

Commitment Management System

Flexibility to maximise budget usage in a complex financial environment



Status Selected.: /ACCRUAL/CREDITOR
 P2P Selected.....: P2P
 UIN's Selected...: / A1234B/A1234C

Accruals/Creditors Report (By Project)

Total	£951,889.53
P2P	£951,889.53
A1234B	£438,031.40
BEF080	£247,752.07
Capability Area 1	£49,914.00
Line Item 1-1	£197,838.07
Line Item 1-2	£190,279.33
NPB001	
Capability Area 1	
Line Item 1-1	
Line Item 1-2	
A1234C	
NNB004	
Capability Area 2	
Line Item 2-1	
Line Item 2-2	
NPB001	
Capability Area 2	
Line Item 2-1	

08-09 EXCLUDING CPF BUDGET LINES

Capital Funding

Resource Funding

TYPE	UNCOMMITTED	COMMITMENT	ACCRUAL	CREDITOR	PAID	TOTAL	BUDGET
	£1,234,567.89	£2,345,678.90	£3,456,789.01	£4,567,890.12	£5,678,901.23	£6,789,012.34	£7,890,123.45
Line Item 1	100000	200000	300000	400000	500000	600000	700000
Line Item 2	100000	200000	300000	400000	500000	600000	700000
Line Item 3	100000	200000	300000	400000	500000	600000	700000
Line Item 4	100000	200000	300000	400000	500000	600000	700000
Line Item 5	100000	200000	300000	400000	500000	600000	700000
Line Item 6	100000	200000	300000	400000	500000	600000	700000
Line Item 7	100000	200000	300000	400000	500000	600000	700000
TOTAL	700000	1400000	2100000	2800000	3500000	4200000	4900000

Line Item 1-1
Line Item 1-2
Line Item 2-1
Line Item 2-2

Reducing the Complexities of End-to-End Budget Management

Managing budgets successfully requires the support of structured financial processes that instil best practice

Managing public money is not easy. Budgets tend to be strictly applied but are subject to change, normally downward, frequently at short notice. Budget holders are expected to maximise the usage of their budgets to deliver their departmental outputs; however, they are strongly discouraged from over-spending. When late delivery from suppliers occurs at the end of the financial year, the cost implications are felt twice—firstly as an under spend in the current year, and secondly as an unprogrammed spend in the next financial year. Finally, all expenditure is subject to rigorous regulation-based governance and should be supported by a clear audit trail.

Navigating through this conflicting set of requirements, whilst maintaining a high degree of programme flexibility is—at best—a challenge. A simplification of this environment, that provides the right information, on demand, at the right time, would improve decision making whilst simultaneously releasing management time for other priorities.

Simplifying the Management of Public Money

Commitment Management System (CMS) is the tool by which all transactions can be managed and against which progress to the desired departmental output is measured.

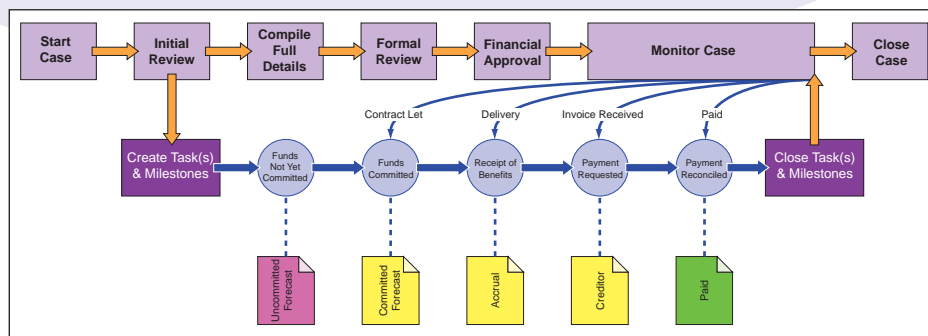
Simple to use, CMS is designed to inform both financial and non-financial staffs by providing accurate, up-to-date information. With its readily understandable, work-flowed route through complex financial processes, CMS quickly becomes central to an organisation's budget management system.

Access to CMS is through a Collaborative Working Environment portal delivered through Microsoft Internet Explorer. Password-controlled log in can be achieved from any PC that has access to the relevant infrastructure. For the MOD, for example, access can be gained from any PC on the Restricted LAN Interconnect, with users routinely logging in securely from suppliers' premises in the USA, as well as a variety of locations in the UK.

Approvals & Contracting

Within CMS, a typical contracting activity would commence by the raising of a 'case' by the relevant desk officer or business manager. The case, once raised, is released for initial review by key personnel; typically a line manager and the financial and commercial teams. Once accepted the case progresses to be developed in full, a parallel activity involving different elements of the organisation. For example, the relevant business manager would identify the deliverables that are required from the contract, whilst the commercial and financial teams would enter into discussions with suppliers, prepare draft contracts and establish the financial position. On completion the case would be released for final approval by the same key personnel who provided the initial review, and finally by the budget holder and budget manager.

This process is conducted entirely electronically. Key documentation, such as user requirements, business case and contractual information can also be stored within a data vault that links seamlessly with CMS. The system automatically documents progression of the case to approval, providing an audit trail that facilitates governance and 'learning from experience'. The audit trail can be extended to include the key documentation by use of the data vault.



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Financial Management

Financial management is achieved through the use of tasks that are parented by a specific CMS case. A case can have one or more tasks that relate to different aspects of the contract. Likewise, a task can have one or more milestones that relate directly to the contractual deliverables. Milestones track specific expenditure through commitment, receipt of delivery, receipt of invoice, and confirmation of payment. The chronology of occurrence of these events, which are normally input by the appropriate business manager, determines the correct financial accounting treatment to be applied. Thus, by inputting the dates on which these events happen, the business manager will automatically determine whether, for example, a specific event is a pre-payment or an accrual, without even needing to understand the difference!

Reporting

A suite of clear and unambiguous reports is available within CMS that provides an immediate understanding of the progress of business within the organisation. Additional reports can be added to meet specific user needs, allowing them to focus on those parameters that will provide exactly the information that they need. Separate reports are provided to meet the needs of business managers, Commercial and Financial Departments and senior management. These reports address, as appropriate, elements of the budget (Line-Item level), the whole budget (Unit Identity Number level), and multiple-budget level (more than one Unit Identity Number). The reports provide information specific to the target audience, thus a business manager's report will look fundamentally different from a finance officer's report although both are sourced from exactly the same data.

Audit Trail

CMS provides users with a workflow process audit facility that enables the chronology of events to be determined; in short, the "What", "When" and "Who" history. In support of this, the underlying Oracle transactional database maintains an archive record of every change made to the financial details. By combining this information with the workflow audit trail, it is possible to construct a comprehensive audit of each financial transaction life-cycle.

CMS Benefits

- Maximises in-year use of budgets
- Flexible management of complex budgetary situations
- Enforces organisational governance
- Alignment with upward reporting
- Accurate financial reporting based upon contract progress
- Tailored reporting
- A single financial picture with many different views
- Fully auditable transactional records
- Visibility of business processes enabling choke points and 'lessons learned' to be identified

CMS Features

- Quick and easy access to your organisation's financial position
- Workflow-driven capability that can be readily aligned to your organisation's processes
- Fully customisable security that provides appropriate user access
- Interfaces with a Collaborative Working Environment to distribute information to other users and stakeholders

