Audit and Governance Committee

27 September 2023

Title	**Implementation of New Finance System update**
Purpose of the report	To note the report for information
Report status	Public report
Report author	Darren Carter, Director of Finance
Lead Councillor	Councillor Terry, Deputy Leader of the Council & Lead Councillor for Corporate Services and Resources
Corporate priority	Not applicable, but still requires a decision
Recommendations	1. That the Committee notes the progress with the implementation of the e5 finance system and the plans for go-live and ongoing finance performance improvement.

1. Executive Summary

1.1. This report updates the Committee on the implementation of the new finance system, e5, which recently passed a user acceptance testing milestone and is targeted to go live on the 1st of November. The project is now at the stage of delivering training, finalising interfaces, rehearsing data migration, and assessing business readiness for go-live. The project Steering Group is meeting on a weekly basis to assess progress and advise on actions with representation from across the Council. This report summarises the key activities to be completed in the run up to go-live as well as the plans for user support and finance improvement post go live.

2. Summary

2.1. Since the last Committee meeting, the e5 solution has completed the build phase and user acceptance testing. Over 100 users from across RBC and BFfC performed 700 tests covering core finance, purchase to pay and income to cash processes. As at the end of August there are no high priority issues arising from the user acceptance testing with 11 low priority issues fixed and ready for re-testing in September.

2.2. The project team focus during September and October will be on resolving issues, testing interfaces, rehearsing data migrations, delivering training, providing targeted communications to different user groups, finalising support arrangements and plans for continuous improvement. Each focus area is summarised below after an update on governance arrangements.
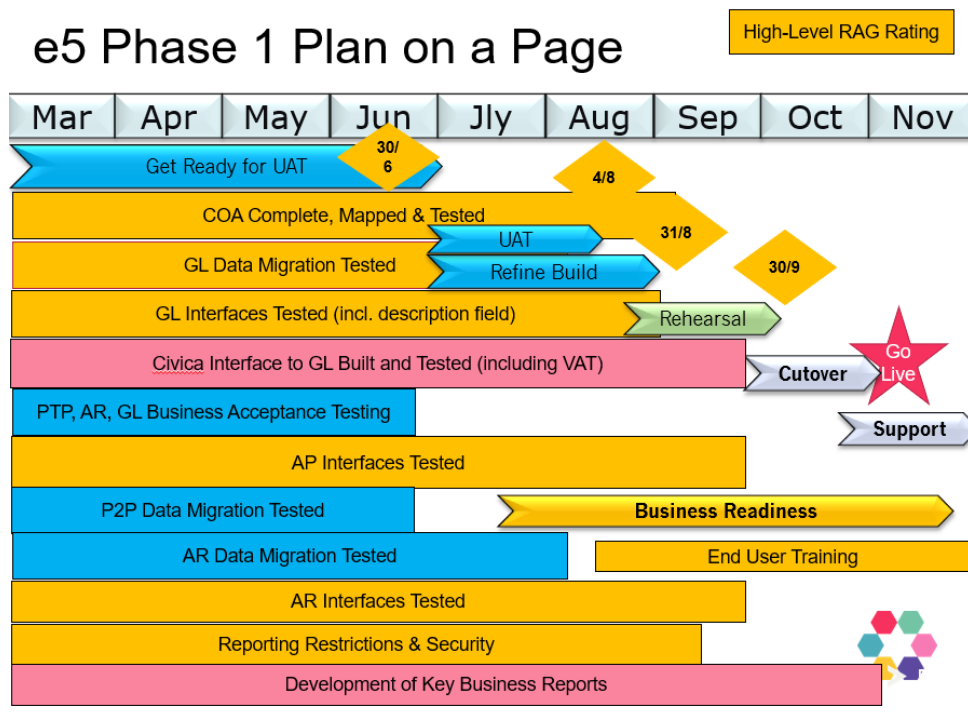
e5 Governance

2.3. Governance arrangements were updated in June to coincide with the transition of the project into the system testing phase. A Project Steering Group meets on a weekly basis chaired by the Director of Finance and attended by finance and procurement

workstream leads and IT representatives. The Steering Group review progress on issue resolution, performance against the plan and make decisions on a weekly basis on items such as resourcing requirements, data cleansing and training proposals.

2.4.   The Project Board meets on a monthly basis attended by the Steering Group plus lead stakeholders from each Directorate and BFfC. The Project Board review and sign-off key milestones with a particular focus on business readiness.

2.5.   Monthly e5 project updates are provided to Digital Technology Board and Finance Innovation Board who act in a challenge and support capacity ensuing integration with other Council projects.

e5 Plan on a Page

2.6.   A detailed project plan is maintained that sets out the tasks to be performed by the Council's finance system provider (Advanced), and the Project Team by workstream. The detailed project plan is summarised into a 'plan on a page' which shows the key activities with a RAG status. Th project plan is discussed with the Steering Group each week.

e5 Phase 1 Plan on a Page

High-Level RAG Rating

Mar	Apr	May	Jun	Jly	Aug	Sep	Oct	Nov

Get Ready for UAT — 30/6 — 4/8

COA Complete, Mapped & Tested — 31/8

GL Data Migration Tested — UAT — Refine Build — 30/9

GL Interfaces Tested (incl. description field) — Rehearsal

Civica Interface to GL Built and Tested (including VAT) — Cutover — Go Live

PTP, AR, GL Business Acceptance Testing — Support

AP Interfaces Tested

P2P Data Migration Tested — Business Readiness

AR Data Migration Tested — End User Training

AR Interfaces Tested

Reporting Restrictions & Security

Development of Key Business Reports

2.7.   The plan shows that the critical activities to complete in September are interface testing, cutover rehearsal, and user training and completing the development of business reports.

2.8.   It is not unusual for a project of this size to have many activities underway at the same time. Project staff meet daily to manage dependencies and matters arising.

Issues / Work Tasks to be completed

2.9.   Project issues comprising defects and key tasks to be completed are recorded on an online test tool and monitored daily. As at the end of August there were 77 open issues, none of which would stop the system going live, with 36 identified as a high priority. The project team's focus is on the completion of outstanding tasks that relate to interfaces and data migrations. The remaining 35 normal priority and 6 low priority issues are not critical for go-live and will be progressed as time allows.

2.10.   There are 8 issues which are currently with Advanced to resolve.

2.11. The Council meets with Advanced fortnightly to review performance and ensure resources are deployed as appropriate.

Interfaces

2.12. The build and testing of interfaces has been challenging due to competing priorities, expert resource availability and further time required to complete the design and build of the new chart accounts which is now complete. As a result, some interfaces needed to be built and tested later than expected and work is still continuing in this area.

2.13. The table below shows the current status of all inbound interfaces into e5. The critical interface that is the top priority for expert resources to complete in September is between Civica and e5 for General Ledger cash postings. Resources are allocated to complete this work prior to go live and we are making improvements in data quality at the same time.

Interface	e5 Module	Built	Tested	RAG Status
iTrent	GL	Yes	Yes – further testing of full payroll	
Civica	GL	In Progress	No – planned for September	
OHMS	GL	Yes	In Progress	
Mosaic AP	AP	Yes	In Progress	
AP Invoice Uploads	AP	Yes	Yes	
Reed Agency	AP	Yes	Yes	
Mosaic AR	AR	Yes	In Progress	
Civica Lockbox	AR	Yes	Yes	
AR Invoice Uploads	AR	Yes	Yes	

2.14. Outbound interfaces have been built and tested with further testing of large volume files to take place in September.

Data Migration

2.15. The project team have successfully extracted data from the current finance system Oracle which has been loaded and reconciled in e5. This has comprised large volumes of master data and transaction data for general ledger, customers, and suppliers.

2.16. A full rehearsal of data migration is currently taking place in September to provide a further check on the completeness and timeliness of the data migration process. Supporting documents held against customers and suppliers in Oracle will be migrated post go live.

2.17. Key finance users will continue to access Oracle to view data for prior financial years for audit purposes and to answer internal and third party enquiries. A new software licence is being finalised with Oracle for the ongoing access.

User Training

2.18. A training plan has been approved that is based on delivering tailored learning to different user groups, for example, purchasing buyers and budget managers. The training includes access to already developed eLearning courses, drop-in sessions at Civic Offices and recorded training sessions using Teams.

2.19. Training for key users in Accountancy, Procurement, Accounts Payable and Accounts Receivable commenced in July with these users having access to the e5 system for ongoing familiarisation. Refresher training for core users and systems administration will

be delivered in October and post go live, Project consultants will be retained for the first 3 months post go live to provide further knowledge transfer.

Communications

2.20. A communication plan has been approved which is based on weekly updates to all finance users and weekly targeted communications to different user groups starting in September which will be managed by a dedicated finance transformation change lead.

2.21. All e5 user guides, recorded training sessions and e5 news will be accessed from an enhanced Finance Intranet area.

Arrangements for Post Go-Live Support

2.22. External support to resolve system defects will be provided by Advanced under the current contract. The Advanced Service Delivery Manager will meet with the Finance Systems Team in October to provide training in the process for raising support calls and tracking progress and to agree the schedule and content of monthly performance review meetings. An annual Disaster Recovery test is a contract requirement, and a full test was completed in August.

2.23. Finance users will raise requests for e5 support via the corporate Service Now application. Calls will be triaged to agree priorities and assign issues to team members for resolution. The Council will adopt a 'hyper-care" model where project consultants will supplement the Council's support team during the early post go-live support period.

Roadmap of Financial Improvements

2.24. A roadmap of potential post go-live improvements has been prepared and will be subject to further review and update in the post go-live period including cost benefit analysis. The initial focus will be on supporting users and bedding-in the support arrangements as well as the development of additional reporting capabilities.

3. Contribution to Strategic Aims

3.1 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.

3.2 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.

4. Environmental and Climate Implications

4.1. None arising.

5. Community Engagement

5.1. Not applicable.

6. Equality Implications

6.1.   Not applicable.

7.   Other Relevant Considerations

7.1.   There are none.

8.   Legal Implications

8.1.   There are none.

9.   Financial Implications

9.1.   Implementation costs will be met from the approved capital budget of £600,000 and allocations from the transformation budget. A business case will be prepared in 2024 for a roadmap of potential finance improvements following a stabilisation period for the new system.

10.   Timetable for Implementation

10.1.   As set out in the body of the report.

11.   Background Papers

11.1.   There are none.