



CASE STUDY

INTEGRATED FINANCIAL MANAGEMENT SYSTEM FOR MALAWI LOCAL GOVERNMENTS

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BUSINESS SITUATION

The Malawi Government is implementing fiscal decentralization reform program. The implementation of the fiscal decentralization program culminated into a significant direct transfer of resources from Central Government to the Local Councils. At the same time there has been an increased transfer of financial resources from development partners to the Local Councils. Arising from these developments the Malawi Government embarked on a comprehensive organization-wide project to automate financial management operations which were operated manually in all local councils. As a result of that decision, Techno Brain was contracted to design and implement an Integrated Financial Management Information System (IFMIS) for 35 Local councils.

SOLUTION

Techno Brain implemented its Integrated Financial Management System built on MS Dynamics NAV. Techno Brain delivered a comprehensive solution which included Finance, Procurement, Project Monitoring and add on modules for Property and Fleet Management, providing an end to end solution for addressing all the issues arising from a decentralized system.

The solution helped the Local Government to streamline their revenue management and improve their budgeting based on the information available from various local assemblies. The solution enhanced management's visibility on the activities being executed at the assembly level and automated the whole accounting process, thus eliminating the overhead of compiling the information received from various sources and re-entering the financial information in the payable system at the headquarters.

TECHNOLOGIES

Windows Server, Windows Vista & XP, Office 2007 Standard, Symantec Backup Exec, Anti-Virus End Point, Protection, Serenic Navigator, Microsoft SQL Server 2005

CASE STUDY

Customer:

The Government of Malawi (GOM) has 35 Local Assemblies spread across the country. The local government provides markets, postal, agencies, roads, and exercise control over business premises and the brewing and sale of beer.

Industry:

Public Financial Sector

Resources Deployed

Experienced and certified team was used in the implementation of the project. Project manager, Technical consultants and Functional consultants

Government's Role:

1. Review and support decisions for the project scope
2. Assign adequate resources to the project
3. Initiate project planning of all project phases
4. Manage the availability of key users in the councils
5. Ensuring that all requirements are planned and executed in a manner that will meet the implementation goals.
6. Sensitize councils on the new system
7. Monitor progress of the project
8. Carry out Change Management
9. Provide all Hardware equipment, WAN Links and Data center facilities

CASE STUDY

CHALLENGES

During implementation of the project:

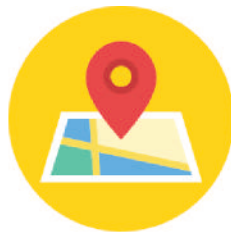
1. During site readiness survey we observed that some system users were having challenges using computers thus could have not been able to use the system effectively. We discussed the issue with government and recommended basic computer training which was carried out for all councils under implementation and subsequent to the next phases.
2. Power instability and power Backup. The implementation required online transaction and system fulltime availability, however there was frequent power fluctuation effecting the system availability and thus manual transactions. Upon review the decision was taken to procure standby Generators for all the councils which was actioned.
3. Geographical Location of sectors. The long physical distance between some sectors and the district headquarters office made processing of some transactions manual then moved to the system later thus making them prone to errors and incorrect reporting.
4. Delay in procuring and supply of Hardware -servers, computers, printers and consumables. This delayed immediate and fully adoption of the system as per planned timelines.
5. Lack of connectivity between councils and Central site. The initial design was to have the central site at National Local Government Finance Committee office and councils replicate data for consolidation. However, the connectivity was a challenge thus we redesigned the system to allow manual consolidation through update system backups.
6. Unavailability of key end users during training. In some cases, Key users of the system were unavailable to give direction and attend the training thus they were unable to use/ approve and guide their junior personnel. These were key in ensuring full adoption of the system. The government took immediate action to ensure availability of the key users after the issue was reported.
7. Delay in completion of Data Centre room and Server Room. This affected hand holding process as users were occupied in different offices.
8. Parallel system. We found out during requirements gathering that there existed some systems on the sites. There was no clear ownership of whether to integrate or do away with the same completely and embrace all transactions in IFMS
9. Resistance to change - Due to numerous controls in the system some officials didn't want to use the system. However, National Local Government Finance Committee carried out system awareness and change management to the senior management of the councils so that they can embrace change, enforce controls and own the system.

" The Malawi Government Praises Techno Brain for configuring a system which is in line with Government requirements and handles all of their needs. The local assemblies are significantly realizing the benefits thru streamlined financial reporting, accuracy and increase in revenue collection and reconciliation, expenditure control and high morale among the employees.

Techno Brain management has shown keen interest in making the project successful and has shown keen participation & flexibility to achieve successful implementation."

- MR. WILLIAM MUTAMBO, ACCOUNTANT GENERAL

CASE STUDY



35

NUMBER OF SITES



525

NUMBER OF USERS



1000+

NUMBER OF USERS TRAINED



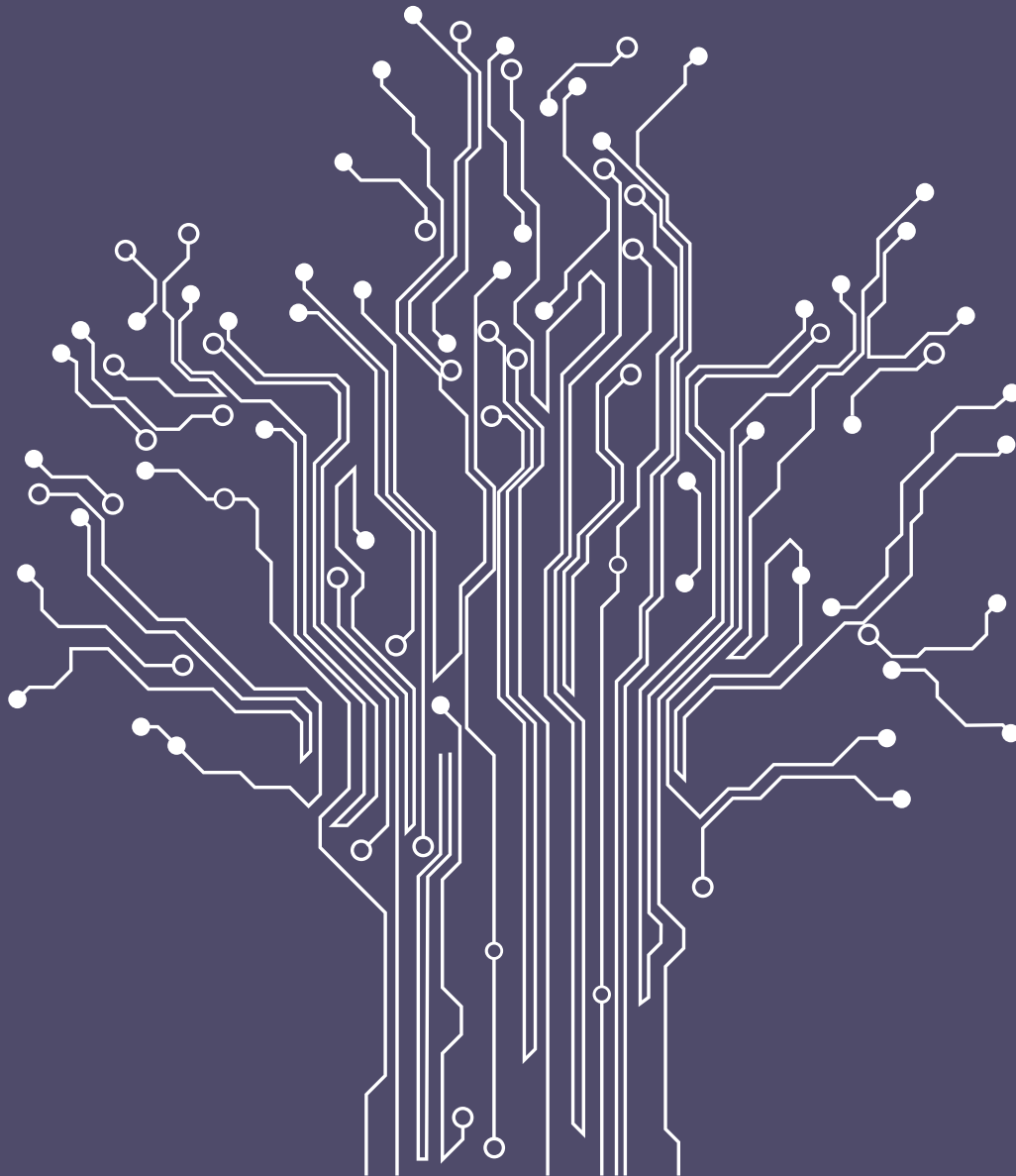
3 YEARS

IMPLEMENTATION PERIOD



22

TOTAL TEAM MEMBERS



GLOBAL PRESENCE

Botswana | Burundi | Ethiopia | Ghana | India | Kenya | Lesotho | Malawi | Mauritius | Mozambique |
Namibia | Nigeria | Rwanda | Saudi Arabia | South Africa | South Sudan | Swaziland | Tanzania | UAE |
Uganda | UK | USA | Zambia | Zimbabwe

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CASE STUDY

APPROACH

The automation of Local councils followed a phase approach. The 36 councils were divided into four phases. The first phase was pilot phase which after successful completion, government approved roll out of the system to the other councils. Experienced and certified TBL consultants with support from National Local Government Finance Committee officials conducted end user training and hand holding as per the project plan. Sensitization to the end users on the system was done in all councils before trainings started by Malawi government officials

PROJECT MANAGEMENT

Malawi government assigned National Local Government Finance Committee as an overseer of the overall project. Project Managers and project team members were identified from TBL side and government side. A project steering committee was identified comprising of top Malawi government representatives from all sectors and was meeting every quarter. Monthly project status reports were circulated to the project members. Project managers were meeting every week to update each other on project progress.

ROLL OUT SKILLS

The roll out was carried out by Consultants who are certified in the application and the following activities were carried out

1. PFM domain experts
2. Data Migration
3. Functional understanding of Government Business process
4. Technical Consultants with understanding of how to customize system to suite Local Council needs
5. Role based system configurations
6. Setting up the workflows and approval hierarchies
7. Budget loading & Budget rule set up
8. Trainers for skill development
9. Change Management Specialist.
10. Central site configuration and security settings

Benefits

Local council through system usage have benefited in the following ways

- Reduced over expenditures due to budget check
- Increased revenue collection as revenue collectors' receivables are known in advance and fraudulent practices have reduced
- Creditor's balances are readily available.
- Procurement only from authorized suppliers
- Improved revenue reconciliation
- Easy to keep track of records pertaining to rate payers and properties
- Councils are able to see live balances through chart of accounts.
- Easy and on time consolidation of local council's data by National Local Government Finance Committee at national level
- Councils can easily access all reports and documents affecting managerial decisions.
- On time processing of transactions
- Improved record keeping and data storage
- Effective budget rule which has enhanced security over funds
- On time production of reports at council's level and submission to National Local Government Finance Committee. (NLGFC)

Techno Brain's Role:

1. Supply the product -IFMS
2. Send periodical project progress reports to all stakeholders
3. Provide the initial training for the council's key users
4. Develop project plan
5. Fixing any problems in the software
6. System maintenance and health check
7. Carry out Change Management