

INTEGRATED FINANCIAL MANAGEMENT INFORMATION SYSTEM (IFMIS) FOR MALAWI

Main Goal

The main purpose of implementing IFMIS is to improve financial management in Government.

Specifically, the objectives of implementing IFMIS are to:

- Control over expenditure in Government;
- Produce timely financial reports;
- Enhance transparency and accountability in government.

To achieve this goal Government of Malawi (GoM) is implementing 2 IFMIS applications: one for Central Government and the other for Local Government.

Central Government IFMIS

GoM started Central Government IFMIS implementation since the mid- nineties. Originally, an attempt was made to set up the system using the application software package CODA Financials. However, it was noted that CODA Financials would not be able to support the Government's requirements.

A decision was made to replace the system and GoM adopted EPICOR based IFMIS which was then being used by the Tanzanian Government.

With technical support from Soft Tech Consultants Limited, Epicor version 7.2 was acquired and customized in 2005. The version was later upgraded to Epicor 7.3.5 in 2008. Government has been implementing IFMIS using this version to date.

The following modules were purchased and implemented:

- (i) System Manager
- (ii) General Ledger with FRX Report Writer
- (iii) Accounts Payable
- (iv) Accounts Receivable
- (v) Purchase Order
- (vi) Cash Management including Consolidated Reconciliation
- (vii) Multi-Currency Management

- (viii) Exchequer System
- (ix) Commitment Control
- (x) Revenue Receipting and Accounting System
- (xi) Active Planner

Currently, the system has been implemented and rolled out to 56 Ministries, Departments and Agencies (MDAs), also known as votes.

New IFMIS for Central Government

GoM noted that the current version of Epicor is old and is not meeting the changing needs and requirements for improved financial management. GoM, therefore started the procurement of a new IFMIS platform since 2013.

The process started with a Business Process Re-engineering that resulted in the definition of functional and non-functional requirements for a new IFMIS.

Secondly, a rigorous International Competitive Bidding (ICB) process using World Bank procedures was done with an advertisement inviting for bids. Currently GoM is currently finalizing the evaluation process in order to award a contract to a successful bidder.

GoM plans to have a new IFMIS platform operational from 1 July, 2019.

Managing Current IFMIS for Central Government

Government shall continue using the current IFMIS platform until a new IFMIS is operational. In order to ensure that the current IFMIS remains operational, a number of strategies have been implemented and some are in pipeline. Some of the interventions are as follows, GoM:

1. Has developed an IFMIS Protocol;
2. Has institutionalized daily reconciliation;
3. Has set up a pre-audit function;
4. Has revived the Disaster Recovery Site (DRS). Currently IFMIS information is being replicated at an offsite;

5. Has implemented continuous monitoring of IFMIS transactions through the implementation of Audit Command Language (ACL) data analytics software;
6. Has upgraded the Government Wide Area Network (GWAN) at Capital Hill by installing new fiber cables and network equipment;
7. Has operationalized the Multi-Currency functionality in IFMIS;
8. Started paying salaries through Electronic Funds Transfer (EFT);
9. Recently conducted several end user training in IFMIS;
10. Is finalizing the interface between Human Resources management Information System (HRMIS) and IFMIS;
11. Is finalizing the interface between Local Government IFMIS and Central Government IFMIS.

GoM has the following immediate plans for current IFMIS:

1. Rolling out GoM payments through EFT;
2. Improve data replication by introducing replication at virtual machine level using VEEAM.

Local Government IFMIS

Further to Central IFMIS, GoM started implementing IFMIS for Local Government since 2008.

Government adopted Microsoft Dynamics (NAV) 2009 R2 Enterprise Resource Planning (ERP) application for Local Government. With technical support from Technobrain Limited, a phased implementation approach was adopted. The phases were:

- Phase One- Piloting Phase covered 5 Councils
- Phase two- Covered 12 Councils
- Phase three- Covered 5 Councils
- Phase Four- Covered 5 Councils
- Phase Five-Covered 8 Councils

Currently the system has been fully implemented in 35 councils and is technically managed by the National Local Government Finance Committee (NLGFC) which is mandated to ensure effective financial management and accountability of Local

Governments while the Accountant General's Department has an oversight role on the overall system management.

The following modules were purchased and implemented:

- (i) General Ledger
- (ii) Procurement
- (iii) Accounts Payable
- (iv) Accounts Receivable
- (v) Stores Management
- (vi) Revenue Management
- (vii) Fixed assets Management
- (viii) Cash Management
- (ix) Fleet Management
- (x) Approvals and Workflow
- (xi) Property Management
- (xii) Project Management
- (xiii) Reports**

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