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Status Update: Iraq Financial Management Information System (IFMIS)

Implemented by BearingPoint

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IFMIS Background:

- The Iraqi Financial Information Management System (IFMIS) is an automated budget execution tracking system that was selected in 2003 by the Coalition Provisional Authority in Iraq to replace the manual system used since the 1940s. The program continued through phase II of implementation and was on target until all activity was suspended and the system was taken offline in June 2007 following the abduction of BearingPoint consultants from the Ministry of Finance Data Center.
- Progress Prior to Suspension of Activity:
 - The IFMIS was implemented throughout the Republic of Iraq – in spending units cutting across all of the country’s governorates and all Government Ministries.
 - The IFMIS captured approximately 85% of actual expenditures and 99% of actual revenue when compared to the manual legacy system.
 - Of the 184 sites identified under the initial workplan, 166 spending agencies were fully trained, of which 112 were fully operational.



IFMIS Restart Overview:

- On January 14, 2008 a Memorandum of Understanding was signed by the Minister of Finance and USAID. The agreement lays out the respective obligations of each party and it sets a timeline for handing the system over to the MoF. On July 5th, the system went live and select Gol spending units began to enter transaction data.
- The updated system currently includes: New firewall hardware and software licenses, so that the system may now be rolled out to all 250 Gol spending units – completing the nationwide rollout. The IFMIS will accommodate up to 500 simultaneous users, and will be implemented in all line ministries, universities, provincial governments and the Kurdish regional Government (KRG).
- The system went live on July 5, 2008 and a pilot resumption of operations in 11 Gol Ministries is presently underway.
- In a key show of Gol end user buy-in, 10 other non-pilot Treasury sites and spending units have elected to resume using the IFMIS as well -- though they have not been ordered to do so.



The IFMIS – What it Does:

- The intended purpose for the implementation of the Iraqi Financial Management Information System is to provide the Government of Iraq with an integrated automated financial management information system and a set of regulations and procedures that will give the Ministry of Finance (MOF):
 - Real-time reporting and management of cash expenditures across spending agencies; and
 - Improved control and management of cash resources, accounting processes and budget execution in accordance with the Financial Management Law and international standards, and increased transparency in budget preparation and execution.



The IFMIS – What it Does *Not* Do:

- The IFMIS will allow the GoI to compile and analyze reporting data much more efficiently than the legacy system -- likely shaving weeks and months off the time necessary to access this information. **However**, the system will not in any way facilitate their ability to execute their budget -- only report to them what is occurring at the various levels of government.
- It is important to note that while the Government of Iraq and the Ministry of Finance will have access to this information, in real time – the United States Government and other donor agencies will **not** have access to the data unless and until it is communicated by the Iraqi Government.



The IMFIS – Next Steps:

- Over the coming weeks, USAID EGII project advisors will begin end user trainings in earnest. Some 500 users were trained between 2004 and 2005. The majority of these GoI employees are still in their posts, and will receive refresher training at their spending unit, or at a central MoF facility in Baghdad.
- Project advisors are working to implement a full Disaster Recovery site at the Adnan Palace. During this process, MoF staff will work side-by-side with USAID advisors to receive hands on training in how to configure and install each element of the system's architecture.
- January of 2009 will mark six-months of GoI use of the IFMIS in parallel with the legacy system: Per the terms of the governing MoU, the IFMIS will be formally handed over at this time -- pending technical acceptance.



IFMIS Spending Units Nationwide:

- On-line and Entering Data as of 18 August 2008 (Pilot and Non-pilot)

Baghdad Locations:

Ministry of Water Resources
Ministry of Justice
Ministry of Transportation
Sh'ia Endowment Council
Sunni Endowment Council
Federal Cassation Court
Ministry of Science and Technolo
High Judicial Council
High Federal Court

Provincial Locations:

Najaf Treasury
Mosul Treasury
Muthana Treasury
Babil Treasury
Wasit Treasury
Basra Treasury
Karbala Treasury
Qadisiya Treasury
Kirkuk Treasury
Di Qar Treasury

