

FINAL REPORT

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Subject: CYPRESS© Finance Transformation Final Report

Activity: Finance Transformation Assessment and PFM Action Planning –
Government of Jamaica Ministry of Finance and Planning

Scope and Summary of Activity

The Finance Transformation Assessment and PFM Action Planning activity was designed and deployed to enable the Government of Jamaica's (GOJ's) Ministry of Finance and Planning (MoFP) to assess its operating model and identify areas where it may increase its overall capability to manage the Public Financial Management (PFM) Reform agenda. Additionally, the Finance Transformation Assessment enabled MoFP Leadership and Management to develop specific near-term, medium-term, and long-term actions that will enable the organization to achieve its operational and strategic objectives – both internal to the MoFP and as an agent of transformation across the GOJ.

Building upon the activities completed through the PFM Sustainable Learning Transformation (SLT) Capacity Development program, Deloitte's Finance Transformation Team (FT Team) coordinated and delivered collaborative workshops and provided repeatable tools to enable the MoFP to examine its operating model and key business processes of the Corporate Services Programme (CSP), Financial Management Programme (FMP), Economic Management Programme (EMP) and the Strategic Human Resources Division (SHRM). Central to these evaluative activities was the need to improve the efficiency, effectiveness and quality of service delivery to citizens, and business partnerships with the other Ministries, Departments and Agencies (MDAs) of the GOJ. The Assessment focused on how MoFP staff, key processes, and technology are organized to support its core "mission" and organizational objectives. The Assessment also supported the broader GOJ PFM Reform effort by helping to clarify the roles and responsibilities between MDAs in the performance of key PFM activities, including improved collaboration and knowledge exchange, clarification of the role and use of technology, identification of customer service improvement opportunities, and enhanced decision making and prioritization regarding capacity development and reform action planning.

The FT Team – in partnership with MoFP stakeholders and staff – identified ways to align organizational activities to standardize PFM processes and better support the objectives of the PFM Reform Action Plan (RAP)¹. Operational areas were reviewed and process improvements were identified to capture efficiencies in core work activities and maximize productivity while elevating the role of the MoFP to focus on government-wide strategic objectives of the PFM reform agenda, including the implementation of results based budgeting across the GOJ.

The result of the Transformation Program was the creation of a portfolio of sequenced projects, developed and owned by the MoFP, aimed at improving core finance operational areas one-by-one over time. Beginning with a benchmarking self-assessment, utilizing customized CYPRESS² workshops and ending with the launch of reform initiatives, the Transformation Program allowed the MoFP staff and stakeholders to identify, discuss, and prioritize areas of immediate, medium, and longer-term organizational improvements directly impacting PFM reform activities.

The FT Team guided the MoFP through a self-assessment of its core functional area: EMP, FMP, CSP and SHRM. This assessment positioned the MoFP to lead, define, and ultimately own its transformation, and the transformation efforts across the GOJ. The FT Team used Deloitte's Capacity, Performance, Results, Sustainability (CYPRESS²) Maturity Model Benchmarking Tool (MMBT) to provide exposure to mature processes of other central finance organizations and an analysis of how these processes are organized based on functionality and capability to achieve organizational objectives. The MMBT is used to help an organization define its current state across 11 core functional areas, or domains, and sub-areas, or parameters, on a continuum from basic to leading edge. With each level, domain, and parameter on the continuum, benchmarks are defined based on the level of functionality desired by the organization.

Through the maturity assessment and guided exercises, the MoFP determined its current organizational health, identified a sequenced list of reform action items and developed a milestone-driven roadmap for transformation with recommendations for immediate, medium, and long-term sustainable performance improvement that will enable the MoFP to lead government-wide transformation.

¹ The PFM Reform Action Plan specifies time-bound activities to improve the MoFP's core PFM functions related directly to two of the GOJ's PFM reform initiatives to: 1) improve financial compliance and establish fiscal control and 2) ensure macroeconomic stability and sustainability.

² Deloitte's Capacity, Performance, Results, Sustainability (CYPRESS) performance-based capacity development delivery framework shifts the traditional focus of capacity development from the technical assistance provider to the counterpart. CYPRESS is a five-step cyclical process, self-reinforcing process of improvement that empowers counterparts to achieve and sustain measurable performance improvement. It enables counterparts to own and lead their performance year-to-year.

Sequence of Activities

The sections below summarize the activities, outcomes and work products coordinated with the MoFP through seven in-country missions undertaken by the FT Team:

Trip 1: September 22, 2014 – October 3, 2014

1. Introduction and Objective

The FT Team held a kick-off meeting with the CYPRESS© Leadership Committee (CLC) to introduce the planned approach to Finance Transformation and obtain the CLC's feedback on the approach, overall objectives, and identify other areas the team should consider for the project. In coordination with the CLC, The FT Team worked with the Corporate Services Division (CSD) to perform a current state operating model assessment and set the ground work for subsequent trips.

2. Synopsis of Key Tasks/Activities

During the course of the first trip, the FT Team undertook the following activities:

- Conducted kickoff meeting with the CLC
- Developed communications tools to convey the kick-off of the CYPRESS© engagement to Ministry personnel
- Interviewed Unit Heads from CSD to develop a current state operating model for CSP including Human Resources, the Strategic Organizational Development Branch, Strategic Planning, Property, Transport, Communications/Public Relations, Information Systems and Documentation
- Conducted follow up CLC meeting to review progress, project direction, dates for next trip in-country, and immediate next steps
- Conducted out-brief with USAID and met with U.S. Treasury Personnel

3. Outcomes

- Established working relationships with Ministry leadership and in-country USAID counterparts
- Developed draft current state operating model and process taxonomy for CSD
- Identified next steps for future trips with CLC
- Developed a future state organization structure for CSD and presented to DFS and CLC

The FT Team introduced the concept of Finance Transformation to the CLC and gained buy-in to initiate the assessment with the CSD. The FT Team met with CSD leadership and staff to sensitize them to the transformation methodology and begin documenting CSD's organizational structure and observations on the reforms. The Team presented initial CSD findings to the CLC at the close of the trip and gained traction with the Finance Transformation methodology and senior stakeholders within the MoFP.

4. Tools and Techniques

The FT Team utilized the following tools and techniques:

- Service Delivery Framework (tool)
- Process Taxonomy (tool)
- In-Person Interviews (technique)
- Facilitated Workshop (technique)

5. Key Outputs

- CLC Kickoff Presentation
- Communications tool/messages
- CSD Draft Process Taxonomy
- CSD Draft Service Delivery Operating Model Assessment
- CLC Closeout Presentation

Trip 2: October 27, 2014 – November 6, 2014

1. Introduction and Objective

Building upon work completed in the first site visit to the MoFP, the FT Team continued to work with stakeholders in the CSP and establish relationships with leadership in the FMP to perform a current state operating model assessment. This trip served as the team's initial exposure to the FMP, which manages technical aspects of the MoFP on which the PFM RAP is based and executed.

2. Synopsis of Key Tasks/Activities

During the course of the third trip the FT Team undertook the following activities:

- Conducted interviews with Unit Heads from IAU, Legal and F&A, and performed analysis to complete the current state operating model assessment for CSP
- Conducted meetings with DFS, identified leadership to discuss current state findings and insights, and conducted a workshop with CSD leadership to prioritize initiatives
- Developed recommendations for the CSD organization structure and alignment
- Initiated current state operating model assessment with the FMP
- Conducted initial meetings with DFS' and Unit Heads in PEX, PED and PXPC to initiate development of current state operating model assessment
- Conducted CLC Closeout Meeting
- Conducted out-brief with USAID

3. Outcomes

- Completed current state service delivery model for CSP
- Drafted current state process taxonomy and conducted a current state operating model assessment for divisions and branches interviewed within the FMP
- Developed future state organization structure for CSD and presented to DFS and CLC
- Developed implementation plans for six key transformation and reform initiatives based on analysis of best practices
- Developed FMP Transformation Pipeline

While the Team met with some initial resistance over specific CSD recommendations, additional, focused working sessions led to alignment among CSD leadership regarding the priorities, focus areas and objectives of the transformation effort (both internal to the CSP and as an important partner to the broader MoFP transformation agenda). The Team also held introductory meetings with the FMP and quickly secured engagement and sponsorship from Division Leadership and Unit Management. Constructive working relationships with both the DFS and the Unit Heads developed quickly, allowing for candid and productive interviews in the development of the Draft Process Taxonomy and Current State Operating Model Assessment.

4. Tools and Techniques

The FT Team utilized the following tools and techniques:

- Service Delivery Framework (tool)
- Process Taxonomy (tool)
- In-Person Interviews (technique)
- Facilitated Workshop (technique)

5. Key Outputs

- CSP Draft Process Taxonomy
- Final CSP Current State Operating Model Assessment
- FMP Draft Process Taxonomy
- FMP Draft Current State Operating Model Assessment

Trip 3: December 1, 2014 – December 12, 2014

1. Introduction and Objective

Building upon work completed in the second site visit to the MoFP, the FT Team continued working with stakeholders in the CSP to populate initiative templates, continued working with stakeholders in FMP to review and sequence PFM RAP initiatives, and establish relationships with stakeholders in the EMP and SHRM. This trip served as the team's initial exposure to the EMP and SHRM.

2. Synopsis of Key Tasks/Activities

During the course of the third trip the FT Team undertook the following activities:

- Developed project information templates solidifying an action plan to enable CSD to demonstrate progress and identify challenges upfront in the transformation process
- Conducted meetings with individual PED and PXPC Unit Heads to review specific PFM RAP initiatives. Utilizing interview input, source material and Deloitte subject matter expertise, the team developed a risk/value assessment, change impact assessment, initiative project plans and PFM RAP initiative pipeline covering the six key transformation initiatives
- Conducted initial meeting with DFS' for EMP and individual meetings with EMP Unit Heads to perform current state analysis
- Held introductory meeting with SHRM DFS to provide an overview of the Finance Transformation effort ongoing in the other areas of the MoFP
- Conducted closeout meeting with CLC
- Conducted out-brief with USAID

3. Outcomes

- Developed a current state process taxonomy for the EMP
- Developed proposed implementation plans for six key transformation and reform initiatives aligned to Jamaica Vision 2030, the MoFP 2013 Strategic Review, the MOFP and GOJ Transformation Plan and the PFM RAP

The FT Team worked with the FMP Unit Heads primarily responsible for PFM RAP activities to develop a comprehensive sequencing of initiatives, based on multistep analysis, further solidifying the close working relationship with MoFP leadership and Unit Heads in FMP. This activity was pivotal in that it marked the transition from reliance on an un-sequenced list of reform mandates, to a, sequenced and actionable set of activities defined to realize

transformation outcomes. This enhanced perspective on the PFM RAP promoted clarity and transparency across the leadership and management team and set the stage for more strategic management discussions regarding prioritization, attribution of responsibility for key initiatives, and the business partnerships that would need to be cultivated in order to execute the plan to success. The Team also held initial meetings with EMP and SHRM leadership to sensitize key leadership to the Finance Transformation approach in preparation for unit level meetings during the subsequent trips.

4. Tools and Techniques

The FT Team utilized the following tools and techniques:

- Service Delivery Framework (tool)
- Portfolio Management Approach (technique)
- Process Taxonomy (tool)
- In-Person Interviews (technique)
- Risk/Value Assessment (tool)
- Change Impact Assessment (tool)
- Project Planning Template (tool)

5. Key Outputs

- EMP Draft Process Taxonomy
- EMP Draft Current State Service Delivery Model
- Draft Transformation and Reform Initiatives Implementation Plan and Initiative Pipeline

Trip 4: January 4, 2015 – January 15, 2015

1. Introduction and Objective

Building upon work completed in the third site visit to the MoFP, the Finance Transformation Team held workshops with FMP DFS and Unit Heads to review and validate the portfolio approach for each FMP Division (except PEX) and update the FMP transformation initiatives, continued working with stakeholders in the CSP to populate initiative templates and finalized the scope of the SHRM current state operating model assessment.

2. Synopsis of Key Tasks/Activities

During the course of the fourth trip the FT Team undertook the following activities:

- Facilitated meeting with CSD DFS and Unit Heads to present future state organization design proposal and introduce the initiative templates
- Completed initiative templates for every CSD initiative, through interviews with Unit Heads and key MoFP staff
- Completed development of FMP initiative evaluation and sequencing
- Conducted meetings with PED, PXP and PEX DFS to review current state service delivery models
- Facilitated meeting with SHRM DFS to provide an overview of the service delivery assessment and develop a strategy for employing it in future trips with SHRM
- Conducted closeout meeting with CLC
- Conducted out-brief with USAID

3. Outcomes

- Developed a current state operating model assessment for the FMP
- Developed current state process taxonomy for the EMP
- Reviewed and refined implementation plans for six key transformation and reform initiatives aligned to Jamaica Vision 2030, the MoFP 2013 Strategic Review, the MoFP

and GOJ Transformation Plan and the PFM RAP based on interviews with Division and Branch Staff

The Team held meetings with FMP Divisions to review current state findings and initiative sequencing. FMP Division leadership and staff received the findings and actively participated in the sessions throughout the trip and worked together to develop and gain consensus on an updated version of the PFM RAP. These developments facilitated a successful presentation to the CLC regarding the prioritization of reform and transformation initiatives, the interdependency among them, and the timelines and resource requirements to execute the various subcomponents. MoFP executive leadership approved the refined plan and encouraged the FMP leadership to move forward, while proliferating the updated priorities and responsible parties to Division and Unit staff.

4. Tools and Techniques

The FT Team utilized the following tools and techniques:

- Service Delivery Framework (tool)
- Portfolio Management Approach (technique)
- Process Taxonomy (tool)
- In-Person Interviews (technique)
- Risk/Value Assessment (tool)
- Change Impact Assessment (tool)
- Project Planning Template (tool)

5. Key Outputs

- Final EMP Process Taxonomy
- Final EMP Current State Service Delivery Model
- Implementation plans for six key transformation and reform initiatives based on analysis of best practices

Trip 5: February 23, 2014 – March 6, 2015

1. Introduction and Objective

Building upon work completed in the fourth site visit to the MoFP, the FT Team reviewed the CSD reorganization proposal and provided comments and observations on CSD future state planning, addressed potential organizational realignment issues through the development of MoFP capability maps and the functional alignments, engaged PXPC and PEX regarding the realignment of the Executive Agency Monitoring Unit and developed a current state operating model assessment for SHRM.

2. Synopsis of Key Tasks/Activities

During the course of the fourth trip the FT Team undertook the following activities:

- Conducted current state operating model assessment for SHRM
- Conducted meeting with SHRM DFS to present initial findings of the taxonomy and current state assessment
- Developed observations and recommendations for the CSD reorganization proposal and reviewed with Leadership to capture additional insights
- Developed and presented MoFP capability maps, based on the 2013 Strategic Review, to the DG and FS to visually depict proposed changes to the current MoFP organization
- Conducted sensitization sessions with MoFP DFS to review current state operating model assessments and next steps to validate inputs and plan for future state activities

- Conducted meetings with PXPC DFS and EAMU Unit Head to discuss EAMU realignment
- Conducted closeout meeting with CLC
- Conducted out-brief with USAID

3. Outcomes

- Developed and presented SHRM current state operating model assessment and current state process taxonomy
- Developed recommendations for CSD realignment and implementation
- Increased awareness and commitment from DFSs to complete initiative templates for prioritization effort

Utilizing the current state operating model assessments and the 2013 Strategic Review, the FT Team presented a capabilities assessment to the Director General. The analysis was well received and demonstrated the size and scope of Ministry realignment required to attain the vision laid out in the report. In particular this activity was made possible through the creation of the capability maps and functional alignments, which enabled senior leadership to consider the particular form (workforce and organizational model/ business process and service delivery/ technology) and depth of capability gaps or other impediments to successfully executing the PFM RAP. The capability assessment also helped focus leadership on developing increased capacity in targeted areas in preparation for future transformation. The team also worked closely with PXPC and PEX to verify the recommendation to realign the Executive Agency Monitoring Unit under PED, based on the Strategic Review, and assisted in a migration strategy. In support of MoFP Senior Leadership goals of extending the benefits of the MoFP transformation to the broader GOJ, the team developed a current state operating model assessment for SHRM focused on orienting its service delivery to the processes that would best benefit other line Ministries and stakeholders. The team delivered the results of the SHRM current state operating model assessment and received strong support and engagement from the DFS. The Team encountered some dissonance from CSD leadership regarding particular restructuring recommendations due to an associated reduction of senior positions.

4. Tools and Techniques

The FT Team utilized the following tools and techniques:

- Service Delivery Framework (tool)
- Process Taxonomy (tool)
- In-Person Interviews (technique)
- Capability Maps (tool)

5. Key Outputs

- Draft SHRM Process Taxonomy
- Draft SHRM Current State Operating Model Assessment
- Final CSP Process Taxonomy
- Final FMP Process Taxonomy
- Final FMP Current State Operating Model Assessment

Trip 6: April 20, 2015 – April 24, 2015

1. Introduction and Objective

Building upon work completed in the fifth site visit to the MoFP, the Finance Transformation Team defined final outputs of CYPRESS Finance Transformation and made actionable

progress against PFM and Organizational objectives. The Team obtained agreement on workshop agenda, secured DFS and staff participation and agreed upon a schedule with dates for final workshops, and collaborated with PMO and appropriate MoFP personnel to ensure efforts were in alignment and begin to transfer knowledge to PMO.

2. Synopsis of Key Tasks/Activities

During the course of the trip, the Deputy Team Lead undertook the following activities:

- Clarified objectives and scope for final workshops with FMP and EMP.
- Met with PEX, PED and PXPC Divisions to secure participation in upcoming workshops
- Completed project templates, working with the PMO to identify an appropriate format
- Reviewed Current State Capability Maps, building upon taxonomy, 2x2 and incorporating operating model considerations – inputs, outputs, technology

3. Outcomes

- Agreed upon scope and objectives of MoFP Workshops
- Secured participation at DFS level for workshop and workshop preparation
- Developed agenda, activities and schedule final CYPRESS© FT workshops

During this brief one-week mission, the Deputy Team Lead fostered strong buy-in from MoFP leadership and FMP Division Directors on the direction of the final workshop to identify the future state operating model and conduct a maturity assessment. Participation was secured by Leadership and staff and an aggressive schedule of 10 intensive, cross functional workshops was established and coordinated in collaboration with the CLC, the PMO, and Leadership from the Divisions and Units alike.

4. Tools and Techniques

The FT Team utilized the following tools and techniques:

- Service Delivery Framework (tool)
- In-Person Interviews (technique)
- Process Taxonomy (tool)

Trip 7: June 1, 2015 – June 19, 2015

1. Introduction and Objective

The FT Team delivered the capstone exercise for Finance Transformation with the FMP with the goal to confirm the current state maturity, identify future state maturity, determine key implementation considerations and develop an implementation timeline for the Division. The FT Team utilized FMP transformation initiative templates and conducted the capstone exercise through 10 working sessions over two weeks, culminating in a final closeout meeting with the Financial Secretary, Director General and Deputy Financial Secretaries.

2. Synopsis of Key Tasks/Activities

During the course of the seventh trip the FT Team undertook the following activities:

- Conducted meetings with individual PED and PXPC Unit Heads to review and populate transformation initiative templates
- Conducted coordination meetings with the MoFP PMO to establish a smooth transition in to the implementation phase of transformation

- Conducted current state and future state maturity model sessions with PEX, PED and PXPC Divisions to develop maturity models
- Conducted PMO and FT Team workshops to develop a roadmap and change management plan for PEX, PED and PXPC Divisions

3. Outcomes

- Defined current state capabilities for FMP Divisions
- Developed desired future state capabilities for FMP Divisions
- Developed FM Division project plans for all ongoing and planned initiatives to enable chartering and tracking of key transformation activities
- Developed implementation roadmap for FM Divisions and an understanding of key challenges and interdependencies

The final three week trip included rigorous engagement with FMP unit heads to complete the transformation initiative templates that would be used to guide the facilitation of the final two weeks of workshops. FMP staff were very engaged in the activity and this carried over into week two with highly engaged and informative future state and maturity model sessions. The strong participation continued in week three when the Team facilitated workshops to surface key implementation considerations and collaboratively developed a transformation roadmap for the implementation that was presented to an enthusiastic CLC in a successful project closeout meeting. The concluding activities provided the MoFP with detailed action plans for each of the reform focus areas, along with the suite of tools and techniques that the organization can continue to use (and reuse) as a component of its management and leadership of the reform and transformation agenda.

4. Tools and Techniques

The FT Team utilized the following tools and techniques:

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| • Process Taxonomy (tool) | • Maturity Model Workshops (technique) |
| • Division-wide initiative meetings (technique) | • Maturity Assessment (tool) |
| • Project Planning Template (tool) | |

5. Key Outputs

- Current State Maturity Assessments for FM Divisions
- Future State Maturity Assessments for FM Divisions
- Milestone Driven Implementation Roadmap for FM Divisions
- FM Division project plans for all ongoing and planned initiatives

Deliverables and Dates

Deliverables	Status
Leadership Committee Charter	Complete – September 2014
Final Work Plan (including scope)	Complete – September 2014
Preliminary Reform Recommendations	Complete – January 2015
Process Taxonomy and Workforce Analysis for in-scope Programmes ³	Complete – February 2015
Current State Operating Model for in-scope Programmes	Complete - February 2015
Service Delivery Vision for in-scope Programmes	Complete – February 2015
Service Delivery Assessment Results for in-scope Programmes	Complete – February 2015
Maturity Assessment Project Plan for FMP	Complete – May 2015
Future State Operating Model for FMP	Complete – June 2015
Current and Future State Maturity Data (FMP)	Complete – June 2015
Maturity Assessment and Gap Analysis Results (FMP)	Complete – June 2015
Reform Work Plan	Complete – June 2015
Reform Implementation Roadmap	Complete – June 2015

³ In-scope Programmes were determined over the course of the engagement and include the Financial Management Programme, Economic Management Programme, Corporate Services Programme and the Strategic Human Resources Management Division. Taxonomies, current state services delivery models and visioning sessions were held for all of the above mentioned Programmes. A future state service delivery model and maturity assessment were conducted for the Financial Management Program.