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**WRITTEN COMMUNICATION**

New Financial Governance: State of Play

Board of the Governors of the European Schools

Meeting of 15-17 April 2020

**New Financial Governance: State of Play.**

This brief document is aimed at communication the state of play of the implementation of the New Financial Governance.

For recollection, all developments of the procedures for the tasks in the technical tool used (SAP) have been completed by the end of 2019: this corresponds to “Workflow and Authorization” part of the project.

The requested reduction of the number of bank accounts has also been performed with the collaboration of all schools.

The goal to have a maximum of two by school, has been achieved.

The main step toward the completion of the Centralisation of the Financial Circuit corresponds to the Centralisation of the authorisations of payments (PC).

The Project of Payment Centralization, which should have been completed by the end of the Financial Year 2019 is anyway quite advanced and not far from completion (86%):

For recollection, schools outside Belgium required a more complex solution, called “mirror account”, in order to be able to adopt the common payment tool ISABEL (ING service); this also requires the use of the SWIFT payment circuit, instead of standard SEPA.

This mechanism is needed to be in place in order to allow the Central Accounting Officer Unit to be able to approve all school’s payment from the same tool at a distance, without impacting on the current bank accounts used by each school locally.

Procurement for ING services completed second quarter 2019

The Central accounting team structure was created, necessary team members hired and the team is now fully operational since September 2019.

The Payment started to be centrally approved in the OSG and in the European School Brussels 3 - Ixelles in July 2019.

For all other Belgian schools, the central payment has been rolled out from September 2019, because the central accounting team needed to be operational first.

All Schools were planned to be live in 1 January 2020 with the new payment tool (ISABEL).

Currently the following sites are operational in ISABEL and payment is authorized centrally by the Central Accounting Officer Unit in the OSG:

Belgium

OSG

Uccle

Woluwe

Ixelles

Laeken

Mol

Outside Belgium

Varese

Alicante

Bergen

Karlsruhe

Luxembourg

Mamer.

Over the 13 European Schools and the ’Office of the Secretary General (OSG), actually OSG and 11 schools are fully operational on the common centralized payment tool: ISABEL.

The process could not yet be completed for two schools, due to external players needs/reasons:

Frankfurt: should be migrated in near future

(commercial issues with local bank Commerzbank)

Munich: date to be defined (due to local resources issue).

For the rest of the sites, even if fully operational, some fine tuning is still on going, namely for the automatic payment reconciliation in Alicante and in Varese, due to their local bank SWIFT communication settings.

When the automatic payment reconciliation will be in place, it will reduce the workload on the local human resources, suffering at present from the situation.

The other additional task in the Centralisation of the Financial Circuit Project which is still ongoing is the review and cleaning of stored master data. The aim being to improve the consistency and further mitigate possible risk of errors.