

READING BOROUGH COUNCIL
REPORT BY DIRECTOR OF FINANCE

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| TO: | AUDIT & GOVERNANCE COMMITTEE | | |
| DATE: | 24TH JANUARY 2023 | | |
| TITLE: | IMPLEMENTATION OF THE NEW FINANCE SYSTEM - PROGRESS UPDATE | | |
| LEAD COUNCILLOR: | CLLR TERRY | PORTFOLIO: | CORPORATE & CONSUMER SERVICES |
| SERVICE: | FINANCE | WARDS: | BOROUGHWIDE |
| LEAD OFFICER: | DARREN CARTER | TEL: | |
| JOB TITLE: | DIRECTOR OF FINANCE AND PROJECT SPONSOR | E-MAIL: | darren.carter@reading.gov.uk |

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report provides the latest update on progress with the implementation of the new finance system which is due to go live in April 2023.

2. RECOMMENDED ACTION

- 2.1 To note progress of the implementation of the new Finance System.

3. CURRENT STATUS

- 3.1 The implementation of the e5 finance system from Advanced is currently at the system test phase. Although there is significant work to complete, the e5 system is expected to go live across RBC and BFfC in April 2023.
- 3.2 Project progress is reviewed every two weeks by the Finance System Board comprising stakeholders from each Directorate, BFfC and senior officers from Advanced.
- 3.3 The e5 system will support the Council's vision for financial management and governance, enabling the adoption of best practice and empowering finance staff and budget managers to improve performance and outcomes.
- 3.4 The key changes in ways of working and improvements in functionality that the e5 system will provide include:
- budget holder self-service with budget holders having direct access to the financial information they need whenever they need it
 - simplified chart of accounts to aid financial reporting.
 - a portal for raising purchase orders
 - improved information on our purchases
 - a simple way to receipt the delivery of goods and services
 - a new process for creating suppliers and customers
 - improvements to our debt management process

- 3.5 The design phase completed in April 2022 and the core build phase in October 2022. This was later than scheduled primarily due to RBC resource availability as well as delays in Advanced completing the infrastructure build. The project team was strengthened in September by two experienced contractors to mitigate RBC resource constraints. A test and cutover manager joined the project in January.
- 3.6 The remaining phases of the implementation and key challenges to overcome are outlined below.

SYSTEM INTEGRATION TESTING

- 3.7 The integrated system test phase commenced in November and will run to the end of January 2023. The system tests are being performed by key users in finance, procurement, accounts receivable and accounts payable plus some end users. This includes a group of representatives from each Directorate who currently perform purchase ordering and receipting. Testing to date has only identified minor issues which are being fixed in time for user acceptance testing. Further updates on system testing will be submitted to the Finance System Board.

INTERFACES

- 3.8 The testing of interfaces started in January 2023 and will continue through February. This is a risk area to the project as the ability to test is dependent on the completion of changes being made to iTrent, Mosaic, Civica and NEC Housing Management System. New output files from these systems are due to be provided in late January and early February for testing. Progress is being tracked on a weekly basis.

DATA MIGRATION

- 3.9 The intention is to minimise the amount of financial data to migrate to e5. The data to be migrated will be:
- General Ledger year-end balances (transactional data for previous financial years will remain available on Oracle)
 - Supplier and Customers Master Data
 - Open Purchase Orders that have been reviewed and verified for carry forward
 - Accounts Receivable transaction data

USER ACCEPTANCE TESTING

- 3.10 Preparations are underway for user acceptance testing which is due to commence on the 6th of February 2023 and run for four weeks through to the 3rd of March. It is anticipated that between 60 and 80 end users from across RBC and BFfC will participate in UAT with an average commitment of 1 to 2 days.

USER TRAINING

- 3.11 Optimum, who specialise in finance system training, will prepare eLearning training courses for end users in February. The end user training will cover processes including creation of purchase orders, goods and service receipting, customer invoicing, budget monitoring and forecasting and the financial approval process. Training will be delivered in March and April and will be a combination of on-line courses, user guides and one to one training for specialist roles.

READINESS FOR GO-LIVE

- 3.12 A readiness for go-live assessment will be presented to the Finance System Board on the 16th of February. The Board will review findings from testing, progress with training users, business readiness, the cutover plan and arrangements in place to support and manage the new system. The recommendations from the Finance System Board will be submitted to the Finance Transformation Board.
- 3.13 A final go-live assessment will be presented to the Finance System Board on the 16th of March with go-live recommendations submitted to the Finance Transformation Board.

FINANCIAL IMPLICATIONS

- 3.14 There are no direct financial implications arising from this report. The projected spend on the finance system implementation is in with the approved business case and funding made within the Capital Programme.

BACKGROUND PAPERS

- 3.15 Not applicable to this report.