



Financial Systems Replacement

24th January 2024

Audit and Governance Committee

Agenda



**Challenge
Scope**



**Timelines
Budget**



**Risks
Current Activities**



Questions



Challenge

Legacy System

- had been in operation since 2007 with minimal development since the last major upgrade in 2012

Implement a modern Finance System

- Reducing the number of systems and workarounds that need to be maintained in order to provide key financial information for decision making purposes
- Provides a positive user and stakeholder experience which is intuitive and easy to use pushing key financial information to users to act upon within the system; allowing proactive Business Partnering conversations; and supporting the delivery of the data strategy and Intelligence Led Council Project
- Enabling the focus on delivery of value-added activities.





Scope

This project focussed on delivering the core functionality around:

- Procurement to Pay
- Accounts Receivable
- General Ledger including budget setting and forecasting
- Cash Management

The project covered:

- All Derby City Council Departments
- Derby Homes Limited
- All Maintained schools which are the responsibility of Derby City Council

Exclusions:

- Replacement of the HR/Payroll System
- Tactical payment systems



Timelines

- Negotiated Tendering Exercise was undertaken, with Contract Signed on 03/02/2022
- Project Team Mobilised April 2022
- Key Components of New Financial System Live April 2023
- Embedding of New Financial System; Issue Resolution; and Implementation of additional components of the system (April 2023 to March 2024).





Budget

- An initial budget of £2 million was allocated to this project
- The Forecast budget is currently £1.7 million
- The Business Case set out to achieve a reduction in headcount of 10 FTE with an annual revenue saving of £300k





Risks

Risk	Mitigation
Audit of Accounts 2021/22 and 2022/23	Contracts for the Legacy System to be retained as an archive solution for a further 2 years to support the Audit of Accounts for 2021/22 and 2022/23.
First Year End	Training being provided to systems admin team. Business as Usual resources being made available to address any issues encountered
Historic Data Migration (2019/20 to 2022/23)	Level of detail to be transitioned being agreed and global reconciliation of totals being undertaken. The Legacy System contract extension supports this.
Transformational changes are not made, development ceases as we move to BAU	Resource planning and team structures being reviewed





Current Activities

Recent Changes

Schools are now processing their own invoices rather than these being processed centrally. This has streamlined the process for schools and the central team.

Contracts for the Legacy System to be retained as an archive solution for a further 2 years to support the Audit of Accounts for 2021/22 and 2022/23.

Reporting

Suites of reports are being finalised to support the financial management of the organisation including those required for year-end reporting purposes.

Some dashboards have been developed for Accounts Payable and Accounts Receivable but further work is planned to develop dashboards further for budget managers.

Additional Components

Loading of Budgets into the system and utilising the in-built forecasting functionality

Testing of the Purchase Card processing for deployment into live





Current Activities

Year-end

Training on year-end processes to be adopted is scheduled.

Year-end timetable is being developed.

Business as Usual

Resource planning to support the system once the project has handed over to Business as Usual.

Further work on Business Process Automation and capacity to produce ad-hoc reports. Work will be undertaken to support the artificial intelligence transformation programme.



Questions?



Derby City Council