ISC11D032

Title:	**Finance System replacement project plan**
Author:	Jonathan Richardson (ISD)
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Issue
To plan for the replacement of the University's finance system.

Recommendation
Recipients are invited:

- To consider and comment on the proposed approach for selecting a new Finance System.

Resource Implications
Outline costs are described in the plan.

Equality and Diversity
New services will be subject to Equality Impact Assessments as they are implemented.

Timing of decisions
Project milestones are set out in the plan. Planning for the replacement is scheduled to begin in January 2012 and to be completed by August 2012.

Further Information
Enquiries about the content of the paper should be addressed to Jonathan Colam-French (j.colam@uea.ac.uk – ext 3858)

Background
UEA has been using the same finance system for 15 years. During this time the supplier has been taken over 3 times. As a result the direction of the product has changed. The consequence of this is that several components of our current system are not being developed further and run on software which will not be supported by Microsoft from October 2014.

A review of options has been undertaken (see Appendix 1) and a decision to investigate 'upgrading' from QL to Agresso Business World has been taken.
Due to the scale of the project, cost and scope a full tender evaluation exercise is required – even if we work on a sole supplier basis.
This project will undertake this exercise, leading up to a subsequent Finance System Replacement project.

A review of options and a roadmap document, referenced in the plan, are provided as appendices.

Discussion

The University of East Anglia

Finance System Replacement Project

Stage 1 – Tender specification and Contract Negotiation

University of East Anglia

Document Control Information

Title:	Finance System Replacement - Stage 1
Date:	
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REVISION	DATE	REVISION DESCRIPTION
v0.1		First draft
v0.2		Second draft after comment from ISDMT

Contents

Project Summary

Project Title (and number):	Finance System Replacement - Stage 1
Project Sponsor:	Stephen Donaldson
Project Director:	Jonathan Richardson
Project Board:	Andrea Blanchflower, Helen Lewis, Steve Boardman, Steven Donaldson, Jonathan Colam-French, Jonathan Richardson Gavin Clarke
Project Manager:	Paul Hooper
Consultation and communications arrangements:	Project updates to be communicated through a project website Project board reports on a monthly basis
Start planning date:	***December 2011***
Start of project work:	***January 2012***
Estimated completion date:	***August 2012***
Rationale	***UEA has been using the same finance system for 15 years. During this time the supplier has been taken over 3 times. As a result the direction of the product has changed. The consequence of this is that several components of our current system are not being developed further and run on software which will not be supported by Microsoft from October 2014. A review of options has been undertaken (see Appendix 1) and a decision to investigate 'upgrading' from QL to Agresso Business World has been taken.*** ***Due to the scale of the project, cost and scope a full tender evaluation exercise is required – even if we work on a sole supplier basis.*** ***This project will undertake this exercise, leading up to a subsequent Finance System Replacement project.***
Key objectives:	To record functional requirements of the following components of the system • Purchase Order Processing (POP) • Ledger Structure • Data Interfaces • Reporting • Accounts payable (ACP) • Project Accounting • Budget Management • E :procurement • Creditors • Debtors • Stores • VAT To understand the current usage of all areas of the finance system, including linkages with other systems and areas where

	improvement may be desirable. To raise awareness of and specify/record opportunities that might arise in functionality or process as a result of replacing the current system. To develop a tender specification to evaluate Agresso Business World to ensure a suitable fit with UEA requirements Obtain ISSC approval and achieve successful CUBS bid to ensure adequate budget is given to the project. Recruit staff to lead on the second stage of the project
Key Deliverables:	• Proposal to ISSC • Successful CUBS bid • Assessment of diverting development effort from other key ISD areas (eg SITS) for a two year period. • Decision on the inclusion/exclusion of PFACT and PMA in the replacement process • Statement of Requirements • Development of key milestones for the implementation of the system. • Tendering/Supplier Negotiation • Contract Acceptance • Project manager recruitment.
Outline Costs:	*The Stage 1 portion of the project will only require internal staff costs – no infrastructure or software is required.* *The project will be proposing addition expenditure for a future stage of the project as follows:* *Unit 4 consultancy* £300,000 Hardware infrastructure £30,000 Staff costs £500,000 *(250K per annum – Project manager, 2 Developers, 2 Analysts)*
Other Resources required	***The project team will be made up of key users of the system in each functional area.*** • Steve Boardman • Gavin Clarke • Rhoda Wolf • Shirley Clapton • Lead Finance Managers • DUS's, FFM's and their teams. • ISD & EST Finance managers • Chris Bardell • Tracy Moulton • George Porter

Training arrangements	*No training will be required for this stage of the project*
IT environment, security policy compliance and long-term support arrangements	*Not required*
Project Key Performance Indicators	• *Schedule - Is the project on track?* • *Business Case - Is the project on track to deliver the business case?* • *Risk - Are risks being managed. Are the levels of risk still acceptable?*
Positioning statement	***The impact of the project on the University will be major – this is therefore proposed as a full methodology project***
Other work required	*Decisions will need to be made regarding data retention of financial data – this should be instigated immediately in order that approval has been made by the time data is transferred.*

1. Introduction

As a result of technological developments and various software company buyouts it has become apparent that the universities current suite of finance management applications is at risk of becoming unsupported within the next 2 years. Our current supplier has an 'upgrade' path from one product to another but this involves a significant amount of work which we should not take on lightly. Although it is anticipated we will most likely 'upgrade' it is important that we understand any opportunities for change and clearly articulate our vision for what is required of finance management systems across the university over the next 5-10 years. We should also not discount the possibility of switching supplier at this stage. The cost of migrating may require a formal tender process which will require University wide engagement in the tender production, and management of the tender process.
ISD is formally launching a project to manage the investigation, tendering and procurement stage of this work.

The project aims to capture the current requirements of finance systems at UEA and prepare a business case, tender specification and contract agreement ready for a major upgrade or replacement of the system.

2. Project aim and strategic fit

The project aims to ensure the University mitigates the current risks carried by running the current finance system. These risks will increase in both likelihood and impact over time.
The project aims to ensure the universities financial systems are fit for purpose and provide uninterrupted service.
The project aims to take the opportunity of re-evaluating the use and requirements of the finance system, not least in respect of changes to structures as a result of the Integration Project.

3. Business case

3.1 Impact on UEA Business

The existing supplier (Unit 4) are ceasing to develop our current finance system for HE: they are using Sharepoint 2003 and will not change the infrastructure. This infrastructure cannot be supported after 2014. They will be targeting QL developments on FE institutions. Specifically the current integrations between the general ledger and project accounting, which are not required by FE institutions will not be supported in future.

UEA must ensure we retain current functionality by moving to a system which is supported on current hardware and software.

3.2 Project Investment

This project relates to the specification and tender, some expenditure may be required for Unit4 consultancy but this is expected to be minimal. The project will define the spend profile for the procurement and implementation phase
See Appendix A Project Milestones Schedule (includes spend profile)

3.3 Business benefits

The main benefits of this project are in reducing risk and ensuring business continuity. There are however opportunities to investigate additional functionality of new systems to see if core business processes can be improved as a result of using new/different software.

Issues with security and compatibilitywith the current system have held back the university in providing tools for managers to proactively monitor, manage and plan expenditure. There are opportunities to benefit the business by providing better tools for these activities outside of the usual finance realm.

Further information is available in appendix C & D Finance Roadmap & Finance Review

4. Project Scope

4.1 Project Objectives

The main objective is to prepare a case for and prepare for the replacement of the current finance system.
An important aspect of this is the preparation of the Statement of Requirements.

4.2 Project Inclusions

Collation of existing system documentation
Tender specification for replacement of QLX and project accounting

The development of an outline implementation plan is included in this project – with an acceptance that a full plan will be developed by the implementation project manager.

4.3 Project Exclusions

Since this project has a key deliverable of recruitment of the project manager it is suggested that development of the project plan for the actual replacement of the system is excluded from this stage.

The project excludes replacement of PFACT and Awards management (PMA)

4.4 Project Interfaces

None at this stage.

4.5 Project Constraints

The replacement project (stage 2) must be complete by August 2014, Stage 2 of the project is anticipated to take 18 Months

4.6 Key Assumptions

We have to replace the system
We will continue using Unit4 PFACT and Awards Management

5. Project Deliverables

The overall deliverables of the project is to prepare a tender, manage the procurement and contract negotiations and put the resources and plans in place to commence a major migration project.

6. Project Organisation, Structure and Controls

6.1 Project Board's Roles and Responsibilities

The Project Board will provide high-level monitoring of the progress of the project and will therefore meet regularly for the duration of the project.
The Project Board is responsible for monitoring the progress of the Project Manager in delivering the project on time and to budget.

6.2 Project Manager's Roles and Responsibilities

The Project Manager is Paul Hooper. The responsibility of the Project Manager is to act as an agent of the Project Board in securing the project deliverables. The Project Manager will also alert the Project Board to any changes to any risks to the successful completion of the project.

6.3 Project Team's Roles and Responsibilities

The project team members will take responsibility for specific strands of work, overseen by the project manager. Specifically team members will lead on ensuring wider discussion of requirements and capturing those requirements in areas related to their area of expertise.

They will assist with the production of tender
documentation and be essential for discussions of technical details with the chosen supplier.
The project manager will oversee the process, looking for elements of risk and

ensuring resources are managed and timescales met.

6.4 Project Support

ISD Secretariat will provide support with the production of documentation and setting-up of meetings.

6.5 Expert Group

There may be occasions where additional input is required for a wider set of expert users. This may include consultation from suppliers.

6.6 Key Stakeholders

6.7 Change Control arrangements

Changes to tasks included in the project schedule in Appendix A will be within the project manager's discretion, unless they have an impact on any milestones, in which case they will be reported to the Project Director and if necessary the Board.
Any requested change to the *scope* of this project will be raised with the Board. The Project Manager will make the Project Director aware of these changes if the change is only anticipated or minor. Where the change is significant the Project Manager will inform the Project Director and report formally to the Board.
All changes to the project will be logged with the project manager.

7. Project Approach

In order to develop a complete statement of requirements a series of working parties, chaired by expert users will be convened. The working parties will take the inputs from key users and draft sections of the SOR.

The expert group will be responsible for preparation of the final SOR as well as preparation of the CUBS bid.

8. Project Communications

There are already a series of user groups and mailing lists for aspects of the finance system. These will be kept informed of developments and encouraged to contribute via the working parties.

QL users Group
PMA users Group

9. Training Arrangements

Not required

10. Quality Assurance

Not yet defined

11. Project Closure

Since this project does not deliver any change in service project closure will be on the basis of completion of the key deliverables

12. Plan Approval

This Project Plan has been approved by the Board.

Signed:

Project Director (Name)

Date:

Appendix A Project Milestones Schedule

	Dec-2011	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	Jan-2013	Feb-2013	Mar-2013	Apr-2013	May-2013	Jun-2013	Jul-2013	Aug-2013	Sep-2013	Oct-2013	Nov-2013	Dec-2013	Jan-2014	Feb-2014	Mar-2014	Apr-2014	May-2014	Jun-2014	Jul-2014	Aug-2014	Sep-2014	Oct-2014	Nov-2014	Dec-2014
Requirement gathering meetings	x	x	x																																	
Statement of Requirements				x	x																															
Tender						x	x	x	x																											
Contract Approval									x																											
ISSC Approval		x																																		
CUBS Bid						x																														
Post Release							x																													
Recruitment								x	x	x	x																									
Stage 2													x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x					

Spend Profile (in thousands)																																				**Total**
Consultancy														150								150														**£300k**
Staff														10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	**£252k**
Infrastructure																30																				**£30k**

Appendix B Risk Log

Budget

Risk	Risk reduction strategy/contingency	Owner	Likelihood (H, M, or L)	Impact (H,M, or L)
Failure to acquire funding	Investigate programme of Work re-prioritisation	ET/ISD	H	H

Communication

Risk	Risk reduction strategy/contingency	Owner	Likelihood (H, M, or L)	Impact (H,M, or L)
Failure to engage with a wide cross section of users	Structure of project using working groups to develop sections of the SOR will ensure wide involvement	Project Team	L	M

Contractual

Risk	Risk reduction strategy/contingency	Owner	Likelihood (H, M, or L)	Impact (H,M, or L)
-				

External to project, but within UEA

Risk	Risk reduction strategy/contingency	Owner	Likelihood (H, M, or L)	Impact (H,M, or L)
Other major projects may take resource required for this project (eg Web, VRE)	Investigate Programme of Work re-prioritisation	ISD/ET		

External to UEA

Risk	Risk reduction strategy/contingency	Owner	Likelihood (H, M, or L)	Impact (H,M, or L)
-				

Plan

Risk	Risk reduction strategy/contingency	Owner	Likelihood (H, M, or L)	Impact (H,M, or L)
-				

Quality

Risk	Risk reduction strategy/contingency	Owner	Likelihood (H, M, or L)	Impact (H,M, or L)
-				

Reputation

Risk	Risk reduction strategy/contingency	Owner	Likelihood (H, M, or L)	Impact (H,M, or L)
-				

Resources

Risk	Risk reduction strategy/contingency	Owner	Likelihood (H, M, or L)	Impact (H,M, or L)
Insufficient resource to complete work	Investigate Programme of Work re-prioritisation	ISD/Finance	M	H
Failure to recruit	Investigate Programme of Work re-prioritisation	ISD	H	H

Scope

Risk	Risk reduction strategy/contingency	Owner	Likelihood (H, M, or L)	Impact (H,M, or L)

APPENDIX C

Finance Systems Briefing Notes

V0.1 3rd June 2011
V0.2 18th October 2011 following comment from Jonathan Colam-French
V0.3 24th October 2011 following comment from Unit4

Author: Jonathan Richardson

Introduction

A recent purchase by Unit4 (supplier of QLX) of the PFACT costing system has highlighted the need for UEA to be more aware of the development road map of the range of Unit4 products that we use (QLX, PMA, PFACT). With this in mind a meeting between Colin Colegate (Unit4), Steve Boardman, Jonathan Richardson and Alan Stone was held to discuss Unit4 plans and UEA options. The following information relates to the meeting and subsequent information gathering by UEA staff.

QLX

QLX forms the core component of the finance system, holding all general and project ledgers.

Unit4 are still selling QLX into FE institutions but are not targeting or developing for HE use – in practice this should not impact us too seriously since there are few HE specific additions we require. This may change in future with additional requirement for full economic costing and statutory reporting.

> *Comment from Unit4*
> *We are still developing pFACT for full economic costing BUT we are not developing QLX for HE. As Aberyswyth and Wolverhampton have already converted from QLX to ABW and it looks like University of the Arts plan to over next 12 months – UEA will be only remaining University using QLX for research (project ledgers).*

QL Development/Support is currently planned until 2016

Due to reduced support and development by Unit 4 the speed of approving infrastructure components is not always as frequent as we would like. QLX is supported on Oracle 10G/Solaris – we have tested and are migrating to 11G/Linux in order to fit UEA requirements but this is not directly supported by Unit4.

A recent Seven Safe security review highlighted several key areas where security of the current client server model used by QL is weak. Unit4 have no plans to address these issues since it is using an old client server model which is not used by ABW.

PMA

The PMA Web interface is comprised of three components:

1 Award management

Award management is a core component of Unit4's product offering in the HE sector. Award management will be further developed but not against QLX. A new version of Award management (PMA) will be released in 2013/14 but running on the Agresso Business World platform.

2 Finance Portal

The Finance Portal enables access to general and project ledger data via a web interface. In addition increasing use is being made at UEA for e:procurement.

A new FEC tool will be released to work on ABW – not QLX. We currently do not have a dedicated tool. Continuing with QLX/Finance Portal will prevent us having the option of an integrated solution in the future.

Comment from Unit4
Although we are developing a new costing and pricing tool in ABW, we will also continue to develop pFACT. This will still be supported and integrated to Award Management.

Both Award management and Finance Portal run on a SharePoint 2003 infrastructure. Microsoft mainstream support for SharePoint 2003 ended on 4\14\2009 , and Extended support ends on 3\8\2014

SharePoint 2003 runs on Windows Server 2003 for which standard support ended 13/07/2010, extended support ends 14/07/2015.

Any systems running on unsupported operating systems will be vulnerable to viruses and hacking as a result of not having security vulnerabilities fixed. It also becomes increasingly difficult to ensure systems drivers and firmware are compatible with new equipment we install such as replacement blade servers and San disks.

PFACT

PFACT costing tool has recently been purchased by Unit4. Unit4 have a contract with the previous suppler to complete a set of developments and bug fixes before the code is handed over. It is anticipated Unit4 will take over development early in 2012

Comment from Unit4
This is now Actually 8th November 2011 and we plan to release version 3 by Xmas – this will hopefully include Oracle integration – we will continue to support both the standalone PFACt and the costing tool built in to ABW - BUT Unit4 anticipate that research intensive Universities with ABW will migrate to new costing and pricing tool.

Unit4 are expecting the required fixes to PFACT running on Oracle to be applied that would enable us to switch on the PFACT/PMA integration components which are currently broken. At present the

PFACT development path is separate from the finance portal so potentially we could continue use of PFACT even if PMA/Finance Portal becomes unsupported.

PURE

Unit4 are development partners with Atira the developers of the PURE research management application. Data connectors for PURE to PMA and PFACT already exist. UEA are investigating PURE for Research management and REF submission.

Key Risks and Considerations

1 Current infrastructure support underpinning Finance Portal and PMA ends 3\8\2014

2 Service packs for SharePoint and Windows server have both now ceased. Only critical patches are released – which leaves us more vulnerable from a security perspective.

3 Changes to improve security of the current finance system will not be made by Unit4 – we must ensure workstation and user password security are tight to avoid exposing the weakness in QLX.

4 Remaining on QLX for too long will now limit our ability to keep on the development curve for Award Management and PFACT

5 A move from QLX to ABW would be handled as a migration, with Unit4 only charging for a new licence once we stop paying for the old one – the only upgrade cost being the cost of consultancy and any possible licence increase. Migration to an alternative system could be more costly.

Comment from Unit4
In reality it is a new implementation. We will charge you a minor upgrade cost. You will only pay one annual support cost and looking at the £40,000 you currently pay – there will be no increase as that is the figure you will pay in the future. Aberystwyth treated as an upgrade and didn't tender saving themselves a fortune.

6 If we are committed to Award Management(PMA) and PFACT moving to an alternative supplier for the finance system could negatively impact on these products– at present there is no commitment for either to be integrated with any other finance system – however both will be made available as standalone products at some point.

7 Failure to move QLX will mean we have to switch off functionality currently available via the web based Finance Portal (used for e:procurement, PMA and QLX queries) and revert to less secure and less functionally rich client based software, this will increase the training and support overhead and will have a significant negative impact on, among others, the research community

8 New tools from Unit4 for items such as FEC will not be available to us.

Unit4 have given a budget cost of £300,000 excluding vat and excluding UEA staff costs) for a migration project based on other institutions of similar size who have already migrated. Migrating the Finance system is a major project and needs to be staffed appropriately; it is likely that as part of a migration that additional functionality will be requested and ongoing development beyond an initial migration will be an expectation; much like the SITS implementation. A conservative estimate for staff costs of £250K per annum for a two year migration project would not be unreasonable, this would allow for a project manager, two systems developers and two business analyst / business implementation staff. Further work is required to determine the full costs.

Annual licensing costs are currently:

PFACT	£6000
PMA	£11000
QLX	£40000

The initial indication is that Agresso Business World (ABW) would be circa £70,000 per annum. *NO – Unit4 would estimate that we could keep annual support at current figure - So annual maintenance costs would remain the same.*

This does not include PFACT or some components of PMA. A wider investigation would be needed to understand the full cost replacement of QLX, PFACT, PMA, and Finance Portal.

Are we in a position to review/replace QLX, PMA and PFACT or should we take a proactive approach to migrating from QLX to ABW?

PMA and PFACT are realistically the only options in the market for the required functionality and at present these systems integrate closely with ABW and with QLX. This coupled with the fact that the migration path from QLX to ABW will be cheaper than alternative ledger product means that it does makes sense to plan to migrate QLX to ABW

Regardless of our intended direction we need to plan for a Finance system replacement (or significant reduction in current functionality) for August 2014. For a 2 year project we need to start planning during the 2011/12 academic year – budgeting for the majority of work across 2011/12, 12/13 academic years recurrent costs would remain the same.

APPENDIX D

Finance Review Meeting Notes

Faculty Meeting: Wednesday 8th September

Attendees: Bell, Rob; Blanchflower, Andrea; Boardman, Steve; Burgess , Rowena; Clarke, Gavin; Fisher, Helen; Jesty, Lorna; Latham, Helen; Lewis, Helen; Lowton, Caroline; McGarvie, Michael; McGonagle, Laura ; Penn, Christopher ; Richardson , Jonathan; Rickett, Alison; Wolf, Rhoda; Woods, Trevor

Apologies: Craven, Joanna; Donaldson, Stephen; **Absent:** Fincham, Sue; Frost, Tricia; Joannou, Paula; Johnson, Barbara

Central Departments Meeting: Thursday 30th September

Attendees: Alborough, James; Bell, Rob; Boardman, Steve; Jesty, Lorna; Johnson, Barbara; McGonagle, Laura; Reynolds, Julie; Richardson , Jonathan; Syder, Nick; Wicks, Martyn; Wolf, Rhoda; Woods, Trevor

Apologies: Donaldson, Stephen; Clarke, Gavin **Absent:** Newey, Maxine

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11.	**Financial Year**
	Summary

Introduction

Currently there are a number of institution-wide core products to allow faculties and central divisions, outside of the finance division, to manage their finances. These include QLx for general ledger accounting, ordering and creditor payments; PMA for research project management; pFact for project costing; SITS/SAM for invoicing and debtor management; Resourcelink for payroll and expense claim processing; and eProcurement for on-line purchase ordering. In addition, there are a variety of tools in use, such as Discoverer and Hummingbird, to provide financial reports from these products. All of these products have now been in place for a number of years.

There are no current plans to replace QLx, and no plans to significantly update any other supporting technology at the present time. However, further improvements in the use of existing systems, and enhancements to those systems, continue to be introduced, to improve effectiveness and efficiency of processing. This is partly a reflection on University financial budget constraints in the present climate and partly a desire to get maximum benefit from existing systems until there is an overwhelming case for wholesale replacement of such systems. The aim of this project is to review how existing systems and processes operate - to formally identify and, where possible, address any short falls in the services available and to focus existing resources on processes capable of further automation.

Two initial meetings were held, the first being for faculties and the second for central units. The issues, opinions, processes and requirements discussed have been summarised here, along with other comments from ISD and Finance. Sometime in the future we will need to replace either the finance system – or other parts of the system, but at this time we will take a pragmatic approach to identifying, prioritising and resolving issues.

1. Purchase Order Processing

a. eProcurement

The pilot system was original run in Chemistry, and whilst this was not adopted for continuing use at that stage it did identify IT and operational issues that have since been addressed. The forthcoming rollout of Office Depot's eProcurement software was welcomed. Since the meetings this has now been adopted across UEA and further rollout has continued in SCI with the use of eProcurement for high volume suppliers such as Sigma Aldridge and Fishers. Following the appointment of a sustainable purchasing officer it is intended to continue the gradual rollout of the system across the university, targeting high volume suppliers in particular to get maximum benefit. The rollout has been supported by HEFCE funding and the next stage of this project is to introduce eInvoicing. As well as reducing manual effort, eProcurement also introduces some measure of control; ensuring that preferred suppliers are used, and that proper authorisation takes place through electronic document workflow.

b. eInvoicing

The next phase of eProcurement to be tackled will be the eInvoicing component. The functionality for this is currently being developed by the eProcurement system provider and will take the form of an electronic summary (header) invoice together with a rendered image of the invoice details. Both the summary invoice and the image will be imported directly into QLx to allow on screen matching to receipted goods/services. Whilst this will not provide full automatic invoice matching it will significantly reduce the manual processing currently involved in invoice entry/matching.

In a similar vein, improvements are also be made to simplify the processing and posting of procurement card purchases. The current system requires printing and circulation of over 150 monthly purchasing card statements to individual cardholders, for them to reconcile and manually post journals to appropriate accounts. It is now proposed that the purchasing card module of QLx be used to streamline this, avoiding circulation of paper statements and allowing cardholders to simply allocate expenditure directly within the system.

c. Recharging

Recharging is not properly approved and there is insufficient information. The inter-departmental recharge is handled by journals via spreadsheet import. There is a need for some sort of reconciled report to check recharge is applied to correct recharge code. [Response; Finance will liaise with faculty/divisional accountants to identify and implement improvements where appropriate.]

d. Reporting

Systems need to be fully understood in consideration for future report development. There are fundamental issues around purchase ordering in Concept/QLx and reporting which need to be resolved. There appears to be little confidence in data extracted from Concept or QLx, which suggests that there is inadequate reporting facility, specifically the ability to carry out ad-hoc reporting from these systems. Potentially, this problem could be addressed through employment of a Data Warehousing reporting structure. [Response: Central Finance will liaise with Estates to clarify the issues and assist if appropriate.]

e. Stores

By introducing eProcurement and losing the manual paper based system, we also lose the ability to double check store items before ordering. The system will not do this for you. Central stores are very expensive to run and it would be better to use the suppliers own resources. [Response: Central Finance will liaise with Estates to clarify the issues and assist if appropriate.] Purchase orders should be analysed more closely and a suggested web-based equipment library developed to prevent multiple pieces of equipment being ordered.

2. Creditors

a. Invoicing

The debate about data visibility and the storage of invoices disclosed some surprising processes, whereby faculties electronically scan and store invoices (and some expense forms) themselves. This raises concerns that users have little confidence that the centralised system is working.

Currently, using the central system, an invoice has to be requested and it is then faxed to you. It would be preferable if the invoices are 'attached' to the database records to allow easy viewing. eProcurement provides an option to scan invoices, however it costs 70p per invoice, and there are potentially 47K invoices. Invoices could be scanned and attached to the record in QLx. An alternative would be to request an electronic invoice from the external company, but this may also carry a cost implication. There are drawbacks in storing electronic copies of invoices, as certain projects require original source documents and therefore paper versions need to be kept for 20 years.

It was suggested that all processing for invoices and expenses should be documented for document management. If the process maps are prioritised, it would result in cost savings. Invoice handling is worth investigating further to find a cost effective solution. The extension of eProcurement and eInvoicing as noted earlier will improve access to invoice data for certain online purchasing. The option for local scanning and import into QLx can then be reviewed for other priority areas.

b. Foreign Currency

There are some problems with exchange rate conversion in the library and science. Exchange rates are updated in QLx weekly. The figures quoted include a mark up to cover any bank charges. The exchange rate process is not widely understood or documented and could be clarified. A simple web-page could address this problem, and include an explanation of foreign purchasing, currency conversion, and exchange rates.

c. Management of new suppliers

A recent audit highlighted setting up new supplier in QLx as a focus for improvement. This is currently controlled and managed centrally. It has been suggested that the use of a Proforma would help in the proposal of new suppliers. There were no issues surrounding the use of purchase cards.

3. Research finance

a. PMA

PMA has not been well received by academics. Better training was suggested to get the most out of the system. A well-designed web-based interface may also help with the usability. In addition, standard break-down budget reports could reduce use of PMA by academics. Ideally, these reports could be delivered by automated email. [Response: the new integrated service offers the opportunity to provide consistent and better support and this will include greater access to PMA information and training. Standard budget reports are not encouraged – even if

automatically generated, they require set up and maintenance, and perpetuate use of out-of-date data when a perfectly functional real time system exists.]

There are problems importing budgets from PFACT into PMA (QLx) as the systems are not completely compatible, and this puts a large manual overhead on projects. [Response: though this is not seen as a particularly major problem at this stage compared to other priorities, multiple entry of budgets into systems all provided by Unit 4 is less than ideal and it would be useful to explore opportunities to overcome this.]

b. Premature closing of Project Codes

A major problem transpired, particularly in catering and payroll, whereby project codes are closed before all charges can be made to it. For example, expenses charges are passed to Resource Link and then passed to QL, by which time the project accounts can be closed. Other codes have to be manually found in order to process the charges. This is a very time consuming manual process. A potential solution would be to allow the codes to be valid if the invoice is received after project closed. [Response; audit requirements are such that we need to close down project codes as soon as possible to prevent irrecoverable costs being posted to projects after closure. Leaving codes open for posting is not the solution. The new integrated support service will help in addressing this type of problem in the future by improving the management of projects.]

4. Debtors

a. SAM

There are no major problems to report with the Debtors process. The system is in a perpetual process of improvement. The SAM team take advice from Tribal consultants in order to improve the system.

A smaller problem mentioned was the duplicate effort required when raising invoices outside SAM e.g. from the Nursery software, First steps, into SAM. In addition, there are problems where BACS failures cannot be handled straight away.

5. Stores

It is felt that the established stores process works okay, however there are few areas for improvement. Firstly, a stock-taking process should be established. There is a problem whereby a non-stock item cannot be checked against the actual stock. A suggestion to avoid placing orders for items that are in stock is to store supplier part number instead of the description. This would facilitate a database driven web-page search engine and help analysis.

It is thought that most of the problems lie within purchasing and not stores. It is felt that the ordering process could be streamlined. eProcurement will help to identify a particular item, as items are selected from a database list rather than having to than create a manual list.

6. A number of points were raised in relation to budgeting and planning, many of which were raised by ISD outside of the meetings. These are listed below with responses from finance.

Budgets

i. The size of the plan is huge (~10MB). This could be reduced to a more manageable size – only including the data which is going to be used. *[Response: There are considerable benefits from using a standard planning file for all reporting units, including academic and non-academic areas, particularly when updating the file for common planning assumptions or changes in pay rates and calculations. The standard file therefore has some features which are only used in certain areas and are redundant for other users. We are not aware of the size of the file causing problems but if this is the case then we will look at alternatives such as use of shared drives or circulation of compressed files. We can also hide from view those areas which are not used by particular units.]*

ii. We need a clear indication on the plan of what the capital periods cover and in particular we need to know what is available for the current years under consideration.

iii. It is unclear what budget codes actually cover and the ability to drill down into the budgets would be useful. This is linked to how we use level 5 codes to identify spend within a budget.

iv. The plan does not readily identify who within the division manages individual codes.

v. The plan does not readily support work to identify the total cost of service provision.

vi. The staff plan is messy and often it is hard to identify vacancies and where one post has replaced another.

vii. While we can monitor surpluses (and deficits) ISD has had to put in place an alternative process for accumulating surpluses to ensure accurate year end spend.

viii. Subtotals on the GLINFO sheets for capital and revenue spend would be good.
[Response to ii to viii: The plan file is regularly updated to improve the planning process, with more significant changes implemented on an annual basis. Finance will liaise with ISD on the above issues to try and improve the ease of use of the plan in the future]

Knowledge/Risk

The knowledge of the system resides with Gavin Clarke and Stephen Donaldson. Budgets reports are distributed on excel spread sheets, based on Gavin Clarke's model. Although this system has been effective, there is concern over lack of transfer of knowledge. This is a risk and makes us too vulnerable. This system also prevents us from producing good management information and from automating various planning and financial processes. *[Response: The excel financial plan model is a standard file used by all of the management accountants. There is a good understanding of how the model works and this is not considered a major risk. The new approach is more transparent and understood by more finance staff than the previous 'RM' approach.]*

The risk could be reduced by documenting how the budget process works, including how to handle 'what if' scenarios. Typical database queries should be stored centrally to be accessed by a large user group. It was also suggested that a risk register should be prepared for the finance systems. *[Response: Finance believe that the current arrangements support the budget/planning process in an effective and efficient manner. The budget process has changed radically over recent years from the old 'RM' model, and is adapted each year to deal with changes that arise – e.g. the changes to grant funding and student fees which affect the current*

planning cycle. The current approach is very flexible and allows us to adapt to such changes with high level 'what-if' type views of the impact of different key assumptions being considered at ET. The local plans also provide flexibility for units to compile plans in as much detail as they are able to. In the long term it may be appropriate to migrate to a new platform for compiling financial budgets and plans but this is currently a low priority.

Data Access

Many managers use Hummingbird to extract data on an ad-hoc reporting basis. This works well, however additional reporting needs were highlighted. It would be useful if the budget reports could be readily accessed, at any point in time, rather than waiting for monthly updates.

The Finance processes and systems do not support financial planning and 5 year modeling. Users need to be able to run 'what if' scenarios and, for example, consider the impact of different levels of inflation and VAT. We need to be able to consider the impact of moving spend between years and the impact of switching spend between capital and revenue.
[Response: Finance believe that the current processes and systems do support financial planning in an effective way. As already noted, the current approach provides appropriate flexibility to consider, at a high level, changes in assumptions such as inflation and pay awards and it is not considered necessary to model different assumptions at unit level. Unit plans do however provide a lot of flexibility to compile budgets and the CUBS process allows units to propose changes in overall budget totals or to request a transfer of funds between capital and revenue to reflect the nature of proposed expenditure.

7. Human Resources

a. Expenses

In the near future, the expenses claim form for staff and students is required to collect data for the CRED project. It is likely that we will be asked to disclose the reason why a particular method of transport was used. Consequently, this information will contribute to UEA's carbon footprint. As the current claim form is paper based there is a need for a better method of recording expenses. Ideally the originator should input details into an electronic system.
[Response: Online capture of expense form details, coupled with online authorisation and a mechanism for incorporating supporting receipts etc, would be a big improvement to what is currently a very inefficient manual process. If the self-service functionality within Resourcelink is not able to meet the requirement then alternatives should be considered.]

b. Online access to pay slips

Plans to provide on line access to pay slips would reduce the manual work associated with printing and distributing payslips. This should be progressed as a priority.

c. Student Employability

There are issues around 'Employability'. The faculty cannot check if student are in contracts, which causes major problems when the students need to be paid. This could be tackled using a data feed between HR and SPOT into Employability.

8. Data visibility

a. Reporting

There are some problems surrounding data access on a reporting level. Hummingbird is used effectively by some users; however others only extract data via the client. It was suggested that more effective training is needed on QLx and Discoverer.

The Discoverer reports which serve SAM and Accommodation, work very well. A huge time investment was required to get these reports right, however it was considered worthwhile as the reports are consistently reliable. Review of new standard reports from Discoverer was proposed, with ad-hoc reporting from a data-warehouse being a longer term solution.

Additional reporting technologies such as Crystal are still being used. We should ensure these skills are retained as well as developed for the future.

9. VAT

1. Projects need to be looked at to check VAT status [Response: Finance will follow up to clarify the concern being raised and attempt to address this]
2. Change of VAT rate in January 2011 was identified at the meetings as a future issue to be addressed – this has now been dealt with and has not caused any on-going problems
3. Guidance/workshop of VAT would be helpful [Response: Guidance is available on the intranet. Finance will review the need for holding workshops on VAT.]

10. Aleph

There needs to be closer join up with the Finance system and the Aleph system for book ordering. Book ordering is currently suspended 3 months before year end as this is the only way we can get certainty on the spend. [Response: Better integration of invoices processed on Aleph and the transfer of information into QLx has been achieved since the meetings. Finance and ISD will liaise on any further improvements required.]

11. Financial Year

From an ISD perspective there are arguments for and against moving the financial year end. A lot of work takes place over the summer break and in some cases this places ridiculous pressures to push work forward so that we spend in year, on the other hand it does mean that we can lump together spend from two years. *[Response: The year end is effectively set for the whole sector and will not be changed.]*

Summary of key priorities:

- to progress with the on-going rollout of eProcurement

- to implement eInvoicing as planned

- to implement streamlined processing of purchasing card transactions

- to implement electronic submission/authorisation of expense claim forms

- to progress the introduction of online access to payslips

- to investigate options for avoiding multiple entry of budget data into PFACT and PMA systems

Other action points include:

- identify/address areas of concern in relation to Concept/QLx links

- improve use of PMA through the integrated support service

- explore improvements to the plan model with ISD, to make it easier to use

- provide/update information on the purchasing intranet pages to explain accounting treatment of exchange differences