

Finance System Update

Scrutiny Committee – Corporate and Resources

4 January 2024



Somerset
Council

D365 Finance Day-1 Functionality

Record to Report

General Ledger	Budgeting	Cash and Bank	Tax
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General Ledger	
Manage Financial Calendars, Periods & Y/E	
Manage Foreign Currency and Exchange Rates	
Manage Currencies & Exchange Rates	
Maintain Chart of Accounts, Structures and Dimensions	
Non-Financial Data	
Maintain Advanced Rules	
Create and Process Journals	MVP system. ISV – controlled input form
Process Accruals and Prepayments	
Royalties	
Period Close	
Manage Period and Y/E Close Activities	
Transfer Closing Balances To New Financial Year	
Processing VAT	
Setup and Maintain VAT	
Run VAT100 and Settlement Reports	
Posting to General Ledger	
Making Tax Digital – Submission	
Intrastat & EC Sales List	

Status for Go-live:.



Budgeting Setup and maintenance	ISV – Solver see notes
Define Financial Dimensions For Budgeting	
Create a Budget Model and Budget Codes	
Create, Transfer, Approve and Consolidate Original/Revised Budget	
Manage Control Frameworks	
Cash and Bank Management	
Create, Maintain and Reconcile Bank Accounts	
Transfer funds between bank accounts	
Payment methods - inbound & outbound	
Foreign Exchange	
Reporting requirements	
Financial Instruments	
Cash Allocations	
Inquiries & Reports	See Notes
View a Voucher Transaction and Audit Trail	
Generate a Trial Balance	MVP system. ISV – Solver, see notes
Generate a Management reporting pack	

Note:

- **Inquiries & Reports / Generate Debtor days reports** are included in a suite of reports under development, system standard & PowerBI
- **Budget Setup and maintenance** will utilise Solver and is not required until after Go-Live (June 2023)

D365 Finance Day-1 Functionality

Procure to Pay

Procurement and Sourcing

Purchase Ledger

Manage Purchase Orders

Create PO for Stock / Non-Stock Products

Confirm and Receive POs

Manage Delivery Schedules and Charges

Manage purchase agreement

Create Purchase Agreement (Call off order)

Create Release Order

Manage Workflow Approval

Setup Workflow Approval / Delegations

Approve / Reject POs

MVP = multiline

Manage Escalation

Manage Purchase Requisitions

Create, Submit and Approve Purchase Requisitions

Release and Confirm POs

Manage changes

Amend / Cancel POs

Cancel Remaining Delivery on a PO

Status for Go-live:



Process Supplier Returns

Create Return PO lines and Return Good to Supplier

Process credit note

Create & Maintain a Supplier Account

MVP – see notes

Create Supplier Record and Supplier Groups

Manage Payment Terms and Method of Payments

Amend / Put On-Hold Suppliers

Manage Procurement Category

MVP = 1-2-1 for budget coding

Processing Purchase Invoice via PO

ISV - Bottomline

Registering an Invoice

3-Way Invoice Matching and Error Handling

Process a Credit Note For Price / Quantity Discrepancies

Invoice approval workflow

Processing Non-PO Invoices

Processing Supplier Payments

Process a Manual / Bulk / Proforma / BACS Payment

Allocate Payments on Account

Detect/ prevent duplicate

ISV – FISCAL Tech software

Month End and Reporting

Reconcile Supplier Balance Report to General Ledger

Generate unallocated cash report

Accrued purchases report

Remittance advice

Order detail reports and dashboard

Construction Industry Scheme

See Notes

Note:

- **Construction Industry Scheme** development complete, requires testing. Uses bot for reporting
- **Process Customer Invoicing / Dunning** are pending completion of document outputs and website e-payment development.

D365 Finance Day-1 Functionality

Order to Cash	
Sales Ledger	Credit Control
Create and Maintain Customer Records	See Notes
Create / Amend a Customer / Customer Groups	
Manage Payment Terms and Method of Payments	
Maintaining Credit Limits	
Invoice Type	
Process customer invoicing	MVP = See Notes
Processing Free Text Invoices	
Processing Credit Notes	
Processing Proforma invoices	
Process Customer Payments	See Notes
Create a Customer Payment	
Allocating Payments Against Invoices	
Collect customer payments with Direct Debits	
Credit Control	
Place a Customer On Credit Hold	
Mark Invoices In Dispute	
Dunning Letters	See Notes
Write Off Bad Debts	
Generate Customer Statements	
Month End and Reporting	
Generate Unallocated cash report	
Reconcile Customer Balance Report to General Ledger	
Generate Debtor days reports	See Notes
Generate Customer Ageing Report	
Open Customer Transactions Without Totals Report	

Status for Go-live:



Note:

- **Process Customer Invoicing / Dunning** are pending completion of document outputs and website e-payment development.
- **Process Customer Payments** are pending UAT of integrations INF008 and INF096

D365 Finance Day-1 Functionality

Status for Go-live:.



Acquire to Dispose

Fixed Assets

Create a Fixed Asset	See Notes
Setup Fixed asset groups	
Setup Fixed asset Service life	
Setup depreciation method	
Acquire a Fixed Asset	
Acquire an Asset From a Journal / PO / Investment Project	
Fixed assets - basic info requirements	
Specific rules for Fixed asset acquisitions	
Recording Fixed Asset Transactions	
Depreciate a Fixed Asset	
Adjust The Value of a Fixed Asset	
Sell / Scrap a Fixed Asset	
Transaction reversal	
Revaluation of Investment Properties	
Financial Reporting of Fixed Assets	
Legal entities for Fixed Assets	
Fixed Assets & depreciation - chart of accounts and financial dimensions	
Fixed Asset reporting	

System Administration

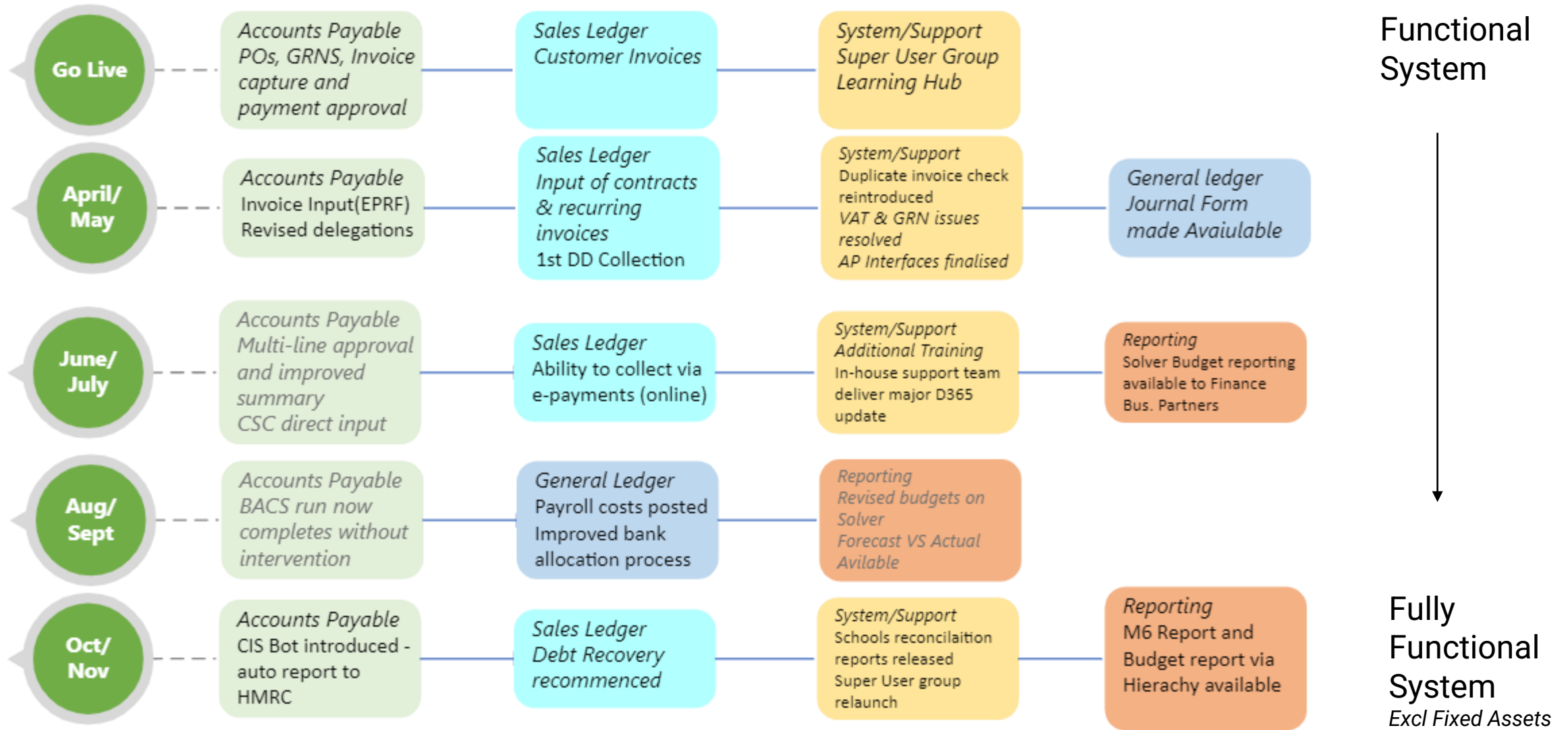
System Admin & Organisation Structure

Maintain Organisation Structure	See Notes
Create and maintain security roles	MVP – system standard
Create and maintain new user	
Maintain system batch jobs	

Note:

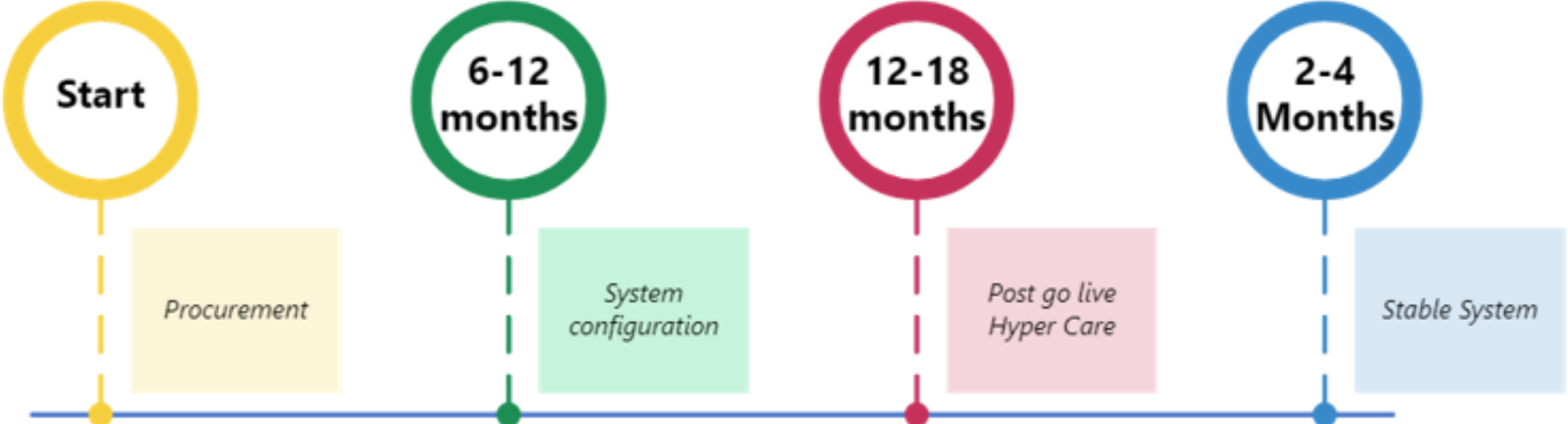
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D365 Finance Post Go Live High Level Activity

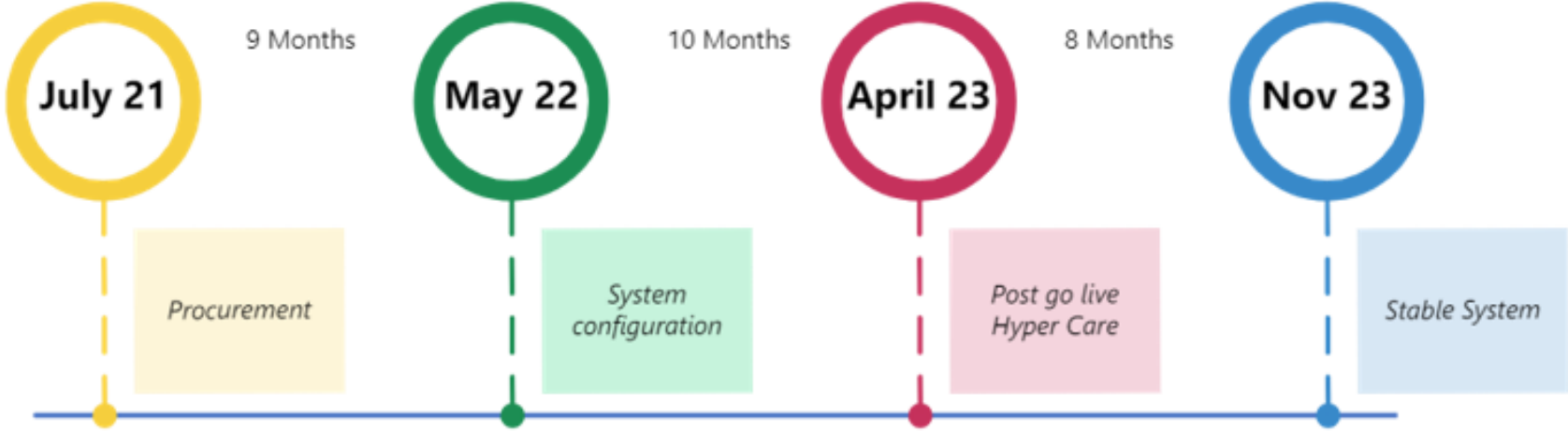


How do we compare?

Gartner Average project timescales for single system ERP replacement



Industry Average Timeline



Somerset Council Timeline

D365 Change /Training Support

Pre Go live Training

- EY provided TTT to key project leads involved in iteration workshops and some super users leading up to go live
- **Super users** attended their functional end to end process training session ahead of go live- held beg of March. **Functional leads provided training.**
- **All staff** had the opportunity to attend familiarisation sessions based on overview /functional end to end processes -**attendance** ranged from **60-200** per session – held Mid March. **Total number of sessions - 16**

Post Go live Training

- **24 All staff Bitesize sessions** - held June to July -**attendance** ranged from **10-90** per session. Followed by a **Rerun of Bitesize sessions**- held August - **attendance** ranged from **10-37** per session.
- **57 All staff daily drop in sessions** were held, 20th July to 7th August. Moved to fortnightly until October. **Attendance** varied from **100-60 people**. Most of which were the same people that attended each session. Invites were sent to all system users

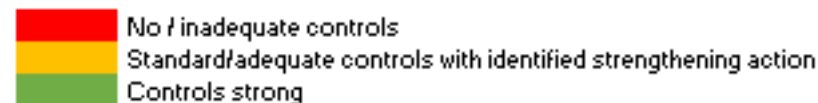
Hypercare Support

- **Super user/Change Champion Network 'Go Live' daily support calls** were held. Super Users and CCN were there to help staff and provide feedback into the daily calls –**36 calls** held 17th April to 7th July, attendance varied from **60-20 super users/CCN**. **Further training** was given on these calls to help SU
- The **Super User** group is currently being revamped to cover all areas. We now have **92 super users across the council** - we still have 42 gaps to fill
- **Dynamics mailbox** was monitored throughout the day, every day
- **Halo Resolve group** monitored Halo tickets on a daily basis, these were managed via daily triage calls

Documentation /Learning hub

- [Learning hub](#) was created with all step by step guides and recordings. Documentation continues to be worked on and updated where needed
- **Personas lights out** documentation was sent to **system users based on roles** ahead of the switchover from legacy systems to Dynamics. [Switchover plan to D365.pptx](#)
- **Personas/Process flows** are currently being worked on to help staff going forward.
- **Communication** was regularly sent throughout the project, particular after go live which mostly contained of step by step guides to help staff

System Controls



IT	Current key controls	Improvement
Environment controls	<ul style="list-style-type: none"> *Environments aligned - monthly refresh *Data copy back every 15 mins with 7 days archive retention *Restricted admin roles in place 	<ul style="list-style-type: none"> *Review end to end process documentation with post go live updates *Retention to extend to 30 days
Web access controls	<ul style="list-style-type: none"> *Access is directly linked to Active Directory (AD) 	
Interfaces	<ul style="list-style-type: none"> *Go Live interfaces in production *Halo notification of posting error 	<ul style="list-style-type: none"> *Automated reporting dashboard - confirming staging success
Finance	Current key controls	Improvement
Security roles	<ul style="list-style-type: none"> *Standard D365 roles 	<ul style="list-style-type: none"> *Planned workshop day with Microsoft workshop, target customising roles with aim of reducing licence costs.
Role maintenance	<ul style="list-style-type: none"> *Halo logged requests with approval *Deletions linked to leavers form 	<ul style="list-style-type: none"> *Review of current access against evolving restructure
GL & Budget	<ul style="list-style-type: none"> *Period Controls *Chart of Accounts coding controls *Journal form access and posting controls *Budget movement access and posting controls 	
AP	<ul style="list-style-type: none"> *Spend Approval *Processing segregations *Potential duplicate payment detections *Supplier maintenance segregations 	<ul style="list-style-type: none"> *Follow up action from completed creditors reconciliations *Review of potential improvements to invoice scanning
AR	<ul style="list-style-type: none"> *Customer maintenance segregations 	
Banking	<ul style="list-style-type: none"> *Bank statements loaded daily *Cash files posted via interfaces *Posting reconciliations underway 	
Sub module account reconciliations	<ul style="list-style-type: none"> *Regular system model reconciliation 	<ul style="list-style-type: none"> *Awaiting trial balance loads from finalised 22/23 accounts
Documented process	<ul style="list-style-type: none"> *Learning hub *Super User network 	<ul style="list-style-type: none"> *Review of system vs process maps underway and to be fully documented

Additional Business Controls

Accounts receivable

- Customer refunds / write offs, approval held off system

Accounts payable

- Scanned invoice values manual checked prior to posting on supplier account.
- High value payments validated back to invoice on daily BACs processing.
- Budget spend approval user access has second sign off from relevant Finance Business Support manager

General Ledger

- Prior to access being granted to input journals, mandatory training delivered by corporate finance on appropriateness of input (including authorisation and evidence) for journals

Budget reporting

- Virement processing evidence and authorisation capture form, held of system

Interfaces

- Interface posting validations, done manually daily

Reporting capabilities

Being an MS product allows the integration to self-write reports and design to business needs.

- D365 inquiries
 - System user activity
 - Transactional - *journal, customer, supplier or cost centre*
 - Sub ledger integrity
 - Standard audit reporting – *limited enabled*
- Solver – general ledger reporting (currently limited to finance role only)
 - Revenue budgets – *full suite available and used since month 6*
 - Capital budgets – *standard reports built; waiting on reporting structure and budget data load*
 - Annual accounts and other statutory reports – *planned developments Jan – Mar 20 24*
- PowerBI – mass/structured transactional reporting
 - Aged debt – *report developed, business sign off eta 08/11*
 - PO activity – *final stages of development*
 - Interface monitoring dashboard – *in development, first draft due 22/12*
 - Spend over £500 transparency – *to automate the below*
 - Ability to connect to Solver – *new year development for publishing to direct for budget holders*
- Direct off the data lake
 - Spend over £500 transparency – *live and published on Council internet*

Finance Next steps

Accounts payable

- Cash balances validated. Follow up action regarding posted coding
- Enforcement of No Po No Pay policy
- Review potential invoice scanning automation development

General Ledger

- Follow up required coding from standard reconciliations for balance sheet and bank accounts
- Allocation of cash suspense to service budgets
- Loading of 22/23 closing balances – pending audit completions

Budget reporting

- Continued Revenue budget alignment and validation reviews of actual charges
- Capital budgets and forecasting data to be loaded into the system
- PowerBI developments to allow budget holders direct access financial data (currently provided via Finance Business Partner)

Fixed Assets

- Continued development of newly designed Fixed Asset Module