

MoD  
1993



# The MoD

## Accounting with ROCC

The financial accounting for the Ministry of Defence (MoD) is handled by the Directorate General of Defence Accounts (DGDA). On 1 April 1991 the DGDA underwent a major change, remaining part of the MoD but taking on the more separate status of a Defence Support Agency (DSA). Whilst giving the DGDA more flexibility and freedom in how its business is managed, the change in status makes the organisation more publicly accountable and ensures that it operates as cost-effectively and efficiently as possible.

A high level of performance would not be possible without the DGDA's continued investment in IT (Information Technology). In his chief executive's statement introducing the DGDA's most recent Annual Report & Accounts, Mike Dymond, director general defence accounts, said that new computer systems "put workstations on clerks' desks and revolutionised the way they work, leading to major improvements in both cost-effectiveness and standards of customer service, as well as in clerk job satisfaction."

Data entry in particular is one area in which the DGDA has benefited from the use of technology. A division of the DGDA, the Directorate of Accounts (Bills), or D Acs (Bills), has recently installed a new computer system from ROCC Computers to handle all its data entry requirements.

The D Acs (Bills), which is based in Liverpool, has three main functions. Firstly, it authorises and pays contractors' and suppliers' bills. Secondly, it invoices and then recovers money in respect of services sup-

plied by the MoD to other organisations. Thirdly, it provides vital financial information to around 2000 MoD managers to help them run their departments. It also supplies cost information for the management of MoD's many procurement contracts.

The work carried out by the D Acs (Bills) is very labour intensive. According to the head of IT Operations, up to four million pieces of paper are handled by his staff every year. During 1991-2 bills valued at £13.2b were paid and 11,701 invoices, worth £909 million, were issued. The bills were payment for items ranging from pins to planes, socks and submarines to stationery, food and fuel.

In 1989, the D Acs (Bills) decided that its existing PCK (Processor Control Keying) system, the McDonnell Douglas M8000 minicomputer, was no longer able to cope. "The equipment had reached the end of its life cycle. It was old technology that needed replacing," he said. The organisation's requirement was for a computer capable of handling a larger workload. "The accounting requirements within the MoD changed which meant we would have to process more pieces of paper. We estimated that the number of data entry keystrokes would increase by a factor of 2.5 between April 1990 and April 1991," he continued.

The change in accounting requirements was caused by the introduction of the MoD's New Management Strategy (NMS). This means that in certain instances staff at the D Acs (Bills) have to record payments and invoices in greater detail than before. He explained, "For example, at one time we would receive a quarterly bill for the electrical services supplied to the whole of the RAF. Under the new strategy each of the RAF stations needs to know how much of this bill relates to them. We need to be able to disassemble the information as it comes in."

The MoD's requirement for a new PCK system to replace the M8000 was put out to tender in November 1990. The contract was won by ROCC, whose proposal was considered to offer the most cost-effective solution.

"The PCK system is a key element in the timely and accurate payment of bills by the MoD. This means a high level of service for our suppliers," he said.

ROCC has supplied the MoD with its 2885 PCK processor, the top of the range CLASSIC computer. The 2885 has a 300Mb disk, nine track tape, Quicksave archive and runs WMS system software. It has four supervisor terminals, 55 keystations and four programmer terminals.



Picture shows l to r: Mike Small - installation manager and Paul Rummens - SEO Acs (Bills) IT3 in the ROCC 2885 installation area

### ...data preparation meets all our requirements

ROCC also carried out the software conversion work from the D Acs (Bills) original system Bills (3). The formats that the operators keyed under and the checking program had to be converted to run on the ROCC 2885. The successful conversion means that, according to ROCC, the data processing operators had to undergo the minimum of retraining when the existing system was replaced. They only had to familiarise themselves with new equipment such as the ROCC keyboard.

The ROCC system went live in December 1991 and appears to be running well. "The data preparation side is good and meets all our requirements," said the head of IT Operations.

The ROCC system also allows the D Acs (Bills) to plan for the future. "At the moment the ROCC system is kept on a separate network from the rest of our computers. However, we now have the flexibility to expand. For example, there is a possibility that the DGDA may link its three sites in Bath, Liverpool and Cheadle Hulme into one massive mainframe centre. The 2885 will allow us to connect to that mainframe and carry out disk-to-disk transfers of data, instead of trans-

fer by tape as at present." The D Acs (Bills) is constantly improving the service it offers. Later this year the majority of contractors will be paid through Bankers Automated Clearance Services which will provide a more efficient and reliable payments procedure based on electronic funds transfer rather than paper. At the same time contractors will be able to submit their bills on a fortnightly, rather than a monthly, basis which will improve cash flow, particularly for smaller contractors.

These moves, combined with the installation of the ROCC 2885, will provide the D Acs (Bills) with many long-term benefits. The advantages of this system will be passed onto contractors and customers, and to the MoD itself, allowing it to meet its demanding and challenging tasks in a wholly commercial environment. □