Optimising financial processes through technology

Access Paysuite sponsored roundtable

Local authorities face rising complexity and pressure to deliver more with limited resources. As citizens and stakeholders have higher expectations from public service interactions, public sector finance teams are turning to technology to improve efficiency, transparency and service delivery.

CIPFA and Access Paysuite met with a diverse group of public sector finance professionals to explore the opportunities that automation and technology offers. This briefing captures key insights from the roundtable discussion, including automation benefits, use cases, implementation or adoption challenges and strategies for maximising the benefits of automating finance processes.

Key messages

Automating financial processes can result in greater efficiency, reduced errors and improved transparency in financial reporting. Senior finance leaders value the potential for automation to free up their team to focus on higher-value activities such as financial analysis to support strategic decision-making. Finance teams and their wider organisations benefit the most from automating high-frequency transactions and processes that require limited judgement. The efficiency of payment processing, bank reconciliation, income management and financial analytics and reporting can be significantly enhanced through automation.

Delivering technological change in local authority can present challenges. Participants highlighted frustrations with legacy financial systems, describing them as complex and inflexible.

Cultural resistance to change also emerged as a significant barrier to automating financial processes.

Despite the challenges, participants shared proven strategies based on their successful automation projects, highlighted below:

- securing strong leadership commitment to drive organisation-wide buy-in
- consulting relevant stakeholders to design effective links across critical processes
- rethinking workflows to prevent baking in old inefficiencies into new systems
- allocating sufficient resources (including people) to the project
- ongoing training and support to embed new processes.

Finally, the discussion touched on the potential for authorities to work together to develop a standard approach to upgrading finance systems or automating further finance processes. Such a collaborative approach can drive innovation, reduce costs and promote a more transparent and accessible market for finance technology solutions for local authorities. Participants also expressed interest in seeing CIPFA take a more active role in fostering further discussions on technology and providing guidance on best practices. CIPFA is actively exploring and developing technology learning and networking initiatives to encourage collaboration.

Use cases

The key to identifying further processes worth automating is to find the tasks that take up significant time and frustrate our team members. A finance leader from Blackburn Council articulated it like this: "What task do you not want to do for 10–15 hours a week? … let's upskill you to develop a quicker way to achieve the same outcome". This approach builds the buy-in from the start to tackle micro challenges that can add up to improve how our team members engage at work. Solutions can be as simple as a custom Microsoft Excel model or a more standardised software package.

Participants also outlined these internal and external finance processes where automation has delivered efficiency and value for their organisations.

- Payment processing and reconciliation: Automating tasks within the procure-to-payment process, including enabling bulk payment runs, transaction matching and bank reconciliations, was considered essential to manage increasing transaction volume. Similarly, digitised workflows for invoice submissions can cut paper-based processes, making it easier for vendors to interact with finance functions.

- Expense management: Digitising and automating workflows for submitting and approving expense claims can greatly streamline what has traditionally been a laborious manual process.

- Data analysis and reporting: Tools like Power BI and AI-powered analytics were noted as transformative, helping to turn data into actionable insights while reducing reliance on error-prone manual reporting processes. Some solutions also support greater accountability and trust in financial management and enhance user experience by providing stakeholders with clear and accessible insights on demand.

- Income and debt management: Solutions such as automated billing can significantly improve efficiency and reliability in invoicing service users and collecting payments. Providers such as Access Paysuite also offer **payment processing solutions** that link with finance systems to seamlessly match income to the right invoice or customer accounts. This can significantly reduce the need for manual reconciliation, solidifying the integrity of debtor records and ultimately improving debt management.

Obstacles to adopting tech-enabled finance processes

Participants recognised these main challenges to successfully unlocking benefits from automating financial processes:

- Legacy systems and processes: Several participants described existing enterprise resource planning (ERP) systems as outdated and overly complex. Some ERP providers may be behind the curve on offering innovative solutions available with more nimble software providers. Participants were frustrated by some ERP vendors' proprietary file formats, which limited their ability to integrate custom automation solutions. Integrating finance ERP systems with specialised systems, such as those for social care or housing, was also highlighted as challenging. These integration difficulties often lead to data duplication and further manual processes such as reconciliation.

- Change resistance: A reluctance to embrace new workflows was cited as a top reason some automation projects did not deliver the expected outcomes.

- Resource constraints: The sector continues to grapple with limited resources and increasing complex requirements. It has led to some underfunded digitisation projects that take too long to deliver and often ironically cost more overall.

Successful strategies for maximising the benefits from automation

Despite the challenges mentioned, participants believed that these strategies could lead to better outcomes if applied correctly:

1. Leadership commitment: A veteran finance leader reflects on his most successful ERP implementation as one that was "driven by the chief executive who engaged his management team, ensuring the right budget and human resource was allocated". The result, was high levels of engagement across the organisation and open dialogue and collaboration to resolve challenges as they arose.

2. Planning and engagement: Consulting relevant stakeholders to design systems, processes and the requisite linkages also ranked high on participants list of successful strategies. Taking a phased approach with well-defined milestones and timelines was also considered critical to maintaining focus and momentum.

3. Process improvement: Participants highlighted the importance of documenting the current financial process and identifying bottlenecks and redundancies before redesigning an automated workflow to achieve the required outcome.

4. Dedicated resources: Participants emphasised the importance of allocating resources to automation projects for the duration of the project. One participant noted that "If you're trying to get the same people to manage technology projects alongside their day-to-day jobs, it doesn't work."

5. Ongoing training: Successful technology change projects require proactive training to equip staff with the necessary skills to adapt to new systems and processes well in advance of roll out. There is also a need to consider the training needs of non-finance service users who are

increasingly more involved in generating, owning and using financial data in service delivery. A technology director recounted the success achieved through multimodal training resources, including short videos, flow charts and chat bots, that users can consult when they face issues with a new system.

Next steps

Looking ahead, participants expressed an interest in increased collaboration and standardisation in the specification for local authority ERP systems given the similarity in financial reporting requirements. Organisations such as the **London Office of Technology and Innovation** (LOTI) promote collaboration: LOTI allows London authorities to explore innovative solutions and share ideas, evidence, technologies and vendors that work. Participants saw an opportunity for organisations like CIPFA to take a more active role in fostering knowledge-sharing, developing common frameworks and supporting local authorities in their digital transformation efforts.

By maintaining open and collaborative dialogue, public sector finance leaders can refine strategies and share best practices to effectively harness the benefits of automation and technology. With careful planning, committed execution and a focus on outcomes, the finance function can become a catalyst for enhanced service delivery, greater transparency and improved value for citizens. While the journey may present challenges, the potential rewards make it one worth pursuing.

CIPFA recognises that embracing finance technological change is vital for modern governance, ensuring that public finances are managed effectively and equitably. Therefore, CIPFA has developed a range of **finance technology resources**, which are designed to empower professionals and organisations to leverage technology for better public service delivery. If you are a CIPFA member, updating your subscription preferences will ensure you hear about future finance technology events.