

North Carolina Financial System (NCFS) Implementation

Joint Legislative Oversight Committee on General Government

November 15, 2022



NCFS Implementation in Review



2016

Legislative
Direction



2017

Future State
Vision



2018

Software Selection &
Procurement



2019

Integrator Selection,
Procurement, and Start



General Assembly
Passed legislation to
replace
North Carolina's aging
financial systems

37 Workshops
11 Process Areas

190 individuals from
across the state

Two days across both
business and
technology topics.

~100 individuals from
across the state

Planning and Common
Design anchored us on
common business processes
across the state.

Process designs and
requirements reviewed by
user organizations

NCFS Implementation



2021

R1 Deployed April
R2 Production Cutover July

Release 1 replaced the Cash Management Control System (CMCS) for all 1300+ Users

Release 2 replaced a collection of spreadsheets and databases with a purpose-built financial consolidation and reporting tool



2022

Designing and building the new system

Project Support onboard from each agency

280+ Subject Matter Experts (SME)

- Training SMEs
- Testing SMEs
- Reporting SMEs
- Technical Agents
- Project Coordinators
- Change Agents



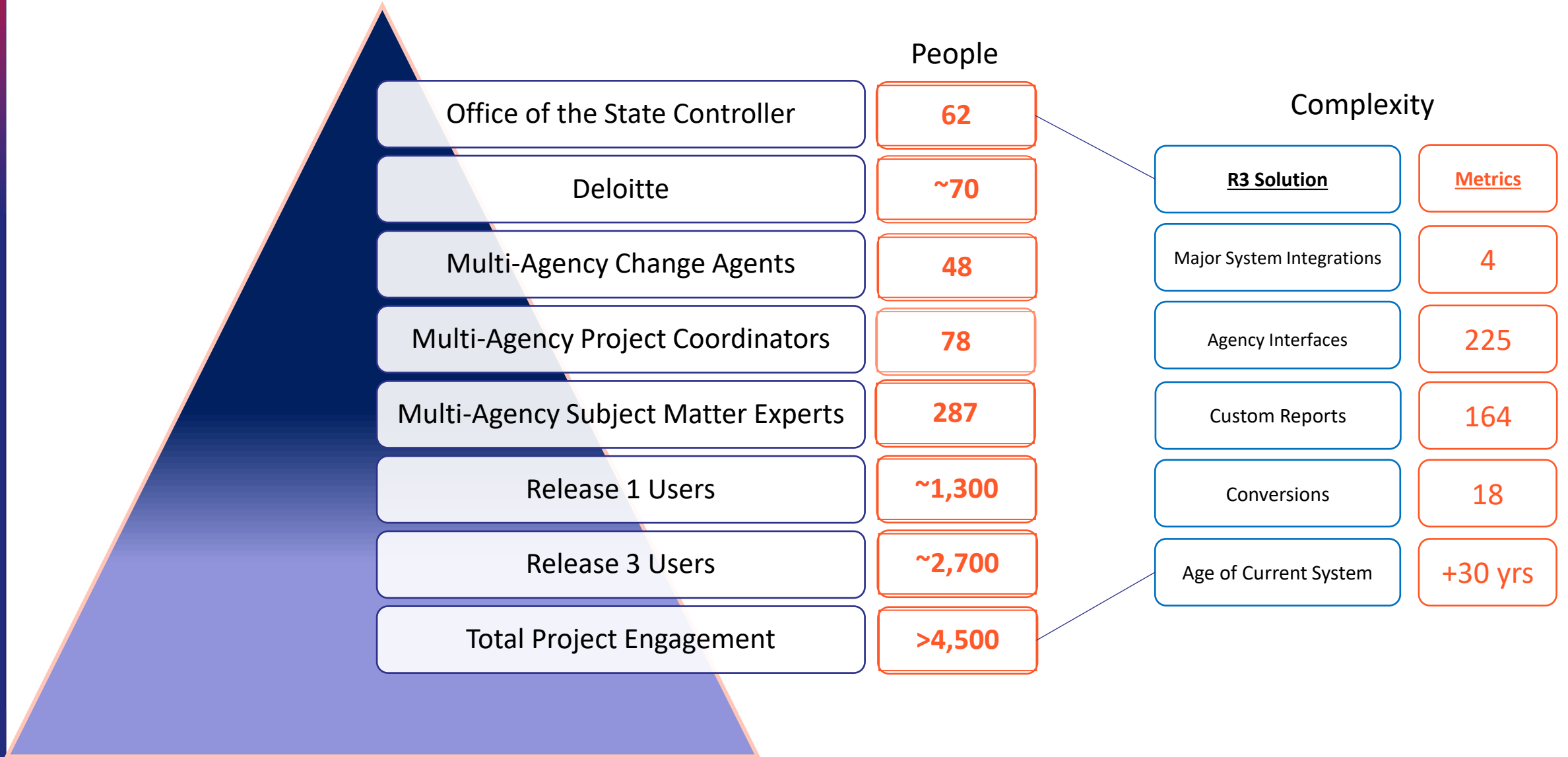
2023

Testing & Training
Go Live in October!

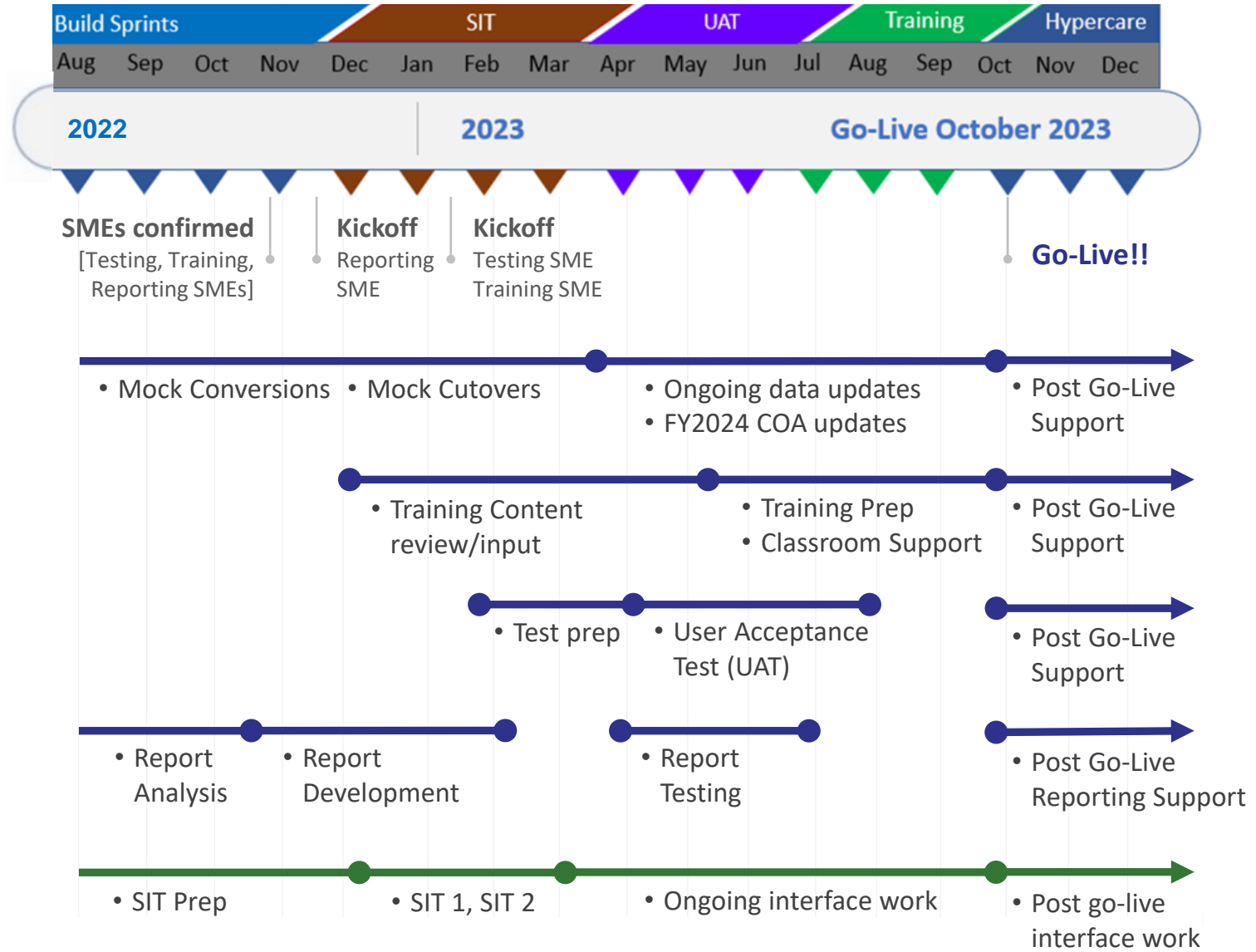
- System Integration Testing (SIT)
- User Acceptance Testing (UAT)
- 100% Virtual Training begins
- System launch
- Hypercare



Engagement and Effort at Scale



Agency Engagement



Business SME

data, collecting, cleansing, validating

Training SME

helping with Training Content, supporting Training Delivery

Testing SME

testing pre-production NCFS

Reporting SME

building & testing agency-specific reports

Tech Agents

preparing & testing sub-systems, desktop readiness

NCFS Project Implementation Expenditure Summary

Project Expense %	Expenditure Category	Projected Expenditures	Project To Date Expenditures	Budget Remaining
10.4%	State Salaries	\$8,677,069	\$6,397,565	\$2,279,504
79.0%	Contract Labor	\$71,708,579	\$37,476,526	\$34,232,053
9.1%	S/W Subscription/Maintenance	\$8,288,731	\$6,301,570	\$1,987,161
0.5%	DIT	\$405,456	\$356,594	\$48,862
1.0%	Other**	\$920,165	\$687,600	\$232,566
100.0%	Total	\$90,000,000	\$51,219,855	\$38,780,145
	** Other = Facility, Travel, Staff Training, Supplies, Furniture, and Equipment			

As of October 31, 2022



NCFS Recurring Operations and Maintenance

Expenditure Category	FY 2022 Actual	FY 2023 Actual @ 10/31/22	Actuals To Date
State Salaries and Contractual Obligations	\$1,813,878	\$925,769	\$2,739,647

Required NCFS Recurring O&M Budget	
State Salaries and Benefits	\$ 7,085,297
Contractual Obligations*	\$ 3,487,193
Total NCFS Recurring O&M Budget	\$ 10,572,491
Less Existing OSC funds transferred to NCFS	\$ 5,572,491
Incremental Funding Requirement	\$ 5,000,000

* Contractual obligations includes Mythics Oracle/Boomi software and contractor support

FY 2022 Appropriation \$2,000,000

FY 2023 Appropriation \$5,000,000



Project Risks

- Resources
 - Project and agency resources
 - Team member losses, extended absences, exhaustion, burn-out
 - Time to build self-sustainment knowledge
- Solution
 - Oracle solution gaps, application performance
 - Unknown unknowns
- External
 - DAC break-out from DPS
 - Pandemic issues



Summary

- ✓ Successful deployment and execution of R1 & R2 go-lives
- ✓ Managing project risks
- ✓ Moving into Systems Integration Testing, User Acceptance Tests and Training
- ✓ Project is proceeding within original time and cost estimates