



**Iraq Financial Management Information System
Change Strategy**

Powered by ProvenCourseSM
Iraq Economic Governance II



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Disposition {Final}



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1 CHANGE MANAGEMENT CONTEXT



CURRENT MANUAL IRAQ FINANCIAL MANAGEMENT INFORMATION SYSTEM (IFMIS)

The current Ministry of Finance (MoF) IFMIS is:

- ❑ Based on a non-Government Financial Statistics (GFS) based national chart of accounts
- ❑ Manually-produced, paper-based, time consuming to process, and vulnerable to inherent delays in data collection and reporting
- ❑ Inherently non-transparent and with limited reporting flexibility
- ❑ Based on monthly reports from agencies to the MoF that are laboriously built up through an elaborate consolidation process
- ❑ Very resistant to quick and easy modifications - even annual chart of accounts changes are problematic
- ❑ Slow, as the monthly trial balance reporting delay currently stands at around four months



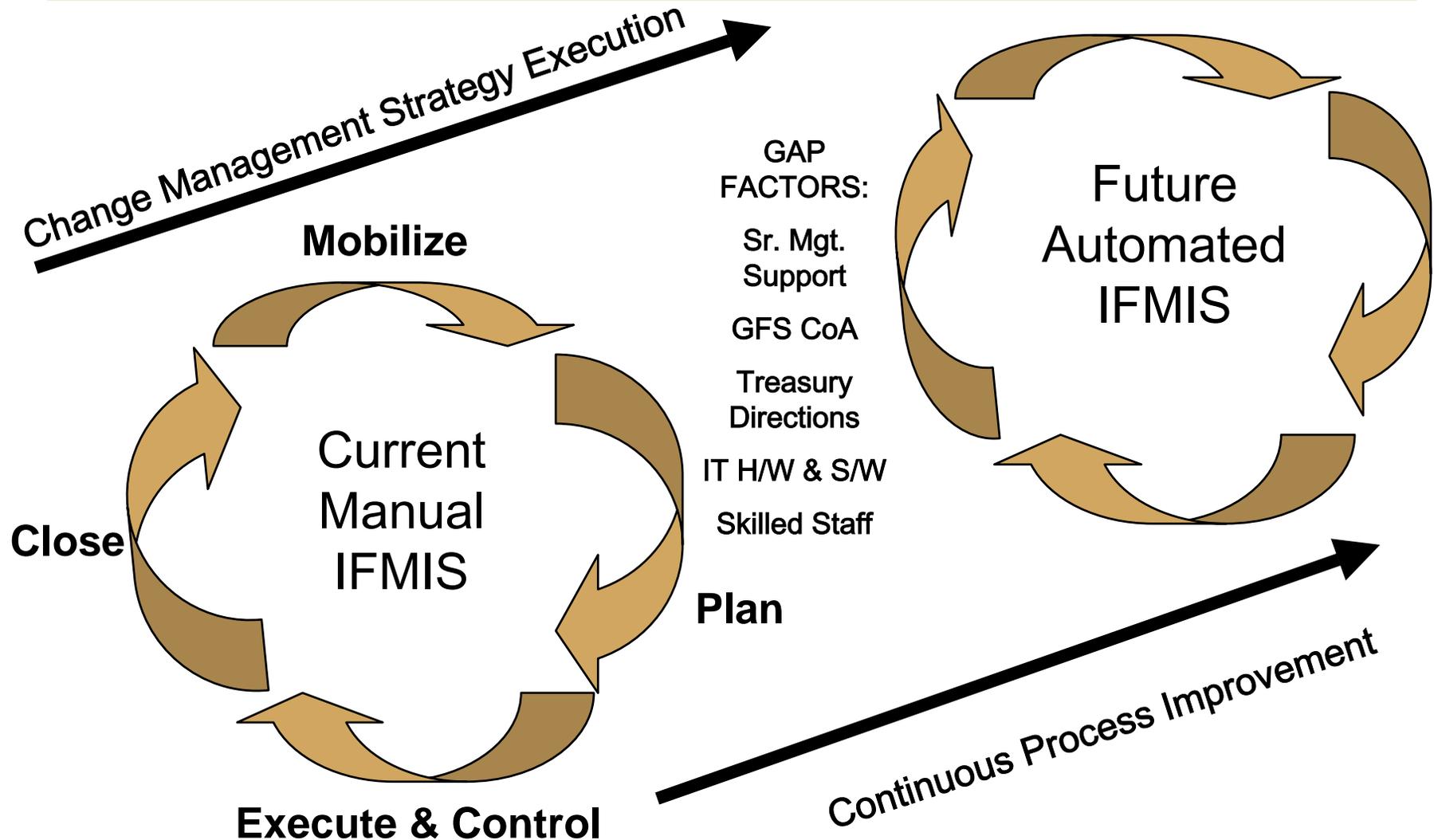
FUTURE AUTOMATED IFMIS

The automated FreeBalance IFMIS is :

- ❑ Based on a government finance statistics (GFS)-compliant national chart of accounts (CoA)
- ❑ A better budget execution tool offering stronger financial controls, on-line input, and quicker and more accurate reporting
- ❑ Capable of producing timely (even daily), accurate, flexible, and comprehensive financial reports that support transparent budget execution
- ❑ A Government of Iraq (GoI) international obligation as it will provide international fiscal agencies with verifiable financial statistics
- ❑ An initial automated system for Iraq that can be replaced by a more comprehensive and sophisticated system when Iraq is ready for such a system in a few years
- ❑ A business process change management tool that can progress Iraq from a manual, paper-based IFMIS to an automated, Internet-based IFMIS



GAP ANALYSIS OF CHANGE MANAGEMENT CONTEXT



2 KEY CHANGE MANAGEMENT CONSIDERATIONS



KEY CHANGE MANAGEMENT CONSIDERATIONS

Procedural or Organizational Impact	CHANGE ACTOR	Comments/Suggestions
Delegating authority to Director Generals and Department Heads	All line Ministers' Offices	This is very difficult to achieve due to the prevailing cultural norm of centralizing and consolidating authority both in the public service and Iraqi society in general.
Moving from a manual, paper-based ledger system to an automated, Internet-based digital system.	All government spending unit Accounting offices	This will be a very difficult and time-consuming process due to inertia, fear, and no immediate threat due to non-compliance.
Preparing GFS-compliant national chart of accounts and a disaggregated national budget.	Ministry of Finance Budget Department	The same comments mentioned for Accounting apply here. In addition: development of a disaggregated national budget reduces expenditure flexibility and increases financial transparency.
Moving away from a cash-based, imprest advance system to a regimented check-based payment system.	All government spending unit Finance offices	The same comments mentioned for Accounting apply here. In addition: a general societal aversion to non-cash assets due to issues of convertibility, future value, and personal convenience.
Taking a proactive, risk-taking approach to problem solving and doing so using English language IT terms of art.	All government spending unit IT offices	This will be very difficult and time-consuming due to the lack of proper schooling, training, and general appreciation of the dynamics of change in the IT sector.
Moving from a manual, paper-based ledger system to an automated, internet-based digital system.	All Governorates	This will be a very difficult and time-consuming process due to inertia, fear, and no immediate threat due to non-compliance.

3 DEVELOP CHANGE STRATEGY



Change Management Process and Documentation

BearingPoint proposes to leverage its ProvenCourse methodology to facilitate the implementation of the IMFIS change management process. The documents to be used for each phase of the ProvenCourse work stream are as follows:

ProvenCourse Phases	Strategy	Design	Build	Deploy	Operate
ProvenCourse "Manage" Work Stream	Manage Work Stream				
	Mobilize	Plan	Execute & Control		Close
Assess Organizational Risk & Readiness	<ul style="list-style-type: none"> IFMIS Conceptual and Functional Design Paper Transaction Process Design 	<ul style="list-style-type: none"> IFMIS Conceptual and Functional Design Paper Training Strategy Change Strategy 	<ul style="list-style-type: none"> IFMIS Conceptual and Functional Design Paper Training Strategy Change Strategy Deployment Plan 		<ul style="list-style-type: none"> Post-Implementation Communication Plan
Articulate Business Case & Vision for Change	<ul style="list-style-type: none"> *Business Case (Found under IFMIS Conceptual and Functional Design Paper) 				
Design Change Strategy	<ul style="list-style-type: none"> Transaction Process Design Change Strategy 				
Mobilize & Align Leaders	<ul style="list-style-type: none"> Training Needs Assessment Training Strategy 				
Engage & Communicate with Stakeholders	<ul style="list-style-type: none"> Communication Strategy & Plan 	<ul style="list-style-type: none"> On-going communications Strategy and Plan 	<ul style="list-style-type: none"> On-going communications Strategy and Plan 	<ul style="list-style-type: none"> On-going communications Strategy and Plan 	<ul style="list-style-type: none"> Post-Implementation Communication Plan
Align Organization	<ul style="list-style-type: none"> IFMIS Conceptual and Functional Design Paper Transaction Process Design Deployment Plan 				
Enable Workforce	<ul style="list-style-type: none"> Project Team Training Training Needs Assessment Training Strategy 	<ul style="list-style-type: none"> Training Needs Assessment Training Strategy 	<ul style="list-style-type: none"> Training Schedule Training Environment Requirements Training Materials Training Assessment 	<ul style="list-style-type: none"> Post Implementation Training Plan 	



REFERENCES AND RELATED DOCUMENTS

- Change Strategy**
- Communication Strategy and Plan**
- Conceptual and Functional Design Document**
- Deployment Plan**
- Training Strategy**
- Transaction Process Design**

The logo graphic consists of two curved lines arching over the text. The upper line is a thin, gold-colored arc, and the lower line is a thicker, black arc. Both lines start and end at the same horizontal points, creating a protective canopy effect over the text below.

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