Ministry of Defence

Schedule 2 Annex B to Contract No: 700773369

STATEMENT OF REQUIREMENT FOR THE PROVISION OF EXTERNAL TECHNICAL SUPPORT FOR DETAILED DESIGN AND IMPLEMENTATION PHASES OF PROJECT ACCOUNTING FOR MOD (DFinStrat)

Contents

1. Purpose

1.1 The purpose of this document is to define the Deliverables and support required to ensure the Project Accounting (PA) costing module is implemented within the Corporate Finance and Commercial ORACLE eBusiness Suite. This Statement of Requirement (SOR) should be considered in conjunction with the following documents which were completed as part of a scoping phase of this project:

- Project Accounting High Level Implementation Plan (Annex A)
- Project Accounting TOM V1.0 (Annex B)
- Project Accounting User and System Needs V1.0 (Annex C)
- Project Accounting HLD V1.0 (Annex D)

2. Background to the Authority

2.1 This work is led by Director Finance Strategy (DFinStrat) on behalf of the Finance Function across MOD. Director Finance Strategy is responsible for the Department's financial strategy and its implementation, through development of skills and talent management as Head of Profession, delivery of effective and efficient processes and systems; and delivery of financial stewardship.

2.2 DFinStrat also leads on the Finance Functional Leadership Programme.

2.3 The MOD Finance Functional Leadership Programme is an ambitious programme to both build capability in the Finance Function, and to introduce a revised operating model. This project will require close collaboration with all stakeholders across the Department's Finance function; specifically, with Defence Business Services (DBS) who are the internal shared service provider for transactional processing for the Finance function and who also operate, maintain and develop the corporate finance and commercial systems for the Department.

3. Background to the Requirement

3.1 One of the workstreams within the Finance Functional Leadership Programme is Systems Exploitation and Automation on which the authority leads. A key initiative within this workstream is to introduce corporate project accounting functionality as part of the existing Oracle E-Business suite. This will not only provide additional functionality but will also drive greater standardisation of data items, that will flow through the department's financial and management accounting systems.

3.2 The Oracle eBusiness Suite PA solution is a systems enabled business change project which will fundamentally change the way that accounting for projects is conducted across the MOD.

3.3 The Finance and Commercial functions utilise ORACLE eBusiness Suite R12.2.4 for their commercial and financial accounting functionality, which currently includes the following modules: General Ledger; Accounts Payable; Accounts Receivable; Non-Current Asset Register; iProcurement; Contract Management; Cash Management; Purchase Ordering and Tax Reporting. Note that there is currently an ORACLE eBusiness Suite upgrade project being undertaken in MOD to version R12.8. The expectation is that Project Accounting will operate on the newer version.

3.4 The Cognos product landscape is utilised to provide the Department's Planning, Budgeting and Forecasting capability, and reporting, from the Finance and Commercial Data Warehouse. Integration between the Cognos and Oracle product suites needs to be considered as part of the implementation, and availability of project accounting data within the Cognos reporting warehouse is required.

3.5 The Oracle eBusiness Suite PA solution affords the MOD an opportunity to change how project-based accounting transactions will be captured and interpreted with the introduction of a dedicated Project Accounting solution. Once Oracle eBusiness Suite PA is introduced all project related transactions will be captured in the PA sub-ledger giving a single source of all project related spend as opposed to the current solution whereby all data is held in the General Ledger at a transactional line level.

3.6 Integration of Project Accounting with the existing Oracle e-Business Suite, including the flow of data information from Oracle Contract Management through the purchasing/payables sub-ledgers is a significant requirement for the authority.

3.7 Although the PA suite includes a number of modules, Project Accounting is the module which most closely aligns to the user requirements established during the Discovery phase of the project and therefore forms this requirement. Utilisation of further PA modules may be considered as potential future opportunities but is out of scope of this implementation.

3.8 The Discovery phase for Project Accounting completed on 19 September 2019 producing a High-Level Design, User Needs and System Requirements, Target Operating Model and Implementation Plan – which form annexes to this document. IBM and Deloitte were contracted as the Delivery Partner during this period. Please be advised that elements of the implementation plan have been redacted due to information being commercially sensitive, named personnel being removed and scheduling/resourcing changes that have taken place since its development. Note that although the key design principles have been endorsed, we welcome alternative proposals for the Detailed Design and Implementation phases to that outlined in the design outputs, particularly regarding scheduling and timelines.

3.9 Defence Equipment and Support (DE&S) are a bespoke trading entity, and arm's length body of the MOD. They manage a vast range of complex projects to buy and support all the equipment and services that the Royal Navy, British Army and Royal Air Force need to operate effectively. Given the size and complexity of their P3M portfolio, DE&S are a key stakeholder for Project Accounting.

3.10 As part of the DE&S transformation 2015-2018 they have introduced the Programme, Portfolio and Project Management tool, Oracle Primavera (P3M), which comes with time recording functionality called Team Member. The implementation of Project Accounting will incorporate DE&S time recording data as part of the solution, so integration between PA and Oracle Primavera needs to be considered throughout the detailed design and implementation phases. To support integration between the Primavera and Project Accounting products, close collaboration will be required with the DE&S Primavera project team.

3.11 In the MOD's System Strategy Project Accounting is identified as a key corporate capability that needs to be incorporated into the corporate system 'portfolio'. A key principle of the Systems Strategy is the Department's adoption of the Pan-Government Global Finance Design Principles – and consideration should be given to the Project Accounting Principles during the detailed design and implementation phases, to ensure consistency around projects undertaken.

4.The Requirements

A detailed description of the requirements, including the associated deliverables and acceptance criteria is outlined in the following table:

Description	Deliverable	Acceptance Criteria (Sign off)
4.1. Plan ***The Contractor shall***: 4.1.1 Deliver a detailed and resourced Project Plan to implement the Project Accounting Solution, as defined by the High-Level Design (HLD) and reflect the Implementation proposal based on your response to the User and System Needs (USN) and Target Operating Model (TOM). It must show Risks, Assumptions, Issues, and Dependencies (RAID) and how these will be managed throughout the project life-cycle and have enough detail to facilitate conversation with internal Defence Business Services resource.	A fully detailed and resourced **Project Plan** to implement the Project Accounting Costing Module, including a populated RAID log with a through project life management plan.	4.1.1: A fully detailed and resourced Project Plan to implement the Project Accounting Costing Module, including a populated RAID document with a through project life management plan. Approved document used to guide both project execution and project control. Document planning assumptions and decisions, facilitate communication among project stakeholders, and document approved scope, cost, and schedule baselines.
4.1.2 Provide a Project Schedule in the form of a Gantt chart detailing activities for all workstream's (Design, Configuration and Build, Business and Organisational Change, Testing, Data Migration, Training, Go Live and Cut Over and Early Life Support) along with project milestones, planned resources and highlighting all dependencies.	A fully detailed **Project Schedule** Gantt chart to Implement Project Accounting Costing Module, including detailed tasks under the prescribed headings.	4.1.2: A fully detailed Gantt chart to Implement Project Accounting Costing Module, including detailed tasks under the prescribed headings.
4.1.3 Provide a work breakdown structure that outlines the key activities required to successfully deliver the project.	A fully detailed **Work Break-Down Structure** that demonstrates the activities required.	4.1.3 A fully detailed **Work Break-Down Structure** that demonstrates the planned activities required to achieve delivery of the project. Approved document used to guide project execution and stakeholder engagement.

Description	Deliverable	Acceptance Criteria (Sign off)
4.1.4 Provide a Product Breakdown Structure that outlines the products that will be produced as part of the project e.g. Detailed Design Document.	A fully detailed **Product Breakdown Structure** that demonstrates the hierarchy of products that will be developed as part of the project.	4.1.4 A fully detailed **Product Break-Down Structure** that demonstrates the products that will be delivered as part of the project. Approved document used to guide project execution.

4.2. Design ***The Contractor shall deliver:***	**Deliverable**	**Acceptance Criteria (Sign Off)**
4.2.1 Detailed Design Document (DDD) for system and management information which builds on the HLD covering: a To-Be business processes b Application level solutions c Technical infrastructure solutions d Source to target mapping e Report Specification The DDD will comply with the HLD and support the TOM and USN. The DDD will need to be in alignment with the existing Oracle e-business suite design documentation. Both the HLD and TOM will be updated as required to ensure consistency of design documents.	Agreed **Detailed Design Document** between the Authority and the contractor, that is aligned with the existing Oracle e-business suite design documentation	4.2.1 DDD Including points a-e, compliant with the HLD and in alignment with the existing Oracle e-business suite design documentation
4.2.2 A **Business Architect and Organisation Design Document** (BAODD) which will: Define the high-level architecture products according to MOD Architecture Framework (MODAF) and Defence Business Services (DBS) Standards. The BAODD will ensure that DBS Systems, Business and Information Architectures are controlled and auditable.	**A Business Architect and Organisation Design Document** agreed and signed off by the Authority.	4.2.2 Measurement Criteria: A BAODD, following MODAF and DBS Standards
4.2.3 **Integrated Test Evaluation and Acceptance Plan** (ITEAP) produced by the Contractor, in conjunction with DBS, for all systems, software and business change activities and approved by the Authority. The ITEAP will document the process by which the end users, DBS and technical teams will carry out all stages of test and acceptance of software and hardware.	An **Integrated Test Evaluation and Acceptance Plan**. This will describe the processes, environments, pre-requisites, acceptance criteria and timetable for Unit Testing, System Integration Testing (SIT) and User Acceptance Testing (UAT). Agreed and signed off by the Authority.	4.2.3: An ITEAP covering systems, software and business change activities approved by the Authority

4.2.4 **Risk Management and Accreditation Document** Sets (RMADS) produced by the Contractor. Note on RMADS: Systems, services or devices designed to handle classified information need to be 'accredited' so they adequately mitigate the risks of compromise to the confidentiality, integrity and availability of the data. The RMADS sets out the system, the identified risks, and the security controls applied.	**Risk Management and Accreditation Document Sets** signed off by the Authority.	4.2.4: An RMADS approved by the Authority.
4.2.6 A **Work Breakdown Structure** developed in conjunction with and tailored to each MOD business area to reflect their typical project activities in order to successfully implement the costing solution. Some business areas may require more than one WBS.	Project **Work Breakdown Structures** aligned to business area requirements, signed off by the Authority.	4.2.6 A series of **Work Breakdown Structures** aligned to business area requirements, signed off by the Authority.

4.3. Business Change/Transition Preparation ***The Contractor will be required to engage with the business and produce the following documents for the Authority's approval:***	**Deliverable**	**Acceptance Criteria (Sign Off)**
4.3.1 **Impact Assessments** (IA's) detailing key activities and business impacts across the organisational structure to include DBS as both an enabler/service provider and user.	**Impact Assessments** approved by the Authority.	4.3.1: IA's across the organisational structure approved by the Authority.
4.3.2 A framework for the assessment of the business' ability to go-live and provide a detailed business readiness plan for each business area.	**Business Readiness plan** for each business area signed off by the Authority.	4.3.2: A business assessment framework detailing their ability to go live together with a business readiness plan for each business area, approved by the Authority.
4.3.3 **Transition/roll out plans** for each business area detailing how they will migrate to Project Accounting.	**Transition/roll out plans** for migration to Project Accounting signed off by the Authority.	4.3.3:Transition/roll out plans approved by the Authority.

4.3.4 **Management Information (MI) Exploitation Plan**. The Contractor will be required to engage with the business to create bespoke COGNOS reports to allow the ability to capture historic, in flight and future contract costs. This will need to include migrated and non-migrated data in a way that will be beneficial to the user in trend analysis. COGNOS is the preferred reporting solution for the organisation and this will need to be used to bolster the existing reporting functionality within Project Accounting to be available on day one of go live.	**Management Information (MI) Exploitation Plan** signed off by the Authority.	4.3.4: An MI Exploitation Plan approved by the Authority.
4.3.5 Document the Project Accounting system roles and the responsibilities of users.	**Roles and Responsibilities document** signed off by the Authority.	4.3.5: A document detailing the Project Accounting system roles and responsibilities of users approved by the Authority
4.3.6 **A Training Needs Analysis** (TNA) identifying how each role will be trained to use PA.	**A Training Needs Analysis** signed off by the Authority.	4.3.6: A TNA approved by the Authority.
4.3.7 **A detailed training strategy** and design identifying the training solution covering both classroom and computer-based training. **Given the current working environment due to Covid-19, remote training delivery options should be outlined.**	**A detailed training strategy** signed off by the Authority.	4.3.7: A Training Strategy and Design approved by the Authority
4.3.8 **A training delivery schedule** to implement the training for the Authority's staff base aligned to the system delivery schedule.	**A training delivery schedule** signed off by the Authority.	4.3.8: A detailed Training Schedule approved by the Authority.
The Contractor will be required to produce the following technical documentation to enable assessment of system and data preparation:		
4.3.9 **Data migration Plan** – this will include a recommended approach that provides an outline of how existing project data should be migrated into the costing ledger if required, as well as an indication of the time and resources to achieve this.	**Data migration Plan** signed off by the Authority.	4.3.9 A detailed Data Migration Plan approved by the Authority.
4.3.10 **User Acceptance Test (UAT) schedule** with rework plans in the event of unacceptable test results as per test scripts.	**User Acceptance Test (UAT) schedule** signed off by the Authority.	4.3.11: A UAT Schedule approved by the Authority.

4.3.11 **Technical and security acceptance testing schedules, in conjunction with DBS** and in line with the ITEAP to enable the Authority to assess the impact of the new system, undertaking to ensure the RMADS are achievable and implementable.	**Technical and security acceptance testing schedules** signed off by the Authority.	4.3.12: Testing and security acceptance testing schedules approved by the Authority.
4.3.12 **Security Acceptance Plan, in conjunction with DBS,** to show how security testing will take place on the Authority's existing Information System (IS) infrastructure.	**Security Acceptance Plan** signed off by the Authority**.**	4.3.13: Security Acceptance Plan approved by the Authority.

4.4. Build, Test and Release Management ***The Contractor shall:***	**Deliverable**	**Acceptance Criteria (Sign Off)**
4.4.1 Build and test the new system in conjunction with our shared service provider, DBS, as a joint delivery team, including all sub systems down to component level, as defined in the DDD. Also including management information reporting as outlined in the MI exploitation plan.	A successful system build- fully tested in compliance with the defined DDD.	4.4.1 Measurement Criteria: The contractor shall develop and implement the agreed solution in accordance with the DDD. A successful system build fully tested in compliance with the defined DDD, and in conjunction with DBS.
4.4.2 Produce a complete set of test scripts for each of the functional and non-functional requirements as required by the ITEAP and HLD, in conjunction with DBS, for the Authority's approval.	A **complete set of test scripts** for each of the functional and non-functional requirements signed off by the Authority.	4.4.2: A complete set of test scripts approved by the Authority.
4.4.3 Ensure successful completion of all tests relating to the technical and security plans, and produce exit reports for each testing phase, in conjunction with DBS, providing evidence for the completion of a given test to the Authority in order to obtain approval for the system to operate on the Authority's infrastructure.	Produce **exit reports** for each testing phase, in conjunction with DBS, providing evidence for the completion of a given test to the Authority in order to obtain approval for the system to operate on the Authority's infrastructure.	4.4.3: Successful and complete testing activities in line with technical and security plans and a fully documented exit report for each test phase.
4.4.4 Ensure that the UAT schedules are successfully completed with all issues resolved in line with the approach defined in the ITEAP to deliver a user interface and user experience as prescribed in the HLD.	Completed UAT signed off by the Authority.	4.4.4: A successfully completed UAT schedule with all issues resolved.
4.4.5 Undertake any prescribed testing against the project Security Acceptance Plan, in conjunction with DBS.	Testing carried out in line with Security Acceptance Plan, in conjunction with DBS.	4.4.5: Completed testing against the Security Acceptance Plan.

4.4.6 Undertake a series of full dry runs of the data migration from all legacy systems to test and certify the approach in the migration DDD, in conjunction with our Shared Service Provider - DBS. This will include, but not be limited to, full production data from projects and inflight projects selected by business areas, and any transactional data. The Contractor will be responsible for ensuring the collation and resolution of any issues and the provision of a report detailing how full system transition will be undertaken, in conjunction with DBS, and for approval by the Authority.	A report issued detailing how full system transition will be undertaken, this document is to be approved by the Authority.	4.4.6: A series of dry runs for data migration completed, all issues resolved, and a report issued detailing how full system transition will be undertaken, this document is to be approved by the Authority.
4.5 Business Readiness	**Deliverable**	**Acceptance Criteria (Sign Off)**
4.5.1 Have implemented the Training Schedule to ensure sufficient staff in the organisation have been trained and are fully prepared to use the new system at go live.	Delivery of the approved **Training Schedule.**	4.5.1: Successfully completed training schedule, with the user base suitably trained prior to go live.
4.5.2 Have ensured that nominated DBS support staff - functional SME's, Technical SME's and Enquiry Centre staff - required to support the new system are fully trained and conversant with the solution to deliver this additional DBS service (system administration, costing ledger maintenance and month end close out).	A Knowledge Transfer Plan and a **Knowledge Transfer Document** approved by the Authority.	4.5.2: A Knowledge transfer Plan, defining the strategy for capturing critical knowledge, and an approach for sharing it with DBS. Subsequently, a Knowledge Transfer Document approved by the Authority following delivery of a number of days of knowledge transfer to key DBS support staff across multiple locations.
4.5.3 Resource and Implement the transition plans for each of the business area's whilst monitoring and managing all IA's.	**Transition plan** approved by the Authority	4.5.3: Fully resourced and Implemented Transition Plan across the organisation.

4.5.4 Provide: a. A **readiness report** approved by the Authority detailing: all activities undertaken b. Updated DDD, aligned to the existing Oracle e-business suite design documentation c. A schedule requesting approval to proceed with full transition to the new system and implementation of the associated business changes for the Authority's user base (TLBs) and support organisation (DBS). The report will include: • Any residual risks and issues with requisite mitigation plans. • A known errors database with details of work-arounds and support desk instructions. • A schedule of work to rectify the known errors before the final proving period milestone. Early Life Support Plan detailing how the Contractor will provide the enhanced level of support required by the Authority's users and support organisation during rollout.	**A Readiness Report** and **Early Life Support Plan** approved by the Authority.	4.5.4: A documented readiness report detailing all activities undertaken including those as identified within C, plus an Updated DDD (aligned with the existing Oracle e-business suite design documentation), and a schedule requesting approval by the Authority to proceed with rollout activities. Additionally, an Early Life Support Plan detailing the support to be provided during the Early Life Support Stage, as the solution is run in the live environment.

4.6. Rollout and Early Life Support ***The Contractor will:***	**Deliverable**	**Acceptance Criteria (Sign Off)**
4.6.1 Provide Business & Technical support for all PA related incidents via telephone, meeting and email. The contractor will support defect resolution and provide technical fixes and documentation updates for a minimum 3 month proving period.	Early Life support provided for a minimum of a 3-month proving period following business go-live.	4.6.1: Early Life support provided for a minimum of a 3-month proving period following business go-live. Ways of working (incident management, stakeholder management, defect categorisation, sign-off etc.) to be defined within the Test Strategy document and an end of ELS report to be signed off by the Authority.

4.6.2 Have completed all activities required to resolve the known errors database and produced an **Early Life Support exit report**.	**Early Life Support exit report** approved by the Authority.	4.6.2: Resolved all known errors (or to agreed severity) and completed any outstanding activities. ELS exit criteria agreed. ELS report signed off by the Authority.
4.6.3 Complete validation of licenses, hand-over any software coding and the updated DDD, to reflect the as built/accepted capability.	**All Licences and software coding and the updated DDD** accepted by the Authority.	4.6.3: All Licences and software coding and the updated DDD accepted by the Authority.
4.6.4 Produce **Configuration documentation** to facilitate maintenance and operation of the system following go live.	**Configuration documentation signed off by the Authority.**	4.6.4: Configuration documents to facilitate ongoing maintenance and operation of the system as approved by the Authority.

5. Qualifications, Experience and Expertise

5.1 The potential provider's staff assigned to the contract should have the relevant subject matter expertise and/or qualification to deliver the contract. Please provide a representative example of CV's to evidence this.

5.2 In order to further support the above, as part of this tender please provide examples of the following:

5.2.1 An example illustrating how you have delivered a Project Costing Solution in a large complex project organisation, of a similar size and scale to the MOD. This should include demonstration of integrating major business changes with the underpinning systems development/implementation activities.

5.2.2 An example of where you have facilitated large scale business knowledge enhancement through the identification, provision and exploitation of strategic (for effectiveness) and tactical (for efficiency) Management Information capabilities.

5.2.3 An example of implementing a rationalisation/consolidation/migration activity in a large, complex project delivery organisation.

5.2.4 An example of successfully ensuring integration across all functional areas of an ERP system in an organisation comparable in size to the MOD

5.2.5 An example of conducting a Training Needs Analysis in association with a major business change programme and successfully delivered the resultant training programme.

6. Security Requirements

6.1 The Potential Provider will comply with security requirements which includes contractors holding Security Clearance and protecting information in accordance with the Defence Information Management Passport. The Defence Information Management Passport describes the department's information management policies and protocols highlighting individual's responsibility to manage information effectively.

7. Base Location

7.1 The Base Location for the services shall be MOD, Bristol, ABW North, BS34 8QW with some potential occasional travel to other MOD sites across the country as required. Due to the COVID-19 pandemic, the majority of MOD staff are currently working from home, so remote working may be required, which will be determined depending on government guidelines.

Ministry of Defence

Project Accounting High Level Implementation Plan

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Document Approval

	Name	Role	Signature	Date
Creator:	**Name has been removed.**	External Assistance		
Approver:	**Name has been removed.**	FSI		

Table of Contents

1. Summary

1.1. This document sets out the planning for the implementation of Project Accounting modules within the Oracle eBusiness Suite solution including risks, issues, assumptions, dependencies, resource estimates and a high level project plan.

1.2. The Oracle eBusiness Suite Project Accounting (PA) solution affords the MOD an opportunity to change how project based accounting transactions will be captured and interpreted with the introduction of a dedicated Project Accounting solution. Once Oracle eBusiness Suite PA is introduced all project related transactions will be captured in the PA sub-ledger giving a single source of all project related spend as opposed to the current solution whereby all data is held in the GL at a transactional line level.

1.3. A much more detailed analysis of Project spend will be achieved with the introduction of Oracle eBusiness Suite Project Accounting (PA):

1) Within Oracle eBusiness Suite today, project spend is captured at a summary level in the General Ledger against an LPC. As this only allows the capture of all costs against a single summary GL code, this restricts any analysis, through either Oracle eBusiness Suite or Cognos to summary based reporting, due to the limited data held.
2) Through PA, Project spend will be captured and categorised at multiple levels, allowing for a much greater level of reporting and analysis.
3) As the Project will still be linked to the LPC code, existing reporting will be unaffected, whilst at the same time introducing and enabling additional projects based reporting through the new module.

1.4. Major changes will be introduced to existing business processes as a result of introducing the Oracle Projects module including;

1) Visibility of project costs and budgets within a projects sub-ledger.
2) Automated controls that can be applied to manage costs and project performance affording improved financial management and governance capabilities.
3) Increased effectiveness by being able to build in standardised good practice templates.
4) Improved efficiency through automation and the embedding of common project related practices across the organisation.

1.5. The Oracle eBusiness Suite PA solution is a systems enabled business change project which will fundamentally change the way that accounting for projects is conducted across the MOD. In the first implementation the organisation will benefit from improved processes, cost visibility & controls, project performance management and enhanced project reporting.

1.6. Future rollouts could look to build upon these foundational benefits to deliver additional value in areas such as project related labour costing (excl. DE&S who will utilise Team Member to enable the delivery of labour costing in the initial implementation) and project billing functionality.

2. Introduction

Purpose

2.1. The purpose of this document is to outline the implementation plan of Project Accounting modules within the current Oracle eBusiness Suite solution, based on a set of key assumptions.

2.2. Specific Oracle eBusiness Suite modules considered are:

1) Oracle Project Costing
2) Oracle Project Billing. See section 2.7
3) Oracle Time & Labor. See section 2.7

Background

2.3. The MOD Finance Functional Leadership Strategy contains an ambitious programme to both build capability in the Finance Function and to introduce a revised operating model.

2.4. One of the workstreams within the Finance Functional Leadership Strategy is Systems Exploitation and Automation. One of the key initiatives within this workstream is to introduce corporate project accounting functionality as part of the existing Oracle E-Business suite. This will not only provide additional functionality but will also drive greater standardisation of data items, that will flow through the financial and management accounting systems.

Objective

2.5. The objective of this document is to provide the implementation plan for the Project Accounting solution, thus enabling reviewers to understand assumptions made in the time and resource estimates.

Scope

2.6. Taking the findings from the Discovery Phase and the requirement to manage risk, the scope of the initial implementation will consist of Project Costing implemented across all TLBs to be delivered simultaneously.

2.7. Project Billing and Oracle Time & Labour will be considered as a future project, following a bedding in period for Project Costing, There is currently no corporate level requirement for these modules so further information on these is not included in this document.

2.8. Non-Current Assets (NCA) process is in scope as the capability to link to Assets is included as standard however the degree to which an automated process is utilised is to be assessed during the detailed design and implementation phase.

2.9. Specifically out of scope are:

1) Inventory Systems and related processes

Consultation

2.10. A series of workshops have been held with project delivery TLBs (DE&S, DSTL, ISS, DIO & SDA) to

1) Review key areas of the Project Accounting solution
2) Agree key high level design decisions and
3) Begin to capture change impacts.

2.11. A validation session with all TLB's, was held on the 18th July 2019. During this workshop the following were agreed:

1) Key high level designs
2) High Level target operating model

Impact on existing solutions

2.12. The scope of the initial Project Accounting implementation has been designed to limit the impact onto the existing processes e.g. Budget processes will remain within PB&F (with an interface into PA), procurement users will continue to use iProcurement as is (feeds to PA will be automated) and Non-Current Asset additions will continue to use the current process and associated support systems.

2.13. There will be no impact on existing Cognos reporting as LPC & S9/P9 information will still be generated, fed into the GL and transferred to the data warehouse as per the current process.

Key Design Principles

2.14. There are 5 key design principles that will be used to underpin thinking for the implementation of Project Accounting:

(a) **Adopt not Adapt**. We will utilise common processes, which align to the product as much as possible.

(b) **Consider our People**. We are focused on how this will enhance the experience of our people.

(c) **Global Design**. We will have one design that all organisations will use.

(d) **Be Open and Accepting to New Ideas**. Maximising the benefits means allowing new ways of working and making use of best practice.

(e) **Be Future Focussed**. We should be asking "why can't that work for us" rather than "this is how we do it now".

3. Project Costing Implementation

3.1. The proposed Implementation plan aims to deliver a consistent solution across all TLB's i.e. DE&S, DIO, ISS, SDA & DNO, with a single Go-Live date. Two key exceptions to this are:

(a) DIO perform their procurement within IMS. The feeder from this system will be amended to ensure project information is fed into the Oracle eBusiness Suite.

(b) DE&S capture time and associated costs through Team Member. This will be fed into projects within the Oracle eBusiness Suite.

3.2. A High Level Design document has been produced as part of the Discovery Phase and during the Design Phase with Detailed Design document will be produced for any Reports, Interfaces and Workflow items during the implementation. This will be followed by the Solution Build phase, where these items will be built and unit tested.

3.3. The Solution Build phase has been estimated at **3 months** based on the information gathered during the Discovery Phase and the listed assumptions.

3.4. The delivery methodology will be Hybrid Agile utilising sprints for design, build and test phases.

3.5. A **Test Strategy** document will be developed at the start of implementation. This will describe the processes, environments, pre-requisites, acceptance criteria and timetable for Unit Test, System Integration Test (SIT) and User Acceptance Test (UAT). The Test Strategy will be reviewed and endorsed by the Working Group and approved by the Governance Board.

3.6. **Data migration** will be a MOD-owned process with the implementation partner being responsible for developing a template in a 3rd party software tool (expected to be More4Apps). Each TLB will have a dedicated focal point who will extract the inflight data that they require to be migrated and complete the template as required. These templates will then be passed to the central MOD team to be interfaced into Oracle Project Costing. It is assumed that the interface will populate a single task with a costs to date value. The transfer to GL function will be disabled for this task to ensure that double accounting does not occur. For this data migration exercise the MOD users involved in the data collation process will need to carefully consider the structures of procurement contracts and associated lines in conjunction with the to-be work breakdown structures.

3.7. A **Training Strategy** document will be developed at the start of implementation. Training will be delivered through a combination of small, face to face training sessions with targeted groups of super users and online self-paced training. It is envisaged that super users, will also support UAT and will receive training prior the start of UAT. The Training Strategy will be reviewed and endorsed by the Working Group and approved by the Project Board.

3.8. Cutover and a **business go-live** will take place on 30th April 2021.

3.9. The **Early Life Support Period** would run for 12 weeks from the business go-live. Ways of working (incident management, stakeholder management, defect categorisation, sign-off etc.) should be defined within the Test Strategy document.

A full list of documentation (deliverables) is included within Section 9 of this document.

4. Workstreams

Purpose

4.1. This section sets out the workstreams involved in the implementation, the high level activities associated with each stream and a proposed organisation chart.

Workstreams & Activities

4.2. The following table shows the various workstreams and highlights the key activity within each.

Grouping	Specific Workstream	Key Activities
Project Governance	-	• Single point of accountability for oversight of project activities • Outlines roles, responsibilities for project stakeholders • Issue management and resolution (for escalated items) • Approval of key project documentation • Ensure adherence to approved project practices and principles
Project Management	-	• Activity and resource planning • Analysis and management of project risks • Solution deployment planning and plan adherence • Confirming solution accreditation • Licence procurement (MOD Mgmt) • Issue resolution • Monitoring project progress • Ownership of key project documents • Reporting preparation for the Board
Quality Assurance	-	• Participation in development of project solutions and associated documents in line with established good practice principles • Review of said materials prior to Board submission • Participation in Board meetings to provide quality overview
Functional	Functional Configuration	• Functional solution design • Oracle Projects configuration • Oracle reporting design • Functional Testing • Feeds into Training, Testing, Data Migration and Change streams for functional issues. • Deployment of configuration to Live environment during cutover • Early Life Support (ELS)

Grouping	Specific Workstream	Key Activities
	Change & Communications	• Liaison with other workstreams to understand scope of system and process change • Work with affected business areas to determine business readiness and identify change impacts • Create change mitigation plans and work with local coordinators to enact identified actions • Project communications to both internal and external stakeholders • Early Life Support (ELS)
	Training	• Liaison with other workstreams to understand scope of system and process change • Work with affected business areas to determine training needs • Develop training plans and work with local coordinators to initiate training programme • Monitor and report on training progress
Technical	Cognos	• Development of new Cognos feed from Oracle projects • Development of new Cognos Project reports • Testing and reconciliation of feeds and reports to ensure accuracy prior to onward testing • Deployment of changes to Live environment during Cutover • Early Life Support (ELS)
	DBA	• Management of Oracle environment and associated activity e.g. patching, sizing, refreshes etc. • Early Life Support (ELS)
	Technical Development	• Development of new, or amendment of existing, interfaces for Oracle Projects e.g. Projects to P3M, CPF to IMS etc. • Preparation of templates required for the data migration effort. • Early Life Support (ELS)
Data Migration	-	• Working with the TLBs to establish the DM process • Dissemination of the necessary templates and process documentation for the DM effort. • Reconciliation of returned templates to existing information, working with contributors to address incorrect data. • Upload of correct templates to the Projects system during cutover window. • Early Life Support (ELS) (for DM issues)

Grouping	Specific Workstream	Key Activities
Testing	-	• Definition of testing strategy • Preparation of end to end test plans utilising realistic volumes of data and business scenarios • Coordination of test phases (Unit, SIT and UAT) with relevant parties • Monitoring and reporting of test progress • Liaison with workstreams to resolve test issues • Oversight / management of Early Life Support (ELS) including issue resolution

5. Risks, Assumptions & Dependencies

Risks

The following high level risks exist for the implementation of Oracle Project Costing into the Oracle eBusiness solution

No.	Risk	Impact	Impact	Likelihood	Category	Mitigating actions
R1	Whilst an analysis has been carried out of the existing Oracle eBusiness solution, following detailed design and testing additional requirements may be identified.	Additionally identified requirements may result in a change to the design, implementation timeline and team-skill requirements			Te	Any additional requirements should go through appropriate governance, i.e. Design Authority, impact assessment and approval by the Change Review board
R2	The TLBs may decide that they will not participate, or take up the Project Accounting solution	Individual TLBs continue to use LPCs, resulting in poor management information, visibility, forecasting and control of project costs			T	Governance board responsibility to drive take-up of corporately mandated accounting processes across the organisation.
R3	One size fits all approach may not be accepted by TLB's who have differing requirements	Divergence from standardised processes across the organisation could lead to inefficiencies and not allow full benefits realisation from the new solution.			T	Effective communication and governance through the governance board
R4	Change Impact / User Adoption. Users are unable to get answers to their questions on how to utilise the new solution effectively	Lack of understanding of the new module & associated processes could lead to incorrect use, or non-use, of the new solution and result in poor perception across the user community			P	Well defined training approach supported by a robust change network e.g. floorwalkers, superusers, skilled helpdesk

No.	Risk	Impact	Impact	Likelihood	Category	Mitigating actions
R5	Ineffective Governance leads to unclear requirements, scope or objectives	Lack of alignment across the organisation or divergence from corporate aims. Potential loss of benefits from new solution.			O	Clearly defined program governance and management structure, including governance processes and detailed roles and responsibilities and accountability across the various governance layers, a robust Program Management framework and clearly defined risk and issue management process.
R6	Lack of Scope Design Governance – “Scope creep”	Scope creep leads to incorrect assumptions regarding implementation approach & timeline including change impacts, training needs and user adoption			O	Any additional scope items to be raised to the Governance Board and Executive Sponsor for review.
R7	Lack of Leadership Alignment	Misalignment in the leadership group could lead to poor communication and user-alignment across the organisation.			T	Utilise Governance Board meetings to ensure all parties are aligned to common goals and objectives
R8	Data Quality and Accuracy between GL and Projects Ledger (including reporting)	Data held in Oracle eBusiness is at LPC level, but the system does facilitate storing it at WBS levels. Also, there is a concern that data is incomplete against LPCs and as such when combining this historical information with that held in Project Accounting a somewhat inaccurate picture of actuals will be achieved			O	Potential approach is to allow in-flight projects to continue under existing process until their completion and use Project Accounting for new projects following the Go Live - this will mean that no single project will have costs across both processes and eliminates the need to join different reports together.

No.	Risk	Impact	Impact	Likelihood	Category	Mitigating actions
R9	Technical Complexity (Performance, Security, Infrastructure, Integration)	The impact of a technical complexity issue is very dependent on the issue itself, areas that could be affected include implementation timeline, change management, user training, system design etc. The exact impact would be detailed within the issue should any arise.			Te	The design and implementation methodology will utilise regular review cycles to monitor technical suitability and functionality allowing for identification of issues as the earliest opportunity and effect the most suitable mitigation.
R10	Design, Build and Deploy Methodology: Risk that design flaws are exposed too late in the design, build and test cycle.	As with technical items the impact of a design, build or deployment issue is very dependent on the issue itself, areas that could be affected include implementation timeline, change management, user training, system design etc. The exact impact would be detailed within the issue should any arise.			Te	The design and implementation methodology will utilise regular review cycles to monitor technical suitability and functionality allowing for identification of issues as the earliest opportunity and effect the most suitable mitigation.
R11	Testing Approach/Capability: Risk that unclear testing boundaries mean that issues are not tested and raised,	Incomplete testing could result in failures of the process following go live.			Te	The implementation phase will have a dedicated testing workstream who will be responsible for ensuring all areas of functionality and inter-connectivity are covered within the testing cycles and are supported by appropriate test scripts. The test scope will be approved by technical and design teams to assure that all areas are covered and regular review cycles will allow for any design changes to be included in the testing process

No.	Risk	Impact	Impact	Likelihood	Category	Mitigating actions
R12	Timeline Dependencies: Risk of Inter dependencies of organisation priorities as well as cross-functional workstreams may severely affect the decision making process and plan	Delays in decision making could lead to an extended implementation timeline			Te	Governance board members would be responsible for clearly articulating any conflicting projects or priorities within their areas to the Governance group. The Group will then seek the most suitable mitigation collectively.
R13	Insufficient Resources: Risk of operational priorities competing with program needs from a resource availability, capability and staffing perspective.	TLBs and/or DBS have conflicting initiatives during the lifetime of the Project Accounting project, resulting in resources being diverted away from the project			Te	Examine team structure and resources across all workstreams, ensuring the teams are right-sized with the right resources aligned to the right roles (e.g., experience/skillset to role) Confirm any operational priorities are taken into account for resource contention Initiate resource backfills well in advance of the required onboarding to mitigate resource-based delays For ongoing gaps, identify and communicate risks to the program as part of regular status reporting and governance/escalation process so resource barriers can be quickly rectified

No.	Risk	Impact	Impact	Likelihood	Category	Mitigating actions
R14	User Solution Adoption Resistance	Improper use, or non-use, of the new module. Reputational damage to the Project Accounting system/process			P	Change management strategy for the program that will help outline the approach, method and tools we will use to ensure smooth adoption of the solution and that the expected benefits are realised as planned. In addition, we have factored in extensive Change Management time into the proposed project plan and business case and will be utilising our transformation partner to assist with change management and training

Assumptions

The following high level assumptions have been made, with regards the implementation of Oracle Project Costing into the Oracle eBusiness solution

ID	Assumption category	Assumption Description
A01	Project	Data Migration will be performed by the MoD Projects Centralised function (extract & load) in conjunction with TLBs (transform & reconcile). The external partner will provide loading template(s) as needed to assist with this task.
A02	Technology	There will be no change to the technical architecture during the project the implementation
A03	Technology	The current version of Oracle eBusiness is R12.2.4. The version will not be changed during the Projects implementation phase
A04	Technology	SOA Suite is in use and no changes are planned, or will be made, during the Projects implementation phase
A05	Scope	Project Costing will form the scope of the initial implementation
A06	Scope	Project Billing could be considered for implementation following a bedding in period, after the initial implementation
A07	Scope	Time recording could be considered for implementation following a bedding in period, after the initial implementation
A08	Scope	Approx. 10 COGNOS reports will be developed as part of the initial implementation
A09	Scope	The PB&F solution will remain the master for budget and forecast data with a link into PA to transfer the information
A10	Governance	There will be no re-organisations during Testing, go-live and the cutover period
A11	Governance	The resource model is based on there being clear and timely decision making, escalation and governance processes
A12	Governance	The approval process for changes to existing policies, or the creation of new ones, will not delay related deliverables such as Operating Procedures

ID	Assumption category	Assumption Description
A13	Governance	Any dependent projects, including hardware and software upgrades, are carefully managed and any dependencies highlighted at the Governance Board
A14	Governance	Executive management will provide full sponsorship and support for the project, including approval of budget, resources, and timing
A15	Governance	The Governance Board has responsibility for driving all project decisions, reviewing and approving deliverables, facilitating discussion and communication among the various stakeholders as needed, and securing any required MOD or third-party resources
A16	Governance	A Project Sponsor, Heather Tayler, will have overall responsibility for the Project
A17	Governance	Governance forums will be put in place from project commencement. At a minimum these will consist of a Governance Board, a Change Review Board and a Design Authority
A18	Personnel	Resourcing from TLB's and DBS, who will provide qualified and knowledgeable members to the project team at the staffing levels in the resource plan and according to the timeline, with the appropriate business and technical skills required
A19	Personnel	Input from Subject Matter Experts will be sought as necessary throughout the Project. It is anticipated this will be mainly during the Design Phase. It is anticipated this will take 20% of a SMEs time during this period and should be planned for.
A20	Personnel	Time commitments for SMEs with involvement in the Financial Year End will be planned in advance to account for any clashes with BAU activity
A21	Personnel	Change, communications and end user activities will draw on a broad range of resources from business as usual to deliver the required change
A22	Personnel	UAT - DBS and TLB representation is essential and appropriate resources and time will be allocated for this phase
A23	Personnel	All TLBs will participate fully in the project and will go-live on the same date
A24	Personnel	Resources required to participate in Decision Making will be of the appropriate level, have sufficient skills to make an informed decision and be empowered by their relevant line of business to make such required decisions

ID	Assumption category	Assumption Description
A25	Project	Testing. Unit Testing and Systems Integration Testing will be performed by the Implementation partner
A26	Project	Testing. User Acceptance Testing will be performed by the Ministry of Defence, with support from the Implementation partner
A27	Project	Training. The MOD will provide subject matter specialists, super users, and facilitators as required to complete reviews, identify specific exercise scenarios, support data identification, and prepare the training system
A28	Project	Web based training to be utilised for user knowledge transfer
A29	Project Management	5 Key Design Principles will underpin the project and will be accepted across the MOD, namely: Adopt not Adapt - utilise common processes, which align to the product Be future focussed - ask 'why can't that work for us' rather than 'this is how we do it now' Consider our people - focus on how this will enhance the experience of our people Global Design - one design that all organisations will use Be open and accepting to new ideas - maximising the benefits means allowing new ways of working and making use of best practice
A30	Project Management	A Single site will be formed for the Project at Filton Abbey Wood, although the project team will visit TLBs and other MOD locations as necessary
A31	Scope	Rollout to other areas (FL Commands, DBS) will have no impact on the overall design as requirements are common to the initial target TLB group
A32	Project	The project team will amend the IMS feeder to include project code information, with technical input from DIO resources as required
A33	Project	A file containing DE&S labour hours will be passed from the DE&S Team member solution and uploaded into CP&F.

Dependencies

The following high level dependencies exist for the implementation of Oracle Project Costing into the Oracle eBusiness Suite environment

ID	Dependency With	Dependency Type	For What/Action Required
D01	DBS Programmes	Dependent on	Dependencies and interaction with other programmes of work such as PB&F changes, data centre move and Oracle version upgrade. These may impact upon the PA programme. A change freeze, for the period of the project, would be the preferred mitigation for any programmes which would change the interactions between PA and other modules/systems
D02	DE&S	Dependent on	Planned changes to Primavera or associated business processes, including those that support PB&F. Impacts could be felt in WBS design, budget interaction and actuals transfer A change freeze, for the period of the project, would be the preferred mitigation for any programmes which would change the interactions between PA and other modules/systems
D03	DBS	Dependent on	DBS resources will be required to support both the implementation activity and then to provide ongoing services to support the PA solution once it has gone live from both a technical and business perspective. As noted above other DBS programmes may cause conflicts for people's time. Clear and early planning of required resources with DBS will be needed to mitigate.
D04	Commercial	Dependent on	There is a risk that the procurement strategy is unable to be completed and appropriate commercial frameworks identified in an acceptable timeframe. Delays in this process could cause a delay to the PA programmes.

6. Project Deliverables

Project Deliverables	Notes	MOD	Imp Partner
Implementation plan			Y
Solution Detailed Design			Y
CEMLI component Design (MD50/MD70)	Approx. 15 (modifications to 7 interfaces and 8 eBusiness Suite reports)		Y
BR100 - Solution configuration (including LOV)			Y
Project Related Cognos Reports	Approx. 10 reports		Y
Projects Data architecture	For new Cognos PA warehouse		Y
Level 3 Process maps			Y
Roles & Responsibilities	Full range of PA roles		Y
Training Needs Analysis			Y
Training curriculum			Y
Training UPK	Project User and End User		Y
Training QRG	Approx. 20		Y
Change Impact Assessment		Y	
Cut-over plan			Y
Organisational design		Y	
Test plan			Y
Test schedule			Y
Test Scripts SIT			Y
Test Scripts UAT		Y	
Test Output report			Y
Go-live readiness (Technical)		Y	Y
Go-live readiness (Business)		Y	Y
Environment plan - Demo, Dev, SIT, UAT, Train, Prod		Y	Y

7. Distribution, References & Glossary

Distribution removed.

References

Reference	Description	Link
PA001	High Level Design	
PA002	Target Operating Model	
PA003	User And System Needs	

Glossary

Term/ Abbreviation	Meaning
AP	Accounting Period
CEP	Cognos Enterprise Planning
DES	Defence Equipment & Support
ELS	Early Life Support
FTE	Full Time Equivalent
FY	Financial Year
LPC	Local Project Code
NCA	Non-Current Assets
PBF	Planning, Budgeting & Forecasting
POC	Proof of Concept
QRG	Quick Reference Guide
SIT	System Integration Test
TLB	Top Level Budget
TNA	Training Needs Analysis
UAT	User Acceptance Test
UPK	User Productivity Kit (Oracle User Training Software)

Appendix A – Role Overview

The table below gives a high level overview of the roles as shown in the Organisation chart in Section 4.3

Role Title		Key Activities
Project Governance	-	• Single point of accountability for oversight of project activities • Outlines roles, responsibilities for project stakeholders • Issue management and resolution (for escalated items) • Approval of key project documentation • Ensure adherence to approved project practices and principles
Project Management	-	• Activity and resource planning • Analysis and management of project risks • Solution deployment planning and plan adherence • Confirming solution accreditation • Licence procurement (MOD Mgmt) • Issue resolution • Monitoring project progress • Ownership of key project documents • Reporting preparation for the Board

Ministry of Defence

Project Accounting Target Operating Model

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Document Control

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0.1	***Names have been removed.***	External Assistance	22/08/2019	Initial Document
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1.0	***Name has been removed.***	External Assistance	11/09/2019	Uprated to version 1 following inclusion of final review comments

Document Approval

	Name	Role	Signature	Date
Creator:	***Name has been removed.***	External Assistance		
Approver:	***Name has been removed.***	FMPA		

Table of Contents

1. Summary

1.1. This document outlines the high level division of support tasks for the future Project Accounting solution. This document should be read along with the High Level Design (HLD) and the user stories and system requirements document

1.2. The Oracle eBusiness Suite Project Accounting (PA) solution affords the MOD an opportunity to change how project based accounting transactions will be captured and interpreted with the introduction of a dedicated Project Accounting solution. Once Oracle eBusiness Suite PA is introduced all project related transactions will be captured in the PA sub-ledger giving a single source of all project related spend as opposed to the current solution whereby all data is held in the GL at a transactional line level.

1.3. A much more detailed analysis of Project spend will be achieved with the introduction of Oracle eBusiness Suite Project Accounting (PA):

1) Within Oracle eBusiness Suite today, project spend is captured at a summary level in the General Ledger against an LPC. As this only allows the capture of all costs against a single summary GL code, this restricts any analysis, through either Oracle eBusiness Suite or Cognos to summary based reporting, due to the limited data held.
2) Through PA, Project spend will be captured and categorised at multiple levels, allowing for a much greater level of reporting and analysis.
3) As the Project will still be linked to the LPC code, existing reporting will be unaffected, whilst at the same time introducing and enabling additional projects based reporting through the new module.

1.4. Major changes will be introduced to existing business processes as a result of introducing the Oracle Projects module including;

1) Visibility of project costs and budgets within a projects sub-ledger.
2) Automated controls that can be applied to manage costs and project performance affording improved financial management and governance capabilities.
3) Increased effectiveness by being able to build in standardised good practice templates.
4) Improved efficiency through automation and the embedding of common project related practices across the organisation.

1.5. The Oracle eBusiness Suite PA solution is a systems enabled business change project which will fundamentally change the way that accounting for projects is conducted across the MOD. In the first implementation the organisation will benefit from improved processes, cost visibility & controls, project performance management and enhanced project reporting.

1.6. Future rollouts could look to build upon these foundational benefits to deliver additional value in areas such as project related labour costing (excl. DE&S who will utilise Team Member to enable the delivery of labour costing in the initial implementation) and project billing functionality.

2. Introduction and Background

2.1. The purpose of this document is to outline user needs and systems requirements for the implementation of Project Accounting modules within the current Oracle eBusiness Suite solution.

2.2. Specific Oracle eBusiness Suite modules considered are:

1) Oracle Project Costing
2) Oracle Project Billing. See section 2.8
3) Oracle Time & Labor. See section 2.8

Background

2.3. The MOD Finance Functional Leadership Strategy contains an ambitious programme to both build capability in the Finance Function and to introduce a revised operating model.

2.4. One of the workstreams within the Finance Functional Leadership Strategy is Systems Exploitation and Automation. One of the key initiatives within this workstream is to introduce corporate project accounting functionality as part of the existing Oracle E-Business suite. This will not only provide additional functionality but will also drive greater standardisation of data items, that will flow through the financial and management accounting systems.

Objective

2.5. The objective of this document is to outline the high level division of support tasks for the future Project Accounting solution and signify the change of activity as users move away from GL reporting of Project spend to a PA centred view.

2.6. This document should be read along with the High Level Design (HLD) and the User & System Needs Document (URD).

Scope

2.7. Taking the findings from the Discovery Phase and the requirement to manage risk, the scope of the initial implementation will consist of Project Costing implemented across all TLBs to be delivered simultaneously.

2.8. Project Billing and Oracle Time & Labour will be considered as a future project, following a bedding in period for Project Costing, There is currently no corporate level requirement for these modules so further information on these is not included in this document.

2.9. Non-Current Assets (NCA) process is in scope as the capability to link to Assets is included as standard however the degree to which an automated process is utilised is to be assessed during the detailed design and implementation phase.

2.10. Specifically out of scope are:

1) Inventory Systems and related processes

Consultation

2.11. A series of workshops have been held with project delivery TLBs (DE&S, DSTL, ISS, DIO & SDA) to

1) Review key areas of the Project Accounting solution
2) Agree key high level design decisions and
3) Begin to capture change impacts.

2.12. A validation session with all TLB's, was held on the 18th July 2019. During this workshop the following were agreed:

1) Key high level designs
2) High Level target operating model

Impact on existing solutions

2.13. The scope of the initial Project Accounting implementation has been designed to limit the impact onto the existing processes e.g. Budget processes will remain within PB&F (with an interface into PA), procurement users will continue to use iProcurement as is (feeds to PA will be automated) and Non-Current Asset additions will continue to use the current process and associated support systems.

2.14. There will be no impact on Cognos reporting as LPC & S9/P9 information will still be generated, fed into the GL and transferred to the data warehouse as per the current process.

Key Design Principles

2.15. There are 5 key design principles that will be used to underpin thinking for the implementation of Project Accounting:

(a) **Adopt not Adapt**. We will utilise common processes, which align to the product as much as possible.

(b) **Consider our People**. We are focused on how this will enhance the experience of our people.

(c) **Global Design**. We will have one design that all organisations will use.

(d) **Be Open and Accepting to New Ideas**. Maximising the benefits means allowing new ways of working and making use of best practice.

(e) **Be Future Focussed**. We should be asking "why can't that work for us" rather than "this is how we do it now"

Key Assumptions

2.16. The following high level assumptions have been made, with regards the implementation of Oracle Project Costing into the current Oracle solution

ID	Assumption Category	Assumption Description
A05	Scope	Project Costing will form the scope of the initial implementation
A06	Scope	Project Billing will be considered for implementation following a bedding in period, after the initial implementation
A07	Scope	Time recording will be considered for implementation following a bedding in period, after the initial implementation

3. User Groups

3.1. To allow for the segmentation of activity a set of expected user groups has been created.

3.2. In the main these groups, or roles, do not exist in the current organisation structure or they differ by TLB. To assist in understanding these roles in the context of the current organisation structure some example activities are given against each one in the table below.

Group	Overview	Example Activity
Project Centre of Excellence (COE) Note: Roles Included in this Group are: Project Administrator Project Accountant	This is expected to be a relatively small group made of "superusers" with enhanced access to Projects controls and master data. This would ideally be a centralised function serving the wider projects community with a key focus on maintaining commonality of processes and controls across the organisation.	- Project creation - Project structure updates (new tasks, blocking/unblocking activity type) - Post misbooking corrections / accruals - Final project closure - Master data maintenance (template updates, expenditure categories etc.) - Month end close processes
Project Managers	Has approval rights over transactions on projects they manage. Restricted to only those people with relevant authorisation to manage projects.	- Approval of projects (once created) - Addition/maintenance of Project Members - Approval of project costs - Budget/forecast baselining - Approve misbooking corrections / accruals - Initiate project closure
Project Team Members	Resource who is assigned to a project as part of the delivery team and needs to be able to initiate transactions or report on project activity Expected to be the majority of PA users	- Create project related transactions i.e. Requisitions - Can view Project Status Inquiry, run reports etc. - Initiate misbooking corrections / accruals - Enter draft budgets/forecasts
ITMS	PA activity is expected to be an additional task for the existing support group.	- Manage the technical solution - Manage the Support Desk (for End Users) - Perform User Maintenance

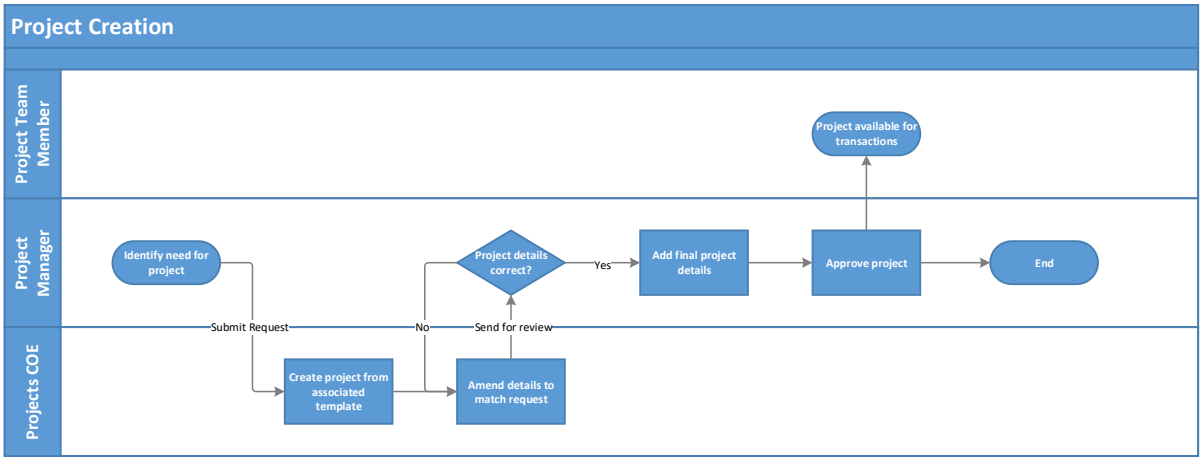
4. Key Business Processes

4.1. This section highlights the key business processes for PA and indicates which user group is likely to undertake the activity

Project Creation

4.2. The diagram below shows the steps in creating a project.

- **Figure 4-1 Project Creation Process Flow**



4.3. In this process the project manager requests the new project.

4.4. The COE team will create the project, add any additional details and pass back to the project manager

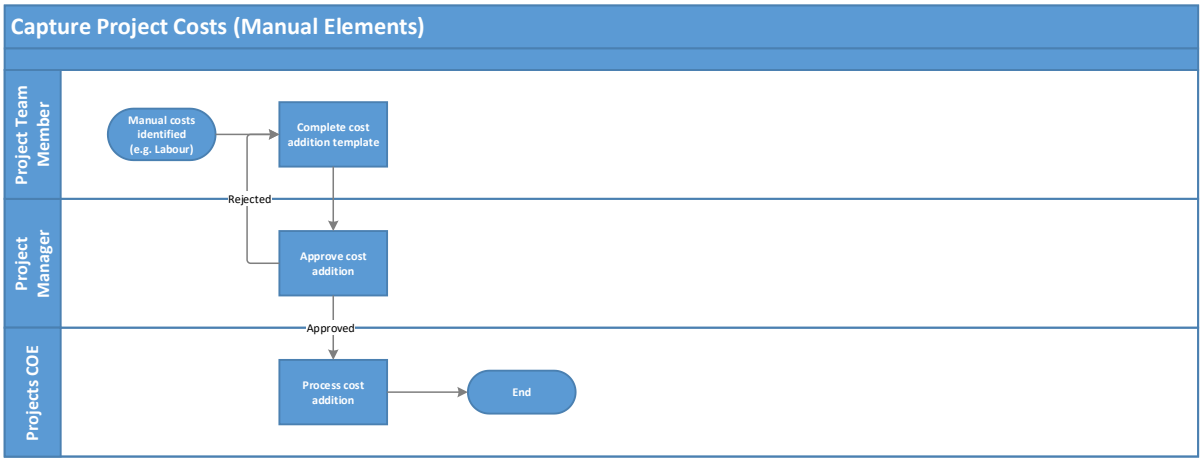
4.5. The project manager will review the set-up, finalise any remaining elements and approve, thus making it live and ready to receive transactions.

4.6. This process covers User Need (UN) PCC001 to PCC008 as described in the User and System Needs document.

Capturing Project Costs

4.7. The diagram below shows the process flow for how costs are captured and coded with the project information

- **Figure 4-2 Capturing Project Costs (Manual Elements) Process Flow**



4.8. System generated costs (such as requisitions or POs) are coded with the project information upon creation (by the end user) and onward cost capture is then automated with no further need for user involvement. Automated cost collection is expected to cover the vast majority of transactions for PA.

4.9. Manual cost updates that result from non-system entries (such as labour costs) will be requested by project key members and approved by the project manager. This will be a localised function as detailed knowledge of the project is required to make the judgement on the validity of costs.

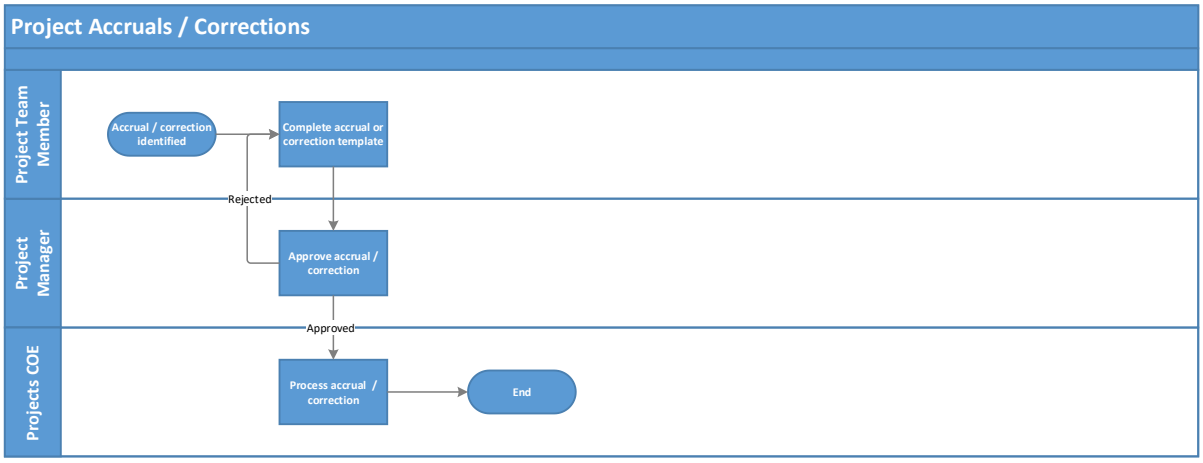
4.10. Once approved the posting is made by the COE, designed as a central function to ensure only approved costs changes are processed and the ability to make financial impacts to a project are controlled.

4.11. This process covers UN CPC001 to CPC008 as described in the User and System Needs document.

Accruals / Corrections

4.12. The diagram below shows the process flow for how cost corrections or accruals are made.

- **Figure 4-3 Correcting/Accruing Cost Transaction Process**



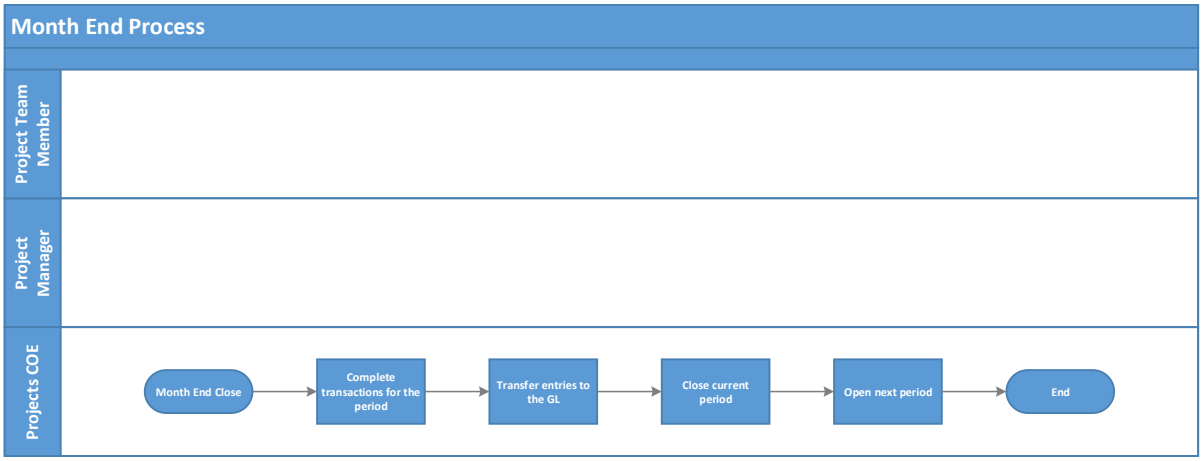
4.13. As with manual cost updates these will be requested by project key members, approved by the project manager and then processed by the COE.

4.14. This process covers UN CCA001 to CCA005 as described in the User and System Needs document.

Month End Process

4.15. The diagram below shows the process flow for month end close activity.

- **Figure 4-4 Project Month End Process Flow**



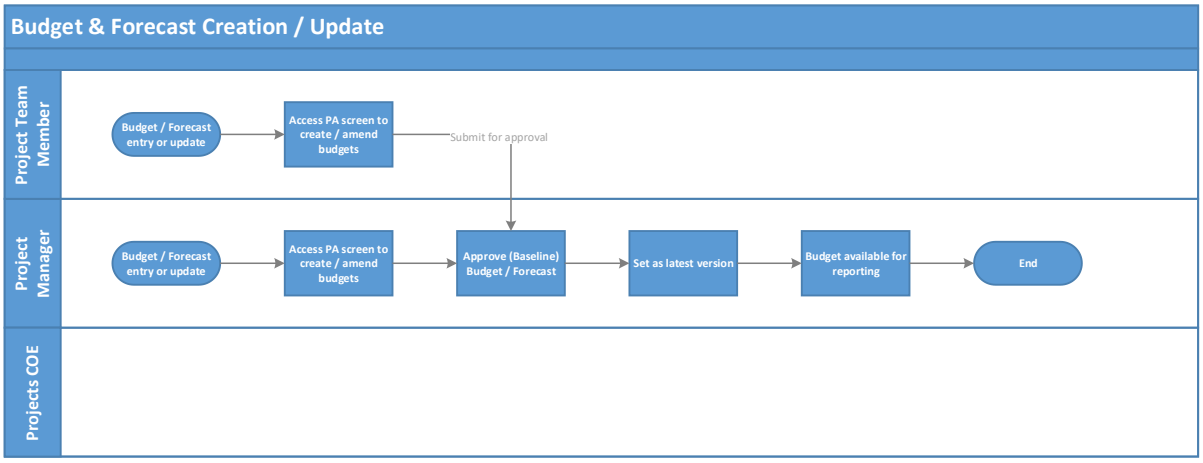
4.16. The entire close process will be managed by the COE in line with the common close calendars (as with other Oracle eBusiness Suite modules).

4.17. This process covers UN PME001 to PME003 as described in the User and System Needs document.

Project Budgets & Forecasts

4.18. The diagrams below shows the standard process flow for creation, and update, of project budgets and forecasts. In line with the design assumption (A30) this will be an automated upload process with PB&F being the master for this data.

- **Figure 4-5 Create or Amend Project Budget/Forecast Process Flow**



4.19. Project budgets & forecasts will be owned by the project manager as there is a need for detailed knowledge of the project progress and status to understand the budget vs. spend position fully.

4.20. As described in the high level design document PB&F will be the master for budgetary data (where it is held at an LPC (project) level). The process shown above covers the instances where either;

(a) PB&F data is not held at a sufficient level of detail so needs to be created within Project Accounting; or

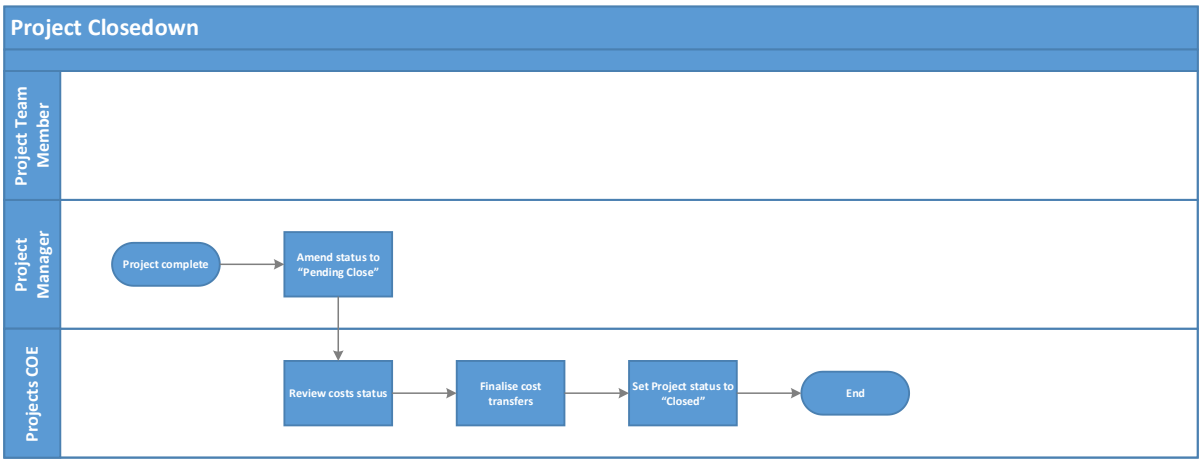
(b) Where project level budgets need to be allocated to task level within Project Accounting.

4.21. These processes cover UN PBF001 to PBF005 as described in the User and System Needs document.

Project Closure

4.22. The diagram below shows the process flow for closure of a project.

- **Figure 4-6 Project Closure Process Flow**



4.23. Upon project completion the project manager will initiate the close process by setting the status to “Pending Close”. This stops any new costs being assigned to the project whilst allowing in-flight costs to continue.

4.24. The COE will review the project and finalise the transfer of any outstanding costs before setting the status to “Closed”. At this point no further transactions can be posted to the project

4.25. This process covers UN PCD001 to PCD005 as described in the User and System Needs document.

5. Distribution, References & Glossary

Distribution List

Distribution list removed.

Document References

Reference	Description	Link
PA001	Project Accounting User And System Needs	
PA002	Project Accounting High Level Design	
PA004	Project Accounting Implementation Plan	

Glossary

Term / Abbreviation	Meaning
COE	Centre(s) Of Excellence
COTS	Commercial Off The Shelf
CPF	Contracting, Purchasing and Finance
GL	General Ledger
MOD	Ministry of Defence
PA	Project Accounting
PM	Project Manager
TOM	Target Operating Model
TLB	Top Level Budget Holder
UN	User Need

Ministry of Defence

Project Accounting User & System Needs

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STATUS:	DRAFT
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FILEPLAN ID:	Not Applicable
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Document Control

Vers. No.	Creator / Reviser Name	Role / Title	Date of Issue	Description of Change
0.1	***Name has been removed.***	External Assistance	24/07/2019	Document structure and first draft
0.2 – 0.8	***Names have been removed.***	External Assistance	28/08/2019	Incorporation of review comments
1.0	***Name has been removed.***	External Assistance	11/09/2019	Uprated to Version 1 following inclusion of final review comments

Document Approval

	Name	Role	Signature	Date
Creator:	***Name has been removed.***	External Assistance		
Approver:	***Name has been removed.***	FSI		

Table of Contents

Summary

1.1. This document provides business requirements, depicted as user needs (functional), and system requirements (non-functional) for the future Project Accounting solution. This document should be read along with the High Level Design (HLD) and the High Level Target Operating Model (TOM).

1.2. The Oracle eBusiness Suite Project Accounting (PA) solution affords the MOD an opportunity to change how project based accounting transactions will be captured and interpreted with the introduction of a dedicated Project Accounting solution. Once Oracle eBusiness Suite PA is introduced all project related transactions will be captured in the PA sub-ledger giving a single source of all project related spend as opposed to the current solution whereby all data is held in the GL at a transactional line level.

1.3. A much more detailed analysis of Project spend will be achieved with the introduction of Oracle eBusiness Suite Project Accounting (PA):

1) Within Oracle eBusiness Suite today, project spend is captured at a summary level in the General Ledger against an LPC. As this only allows the capture of all costs against a single summary GL code, this restricts any analysis, through either Oracle eBusiness Suite or Cognos to summary based reporting, due to the limited data held.
2) Through PA, Project spend will be captured and categorised at multiple levels, allowing for a much greater level of reporting and analysis.
3) As the Project will still be linked to the LPC code, existing reporting will be unaffected, whilst at the same time introducing and enabling additional projects based reporting through the new module.

1.4. Major changes will be introduced to existing business processes as a result of introducing the Oracle Projects module including;

1) Visibility of project costs and budgets within a projects sub-ledger.
2) Automated controls that can be applied to manage costs and project performance affording improved financial management and governance capabilities.
3) Increased effectiveness by being able to build in standardised good practice templates.
4) Improved efficiency through automation and the embedding of common project related practices across the organisation.

1.5. The Oracle eBusiness Suite PA solution is a systems enabled business change project which will fundamentally change the way that accounting for projects is conducted across the MOD. In the first implementation the organisation will benefit from improved processes, cost visibility & controls, project performance management and enhanced project reporting.

1.6. Future rollouts could look to build upon these foundational benefits to deliver additional value in areas such as project related labour costing (excl. DE&S who will utilise Team Member to enable the delivery of labour costing in the initial implementation) and project billing functionality.

2. Introduction and Background

2.1. The purpose of this document is to outline user needs and systems requirements for the implementation of Project Accounting modules within the current Oracle eBusiness Suite solution.

2.2. Specific Oracle eBusiness Suite modules considered are:

1) Oracle Project Costing
2) Oracle Project Billing. See section 2.7
3) Oracle Time & Labor. See section 2.7

Background

2.3. The MOD Finance Functional Leadership Strategy contains an ambitious programme to both build capability in the Finance Function and to introduce a revised operating model.

2.4. One of the workstreams within the Finance Functional Leadership Strategy is **Systems Exploitation and Automation.** One of the key initiatives within this workstream is to introduce corporate project accounting functionality as part of the existing Oracle E-Business suite. This will not only provide additional functionality but will also drive greater standardisation of data items, that will flow through the financial and management accounting systems.

Objective

2.5. The objective of this document is to provide a view of the user (functional) and system (non-functional) needs of a Project Accounting solution, thus enabling reviewers to confirm that all such substantial factors have been considered.

2.6. The roles in this document are to be viewed from a “need of the user” perspective meaning that roles given within the following sections are those who require that functionality and are not necessarily those who perform the role; this information is covered in the Target Operating Model document (PA003).

Scope

2.7. Taking the findings from the Discovery Phase and the requirement to manage risk, the scope of the initial implementation will consist of Project Costing implemented across all TLBs to be delivered simultaneously.

2.8. Project Billing and Oracle Time & Labour will be considered as a future project, following a bedding in period for Project Costing, There is currently no corporate level requirement for these modules so further information on these is not included in this document.

2.9. Non-Current Assets (NCA) process is in scope as the capability to link to Assets is included as standard however the degree to which an automated process is utilised is to be assessed during the detailed design and implementation phase.

2.10. Specifically out of scope are:

1) Inventory Systems and related processes

Consultation

2.11. A series of workshops have been held with project delivery TLBs (DE&S, DSTL, ISS, DIO & SDA) to

1) Review key areas of the Project Accounting solution
2) Agree key high level design decisions and
3) Begin to capture change impacts.

2.12. A validation session with all TLB's, was held on the 18th July 2019. During this workshop the following were agreed:

1) Key high level designs
2) High Level target operating model

Impact on existing solutions

2.13. The scope of the initial Project Accounting implementation has been designed to limit the impact onto the existing processes e.g. Budget processes will remain within PB&F (with an interface into PA), procurement users will continue to use iProcurement as is (feeds to PA will be automated) and Non-Current Asset additions will continue to use the current process and associated support systems.

2.14. There will be no impact on existing Cognos reporting as LPC & S9/P9 information will still be generated, fed into the GL and transferred to the data warehouse as per the current process.

Key Design Principles

2.15. There are 5 key design principles that will be used to underpin thinking for the implementation of Project Accounting:

1) **Adopt not Adapt**. We will utilise common processes, which align to the product as much as possible.
2) **Consider our People**. We are focused on how this will enhance the experience of our people.
3) **Global Design**. We will have one design that all organisations will use.
4) **Be Open and Accepting to New Ideas**. Maximising the benefits means allowing new ways of working and making use of best practice.

5) **Be Future Focussed**. We should be asking “why can’t that work for us” rather than “this is how we do it now”.

Key Assumptions

2.16. The following high level assumptions have been made, with regards the implementation of Oracle Project Costing into the current Oracle solution

ID	Assumption Category	Assumption Description
A05	Scope	Project Costing will form the scope of the initial implementation
A06	Scope	Project Billing will be considered for implementation following a bedding in period, after the initial implementation
A07	Scope	Time recording will be considered for implementation following a bedding in period, after the initial implementation

3. Approach to the User Needs

Introduction

3.1. Workshops were held with project SMEs from the target TLBs to assess the user needs between May and July 2019.

3.2. The approach for collecting user needs has been as follows:

1) User research – discussions with representatives on current process and desired improvements to inform the user needs both from a functional and end user perspective. The aim of the research was to identify different user personas to ensure they were included.
2) External experience – calling upon good practice experiences from external parties to inform the end-to-end need.
3) Categorisation of the need – categorising the user needs by type.

3.3. This initial set of user needs will be further refined and appended to during the implementation phase user sprints and feed into the detailed design as it matures.

User Segmentation

3.4. The licenced user base for Project Accounting is estimated as c.700 people, similar to the number of LPC users for PB&F. These are people who will use PA directly or have a project related data input role rather than users who input data indirectly, for example: Procurement users will code a requisition to a project code but will not require a licence to do this or users who receive reporting data from PA indirectly such as DE&S users who are expected to continue using the P3M solution which will be enhanced with financials data from PA, again a licence is not required for this type of use.

3.5. The table below shows the roles, or personas, used to segment the needs in Section 3. In some cases these roles do not exist in the current organisation structure or they differ by TLB. To assist in understanding these roles in the context of the current organisation structure some example activities are given against each one.

Role	Overview	Example Activity
Project Accountant	This role will have enhanced access to allow amendment of financial information and maintain controls. A small number of users to maintain system controls	- Project creation - Project structure updates (new tasks, blocking/unblocking activity type) - Post misbooking corrections / accruals - Final project closure
Project Administrator	This is a “superuser” role with access to underlying project controls and structures	- Project structure updates (new tasks, blocking/unblocking activity type) - Master data maintenance (template updates, expenditure categories etc.) - Month end close processes

Role	Overview	Example Activity
	Expected to be granted to a minimal number of users to maintain controls integrity	
Project Manager	This role is responsible for the management of the project covering activities including health checks, estimates to complete etc. Role to be restricted to only those people with relevant authorisation to manage projects.	- Approval of projects (once created) - Addition/maintenance of Project Members - Approval of project costs - Budget/forecast baselining - Approve misbooking corrections / accruals - Initiate project closure
Project Team Member	Resource who is assigned to a project as part of the delivery team and needs to be able to initiate transactions or report on project activity Expected to be the majority of PA users	- Create project related transactions i.e. Requisitions - Can view Project Status Inquiry, run reports etc. - Initiate misbooking corrections / accruals - Enter draft budgets/forecasts

Needs Categorisation

3.6. The needs were grouped by one of the five categories below. The categories, with descriptions, are outlined below:

Category	Description
Data Integrity & Consistency	Maintenance of data quality within the system and at a point of entry (e.g. use of drop down lists, predefined validation).
Reporting & MI	Data extraction and visualisation through reports or other MI displays (e.g. Project Status Inquiry).
Controls	Role based access control / user permissions, types of users, compliance rules at data entry, etc. (e.g. limiting what people can see based on their organisation).
Integration & Data Sharing	Data integration and transmission between the Project Accounting application and other systems, whether MOD or 3rd party
Business Process & Transactions	Specific functional needs not covered by the other categories. This category does not include specific reporting needs as these are captured under Reporting & MI.

4. Functional User Needs

Overview

4.1. The section covers the functional user needs for the Project Accounting solution, these processes are depicted within the Target Operating Model (TOM) document.

4.2. Future rollouts may include other business areas not included above e.g. Front Line Commands, DBS etc. It is envisaged that the user needs of these areas are going to be common to the target TLB group and will have minimal to no impact on the overall design.

User Needs – Project Creation

4.3. This process covers activity such as requesting a project code, creation of the code and the approval/release of that code for onward use.

Reference	Role(s)	Need	Category
PCC001	Project Manager, Project Team Member	A robust process to support the creation of various project types	Business Process & Transactions
PCC002	Project Manager, Project Team Member	The ability group related projects into programmes and maintain links for reporting purposes	Business Process & Transactions
PCC003	Project Accountant	A set of pre-defined project templates on which to create new projects so that consistent working and reporting standards are maintained	Business Process & Transactions
PCC004	Project Administrator	The ability to create project templates which support business process controls and limits	Business Process & Transactions
PCC005	Project Administrator	To ensure clearly defined project accounting standards and processes are commonly used across the MOD.	Controls
PCC006	Project Manager	Controls to allow allocation of defined resource(s) and related activities against projects so that only approved project team members can charge costs to the project.	Controls
PCC007	Project Manager	To be able to assign multiple levels of categorisation and executive management of transactions including Organisation, Project, Tasks and Resources.	Controls
PCC008	Project Manager, Project Administrator	Security controls to ensure access to project information including classifications, spend and budgets are only available to relevant and authorised users.	Controls

User Needs – Capturing Project Costs

4.4. This process covers activity such as tracking commitments and actual spend against projects including labour costs

Reference	Role(s)	Need	Category
CPC001	Project Manager, Project Team Member	Easy access to accurate project information in a timely manner, with a real time view of actual spend and commitments on projects.	Reporting & MI
CPC002	Project Manager, Project Team Member	To be able enter the project reference against the requisition / PO or other project related transactions.	Business Process & Transactions
CPC003	Project Manager, Project Accountant,	Any project references linked to a transaction to flow through all related systems automatically to maintain audit trails.	Data Integrity & Consistency
CPC004	Project Accountant, Project Administrator	A clear view of capitalise project elements with a linkage to the Non-Current Assets process.	Reporting & MI
CPC005	Project Manager, Project Accountant, Project Administrator	Functionality to group multiple projects together as a programme to allow for whole-initiative reviews whilst still maintaining the ability to control each project separately.	Reporting & MI
CPC006	Project Manager, Project Accountant, Project Administrator, Project Team Member	Access to a suite of standardised project reports e.g. performance against KPI's, spend to date etc.	Reporting & MI
CPC007	Project Manager, Project Team Member	To be able to charge project related time to project(s).	Business Process & Transactions
CPC008	Project Manager, Project Accountant	Systematic process for collating, coding and costing labour entries against a project code.	Business Process & Transactions

User Needs – Cost Corrections & Accruals (inc. Billing)

4.5. This process covers activity such as correcting mispostings (either at a project or task level).

Reference	Role(s)	Need	Category
CCA001	Project Manager, Project Team Member	A set of reports that allow analysis of spend and commitments against	Reporting / MI

Reference	Role(s)	Need	Category
		projects in sufficient detail to identify mispostings.	
CCA002	Project Manager, Project Team Member	A process that supports amending incorrect postings.	Business Process & Transactions
CCA003	Project Accountant	A method of processing cost corrections that maintains data integrity and auditability.	Data Integrity & Consistency
CCA004	Project Manager	Automatic system generated accruals with the ability to amend based on local knowledge of the project.	Business Process & Transactions
CCA005	Project Manager, Project Accountant	To be able to bill internal and external customers with rates that can be aligned to a contract	Business Process & Transactions

User Needs – Project Month End

4.6. This process covers closing the projects ledger at the end of financial periods.

Reference	Role(s)	Need	Category
PME001	Project Administrator	Systematic process to perform month end close	Business Process & Transactions
PME002	Project Manager, Project Accountant	Period close process to ensure all relevant costs are captured prior to close,	Business Process & Transactions
PME003	Project Administrator	Closure processes align to the common close calendar	Business Process & Transactions

User Needs – Project Budgets & Forecasting

4.7. This process covers entering, editing and approving project level budgets.

Reference	Role(s)	Need	Category
PBF001	Project Manager, Project Team Member	To be able to enter budget and forecast information and to track spend against these.	Business Process & Transactions
PBF002	Project Manager, Project Team Member	Able to amend or add revised budget / forecasts versions as needed.	Business Process & Transactions
PBF003	Project Manager, Project Team Member	Budget / Forecast reports which clearly show variances and remaining values.	Reporting & MI

Reference	Role(s)	Need	Category
PBF004	Project Manager	Approval process so that budgets cannot be committed to a project without appropriate approval.	Controls
PBF005	Project Manager	The ability to view, and report on, budget data in PA without needing to enter the data in multiple systems.	Integration & Data Sharing

User Needs – Project Closedown

4.8. This process covers the activity to close a project and stop further costs.

Reference	Role	Need	Category
PCD001	Project Manager	Process to initiate project closedown and prevent further costs being charged to a project	Business Process & Transactions
PCD002	Project Accountant	A suite of reporting to allow for pre-close analysis such as determining cost status, open PO's etc.	Reporting & MI
PCD003	Project Accountant	The ability to mark a project as In-Service with the system aiding in all the necessary steps to deliver my asset data to the Fixed Assets Register.	Integration & Data Sharing
PCD004	Project Manager	Standard reports which allow analysis of the effectiveness of completed projects e.g. comparison against budget / forecast data or time dimension.	Reporting & MI
PCD005	Project Manager, Project Accountant	Ability to re-open a project should subsequent costs be forthcoming	Business Process & Transactions

4.9. The table below shows which TLB group specified, or showed interest in, a particular need.

TLB		DES	DIO	DSTL	ISS	SDA
Project Creation	PCC001	Y	Y	Y	Y	Y
	PCC002	Y	Y	Y	Y	Y
	PCC003	Y	Y	Y	Y	Y
	PCC004	Y	Y	Y	Y	Y
	PCC005	Y	Y	Y	Y	Y
	PCC006	Y	Y	Y	Y	Y
	PCC007	Y	Y	Y	Y	Y
	PCC008	Y	Y	Y	Y	Y
Capturing Project Costs	CPC001	Y	Y	Y	Y	Y
	CPC002	Y	Y	Y	Y	Y
	CPC003	Y	Y	Y	Y	Y
	CPC004	Y	Y	Y	Y	Y
	CPC005	Y	Y	Y	Y	Y
	CPC006	Y	Y	Y	Y	Y
	CPC007	Y	N	Y	N	Y
	CPC008	Y	N	Y	N	Y
Cost Corrections & Accruals	CCA001	Y	Y	Y	Y	Y
	CCA002	Y	Y	Y	Y	Y
	CCA003	Y	Y	Y	Y	Y
	CCA004	Y	Y	Y	Y	Y
	CCA005	Y	N	Y	N	Y
Project Month End	PME001	Y	Y	Y	Y	Y
	PME002	Y	Y	Y	Y	Y
	PME003	Y	Y	Y	Y	Y
Project Budgeting & Forecasting	PBF001	Y	Y	Y	Y	Y
	PBF002	Y	Y	Y	Y	Y
	PBF003	Y	Y	Y	Y	Y
	PBF004	Y	Y	Y	Y	Y
	PBF005	Y	Y	Y	Y	Y
Project Closedown	PCD001	Y	Y	Y	Y	Y
	PCD002	Y	Y	Y	Y	Y
	PCD003	Y	Y	Y	Y	Y
	PCD004	Y	Y	Y	Y	Y
	PCD005	Y	Y	Y	Y	Y

5. Non-Functional Needs

Overview

5.1. As Project Accounting is a module that sits within the Oracle eBusiness Financials suite the majority of the non-functional (or system) needs are already in place and are not impacted by activation of the PA module.

5.2. Some new, module specific requirements, are listed below which go beyond the existing Oracle eBusiness Suite scope and need to be considered as part of the implementation.

Unique Number	Need
PNF001	There should be no degradation in performance of Oracle eBusiness Suite with the introduction of Project Accounting.
PNF002	All eBusiness cross-module interfaces to and from Project Accounting should be automated.
PNF003	Approvals e.g. PO's, project creation or budget entry, are captured online in order to provide a streamlined process and provide an audit history.
PNF004	Users should only see projects and associated information if they have access rights to do so.
PNF005	The existing PO approvals workflow is amended so that Project Managers approve all POs that are coded to their projects.
PNF006	Project Accounting continues to feed both LPC and S9/P9 to the GL so that onward reporting and budgetary processes are not affected. Note: Changes to this process are part of the future roadmap.
PNF007	Project Accounting will have an interface from PB&F to receive budget & forecast information.
PNF008	Project Accounting data will be available within the Cognos reporting warehouse.

Distribution, References and Glossary

Distribution list removed.

Document References

Document Details	Location
Project Accounting High Level Design	
Project Accounting Target Operating Model	
Project Accounting High Level Implementation Plan	

Glossary

Term/Abbreviation	Meaning
AO	Accounting Operations
AP	Accounts Payable
AR	Accounts Receivable
CEMLI	Configuration, Extension, Modification, Localisation, Integration
CIS	Corporate Information System
CMIS	Common Management Information Services
CMT	Category Management Team
CP&F	Contracting, Purchasing and Finance
COA	Chart of Accounts
COTS	Commercial-off-the-Shelf (product)
CSSCP	Corporate Services Systems Convergence Program
DFMS (AO)	Departmental Financial Management System (Accounting Operations)
EI	Expenditure Inquiry
FA	Oracle Fixed Assets
GL	General Ledger
HLD	High Level Design
IAC	Oracle Fixed Assets
IMS	Infrastructure Management System
LPC	Local Project Code
MI	Management Information
MOD	Ministry of Defence
MODUS	Procurement Electronic Feed
NCA	Non-Current Assets
NCAGE	NATO Commercial and Government Entity
PA	Project Accounting
PB&F	Planning, Budgeting and Forecasting
PO	Purchase Order
PSI	Project Status Inquiry
PPR	Project Performance Review

PtP	Purchase to Pay - a component of the DFMS(AO) Oracle system that includes Payables, Purchasing & PIPPS
TOM	Target Operating Model
TLB	Top Level Budget Holder
WBS	Work Breakdown Structure

Ministry of Defence

Project Accounting High Level Design (HLD)

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Document Control

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0.1	***Name has been removed.***	External Assistance	26/07/19	Issue of first draft
0.2 – 0.11	***Names have been removed.***	External Assistance	15.08/19	Updates following document reviews
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Document Approval

	Name	Role	Signature	Date
Creator:	***Name has been removed.***	Solution		
Approver:	***Name has been removed.***	FMPA		

Table of Contents

1. Summary

1.1. This document provides a high level overview of the future Project Accounting solution and describes the factors and constraints that have influenced its design. Together with the Target Operating Model (TOM), it describes how the requirements contained within the Project Accounting User Needs Document (UND) are met.

1.2. The Oracle eBusiness Suite Project Accounting (PA) solution affords the MOD an opportunity to change how project based accounting transactions will be captured and interpreted with the introduction of a dedicated Project Accounting solution. Once Oracle eBusiness Suite PA is introduced all project related transactions will be captured in the PA sub-ledger giving a single source of all project related spend as opposed to the current solution whereby all data is held in the GL at a transactional line level.

1.3. A much more detailed analysis of Project spend will be achieved with the introduction of Oracle eBusiness Suite Project Accounting (PA):

1) Within Oracle eBusiness Suite today, project spend is captured at a summary level in the General Ledger against an LPC. As this only allows the capture of all costs against a single summary GL code, this restricts any analysis, through either Oracle eBusiness Suite or Cognos to summary based reporting, due to the limited data held.
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2.4. One of the workstreams within the Finance Functional Leadership Strategy is Systems Exploitation and Automation. One of the key initiatives within this workstream is to introduce corporate project accounting functionality as part of the existing Oracle E-Business suite. This will not only provide additional functionality but will also drive greater standardisation of data items, that will flow through the financial and management accounting systems.

Objective

2.5. The objective of this document is to provide an overall view of the future process landscape and to document factors and constraints that have influenced the design, thus enabling reviewers to confirm that all such substantial factors have been considered.

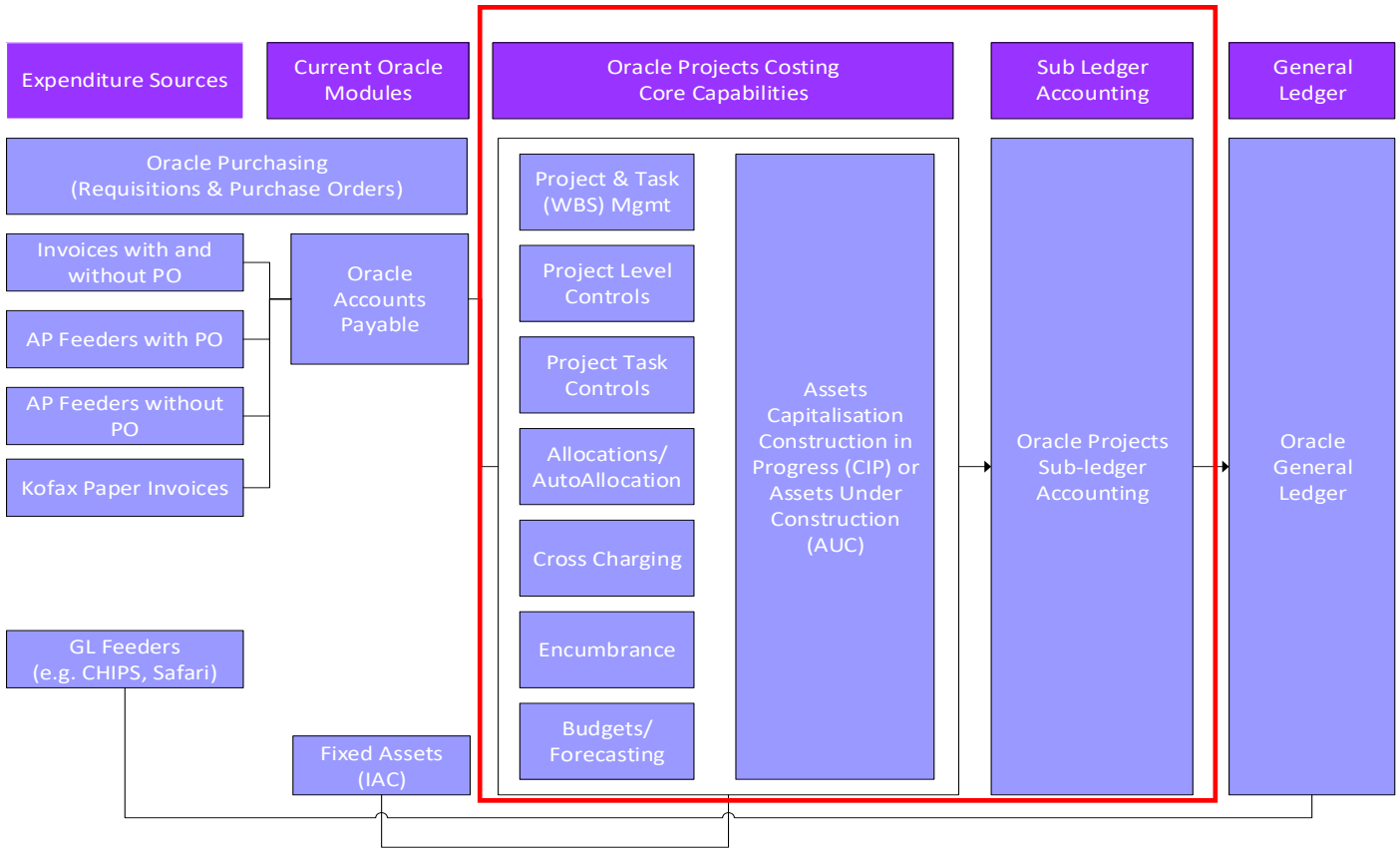
Scope

2.6. Taking the findings from the Discovery Phase and the requirement to manage risk, the scope of the initial implementation will consist of Project Costing implemented across all TLBs to be delivered simultaneously.

2.7. Project Billing and Oracle Time & Labour will be considered as a future project, following a bedding in period for Project Costing, There is currently no corporate level requirement for these modules so further information on these is not included in this document.

2.8. The scope of this document and Oracle Project Costing is outlined in red in Figure 2-1. It includes the end-to-end process for creating and accounting for projects.

Figure 2-1 – Oracle Project Accounting Scope



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2.12. A validation session with all TLB's, was held on the 18th July 2019. During this workshop the following were agreed:

1) Key high level designs
2) High Level target operating model

Impact on existing solutions

2.13. The scope of the initial Project Accounting implementation has been designed to limit the impact onto the existing processes e.g. Budget processes will remain within PB&F (with an interface into PA), procurement users will continue to use iProcurement as is (feeds to PA will be automated) and Non-Current Asset additions will continue to use the current process and associated support systems.

2.14. There will be no impact on Cognos reporting as LPC & S9/P9 information will still be generated, fed into the GL and transferred to the data warehouse as per the current process.

Key Design Principles

2.15. There are 5 key design principles that will be used to underpin thinking for the implementation of Project Accounting:

(a) **Adopt not Adapt**. We will utilise common processes, which align to the product as much as possible.

(b) **Consider our People**. We are focused on how this will enhance the experience of our people.

(c) **Global Design**. We will have one design that all organisations will use.

(d) **Be Open and Accepting to New Ideas**. Maximising the benefits means allowing new ways of working and making use of best practice.

(e) **Be Future Focussed**. We should be asking "why can't that work for us" rather than "this is how we do it now".

Key Assumptions

2.16. The following high level assumptions have been made, with regards the implementation of Oracle Project Costing into the current Oracle solution

ID	Assumption Category	Assumption Description
A01	Project	Data Migration will be performed by the MoD Projects Centralised function (extract & load) in conjunction with TLBs (transform & reconcile). The external partner will provide loading template(s) as needed to assist with this task.
A02	Technology	There will be no change to the technical architecture during the project the implementation
A03	Technology	The current version of Oracle eBusiness is R12.2.4 and will remain so during the Projects implementation phase
A04	Technology	SOA Suite is in use and no changes are planned, or will be made, during the Projects implementation phase
A05	Scope	Project Costing will form the scope of the initial implementation
A06	Scope	Project Billing will be considered for implementation following a bedding in period, after the initial implementation
A07	Scope	Time recording will be considered for implementation following a bedding in period, after the initial implementation
A08	Scope	Approx.10 COGNOS reports will be developed as part of the initial implementation
A09	Scope	The PB&F solution will remain the master for budget and forecast data with an interface into PA to transfer the information (where it is held at an LPC level)

3. Solution Overview

3.1. This section details the functionality to utilise the Oracle Projects module to manage project costing within Oracle. This will have no impact on the current hardware or infrastructure as it is an internal module of the Oracle eBusiness suite.

3.2. The solution will align with the Key Design Decisions that were agreed during the workshops with the TLB's. These were:

1) Project Organisation Structure to reflect the Organisational Structure within the current Oracle eBusiness Suite
2) The Work Breakdown Structure (WBS) will follow a defined structure based on the project type
3) Standard Project related Job Roles/Permissions will be defined (aligned with Cabinet Office Directive)
4) What Project Roles will be defined e.g. Project Manager, Project Accountant. Exact roles to be defined in detailed design
5) Project Numbering will follow a numeric sequence
6) Project Types will be: Indirect (costs only), Contract (costs and billing), Capital (Asset building costs) – RDEL, CDEL, etc. Any others to be defined in detailed design
7) Templates will be defined by project type
8) Purchases (requisitions or orders) will be recorded against projects
9) Cost categories will be charged to projects, exact categories to be confirmed in detailed design
10) Project AutoAccounting Rules will be defined (for project transactions only)
11) Project Accounting Periods will follow current financial calendar
12) Standardised Labour Costing will be used
13) Time recording will be automatically imported (Where timesheet system exists)

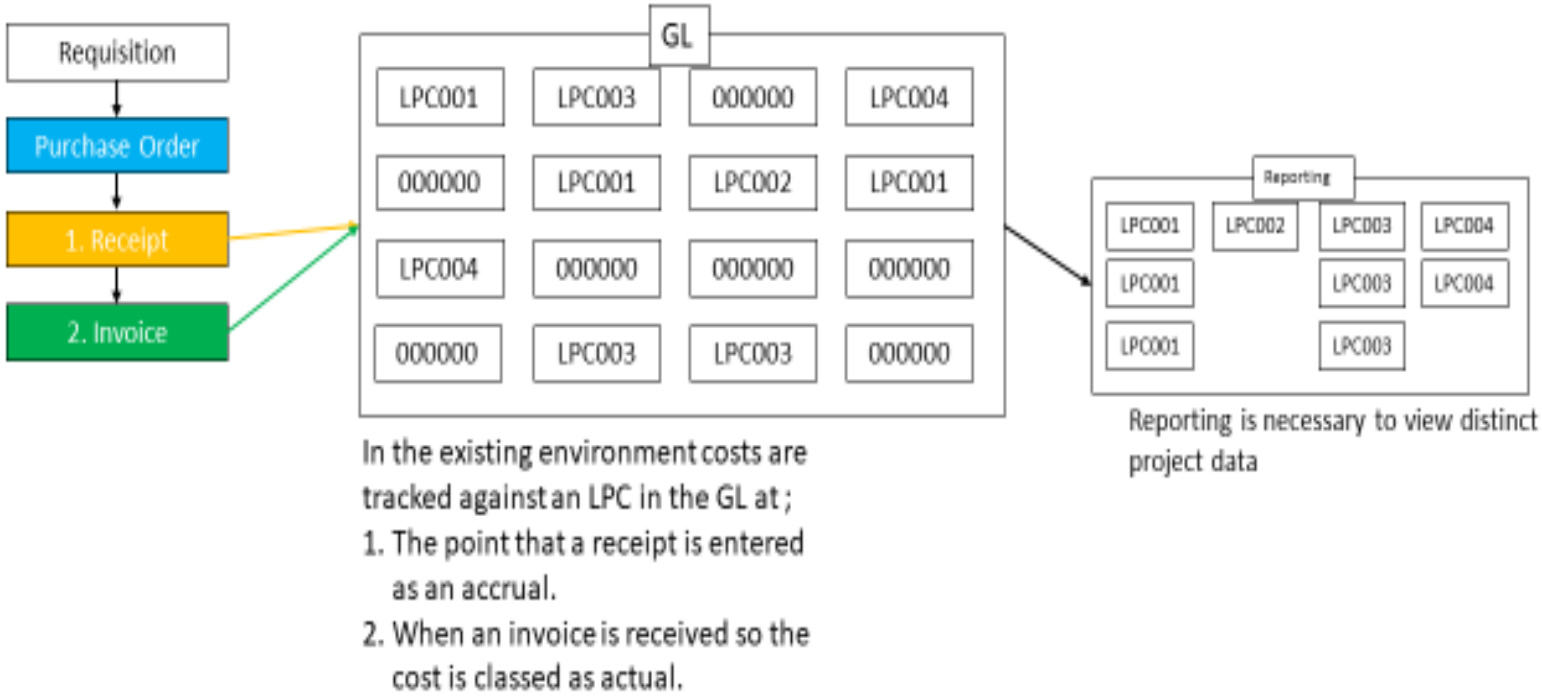
3.3. The above decisions align with the Project Accounting Pan Government Principles along with the Maturity Assessment created for the Cabinet Office, which can be found in the annex of this document.

3.4. The implementation partner will assist in the MOD-led review of the licensing requirements.

Data Visibility & Flow

3.5. The diagram in Fig 3-1 below shows how projects information is currently stored only in the GL, along with all other financial information. The GL not only holds project/LPC data but ALL transactional data that has been processed including sub-ledger (Accounts Payable, Accounts Receivable etc.) and manual journal data. Thus the only way to get a view of project spend is to use reporting to extract the data at an LPC level.

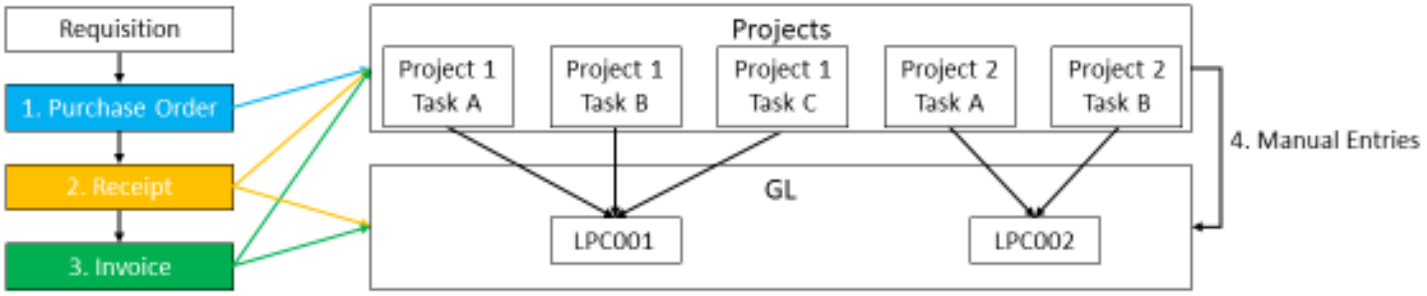
Figure 3-1 Current process of viewing project information



3.6. In the current process costs are only visible once a receipt is entered (as an accrual) or when an invoice is posted (actual).

3.7. The diagram in Fig 3-2 shows how data flows and visibility of costs will look once Project Accounting is implemented.

Figure 3-2 Future process of viewing project information



With Projects in place the costs can be seen;

1. Against the project and task at the point that a PO is created as a commitment meaning upcoming costs are visible earlier (in an automated way).
2. When a receipt is entered this is shown in **both** Projects & the GL as an accrual but at a more detailed level within Projects.
3. Upon invoicing the cost is shown as an actual in **both** Projects and the GL, again with Projects postings being at a more detailed level.
4. Manual entries entered directly in Projects, such as additional accruals, are transferred to the GL

3.8. Oracle Project Accounting gives a real time view of project costs without the need to go into the GL and collating a series of LPC-based transactions.

3.9. Furthermore with the introduction of Projects costs can be seen from the point that a PO is raised (as a commitment). This earlier and more complete visibility of spend enables more accurate forecasting and estimate to complete information.

3.10. The GL will retain the same detail of LPC & S9/P9 as it does currently so GL reporting is unaffected. This process will not change how the accounting information is derived and posted into the GL.

Oracle Project Creation

3.11. Configuration of Projects will include creating a set of pre-defined project templates for each TLB. The templates will be defined by project type and will be TLB specific. These templates will be used for the creation of new projects by copying the relevant template for the new project. This ensures that associated structures and controls remain consistent for all similar project types in addition to bringing efficiency to the new project creation process. (See Ref: PCC002 of the Project Accounting User And System Needs document)

3.12. Each project template will have a defined Work Breakdown Structure (WBS) or, in Oracle terminology a series of “tasks”. Tasks can be structured into a number of levels and have a full range of controls. A task is an item within the WBS that costs are collated against. An example of what a WBS could look like is:

Task Number	Description
1.0	Feasibility
2.0	Design
3.0	Build
3.1	Ammunition
4.0	Test
5.0	Implementation

3.13. The project manager could then adjust some project elements as required, such as restricting who can access and update project information (Key Members), start and end dates (Project/Tasks) budgets etc. (See PCC005 & PCC006 of the Project Accounting User And System Needs document)

3.14. Should there be a need to amend the associated WBS/Tasks then this can be actioned by Project Accountants or Project Administrators who can ensure relevant controls are placed on the additional WBS/Task lines.

Oracle Project Budgets

3.15. Oracle Projects also provides budgeting & forecasting functionality as standard to facilitate the financial planning and management of projects throughout the project life cycle. The budgets and forecasts are set at task level so that project managers/accountants can analyse the project at the lowest level. These budgets and forecasts are distinct to the Projects module although they will be fed by PB&F information. Currently budgets and forecasts are held not just at LPC level, but also BLB level in PB&F. Only budgets held at LPC level can be interfaced into Project Costing.

3.16. Multiple budgets and forecasts for a project can be created to model the financial impact of different planning alternatives. Budgets and forecasts can be used to track ongoing project performance and project status by comparing budget and forecast amounts to actual amounts using standard reporting tools such as Project Performance Reporting (PPR) and Project Status Inquiry (PSI) or via project specific Cognos reports.

3.17. In order to eliminate the need to key budgets twice and reduce the chances of keying errors the current working assumption is that PB&F will remain as the master for budget and forecast data with an upload process to be developed to transfer this information into Projects. Budget and forecast information can only be transferred into Project Costing if it is held at LPC level in PB&F. Budgets that are held at BLB level in PB&F will require re-keying in Project costing to hold them at LPC/task level.

Oracle Project Cost Collection

3.18. Project costing allows users to collate expenditure against the relevant project and task, using the assigned information the account generator will determine the accounting string to be posted to the General Ledger (See CPC002 of the Project Accounting User And System Needs document)

3.19. Both Requisitions and Purchase Orders are automatically recorded against the project. These will be shown on the project as a commitment, and as such included within the Estimate to Complete, until the point the commitment is realised, when an invoice is received and matched. (See CPC003 of the Project Accounting User And System Needs document)

3.20. This will mean that when a requisition is created for project expenditure within iProcurement for example, it will be coded directly to the project by completing the Project, Task, Expenditure Type, Expenditure Organisation and Expenditure Date information fields.

3.21. Expenditure Types will align to the existing purchasing categories which describes or classifies the item / service being procured. This results in minimal change impact to the end users

3.22. The Expenditure Organisation in this case will be the TLB as project structures will be created to match the current organisation structure.

3.23. The Expenditure Date is the date that the cost will be assigned to your project, this is normally defaulted in by the system as the date the requisition is created.

3.24. The Local Project Code will be derived automatically by the system based on the project number entered by the user.

3.25. As the requisition is for project expenditure the workflow will send it to the project manager for approval. The information that has been entered into the fields mentioned above will be retained on the Purchase Order. Once approved the PO will be seen on the project as a commitment.

3.26. When an invoice is matched against the PO the project information will be incorporated on the invoice line. This will then update the cost on the project from a commitment to actual.

3.27. Other costs such as manual accruals can be added directly onto the project via the Pre-Approved Expenditure Batch functionality (See CCA003 of the Project Accounting User And System Needs document). This is similar to posting a journal in the GL and represents only a small change for the existing users.

Oracle Project Closure

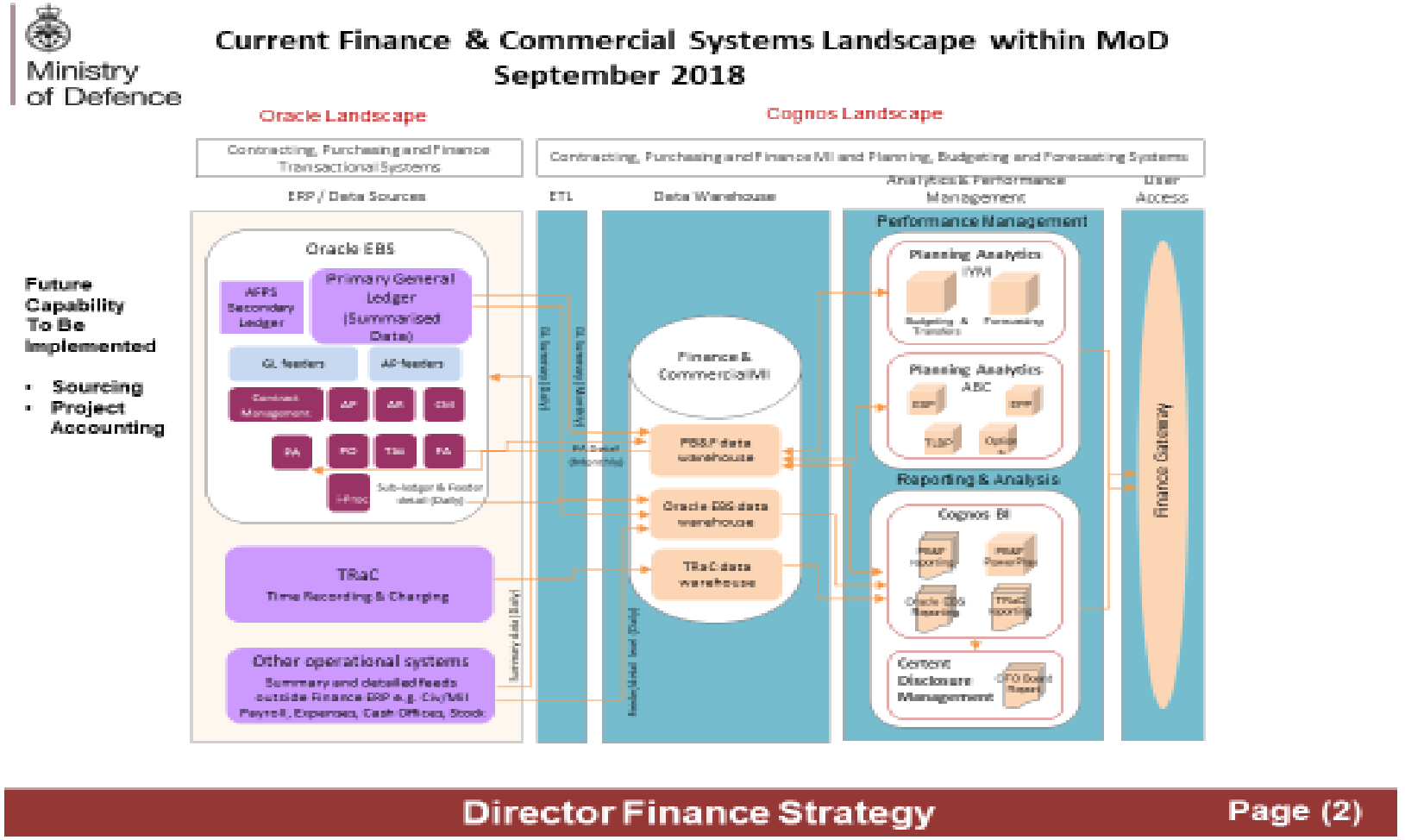
3.28. Once a project is complete the code should be closed with Projects to stop further costs from being booked.

3.29. A project manager will initiate the closure of a project at the appropriate time. This process will include setting the project to ‘Pending Close’ which will enable current commitments to be matched, but no further commitments can be booked to the project.

3.30. Once all costs have been processed then the projects support function can set the project to ‘Closed’.

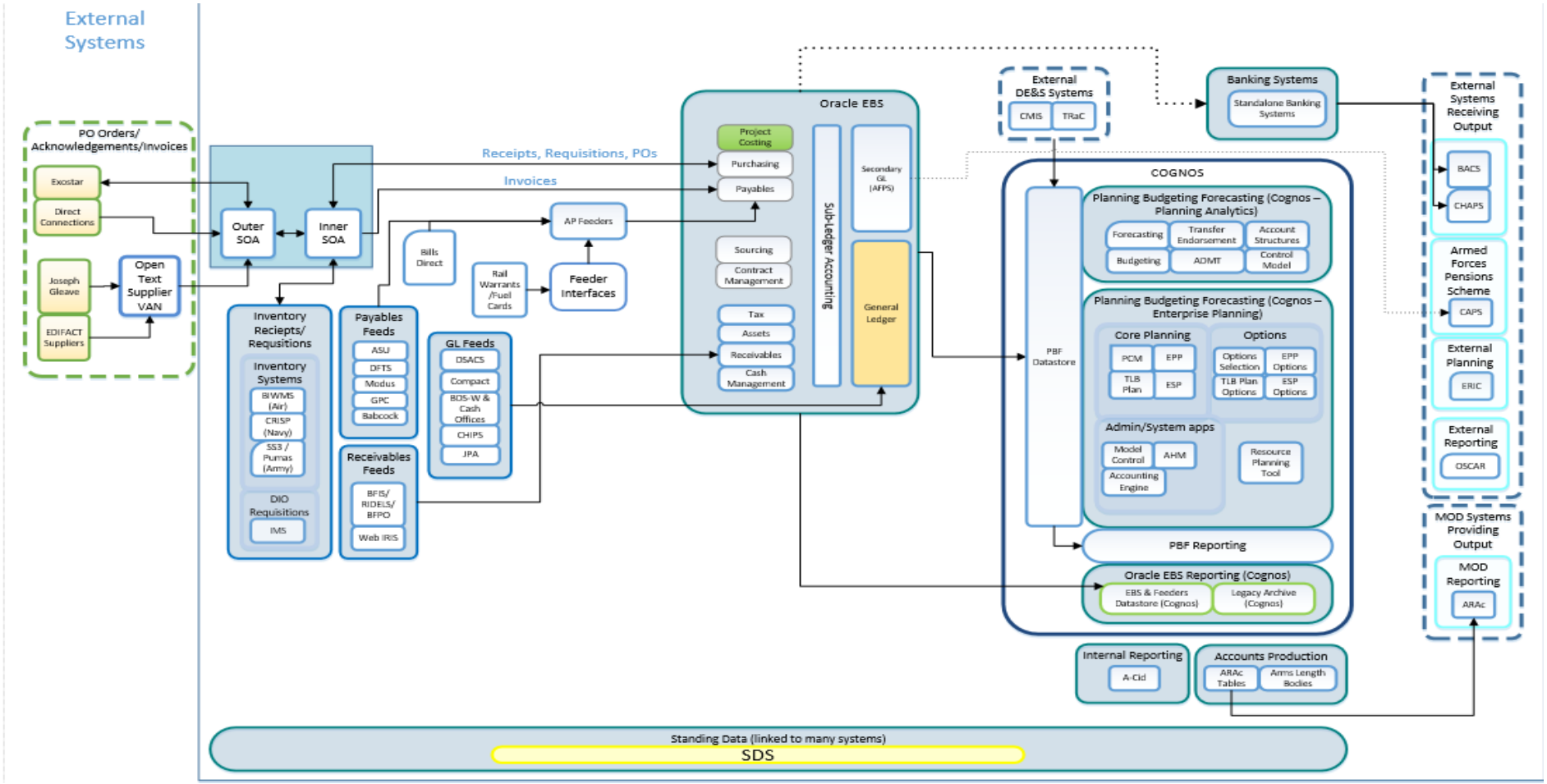
Figure 3-3 Oracle incorporating Project Accounting Solution Overview

3.31. Figure 3-3 below shows the future Oracle Landscape including Project Accounting under Contract Purchasing and Finance Transactional systems, and the Cognos Landscape under Contract Purchasing and Finance MI and Planning, Budgeting and Forecasting systems.


Ministry of Defence
Current Finance & Commercial Systems Landscape within MoD
September 2018
Oracle Landscape
Cognos Landscape
Contracting, Purchasing and Finance Transactional Systems
Contracting, Purchasing and Finance MI and Planning, Budgeting and Forecasting Systems
ERP / Data Sources
ETL
Data Warehouse
Analytics & Performance Management
User Access
Future Capability To Be Implemented
Sourcing
Project Accounting
Oracle EBS
AFPS Secondary Ledger
Primary General Ledger (Summarised Data)
GL feeders
AP feeders
Sub-ledger & Footer detail (Daily)
TRaC
Time Recording & Charging
Other operational systems
Summary and detailed feeds outside Finance ERP e.g. CSL/MEI Payroll, Expenses, Cash Offices, Stock
Finance & Commercial/MI
PBS/F data warehouse
Oracle EBS data warehouse
TRaC data warehouse
Performance Management
Planning Analytics (TM1)
Planning Analytics ABC
Reporting & Analysis
Cognos BI
Content Disclosure Management
Finance Gateway
Director Finance Strategy
Page (2)

3.32. Figure 3-4 below shows the ITMS landscape and a more detailed view of the architecture. As shown in Figure 3-3 Oracle Projects sits directly within the existing Oracle eBusiness Suite with all inter-module links coming into place as standard, there are no additional hardware requirements nor any external interfaces so there will be no impact on the current architecture.

Figure 3-4 System Architecture incorporating Oracle PA within Oracle EBS



3.33. As with all of the other Oracle R12 eBusiness suite modules Oracle Project Accounting integrates seamlessly. The module has internal interfaces with Purchasing, Payables, Receivables, Fixed Assets and General Ledger all as standard. Therefore there is no impact on the overarching architecture of the corporate finance system.

Additional Design Considerations

3.34. The design discussed above covers the majority of the requirements agreed with the target TLBs during the Discovery phase however there are some additional elements to meet specific business needs.

DE&S Team Member Time Recording

3.35. DE&S have implemented Oracle Primavera (P3M) which comes with time recording functionality called Team Member.

3.36. Standard costing is applied to these entries and this is recorded against the project within P3M to give a complete view of project costs.

3.37. The initial implementation of Project Costing will incorporate Team Member as part of the solution so that all related project costs are captured in Oracle, maintaining the “single source of truth” objective for this project. This also serves as a pilot for the inclusion of time entries for other TLBs at a later stage.

3.38. There will be a centralised team which will obtain a file/extract from Team Member which will be downloaded into 3rd party software such as More4Apps and then uploaded onto the projects within Oracle PA.

3.39. Including Team Member into the solution landscape has no impact to implementation time or cost.

DIO IMS

3.40. DIO currently use an external system that collates all of their project related costs and this is interfaced into Oracle. This interface will be modified to capture the project information and will be covered in the detailed design phase. Further information regarding this can be found in section 7 of this document.

4. Process Flows

4.1. The process flows below show how transactions will flow through Oracle once Project Costing is implemented.

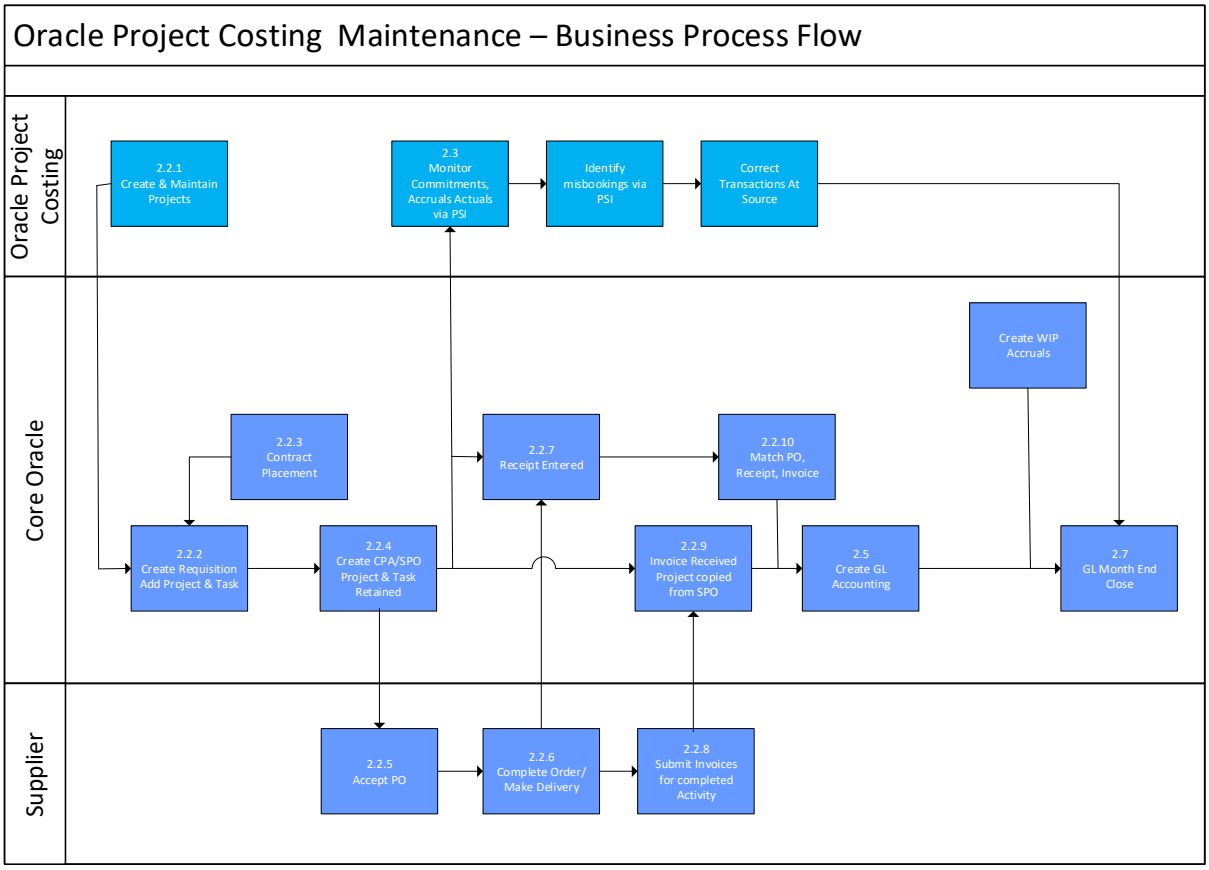
To Be Process Flow

4.2. Oracle Project Accounting will present a single point of entry and guided approach to procurement activities. The figure below overviews a user perspective of Oracle, subsequent process diagrams describe the processes in more detail. The descriptions in parenthesis (e.g. Transactional) refer to the terms used in the process diagrams.

Business Process Flows and Data Flows

4.3. The following figure provides details of the Oracle Projects based solution from requisition stage through to adjustments and accruals.

Figure 4-1 Oracle Projects Solution - Business Process Flow



4.4. Managing coding and expenditure within the new Projects enabled environment will be very similar to the existing process, the key data flow changes are managed automatically by the system via standard background processes. The paragraphs below give a further explanation to the process flow diagram above.

4.5. The numbered paragraphs below are directly linked to Fig 4-1 above.

2.2.1 Create & Maintain Projects Within Oracle Projects Module. Oracle Project Accounting will be the master data system for all project codes. Sufficiently authorised users/teams will create a new project code, from a pre-defined template, and share the information with the relevant project manager. Once created this project code is available for use against the purchasing transactions. Please also see Ref: PCC001 in the Project Accounting User Needs Document

2.2.2 Create Requisition and Add Project & Task. Oracle Projects provides the opportunity to add more than one project code to a particular line. Please also see Ref: CPC002 in the Project Accounting User Needs Document

2.2.3 Contract Placement. Depending on the details requested in the requisition a new contract may require tendered and placement. This activity covers all the associated tendering activities.

2.2.4 Create CPA/SPO, Project reference Retained. Once the contract is placed or the requisition is used to create a call-off against an existing contract, a CPA/SPO or BPA is created. The project details entered on the requisition are copied on to the purchase order as part of standard functionality.

2.2.5 Accept PO. Supplier receives the PO via Exostar or one of the other PO delivery mechanisms. The PO can then be acknowledged by the supplier.

2.2.6 Complete Order / Make Delivery. Supplier completes the order and delivers the goods/services.

2.2.7 Receipt Entered (Project code not required). The Oracle user receipts the goods/services ensuring they meet the order requirements. No reference to project is made at this stage.

2.2.8 Submit Invoice for Completed Activities. Supplier submits an invoice via Exostar or uses one of the other mechanisms to submit invoices.

2.2.9 Invoice Received and project & task Copied from PO. Oracle receives the invoice, and the project & task from the PO line is copied to the invoice line.

2.2.10 Match PO, Receipt and Invoice. Oracle matches the PO to the receipt and invoice, and any mismatches are put on.

4.6. The Manage Misbookings Process includes the following activities:

Monitor Commitments, Accruals & Actuals via PSI/EI. As transactions occur, they are fed into the Oracle Project Costing Module and can be viewed via Project Status Inquiry (PSI) and Expenditure Inquiry (EI) functionality. Related standard reports are also available. Please also see Ref: CCA003 in the Project Accounting User Needs Document

Identify Misbookings via PSI/EI. The screens and associated reports can be reviewed at any time to identify misbookings.

Create Pre-Approved Expenditure Batch. The approach is to correct misbookings at source and allow the revised transaction to flow through the system to maintain a complete audit trail. It is realised

however that during month-end there may not be the time available to do this so authorised users can create Pre-Approved Expenditure Batches within Oracle Projects (much like a GL Journal) to allow for the incorrect costs to be temporarily moved. This should be reversed in the following month and the correction at source made.

Managing Different Routes and Scenarios

4.7. The above process flow shows how users will enter and view transactions within Oracle. The table below includes the above and also shows further scenarios and how they will be addressed.

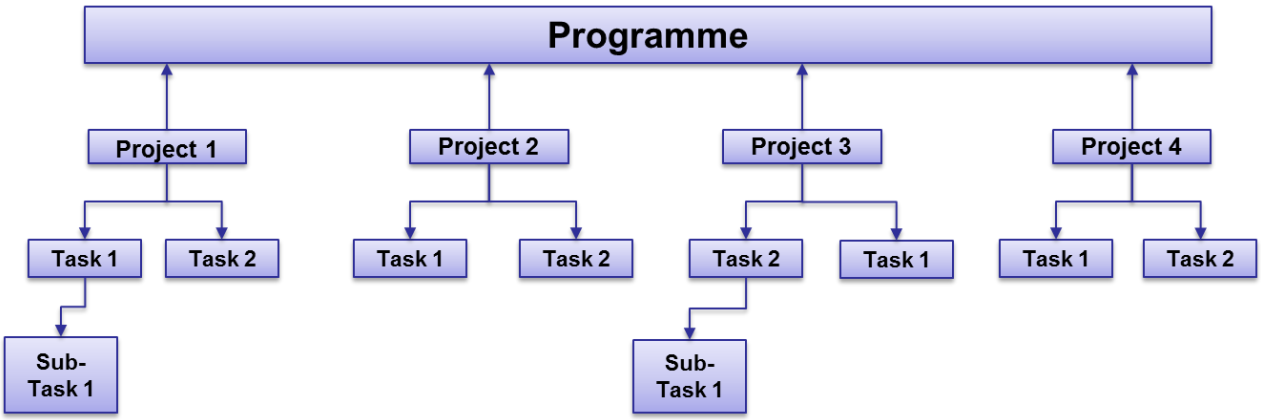
Route	Description	Design	Considerations
Oracle Std process (Req-PO-Inv)	This is the standard requisition to PO process in Oracle	The requisition is coded using standard Oracle fields and fed through to associated transactions	
Oracle PO - Paper Invoice	Placeholder PO on Oracle, supplier not on Exostar. Paper invoice submission via MOD640, AG173 or Commercial invoice	The placeholder PO lines will be coded to a Project using standard functionality. Use "holding project code" if for	Only works if PO line applicable to single project.
General use Contract	Call-off contract used by multiple project teams	Code Req or code PO line to "holding project code" Project and then reallocate using Pre-approved Expenditure Batch	Process to reallocate project holding costs
GL Feeders (Excluding Payroll)	GL Feeds that should be coded to a Sub-Project Code i.e. FMS and elements of Cash Accounts	Code GL feeders (FMS, Cash Accounts) to LPC/Project and also feed into Projects as Pre-approved Expenditure Batch.	Process to code GL Feeders FMS and Cash accounts
AP Feeders (Other)	These are used to interface AP invoices that are matched to a PO and are deemed as being receipted. Note. Majority of AP Feeders Over Head expenditure related	The PO's that are raised will have the Sub Project Code assigned to them If PO line applicable to multiple LPC/Project code line to "holding project code" and then reallocate using Pre-approved Expenditure Batches	Process to reallocate project holding costs
GPC AP Feeder	These are purchases that are for goods and services that do not have a contract. Made via a Procurement Card.	Option 1) GPC can be assigned to a project and invoice coded as update to AP Feeder design Option 2) Code Feed to LPC/Project and create Pre-approved Expenditure	Open design consideration.

Project Code Structures

4.8. This solution provides the ability to have a single or multiple project codes below a P9/S9

4.9. This solution design also allows a task hierarchy to be created below the Project (P9/S9). There is also the opportunity to use the programme functionality to view linked project details.

Figure 4-2 Oracle Projects and Task Code Structure



5. Change Impact Assessment

5.1. This section covers

5.2. At a high-level the change impact of the Project Accounting has been assessed based on People, Process and Technology impacts. It is expected that this will be further explored during any implementation phase.

5.3. The following table summarises the areas that were considered.

People	Process	Technology
• Change in **behaviour/culture** • Change in **accountability** or reporting relationship • Change in **where** the work is completed and **with whom** • Changes to **roles** • **New Roles required/no longer required** • **New skills/training required**	• Change in **procedure** for completing tasks • Change in **contract or policy** • Change in **communication or interaction** with other functions • Change in **how** work gets done • Change in **frequency** of work • Change in the **rules** required to guide decisions, behaviours	• Change in the way users **access or obtain information** e.g. reporting tools • Change in **end user tools** • Access to **new** information • **New or retired systems**

5.4. From the review five key change impacts are identified and consideration given as to the best ways to mitigate these impacts including training, effective communications, process re-engineering and organisational design change.

5.5. The following table provides a summary of the impacts and the mitigation actions.

Impacted user group	Impact Title	Impact (People, Process, Technology)	Impact Level	Suggested Mitigation Actions
Oracle User	Project Code data entry	When creating Requisitions for project related expenditure user to select additional fields (Project, Task) at the line level from a list of values Note: Fields will only be visible to Oracle Users	M	• MOD already familiar with need to select Project (P9/S9) and now need to be aware to select additional field (Task) • Create / Update UPK for Users • Create supporting QRG
Project Team	Misbooking Management (Projects related)	New process to manage misbookings caused by end-users selecting the incorrect Project, Task or Expenditure Type	M	• New guidance related to misbookings • Minimise misbooking by use

				of transactions controls
Project Team	Month end Close (Projects related)	Oracle Project ledger to close after Purchase and Payables close and just before GL close to allow misbooking corrections to be added to Project ledger prior to being transferred to the GL	M	Update to month end guidance
Project Team	Oracle Project Reports	Oracle Projects provides Project Status Inquiry and Project Inquiry to view and manage misbookings	M	• Manage via core team • Training for core team
DBS	DBS Support Model	DBS required to support additional Oracle module (Project Costing) and a 3rd party software products	M	• Align support model with existing support arrangement • Provide training and knowledge transfer sessions

GL Feeders

5.6. Open Issue: GL Feeders to be reviewed to provide impact assessment

5.7. The following table provides a summary of the GL Feeders.

GL Feeder	Ref	Allocate to project/task?	Logic
Payroll feeders and expenses	CTC, CHIPS, CIV, JPA	TBC	For Oracle Projects based solution could enter as Pre-approved Expenditure Batch, Type Miscellaneous or Type Timecard (if hours and rates are available).
Stock Feeders	DPCA, Safari	Yes	Primarily project related Currently capability limited by inventory systems

Oracle Project Infrastructure requirements

5.8. Projects is part of the standard Oracle eBusiness Suite so no additional software installation is required.

5.9. To ensure the module remains current then patching will need to be activated for Oracle Projects (as it is for other eBusiness modules). This could impact other modules and require a change to the current regression testing module, this will be determined during the detailed design phase.

5.10. There is a potential that the number of Oracle users will increase which will could also increase the CITRIX concurrent users. This will be assessed by the business with assistance from the implementation partner during the detailed design phase.

5.11. The current PO workflow will require modification to allow Project Managers to approve project related PO's.

5.12. The current PO account generator will need to be modified to include project related expenditure.

6. Reporting and Accounting

6.1. Oracle Projects provides numerous standard reports that can be used to assist with the financial management of projects, these include:

- Supplier Invoice Audit Report
- Work Breakdown Structure
- Project Status
- Journal Entries Report
- Expenditure Detail
- Expenditure Summary

6.2. Oracle Project Status Inquiry provides the users with the ability to view their projects online and see exactly where they are at any given time in a real time environment.

6.3. Reporting can be also be used to group projects together as a programme thus allowing for a higher level of MI. (See CPC005 of the Project Accounting User And System Needs document)

6.4. Reporting will not be limited to the standard COTS reports (an example of which is shown above), further reports will be developed with the Cognos tool as part of the implementation phase.

6.5. It is expected that there will be circa 10 new Cognos reports to cover project-related reporting needs. This assumption is based on the top ten standard Project Costing reports. In order to develop these reports the following elements will be required with Cognos.

1) New ETL Branch
2) 20 – 25 new dimensions
3) New Fact Table

6.6. It is assumed that COGNOS reporting will be at transactional level.

7. System Interfaces & CEMLI's

7.1. There is a working assumption that there will be no additional interfaces or CEMLI's (Configuration, Extension, Modification, Localisation, Integration) for the initial phase. It is assumed that there will not be any amendments to the GL feeders, but there will be a review conducted by the implementation partner.

7.2. The current interface from IMS into Oracle will require modification. The high level requirement will be to capture and pass the following information through to Project Accounting:

1) Project Number
2) Task Number
3) Expenditure Type
4) Expenditure Date
5) Expenditure Organisation

7.3. The detailed design will determine how DIO will retrieve the project information required.

7.4. Modification to the current Requisition workflow to allow Project Managers to approve project related expenditure will be required.

7.5. Modification to the requisition/PO account generator will be required to ensure that project expenditure types are captured and accounted.

7.6. Oracle Projects AutoAccounting functionality allows you to decide how you want to account for your costs and adjustments for project related transactions (this does not affect the Oracle tax engine solution). Though this is not a CEMLI it is a required MOD/TLB specific step in configuration.

8. Data Considerations

8.1. The final design for managing legacy and inflight transactions will be determined as part of the implementation project. The assumption is that the solution will be delivered to allow for project related cost capture (Project Costing) in the first iteration and additional functionality reviewed for further rollouts as the solution is embedded. Future functionality is described in Section 9.

8.2. The assumption for data migration is that the implementation partner will develop a template in a 3rd party software tool (expected to be More4Apps). Each TLB will then extract the inflight data that they require to be migrated and complete the template as required.

8.3. The templates will then be passed to the central MOD team to be interfaced into Oracle Project Costing. It is assumed that the interface will populate a single task with a costs to date value. The transfer to GL function will be disabled for this task to ensure that double accounting does not occur.

8.4. For this data migration exercise the MOD users involved in the data collation process will need to carefully consider the structures of procurement contracts and associated lines in conjunction with the to-be work breakdown structures.

8.5. The number of in-flight projects selected for migration along with the complexity, and remaining length, of the associated contracts will have a direct impact on the amount of effort required to create the alignment for PA onward tracking. Given this planning need the Data Migration workstream will be amongst the first to be established in an implementation and will work closely with each TLB to define the necessary processes and data parameters.

8.6. Accounts Payable invoices that are not matched to a Purchase Order will be coded once they are matched to a PO as part of the standard design. No updates are required to these.

8.7. For invoices that are already matched to a PO but not paid, the invoices can be unmatched, the PO can be updated and then invoices can then be re-matched.

9. Future Functionality

9.1. This section describes, at a high level, some of the Project Accounting functions, and associated processes, that may added should the requirement be proven.

Project Billing

9.2. Oracle Project Billing provides the ability to define revenue and invoicing rules for projects, generate revenue, create invoices, and integrate with other Oracle Applications to process revenue and invoices. Oracle Project Billing integrates with Oracle Receivables where the invoice is produced.

9.3. Revenue can be generated for a project and interfaced to the GL at any stage of a project as revenue needs to be recognised. Customers are not necessarily invoiced at each revenue generation, thus any revenue can be accrued for in line with revenue plans. Revenue can be defined as cost only, cost plus or pure profit (labour costs that would have been incurred anyway).

9.4. Project billing also allows invoicing to the customer without generating revenue. Invoicing can be set up on an ad hoc basis, monthly or milestone billing basis. Once invoices are completed and approved they can then be interfaced into Oracle Receivables and they can then be printed and sent to customer or transmitted electronically. The Invoice Review report can be used to review the draft invoices of a project before approving and releasing them for interface to Oracle Receivables.

9.5. From the workshops to date it has been determined that external billing is not part of the core projects process and this functionality is not a “must have” for the initial Go Live. As the process matures this may become an option and will be reviewed as the Project Costing solution is utilised.

“Thin” General Ledger, Onward Reporting and Budgeting

9.6. In the current COA the LPC and P9/S9 form part of the accounting string, with the introduction of Project Accounting this is not required as differing projects and associated costs can be determined from the Projects sub-ledger.

9.7. This could lead to a radically rationalised COA however the current onward reporting and budgeting solutions are based on the existing GL code. The effort and impact of making this change at the outset carries significant risk at this stage.

Automation of NCA Additions

9.8. Projects offers the ability to automatically feed asset information into Fixed Assets and place assets in service as they are completed however this change requires the organisations confidence that the Project Costing solution is both initiated correctly and that users fully understand the allocation of costs to the correct tasks for capitalisation purposes.

9.9. It is assumed that at the initial Go Live the existing Non Capitalised Asset (NCA) process will remain as is and will include a reconciliation to Projects information to ensure costs and asset values agree.

9.10. As the organisation matures in its transition to a Project Based focus this can be reviewed and additional efficiencies sought from the Projects module to assist in business processes.

Time & Labour

9.11. Oracle Projects comes with standard functionality to interface and cost project related labour directly from Oracle Time & Labour (OTL). This module is not currently in the Oracle scope so this is excluded from the initial implementation. It is also possible to utilise in-built expenditure batches to allocate labour costs although this is a manual process

9.12. Currently the majority of MOD personnel do not complete timesheets however as the organisation transitions to being projects focussed then this may become a standard activity in the future

9.13. As the solution, organisation and processes mature the inclusion of labour costs, and the method by which this is done, will be reviewed.

Rollout to Other Functions

9.14. Following the initial implementation further exploitation of the module can be pursed with other functional areas such as Front Line Commands, DBS, SSG etc.

9.15. It is expected that the requirements for these areas closely aligning to this design so impacts to TLBs already on the solution will not be impacted.

10. Distribution, References and Glossary

Distribution list removed.

Document References

Reference No. and Document Details	
Project Accounting Target Operating Model	
Project Accounting Implementation Plan	
Project Accounting User And System Needs	

Glossary

Term/ Abbreviation	Meaning
AO	Accounting Operations
AP	Accounts Payable
AR	Accounts Receivable
AUC	Assets Under Construction
CEMLI	Configuration, Extension, Modification, Localisation, Integration
CIP	Construction In Progress
CIS	Corporate Information System
CMIS	Common Management Information Services
CMT	Category Management Team
COA	Chart of Accounts
COTS	Commercial-off-the-Shelf (product)
CSSCP	Corporate Services Systems Convergence Program
DFMS (AO)	Departmental Financial Management System (Accounting Operations)
EI	Expenditure Inquiry
FA / IAC	Oracle Fixed Assets
GL	General Ledger
HLD	High Level Design
IMS	Infrastructure Management System

Term/ Abbreviation	Meaning
LPC	Local Project Code
MI	Management Information
MOD	Ministry of Defence
MODUS	Procurement Electronic Feed
NCA	Non-Current Assets
NCAGE	NATO Commercial and Government Entity
OTL	Oracle Time & Labour
PA	Project Accounting
PB&F	Planning, Budgeting and Forecasting
PO	Purchase Order
PSI	Project Status Inquiry
PPR	Project Performance Review
PtP	Purchase to Pay - a component of the DFMS(AO) Oracle system that includes Payables, Purchasing & PIPPS
SOA	Service Oriented Architecture – Oracle system integration tools
TOM	Target Operating Model
TLB	Top Level Budget Holder
UPK	User Productivity Kit – Oracle training software in use by the MoD
WBS	Work Breakdown Structure

11. Annex

11.1. The embedded spreadsheet below gives a full list of the Maturity Assessment Principles as mentioned in section 3 of this document.

11.2. The associated questionnaire was completed previously by the MOD and this document will be reviewed and updated during the implementation phase to record how the solution addresses each principle and advances adherence to them or clearly articulates why not (should the principle not be met).

11.3. Within the document Column E gives an indication if this principle could be met by the implementation of Project Costing. Where this is “TBC” then adherence is dependent upon completion of the detailed design, where this is “No” then this is likely to be covered by possible future rollouts as listed in Section 9 of this document

Project Accounting Principles

Term/Abbreviation	Meaning
AO	Accounting Operations.
AP	Accounting Period.
AP	Accounts Payable.
AR	Accounts Receivable.
AUC	Assets Under Construction.
CEMLI	Configuration, Extension, Modification, Localisation, Integration.
CEP	Cognos Enterprise Planning.
CIP	Construction In Progress.
CIS	Corporate Information System.
CMIS	Common Management Information Services.
COA	Chart of Accounts.
COE	Centre(s) Of Excellence - These describe areas of expertise within MOD that service the entire department and in some cases across government departments.
COTS	Commercial Off The Shelf
COTS	Commercial-off-the-Shelf (product)
CP&F	Contracting, Purchasing and Finance - the Contract, Purchasing and Finance tool was introduced to the MOD community in December 2016. Its aim is to deliver a single end-to-end e-Procurement capability, that provides a modern and transformed Procurement to Payment process. This includes managing commercial and financial activity, and delivering management information from a single, reliable source.
DBS PMS	DBS Process Modelling Standard
DE&S	Defence, Equipment & Support - an organisation within the MOD. They are a key stakeholder of Project Accounting.
DFMS (AO)	Departmental Financial Management System (Accounting Operations).
EI	Expenditure Inquiry.
ELS	Early Life Support.
ERP	Enterprise Resource Planning .
FA	Oracle Fixed Assets.
FA / IAC	Oracle Fixed Assets.
FTE	Full Time Equivalent

FY	Financial Year.
GL	General Ledger.
Golden Thread	Record and flow of information through data sources.
HLD	High Level Design.
IAC	Oracle Fixed Assets.
IMS	Infrastructure Management System.
LPC	Local Project Code - a Local Project Code is part of the Chart of Accounts and is used currently to attribute costs to projects.
MI	Management Information.
MOD	Ministry of Defence.
NCA	Non-Current Assets.
NCAGE	NATO Commercial and Government Entity.
OTL	Oracle Time & Labour.
P9 Code	A P9 is a ten-digit unique project identifier used by the MOD finance community to book project procurement costs.
PA	Project Accounting.
PB&F	Planning, Budgeting and Forecasting The Planning models within Planning, Budgeting and Forecasting (PB&F) provide the functionality for users to re-cost their plans at all levels throughout the ABC process and to submit these up through their budgetary hierarchies. PB&F therefore provides a single version of the truth for all financial aspects of planning.
PBF	Planning, Budgeting & Forecasting.
PM	Project Manager.
PO	Purchase Order.
POC	Proof of Concept.
PPR	Project Performance Review.
PSI	Project Status Inquiry.
PtP	Purchase to Pay - a component of the DFMS(AO) Oracle system that includes Payables, Purchasing & PIPPS.
QRG	Quick Reference Guide.
S9 Code	An S9 is a ten-digit unique project identifier used by the MOD finance community to book project support costs.
SIT	System Integration Test.
SOA	Service Oriented Architecture – Oracle system integration tools.
TLB	Top Leve Budget is where most defence activity is managed through Top Level Budget (TLB) holders.

	The Permanent Secretary grants each TLB holder extensive delegated powers over personnel, infrastructure and budget. The term is used to describe the different business areas within MOD.
TLB	Top Level Budget Holder.
TNA	Training Needs Analysis.
TOM	Target Operating Model.
UAT	User Acceptance Test.
UN	User Need.
UPK	User Productivity Kit (Oracle User Training Software).
UPK	User Productivity Kit – Oracle training software in use by the MoD.
WBS	Work Breakdown Structure.