Emerging Financial Management Technology

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Agenda

- Session Introduction
- White Paper Presentation
- Country Presentations
- Breakout Discussion
- Report Back
- Next Steps
Session Introduction

Objective:
Conversation to share information regarding initiatives, best practices and lessons learned regarding keeping up with emerging financial management technology.

Session:
• Overview of white paper
• Presentations by the Governments of United States, New Zealand and Canada on their experience with innovation within financial management
• Breakout discussion on key questions related to emerging technology
• Facilitated feedback on discussions
• Next steps
Emerging Technology White Paper

How to keep pace with emerging technology...

Emerging technology within the public sector:

1. How do organizations keep pace with financial management technology that is evolving at breakneck pace?

2. What models work/don’t work in keeping informed and taking advance of technology within financial management?

3. How do governments optimize their return while balancing the risk of innovation?

4. What are the key building blocks for an organization to take advantage of innovation?
USA Context
eCommerce Innovations at the US Treasury

I. Incubator Background
   - The eCommerce Incubator (2014 – present) unites Treasury with the private sector, allowing employees across the enterprise to learn about, and prototype, new technologies in a sandboxed environment.

II. Incubator Prototype Output
   - “Pay Down the Debt” Mobile App
   - GovTap Phone Terminal for Contactless Payments
   - GovTone Ticket Authentication through High Frequency Sound
   - Robotic Process Automation and Chat Bots

III. eCommerce Production Suite
   - Digital Wallets
     - PayPal and Amazon Pay
   - Online Bill Pay
   - Mobile
     - FedRevCollect (Mobile Point of Sale accepting Card, Check Scans, and Contactless Payments)
     - The Public App
eCommerce Information Exchange: 2017

• **Theme:** *eCommerce Information Exchange: The Treasury as a Business Partner*

• **Goals & Proposed Content Focus:**
  – Gain insight into Industry strategies and identify alignment with Treasury
  – Continue collaborative spirit between the Bureau and the Industry and agencies
  – Position the Bureau to leverage innovative solutions
  – Continue discussions on topics of interest based upon Industry feedback from previous forums including:
    • New Industry Trends & Technologies (including Mobile, Artificial Intelligence, Payment Security)
    • Financial Inclusion: strategies surrounding the Unbanked/Underserved
    • User Experience Improvements

*The eCommerce Information Exchange provides an opportunity for Treasury and Industry participants to share in a mutual exchange of information regarding electronic commerce, payments and collections.*
New Zealand Context
Relationships are key to achieving our goal of convergence and standardisation through these relationships, we become aware of opportunities, remove barriers and help facilitate investment, and facilitate learning from each other.

Key Position
- CFOs
- Heads of Profession
- Government Chief Information Officer
- Large IT Suppliers
- Large Agencies & a link to Crown Entities
- The Treasury

- Finance
- Policy
- Procurement
- Legal
- Treasury Information Capability (TIC) Project
- Investment Management
- Capital Investment Committee

- Digital
- Data
- Oracle
- SAP
- Microsoft
- Xero
Case Study: E-invoicing

- Approached by Xero (CEO Rod Drury)
- Innovation Ministers
- Led by New Zealand Business Number team within Ministry of Business, Innovation and Employment
- Link to Building a Digital Nation action plan
- Learn from Australia’s experience
Canadian Context
“Modernizing and renewing the Public Service serves three interconnected goals: it is fundamental to providing excellent service to Canadians, it is needed for well-supported government, and it is the foundation for a healthy and productive workforce.”

- Michael Wernick, Clerk of the Privy Council and Secretary to Cabinet
  March 2017

“We can’t be a Blockbuster government serving a Netflix citizenry.”

- The Honorable Scott Brisson, President of the Treasury Board
  July 2017
**FM Transformation Landscape & Preliminary Plan**

**57 Financial Management (FM) Systems**

- **FreeBalance**
  - 21 Depts.
  - 21 Systems

- **Common Departmental Financial System (CDFS)**
  - 8 Depts.
  - 1 System

- **Oracle**
  - 5 Depts.
  - 5 Systems

- **G/X**
  - 13 Depts.
  - 12 Systems

- **SAP ECC**
  - 43 Depts.
  - 18 Systems

### The Need is Pressing
- FreeBalance and CDFS departments are facing imminent critical issues with their current legacy FM systems, and have been waiting years for an enterprise SAP FM solution.
- During this time, development of required functionalities on legacy FM systems has been seriously limited.
- Organizations are operating on unstable platforms and are beginning to experience integrity and financial data issues necessitating manual reconciliation and intervention.

### Path to End State

- **Common GCFM Solution**
  - 2019-2020
  - 2020-2021
  - 2021-2022
  - 2022-2023
  - 2023-2024
  - 2024-2025

### FMT End State

- **GC SAP Environment**
  - GC-Wide Reporting & Analytics (BPC)
  - GC-DND
  - CBS/CMS

**Note:** National onboarding timeline

- SAP Cluster (18 systems serving 43 depts.) will need to move from their existing platform to SAP S/4/HANA platform by 2025 (current version will no longer be supported).
- Without enterprise-level investment and direction depts. will invest independently.
Breakout discussions

Approach:
• Breakout into three groups
• Discuss the following questions – 45 minutes in total
• Facilitated feedback from breakout groups

Questions

1. How should public sector financial management organizations “keep up with emerging technologies”? What has worked best for your jurisdiction? What has been your biggest challenge – how are you overcoming it? (suggested discussion: 20 min)

2. How have public sector organizations invested optimally in innovation? What has worked/not worked? (suggested discussion: 15min)

3. What are the characteristics of public sectors that have successfully invested in or adopted new technology? What are the key organizational building blocks in your jurisdiction to innovate financial management? What should be avoided? (suggested discussion: 15min)
Discussion Feedback

- Key lessons learned
- Good practices
- What is needed to make it work practically
Next Steps

Create Best Practices Research on Emerging Financial Management Technology in the Public Sector

✓ Write up the points from the discussion
✓ Undertake further research on the good practices
✓ Create a draft discussion paper on good practices for review by the group before the next colloquium
Contact Information

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