

# MODERNISATION OF THE CORPORATE FINANCE SYSTEM

CIRS Scrutiny Committee  
March 2023

## Background

This Spotlight Review was established following the masterclass session on Friday 20th May 2022 setting the Scrutiny Work programme for the municipal year. The Council’s current corporate financial system, FINEST, has been in place since December 1994. The platform that runs the system is being wound down in December 2024. FINEST is outdated, functionally limited and currently creates a risk to the Council’s ICT infrastructure. This means the Council needs to move to another system with enough time for implementation and one that aligns to the Council’s ICT strategy.

### Scope of the review

Scrutiny Councillors were asked to evaluate the Future Finance Project’s aims, plans and risks to determine if the approach aligns to our corporate priorities and best value. In particular, focusing on quality, governance, and budget.



DCC's corporate finance system underpins £1.6bn worth of spending.



Cabinet agreed a £6.5m budget to replace FINEST, met from reserves.



DCC has been using FINEST since 1994.



FINEST's platform is discontinued on 31st December 2024.

## Replacement of FINEST

With the platform (AIX) being discontinued on 31st December 2024, it leaves the Council in a position where it has no choice but to replace FINEST. This is because there is significant risk in trying to transfer the program to another platform and it would be an unacceptable risk to the authority to continue to use FINEST with no platform. Devon County Council is the only known FINEST client left in the UK.

FINEST is functionally limited, reliant on manual processes and the coding of the system is now outdated.

The replacement of FINEST presents an opportunity for DCC to move to an exciting cloud based system with more functionality and lead to the wider transformation of financial information for the Council.



# Evaluation of the Future Finance Project

## Strengths

The project will procure a cloud-based finance system based on an “adopt not adapt” principle. This means that the Council would procure a system from a known supplier which already exists and offset some of the risks in maintaining and upgrading the system.

A cloud-based finance system would be compatible with the Council's Digital and Technology Strategy and existing ICT infrastructure.

The project is taking a cross-Council view and seeking to take into consideration the lessons learnt from previous IT system implementations.

The project team has also been in contact with other teams on their experiences on getting staff engaged in projects across the Council and ‘champions’ roles. There is already an ‘Advocates’ group of around 50 members of staff committed to the project.

Software exists which can support the transition by being able to see if the old and new systems reconcile and allow the Council to track the performance of the system.

## Opportunities

One of the immediate benefits of a new, modern system is the increased dynamism of the finance team and the efficiencies that could be found. A number of processes will be made redundant and there will be a reduction in manual tasks and improved productivity for staff.

In the longer term, there may be some long-term savings to realise efficiencies brought about by the modern system although this is not a priority for the present project.

A cloud-based finance system will allow budget holders to be able to access more information about their budgets. This will increase the use of self-service within Finance and allow for budget holders to look through some of the detail themselves.

A new system presents a number of cultural opportunities for leaders and managers. There is a potential for a longer term transformation about how the Council embeds financial leadership rather than just seeing finance as “accounting”. This will involve looking at how the Council spends money, making strategic decisions, scrutinising the public value of spending and challenging and supporting the organisation to do this.

Members too could be users of the new system and the new system could improve Members’ access to financial information and the Finance team to help them understand and scrutinise the Council’s financial position and budgets, should Members wish to gain access to the system.

The new system will have additional modules that can be added if needed to acquire new functionality if the Council’s structures change. This is one of the advantages of cloud-based system: being able to scale up or down. This means that the system can grow and evolve with the organisation should internal or external structures change.

## Weaknesses

While supporting the ‘adopt not adapt’, it means that the Council cannot customise its future software system and instead will “take something off the shelf”. This will mean that there will be compromises in what the Council’s requirements are against what current systems can offer.

## Threats

There is a very tight timetable to implement a new system. The Council has one year in its project plan to move off FINEST by April 2024 to have an 8-month post-implementation period.

The project cannot afford to run over time wise, as the current timescales are just about realistic, and the project can’t go beyond 31st December 2024.

A threat to the project is the sheer scale of the work that is involved to get the organisation ready to implement a new piece of software. Implementing new systems is complex and requires a large amount of due diligence.

Without the correct resources at the right time, timescales and deadlines could slip and this could leave the authority in an unacceptable position.

Members were concerned that not enough data cleansing work was being completed currently and Officers were aware of some gaps and some repetition in the data that needs cleansing.

Members were concerned about the security of any new system and how the Council can ensure that it is secure. Moore Insights highlighted that cloud systems are very well protected.

There will be a cost to the authority to store records securely from FINEST. Witnesses stated that the project is reviewing storage through the data migration strategy to fit into legal timescales and how much data we need to keep.

The Spotlight Review heard that the biggest risk to the authority and the project is incomplete financial data to back up records should something go wrong. Whilst there is a low probability of this happening, it would have a very high impact. Advice sought from Moore Insight was to recommend to build up a local archive of financial data every day.



# Conclusions

The Spotlight Review supports the aims and vision of the Future Finance Project and believes that there is a clear opportunity for the Council with the replacement of FINEST to modernise and transform the Council's systems and use of financial data.

Members of the Spotlight Review articulated their experience of previous finance systems and implementations and were pleased to see that the project was drawing upon the experiences of other teams to learn lessons from previous systems.

There are a number of threats and challenges to the project which could be critical to the success of the project. However, Members were assured that witnesses across the Spotlight Review understood the risks of the project and that appropriate mitigations were in place.

Members understood that projects of this size inevitably carry risks for the authority but recognise the advice that the current risks to the authority with FINEST are higher than risks associated with the procurement and implementation of a new system,

The Spotlight Review wishes to impress on the Cabinet and Council the urgency of this project. Any delays past December 2024 would be unacceptable and severely damage the reputation of the Council.

## Recommendations

- 1. The Spotlight Review supports the aims and vision of the Future Finance Project and requests Cabinet maintain corporate prioritisation of the project until at least December 2024.**
- 2. That the Cabinet ensures there is sufficient staffing and resources for the delivery of the project and is prepared, if required, to increase the number of officers supporting the project to ensure smooth delivery.**
- 3. The service considers the creation of a local archive of financial data in case of a potential breach or malfunction as part of Disaster Recovery and Business Continuity planning as FINEST gets closer to the end of its life, as per the recommendation from Moore Insight.**
- 4. That a Standing Overview Group (SOG) of the Corporate Infrastructure and Regulatory Services Scrutiny Committee is held around 3 months after the awarding of the contract to review the Future Finance Project and these recommendations.**

The spotlight review's members were Councillors Jacqi Hodgson (Chair), Alistair Dewhirst and Jeffrey Trail BEM.

