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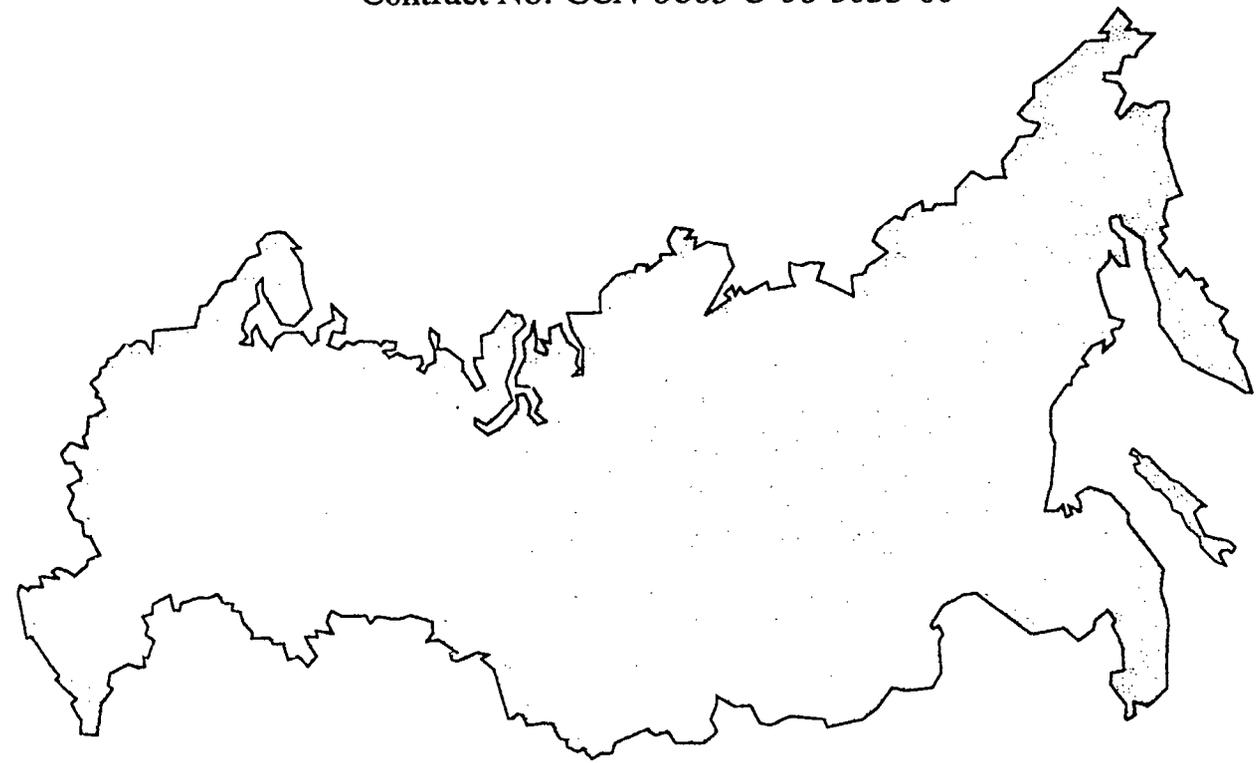
Voucher Clearing System

Final Report

Prepared for



Contract No. CCN-0005-C-00-3053-00



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international**

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Voucher Clearing System

Final Report

Under the conditions of contract CCN-0005-C-00-3053-00 with AID for the first phase of the Voucher Clearing project, Deloitte & Touche submits its final progress report:

1. Original Objective

The objective of the Voucher Clearing project was to implement Regional Depository Centers (RDCs) in selected regions within the Russian Federation. Following the pilot implementations at four sites, eight more sites were selected for the roll-out phase. A revision to the plan then added a further eight sites, making twenty in total.

2. Terms of Reference

These are best described by listing the main activities carried out during the project.

2.1 Hardware Procurement

Work undertaken under this heading included:

- Hardware and operating system specification;
- Equipment supplier evaluation and selection;
- Detailing the equipment orders;
- Negotiating the supplier contract and monitoring supplier payment;
- Ensuring customs clearance;
- Arranging delivery to sites
- Reconciling orders against deliveries and maintaining an equipment inventory.

2.2 Pilot Site Implementations

For the four pilot RDC sites of Moscow, Perm, Novosibirsk and St. Petersburg, as well as the Moscow Hub, the many tasks included:

- Developing several agreements to cover the involvement of the main participants such as the Local Property Funds, the RDCs, Cash Union, GKI as well as Deloitte and Touche;
- Development of operational and accounting policies and procedures;
- Installation of hardware and software;

- Training of staff;
- Monitoring and evaluation of the pilot operations.

2.3 *Roll-out to Other Sites*

For the remainder of the sites, the tasks included:

- Preparing a roll-out plan and documenting the roll-out procedures;
- Refining the model agreements;
- Organizing seminars for prospective RDCs;
- Identifying candidate RDC sites, paying visits, evaluating and recruiting RDCs;
- Ensuring the signing and distribution of the bilateral and multilateral agreements;
- Installing hardware and software, training RDC staff and supplying procedural and system documents;
- Arranging for the installation telecommunications network links with Spring (and subsequently Iskra) via the Ian Freed Consultancy;
- Conducting post-implementation reviews of selected sites and documenting findings from all visits.

2.4 *Central Support*

In order to carry-out the above program of work, numerous technical and administrative tasks were necessary. Carried out by our central support team, these included:

- Development of specifications for the messaging, accounting and electronic mail systems;
- Acceptance testing and issuing new releases of software;
- Recommending on-going help-desk/support arrangements, to be carried out by Cash Union;
- Training the RDC roll-out recruitment and implementation teams;
- Dealing with RDC queries/operational problems;

- Verifying and progressing project expense payments to the pilot RDC sites and Cash Union;
- Making travel and accommodation arrangements for site recruitment and implementation visits;
- Copying and filing all relevant project documentation;
- Monitoring budgets and monthly reporting of progress.

3. Achievements

3.1 Overview

The Voucher Clearing and Settlement project has achieved its main objective of implementing an effective and manageable voucher clearing system at the required twenty RDCs well before the revised end date of 31 December 1993. The RDCs are listed in the attached table, which also shows the status of the hardware and software at the time of completing the implementation work. The success of this work has been underlined by the creation of an extension project under the D&T umbrella contract for the implementation of fifteen more RDCs. The equipment supplied to each RDC is of a very high specification and capable of handling significant additional workload, such as that anticipated in the secondary market operations.

Cash Union report of Voucher balances showed that, by the end of December 1993, over twelve million vouchers had been recorded by the system, represented by 2.8 million live vouchers and 9.4 million canceled vouchers; by the end of February the total has increased to over 23 million. The records also show that nine of the twenty RDCs have made little or no use of the system so far. In some cases, this situation is just about acceptable, as it reflects extended in-house training following implementation late in 1993. In other cases, notably Rostov and Omsk, political and organizational issues have apparently arisen subsequent to implementation, inhibiting the proper functioning of the RDC. Where both possible and sensible, such post-implementation issues are being addressed during the extension project.

3.2 Effectiveness

The pilot scheme showed its worth through improved implementation effectiveness during the roll-out phase. While the pilot sites required at least three elapsed weeks and involved three and sometimes four consultancy staff full-time, by the end of the project the elapsed time had reduced to one week and involved two consultants only, together with a sub-contract equipment installer.

3.3 *Budget*

Although the final figures have yet to be produced as some expenses such as payments to pilot RDCs are still outstanding, provisional management reports show that the overall budget is marginally underspent. This reflects the considerable level of effort necessary for careful planning and monitoring of resources. Typically, this work occupied half the time of the project manager and half the time of the office administrator.

4. **Problems**

A range of problems and issues were encountered and successfully dealt with during the course of the project. The most notable were as follows:

- A two-month delay occurred whilst awaiting release of the computer equipment from customs without the payment of normal duties and taxes. This was ultimately resolved by the signing of a special decree by the President, which gave the Russian Committee on Humanitarian Aid leave to authorize the equipment release;
- The delivery of some computer equipment during the pilot phase proving to be unreliable led to a supplier re-selection exercise and the ordering of alternative equipment for the roll-out phase;
- The finding at the first eight RDCs implemented of several operational faults in the accounting software as originally developed by Cash Union led to the specification and development of a replacement version. This was carried out by Diasoft, developers of the messaging software. The new software was successfully implemented in the remaining twelve RDCs;
- Hardware and software installation problems met by the first on-site implementation teams were largely circumvented by instituting pre-configuration tests in Moscow, prior to delivering the equipment to each subsequent site.

PHASE 1 RDC IMPLEMENTATION STATUS TABLE

RDC Location	Implementation Date	Hardware Supplier	Software Version	Telecomms. Supplier
Moscow	01/05/93	IT	CU	None
Moscow CCU	May 1993	Trident	n/a	None
St. Petersburg	03/06/93	Trident	CU	Sprint
Perm	05/05/93	IT	CU	Sprint
Novosibirsk	18/04/93	Own Supply	CU	Sprint
Kaliningrad	21/05/93	IT	CU	Sprint
Ykaterinburg	20/04/93	Trident	CU	Sprint
Rostov	04/06/93	Trident	CU	Sprint
Vladivostock	04/06/93	IT	CU	Sprint
Yaroslavl	24/09/93	IT	DiaSoft V.1	Sprint
Omsk	24/09/93	IT	DiaSoft V.1	Sprint
Volgograd	17/09/93	IT	DiaSoft V.1	Sprint
Kursk	01/10/93	IT	DiaSoft V.1	Sprint
Saratov	23/09/93	IT	DiaSoft V.1	Sprint
Irkutsk	23/09/93	IT	DiaSoft V.1	Sprint
Tiumen	23/09/93	IT	DiaSoft V.1	Sprint
Nizhny Novgorod	30/08/93	IT	DiaSoft V.1	Sprint
Voronezh	15/09/93	IT	DiaSoft V.1	Sprint
Vladimir	27/09/93	IT	DiaSoft V.1	Sprint
Orenburg	01/10/93	IT	DiaSoft V.1	Iskra
Siuktiuvkar	23/10/93	IT	DiaSoft V.2	Iskra