

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

12th September 2018

REPORT AUTHOR: Stephen Caple, Deputy Head of Financial Services

SUBJECT: Update on New Finance System

REPORT FOR: Information

1.1. This report briefly outlines the rationale for the new finance system project, the progress made to date, and the key next steps.

2. Background

2.1. Powys County Council are required to make significant savings whilst maintaining and improving the services provided. In order to achieve this overarching objective the supporting ICT systems we are using must be both fit for purpose and cost effective.

2.2. Timely and insightful financial information is critical in supporting decision making and monitoring the financial position of the authority. Moreover, an efficient financial system should require minimal manual intervention in producing the required information and reports.

2.3. The finance system is fundamental to the central hub of systems with integrations with other key services such as HR, Payroll and Revenues & Benefits. Historically integration of these systems, and the efficient transfer of data, has been problematic. As a result, a lot of officer time is taken reconciling data between systems and correcting errors. In many cases significant manual intervention and manipulation is required to produce insightful and useable financial information and reports.

2.4. Finance systems in local authorities are under pressure to constantly adapt and evolve to meet the increasing requirements of stakeholders and to keep pace with technological advancements. Improved budget management and process streamlining are two fundamental requirements in the current financial climate. Additionally, statutory reporting requirements, such as HMRC's 'making tax digital' initiative, are adding to the demands placed on financial systems.

2.5. As the organisation transforms the way it delivers services the new finance systems need to have the functionality and flexibility to meet the changing needs of the end user.

- 2.6. Powys County Council's current Finance solution consists of two core systems E-financials and E-procurement, both products of Advanced Business Solutions (ABS). Support for the current version (version 4.1) of the software has been negotiated and extended until March 2019. This version will no longer be supported after this date.
- 2.7. Procurement rules state that when a contract end date approaches, the market place must be tested to ensure best quality and value.
- 2.8. The key principles driving the implementation of the new finance system are to:
 - Increase the efficiency of producing accurate and timely financial information by eliminating manual workarounds and automating tasks and transactions where appropriate
 - Enable staff to undertake routine processes in a joined up, simplified manner, without the need for expert financial knowledge.
 - Develop seamless integrations to enable data to be transferred with fluidity allowing business processes to run smoothly
 - Encompass current core financial requirements whilst building a specification to meet future business needs
- 2.9. The new system is fully aligned with the 'Making it happen' objectives as described in the Vision 2025 document.

3. Progress to Date

- 3.1. Following a rigorous procurement exercise, in conjunction with other local authorities, Advanced Business Solutions (ABS) have been awarded the contract to implement, host and support the new financial system for Powys County Council for the next 5 years.
- 3.2. The new finance system will no longer be provided 'in-house' but instead will be hosted externally by the supplier. This is aligned with the ICT 'Cloud First' strategy. Investment in the current IT infrastructure, and expertise, would be required by Powys County Council to enable us to host the updated version of the software 'in-house'.
- 3.3. The project board has been meeting on a monthly basis and includes representatives from all directorates. Whilst this project is to replace the financial system it is not an independent finance project and needs to be driven by the service area leads.
- 3.4. The implementation phase of the process is underway and a go-live date of April 2019 is being targeted. An indication of the work that has been completed to date is outlined below:
 - Tender process and evaluation completed and contract awarded

- Work streams and work stream leads agreed and initiation meetings held
- Stakeholder feedback event and online surveys conducted and responses reviewed
- Initiation meeting held with ABS project team
- Integration/ interface workshop held with ABS
- Data purge workshop held with ABS – the decision on what data to retain and where it will be retained is still to be decided
- Review of chart of accounts underway

4. **Next Steps**

- 4.1. A more detailed project plan and scope document is currently being developed with the ABS project team.
- 4.2. Further workshops are scheduled with ABS over the next few weeks including:
- Procure to Pay
 - Accounts Receivable
 - General Ledger reporting
- 4.3. As the tender process is now complete it is appropriate to begin communication with the wider organisation. A communications strategy is being developed. We will use a number of channels, and existing forums (e.g. Schools Forum), to ensure that all stakeholders are aware of the progress of the project.
- 4.4. The new system will look and feel very different and the way that the user interacts with the system will be more modern, via web based platforms. The financial processes that underpin the ledger are also being reviewed and these will also change. A full training programme will be developed and implemented to support all users to access and work with the new system; this will take place prior to go-live and support will also be available in the hyper-care period immediately after go-live.
- 4.5. Further updates will be provided to the Audit Committee as the project progresses.

Recommendation:	Reason for Recommendation:
That Audit Committee receives updates on the delivery of the project.	

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