

IFMIS Project 2018-2022

The modernization of public financial management systems in Trinidad and Tobago has been the subject of domestic and externally commissioned technical studies for over twenty years beginning in 2000. In 2014 the Board of the IDB approved a loan from the purchase and installation of an IFMIS and in late 2016 the initial programme was launched, and the software/hardware vendor was being hired in 2018. Implementation of the programme continues in 2020

What is an IFMIS?

An Integrated Financial Management Information System (IFMIS) can be broadly defined as a set of automation solutions, that through the use of a central data base, enables a government, or private commercial firm, to plan, execute and monitor its budget, by tracking, recording and reporting its revenues and expenditures.

The is normally done via a software consisting of a suite of integrated applications that collect, store, manage and interpret data from many government departments, providing a real-time integrated view of core business/government processes, via a common database. Through the use of web-based operations an IFMIS allows access to a large number of authorized users at all levels of the Government.

Most modern IFMIS platforms are developed in compliance with various international standards on the recording and reporting of data, set by agencies such as, the International Monetary Fund (Economic classifications), the UN (Functional classifications of Government), GAAP (accounting standards) and IPSAS (accounting reporting formats). This allows governments/firms to comply these international regulations and reporting standards via the software.

Critical operational services of an IFMIS

Budget Preparation/Development	Purchasing & Commitment Control
Budget Management/Execution	Project Management/Costing
Accounts Payable/Expenditures	Fixed Assets Management
Accounts Receivable/Revenues	Internal Auditing
General Ledger	Workflow
Cashiering/Payment Management	Management Dashboards
Reconciliation & Cash Management	Web Services, Reports & Reporting Tool

Other component modules of an IFMIS may include:

- Procurement and contracts management
- Payroll and human resources
- Revenue administration of taxes and customs (collections included above)
- Debt Management
- Asset and Inventory management
- Internal auditing

Given that there are existing software programmes at work with respect to tax administration, debt management and payroll, the IFMIS is expected to have technical interfaces with these programmes to access their data.

At a minimum, the core components of an IFMIS must provide for the basic functions of the Treasury and Budget operations of a Central Government.

Objectives of An IFMIS

- a) To improve the recording of fiscal data, in compliance with the international classifications of the Government Financial Statistics Manual of the International Monetary Fund (IMF);
- b) To improve the accuracy and timeliness of all fiscal reporting;
- c) To improve the budget execution system so that payments are processed and paid within generally acceptable time frames, and within the confines of the expenditure ceilings and the cash constraints of the Government;
- d) To have timely and accurate reporting of revenue collections and bank data and to enhance the management of the Government's cash flow;
- e) To have real time availability of the fiscal accounts of the Central Government;
- f) To facilitate financial reporting, compliant with International Public Sector Accounting Standards (IPSAS), for the purposes of internal and external audits, and
- g) To facilitate more effective management of fiscal accounts at the level of both the Central Government and the Parliament

Critical prior conditions for advancing the introduction of an IFMIS are;

- Preparing the key operational staff of the Budget, Treasury and PPRD Divisions of the Ministry of Finance and the Ministry of Planning and Development, respectively, for the critical conceptual changes in moving from a manual environment of data process and administrative approval to an digital environment.
- That staff have a firm understanding of the structural and operational weakness of existing business processes and a clear understanding of how the proposed new system addresses the weaknesses and improves form and function in the workplace, and is beneficial to themselves.
- At an operational level the critical change requirements will be the Introduction of the new Chart of Accounts, the building the new accounting framework for the Treasury and bringing it in line with international best practices, the modernization of the Internal Audit Function of Government Ministries and the strengthening of project management skills for staff engaged in the Government's public investment operations.
- Engagement in Iterative forms communication and feed-back and collaboration will be required to ensure that the changes in the operational frameworks are considered necessary, acceptable and implementable by the staff of government agencies.
- Training the staff of the Budget, Treasury and PPRD Divisions of the Ministry of Finance and the Ministry of Planning and Development, respectively, in the conceptual, technical and operational changes required for the successful introduction of an IFMIS
- Training the staff of all the accounting divisions of all Ministries of Government on the capabilities usefulness and operational characteristics of the new system.

In summary, an IFMIS solution offers increased oversight, predictability, access, transparency, accountability and on-site reporting of the financial operations of a Government or commercial enterprise. It does this because it can provide the following:

- Timely, accurate and consistent data for management and budget decision making;
- An integration of budget and budget execution data;
- Budget planning, analysis, and reporting;
- Financial statement preparation;
- Improved internal controls over data entry, transaction processing, and reporting,
- The elimination unnecessary duplication of data entry, and
- A well-defined system of audit trails to facilitate audits.

In the general context of an implementation time-frame, the full installation on an IFMIS can takes as short as 3 or as long as 8 years. The average however is 4 years. It is assumed that in the case of Trinidad and Tobago the average time-frame will prevail. In general the process has three distinct phases, first the initial testing of the system components, second the pilot phase (using selected ministries) to ensure operational functionality and to determine and address all potential problems with IFMIS hardware and its application software packages, and to ensure consistency between the software and domestic operational procedures, after which there will be a roll up to all ministries. The roll-out period is expected to take between 12 -18 months.

Integrated Financial Management Information System

