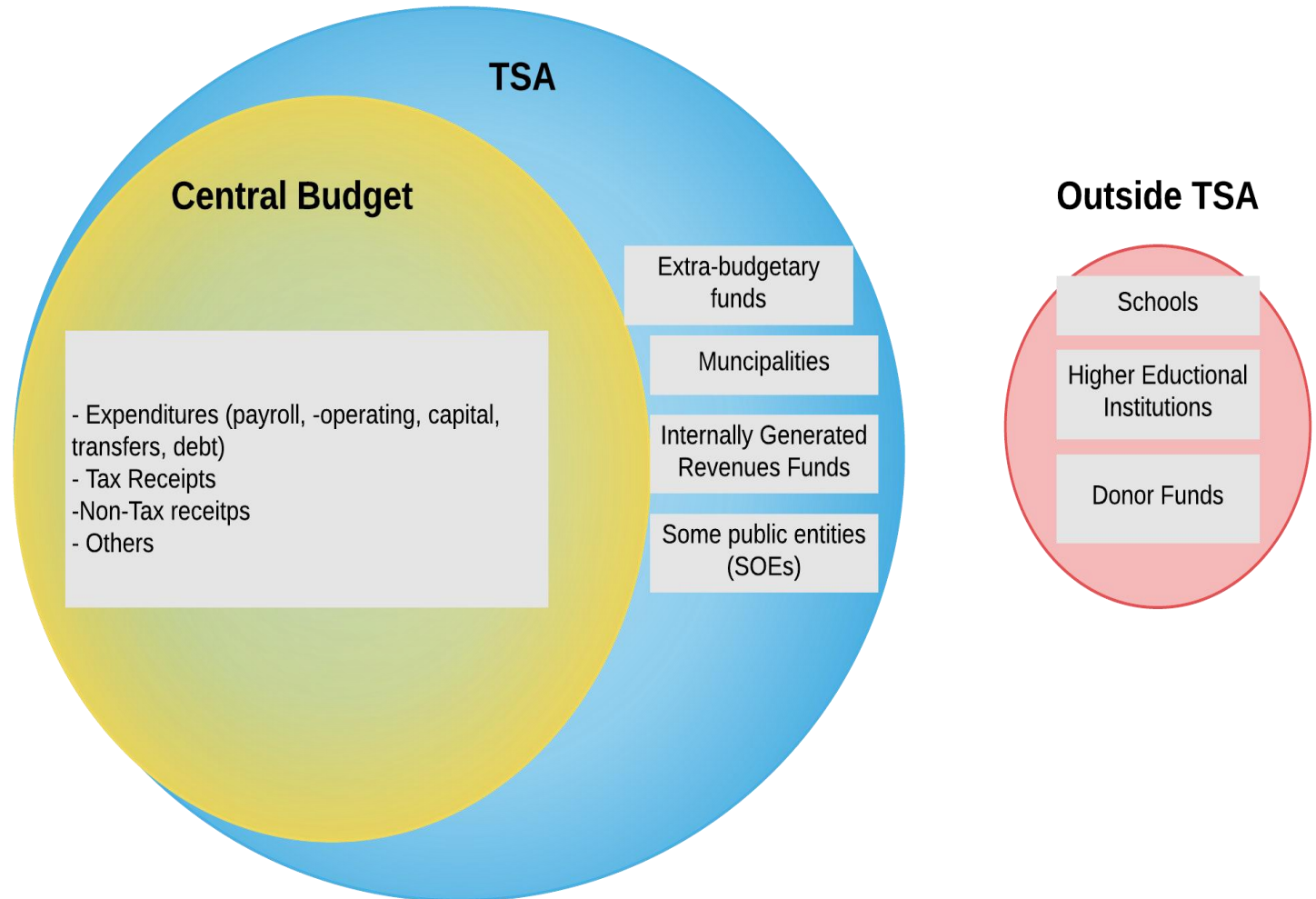
Operational Efficiency

2. IFMIS coverage issues could hamper optimal results



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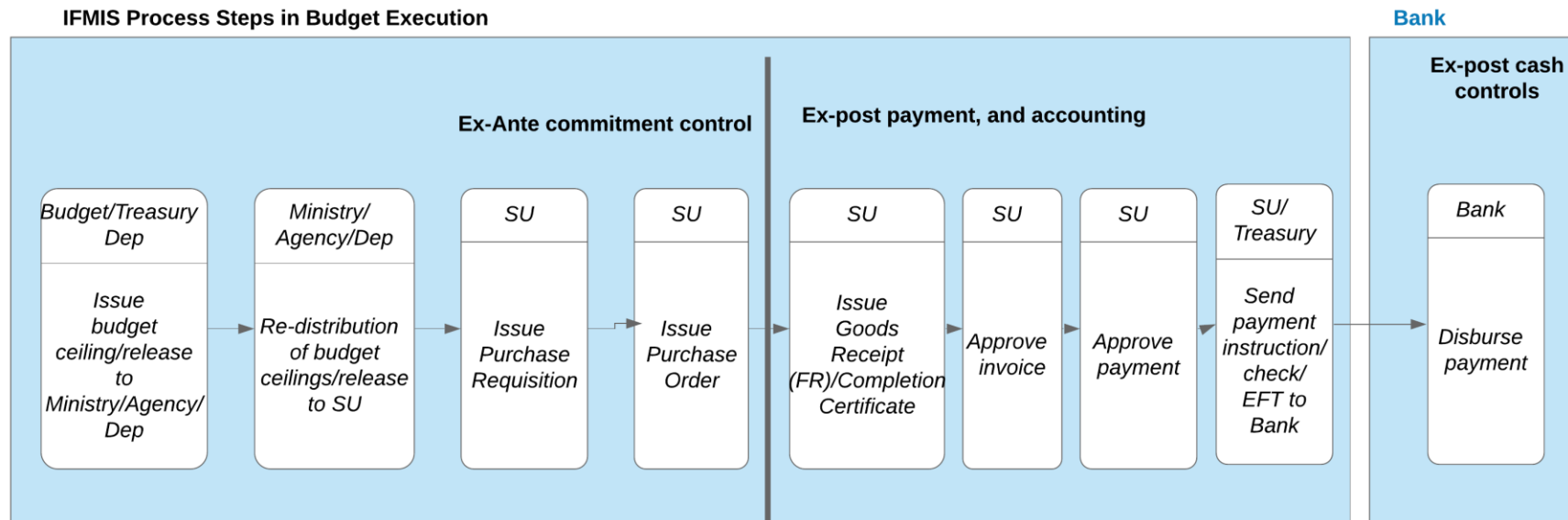
- How much of the funds:
 - payed outside of IFMIS
 - within TSA
 - are reported



3. IFMIS ex-ante controls strengthen budget compliance



Process flow for a typical IFMIS expenditure transaction



4. Information Quality



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- Information is one of the most important **ASSETS** and **PRODUCTS** of PFM reforms.
- Only **QUALITY INFORMATION** is **VALUABLE**: (Characteristics)

Accuracy

- Exactly reflects the facts.
- Level of accuracy depends on the use (for example Cartography in Public Investment)

Completeness

- Incorporates all the **ATTRIBUTES** required by the Business logic.

Consistency

- Consistent within the same Business process, and among other Business modules
- Accounting balances = Sum of Transactions
- Accounting balances = Sum of Assets

Timeliness

- Not necessarily **REAL TIME** or **ONLINE**, but **AVAILABLE WHEN NEEDED**.

- Information quality depends on **NEW** and **HISTORICAL** information.
- **LOW** quality information could **JEOPARDIZE** a **WHOLE** PFM reform. → **LOW CONFIDENCE**.

5. Cyber Security



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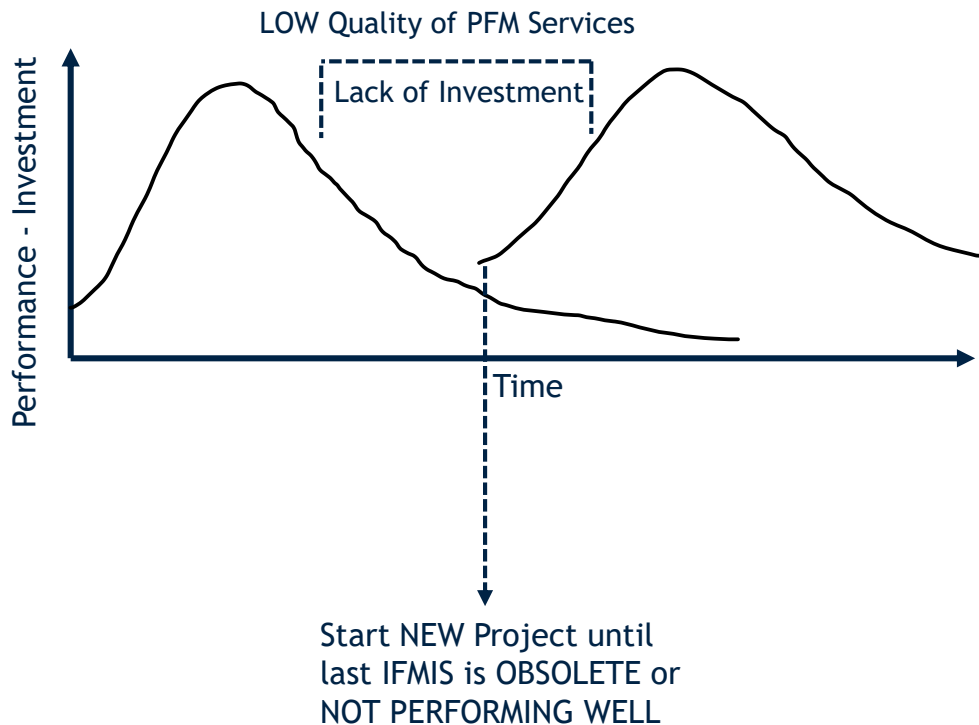


- **CYBER SECURITY:** Focus on protecting one of the most important assets → **INFORMATION.**
- **CYBER SECURITY is not only focus on ICT but:**
 - **Processes:** Payment messages, Backup processes, etc.
 - **People:** Password protection, Social Engineering (tricking someone into divulging information)
 - **Technology:** Firewalls, Security Software, Secure Channels, etc.
- **CYBER SECURITY must be:**
 - Proactive
 - Reactive
- **CYBER SECURITY is a continuous RISK MITIGATION activity.**

6. Operational and Financial Sustainability



Common BAD PRACTICE



How to ensure Operational and Financial Sustainability:

- Including **MAINTENANCE COSTS** from the designing stage.
- Considering **HUMAN RESOURCES** needed for maintenance when deciding type of SW solution (COTS – LDSW).
- Considering yearly **BUDGET** restrictions when deciding SW solution model (yearly support & maintenance fees)
- Considering **availability of vendors** when selecting SW provider.
- Obtain commitment from **High Level authorities** to allocate enough financial resources for IFMIS support and maintenance.