[Back to Contents](_001_Contents.docx)

**20.1 Oracle Human Resource Management Information System (HRMIS)**

Following Government approval in August 2013, the Ministry awarded the contract for the implementation of the Oracle Human Resource Management Information System in the Civil Service in September 2013 to a private Company for a project value of   
Rs 206.4 million. The contract was signed in November 2013.

***20.1.1 The HRMIS Modules***

The Oracle Human Resource Management Information System (HRMIS) has five modules, as follows:

* *Module 1: Oracle Human Resource- Enterprise Employee Perpetual* (EEP) provides for human resource planning and management of human resources. This module will lessen administrative burden and increase data accuracy and ease change management, among others;
* *Module 2: Oracle Payroll-EEP* will generate the monthly payroll. Among various benefits to be obtained, it will support on-line payslip, cater for all payments possibilities and raise exception reports;
* *Module 3: Oracle Self Service HR-EEP* will allow Public Officers to access their personal records. It is flexible, as HR Managers can make amendments if any, upon requests of employees;
* *Module 4: Oracle Performance Management System-EEP* provides for online performance review and appraisals. It also integrates competency frameworks, personal development, inter alia;
* *Module 5: Oracle Learning Management System- Enterprise Trainee Perpetual* will, among others, allow HR Divisions of Ministries/Departments to better coordinate training activities.

***20.1.2 Estimated Cost of Project - Rs 431.3 million***

The total estimated costs for Oracle Licences for the five modules, together with pre implementation and technical support services amounted to Rs 206.4 million. Additional costs for server, rental of physical space and other implementation costs to the tune of   
Rs 98.3 million were incurred, and post implementation costs for maintenance and support services for 2016 to 2020 totalling Rs 126.6 million were also expected to be incurred.

Thus, project cost was estimated at Rs 431.3 million as of 30 June 2017, of which the Ministry has already disbursed Rs 271.1 million as shown in Table 20-1.

*Table 20-1 Projects Estimated Costs and Actual Disbursements*

|  |  |  |
| --- | --- | --- |
| **Details of project costs and other related costs** | **Estimated Cost**  **(Rs million)** | **Actual Disbursement**  **(Rs million)** |
| Cost of Oracle Licences for the five Modules | 90.6 | 96.6 |
| Costs pre implementation and support services | 115.8 | 58.9 |
| ***Total initial HRMIS project cost*** | ***206.4*** | ***155.5*** |
| Acquisition of server | 67.0 | 67.0 |
| Rental of physical space for server and maintenance cost | 27.5 | 27.5 |
| Other implementation costs | 3.8 | 3.8 |
| Post implementation , maintenance and support services for years 2016 to 2020 | 126.6 | 17.3 |
| **Total Estimated costs/ Actual disbursement** | **431.3** | **271.1** |

*Sources: HRMIS agreement and Hardware equipment contract and service agreements and Treasury Abstracts*

***20.1.3 Project Implementation Schedule***

The Company submitted the original project plan in November 2013. The project was expected to start in November 2013 and be completed by October 2016. The project was to be implemented in two phases, as shown in Table 20-2:

*Table 20-2 Initial Project Implementation Schedule*

|  |  |
| --- | --- |
| Phase | Details of Implementation Schedules |
| Phase 1:  Modules 1 and 2 | Part 1: Pilot phase for Modules 1 and 2 in Year 1 for six Ministries/ Departments from November 2013 to October 2014  Roll out of Modules 1 & 2 to other Ministries/Departments from November 2014 to October 2015 |
| Phase 2:  Modules 3 to 5 | Pilot phase for Modules 3 to 5 in Year 2 for six Ministries/ Departments from November 2014 to October 2015  Roll out of Modules 3 to 5 to other Ministries/Departments from November 2015 to October 2016 |

*Source: Ministry’s Documents*

***20.1.4 New Implementation Approach***

The initial approach was revised in December 2013, one month after the date of the signature of contract. A new implementation approach was adopted, with changes that were made in the implementation schedule and the roll out timeframe of each Module, as shown in Table 20-3:

*Table 20-3 Revised Project Implementation Schedule*

|  |  |
| --- | --- |
| Phase | Details of implementation schedules |
| Phase 1  Modules 1 and 2 | Developing Modules 1 & 2 to be completed by December 2014  Roll out in all Ministries/ Departments up to October 2016 |
| Phase 2  Modules 3 and 5 | Developing Modules 3 & 5 to be completed by March 2015  Roll out in all Ministries/ Departments up to October 2016 |
| Phase 3 Module 4 | Developing Module 4 to be completed by September 2015  Roll out in all Ministries/ Departments up to October 2016 |

*Source : Ministry’s Documents*

The completion timeframe was not amended, and the whole project was expected to be completed by October 2016, that is within three years.

*Observations*

* As of December 2017, the five modules of the HRMIS project were not yet operational;
* The change to the new approach has affected the deadline. For instance, the readiness and user acceptance of Modules 1 and 2 for HR and Payroll respectively, should have been completed by October 2015, put in production environment as from November 2015 and Government payroll would have been produced by the HRMIS.

With the new approach the completion date has been postponed from October 2015 to October 2016, that is by a year, yet the two modules have not gone “live” as of December 2017, that is a delay of two years.

* The approval of the Business Case to change the approach of implementation was not produced.

***Ministry’s Reply***

* A Working Group under the Chair of the Permanent Secretary and comprising all the stakeholders was constituted in June 2017 with a view to ensuring inter alia the timely implementation of the project;
* The two modules HR (Basic) and Payroll Modules will be operationalised by April 2018 and the remaining three Modules by end of December 2018;
* There is no documentary evidence that can otherwise justify the change to a new implementation approach, hardly one month after the signature of the project contract.

***20.1.5 Acquisition of Oracle Licences***

The Ministry paid a total of Rs 96.6 million for 213,000 Oracle Licences for the five modules, as shown in Table 20-4. In addition, Government is also committed to pay Annual Maintenance Support (AMS) for five years totaling Rs 126.6 million, and these AMS will continue to be payable thereafter for maintenance and technical support, as long as HRMIS will be in use.

*Table 20-4 Oracle Licences Acquired*

|  |  |  |  |
| --- | --- | --- | --- |
| **Year of**  **Acquisition** | **Oracle Modules** | **No. of Licences** | **Amount**  **(Rs million)** |
| 2013 | Human Resource EEP | 52,000 | 23.9 |
| 2013 | Payroll-EEP | 52,000 | 29.1 |
| 2015 | Oracle–Self Service HR-EEP | 52,000 | 7.0 |
| 2015 | Learning Management-ETP | 5,000 | 18.1 |
| 2016 | Performance Management System-EEP | 52,000 | 18.5 |
| **Total number of Oracle Licences acquired and disbursements made** | | **213,000** | **96.6** |
| Annual Maintenance Support for years 2016 to 2020 | | | 126.6 |
| **Total estimated disbursements** | | | **223.2** |

*Source: Treasury Abstracts and*  *HRMIS agreement*

As per Oracle Licensing Terms, Enterprise Employee is defined as “(i) all of Customer’s full time, part-time, temporary employees, and (ii) all of Customer’s agents, contractors and consultants who have access to use, or are tracked by programs. The quantity of the licences required is determined by the number of Enterprise Employees and not the actual number of users.”

***Observations***

* No demarcation was made between “Enterprise Employee” who are employees on the Government payroll and the Applications Users who would have access to the systems, as delegated officers in the HR and Finance Cadres;
* No technical recommendation was available to justify the number of Oracle Licences to be acquired for each module.

***Ministry’s Reply***

The actual number of licences would be difficult to be reviewed, unless with additional costs.

***20.1.6 Technical and post implementation support of Rs 47.4 million***

The Ministry has effected payments for technical support for five years from 2014 to 2018 totalling Rs 30.1 million for the above named five Modules. The Ministry even had to pay for post implementation support service of Rs 17.3 million for Modules 1, 2, 3 and 5 in year 2016.

Although none of the five Oracle Modules and their applications were operational, the supplier has already charged Government for technical and post implementation support services to the tune of Rs 47.4 million.

***Ministry’s Reply***

The Oracle Technical Support cannot be postponed as payment of reinstatement fees may be costlier.

[Back to Contents](_001_Contents.docx)