



Status of the Advantage 3.x Financial System Implementation Project

January 21, 2006

Report No. 06-08

Office of the County Auditor

Evan A. Lukic, CPA
County Auditor

This report provides an update on the status of issues relating to the implementation of the County's financial management system, Advantage 3.x. Our previous status report was submitted to the Mayor and Members of the Board of County Commissioners on June 14, 2005¹. We will continue to monitor this project and present periodic updates on management's progress.

Key Concerns from June 2005

In our June report, three primary concerns were financial reports, performance budgeting publishing capability, and untested year end system close processes. Staff have taken the following measures to address these key concerns:

1. 'Canned' reports have been developed and released for use, including expenditures v. obligations, revenues v. obligations, and a detailed trial balance. Development of a summary trial balance and modified balance sheet is in progress.
2. Third party software required to publish the annual budget book, Patternstream from Finite Matters Ltd., has been implemented and was used to publish the 2006 budget book.
3. Staff from the Accounting Division essentially closed electronic financial accounting records in the Advantage system for fiscal year

2005 as of October 22, 2005. This process included loading the 2006 budget and chart of accounts, establishing accruals for 2005 receipts, and re-encumbering 2005 purchase order documents initiated by the purchasing division. Due to hurricane Wilma related power stability issues, lapse and purge of individual division initiated purchasing documents was delayed until late November; however, staff assert that the delayed process has not affected the year-end close of electronic financial accounts. Staff from the Accounting Division successfully tested each of these processes prior to execution.

Advantage system assurance reports used to verify the close of electronic financial accounts and records are out-of-balance. Incorrect system processing of multi-year budgets has been identified as a potential cause of this error. Staff from OIT and the Accounting Division are working with the vendor to resolve and reconcile out-of-balance system assurance reports.

To address potential security and control issues, staff from the Office of Information Technology (OIT) installed software to automate and control batch processing and enabled Oracle auditing features. Our office is researching additional means to permit independent monitoring of access to Oracle databases to ensure the continued integrity of the County's financial data.

Vendor "patches" to repair inventory backorder processing defects have not

¹ Agenda Item #35

been verified through general use in the live system. Although Purchasing Division staff have implemented and tested these vendor provided "patches" using isolated data, staff have not reactivated this functionality for general users pending close of first quarter inventory records.

In June, the Division of Parks and Recreation reported extensive difficulties using the cost accounting module at the detailed program level. Parks and Recreation staff closed fiscal year 2005 records in Advantage, and no closing issues have been identified to date. Parks and Recreation staff continue to use the cost accounting module for fiscal year 2006, but monitor sensitive and accounts with high transaction volumes manually to verify system processing (e.g., deposits and receipts are also tracked using Microsoft Excel).

Vendor patches have been implemented to correct previously reported errors with mass depreciation calculations; however, these errors remain unresolved for some specific classes of assets.

Outstanding Project Issues

In addition to open issues from June 2005 identified above, as of the writing of this report, the following issues have escalated in importance:

1. Plans to upgrade the financial system to the latest available vendor version have not been determined, which may impact vendor support levels for the current installed version 3.3.2.

The software vendor, CGI-AMS, supports the current and two prior versions. When version 3.6 is released at the end of 2005, the vendor will support versions 3.6, 3.5 and 3.4; the County's installed version 3.3.2 will move to "Tier 2" support. Tier 2 support differs from Tier 1 support in two ways: 1) problems reported are tested on the oldest supported version, rather than the unsupported version, and 2) defect fixes will not be provided for the unsupported version. The vendor offers assurance however, that patches will be provided whenever possible for critical defects arising on the unsupported version.

Staff must analyze potential effects of an upgrade(s) on functionality and existing patches, costs for consulting assistance and overall requirements to determine the upgrade plan.

2. Implementation plans for the Phase III vendor self-service module have been delayed, pending a system upgrade to version 3.6 of Advantage Financials. This module allows vendors to register, identify the commodities/services that the company provides, scan for opportunities and respond to solicitations using the Web.
3. Users continue to 'workaround' the InfoAdvantage ad-hoc reporting features of the system, citing difficulties due to inability to link fields between Advantage databases (also called 'universes'), lack of training and limited access to robust reporting tools. Also, division users stated that additional standard 'canned' reports are needed

(i.e., the summary trial balance that is in development).

Accounting Division staff state that later versions of the Advantage software include new and expanded reporting capabilities that could address users' ad-hoc reporting concerns. This issue will likely remain unresolved, pending a system upgrade.

4. Formal written final acceptance of the Advantage 3.x product has not been issued, beyond one year in production. Staff assert that final acceptance is pending successful completion of year-end close processes, including vendor resolution of out-of-balance system assurance reports and issues with fixed assets and related mass depreciation functionality.
5. Users from several divisions reported processing difficulties related to budgets, particularly procurement processing related to budgets that use appropriation units, accounts with zero or negative budgets, uncommitted balance errors and transaction posting to cost accounting lines. Such problems have resulted in 'workarounds', use of override privileges to force transactions, and negative balances. Analysis of these issues has not been performed to determine whether Advantage system processing is deficient or user business processes are incorrectly aligned with system processing.

Recommendations

To address outstanding project issues, we recommend the Board direct the County Administrator to

- Complete evaluations of later versions of the Advantage software to determine possible effects of upgrading the application and associated requirements;
- Develop and carry out an upgrade plan for the Advantage system that addresses potential support issues, implementation plans for the vendor self-service module and users' unmet reporting needs;
- Continue to pursue resolution of system functionality issues with the vendor to enable formal final acceptance of the installed product; and
- Perform a post-implementation user survey to identify unresolved system processing issues, functional deficiencies, or poorly aligned business processes and develop a corresponding plan to resolve identified issues.