

Kimberley Land Council gains 50% KPI improvement during massive growth



The Kimberley Land Council Aboriginal Corporation (KLC) is an association of Aboriginal people in the Kimberley region. Established in 1978, with a mission to protect, enhance and gain formal status for the customs, laws and traditions of Kimberley Traditional Owners. This has been developed into the vision of the Kimberley Land Council.

“The Kimberley Land Council is a Community organisation working for the and with the Traditional Owners of the Kimberley, to get back country, to look after country and get control of our future.” In addition, as the Federal Government recognised native title representative body for the Kimberley region, the KLC has statutory functions under the Native Title Act including assisting Aboriginal people to obtain recognition of, and fully enjoy, their native title rights and interests. Native Title Operations of the KLC are funded primarily, but not exclusively, by the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA).

A centralised headache

In 2008, the KLC decided to replace its existing accounting software. The old software could not keep up with the organisation’s growth and complexity, especially given compliance considerations, multiple funding sources requiring regular and timely reports and the need to manage a growing income from native title interests.

To design the best possible solution and to manage implementation, the KLC turned to Professional Advantage (PA). Rohan De Silva, the KLC’s Chief Financial Officer, says, “We looked at a few solutions but our decision was made when **we heard good references about SunSystems and Professional Advantage from other land councils.**”

The deployment of Infor FMS SunSystems convincingly addressed the financial and reporting complexities involved. However, while discussing the broader requirements, it became apparent that the organisation had a serious problem with its centralised purchasing process. De Silva explains, “This was a real issue for us. **Purchase orders were done by one person in accounts and this created a huge bottleneck.**”

Solution Snapshot

Solution

Professional Advantage iPOS, Infor SunSystems

Benefits

- Real time reporting at any given time including commitments
- Value of outstanding POs reduced by 50%
- Automated work flow and authorisation processes ensure strict management control
- Eliminated purchasing bottlenecks
- Less stress in the finance department as the purchase orders can be created 24/7, whenever the need arises

Requests would come from all over the Kimberley and we’d end up with 10 or more people chasing a purchase order. Deciding what was most urgent frequently came down to whoever could best argue their case.”

With more than 6,000 purchase orders to prepare each year – ranging from travel bookings to minor equipment purchases to simple but time-critical requisitions for remote staff – the process was becoming unmanageable. “It would take us hours to identify our financial position,” De Silva says.

Workflow, checks and balances

KLC required a more automated, decentralised process, one that was simple for people to use but with sophisticated business rules, one that could recognise accruals and committed expenditure; that would apply budgetary controls; and that would help to reduce the number and value of outstanding purchase orders, while maintaining control.

iPOS for Infor FMS SunSystems workflow enables staff to initiate their own requisitions, along with the checks and balances that ensure appropriate authorisation before an order could be produced. Web-enablement meant the system could be accessed by staff, wherever they are.

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It was an ideal solution and shortly after going live with SunSystems, De Silva and the PA team began work on the iPOS deployment. Workflows, authorisation hierarchies and approval limitation rules were defined. The KLC's particular requirements around funding and income recognition were addressed. The SunSystems commitments ledger was brought into play to deliver the key need for reports to identify both actual and committed expenditure.

De Silva continues, **"We knew we had to make sure the new system was easy to understand for non-accounting staff, so we decided to forget accounting codes and to use items instead."** The way iPOS has been deployed, KLC staff are now presented with lists of items – such as **"motor vehicles"** - rather than pages of cost centre numbers. **"The numbers are still there, of course,"** De Silva says. **"But they are hard coded behind the descriptors. It's made it very easy for staff to complete."**

"The design and configuration took time but it was important that we did it correctly at the start. The last thing we wanted was to have users reluctant because they found it all too hard," De Silva adds.

No specialised knowledge required

"One of the biggest benefits of iPOS is staff can use the system from anywhere, 24/7. Many of our managers frequently travel long distances and with iPOS they can still create or approve orders." Whenever somebody creates a purchase order, the system automatically emails the appropriate manager that there is an item awaiting review and approval. **"It has streamlined our internal communication and it's also streamlined activity at the tail,"** De Silva notes. "Once an order is approved and a PO generated, if the supplier has an email address you don't have to do anything more. The order is automatically sent to them with an audit trail in the system. You can't ask for more than that!"

The effort to create a user-friendly experience is also paying off. **"It has cut down the number of human errors dramatically,"** De Silva acknowledges.

Audit trails are captured for every order and managers run their own spend and commitment reports.

Last year the KLC had its highest gross turnover ever, increasing from some \$10million to \$36 million in a period of four years.

The KLC's desire to reduce outstanding purchase order values has been realised, dropping from 6.2 percent of turnover in 2008/09 to just 2.7 percent in 2010.

This key efficiency indicator also gives managers confidence in their project budgeting. "It's mainly due to good user-specific reports from iPOS," De Silva notes.

"The number of transactions increased but even with that, the outstanding value of purchase orders dropped dramatically."

Accuracy is now assured with real time commitment reporting. Managing grants and preparing acquittals to the external funding bodies have been simplified. Tracking of expenditure on consultants has greatly improved, with the KLC better able to analyse spend over partial time frames and contract balances.

"Before we moved to SunSystems, auditors identified concerns about our purchase order process, the age of the orders and the outstanding value. We couldn't always find purchase orders or easily identify commitments. **Now with iPOS we can provide all the records to the cent.** The auditors are quite comfortable and it has all become easy."

De Silva attributes the success of the system to the work that went on during design and implementation. **"The team from PA was fantastic.** They had the IT skills and also really understood accounting which made my life so easy. Talking to IT people can be hard, but **PA knew what I wanted and understood from an accounting perspective** why I needed things a certain way," De Silva concludes.