

DEPARTMENT OF CONSERVATION AND LAND MANAGEMENT

FINANCIAL SYSTEMS SECTION

REPORT ON FUNCTIONS AND STRUCTURE

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DATE: 6 DECEMBER 1989

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1. INTRODUCTION

The Financial Systems Section has now been in formal existence for over ten years and has gradually evolved as CALM moved towards computerising its financial systems and placing greater reliance on information management.

In August 1987, the "Strategic Information Plan" prepared by Arthur Young recommended the development of adequate accounting and financial management systems as the Department's highest priority. The importance of these systems has likewise been recognised by the Department's "Information Technology Plan 1989-91" where it states that the financial management systems are the very core of the Department. The reason for this is that all of CALM's diverse operations are in one way or another reflected in the area of finance. Providing the systems to effectively manage finance assists in managing the operations themselves.

In response to the Arthur Young report, CALM has implemented several systems over the last couple of years as well as carrying out major enhancements to many existing systems (see section 5). As a result of this period of rapid development, the existing staff levels and structure of the Financial System Section are now inadequate to meet the responsibilities placed upon it, and various problems are now being experienced (see section 6). With the impending implementation of the Oracle "Financials" suite of financial software, the necessity to review the situation has taken on greater urgency.

The achievements of this Department in the area of computerised financial systems is impressive when compared with other Departments especially in view of the limited resources in both Financial Systems and the Computer Services Section. If this momentum is to be maintained, the key roles of these sections within the department must be recognised and adequate resources made available.

The purpose of this report therefore is to highlight the functions of the Section, discuss some the problems currently being faced and propose solutions to these problems.

2. RESPONSIBILITIES

The key responsibilities of the Financial Systems Section are as follows:-

- (i) Liaise between management, Computer Services Section, field users and outside bodies (Treasury etc) on the design, development and implementation of computerised financial systems.
- (ii) Provide a support service to departmental users for existing CALM systems.
- (iii) Liaise with the Computer Services Section on the maintenance of existing systems.
- (iv) Perform reviews of systems with a view to computerisation as well as post-implementation reviews to determine the effectiveness of systems.
- (v) Prepare and maintain documentation (User, Application Documentation and Training Manuals) for all systems under the Sections control.
- (vi) Test all new systems including enhancements and modifications to existing systems.
- (vii) Design reports, input forms and other related documents for all systems.
- (viii) Train all staff having access to the systems and provide an on-going "help" service.
- (ix) Recommend enhancements and modifications to all aspects of systems including clerical procedures.
- (x) Liaise in the design of efficient system interfaces and processing cycles.
- (xi) Investigate and evaluate packaged software.
- (xii) Provide advice on all aspects of computerised financial systems.

3. SYSTEMS SUPPORTED

The following systems are currently supported by this section:-

- General Ledger System
- Revenue and Sundry Debtors System
- Vehicle and Plant Management System
- Publication Subscriptions System
- Budgeting System
- Wages System
- Salary Allocation System.

Additionally, the following systems will be added to the above list as part of the Oracle implementation:-

- Revenue Accounting System
- Accounts Payable System
- Purchase Orders System
- Fixed Assets System
- Inventory System.

4. EXISTING STRUCTURE

The Financial Systems Section currently consists of the following positions:-

P00079790	Senior Financial Systems Officer	Level 4
P00211047	Financial Systems Officer	Level 3
P00642204	Assistant Financial Systems Officer	Level 2

The section currently reports to the Accountant although moves are currently underway to have this changed to the Finance Manager.

5. ACCOMPLISHMENTS

Over the last few years, the section has been involved in a large number of projects. Some of the more significant ones are listed below:-

- (i) Development and implementation of the Publication Subscription System to handle "Landscape" subscribers and interface to the Revenue and Sundry Debtors System.
- (ii) Development of major enhancements to the budgeting system requiring involvement in:
 - system design
 - report design
 - forms design
 - system testing
 - documentation
 - user training.
- (iii) Creation of intra-regional budget transfer facilities.
- (iv) Design of a more informative reference field on General Ledger transaction reports and implementation.
- (v) Design and implementation of Report Generator reports for:
 - budgeting
 - research
 - hardwood logging
 - softwood logging
 - General Manager
 - Executive Director.
- (vi) Completion of the General Ledger User Manual and distribution to and training of users.
- (vii) Reviews of manual subscription procedures and of overall Subscription System.
- (viii) Conceptual planning and detailed requirements definition for new General Ledger enquiries.
- (ix) Design of new subscriber application form and computer generated Subscription Renewal Notice.
- (x) Analysis of Super Software Payroll System as to its ability to handle this Department's unique wages payment requirements.

- (xi) Implementation of the Wages System involving:
- user acceptance testing
 - system testing
 - preparation of comprehensive user manual
 - conducting formal regional training sessions
 - coordinating and conducting hands-on district training
 - organising file take-up
 - timesheet and maintenance form design
- (xii) Implementation of the Salary Allocations System involving:
- user acceptance testing
 - recommendations for modifications
 - system testing
 - conducting informal district training sessions
 - forms design
 - schedule design for clearing of backlog
- (xiii) Implementation of the Hardwood Logging/Revenue and Sundry Debtors System interface involving:
- liaison with consultants
 - interface testing
 - monitoring of parallel run
 - preparation of procedures
 - training staff involved
- (xiv) Design and implementation of major enhancement to Wages System to include automated payroll deductions involving:
- liaison with insurance and medical benefit companies
 - design of reports and specification of requirements
 - testing
 - training
 - parallel run
 - amendments to documentation
- (xv) Amendments to the Wages System to enable employees pays to be paid directly into bank accounts.
- (xvi) Design and implementation of major modifications to the Vehicle and Plant Management System to enable:
- an interactive interface with the General Ledger
 - an interactive interface with the Wages System

- production of a Fuel Consumption Analysis Report
 - automation of the Fuel Franchise Levy and Diesel Fuel Returns
 - accurate chargeback to the field for vehicle usage
 - decentralised input from source documents
 - simplified input forms
 - more timely data.
- (xvii) Amendments to the Wages System to provide information to the Human Resources Branch for PIMS.
- (xviii) Amendments to the Wages System to provide automated FTE returns.
- (xix) Preparation of the Department's Functional Requirements document against which each financial systems tenderer on the short list was evaluated.
- (xx) Significant input into the preparation of the final Recommendation Document for submission to management, Treasury, DOCIT, Tender Board and State Audit.

Most of the above projects have resulted in significant savings in staff resources and in the production of more timely and useful information across the Department.

6. CURRENT PROBLEMS

6.1 Experienced Staff

Over the last few years, the Section has been subjected to a significant drain of experienced and competent staff. This is naturally to be expected in an area where experienced financial systems officers are in keen demand by other departments or branches. As other departments begin to commit themselves to computerised financial systems to the extent that this Department has already done so, sections similar to this will continue to be set up and staff from Financial Systems will continue to leave.

The problem is not so much the healthy staff turnover itself but the amount of training and time required before staff become competent enough to handle and resolve the often complex problems we are required to deal with. Using inexperienced or untrained staff in systems development and implementation is not practical as it tends to slow the development cycle and could lead to "bugs" remaining undetected, poorly trained users or inadequate user manuals. The quality of the financial systems will therefore suffer accordingly.

Consequently, it is important that steps be taken to encourage the retention of staff within the Section.

6.2 Limited Resources

At present this Section experiences difficulty in supporting the seven systems under its control while engaging in development projects etc as also specified under section 2 (Responsibilities).

An additional five systems will soon be added to this list once the Oracle packages are purchased and implemented. It is likely that the number of users will at least double in view of the fact that all ordering will in future be carried out on-line.

Aside from the fact that it will be impossible for the existing staff to support this many systems or users the nature of the work will change. For example, while the volume of work in the Accounts Section will drop drastically, the need for officers to:-

- provide security clearance and maintenance
- maintain the chart of accounts structure
- monitor and maintain the GAS interface
- provide field support, "Help Desk" etc

- provide a 4GL report writing service
- produce graphics for management
- monitor quality control
- provide on-going training etc

will increase consequently placing greater demands on the Financial Systems Section.

In future it will not be possible for the Financial Systems Section to provide these services with the existing staff. Even now a significant backlog of work has developed and important functions are not being performed (see section 6.4).

6.3 Support and Development

As previously mentioned, this section currently has three staff supporting seven systems. From the viewpoint of maintenance or support, this is quite adequate. When new systems are being implemented or major modifications are being carried out however, it becomes very difficult if not impossible to provide the same level of support that users expect and is essential for them to perform their work effectively. Consequently, having the same staff performing maintenance as well as development means that neither task is performed efficiently. Development is slowed by the continual interruptions of having to help users with their problems and user problems are not given the attention they require due to the heavy workload imposed by development.

This highlights the need for staff to be dedicated either solely to maintenance and support or to development but with the flexibility to be used in either area in periods of peak demand. To a certain extent these two aspects are already covered on the PDF's but this needs to be more clearly defined.

It is accordingly recommended that one staff member be dedicated solely to minor development with the flexibility to second staff into project teams for any major new systems, of which there should be few in the future.

6.4 Work Outstanding

The heavy developmental period just completed as well as the lengthy evaluation of the Financial Systems Tender has resulted in a backlog of tasks requiring attention. Some of the more important ones are listed below:-

- It is usual to conduct a post-implementation review of any major system between 3 and 6 months after going "live". This has yet to be carried out for the following systems:-
 - Wages System
 - Salary Allocations System
 - Vehicle and Plant Management System.
- Analysis and preparation of a report on the Wages System "Entitlement Module" to ascertain possibility of using this as a computerised leave register.
- Use of the Fuel Consumption Analysis Report in the Vehicle and Plant Management System requires examination and rationalisation.
- Investigate and report on the possibility of setting up procedures for the centralised direct crediting of wages into employee's bank accounts.
- Preparation of a manual for the cash order balancing program recently installed on a personal computer in the Finance Branch.
- Complete revision of the Salary Allocations User Manual to bring it into line with the standard documentation format.
- Review all outstanding Change Request Forms and test those returned.

In addition to the above, the following tasks are currently being performed or are due to be carried out shortly:-

- Preparation of a circular to introduce the revised format of the Expenditure Transfer Journal.
- Amend the General Ledger User Manual accordingly and issue amendments to all manual holders.
- Test changes to the Wages System for:-
 - correct calculation of and reporting on FTE's
 - provision of employee data for PIMS.
- Amend the Wages System User Manual accordingly and issue amendments to the field.

- Preparation of a circular to introduce the revised Employee Maintenance Form with instructions as to field requirements.
- Preparation of a circular to advise the field on Wages System Report retention requirements.
- Analysis of causes and rectification of imbalance between the General Ledger and Vehicle and Plant Management Systems.
- Prepare circular on the introduction of mandatory entry of the odometer reading on all General Ledger and Vehicle and Plant Management System screens.
- Arrange for alteration of computer programs in the above regard.

Due to lack of resources the following functions required on the Section's PDF's are not being carried out:-

- Investigation of and reporting on the impact of computerisation on staff, staff structures and work procedures across all Directorates.
- Development and performance of appropriate post-implementation training programs for all financial system users.
- Periodic visits to Regional, District and Branch offices to assess user understanding and familiarity with computer systems and organise supplementary training where required.

As existing staff are being used to carry out non-Financial Systems functions or are on leave without replacement, the above tasks are proceeding slowly.

7 PROPOSED SOLUTION

A proper structure and appropriate classifications will alleviate the problems highlighted under the preceding headings. However, a major restructure of the Section at this point is not warranted and is unnecessary until after the new Oracle Systems have been implemented. Despite this, a lot of the groundwork for the new structure may be carried out now with benefits accruing after implementation. I therefore propose the following:-

7.1 Retain Existing Experienced Staff

The officers currently in the section have had years of experience in the development and maintenance of existing systems.

Mr Rene Level 2	Joined the section in September 1987 and has been involved in the development and implementation of the Wages System, Salary Allocations System, the enhanced Vehicle and Plant Management System as well as numerous other smaller projects. He is currently a Level 2 yet is required to train and support Levels 3 and 4 in the field.
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Mr Nicholl Level 3	Joined the section in February 1989, from the BMA where he has had over 2 1/2 years experience in the implementation of the MSA Purchasing module as part of the project team. Since joining this Department, Mr Nicholl has been involved in several projects while increasing his knowledge of CALM's operations and systems. Importantly, he has also been fully involved in the evaluation of the Oracle financial software.
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Mr Goodman
Level 4

I joined the Department in February 1977 and have had almost 10 years experience in the Financial System Section, the last 3 1/2 years as Senior Financial Systems Officer. I have been involved in the implementation of almost all of the Department's financial systems and under my leadership, the Section has accomplished the projects listed under section 5. I was also deeply involved in the tender evaluation and choosing the Oracle "Financials" as the software package most able to meet CALM's requirements.

Losing any of this expertise will further hamper the already complex and difficult task of implementing Oracle. Their past and on-going efforts must be recognised and appropriate classifications awarded. This will be easily justified by comparisons with other departments that have similar sections (see Justification - section 7.4).

7.2 Restructure Financial Systems Section

An effective structure now will assist in the Oracle implementation process as well as providing a sound base of experienced staff from which to build a restructured Financial Systems Section in the future.

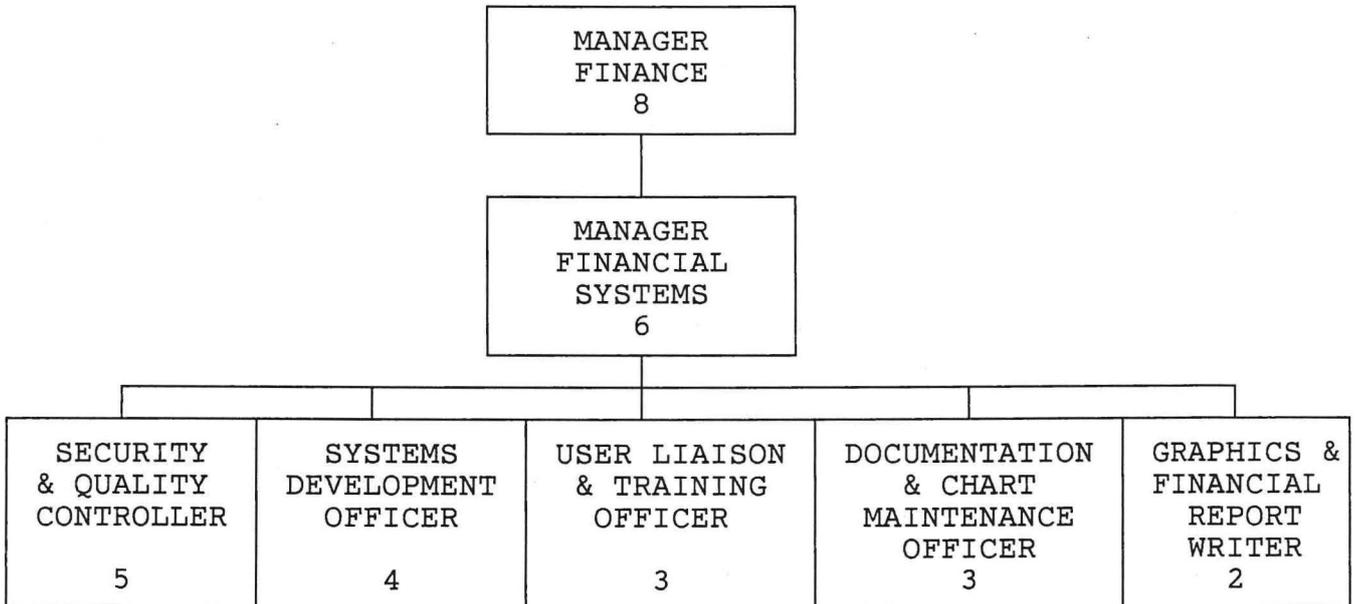
Once implementation is completed of the Oracle "Financials", the thrust of the section will move from development to providing quality on-going support.

Soon after the implementation of Oracle, the workload of the Accounts Section will decrease dramatically and, with reorganisation, this should free up several FTE's.

These FTE's will be required to handle the extended range of responsibilities discussed under sections 2 and 6.2 and falling within the jurisdiction of the Financial Systems Section.

7.3 Anticipated Final Structure

At this stage based on current responsibilities and structures already existing in other departments, the following minimum structure will be required to support the 12 financial systems:-



In effect, only three additional positions will be required and, as mentioned previously, these FTE's should be made available from within the Finance Branch after implementation due to the reduced workload.

The three new positions will, to a large extent, be performing tasks currently performed elsewhere but which need to be brought into the one specialised area to enable co-ordination and sufficient expertise. These positions are:-

- SECURITY AND QUALITY CONTROLLER (LEVEL 5)

Oracle is designed with password maintenance and allocation as a non-computing function. For financial applications, controlled by the Finance Manager, the Financial Systems Section is the most logical place to house this task. As existing systems are re-written in Oracle, the security responsibility for maintaining access to these systems will also come under this position. This function should be taken over from the Computer Section primarily because it is up to the OIC of any system to decide who should have access to data in the system under his control. For example, the Computer Section is not in a position to decide what account ranges within the General Ledger any user should be able to access. Currently time consuming service requests (Change Request Forms) must be raised whenever any action is required in this regard.

The most important aspect of this position will be the functions required to be performed as a quality controller. This will involve ensuring key balancing functions have been carried out, that cycling processes of the various systems are occurring on time and in the correct sequence, and that standard procedures are being adhered to in the field. The success of the new systems will be heavily dependant on the above monitoring being performed correctly and will therefore require an officer with considerable experience in this area.

- DOCUMENTATION AND CHART MAINTENANCE OFFICER (LEVEL 3)

Ultimately, 12 sets of User Manuals will need to be maintained and amendments issued to the 70-80 manual holders. Each manual will be between 100 and 200 pages in length and will cover all aspects of each system. Additionally, one change may ripple through several systems and will accordingly require continual maintenance of the user documentation for each system.

Under the new Oracle General Ledger, it will be necessary for maintenance of the Chart of Accounts to be performed as a central function rather than in the field as is currently done. When changes are made to the chart on the Oracle General Ledger, these will need to be investigated as to their impact on the GAS General Ledger which will also need to be maintained if posting rejections are to be minimised.

Maintaining the above two functions will be a reasonably responsible task and amply justifies a Level 3.

- GRAPHICS AND FINANCIAL REPORT WRITER (LEVEL 2)

Providing financial data to management in a highly legible format will be the main function of this position. Within the Oracle General Ledger exists the Financial Report Generator which is simple to use and capable of providing reports that will meet basic management requirements. For more complex reports, the occupant of this position could possibly even be trained in use of the SQL Report Writer.

With the exception of the primitive Repgen program, the writing of reports is currently confined to the Computer Section. Creating this position will enable a much better service to be provided to management and will enable us to set our own priorities.

It has long been my ambition to also provide information in graphical format initially at senior management level but ultimately for all users. With the implementation of Oracle this can be achieved and needs to be encouraged as a replacement for the copious reports currently produced.

The existing three positions should be reclassified and retitled but will initially retain similar functions to those currently being performed. They will be:-

- MANAGER FINANCIAL SYSTEMS (LEVEL 6)

Formerly Senior Financial Systems Officer (Level 4).

The occupant of this position will be responsible for the management and co-ordination of the overall section. As such, he is charged with the control of 12 major computer systems as a delegated responsibility of the Manager Finance, the OIC of these systems. When this position was originally created as a Level 4, the occupant was only responsible for 3 interactive systems and one stand-alone. In future, all 12 systems will be fully integrated and this significant increase in responsibility fully justifies the reclassification especially when compared with positions in other departments of equivalent classification and less responsibility (see Justification).

- SYSTEMS DEVELOPMENT OFFICER (LEVEL 4)

Formerly Financial Systems Officer (Level 3)

Dedicating an officer solely to development will solve the current problem caused by the conflict between support and development. For any major new initiatives, a temporary project team would be formed under this position and then disbanded when the project was completed. In between major projects, modifications are continually being requested and the design, testing and documentation of these will be an on-going function.

- USER LIAISON AND TRAINING OFFICER (LEVEL 3)

Formerly Assistant Financial Systems Officer (Level 2)

This officers primary responsibility will be to provide a "Help Desk" role within the Section. This will be a front-end interface to the users and will be their primary contact point for problems or queries on how to obtain maximum benefit from any of the systems. This officer will need to be able to either provide information immediately or know how to go about obtaining it for the users. The occupant will also be required to investigate all potential bugs brought to his attention and raise Change Request Forms if required.

Where skills or relevant knowledge deficiencies are identified, this officer will be required to organise and conduct appropriate training. During implementation of a newly developed system or major enhancement training will be conducted in conjunction with the Systems Development Officer.

The Position Data Forms for all positions within the section will be designed to enable officers to assist in any area that may require it. This flexibility is necessary due to the dynamic nature of projects but will also enable officers to be exposed to all aspects of systems development and maintenance thereby enhancing their value to the Department.

The above structure will retain existing expertise and will provide a realistic financial system support function for both users as well as management. Reclassification of the above positions must take place prior to the project being commenced to reduce the possibility of officers leaving half-way through the implementation process.

7.4 Justification

The reclassifications of the three existing positions within the Financial Systems Section is justified from both the perspectives of increased responsibilities and in comparison with similar sections in other departments. These will be dealt with separately.

(I) Significant Increase in Responsibility

On 12 August 1985, the Department wrote to the Public Service Board requesting the following reclassifications:-

<u>Current</u>	<u>Requested</u>
Financial Systems Officer (Level 4)	Senior Financial Systems Officer (Level 5)
Assistant Financial Systems Officer (Level 2)	Financial Systems Officer (Level 4)

At this time, the section was responsible for the following systems:-

- General Ledger System
- Revenue and Sundry Debtors System
- Vehicle and Plant Management System (stand-alone).

Both requests were rejected by the Public Service Board. A subsequent appeal succeeded in the Assistant Financial Systems Officer being retitled as Financial Systems Officer and reclassified as Level 3. An appeal against the classification of the Senior Financial Systems Officer was not made by the occupant of the position at that time as he was acting long-term in the position of Sub-Accountant and was subsequently promoted to that position.

The systems the section is responsible for have more than doubled since this time. As stated previously, the section is now responsible for:-

- General Ledger System
- Revenue and Sundry Debtors System
- Vehicle and Plant Management System
(integrated).
- Publications Subscription System
- Budgeting System
- Wages System
- Salary Allocation System

Implementation of the Oracle products will increase this list with an additional five systems making 12 in total. The larger number of systems and consequent interfaces has greatly increased the complexity of the functions performed by the Section.

The Department's decision that the level of responsibility required of the occupants of this section warranted classifications of Levels 5 and 4 back in 1985 (with another Level 2 in the process of being approved) adds support to the argument that the current occupants are underclassified especially in view of the significantly increased responsibility.

(II) Comparisons with Similar Positions

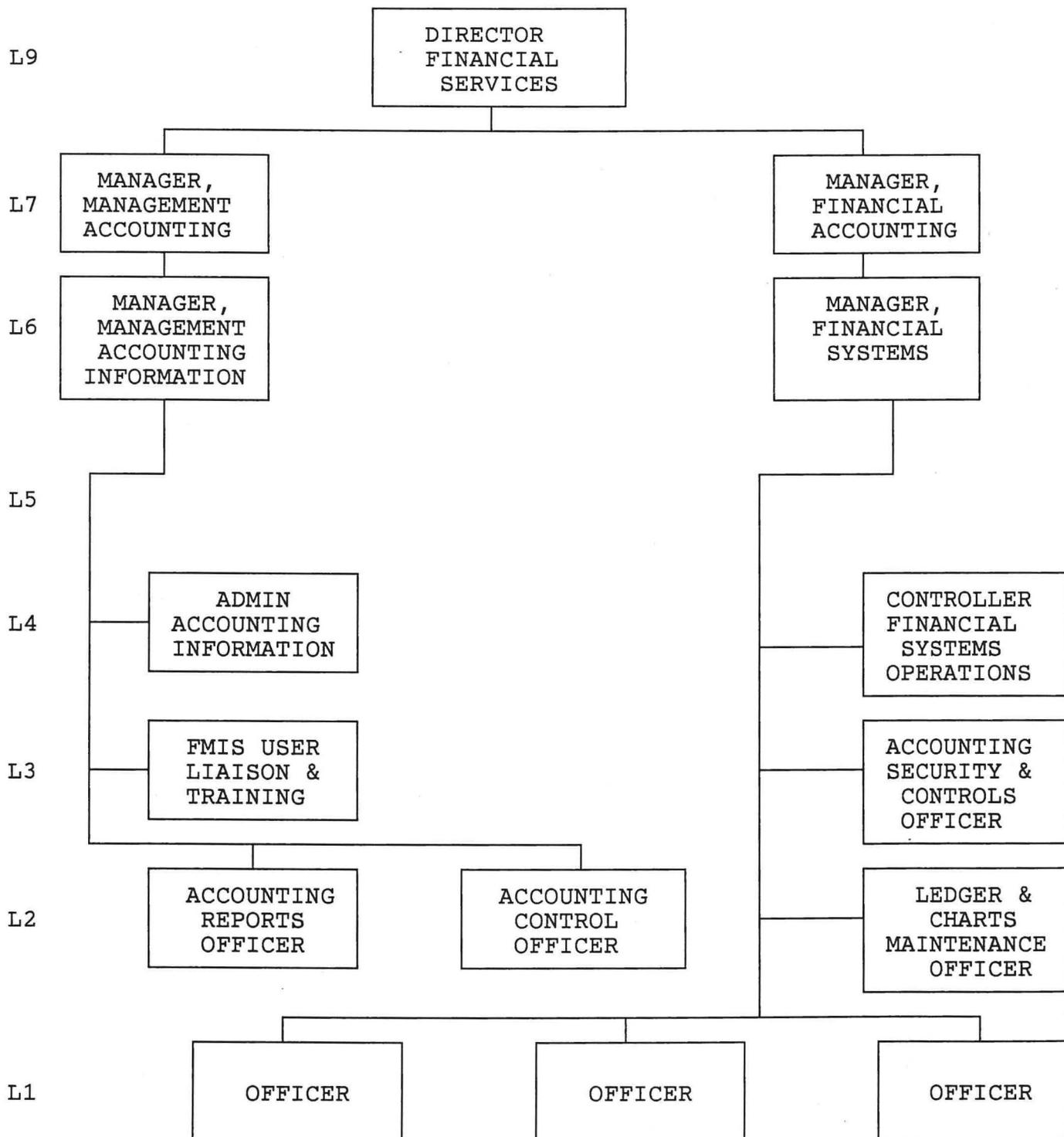
There are not many departments that have developed and implemented as many systems as we have in CALM and so it has been difficult to provide meaningful comparisons.

Probably the nearest equivalent comparable department is the BMA with 1,547 FTE's compared to CALM's 1,449. This Department recently implemented the MSA systems but apparently prior to this, were not as advanced as CALM. The systems currently supported are:-

- General Ledger System
- Accounts Payable System
- Purchase Orders System
- Budgetary Controller

Additionally they have a "Job Costing System" and some form of payroll allocations.

The functions that would be performed by the Financial Systems Section in CALM are performed by two sections at the BMA. These are structured as follows:-



The two sections combined would relate fairly closely to the functions performed by the Financial Systems Section in CALM. An analysis of the BMA positions reveals a structure of 12 positions supporting 6 systems or an average of two staff to support each system.

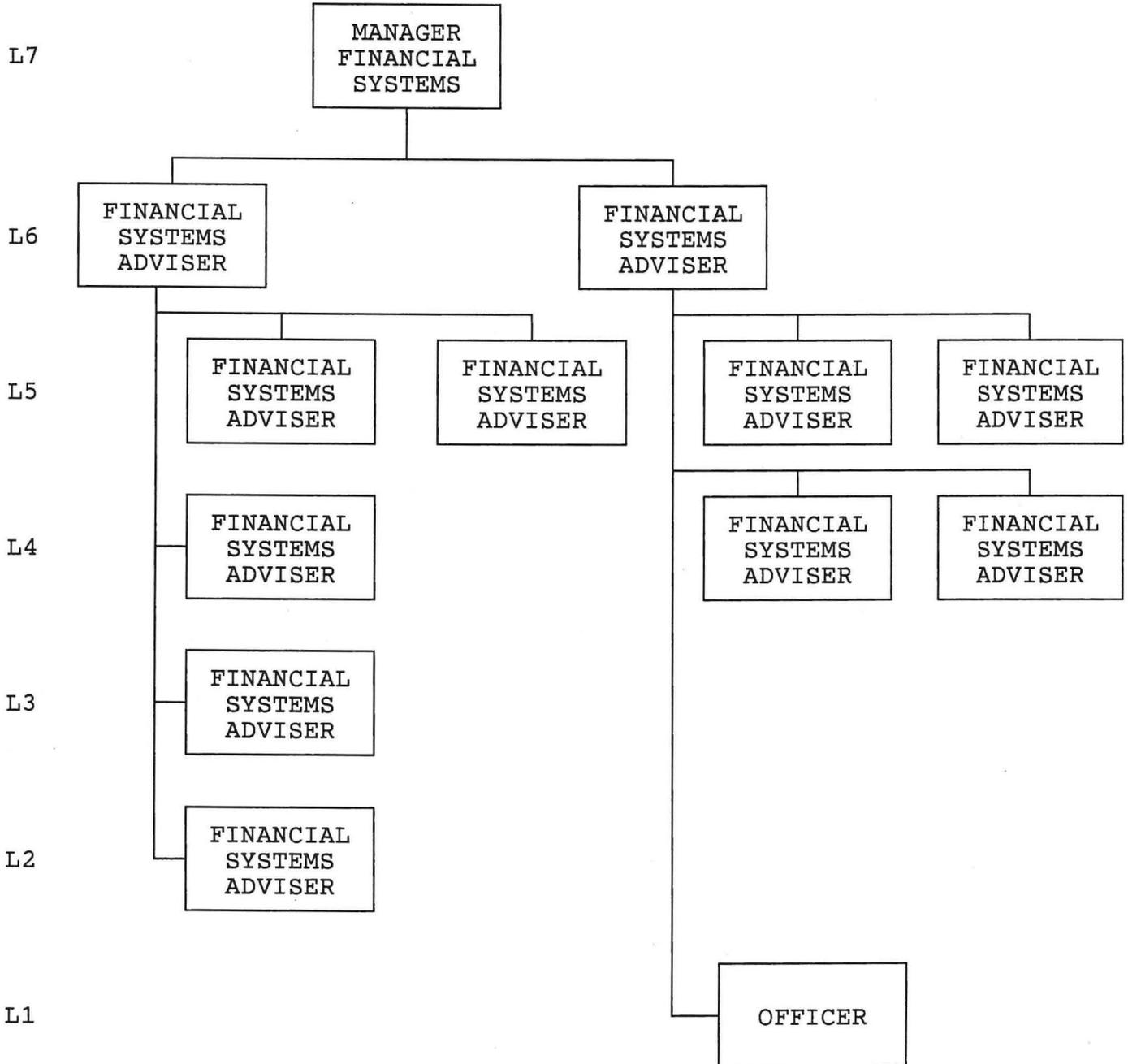
This would appear to be a reasonable average support level as even LOIS (Logging Operations Information System) in CALM is supported by the following two positions:-

User Liaison Officer (Commercial Logging System)	Level 3
Senior System Support Officer	Level 2

As LOIS plays a crucial role in the earning of \$80,000,000 a year, this level of support is easily justified. However the increasingly lean budgets being handed down means that the same level of support needs to be provided for systems that enable expenditure of over \$100,000,000 to be monitored and controlled closely not to mention the system that enables the \$80,000,000 revenue to be collected. As the current structure in Financial Systems is unable to successfully support the existing 7 systems, it will not be able to support 12 systems following Oracle implementation.

When the above algorithm of two staff per system is applied to these systems, it becomes evident that the proposed structure of 6 positions is a modest if not inadequate request.

The proposed structure is extremely conservative when compared with some other Departments. The structure of the Financial Systems Section at Treasury for example is as follows:-



The only two systems that this Section currently supports are General Ledger and Accounts Payable and even these are fairly simple systems in comparison to CALM's interactive, on-line, decentralised systems.

While Treasury have a large user base in that they theoretically provide a support service to all departments, this is not actually the case. For example, Community Services, which is one of their user departments, has its own Financial Systems Section comprising of a Level 6 and a Level 4 and this section provides the bulk of the support. The reason why only two staff are required is that the Department is solely on GAS GL and AP and do not even have their own computer. This is the situation with many of Treasury's larger user departments.

Accordingly, a comparison with other departments, justifies:-

- (a) a much larger Financial Systems structure
- (b) reclassifications of the positions within the Section in line with the level of responsibility.

A proper structure and appropriate classifications will alleviate the problems currently being experienced in the Section as discussed in section 6.

8. SUMMARY

In conclusion, I recommend the following:-

- (i) Retain existing experienced staff by reclassifying all positions immediately. This is especially important in view of the impending Oracle implementation.
- (ii) Staff with an aptitude for and an interest in computer systems should be seconded to the Oracle project teams to work under the leadership of existing Financial Systems Officers.
- (iii) Upon implementation suitable seconded staff should be retained until the additional positions outlined in section 7.3 can be formalised. As discussed previously, sufficient FTE's should be made available from within the Finance Branch as a direct result of the Oracle implementation.

The above steps will enable the Financial Systems Section to continue to effect improvements to and effectively support the Department's computerised financial systems while also performing a management information support function.

The continued success of these systems hinges to a large extent on the key role played by the Financial Systems Section.