

Finance and Resources Committee Meeting – 18 September 2008

FINANCE SYSTEMS UPGRADE (FSU) PROJECT PAPER

Executive summary and recommendations

Introduction

Decision

The Committee is requested to note the document.

Background information

Following Annual Budget approval in March 2007 by the Council, the Finance Systems Upgrade project was commenced in May 2007. The aims of the project were threefold, firstly, to upgrade or replace SAGE 100, the core financial reporting system, secondly, to look at replacing the various spreadsheets in the departments being maintained to track actual spending by “activity¹” and thirdly, to replace manual purchase order books & paper signatory list with online purchase ordering.

The action to implement an online purchase order system was originally a recommendation of Baker Tilly (UK) LLP external auditors in their Management Controls Review Report, dated June 2005 “the use of commitment accounting should be considered”. This was subsequently presented to the February 2007 Audit Committee by PKF (HPC’s internal auditors) in their “Follow up of Baker Tilly Report”, where recommendation R9 was that “consideration should be given to implementing a computerised purchase order system.” A Committee action point from that meeting was that “the recommendation for implementation of a computerised purchase order system would be implemented by March 2008.”

Following a number of project steps and various discussions with FMI Ltd, the existing SAGE vendor, a purchase order was finally signed in November 2007 to upgrade to SAGE 200, purchase the SAGE “Project Accounting” module and purchase a web-based, third party, purchase order processing product, subsequently named Purchase Requisition System (PRS).

During the first quarter of calendar 2008, it became apparent that there was a mismatch between what the HPC had specified and what the respective software

¹ Actual cost incurred by Communications event, Communications campaign, FTP case, FTP hearing, approval visit or Council/Committee meeting etc

Date	Ver.	Dept/Cmte	Doc Type	Title	Status	Int. Aud.
2008-08-20	a	F&R	PPR	Insurance paper	Draft	Public
					DD: None	RD: None

developers provided, both with the SAGE core system reporting and with the PRS product.

SAGE 200 successfully went live on 1 April i.e. 5 years of transaction history were transferred onto SAGE 200 and it captured financial transactions from the start of the new financial year.

A decision was taken to delay the go live date for PRS roll out to 1 July, so that realistic financial data could be tested using PRS. PRS basic training was rolled out for users in June and an online manual created for users. PRS then went live on 1 July.

Following subsequent concern from departments on a number of issues, including; authorisation approval route changes, the inclusion of partners costs in PRS, the inability to get reports out of Project Accounting and PRS, the system processing time (screen updates) being too slow and other process issues, a project exception report was issued in July and the project flagged as delayed in the Project Scorecard report.

Following a series of user workshops, various actions are underway to resolve the outstanding problems. A decision was also made by EMT to take Project Accounting and PRS offline and revert to using manual purchase order books and department spreadsheets from 1 September, in the interim.

At the time of writing, a revised timetable has yet to be determined for the remaining steps of the project.

Resource implications

A data entry contractor has been hired for up to 6 weeks to assist departments with purchase order processing and department spreadsheet updating while the project team works with end user departments on a longer term solution.

Financial implications

TBA

Appendices

Nil

Date of paper

8 September 2008