Government of Lesotho Case Study

Centralised Budgeting Software
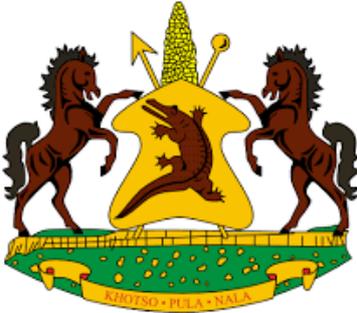
Existing Process

The Government of Lesotho Ministry of Finance were preparing budgets for Parliament using their Finance Software add-on to set budgets in conjunction with their 50 Ministries, prepare a final version that is submitted to Parliament for approval, manage changes to the original budget throughout the fiscal year and determine account balances by checking actual expenditure through the finance software.

Problems with Existing Process

The existing process using Excel was merely an exercise in collecting a snapshot in time, lacked an audit trail, did not restrict data entry and was not meeting reporting requirements of donors such as the European Union and World Bank. The Finance software Budget module which had been implemented did not function as desired so was not being used at all.

The Search for a Solution and Requirements

As part of a rollout to other African nations as an alternative to the FMIS budget module, Isidore provided a demonstration of Isidore CBMS in 2016. While there was interest in the software, the Government of Lesotho and the related World Bank advisers had seen demonstrations before which had never resulted in any significant outcome, so expectations were very low.

The Government of Lesotho knew exactly what they wanted, but had failed to find a vendor to provide them with advice in addition to function, such as:

- a very short implementation (the next budget cycle
- migration of all existing data including organisation structure and accounts
- simple architecture which would comply with their existing software and hardware architecture and would not require additional software costs or complexity
- was easy to use for all levels of staff, from Admin users to Budget Managers and staff from other Ministries located separately
- set ceilings for expenditure which Ministries could not exceed
- produced budget papers for submission to Cabinet within 3 weeks of going live

- integrated with the existing Finance system to share budget balances and use actuals within the budget software for balance updates

The Solution

Isidore assisted with the collection of the Government of Lesotho's specification and implemented the software within the required timeframe. The solution included:

- configuring appropriate screens for data entry, review and reporting
- creating the output Budget papers document, which lists all accounts, expected donors, funding and expenses and is printed on demand
- migrating the existing organisational data including all ministries and accounts and structures
- collection and loading of staff data for all Ministries for budget purposes
- assistance with location of the software on an existing server
- installation of the software on Government of Lesotho servers and network for access by all Ministries
- integration with the finance system, Epicor, for sharing of actuals and budget data
- training of 180 Ministry staff in group sessions and one-on-one general and admin users
- support for IT and business/finance staff with IT, functional and business process issues
- ongoing updates and maintenance

The Outcome

The successful implementation of Isidore CBMS completely changed the expectations of all those involved from the Government of Lesotho and World Bank advisers, who commented on never having seen a working software solution in over 20 countries.

The Government of Lesotho have been using Isidore CBMS since December 2017 to successfully complete their Centralised Budgeting process for the Ministry of Finance.

The Finance team at the Ministry of Finance have:

- reduced the collection process of budgets from Ministries from 2 months to 2 weeks,
- put a process in place to cap all Ministry expenditure with ceilings controlled by the Ministry of Finance which cannot be overwritten and have forced Ministries to budget correctly,
- enabled discussion within Ministries of live budget and related detail regardless of location,
- provided live budget balances by to the account code and Ministry level from direct integration with the Finance system,
- enjoyed live consolidation of budgets at all levels, from the entire Government of Lesotho, down through all Ministries and by Programs, Account codes and Projects
- captured important additional budget details including Projects, Donor funding, Capital Expenditure, Outcomes, Ministry vision and mission, outcomes and targets
- become a single source of truth and management for all Ministry human resource and personnel details.

Summary

FMIS: Epicor v7
Users: 200+ concurrent
Ministries: 50
Server: Lesotho local server on Lesotho network
Network: Lesotho Government Local Area Network
Budgeted Workforce: 39,000 personnel
Total Expenditure: USD $56 Billion

Consolidation Lag: None
Implementation Time: 3 months
Data Currency: Live