Management System for Budgeting, Administrative and Accounting Processes

XVII Meeting on Central Bank Accounting and Budgetary Topics

May 6 - 7 2021
# Table of Contents

1 | Introduction  
2 | Budget Process  
3 | Accounting Process
INTRODUCTION
INTRODUCTION

Objective

To implement the Oracle’s PeopleSoft system for an efficient management of the budget, administrative and accounting processes that support the business.

To adopt the best market practices, and to standardize and manage processes in a dynamic manner for the BCRA to fulfill its duties functions efficiently and effectively, and to make informed decisions on a timely basis.

Reasons

1. Integration of processes and consolidation of information.
2. Unification of data and applications/systems, preventing duplicated uploads.
3. Facilitation of end-to-end monitoring of operations.
4. Reduction of time spent on operational tasks by automatically processing repetitive tasks.
5. Minimization of operational risks.
**Critical Success Factors**

- Support from senior management and commitment from user and technical areas
- Minimization of non essential adaptations and developments
- Active participation of users (requirements, specifications, tests, support)
- Constant and effective communication
- Formal methodology and appropriate planning
**Governance Model**

**Executive Committee**

**PMO**

**Proyect Leader**

**Operating Committee**

**Work Fronts**

**ERP**
- Special Projects

**Systems**
- Growth
- IT Infrastructure

**Adm. and Central Services**
- General Accounting

**Operations**
- Control and Settlement of Operations
- Portfolio Management

**Means of Payment**
- Payment System and Accounts Currents

**Specific Support**

- Adm. and Central Services
  - Service Adm.
  - Human Resources
- Operations
  - Reservations Adm.
  - Operations Market
- Information Security
- Regulations and Procedures
- Change Management
- Internal Audit
- Internal Communications
- Supplier
INTRODUCTION

Management System for Budgeting, Administrative and Accounting Processes

Processes Involved

- Fixed assets
- Budget
- Petty cash
- Settlement and payment
- Travel tickets and allowances
- Supplies
- Accounting
- Procurement

ERP centralized database

Characteristics Features

- Modular
- Prefabricated as per standards
- Integrated
- Parameterizable
- Secure (roles, permissions)
- Traceability

Decentralized functionality Included
<table>
<thead>
<tr>
<th>Id</th>
<th>Process Name</th>
<th>Modules</th>
<th>Process Owner</th>
<th>Decentralized Functionality</th>
</tr>
</thead>
</table>
| 1  | Domestic official missions | Expenses (EX) - Accounts Payable (AP) | General Services Management Office | Domestic travel request  
Domestic travel allowance report |
| 2  | Foreign official missions | Expenses (EX) - Accounts Payable (AP) | Public Relations and Cultural Heritage Management Office | Foreign travel request  
Foreign travel allowance report |
| 3  | Procurement general system | Purchasing (PO) - eProcurement (ePro) - Strategic Sourcing (SS) – eSupplier | Procurement Management Office | Purchase request  
Technical advice  
Receipt of goods and services |
| 4  | Procurement specific system for Training | Purchasing (PO) - eProcurement (ePro) | Human Resources Strategic Planning Management Office | |
| 5  | Procurement specific system Communications | Purchasing (PO) - eProcurement (ePro) | Public Relations and Cultural Heritage Management Office | |
| 6  | Fixed assets management | Fixed Assets (AM) | Accounting Management Office | |
| 7  | Supply of consumer goods and general maintenance materials | Inventory (INV) | General Services Management Office | Office supplies request |
| 8  | Settlements and payments | Accounts Payable (AP) | Budget and Settlement Management Office | |
| 9  | Petty cash | Expenses (EX) | Budget and Settlement Management Office | Petty Cash Request and Report |
| 10 | Accounting | General Ledger (GL) | Accounting Management Office | |
| 11 | Budget | Hyperion - Budget Control (KK) | Budget and Settlement Management Office | Annual Procurement Plan formulation  
- Budget formulation |
BUDGET PROCESS
**Project Phases and Timeline - Budget and Accounting**

**Phase I**
- Inception: 06/2018
- Elaboration
- **Construction**: 06/2018 - 01/2019
- Transition
- **Launch**: 01/2021

**Phase II**
- **Inception**: 01/2019
- Elaboration
- **Construction**: 01/2019 - 08/2019
- Transition: 08/2019
- **Launch**: 01/2021

**Phase I:** It involves the first launch with the implementation of the ERP modules without budget and accounting integration.

**Phase II:** Available since January 1, 2021. In this phase, budget and accounting were integrated with the ERP, along with legacy systems.
Budget Formulation: Before and After

The System’s update enabled to formulate the 2021 budget in a decentralized and remote manner, despite the pandemic.
Management System for Budgeting, Administrative and Accounting Processes

BUDGET PROCESS

APP

ERP Execution and Control

Purchase request
Orders
Receipt of goods and services
MOI – MOE
Payments
Inventory - Catalog

12
Management System for Budgeting, Administrative and Accounting Processes

**Execution**

**Original**
- ERP KK
  - Creation of Purchase Requests

**Preventive**
- ERP - ePRO

**Commitment**
- ERP PO
  - Uploading of Purchase Order

**Accrued**
- ERP AP
  - Uploading of voucher
  - Matching with PO
  - Approval
### Changes in the formulation and execution of the Budget

#### Before ERP

<table>
<thead>
<tr>
<th>FORMULATION:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APP:</strong> individual, unsystematized and separated from formulation task</td>
<td></td>
</tr>
<tr>
<td><strong>Authorization:</strong> can be delegated</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXECUTION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact:</strong> manual uploading</td>
<td></td>
</tr>
<tr>
<td><strong>Accounting and Budgeting System:</strong> without interface. Duplicated tasks</td>
<td></td>
</tr>
</tbody>
</table>

#### After ERP

<table>
<thead>
<tr>
<th>FORMULATION:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>APP:</strong> joint task with expenses formulation</td>
<td></td>
</tr>
<tr>
<td><strong>Authorization:</strong> leading authority</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXECUTION</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact:</strong> automatic</td>
<td></td>
</tr>
<tr>
<td><strong>Accounting and Budgeting System:</strong> integrated, simultaneous impact</td>
<td></td>
</tr>
</tbody>
</table>
Reports and queries in ERP

Some of the queries are about:

• Approved budget appropriation by area and concept
• Balance and movements
• Purchase requests with or without approved orders
• Purchase requests and receipts
• Vouchers
• Book entries by module

Main characteristics of the queries:

• They are more specific
• As a "comprehensive" system, it enables information to be shared regardless of the area generating the data: purchase requests, receipts, vouchers, among others, can be accessed from the budget module
• The "traceability" of transactions enables following the course of a procedure at all times
ACCOUNTING PROCESS
Implementation Process

- **Starting date: June 2018**
  - Analysis of process map and book entries

- **2019**
  - Adaptation of legacy software
  - Chart of accounts readaptation
  - Accounting routines readaptation
  - Reports definition
  - User training
  - User tests

- **2020**
  - Rescheduling caused by COVID19 and delays in modules implementations
  - Concluding user tests
  - Test with legacy operations
  - Balance sheet tests
  - Economical and accounting report tests
  - Pre-productive Parallel

- **2021**
  - GO LIVE
  - Post-productive Parallel
COVID CONTINGENCY – Since April 2020 all the staff engaged in this Project has been working remotely

1. Before COVID-19:

   • The project—expected to be launched on January 4th, 2020—, was critically delayed due to Reconciliations and Revaluations Gaps. This affected the progress of related tasks, such as ERP Reports/Datawarehouse, users tests and balance sheet tests.

   • Members of the accounting area got involved in the Budget module for its launch

2. During COVID-19:

   • Concluded Functional and Unitary Tests (both with delay)
   • Concluded Users Tests
   • Tested Revaluations, Reconciliations and Reports Gaps in Datawarehouse and in ERP
   • Tested daily transactions and balance sheet
   • Concluded pre- productive parallel – GO LIVE!
ACCOUNTING PROCESS

Management System for Budgeting, Administrative and Accounting Processes

Unitary Tests

Functional Tests

Users Acceptance Tests

Balance sheet Tests – Pre productive Parallel

Software supplier

Special Projects Area and Accounting Area

Accounting Area and diverse operational areas

Accounting Area and Special Projects Area

Testing Phases

Go Live
**INTEGRATIONS**
- Running daily master data integrations from Legacy Systems.
- Monitoring master data and accounting keys
- Executing the integration schedule
- Monitoring and execution results
- Uploading book entries manually
- Documenting the result of integrations (Comparative SIABAN)
- Reporting and managing incidents
- Providing control data to PMO

**REVALUATION**
- Validating uploads of exchange rates and securities
- Running the revaluation process
- Controlling the revaluation process
- Making lists and reports
- Reporting and managing incidents

**CONTROLS AT THE END OF THE DAY**
- Controlling balances
- Issuing daily balance and income statements
- Reporting and managing incidents
- Closing of accounting periods
- Making a backup at the end of a working day
- Deciding on Go-no Go activities for the following day

---

**STAGE 1**

**STAGE 2**

**STAGE 3**
### Changes after ERP

<table>
<thead>
<tr>
<th>BEFORE ERP</th>
<th>FROM ERP</th>
</tr>
</thead>
<tbody>
<tr>
<td>The accounting system was not integrated with the budget or the inventory</td>
<td>The accounting system is integrated with the budget system, the fixed asset inventory and other ERP modules</td>
</tr>
<tr>
<td>The accounting system was developed in an old-fashioned language which</td>
<td>All Legacy Systems could be integrated with ERP for being a world class system</td>
</tr>
<tr>
<td>prevented new developments and integrations with legacy systems</td>
<td>The accounting system provides information on the general ledger account, and the Datawarehouse includes detailed information</td>
</tr>
<tr>
<td>The accounting system included data down to the last detail</td>
<td>A current accounts system was developed</td>
</tr>
<tr>
<td>The accounting system included the management of bank's current accounts</td>
<td></td>
</tr>
</tbody>
</table>
## Automated Reporting

<table>
<thead>
<tr>
<th>ERP Reports</th>
<th>Datawarehouse Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Balance sheet with tables and annexes</td>
<td>International Reserves Position</td>
</tr>
<tr>
<td>Daily and weekly Balance sheets</td>
<td>Advance on daily information related to changes in international reserves and monetary base</td>
</tr>
<tr>
<td>Daily and weekly Income statements</td>
<td>Daily equity changes by item</td>
</tr>
<tr>
<td>Cash Flow statement</td>
<td>Assets and liabilities in foreign currency</td>
</tr>
<tr>
<td></td>
<td>Position by counterparty</td>
</tr>
<tr>
<td></td>
<td>Account statements</td>
</tr>
<tr>
<td></td>
<td>Inventory</td>
</tr>
</tbody>
</table>
Thank you!