საქართველოს ფინანსთა სამინისტრო
სახელმწიფო ხაზინა

Ministry of Finance of Georgia
State Treasury

Project Management
Development of the Common Information System

September, 2014

Integrated Public Finance Management System
PFMS

➤ Purpose and goal

➤ Stages of system development

➤ Design of the system and modules

➤ Integration of local self-governing authorities' budgets into PFMS

➤ Managing the project

  ➤ Main specifics of Georgia in terms of IT project management

  ➤ Information-analytical service of the Ministry of Finance of Georgia

  ➤ Benefits of the chosen methodology

  ➤ The process of project implementation

2

1

- ➢ Software for all public financial operations – all operations are carried out electronically;

- ➢ Access to accurate, timely, comprehensive, reliable and comparable information on financial phenomena

- ➢ Generating managerial reports in real time mode;

- ➢ Ensuring implementation of decisions both at the state-wide level, and at the level of individual institutions

- ➢ Possibilities for a full audit

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3

- ➢ Development of the public finance management system is carried out by the Ministry of Finance of Georgia, using its own human resources.

- ➢ Permanent growth of infrastructure capacities.

- ➢ Initially (2006), it was planned to buy a turnkey commercial software, and for that purpose donors extended a grant (World Bank, SIDA – Swedish International Development Agency, DFID – UK Department for International Development, the state of the Netherlands).

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4

PFMS
Stages of System Development

➢ In the framework of the project technical design of PFMS was developed, as well as functional description and technical requirements; an international tender was held and three companies were selected for the DEMO mode.

➢ At the demonstration, various vendors presented such systems as ORACLE, SAP and FREEBALANCE.

PFMS
Stages of System Development

➢ In the course of demonstration, a decision was made to terminate the tender and to develop the system using own resources, it was decided for the following reasons:

   ➢ Qualification of representatives vendor companies was brought into question;

   ➢ The provided system required serious and ambitious customization, and the team that was implementing the system did not seem to be sufficiently qualified;

   ➢ The Ministry of Finance and the Treasury were not fully informed about the final functional scheme, and business processes changed, and are changing until now quite dynamically, and in this case a turnkey commercial software system is not convenient;

   ➢ In parallel with that, the Ministry of Finance developed its own information and analytical service.

> The Project team of the World Bank accepted our proposal and announced that it was supporting development of an alternative system.

> Grant funds were re-targeted to finance infrastructural measures.

> In 2009, local human resources very extensively began to develop the main module of the treasury - PFMS core-treasury.

> Web based applications for treasury electronic services for the pilot stage were ready in June 2010.

> At that time the system covered the full cycle of payments of spending units – the front office
>   > Registration of contracts
>   > Liabilities
>   > Payments

> From the side of the treasury – control over documents, authorization and bank settlements – the back office

> Gradually, all public organizations were included in the electronic system, and it led to liquidation of regional offices and to streamlining of human resources in the central office of the Treasury.

PFMS
System Design and Modules

From 2011, the following was added to the main modules of the Treasury system :

> Accounting, management and reporting of budget revenues (are converted to web-based technologies);

> Payroll management

> The General Ledger of the Treasury (the current stage includes only transactions related to payroll) ;

> Module for business trips;

> Cash planning and management;

9

PFMS
System Design and Modules

In parallel other modules of the public finance management system were developing, which later on were integrated in the Treasury system:

> Macroeconomic forecasting and planning;
> Taxes;
> Preparation of the budget and appropriation management;
> Debt management;
> Human resource management;
> Public procurement;

10

PFMS
System Design and Modules

The public finance management system is using web-based services from the following reference tables and data bases:

➤ Civil Registry Agency;

➤ Public Service Agency;

➤ Registration data base of tax payers of the Tax Service;

➤ Public Procurement Agency.

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Integration of budgets of local self-governing bodies in PFMS

Planned results

➤ Execution of all budget operations in the single information system;

➤ Timeliness, completeness and transparency of execution of budgets of local self-governing bodies;

➤ Enhancement of the level of accountability of local self-governing bodies that take part in execution of budgets;
   The final goal is improvement of efficiency of public finance management

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➢ Refusal from outsourcing

➢ Creation of the information and analytical service in the system of the Ministry of Finance, which has been formed and which later on obtained the status of the organizational form – "LEPL" (legal entity of public law), which fact allowed to give competitive salaries to programmers, and thus contributed to attraction of qualified human resources

➢ Creation of a modified project management model on the basis of the control model Microsoft Solution Framework , also taking into consideration existing realities.

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13

➢ Creation of software systems, implementation and maintenance;

➢ Research and analysis of IT products, electronic functionalities and services, and also creation of web sites and functionalities for other institutions and entities;

➢ Development of electronic government, electronic management and provision of services;

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14

7

➢ Integration of information systems in the communication space of the country.

➢ Elaboration of information and communication infrastructures, ensuring stability and reliability of work;

➢ Support of information security;

➢ Information and analytical support;

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➢ MSF - Microsoft Solution Framework – is an adapted Agile (flexible) iterative method for addressing technical tasks with less resources and fewer risks;

➢ Agile (flexible) methodology treats changes as a part of the working process, which fact simplifies the process of adaptation to changing business requirements

➢ Interaction with clients – this principle does not mean that the client fulfils obligations of the group, it means that when the client takes part in the process of development, the final result always better corresponds to the requirements of the customer. Participation is also useful to avoid misunderstanding of already formed requirements, reduced the time for getting answers to pressing questions and increases the cultural level of relations among colleagues.
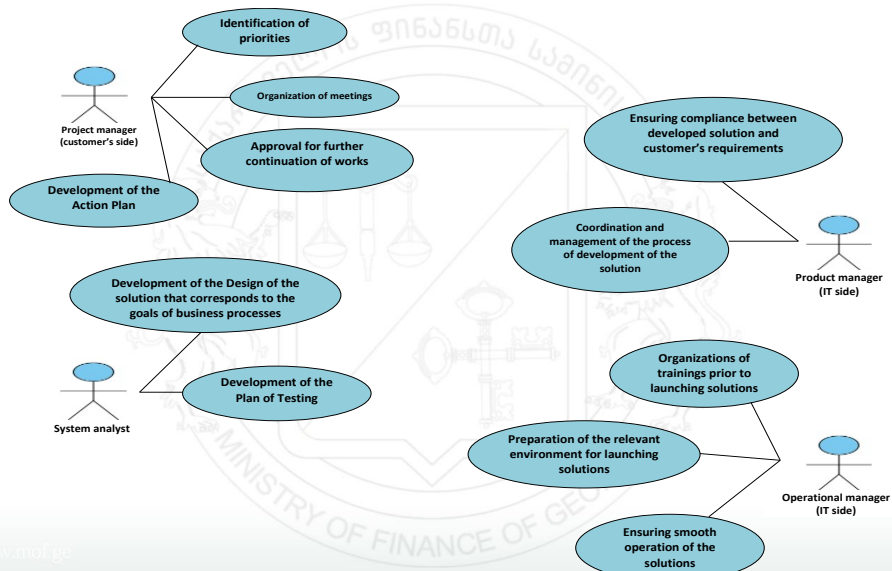
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Project Management –
the process of the project implementation

- ➤ The project manager assigns a specific member / members of the team to work on tasks;

- ➤ Members of the team formulate their requirements to system analysts;

- ➤ On the basis of presented requirements a system analyst creates a design solution package;

- ➤ Development of solutions begins.

17

Project Management –
roles and responsibilities

9

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Thank you for attention

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19