Presentation at ICA & IFAC Round Table Conference on IPSAS

Topic: GIFMIS & IPSAS Implementation

May 22, 2015

Labadi Beach Hotel – Accra

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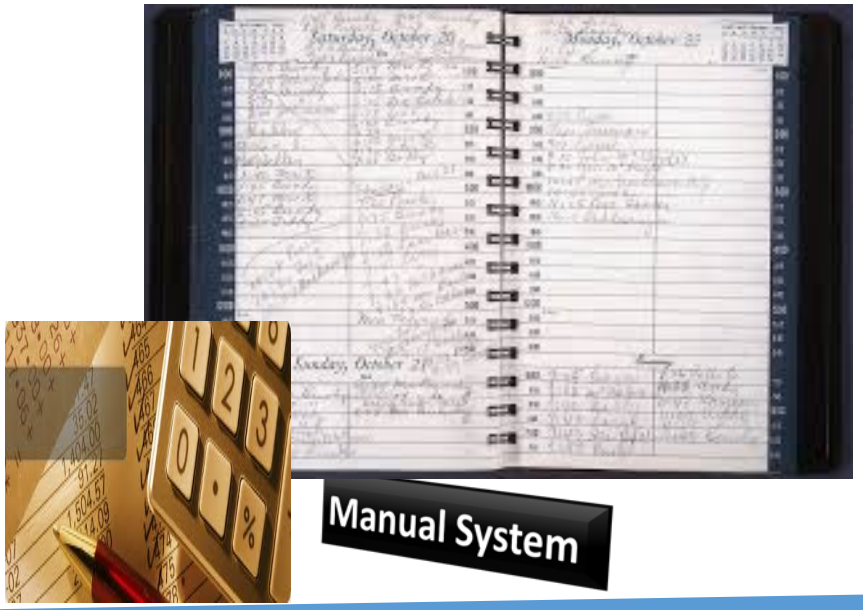
Introduction

- Timely, clear and open annual financial statements play a significant role in the accountability of governments to their citizens and their elected representatives.
- The benefits of achieving consistent and comparable financial information across jurisdictions are very important and IPSAS have been established by the IPSAS Board to assist in that endeavour.
- Yet many developing countries have had difficulties in fully realizing these benefits due to lack of capacity, inadequate accounting procedures, or weak accounting systems
- GoG seeks to use the GIFMIS as a platform for the IPSAS implementation.

THE EVOLUTION OF FINANCIAL MANAGEMENT SYSTEMS



Manual System

Stand Alone Systems

Integrated Systems

WHAT IS GIFMIS?

- GIFMIS stands for Ghana Integrated Financial Management Information System

- It is an **integrated computerized financial management system** for:
  1. Budget Preparation
  2. Budget Execution
     - Accounting and Financial Reporting
     - Cash Management.
  3. Assets management
  4. Human resource and payroll management

The Aim of GIFMIS Project

- The aim is to establish an **INTEGRATED ICT-based PFM Information Systems** in Ghana at the MDAs located at National, Regional, and District levels and MMDAs to improve efficiency in public financial management.

Specific PFM Problems to be Addressed by GIFMIS

1. Lack of interface/integration between various PFM Systems
2. Inadequate budgetary controls over public expenditure
3. Lack of transparency in budget execution
4. Poor record keeping on public financial transactions
5. Undue delays in processing transactions due to cumbersome manual processes
6. Lack of reliable data for effective fiscal planning due to weak accounting and fiscal reporting system
7. Delays in financial reporting, especially at the National level

GIFMIS as a Platform for IPSAS Implementation

- GIFMIS is the base data source for financial and fiscal reporting
- A tool for the generation of Financial Statements
- Benefits include:
  - Completeness
  - Accuracy and reliability
  - Timeliness

The Data Sources

Revenue data

- Accounts Receivable module
- E-Monitor and other systems (for non-tax revenues)
- TRIPS (for domestic tax revenue)
- GCMS (for customs duties)
- CS-DRMS (for borrowings)

The Data Sources (cont.)

Expenditure Data

- The P2P modules
  - Purchasing (PR, PO & SRA)
  - Payable (PVs and tracking liabilities)
  - Cash management module / SWIFT/T-24 (Payment, BRS, etc)
  - Payroll and HRMIS (CoE)

Assets Management

- Fixed Assets module (for FA register and accounting for fixed assets)

The Data Sources (cont.)

Budget Data

- Hyperion
- The General Ledger

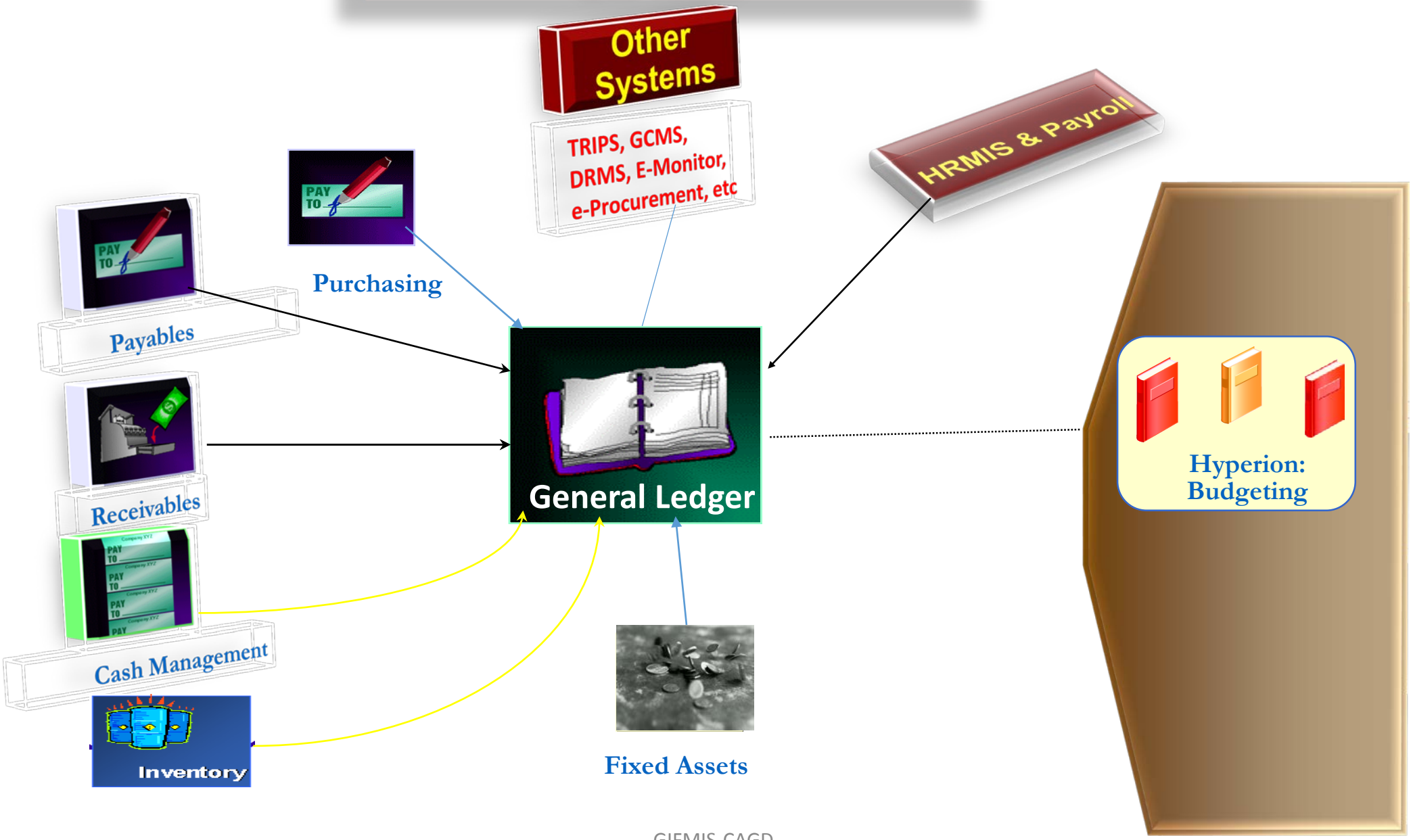
Financial Reporting

- The General Ledger

Manuals

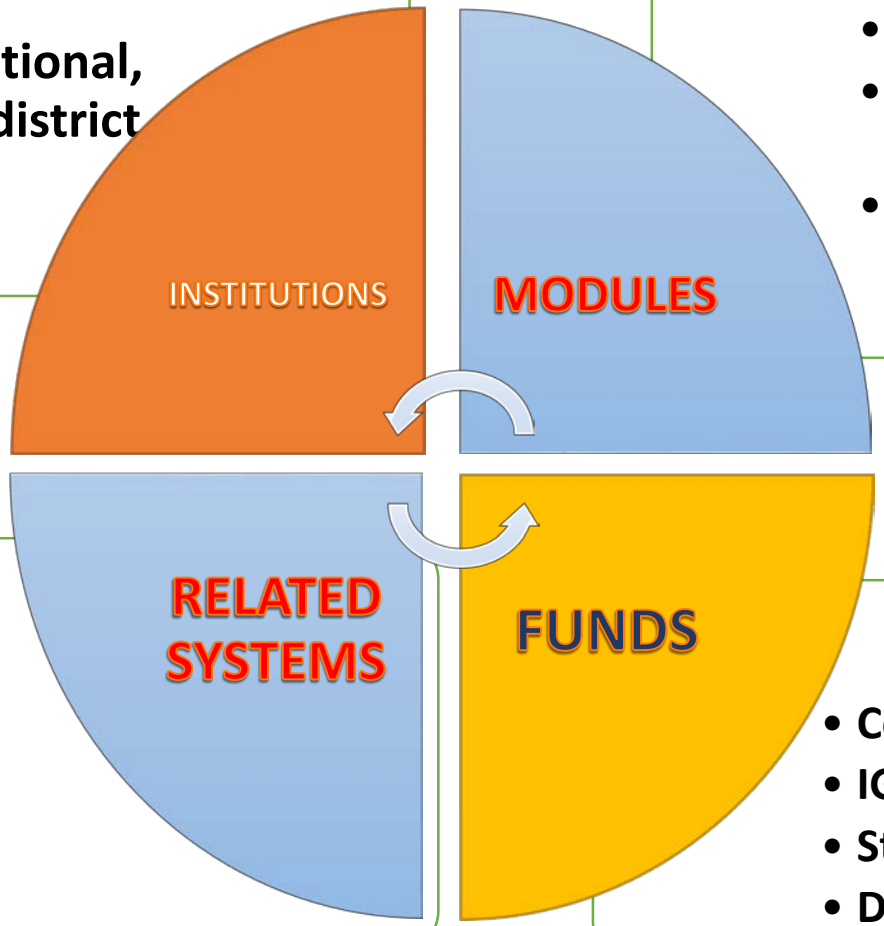
- GIFMIS and IPSAS compliance accounting manuals developed for MDAs and MMDAs

GIFMIS


Other Systems
TRIPS, GCMS, DRMS, E-Monitor, e-Procurement, etc
HRMIS & Payroll
Purchasing
Payables
Receivables
Cash Management
Inventory
General Ledger
Fixed Assets
Hyperion: Budgeting

GIFMIS Scope

- All MDAs and MMDAs at national, regional and district levels



- Budget
- Financials
- HRMIS and Payroll
- (Expanded under the new PFMRS)

- CS-DMRS (DMD-MoF)
- E-Monitor
- TRIPS & GCMS
- T-24 & SWIFT (BoG)
- PIMS (PID- MoF)
- E-Procurement

- Consolidated Fund
- IGFs
- Statutory Funds
- Donor Funds

GIFMIS Implementation Status

GIFMIS Implementation has three phases of deliverables:

1. **System set-up**
2. **System rollout**
3. **System Security, Maintenance & Sustainability**

System Set-Up

System set-up include the installation and deployment of the following components:

- ❑Hardware
- ❑Software
- ❑Network Connectivity
- ❑System interfaces

SYSTEMS ROLLOUT

GIFMIS Financial Modules

- P2P Coverage for Consolidated fund resources is as follows:
  - All headquarters MDAs in Accra (covering over 230 Spending Units) since October, 2012.
  - All Regional MDAs (350 Spending Units) since November, 2012
  - Seven MMDAs since August 2013

- IGF implemented for Min of Education and Min of Health (ex-post) in March 2014
- Rollout for IGF and other funds at the 7 pilot MMDAs begun in Dec 2014 (ex-ante)

- The Fixed Assets module is live at 5 pilot MDAs (MoF, CAGD, MW&H, MoTr, MoT.)

GIFMIS Rollout (cont.)

Budget Reforms

- PBB was rolled out to all MDA in 2013
- The new budget software, Hyperion, was used for the 2015 national budget preparation

- **HRMIS**
  - 7 MDAs to be piloted in 2015

SYSTEM SECURITY, MAINTENANCE & SUSTAINABILITY

- Business Continuity strategy has been developed for the GIFMIS
- Disaster recovery site is also operational and being upgraded to accommodate the entire GIFMIS set-up including Payroll, HRMIS and Budget systems
- RAC (Real Applications Cluster) has been implemented to achieve system scalability, high availability and processing efficiency
- other tools have been installed for system security monitoring, help desk, messaging and collaboration

What is Next...?

- Full Implementation of fixed assets module.
- Bringing on-board other public funds including IGFs, Donor funds and Statutory funds across MDAs and MMDAs
- Full implementation of HRMIS
- Extension of PBB to MMDAs
- GIFMIS deployment to the remaining 209 MMDAs
- Completion of interfaces with all key PFM systems under the new PFM Strategy:
  - Internal & External Audit systems
  - Procurement systems
  - Parliamentary Oversight
  - Revenue systems
  - Etc.

Some Challenges

- Legislative limitations- There is the need to review the financial laws to support the changing business processes occasioned by the GIFMIS. The process has started
- Inadequate ICT infrastructure in the public sector of Ghana, especially Network connectivity. NITA must be supported for this.
- Relatively low computer literacy in the public sector
- Change management- expectation by end-users that the system should support old ways instead of current best practices

What is Working Well for GIFMIS

- ❑Strong political support
- ❑High level administrative support
- ❑Strong local technical team
- ❑Consciousness of past PFM experiences
- ❑Donor Review and technical advice

The End

Thank you for Your attention !!!