



KINGDOM OF CAMBODIA



PFM - FMIS CAMBODIA

DIGITALIZATION OF FINANCIAL MANAGEMENT



By IECH SETHA
Date: 20/09/2021



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PFM - FMIS Cambodia Digitalization of Financial Management

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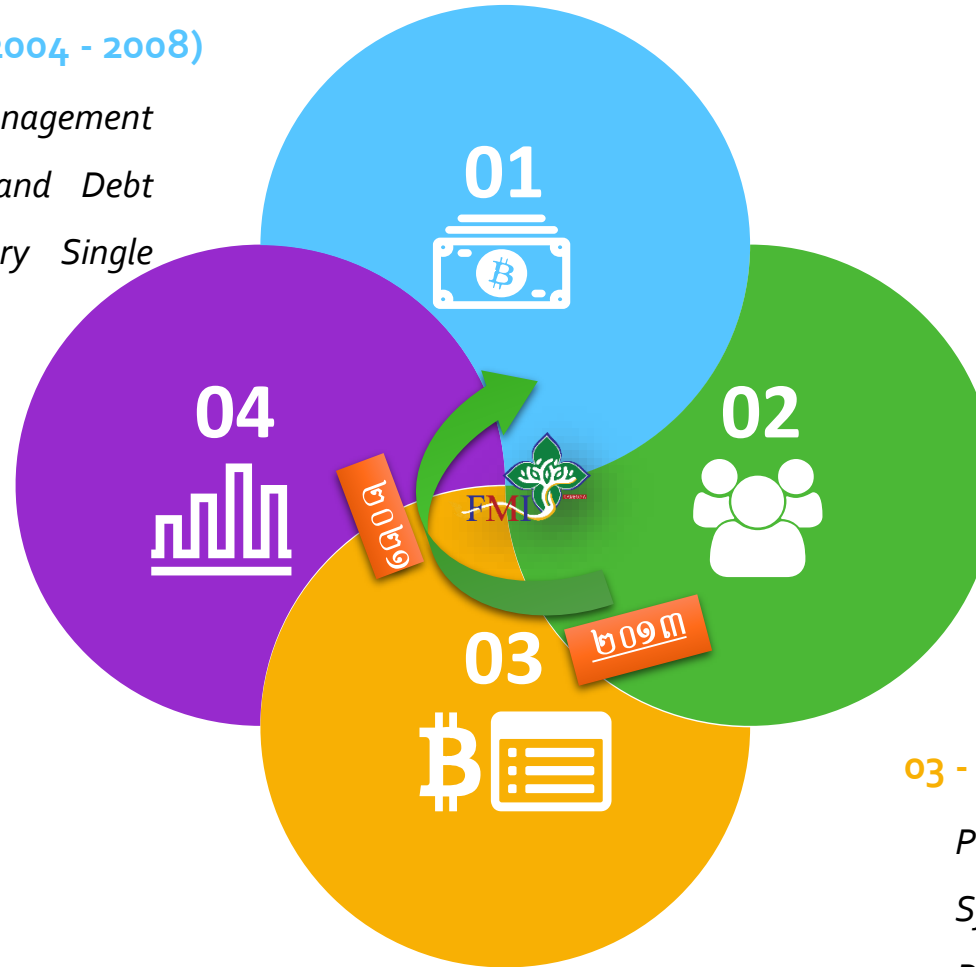
1. FMIS Initiative in PFM Platform

01 - Budget Credibility (2004 - 2008)

Strengthening Revenue Management and Mobilization, Cash and Debt Management and Treasury Single Account (TSA).

04 - Performance Accountability (2021 - 2025)

Implementation of KPIs, Monitoring and Evaluation Performance and Outcome, Strengthening Auditing and Inspection Functions.



02 - Financial Accountability (2009 - 2015)

Implementation of Multi-dimensional CoA, Budget Entities, Business Process Re-engineering, Asset Management, Accounting Standard, Financial Reporting, Financial Management Information System (FMIS)

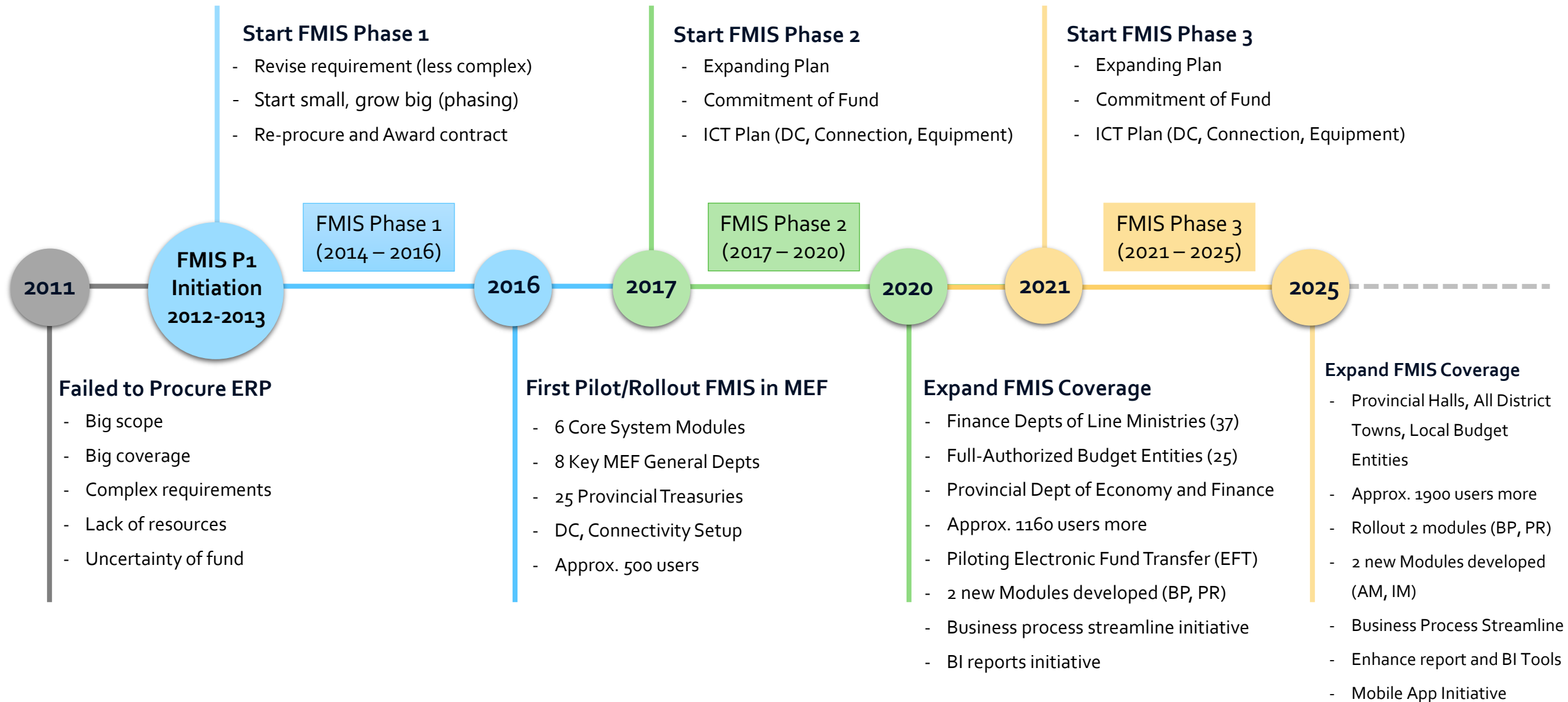
03 - Budget - Policy Linkages (2016 - 2022)

Program Budgeting, New Budget Reform System, Budget Planning Information System, Public Investment Management

1. FMIS Initiative in PFM (Con't)

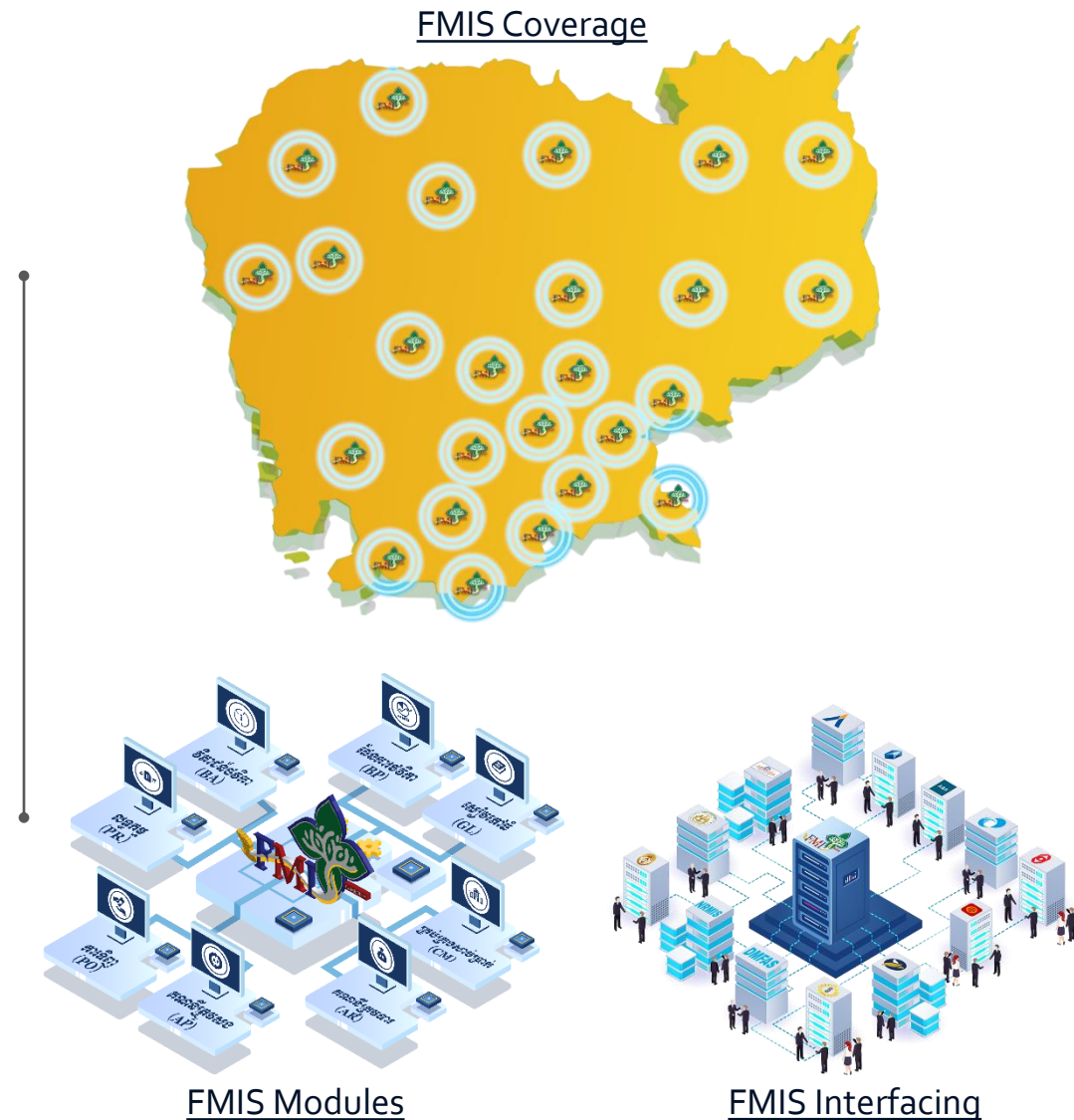
- Why FMIS implemented in PFM Platform 2: Financial Accountability?
 - ❑ Implementation of **multi-dimensional Unified Chart of Accounts**
 - ❑ Implementation of **Budget Entities**
 - ❑ Deepening and extending **Program Budgeting**
 - ❑ Implementation of **Financial Management Information System (FMIS)**
 - ❑ Implementation of **accrual accounting IPSAS standards** in the longer term.
 - ❑ Implementation of **Business Process Reengineering**.

2. FMIS Implementations Journey



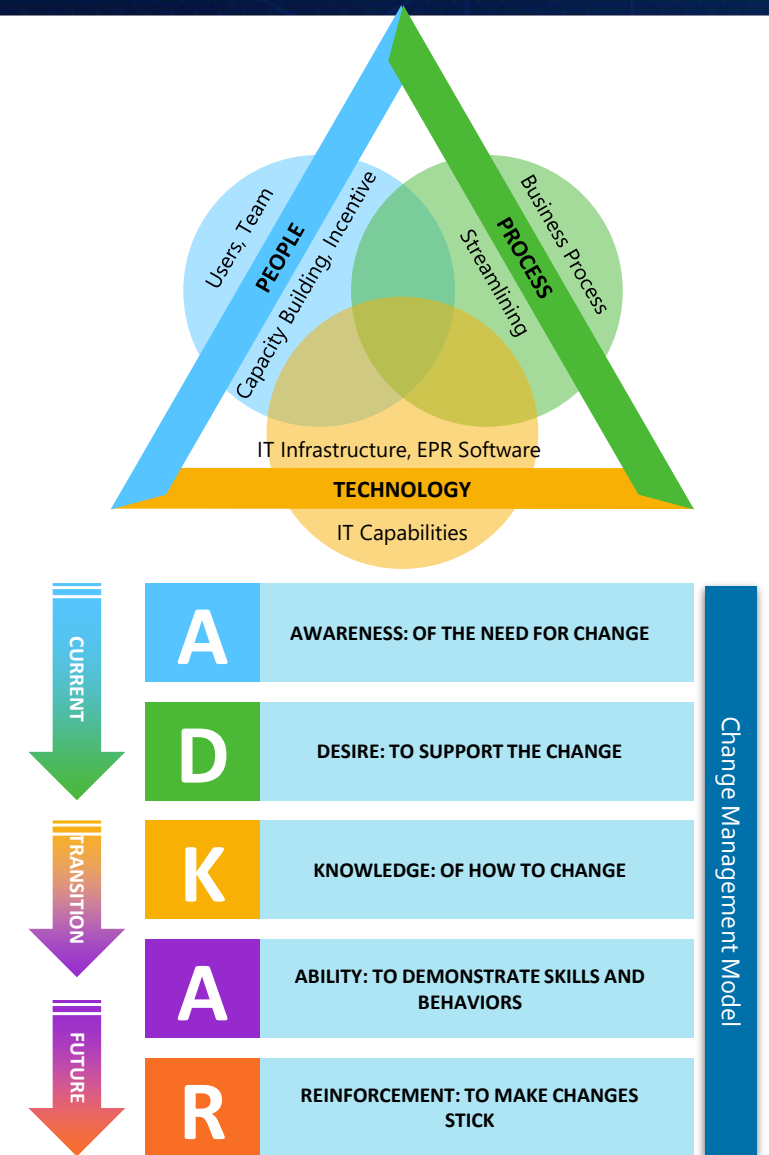
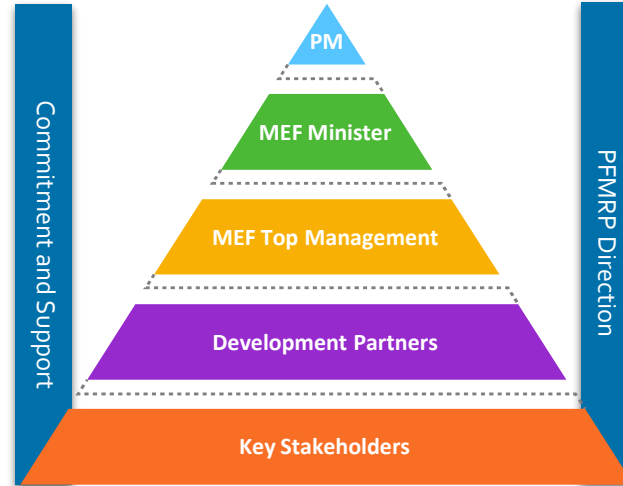
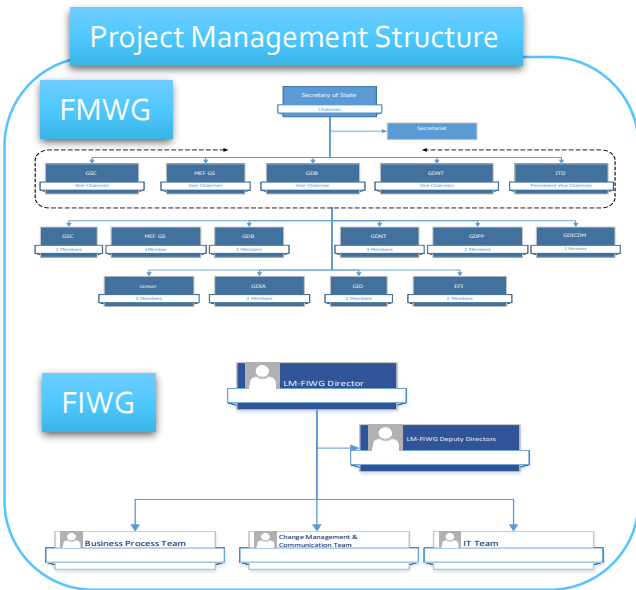
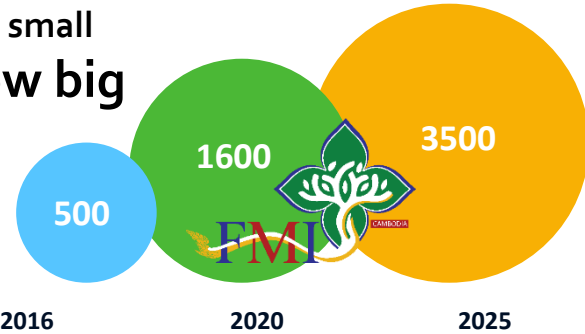
2. Current FMIS Coverage

- All Key General Departments of MEF
- All Finance Departments of Line Ministries (37)
- All Central Full-Authorized Budget Entities (25)
- All Provincial Departments of Economy and Finance (25)
- All Provincial Treasuries (25)
- Has 8 Modules (BA, PO, AP, AR, CM, GL, BP, PR)
- Implement EFT with 2 Banks
- Interfacing with 14 External Systems
- Approx. 1600 users

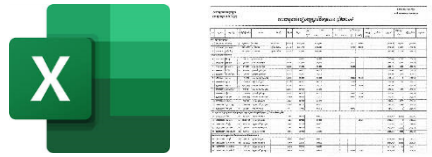


2. Successful of FMIS Implementation

Start small
Grow big

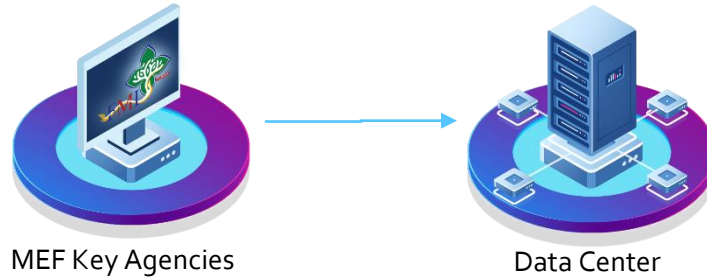


3. Digitalization of Financial Data



Before 2016
Manual,
Spreadsheet,
Standalone System

- Multiple and redundant entries, too much work
- Inconsistency of information
- Complex with multi-dimensional CoA
- Hard to prepare report and need to compare with other relevant entities
- Lack of transparency and accountability



MEF Key Agencies

Data Center

2014-2016

Phase 1: Digitalization of Financial Data in MEF

- Budget execution and treasury data are captured and entered (digitize) by MEF key agencies in FMIS System.
- MEF Key Agencies reduce the use of separate spreadsheet and stop use of legacy system but have more workload to entry on behalf of all budget entities.
- Data become the only-one principle in MEF (integration and consistency).
- Automated budget control and accounting entries in GL module.
- Interfacing with external system (Banks, Customs).
- Increase transparency and accountability for MEF.



MEF Key Agencies

Data Center

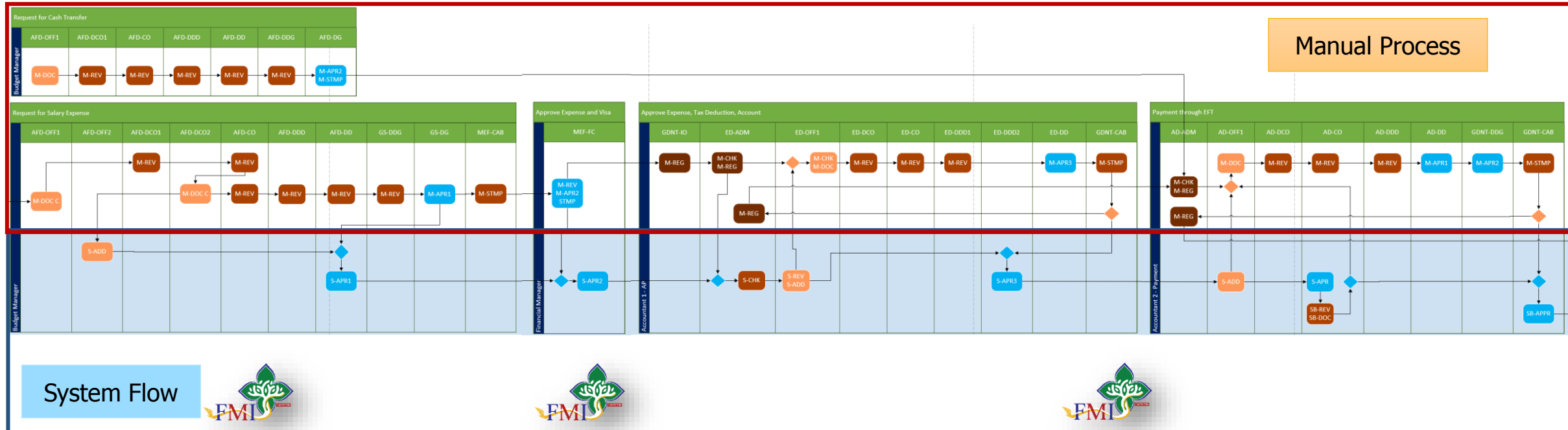
Line Ministries,
Budget Entities

2017-2020

Phase 2: Expand FMIS Coverage and Process Digitalization Initiation

- Budget execution data are captured and entered in FMIS by **Financial Dept and Budget Entities of Line Ministries and Provincial Department of Economy and Finance.**
- Workflow has been setup along with current process from Budget Entity to Public Accountant (treasury).
- Financial digital data and process has visualized to budget entities and financial depts.
- Reduce workload for MEF key agencies.
- Implement Electronic Fund Transfer with Bank.
- Interfacing with more external system (TAX, Non Tax, etc.)
- Increase transparency and accountability for MEF, Line Ministries, Local Treasuries and Local Dept of Economy and Finance.
- Digitalization initiative with business process streamline and business intelligent reports.

3. Process Digitalization - Business Process Streamline



In this Example:

- There are 46 Total Steps (36 manual, 10 in system) in process
- 28 Actors (10 in budget entities, 1 in financial controller, 17 in public accountant)

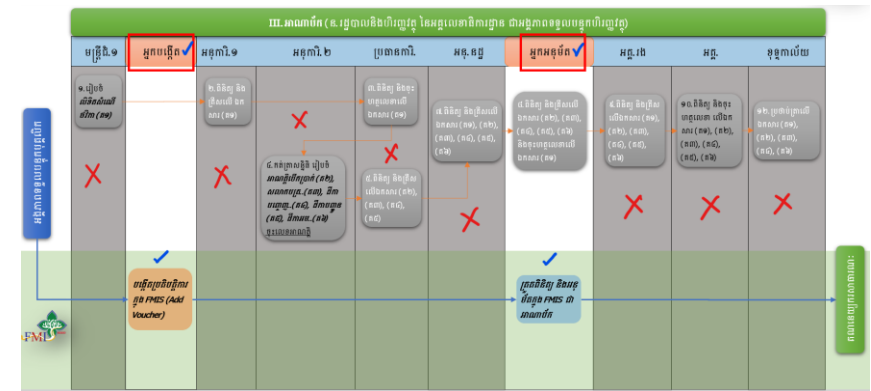
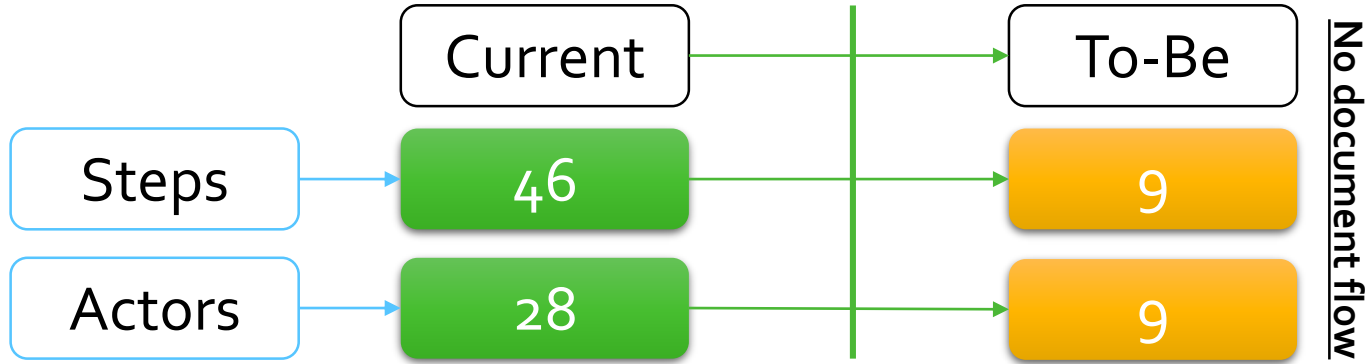
REG / CHK

ADD/UPD/DOC

REV = Review

APR = Approval

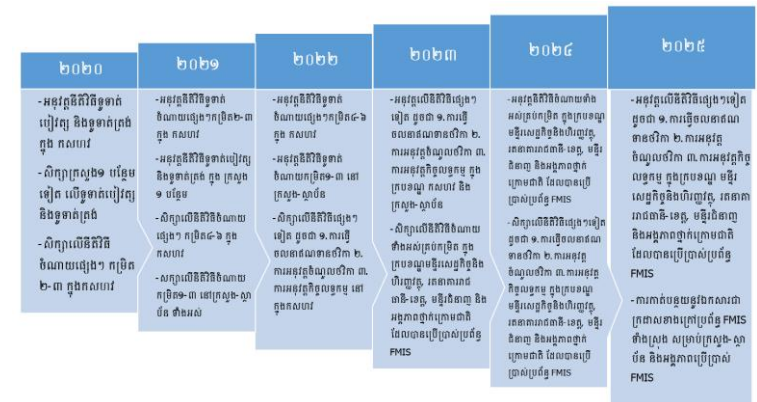
3. Process Digitalization - Business Process Streamline (Con't)



Key Points

- The expense request enters by budget entity user and submit through digital flow in FMIS with document attachment until the end (cash goes into National Bank Account of the budget entity).
- The implementation of streamline process follow the low-risk to high-risk approach.
- Transform the one who currently prepare document to become the transaction creator in system.
- Transform the document reviewer in manual process to become the system transaction reviewer.
- Transform the document approver on manual to become the system transaction approver.
- Evaluation on non-value-added steps and documents to be streamlined.
- Have successfully implemented the payroll and low risk direct payment (utilities) in 2020-2021 to several Line Ministries.

Streamline the business process



Business process streamline strategic plan 2020-2025

4. Highlight of next step in FMIS Phase 3

- Expand coverage usage of FMIS to Subnational Level including Provincial Hall, Town's District and Local Budget Entities
- Rollout the 2 modules (BP, PR) to all FMIS sites.
- Develop 2 new Modules (Asset Management, Inventory Management)
- Expand the implementation of Business Process Streamline
- Enhance financial reports and expand the use of BI Tools.
- Strengthen IT/Cyber Security.
- Initiate the use of Mobile App (Focusing on budget entities at remote area and BI reports)
- Initiate the study of big data and AI to leverage of process automation and data analytic.
- Approx. 1900 users more (exclude: mobile app users)

Thank you!



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