The National Treasury & Planning

Republic of Kenya

IFMIS STRATEGIC PLAN 2022-2026

Restoring Confidence in Public Financial Management
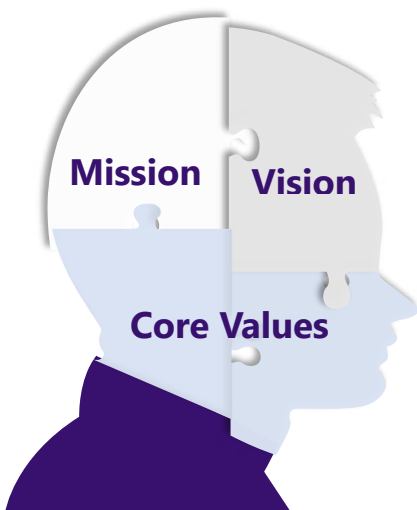
VISION:

Efficiency and Accountability in Public Financial Management

MISSION:

To provide an integrated financial management system for accountability, efficiency, and transparency in public finance management

CORE VALUES

Integrity, Customer Focus, Innovation, Excellence

Mission

Vision

Core Values

IFMIS : Uwazi na Utendakazi

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ACRONYMS AND ABBREVIATIONS

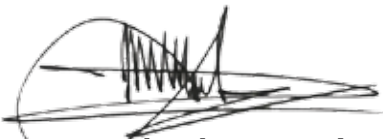|	
AIA	Appropriations in Aid
AGD	Accountant General 's Department
AP	Accounts Payable
AR	Accounts Receivable
BI	Business Intelligence
BSD	Budget Supply Department
BPG	Budgetary Procedures Group
CBK	Central Bank of Kenya
CFS	Consolidated Funds Services
CM	Cash Management
COA	Chart of Accounts
COB	Controller of Budget
CoBIT	Control Objectives for Information Technology
CRA	Commission on Revenue Allocation
C2C	Communicate to Change
CS-DRMS	Commonwealth Secretariat Debt Record Management System
DMD	Debt Management Department
DMS	Document Management System
DPP	Directorate of Public Procurement
DPs	Development Partners
DR	Disaster Recovery
ERD	External Resources Department
EFT	Electronic Funds Transfer
e-ProMIS	Electronic Project Monitoring Information System
EFT	Electronic Funds Transfer
ERP	Enterprise Resource Planning
ERD	External Resources Department
EWG	Estimates Working Groups
FA	Fixed Assets
GCCN	Government Communication Core Network
GHRIS	Government Human Resource Information System
GOK	Government of Kenya
GL	General Ledger
IPPD	Integrated Payroll and Personnel Database

FOREWORD

The National Treasury is committed to strengthening fiscal governance as a key reform agenda with the aim of ensuring prudent usage of public resources for improved service delivery to Kenyans In line with this, the National Treasury has made major strides towards a more transparent and accountable public financial management framework. One of the key achievements is the roll out of the Integrated Financial Management Information System (IFMIS) to Government Ministries, Departments and Agencies (MDAs) and County Governments to ensure transparent financial management and reporting as contemplated in Article 226 of the Constitution of Kenya, and Section 12 (1) (e) of the Public Financial Management Act 2012.

The IFMIS will continue to be a pivotal tool in management of public finances more so in this technological era when the Government is taking advantage of technology to not only streamline operations, but also enhance ease of doing business to spur economic growth.

IFMIS Department has developed a Strategic Plan (2022-2026) that aims to grow on the building blocks already laid out in the roll out of the IFMIS to restore public confidence in how National and County Governments utilize public financial resources.

To achieve this, the strategy is projected to enhance IFMIS stakeholder engagement in order to respond to evolving customer requirements in National and County Government contexts and evolving technological opportunities. This will not only demonstrate the significant contribution of technology in management of public finances, but also provide a robust and reliable infrastructure that enhances public scrutiny, provides timely and accurate financial data. The Strategy will also focus on ensuring system controls drive efficiency in service delivery by enabling timely and transparent payments to suppliers.

The National Treasury is confident that IFMIS implementation will result in improved confidence by the Kenyan public that public resources are put to rightful use to meet government priorities and that every shilling is accounted for.

Hon. Amb. Ukur Yatani, EGH
Cabinet Secretary
National Treasury and Planning

ACKNOWLEDGEMENT

The development of the IFMIS Strategic Plan 2022-2026 comes at an opportune time with rapid developments in information technology within the global arena, and a greater demand for transparency and accountability of public resource usage. This has prompted the IFMIS Department to redefine the ways of working, in order to meet the needs of stakeholders within the public financial management sphere.

Indeed, the Government is committed to reforms that strengthen fiscal governance, including improving efficiency of controls in budgeting and budget execution processes as well as timely and transparent processing of payments to suppliers. IFMIS has been instrumental in provision of financial transaction data, and the new strategy aims to build on this to generate credible information for policy and decision making.

The IFMIS Strategic Plan (2022-2026) seeks to adopt an agile framework that seeks to collaborate more with IFMIS stakeholders in National and County Governments in business process review and enhancements to ensure that automations of public financial transactions and controls deliver expectations of public finance policies, while managing innovations in a fast-changing technological world.

The IFMIS Strategy will focus on collaborating with business process owners to automate financial processes and controls that will deliver credible budget processes, accurate and reliable financial statements, timely payments to suppliers and feedback retrospectives that drive stakeholder communication and promote a continuous learning environment.

The development of this strategy was made possible through the contributions of many stakeholders who provided technical and logistical support. Special thanks go to Hon. Amb. Ukur Yatani, EGH, the Cabinet Secretary, National Treasury and Planning, for his leadership, FCPA Bernard Ndungu, Director General, Accounting Services and Quality Assurance, at the National Treasury for continuous guidance to IFMIS Department, IFMIS users in Ministries, Departments, Agencies and County Governments, for their technical input, Development Partners and Government Suppliers. We particularly thank the World Bank and German Cooperation Development (GIZ) for continued support in facilitating continuous engagement with users in National and County Governments.

Lastly, I applaud the IFMIS Department for their tenacity in staying the course and pushing through this public financial reform agenda. These remarkable professionals have demonstrated a determined fidelity to the IFMIS vision and mission, and together, we look forward to working with all stakeholders to collaboratively implement this plan.

Julius Muia, PhD, CBS
Principal Secretary
The National Treasury

EXECUTIVE SUMMARY

IFMIS is an Oracle based Enterprise Resource Planning (ERP) Software. ERP applications are large-scale computer software that integrate all data and processes of an organization into a unified system, housed in a centralized database which is accessed through a secure network. The main aim of an ERP application is to provide real time information on business processes in a single interface.

The Government of Kenya (GoK) identified public finance reforms as a key enabling component towards achievement of Kenya's Vision 2030 Medium-Term Plan. To support the reforms, the Treasury embarked on the re-engineering of the Integrated Financial Management Information System (IFMIS) in 2011. The aim was to fully automate government's financial processes from planning, budgeting, procurement, accounting and financial reporting in order to increase efficiency, transparency and control over public funds.

The need for IFMIS re-engineering was driven by the challenges experienced during the initial system implementation efforts, notably stand-alone modules that were not fully integrated, and some crucial financial modules that were not implemented. The first IFMIS Strategic Plan (2011-2013) was thus developed to guide the re-implementation of IFMIS from modular approach to a full cycle end-to-end integrated framework. The Strategy was structured into seven component areas for ease of implementation (*Re-Engineering for Business Results, Plan to Budget, Procure to Pay, Revenue to Cash, Record to Report, ICT to Support and Communication to Change*).

The main successes of the implementation of the first IFMIS Strategic Plan (2011-2013) was the review of government's financial processes, implementation of the Plan to Budget module configuration of financial reports, system connectivity, roll out and training system users in Ministries, Departments, Agencies and the newly established County Governments.

The subsequent IFMIS Strategic Plan (2013-2018) was developed to implement the remaining financial modules, making use of the lessons learnt during the initial implementation and concurrently training system users. In addition, the Strategic Plan was expected to complete system integration with existing stand-alone financial systems in government.

Significant achievements of the second IFMIS Strategic Plan (2013-2018) include enhancement of County Connectivity solutions, go-live of electronic procurement and payment system, which was launched by H.E. the President on 13th August 2014.

This third Strategic Plan (2022-2026) shall build on the foundation laid by the previous strategic plans in order to take public finance management to the next level. The Strategy seeks to help the Government unlock the value of its investment in the IFMIS system by identifying critical system interventions that will not only further increase transparency and accountability but also contribute to the ease of doing business with the Government thus improving overall service delivery. Some of the priority interventions will include timely and transparent payments to ensure that Government suppliers are paid on a first in first out basis and they are able to track the status of their payments online, rolling out of enhanced e-procurement module to align to the requirements of PPDA Regulations 2019 as well as tightening of budgetary and expenditure controls to ensure proper use of public funds. The strategy also identifies the required governance and structural initiatives required to ensure that the IFMIS system is reliable, secure, well supported and sustainable.

The third IFMIS Strategic Plan (2022-2026) comes against a backdrop of fiscal consolidation efforts by the government, to reduce misappropriation of public funds, reduce debt, and enhance focused delivery of government policy through development projects.

To achieve the desired objectives, the IFMIS Strategic Plan for the period 2022-2026 has changed from the original approach to a new, agile approach in development and implementation. This is informed by lessons learnt during roll out and implementation from 2011 to 2019, and a need to adapt to changing needs in an iterative process.

The complex nature of technology informs the agile approach of delivering the IFMIS Strategic Plan in the next five years. This will require a bigger shift to stakeholder engagement to identify lessons learnt, and areas of improvement in automating functional processes and transform these lessons into innovations that enhance efficiency and transparency in resource planning, allocation, expenditure and reporting in the country.

I.   INTRODUCTION

Integrated Financial Management Information System

Kenya's Vision 2030 provides a framework for the country's development that is predicated upon transparency and accountability in the use of public finances. In addition, Vision 2030 embodies a vision for public service as "a citizen-focused and results-oriented" institution serving a rapidly growing economy and society. To this end, measures have been initiated in order to improve public service delivery with e-government being one of them.

The National Treasury is mandated by the Public Financial Management Act (2012) Section 12 (1) (e) to design and prescribe an efficient financial management system for the national and county governments to ensure transparent financial management and standard financial reporting. The development and implementation of the Re-engineered Integrated Financial Management Information System (IFMIS) was a response in this regard.

The Government of Kenya's Integrated Financial Management Information System (IFMIS) is an Enterprise Resource Planning (ERP) Software, built on an Oracle platform. The objective of IFMIS is to automate and integrate PFM systems which facilitate efficient and effective execution of all financial management process, eliminate risks, and enhance security and financial controls in all service areas including County Government units. The main objective of IFMIS is to facilitate budget planning, execution of the budget, consistent and systematic accounting recording, and assisting the National Treasury to meet its commitments and manage its payments and debts, while simultaneously ensuring the quality of financial statements.

The Integrated Financial Management Information System (IFMIS) was first rolled out to government ministries in 2003 and to County Governments in 2013, while its re-engineering process began in 2011 in order to stabilize and enhance IFMIS implementation.

Mandate of IFMIS Department

The Department gets its mandate from PFM Act, 2012, **Section 12 (1) (e**): '*Subject to the constitution and this Act, the National Treasury shall design and prescribe an efficient financial management system for the national and county governments to ensure transparent financial management and standard financial reporting as contemplated by Article 226 of the constitution'.*

The IFMIS Department was therefore established to undertake the following functions:
   a. Coordination of automating government's business processes, from budgeting, cash planning, procurement, payment processing and reporting.

b. Providing system support to users and suppliers in National and County Governments
c. Proving technical support to IFMIS infrastructure to ensure system reliability and security
d. Providing an integration framework for interoperability with other PFM systems that ensures end-to-end transaction process.
e. Facilitating connectivity of IFMIS in National and County Governments
f. Capacity building for IFMIS users in National and County Governments, including suppliers.
g. Facilitating generation of accurate government financial statements from IFMIS

Public Financial Management Reforms

The PFM Reform Strategy 2018-2023 is anchored on the Medium-Term Plan 2018-2022 (MTP), now in its third iteration (MTP III), which in turn is guided by Vision 2030. The MTP III is anchored on three pillars, Economic, Social and Political, with Enablers providing the underpinning foundation for delivery against each of the pillars.

Public finance reforms are identified as one of the keys enabling components of the MTP. In this context, the PFMR Strategy underpins the policy for delivery of macroeconomic stability and public services in the MTP III.

PFMR Strategic Plan is premised around the following eight (8) distinct Results Areas;
1. Sustainable and predictable fiscal space to deliver government programs

2. Strategic and transparent spending on public investment and service delivery in line with National and County Policy Commitments

3. Reliable cash for service delivery and public investment

4. Value for money in procurement and contract management

5. Value for money, performance & accountability in staffing for service delivery

6. Education institutions, health and other service facilities effectively manage public resources

7. Disciplined financial management and accurate reporting

8. Accountability delivered through audit, oversight and follow up

IFMIS is required to make interventions in the implementation of Result Areas 3, 4 and 7. Delivery of outputs within these Result Areas will require collaboration with business process owners to constantly review and provide business process requirements for enhancement of specific IFMIS modules

The National Treasury Strategic Plan

The National Treasury & Planning developed a Strategic Plan covering a period of five financial years starting Financial Year 2018/2019 to Financial Year 2022/2023 in the context of the Third Medium Term Plan. This is dubbed the Fourth Generational Strategic Plan that rides on the success of the Third Generation Plan and in order to achieve sustained socio-economic transformation for job creation and shared prosperity.

The Plan identifies five Key Results Areas for implementation during the period 2018/19 – 2022/23. They are:

Key Result Area 1:   Stable and sustainable macroeconomic environment;
Key Result Area 2:   Resource Mobilization for financing public expenditure;
Key Result Area 3:   Development Planning, budgeting, and intergovernmental relations;
Key Result Area 4:   Tracking and reporting on implementation of policies, plans and budgets;
Key Result Area 5:   Organizational capacity strengthening.

A key strategic objective within Key Result Area 3 is to Strengthen Public Financial Management at National and County levels. Under this Strategic Objective, The National Treasury will work to strengthen the financial management system, ensure effective cash and Treasury management and ensure timely and accurate financial reporting.

IFMIS Department is therefore expected to carry out the following activities to contribute to the National Treasury's Strategic direction:

1. Implement all the financial modules
2. Integrate IFMIS with PFM stand-alone systems
3. Train IFMIS Users on system functionalities and financial reporting

Rationale for the Strategic Plan 2022-2026

IFMIS implementation has been guided by two Strategic Plans. The first Strategic Plan, 2011-2013 focused on re-engineering business processes and developing end to end financial management processes and roll out of the system to National Government entities. The second Strategic Plan, for the period 2013-2018 was centered on the roll out of the system to the newly established County Governments and building a sustainable system across the IFMIS Components, with reliable infrastructure.

The IFMIS Strategic Plan for the period 2022-2026 is poised to move the system and its operations from a transactional system to a more strategic tool in terms of providing data

and supporting the overall mandate of the National Treasury and PFM reforms in National and County Governments.

Approach to the Development of 2022 -2026 Strategic Plan

Development of IFMIS Strategic Plan has considered views from various Audit reviews, carried out in 2016 and 2019, Quality Assurance review in 2017, Lessons learnt from IFMIS users and internal IFMIS business process review, that was undertaken by the IFMIS Department in 2019.

These views were consolidated into a draft Strategy document and validated by stakeholders from National and County Governments in a workshop in March 2022.

Internal Business Process Review

An internal business process review of the various automated processes in IFMIS was carried out at the end of IFMIS Strategic Plan (2013-2018) to understand and interrogate the linkages between the automated processes in IFMIS and requirements in various public finance legislation, identify gaps and challenges, and propose immediate and long term measures to resolve these challenges.

The process of the internal review followed a modest Business Process Model and Notation (BPMN). The BPMN is a graphical visualization of business processes that describes the structure and elements of a business sequence.

The IFMIS Internal review followed the following format:

Map Business Processes	Identify Process Gaps	Analyse Process Gaps/Challenges	Propose Requirements for addressing Gaps

The use of BPNM in the internal review of IFMIS Business processes provided the Department with a greater understanding of the automated processes, which facilitated reflection and discussions on the extent to which the business processes deliver value through the various PFM legislations. The IFMIS Department thereafter proposed immediate and long term actions for resolving the identified challenges and gaps, which are incorporated within the specific Key Result Areas.

Lessons Learnt from IFMIS Implementation

Stakeholder retrospective was conducted in December 2019, with IFMIS users from National and County Governments. The consultations at the Kenya School of Government (KSG) were useful in providing an avenue to obtain feedback on the use of the system, with proposed areas of improvement on IFMIS functionalities. The key issues have been captured in the specific IFMIS Component areas in the following sections.

The results of the consultations with IFMIS users and the proposed areas of improvement are interwoven in the specific IFMIS components. Some of the key lessons learnt from IFMIS users include the following:

1. There are implications of splitting votes within a financial year. Policy direction should guide against this practice.
2. National Treasury is key in providing guidance to County Governments in managing an effective system for own source revenue.
3. The National Treasury should review IFMIS modules and ensure that all activated modules are fully in use.
4. An invoice generation functionality should be enhanced in the system to enable Suppliers generate and monitor their invoices in the system. This will reduce malpractices since suppliers will not interface with government officials in order to receive their payments.
5. Consolidation of cash plans by the Exchequer Unit is useful to give entities an indication of what has been approved and processed within their cash plans.
6. The system's approval hierarchy process should ensure that specific alternates are nominated by the entities instead of allowing a stream of users to pick from as alternates. This promotes greater accountability.
7. Continuous capacity building for the users on system changes is key, and trainees should be provided with user manuals after the training. This should be followed by on-the-job training for users, who should use the system's live environment to build user confidence.
8. IFMIS is an information management tool, and continuous communication with system users is critical to ensure that they are kept abreast of any system changes and new requirements.
9. An IFMIS Help Desk and Call Centre is mandatory to enable efficient resolution of system issues and promote positive user experience.

Structure of the Strategic Plan Document

IFMIS Strategy document has been structured along IFMIS Components that outline the key public finance management processes, and the foundational structures of IFMIS, including infrastructure, hardware and security, and system governance. Implementation

of the IFMIS Strategy will incorporate the IFMIS components: Plan to Budget, Revenue to Cash, Record to Report, ICT to Support and Communicate to Change.

The IFMIS Components have guided implementation of the previous strategies, and these are aligned to the strategic direction in this new strategy. The strategic direction has been informed by feedback from system users in National and County Governments, and changes in the PFM landscape and technological arena that have necessitated IFMIS to adopt in order to improve system operations.

This Strategy document includes a governance framework to guide stakeholder engagement, monitoring, evaluation and reporting. One of the major strategic shifts through this strategy period is customer focus, which will be delivered through continuous engagement with business process owners and conducting frequent retrospectives with users in National and County Governments. This borrows from an agile delivery framework that involves constant engagement with stakeholders and continuous improvement.

Key Result Areas have been identified within the IFMIS strategic components for each year. These Key Result Areas will form the basis of elaboration each Financial Year in collaboration with stakeholders from National and County Governments.

II.   SITUATION ANALYSIS

IFMIS STRATEGIC PLAN (2013-2018) SCORE CARD

IFMIS was implemented to fight against wasteful spending and corruption. The system has provided visibility and access to financial data, audit related to risks and results, open and competitive procurement processes and commitment control. Previously, financial malpractices took a long time to detect, but with the system, any financial transaction is recorded and cannot be deleted from the system, making information on financial misappropriation readily available.

Ministries, Departments, Agencies (MDAs) and County Governments prepare their budgets using the Hyperion module in IFMIS, and these budgets are linked to the procurement, accounting, payment and reporting processes. MDAs and County Governments can only make procurements that are in line with the approved budgets. The users generate reports from the transactions they input into the system, and so if they do not capture the financial processes well, they do not generate accurate reports.

The system has developed an approval hierarchy which ensures that users only make transactions within their areas of responsibility, and that there is segregation of duties. The approval hierarchy has promoted accountability in the use of public funds, so long as all transactions are made in IFMIS.

The IFMIS e-procurement module was launched in August 2014, and rolled out to Ministries, Departments, Agencies and County Governments. This module has implemented the Item Master that has gone a long way to eliminate theft and wastages in public procurement. This Item Master was configured in line with item categories outlined in the United Nations Standard Product and Services Classification (UNSPSC) and provides market pricing for all commonly procured goods and items. All public entities have a view of the goods and services they are procuring, and the recommended prices.

IFMIS has integrated with the KRA's i-Tax system. This is aimed at promoting accountability in all the revenue that KRA collects, and avoiding tax evasion since IFMIS shares data on withholding tax with the i-Tax system. It is a requirement that one is tax compliant before receiving any payment from the government.

The erstwhile challenge of reliable infrastructure has been resolved by installing new IFMIS servers in off site disaster recovery centres and enhancing the application architecture. The servers were delivered and installed, migration of IFMIS database and applications undertaken, and re-designing the application architecture, including included load balancing capabilities to optimize performance during peak periods.

The IFMIS Help desk and Call Centre was revamped to facilitate IFMIS users in National and County governments to log in and submit any system support issues through the

help desk portal (http://ifmishelpdesk.ifmis.go.ke/portal) and view resolution status, once they are addressed by the IFMIS super users.

In order to enhance IFMIS security, the National Treasury engaged the Ministry of Interior in June 2018 to review the existing security solutions and provide recommendations. Some of the key recommendations from the report were to renewal licenses for IFMIS Security solutions, implement two-factor authentication, address identified vulnerabilities including open ports in the back end and secure administrator passwords. In addition, the report recommended that IFMIS is designated as a national critical infrastructure (security installation) for continuous monitoring by the Agency.

Challenges

The following are some of the key challenges encountered during IFMIS implementation in National and County Governments:

1. Weak linkages of system development and business process owners.
2. Inadequate staffing at the IFMIS Department, which impacts on delivery of implementing user requirements.
3. Inadequate policy direction through the IFMIS Steering Committee.
4. Uncoordinated system change requests from users, leading to insufficient interrogation of impacts of changes and inadequate change documentation
5. Staff constraints and transfers that affect capacity building
6. Inadequate use of the system in County Governments, for example Counties not using Personal Emolument Forms in the budgeting system owing to disparities in salary scales between mainstream civil servants and County staff from defunct local authorities
7. Inadequate capacity of the Standard Chart of Accounts leading to mix-up of programmes between National and County Governments
8. Reliance on vendors for support
9. Lack of a National Asset and Liability policy to guide implementation of IFMIS Fixed Asset module
10. Insufficient enforcement of automatic bank reconciliation by National and County Government entities
11. Budget cuts and in-year changes leading to negative balances
12. Varying system requirements during development stages of a solution
13. Management of transition of government data when new government is installed after national elections
14. Rapid technological changes and insufficient legislative backing

Key Takeaways

1. Management support is key in enforcing compliance with the use of the system. Use of IFMIS by Investigative and Audit entities further promotes compliance.
2. Business process automation or enhancements should be spearheaded by business process owners. The business process owners should review business processes regularly and provide guidance on automation in IFMIS.
3. Use of digital platform for learning is useful to enhance continuous IFMIS training to users and suppliers.
4. Comprehensive change request procedures are useful in coordinating the approval of system changes and updating baseline documentation.
5. Continuous capacity building and communication with system users and other stakeholders promotes greater compliance and user experiences.
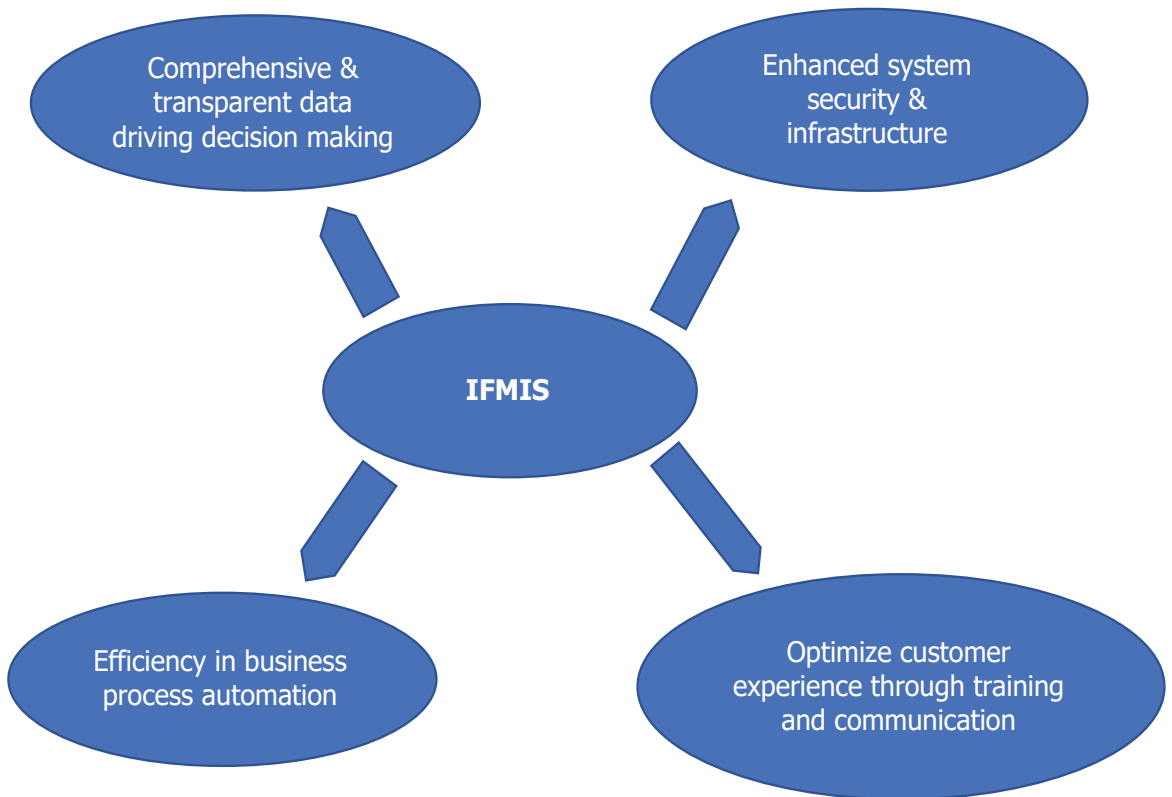
SWOT ANALYSIS

IFMIS analyzed internal and external factors through the identification of strengths, weaknesses, opportunities and threats (SWOT) to identify where to concentrate initiatives in the new strategic planning period. What occurs within IFMIS Department control provides the source of information for analyzing strengths and weaknesses in the SWOT analysis. What happens outside of IFMIS Department's influence is equally important to the achievement of the strategic objectives, and has been categorized as opportunities and threats.

INTERNAL	
STRENGTHS: Existing resources or capabilities that help IFMIS implement the mission	**Options for preserving/enhancing strengths:**
• Legal framework for IFMIS • Existing ERP with adequate infrastructure • Management support • Integration with CBK & KRA • Agility for IFMIS to integrate with PFM systems • Software versions that support enhancements	• Develop IFMIS Regulations • Develop IFMIS User Manuals • Continous communication with stakeholders • Develop IFMIS Integration framework

WEAKNESSES: Deficiencies in IFMIS resources or capabilities the hinder delivery of IFMIS mission	Options for minimizing/overcoming weaknesses:
• Incompatibility of ICT hardware & software technologies • Inadequate redundancy in some of the supporting applications. • Inexistent cyber security response plan • Insufficient IFMIS Support personnel • High cost of system maintenance • Insufficient compliance mechanism	• Develop IFMIS Scheme of Service • Revise IFMIS Disaster Recovery & security framework to align it to cyber security response plan. • Develop IFMIS Operational Regulations • Develop tools for supporting internal processes to ensure compliance • Development of IFMIS scheme of service
EXTERNAL	
OPPORTUNITIES: Outside factors or situations that IFMIS can take advantage of to deliver its mission	Options for taking advantage of opportunities:
• Implementation of PKI for digital signatures • GSM service providers supporting USSD • Legal ICT frameworks • Diverse technological options to support user access • Adoption of cloud computing technologies. • Single source of truth for PFM • Development partners support • IFMIS Academy for capacity building • PSASB templates for financial reporting	• Collaboration with ICT Masterplan implementation • Develop IFMIS Integration framework • Development of Enhanced Reporting and Business Intelligence. • Development of cloud computing framework within the ICT masterplan.
THREATS: Outside factors or situations that are unfavorable for IFMIS implementation	Options for overcoming threats:
• Cyber security threats • High staff turnover within IFMIS user base. • Lengthy procurement processes • Global challenges in acquisition of latest technologies • Technology obsolescence • Multiple PFM systems not integrated with IFMIS • Change of leadership • Overreliance on vendors • Integrity of users	• Develop IFMIS Disaster Recovery & Security Framework • Regular IFMIS Steering Committee meetings • Enhance IFMIS internal capacity to respond to technology changes. • Implementation of GRC • Provide appropriate online tools for training and capacity building.

The IFMIS 5-year Strategic Plan embodies a shift in how business processes will be automated and enhanced, and aims to enhance collaboration with stakeholders from National and County Government entities to continuously discuss and review changing business needs in light of technological advancements. The following figure illustrates the core dimensions that IFMIS will respond to in the strategic period.

Comprehensive & transparent data driving decision making

Enhanced system security & infrastructure

IFMIS

Efficiency in business process automation

Optimize customer experience through training and communication

III. IFMIS STRATEGIC DIRECTION 2022-2026

The new IFMIS Strategic Plan for 2022-2026 is intended to address specific issues highlighted in the various system operational and functional reviews, and to move system implementation to provide outputs that will restore public confidence in how the government manages public resources. The Strategy will direct IFMIS implementation through an agile framework that allows for iterated system improvements that are centered on customer requirements. This requires a greater shift towards customer focus and incremental learning and review to improve the automated business processes.

The following five thematic areas will drive IFMIS implementation in the period 2022-2026:

IFMIS Scheme of Service, Internal Capacity, Steering Committee, Quality Assurance, M&E

System upgrade, Expansion of IFMIS connectivity, enhanced infrastructure, system security and support

(5) IFMIS Governance & Institutional Strengthening

(1) Sound IT platform supporting PFM Reforms

Continuous Capacity Building, Communication, Help Desk

(4)) IFMIS User Adoption

IFMIS 2022-2026

(2) Business process automation driving efficiency in service delivery

Efficient Plan to Budget Support, Efficient & Transparent Procurements and Payments, Pending Bills Management

Auto-reconciliation, Commitment Controls, Accounting standards

(3) Accurate Financial Statements

1. **Sound IT Platform fully supporting PFM Reforms** – The Covid-19 pandemic catalyzed digital transformation, and IFMIS will therefore expand the technological capabilities to expand its reach in sub-County entities, foreign missions, while exploring the potential of emerging digital technologies to improve efficiency in service delivery and user experience through a secure, interoperable and transparent public financial management system.

2. **Business process automation driving efficiency in service delivery:** In order to constantly meet customer needs and expectations, constant review of business processes to improve and innovate is pivotal. This will drive system enhancements to simplify financial processes while maintaining controls for transparency and credibility of transactions. Agile approaches will be adopted to improve on the IFMIS modules to facilitate the following:
   - Efficiency in Budget Process Support - upgrading system architecture to enhance sector planning and development of program based budgets, and tracking budget changes to provide accurate budget execution reports.
   - Efficient and transparent procurements –enhancement of the e-procurement module in line with provisions of Public Procurement & Asset Disposal Act (PPADA), 2015.
   - Timely and transparent payments – improving workflows for cash planning, invoicing and exchequer release process to enforce commitment controls, enhance transparency and reduce the incidences of pending bills.

3. **Accurate Financial Statements** – ensure that financial transactions in IFMIS ultimately generate accurate and timely financial statements that are in compliance with relevant accounting standards and in formats prescribed by the Public Sector Accounting Standards Board.

4. **Enhanced IFMIS user adoption** – this is aimed at intensifying IFMIS capacity building and customer experience in National and County Governments through greater stakeholder engagement, establishment of an IFMIS Help Desk and an IFMIS Communications Strategy.

5. **IFMIS Governance & Institutional Strengthening** – this is a foundational strategic pillar with the following strategic objectives:

   a. Development of IFMIS Scheme of Service: this will attract, motivate and ensure retention of an IFMIS team, which is pivotal in supporting IFMIS operations.

b. Operationalization of IFMIS Steering Committee: The Steering Committee will be revived to provide strategic oversight and guidance of IFMIS implementation in a fast-changing IT landscape.

c. Institutional Strengthening for Business process review and automation: this will focus on building internal IFMIS capacity, enhancing the capacity of National Treasury Departments responsible for Budgeting, Procurement, Exchequer Release Planning, Accounting and Reporting to steer business process re-engineering and ensure stakeholder's requirements are met.

d. Monitoring, Evaluation & Risk Management: development and implementation of an M&E and a risk management framework

e. IFMIS Quality Assurance framework to guarantee quality processes for system review, enhancements and process documentation.

ACTION PLAN

The IFMIS Thematic Areas are aligned to IFMIS legal mandate within the Public Financial Management Act, 2012 the Public Financial Management Reform objectives and the National Treasury Strategic Plan objectives. The following section outlines the Strategic Objectives and Key Result Areas that will catalyze the achievement of the five Thematic Areas during the period 2022-2026.

The Key Result Areas provide longer term strategies for the next five years that will be elaborated further in each financial year into specific activities with key performance indicators. The Key Performance Indicators (KPIs) will present high level measures or metrics, for each annual objective, which (when measured and reported) will provide an indication on the progress made towards achieving that particular objective.

Thematic Area 1: Sound IT Platform fully supporting PFM Reforms.

Review of IFMIS IT Governance to ensure that the system is managed in line with best practices and that the required internal controls are in place and in proper use will be critical. The IFMIS technology will also be reviewed for security and relevance in line with technological advancements while aiming to control the cost of running the system.

Given the criticality of IFMIS, considerations of virtual assistants and measurement of user satisfaction or incident response time need to be incorporated.

Thematic Area	Strategic Objective	Key Result Areas	Timeframe
1. Sound IT Platform fully supporting PFM Reforms.	1.1: Improve IFMIS Infrastructure (ICT to Support)	• Develop and implement an IFMIS co-location plan to Government Data Centre	2022
		• Enhance digital transformation through digital signatures, barcoding	2022
		• Develop IFMIS Document Management System	2022
		• Upgrade IFMIS Database, Application including Hyperion	2022
		• Develop a County Revenue Management System	2023
		• Develop system integration protocols to faciliate integration of State Corporations systems with IFMIS, GHRIS, Pensions	2023
		• Upgrade IFMIS application servers	2023
		• Develop Framework for Governance Risk Compliance	2023
		• Integrate PFM ICT systems with IFMIS	2025
	1.2: Improve IFMIS Network & Connectivity	• Connect IFMIS in sub county offices	2024
		• Roll out IFMIS to State Corporations	2024
	1.3: Effective System Support	• Provide capacity and infrastructure for migration to accrual accounting	2024
		• Enhance IFMIS e-learning platform	2024
		• Develop knowledge base for self-support services	2026
	1.4: Enhance IFMIS Security	• Implement multi-factor user authentication	2022
		• Develop Cyber Security Response Plan	2024
	1.5: IFMIS Integration	• Review Integrations with Internet Banking, i-Tax	2022
		• Develop IFMIS Integration Framework	2023

Thematic Area 2: Business process automation driving efficiency in service delivery

Strategic Objective 2.1: Efficient Budget Process Support

IFMIS budgeting module is used to develop budget estimates and supplementary budgets since 2012. The objective of Plan to Budget (P2B) module is to fully automate planning and budgeting processes in line with the legal provisions, in order to improve the accuracy and efficiency of budget estimates and reports generated from the system.

IFMIS Plan to Budget (P2B) application provides budget officers with the ability to enter budget estimates in accordance with the legislated budget workflow, shown as follows:
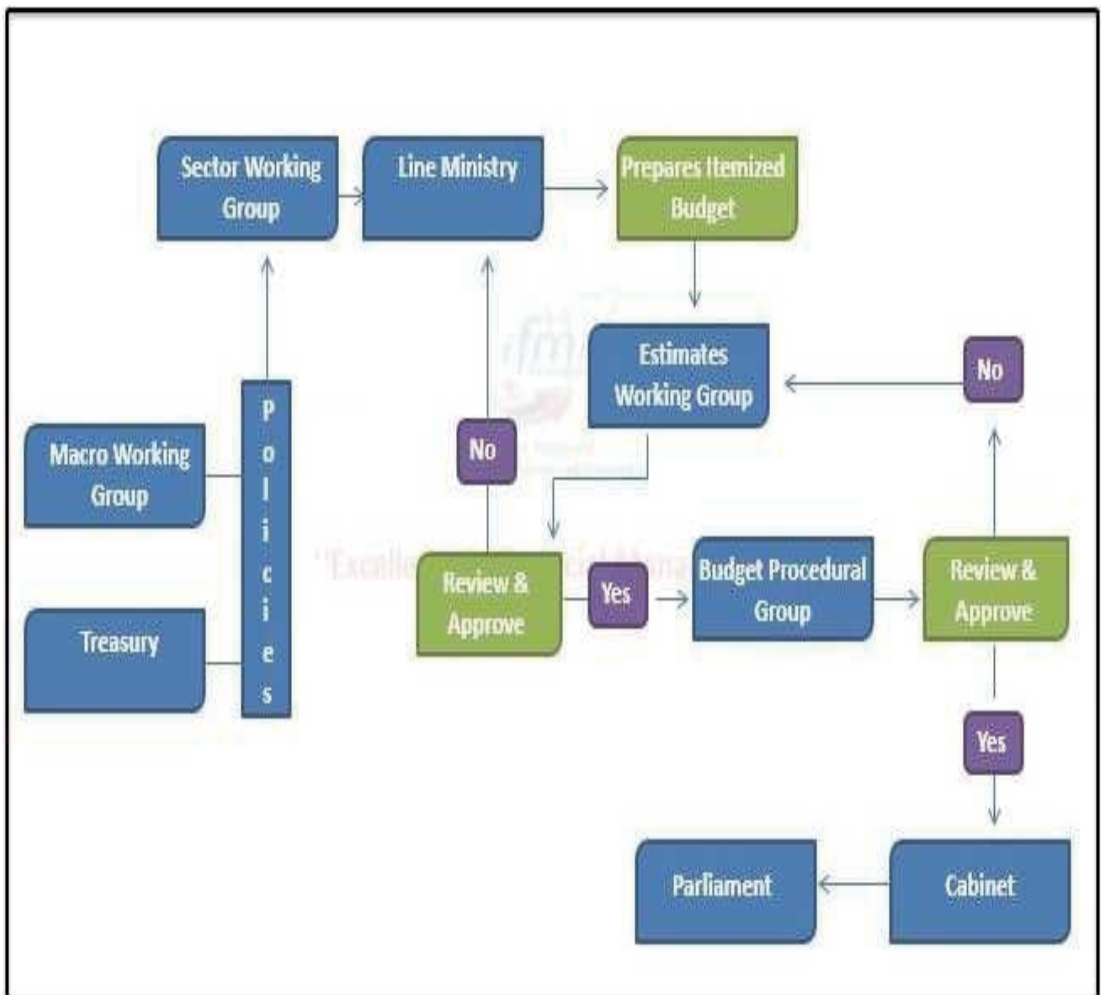
The IFMIS Planning and Budgeting application supports the following:

Expenditure Application:
- i. National Government
  - a. Recurrent Expenditure
  - b. Development Expenditure
- ii. County Government
  - a. Recurrent Expenditure
  - b. Development Expenditure
- iii. Programme Based Budget

Revenue Application: There are two classifications of revenue:
1. Tax Revenue
   - a. Income tax
     - i. Pay as you earn (PAYE)
     - ii. Corporation tax
   - b. Excise duty - cigarettes, beer, mineral water, juices, soda, wines and spirits, motor vehicles
   - c. Value Added Tax
   - d. Import duty
   - e. Stamp duty
   - f. Fees and charges- fee under Traffic Act
   - g. Profit and dividend
   - h. Rent on land
   - i. Import declaration fees
   - j. Railway development levy

2. Non-Tax Revenue
   - a. Borrowing – domestic and foreign
   - b. Grants from development partners
   - c. Dividends from investments
   - d. Fines and forfeitures
   - e. Surplus from Regulatory Authority
   - f. Loan repayment

Consolidated Fund Services

Consolidated Fund Services (CFS) are payments which form first charge as outlined in the Constitution. CFS comprises of the following:

1) Domestic Debt Interest Payments
2) External Debt Interest Payments
3) Domestic Debt Redemption
4) External Debt Redemption
5) Pensions

6) Salaries and Allowances for Constitutional Office holders
7) Guaranteed Debts by Government of Kenya
8) Miscellaneous services
9) Subscription to International Organizations

The CFS module in Hyperion has enabled Debt Office at the National Treasury to capture data and generate reports which are annexed in the budget estimates books.

Integration of the proposed Public Investment Management Information System (PIMIS) and IFMIS planning and budgeting application will be required during the strategic plan period. This will not only ensure that government policy is prioritized during resource planning and allocation, but also projects are appraised in the PIMIS and realistically costed in the IFMIS Hyperion Budgeting module.

The best formulated budget becomes irrelevant, if to a large extent it is disregarded during execution. Effective strategies for budget execution such as release of funds, disbursement, recording of transactions, operation of budget controls, monitoring of budget execution including contract management will be enhanced during the strategic plan period.

Strategic Objective 2.2: Efficient & Transparent Procurements
The IFMIS Procure to Pay component is aimed at creating an end-to-end automated process (e-Procurement) that starts from the development of procurement plans, to the actual procurement of goods and services, to payment of suppliers for goods or services delivered, and disposal of assets.

Oracle e-Procurement is a self-service requisitioning application, which provides a web-based shopping system that allows IFMIS users in National and County Governments to create, manage and track their own Purchase Requisitions against the Procurement Plan. Oracle e-Procurement streamlines the current government procurement processes, resulting in an efficient, integrated set of processes that have minimal human intervention.

The IFMIS Procure to Pay module consists of the following functions:
• Procurement Planning
• Requisition
• i-Supplier Portal
• Sourcing
• Inventory Management
• Purchasing

Procurement Planning
Procurement Plan is the first step in the purchasing process where goods/items or services required by a procuring entity within a financial year are clearly stated. A

purchase requisition cannot not be created if the required items/services are not reflected in the procurement plan. In accordance with the PFM Act, 2012, each procuring entity prepares a procurement plan in IFMIS which is submitted to the Accounting Officer for approval through the approval hierarchy.

Requisition

The Requisition process is a workflow process that is initiated when an entity desires to procure an item/service. This requisition is submitted to the approver to approve, request for additional information or reject.

Supplier Portal

The IFMIS i-Supplier portal includes supplier self-registration process, verification and approval of suppliers, capturing and recording of supplier information after having validated and verified such information for accuracy. In addition, this process caters for regular maintenance of supplier information.

For a supplier to engage in business with the government, they must be registered as a government supplier in IFMIS. Supplier information is recorded using the supplier registration process and supplier define responsibility.

Sourcing

The objective of online sourcing process in IFMIS is to provide transparency and fairness during the whole tendering process. IFMIS Sourcing module currently supports preparation of tender documents, Request for Quotations with evaluation and weighting criteria, publishing these documents in the Supplier Portal for supplier visibility, tender or quotation submission process, evaluation of tenders or quotations response, supplier selection, and contract award.

Inventory Management

The National Treasury is mandated by the constitution of Kenya to be the custodian of government inventory. According to the Public Procurement and Asset Disposal Act, 2015, the Accounting Officer is mandated under Section 161 (1) to set up an inventory management system to be managed by the Head of Supply Chain Management (HSCM) function for control and management of inventory stores and assets.

The objectives of the IFMIS Inventory Management module is to manage purchased goods that have been inspected and accepted into the stores having been certified in accordance with Section 159 and Section 152 of the PPAD Act, 2015. In this regard the IFMIS Inventory module should fully support automation of processes that monitor government inventory from procurement to payment and inventory management.

Item Master

The objective of the item master is to enable standardization of procurement items, goods, services and works by assigning unique codes to commonly procured items. This makes it easy for procurement plan users to identify and allocate various procurement plan items and eventually prepare procurement plan that is standard.

These items are sequentially created and assigned, each according to the category in which it belongs eg; 'M' for Goods, 'S' for Services, and 'W' for works. The item codes in the IFMIS Item Master have been designed following the United Nations Standard Products and Services Code (UNSPSC).

Purchase Order (PO) Management

Purchase Order management involves automating the process of raising Purchase Orders after supplier selection has been done and the approval of these purchase orders. After the POs have been approved, the supplier is notified automatically through the supplier portal. This process frees procurement officers from raising POs manually and taking them round for approvals.

Receipt Management

This process automates all activities involved in receiving goods provided by the supplier, from delivery and receipt of goods, inspection and acceptance process to recording of goods received in IFMIS. It also supports the return of delivered goods to the supplier if they fail to meet the inspection criteria and specifications.

This module supports deliveries against the PO or Service Order. After the goods have been successfully accepted in the store, the inventory levels should be updated in IFMIS. Procured items coded as assets should be automatically updated in the fixed assets register. The supplier is automatically notified of the acceptance of goods/services through the supplier portal to enable them raise an invoice.

Invoicing and Payments Management

The objectives of the IFMIS Accounts Payable module is to ensure that invoices are raised, approved and paid through IFMIS and that efficient financial accounting is effected once posting is done. The invoicing process is enhanced to facilitate Suppliers to invoice in IFMIS, and to track the status of their invoices, thereby enhancing transparency.

There is also a need to explore how investigative and oversight agencies can be facilitated to make use of the system, in addition to the system access that has already been granted.

Cash Management & Revenue Planning

The IFMIS Revenue to Cash component is aimed at providing functionalities for collection, recording, classification and reporting of revenues. It also facilitates timely reconciliation of bank accounts.

The objective of IFMIS cash management module is to enhance the projection, forecasting and management of timely cash inflows and outflows for National and County Governments, in line with macroeconomic fiscal policies.

Strategic Objective	Objective	Key Result Areas	Timeframe
2.1: Efficient Budget Process Support (P2B)	2.1.1: Efficient support for automated Budgeting processes	• Upgrade the Planning and Budgeting Application	2022
		• Development of Planning & Budgeting module for SAGAs	2023
		• Enhance budget application infrastructure	2024
		• Support County Governments budgeting for Personal Emoluments	2022
	2.1.2: Support development of Sector Planning Module	• Support effective linkage of planning, budgeting and execution for effective forecasting and formulation of government policies	2023
	2.1.3: Efficient support for budget implementation	• Support implementation of module to track in-year budget movement	2023
		• Support automation of disbursements of donor funds to projects	2025
		• Improve expenditure reporting of Appropriation in Aid	2023
	2.1.4: Support implementation of the new SCOA coding structure in the Budgeting module	• Support implementation of new Standard Chart of Accounts in line with Government Financial Statistics (GFS) manual 2014	2023
		• Improve analysis through new SCOA	2023
	2.1.5: Enhance the IFMIS Plan to Budget	• Support implementation of budget costing process	2025

	Module to facilitate realistic costing of activities by Public Entities		
2.2 Efficient & Transparent Procurements (P2P)	2.2.1: Align E-procurement module with PPAD Act, 2015	• Automation of the 5 commonly used procurement methods in line with PPADA, 2015	2022
		• Integrate IFMIS with Public Procurement Information Portal (PPIP)	2023
		• Integrate IFMIS and e-GP system	2025
	2.2.2: Enhance business processes to facilitate transparent and timely payments	• Automate invoice processing and tracking process	2022
		• Enhance commitment controls to facilitate timely payments	2022
		• Review payment process controls	2022
		• Improve management and reporting of pending bills	2023
		• Integrate budgets, procurement plans and cash plans	2023
	2.2.3: Review business processes and re-engineer IFMIS Inventory Management Module	• Pilot Inventory Management module	2023
		• Roll out Inventory Management module to National and County Government entities	2024
	2.2.4: Review and re-engineering of IFMIS Item Master	• Initiate review of Classification of common user items	2023
		• Develop framework for updating Item Master with PPRA	2024
	2.2.5: Efficient supplier master data	• Complete Supplier Clean up and Categorisation	2024

2.3: Accurate predictability of funding for effective budget execution	2.3.1: Enhance cash flow forecasting and cash balance management	• Enhance system cash book controls • Enhance budgetary and commitment controls	2023 2024
	2.3.2: Automation of Exchequer release process	• Review of bank account set ups • Automate controls for exchequer release	2022 2023
	2.3.4: Implement Integrated Revenue Management System	• Integrate IFMIS with County Revenue Management system	2025

Thematic Area 3: Generation of standardised, accurate and timely financial statements in IFMIS.

The fundamental building block of an IFMIS is a central database facilitating disciplined and transparent public financial transactions and delivering accurate and timely reports to facilitate decision making.

A comprehensive review of reports configuration and capacity to generate IPSAS-approved reports through IFMIS is critical. Other strategies to be considered include ensuring that IFMIS is fully aligned with internationally accepted reporting practices; improving consolidation of financial statements; reducing discrepancies in automatic bank reconciliation; and timely recording of public sector assets and liabilities in the system-generated financial statements. This will enable an effective reporting layer for use by various stakeholders.

IFMIS General Ledger module has been implemented for reporting which provides a structure for effectively recording transactional data for all sub-ledgers. This component encompasses all activities that include the updating and maintenance of the general ledger, the reconciliation of sub ledgers to the general ledger and closing of books.

The accounting process begins with collection of source transactions and accounting data and ends with the creation of reports. IFMIS is required to support the following:

- To apply period closure (e.g. monthly) procedures and routines within the IFMIS system to produce periodic financial and management accounts;

	Module to facilitate realistic costing of activities by Public Entities		
2.2 Efficient & Transparent Procurements (P2P)	2.2.1: Align E-procurement module with PPAD Act, 2015	• Automation of the 5 commonly used procurement methods in line with PPADA, 2015	2022
		• Integrate IFMIS with Public Procurement Information Portal (PPIP)	2023
		• Integrate IFMIS and e-GP system	2025
	2.2.2: Enhance business processes to facilitate transparent and timely payments	• Automate invoice processing and tracking process	2022
		• Enhance commitment controls to facilitate timely payments	2022
		• Review payment process controls	2022
		• Improve management and reporting of pending bills	2023
		• Integrate budgets, procurement plans and cash plans	2023
	2.2.3: Review business processes and re-engineer IFMIS Inventory Management Module	• Pilot Inventory Management module	2023
		• Roll out Inventory Management module to National and County Government entities	2024
	2.2.4: Review and re-engineering of IFMIS Item Master	• Initiate review of Classification of common user items	2023
		• Develop framework for updating Item Master with PPRA	2024
	2.2.5: Efficient supplier master data	• Complete Supplier Clean up and Categorisation	2024

	3.4: Enhanced recording, monitoring and reporting of Fixed Assets	• Implement Fixed Assets module	2024

Thematic Area 4: Enhanced IFMIS Adoption

IFMIS users determine the quality and timeliness of data entered and reports generated from the system. The Strategy will adopt a more user-focused approach, with continuous capacity building and learning lessons.

The IFMIS Academy has the mandate to schedule, monitor and assess training done by the National Treasury at Kenya School of Government, Nairobi. Continuous capacity building of users will be paramount within the next five years, and feedback from users in National and County Governments, including oversight agencies will be considered. User manuals will be reviewed to keep them in line with the current business processes.

There is however need to implement stringent measure of monitoring and scheduling of IFMIS training in order to ensure quality control in course content and administration.

Collaboration with stakeholders in National and County Governments will also be enhanced by targeted communication. An IFMIS Stakeholders Communication Strategy will be developed to keep stakeholders informed of new innovations that can improve business processes, and system configurations in line with the priority business requirements.

Thematic Area	Strategic Objectives	Key Result Areas	Timelines
4.Enhanced IFMIS Adoption (C2C)	4.1: Develop IFMIS Stakeholder Engagement Plan	• Develop and implement IFMIS Stakeholder Engagement Strategy	2023
		• Develop and implement IFMIS Communications Strategy	2023
		• Review and revamp IFMIS website	2022
	4.2: Develop and implement IFMIS Capacity	• Conduct IFMIS Training needs assessment	2022

	building framework	• Develop a framework for feedback sessions and revision of annual IFMIS training Plan	2022
		• Enhance IFMIS Learning Management system	2023
	4.3: Develop IFMIS training manuals and online materials	• Review and Update user manuals	2023
		• Develop IFMIS training videos	2023
	4.4: Enhance IFMIS Customer Support Framework	• Implement IFMIS Control Desk	2022
		• Extend IFMIS Support through Huduma Centres	2022
		• Develop customer service standards manual	2023
		• Enhance capacity of IFMIS Help Desk Agents	2023
		• Develop customer self service portal	2025

Thematic Area 5: IFMIS Governance and Institutional Strengthening

This Thematic Area will facilitate implementation of the Strategic Plan through a clear implementation framework that will also include internal capacity building for the IFMIS Department, communication framework with stakeholders, monitoring, evaluation and reporting. This thematic area is articulated in detail in the following chapter.

IV. STRATEGY IMPLEMENTATION FRAMEWORK

IFMIS Steering Committee

The IFMIS Configuration Control Board will present escalated policy issues before the IFMIS Steering Committee. Re-constitution of the IFMIS Steering Committee will ensure that IFMIS implementation is closely monitored to ensure delivery of the strategic objectives. Representation from County Government leadership should be ensured in the Steering Committee.

The Steering Committee on IFMIS comprises representation from the following:

- Cabinet Secretary in charge of National Treasury & Planning;
- Principal Secretary, National Treasury;
- CBK Governor;
- KRA Commissioner General;
- Council of Governors;
- Controller of Budget;
- Director General, Accounting Services & Quality Assurance;
- Director, Intergovernmental Fiscal Relations;
- Director, Accounting Services;
- Director, Budget Department;
- Director, Public Procurement Department;
- Director, IFMIS Department;
- Auditor General.

The Cabinet Secretary, National Treasury & Planning will chair the IFMIS Steering Committee. Provided below are detailed responsibilities for the Steering Committee:

- Provision of overall policy direction on the implementation of IFMIS;
- Ensuring commitment at the highest levels of Government to IFMIS implementation;
- Committing and monitoring resources and budget for implementation support to National and County Governments;
- Reviewing high level progress of IFMIS implementation;
- Providing resolution of escalated issues;
- Endorsing organisational, policy and strategic change decisions; and
- Leading and championing any business process changes that may be required to facilitate effective implementation of IFMIS in National and County Governments.

The Steering Committee members will meet when need arises. The IFMIS Director, who will be an ex-officio member, will prepare requisite documents for review and consideration for approval.

IFMIS Configuration Control Board

The IFMIS Configuration Control Board is a team constituted to ensure that any changes to the IFMIS system are formally requested, reviewed, approved and implemented as required. The team is mandated to review impacts of any required system changes in terms of legal, IT security, cost, time and schedule implications and advise accordingly.

The IFMIS Configuration Control Board comprises representation from the following functional departments at the National Treasury:

- Budget Department
- Accounting Services
- Public Procurement Department

IFMIS Implementation Structure

IFMIS Steering Commitee

IFMIS Configuration Control Board
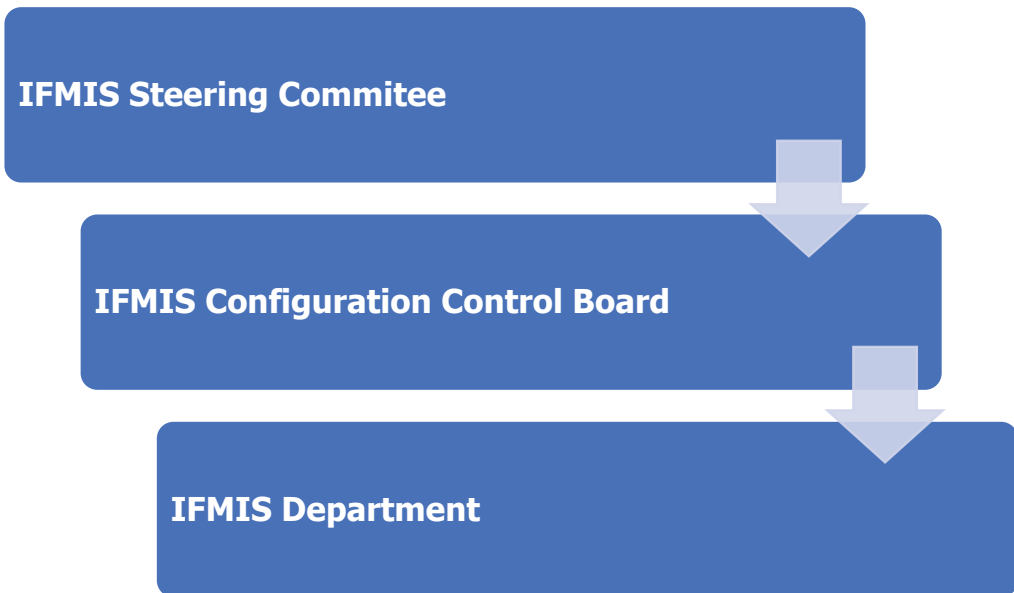
IFMIS Department

Institutional strengthening and capacity building for Business Process review and automation

Implementation of the IFMIS Strategy will be spearheaded by the IFMIS Department. A learning culture will be reinforced in IFMIS Department through various initiatives. To this end, targeted capacity building sessions will be organized each year to support a learning culture and ensure that IFMIS Department keeps abreast of digital transformation initiatives.

IFMIS implementation depends upon business process improvements to propose enhancements in the automated modules in order to improve efficiency in business processes and enhance value for money. The business needs are driven by functional departments at the National Treasury, and continuous engagement with these departments will be pivotal to ensure that IFMIS is more responsive to current business requirements. The effectiveness and efficiency of the automated public financial management processes in IFMIS will depend upon the business process owners, who will be critical in generating and owning the business requirements for automation.

A stakeholder communication and engagement framework will be developed to ensure that IFMIS enhancements and implementation are more inclusive and responsive. This will promote learning and innovation, identification of new opportunities and ultimately drive improvement of service delivery.

Monitoring & Evaluation & Reporting

The IFMIS Project Management Office (PMO) will monitor implementation of IFMIS Strategic Plan, including system enhancements and vendor performance. In addition, the PMO will coordinate the further elaboration of annual Key Result Areas and support the IFMIS Department in the development of annual workplans and performance reports.

Monitoring of Strategic implementation will be spearheaded by the PMO, with risks identified and mitigated. A risk management framework will be developed to identify and implement risk responses.

A mid-term implementation review of the IFMIS Strategic Plan will be conducted in 2024, spearheaded by the IFMIS PMO team.

Risk Management

Although risk management may be an ongoing process during implementation in the strategic plan period, the IFMIS Department will ensure that monitoring and management of risks becomes predictive and proactive. This will be done through regular implementation status meetings to identify, assess and manage risks that could inhibit IFMIS ability to achieve its strategic objectives.

To facilitate risk identification process and analysis, the following table will regularly be reviewed and completed with categorized risks.

Issue	Risk Description	Mitigation Measures
People	• Lack of IFMIS Scheme of service to retain expertise • Inadequate Compliance/enforcement in system use	• Review Org structure, staff establishment & recruit • Development of IFMIS Regulations • Communication strategy

	• Inadequate Customer management • Reliance on vendors for business development processes	• Enhance Service Centre through Huduma Centres, Revamped Help Desk
Processes:	• Inadequate budget • Insufficient project management standards to guide implementation • Delay in procurement	• Policy direction from Steering Committee • Development of IFMIS Standard Methodologies and Configuration Templates • Implement framework for stakeholder engagement • IFMIS Configuration Control Board decisions
Technology:	• Rapid technological changes	• Integrate training process to consider new changes in technology. • Adopt a policy for adopting advancement in new technologies

IFMIS STRATEGIC PLAN 2022-2026
IMPLEMENTATION MATRIX

Component	Objectives	Key Result Areas	Timeframe				
			2022	2023	2024	2025	2026
Strategic Objective 1: Sound IT Platform fully supporting PFM Reforms							
ICT to Support	1.1: Improve IFMIS Infrastructure (ICT to Support)	Develop and implement an IFMIS co-location plan to Government Data Centre	☐				
		Enhance digital transformation through digital signatures, barcoding	☐				
		Develop IFMIS Document Management System	☐				
		Upgrade IFMIS Database, Application including Hyperion	☐				
		Develop a County Revenue Management System		☐			
		Develop system integration protocols to faciliate integration of State Corporations systems with IFMIS, GHRIS, Pensions		☐			
		Upgrade IFMIS application servers		☐			
		Develop Framework for Governance Risk Compliance		☐			
		Integrate PFM ICT systems with IFMIS				☐	
	1.2: Improve IFMIS Network & Connectivity	Connect IFMIS in sub county offices			☐		
		Roll out IFMIS to State Corporations			☐		
	1.3: Effective System Support	Provide capacity and infrastructure for migration to accrual accounting			☐		
		Enhance IFMIS e-learning platform			☐		
		Develop knowledge base for self-support services					☐
	1.4: Enhance IFMIS Security	Implement multi-factor user authentication	☐				
		Develop Cyber Security Response Plan			☐		
	1.5: IFMIS Integration	Review Integrations with Internet Banking, i-Tax	☐				
		Develop IFMIS Integration Framework		☐			
Strategic Objective 2: Business process automation driving efficiency in service delivery							
		Upgrade the Planning and Budgeting Application	☐				

IFMIS STRATEGIC PLAN 2022-2026
IMPLEMENTATION MATRIX

Component	Objectives	Key Result Areas	Timeframe				
			2022	2023	2024	2025	2026
2.1 Efficient Budget Process Support *Plan to Budget (P2B)*	2.1.1: Efficient support for automated Budgeting processes	Development of Planning & Budgeting module for SAGAs		▨			
		Enhance budget application infrastructure			▨		
		Support County Governments budgeting for Personnel Emoluments	▨				
	2.1.2: Support development of Sector Planning Module	Support effective linkage of planning, budgeting and execution for effective forecasting and formulation of government policies		▨			
	2.1.3: Efficient support for budget implementation	Support implementation of module to track in-year budget movement		▨	▨		
		Support automation of disbursements of donor funds to projects				▨	
		Improve expenditure reporting of Appropriation in Aid		▨			
	2.1.4: Support implementation of the new SCOA coding structure in the Budgeting module	Support implementation of new Standard Chart of Accounts in line with Government Financial Statistics (GFS) manual 2014		▨			
		Improve budget execution analysis through new SCOA		▨			
	2.1.5: Enhance the IFMIS Plan to Budget Module to facilitate realistic costing of activities by Public Entities	Support implementation of budget costing process				▨	
	2.2.1: Align E-procurement module with PPAD Act, 2015	Automation of the 5 commonly used procurement methods in line with PPADA, 2015	▨				
		Integrate IFMIS with Public Procurement Information Portal (PPIP)		▨			

IFMIS STRATEGIC PLAN 2022-2026
IMPLEMENTATION MATRIX

Component	Objectives	Key Result Areas	Timeframe				
			2022	2023	2024	2025	2026
2.2 Efficient & Transparent Procurements *Procure to Pay (P2P)*		Integrate IFMIS and e-GP system				■	
	2.2.2: Enhance business processes to facilitate transparent and timely payments	Automate invoice processing and tracking process	■				
		Enhance commitment controls to facilitate timely payments	■				
		Review payment process controls	■				
		Improve management and reporting of pending bills		■			
	2.2.3: Review business processes and re-engineer IFMIS Inventory Management Module	Integrate budgets, procurement plans and cash plans		■			
		Pilot Inventory Management module		■			
		Roll out inventory module to National and County Governments			■		
	2.2.4: Review and re-engineering of IFMIS Item Master	Revise the classification of common user items		■			
		Develop framework for updating Item Master with PPRA			■		
	2.2.5: Efficient supplier master data	Complete Supplier Clean up and Categorisation			■		
2.3: Accurate predictability of funding for effective budget execution.	2.3.1: Enhance cash flow forecasting and cash balance management	Enhance system cash planning controls	■				
		Enhance budgetary and commitment controls			■		
	2.3.2: Automation of Exchequer release process	Review MDA Bank Accounts and to faciliate Exchequer automation process	■				
		Automate exchequer release process and approval workflows in MDAs	■				

IFMIS STRATEGIC PLAN 2022-2026
IMPLEMENTATION MATRIX

Component	Objectives	Key Result Areas	Timeframe				
			2022	2023	2024	2025	2026
Revenue to Cash (R2C)		Automate exchequer release process in County Governments		▇	▇		
	2.3.4: Implement Integrated Revenue Management System	Integrate IFMIS with County Revenue Management system				▇	

Strategic Objective 3: Generation of standardised accurate and timely financial statements in IFMIS

Component	Objectives	Key Result Areas	2022	2023	2024	2025	2026
Record to Report (R2R)	3.1: Update Single Chart of Accounts	Prepare instance to update SCOA to classification in GFSM 2014			▇		
		Roll out new ledgers with updated SCOA in National and County Governments			▇		
		Capacity building for the new SCOA				▇	
	3.2: Enhance accuracy & transparency in financial reporting	Review and enhancement of General Ledger Controls for timely and accurate transactions	▇				
		Enhance reporting templates in line with IPSAS				▇	
		Automate project status reporting processes		▇			
		Roll out Oracle Analytics dashboard		▇			
		Develop a policy for Donor funds management through IFMIS			▇		
	3.3: Enforce monthly automatic bank reconciliations	Undertake a functional and technical diagnostic assessment of automatic bank reconciliation functions and implement enhancements	▇				
		Schedule auto-reconciliations for entity accounts	▇				
		Clean up outstanding ledger and reconciliation balances		▇			
	3.4: Enhanced recording, monitoring and reporting of Fixed Assets	Implement IFMIS Fixed Assets register in MDAs and County Governments		▇	▇		

IFMIS STRATEGIC PLAN 2022-2026
IMPLEMENTATION MATRIX

Component	Objectives	Key Result Areas	Timeframe				
			2022	2023	2024	2025	2026
Communicate to Change (C2C)	4.1: Develop IFMIS Stakeholder Engagement Plan	Develop and implement IFMIS Stakeholder Engagement Strategy		■			
		Develop and implement IFMIS Communications Strategy		■			
		Review and revamp IFMIS website	■				
	4.2: Develop and implement IFMIS Capacity building framework	Conduct IFMIS Training needs assessment	■				
		Develop a framework for feedback on IFMIS training to inform revision of annual IFMIS training Plan	■				
		Enhance IFMIS Learning Management system		■	■		
	4.3: Develop IFMIS training manuals and online materials	Review and Update user manuals		■			
		Develop IFMIS training videos		■			
	4.4: Enhance IFMIS Customer Support Framework	Implement IFMIS Control Desk	■				
		Extend IFMIS Support through Huduma Centres	■				
		Develop customer service standards manual		■			
		Enhance capacity of IFMIS Help Desk Agents		■			
		Develop IFMIS customer self service portal				■	

Dr. Julius Muia, Principal Secretary, The National Treasury poses with IFMIS Team and IFMIS Stakeholders from National and County Governments

Republic of Kenya

The Integrated Financial Management Information System (IFMIS) automates financial processes for transparency and accountability to support management and budget decisions, fiduciary responsibilities, and the preparation of financial reports and statements.