

GOVERNMENT BUSINESS DRIVEN IT INVESTMENTS

**RESPONSE TO INDIA LEAD PAPER
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The IT Policy for Zimbabwe has not yet been formulated. Recently the Government appointed a senior official at Permanent Secretary level as National Coordinator for Information Technology. One of the responsibilities of the Office is to draft the IT Policy.

The Government of Zimbabwe has made IT investments in all areas of Zimbabwe. The Government departments are highly computerised with the use of computers ranging from the financial and accounting systems, technical systems for hospital, weather forecasts, airline reservation system, income tax department etcetera.

However the government is still lagging behind in the emerging concept of e-governance. Although almost all government departments have got internet and e-mail facilities, the use of web-sites for disseminating information to the public is at its inception. Also the Government systems are as yet not networked to an extent that links could be established for the whole service.

The Government has not formulated any guidelines for IT investment. The Government is actually going through a period of economic difficulties and acute shortages especially foreign currency. All the IT hardware and software need to be imported.

The country paper will use the Public Financial Management System (PFMS) as a case study. The PFMS is the computerisation project for all central Government which replaced the archaic accounting system which had been in place for almost 30 years. It came into existence because of an acute need to replace the old system. The problems encountered by the old system include;

- . Regular overspending against budget by certain Ministries leading to constant qualifications of Government accounts by C& AG's office.
- . Public Accounts Committee, Donors and various stakeholders raising concern on the manner in which public finances are being managed.

- . Late compilation and submission of reports
- . Failure to properly manage Suspense Accounts
- . Persistent carryover of Expenditures.
- . Increase in financial related frauds.
- . Failure to pay suppliers on time.
- . Bank reconciliation's not up to date.
- . No action/follow up on dishonoured cheques.
- . Foreign payments but not charged to the Vote.
- . Increase in Imprest and Extra-budgetary Bank accounts to beat stop Payments system.
- . Extra charges and penalties on outstanding payments.

A feasibility study report was prepared which later led to the production of a detailed Specification of Users Requirements. This was used to tender for the appropriate system which could meet the needs. It was decided to install a customised SAP system.

The "Guidelines for the Acquisition of Computer Technology" contained in the Treasury Instructions state that the following steps must be followed:

- Planning and Authorisation
- Feasibility Study
- Analysis and Design
- Implementation
- Testing and Validation
- Maintenance and Modification

The strategy followed in implementing the PFMS was to install in three pilot Ministries and then roll out the system to the other twenty Ministries. The roll over has not been finalized.

The Zimbabwean SAI concurs with the lead paper that there are links between performance of IT systems and adoption of Standards and best practices relating to various methods of management and maintenance of IT investments.

Although the development of the PFMS broadly followed an appropriate life cycle methodology there were a number of weaknesses in the project management methodology. This led to time and cost over-runs and non-performance at crucial times.

There was inadequate top management involvement. When the design of the system commenced, a Steering Committee was formed which was comprised of senior officials in the key Ministries who were responsible for looking at the “big picture”. The Steering Committee’s responsibilities included monitoring progress, discussing problems relating to the implementation and taking a detailed interest concerning interfaces between project. The SAI was invited to attend as an observer. After a good start, the meetings were not convened for a period of one year and three months. This was a crucial time when the pilot projects in three ministries were in progress. Strategic issues relating to the implementation of the project were not discussed in a systematic manner. There were a number of grey areas including the sharing of costs of hardware between the Ministry of Finance and User Ministries. Some Ministries could not afford to purchase the hardware.

The PFMS was implemented on the centralized Central Payments Office without adequate testing. These led to a lot of errors on the monthly printouts for Ministries. The year-end printouts could not be produced in time. Various Ministries could not prepare their annual financial statements on time. This affected the timing of external audits and this problem is still on-going.

The other main issue of concern was training. A number of key personnel were not trained on time and in some cases some personnel were trained when they would not use the system directly.

The lead paper adequately covered the various elements of management and maintenance of IT investment that should concern the auditor. The other additional concerns which can be highlighted relate to the additional risks which can be introduced through the use of development techniques like Rapid Application Development (RAD) and CASE tools. In such situations the conventional systems

Development Life Cycle procedures might not be fully adhered to. The advantage is that new systems are generated quickly or replaced quickly and at low cost. The disadvantage of this approach is that formal techniques are rarely used so that the final systems may not stand the test of time, and controls are rarely thought through in any comprehensive manner.