Chapter 26

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ABSTRACT

While there has been some considerable investment in information systems implementation and usage in the public sector, success has often been limited. Attempts by researchers to address this situation has been diverse and often inconclusive. A publication by the MIS Quarterly journal offers some direction. The study, which focused on information systems development (ISD), highlighted the need to explore how mutual understanding among key stakeholders is created, or the extent to which they have a shared conception of the ISD project, and further how such mutual understanding is changing, develops, or deteriorates over time. On the tenets of the study, this chapter attempts to chart a path for future research in interoperable financial management systems implementation and usage in the public sector. It presents a viewpoint that establishes the need to explore the creation and sustenance of mutual understanding between stakeholders in the implementation and usage of interoperable or integrated financial management systems in the public sector.

DOI: 10.4018/978-1-7998-2610-1.ch026
INTRODUCTION

Interoperability is “the ability of two or more systems or elements to exchange information and to use the information that have been exchanged” (IEEE, 2000). It is also referred to as “the ability to share and exchange information using common syntax and semantics to meet an application-specific functional relationship through the use of a common interface” (ISO, 2002). Interoperable information systems tend to consist of two or more systems which are able to exchange and use information to facilitate the efficient running of diverse business processes and decision-making. Interoperability is becoming an emerging area and is of interest to both private and public sector institutions (Sharma & Panigrahi, 2015). For example, in the public sector, (which is the domain of this viewpoint) governments have a pressing need to develop interoperable information systems which integrate the public financial management processes such as budget preparation, budget execution, accounting and financial reporting, cash management, assets management, and human resource and payroll management (Alsharari & Youssef, 2017; World Bank, 2015; Hove & Wynne 2010; Rodin-Brown 2008). In this scenario, interoperability provides advantages such as lower costs and transparency in governance systems and processes thereby reducing opportunities for corruption, as well as redundant and repetitive processes (World Bank, 2015)).

Arguably, as government consist of diverse agencies, researchers have considered interoperability as one of the indicators for determining the maturity of the electronic government systems (Estermann, Riedl, & Neuroni, 2009). The interoperable information systems for coordinating public financial management processes often referred to in the public sector as Integrated financial management information systems (IFMIS), are deployed to replace all stand-alone, often legacy, financial management information systems used by the different public or government agencies across the public sector (Hendriks, 2013). IFMIS integrate all the financial management activities of government into a suite of applications that facilitate public financial management processes (Nuhu et al., 2018). In many developing economies, these systems are deployed as one of the core elements of public financial management (PFM) reform programs (World Bank, 2015). This is in response to the increasing pressure from institutions, including the International Monetary Fund, to improve fiscal management and reporting, and for governments to respond to the demand of better information disclosure (Alsharari & Youssef, 2017; World Bank, 2015).

For example, in South Africa, the integrated financial management information systems were deployed as part of a broader financial management reform in the public sector, which started in 1994 after democracy was attained. By a cabinet memo, the IFMIS was deployed to replace the different transversal systems, namely, Supply Chain Management, Human Resources, Finance and Business Intelligence with a single system (Hendriks, 2013); whereas in Ghana, the introduction of GIFMIS stemmed from a Public Financial Management Reform Program (PUFMAPR) implemented from 1999-2008, to enhance monetary discipline and macro stability (Betley, Bird & Ghartry, 2012; Tanko, 2013; Nuhu et al., 2018). Per their primary objective, IFMIS consists of a number of interoperable modules which work together to ensure efficiency, transparency and accountability in all functional processes in fiscal management across all government agencies and departments. Evidence of the adoption of these systems has been well-documented with mixed results.

In a study on the impact of IFMIS in Somalia, Nor (2019) concluded that the revenue of federal government increased in the years 2013 to 2018 and thereby enhanced the confidence and relationship with international development agencies that public funds are being managed in a transparent, equitable and accountable manner. However, there was still the need to develop tax compliance rules to protect tax evasion and tax avoidance. Chalu (2019) also found evidence that IFMIS adoption had improved