**Organisational Restructures – Financial Considerations**

**Updated May 2017**

**Introduction**

A structural change of any size can be a major undertaking for an area, and should not be underestimated. For any such change a Project Manager will be required to coordinate the many actions required for finance system and other changes. As well as impacting those involved within the affected Faculty and Schools, these systems changes will impact IT, Central Finance functions, Service desks, Payroll and other central services.

This paper was prepared following the creation of the Faculty of Biology, Medicine and Health (a merger of the Faculty of Medical and Human Sciences and the Faculty of Life Sciences), to document all the systems/processes to be considered (from a finance perspective) when an organisational change is implemented.

Any organisational change will require a review of all the areas detailed in this document.

**Scope**

This document details the areas where the Finance Directorate has direct responsibility for the system or process. Organisational change will impact directly on Oracle Financials and Corporate Planner, but the Project Manager will also be involved in other system changes which have a finance element, eg Campus Solutions, ResourceLink, Research Management System.

**Stakeholders**

Key stakeholders who will be involved in finance-related changes include:

* Faculty Finance staff
* Finance Operations Managers
* Finance Systems team
* Procurement Hub
* Accounts Payable
* Income Office
* Credit Management
* Finance Helpdesk
* Treasury
* IT
* Stores Managers
* Conferences (Kinetics)
* Heads of School Operations/Heads of Divisional Operations
* Oracle Requisitioners/Approvers
* HR Services
* Student Services
* Third party system support (travel management / credit card)

**Key Processes to Consider**

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| **Business Process** | **Lead** | **Stakeholders** |
| Authorisation Database | HoSF | Existing and new signatories, HoSOs, Finance helpdesk (for changes), Transactional teams (for information |
| Corporate Planner | Finance Systems | HoSF |
| Travel Management System (Egencia) | FOM | Procuement Hub, TMS Administrations (existing and new), HoSOs |
| E-store | Income Office | HoSF (product still live), Finance helpdesk, Credit Management (for AR type changes) |
| Intranet – Finance | Communications Officer | Business Stream Leaders |
| **Business Process** | **Lead** | **Stakeholders** |
| Intranet – Faculty | Local intranet manager | HoFF |
| Kinetics | Conferencing | Finance Helpdesk , Credit Management (for AR type changes) |
| Oracle Approvers | HoSF | HoSOs/HoDOs, Finance Helpdesk, IT, new or removed approvers |
| Oracle – Delivery Addresses | FOM | Procurement Hub (for information |
| Oracle – General Ledger | HoSF | Faculty Finance team, FOM |
| Oracle – Projects | HoFRF | Faculty Research Finance team, Finance Helpdesk, Credit Management, FOM |
| Oracle - Reporting | Busines Stream Leads | Faculty Finance teams, all report users |
| Oracle – Sales AR setup | Credit Control | Finance Helpdesk, FOM, Research Finance |
| Oracle School & Purchasing Unites | Procurement Hub | Accounts Payable, Finance Helpdesk, IT, Faculty P2P community, BAS system, FOM |
| Oracle – Stores | Inventory Manager | Stores Managers, HoSF |
| RBS | Treasury | FOM, HoSF |
| HESA | HoSF | Finance Controller |

**Summary of Roles**

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| **Role** | Responsibility |
| Project Manager | Consolidate documentation, prepare and manage plans, risks and issues. Ensure all BSL in other business streams are consulted and any changes coordinated across the business streams. PM is also responsible for overall communications plan and contingency plan. |
| IT | Support in place for creation of test environment and test interfaces. Knowledge base for interfaces and all University systems, provision of upload service for data changes where scripts exist. Consider need for integrated testing. |
| HoSF | Agree GL structure for School with approvers and authorised signatories |
| HoFRF | Agree standard hierarchy structure and amend all projects accordingly (test and live) |
| FOM | Coordinate changes and impact of Finance Operation processes: Iproc, TMS, credit cards, petty cash, stores. Coordinate systems testing |
| Finance Helpdesk | Update Oracle Data tables: School and Purchasing units; AR types; Numerous BAS requests for new profiles, end dating profiles |
| Finance Systems Team | Creation of new Oracle level 1-5 structures (agreed with Planning); build Corporate planner |
| Credit Manager | Agree to AR type creation and closures; Identify any reporting changes |
| Procurement | Agree to SU/PU creation and closures; Identify any reporting changes; Assist with housekeeping activities of on-holds and open orders. |
| Income Office | Take lead on changes to e-Store |
| Treasury | Update to credit card details (default codes, School names) |
| Business System Leads | Sign off any changes in structure; present any change requests; sign off changes to intranet pages |
| Planning Office | Design of level 1-5 for any changes in organisation to fit University structure. |

See appendix for table of steps required per Business Process.

**Testing**

Always plan the testing dates as far in advance as practicable. The testing plan and actual testing can wait closer to go-live but ensure key persons likely to be involved have the dates in calendars and especially that a test room is available.

BSL’s will need to confirm that test scripts are available and appropriate for the testing required. BSL will need to liaise with other Business streams for test data (e.g. Campus Solutions).

**Organisation Structure**

A critical early step in any reorganisation is meeting with the Planning Support Office and agreeing on the structure required. The PSO will then provide the codes to be used for level 2, 3, 4 and 5. Once this is established the mapping process for GL and many financial systems can commence.

* Head of Faculty Finance to request codes for structure changes from Planning Office
* Planning Office to allocate parent codes – to be used to set up hierarchy on Oracle Financials, ResourceLink and Campus Solutions
* Systems Accountant to set up Organisational parent codes on Oracle
* Finance Helpdesk team to set up level 5 (approver) parent codes on Oracle
* Finance systems team can provide upload process for mass changes to activity codes eg moving activity codes in the hierarchy, changing budget holders and requisition approvers, changing HESA cost centres.

**Oracle GL**

All 3 principal corporate information systems of the University (Oracle/Campus/ResourceLink )need to be kept in line, at least down to level 5 of the hierarchy. Therefore initial approval for the change and for the allocation of the parent code number to be shared between the systems should be sought from the Planning Office.

* GL hierarchy will need to be amended. This needs to be carefully planned in order not to disrupt historic reporting. The new hierarchy can be created at any time but activity codes should not be remapped until early September, once the year end management accounts are finalised.
* If any GL codes are to be closed as a result of the restructure, consider the management of the code closure process (dealing with encumbrance balances, clearing off all accruals balances, moving staff charged to these codes to different codes on ResourceLink)
* Consider in the new structure the Budget Holder ownership. You may wish to standardise this.
* Agree with Planning Office which level 1-5 parent codes need to be set up or retired (closed). Setup of level 6 & 7 parents codes can requested from the Finance Systems Team.
* If combining two structures which had different ways of holding budgets or processing costs (e.g. centralised v devolved structures) these need to be standardised.
* Consider how to load next year’s budget. You need to aim to have built your Oracle Activity code structure in time for the budget load (June)
* Does a new 3 digit prefix need to be brought into use? This is critical knowledge for the build of:
	+ School and purchasing units
	+ AR types
	+ Reference in both RBS and TMS
* GL Journals for re-mapping
	+ journals may be required to move balances from old to new codes (to close codes)
	+ budget journals to reflect hierarchy changes

**Project Hierarchy and Organisation Set Up**

Research Accountants should identify any required changes to the Projects Hierarchy as a result of changes to the GL hierarchy. Please note that for the creation of new AR types, these are generated first from the Project system. The transaction flows into Oracle Financials whereon the transaction is blocked awaiting COMPLETION of the AR type in OF. i.e. you do not create in OF first !

Importantly note you must have consistency between the 3 alphas set up in Projects and what is intended for OF.

Head of School Finance (to request structure changes from Planning)

- Planning to allocate codes

- Systems Accountant to set up Organisational parent codes on Oracle

- Finance Helpdesk team to set up level 5 (approver) parent codes on Oracle

- Systems Accountant to set up codes on Corporate Planner

- Head of School Finance to move child codes in Oracle (Org and Approver hierarchy)

- Balance sheet codes e.g. suspense codes, endowments – HOSF to Systems Accountant with a list of required changes (parent code moves, name changes etc.)

- HoSF to manage closure of codes with assistance from HR and FOMs as required.

***Systems changes must have been discussed and approved by FSGG.***

**Corporate Planner**

* Hierarchy will need to be amended (Organisation Structure). This can only take place after Management Accounts cycle for the reporting year has completed.
* Activity code movements may only be reflected in current & future period uploads until all prior periods are back loaded (in Sept each year and at each forecast month-end).
* If the change is to create or amend the structure at level 3 (school level), this will affect the SoCI tree and Balance Sheet tree and it may also affect the Research and Tuition Fees trees as well.
* CP reports and Upload templates which have the Schools and Divisions in rows in the report may need amending.
* Consider the impact on future comparatives where they have not been loaded from Oracle e.g. 5 year plans uploaded from spreadsheets. Previous 5YP submissions may need to be re-apportioned into the new hierarchy.

**HESA Finance (and other returns)**

There will be a need to consider any impact on the HESA return. The new organisational units may sit elsewhere within the standard cost centres in the HESA list, and a new ‘combined’ cost centre may be required for internal reallocation purposes. The new organisation will need to be reflected in the finance, staff and student returns, and detailed guidelines are available which detail this process.

Note the HESA return review will be a post implementation activity, likely to commence around the New Year.

**Authorisation Database**

With any changes to the School structure, this is an opportunity to review the Authorisation signatory set up for the Faculty and seek to bring in consistency (if not already)

The database can be amended through uploads by IT. Extract from the database the active records for current (Schools). Then create one table of access to end date and another table of additions. You will need the latest and up to date list of level 4 codes to complete the review. IT uploads update the database immediately. If significant changes taking place then issue a communication to the Transaction Processing centres of HRS, Accounts Payable, Treasury, Income Office and Accounts Receivable.

Liaise with IT for a test version to be available. This will require updates as and when any changes to the GL structure as driven by the Change process.

Before addressing the Authorisation database the GL structure must be agreed. Furthermore any actual changes to the database, the new organisational units must be in place in oracle as the database takes data from OF.

**Travel Management System (Egencia )**

You need to contact the TMS provider to let them know what changes are coming and when. Ask them what format they require the changes and agree the timings. It is likely the change will result in some downtime of the TMS and this will need to be communicated across the University.

Agree with HOSF the approval process to be standardised e.g. all activity codes in the TMS must have at least the Budget holder and one other person assigned (cover).

This is an ideal opportunity to ensure the housekeeping of the database for the Faculty is up to date.

**E-Store**

Obtain a current listing from the Income Office of any items associated with the School under review. After mapping the changes required liaise with Income Office and Finance Helpdesk for the changes. Changes required shortly after go live.

It is likely that you will require new AR types set up by the Finance Helpdesk. The AR types are built by following the naming structure for AR types as agreed with Credit Management. The store needs to be updated shortly after go-live.

**Intranets : Finance and Faculty**

Both Finance and Faculty intranets are likely to be affected. Work with the relevant intranet leads to identify changes required and plan out the timing of these changes and that the 2 sites are consistent with any Finance information. Any changes to the Finance intranet will need to be agreed with the BSL

**Kinetics**

Contact IT and ask for a listing of any Kinetic events currently in place for the School. Agree what changes are necessary and by when. Kinetics use AR types and so any changes must be consistent with AR type structure agreed with IT.

If changes are being made to School unit set up these will need replicating in Kinetics

**RBS**

Work with Treasury department to assess what changes are required. Review of current cardholders required and identify changes required. If a mass change, it could be helpful to work with Treasury to contact RBS to investigate the possibility of uploads. There may be changes here to default activity codes that needs to be supplied and agreed by HOSF

**Oracle AR- Sales**

Ensure to involve Credit Management (CM) from the outset on changes to the transaction types and department set up at your earliest opportunity. CM will need to request changes to reports to reflect the new business. Also required is forward notice to the Finance Helpdesk on set up of any new AR types.

Obtain a listing of all active AR types for the units involved. Agree with CM the logical new set up. CM will be involved with testing and will be required to sign testing off.

As noted above, Project billing will update OF with AR types but this structure must be agreed and consistent beforehand.

**Oracle School Unit and Purchasing unit**

School units (level 3) drive the Higher level approver

Purchase units (level 4) were historically used to control work for Operational Buyers. Generally the approach is now One School unit : One purchase unit (PU still used by the Procurement hubs to allocate work).

Be consistent with the structure, not just with Purchasing but also sales.

Check that you have appropriate £5000 approvers in place for the School units

Ensure to involve Procurement Hub from the outset on changes to the transaction types and department set up at your earliest opportunity. PH will need to request changes to reports to reflect the new business.

 Give as much forward notice as possible to the Finance Helpdesk as configuration of School and Purchase units can take about 15 minutes per school.

**Oracle Delivery Addresses**

This is an opportunity to visit delivery addresses and bring up to date any housekeeping. You will also need to effect any name changes. This will require IT assistance as there is an Oracle script to upload these data changes.

**Oracle Approvers**

HOSF needs to review who approves what and if this is sensible and agree with the HoS. For any new approvers they will need to complete the BAS access request as usual. A communication is necessary to all new approvers, explaining the change and the process. If approvers are being removed, contact the Finance Helpdesk to end date access.

**Faculty ‘Goods’ Stores**

From previous organisation changes the only changes likely are minor: default activity code and name. Check with BSL responsible for INV beforehand.

Please note FSE do not presently use Oracle stores other than MIB.

**Sundry other issues**

• Petty Cash Floats (Income Office) - have the areas being restructured any petty cash floats that should be returned or re-purposed?

• Blackboard. Training should be covered through on-line training available for any financial access. However if as part of the restructure people roles change ensure they understand the changes.

• Register of interests. Ensure the control checklist remains complete (Laurence Clarke)