

Australian Crime Commission (ACC) PJC: Case Study



Scenario

The Australian Crime Commission (ACC) is a Commonwealth statutory body working nationally with other federal, state and territory agencies to counter serious and organised crime. It aims to bring together all arms of intelligence gathering and law enforcement to unify the fight against serious and organized criminal activity.

The ACC has both intelligence and investigative functions and capabilities. To better position Australia to meet the threats posed by nationally significant crime, the ACC performs a number of important functions, including:

- criminal intelligence collection and analysis;
- providing advice to the ACC Board on National Criminal Intelligence Priorities (NCIPs);
- providing and maintaining effective and efficient criminal
- intelligence systems including the Australian Criminal Intelligence Database; and
- Investigating federally relevant criminal activity, and undertaking taskforces as approved by the ACC Board.

With its antiquated QSP system the ACC had difficulty costing its crime fighting program so that accurate reports could be provided back to stakeholders. To solve this problem, Provida recommended that the ACC implement the Sage ACCPAC Project Management Ledger as part of the Sage Accpac ERP software solution. The ACC hoped to be able to capture project costs especially labour and attribute them to the various crime fighting programs undertaken by the organisation. Due to federal government reporting requirements, the functionality of time attribution is critical to resource allocation and the overall organisational goals of the ACC.

Solution

The implementation of Sage Accpac PJC was divided into 4 phases:

Phase One. Time Card Entry

PJC handles three levels for the purposes of time and cost attribution. In the case of the ACC, these will be:

1. Cost Centre;
2. Activity;
3. Category/Output.

Time worked on a project by each officer will be captured on an hourly basis, facilitated by the daily entry of timesheets as opposed to the old method of estimating the percentage of time spent.

More timely data capture means that costs flowing from unallocated to allocated projects and discrete outputs will be reported earlier, therefore making responsive action. All Officers (including those seconded from the Australian Federal Police) enter time into Accpac PJC time cards.

At this stage, time cards have the status of Entered i.e. not approved.

How to enter time cards?

1. Directly in Accpac TC
2. In Excel spreadsheet linked to Accpac
3. In Excel not linked to Accpac
4. Officers send in times however and they are entered by admin staff at the ACC.

Phase Two. Time Card Approval

Time cards need to be approved by a cost centre manager. The Provida time card approval add-in makes it is easier for managers to approve timecards for all staff in their cost centre.

Groups (in Accpac PJC terms) relate to cost centres in ACC terms. The cost centre manager will select the timecards to be approved. The manager checks all the time that is being charged to his job, including reviewing the detail to ensure the correct number of hours are being charged and to the correct job, phase and descriptive. As the manager processes the approval, the time card is marked as approved and can be posted to the job using the post transaction function in PJC.

Phase Three. Time Reporting

Provida created two (2) reports for use with the time card add-in.

(1) The Hours by Job Report can be run before or after approving the time cards. This report will be run by the cost centre manager for a date range and group range. It shows all hours that have been charged to a job.

(2) The Time Card Exception Report reports on staff that have not entered any time against a business day.

Phase Four. The Time Attribution Accounting Allocation

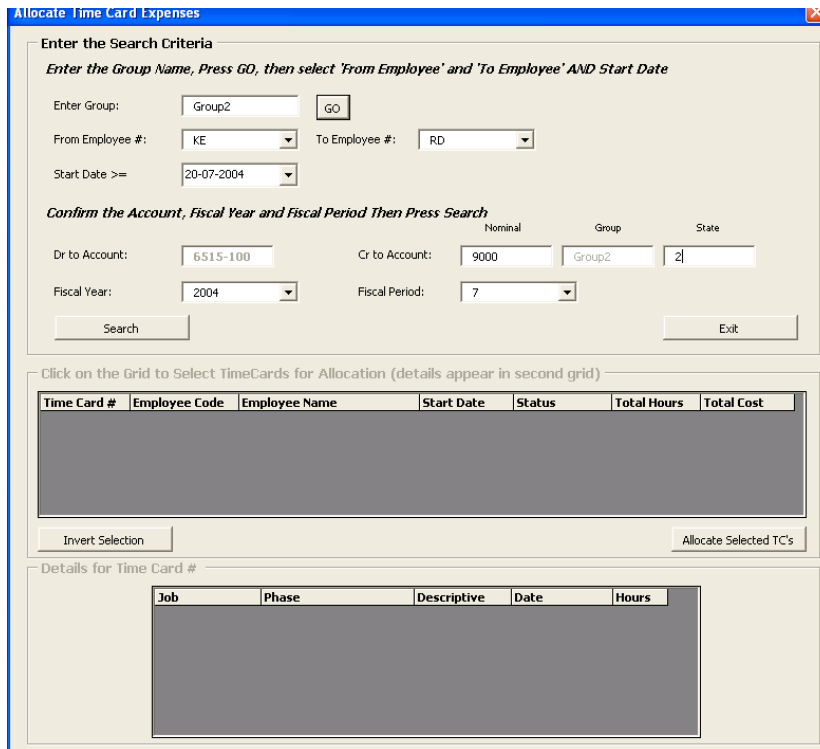
When wages expense is originally entered, it would be entered as follows:

*Dr Payroll Expense ... Which is in a Nominal Group State format
Cr Cash (or Payables)*

The Accpac Job Cost module is designed to attribute expenses into WIP accounts. The expense accounts and the WIP account are specified in the PJC Account Sets (accessible through PJC Setup). When a timecard is posted, the following entry would be made:

*Dr WIP Account (As specified in the in the PJC setup)
Cr Payroll Expense (As specified in the in the PJC setup)*

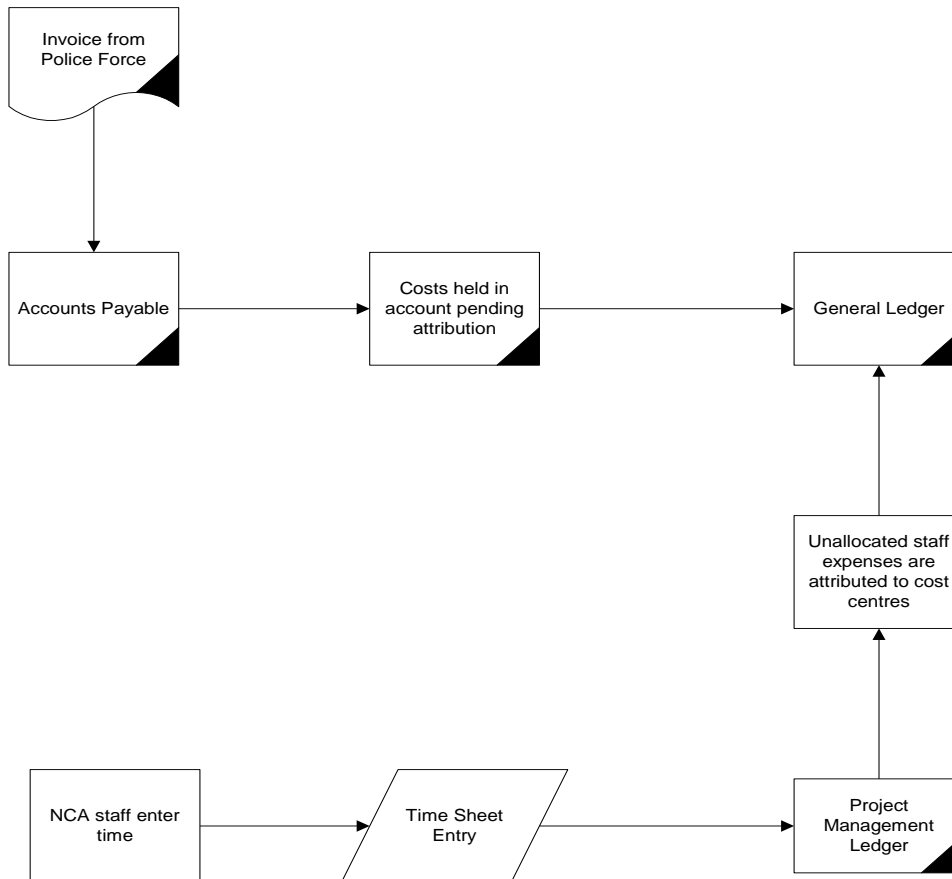
Provida designed an allocation macro to make the following entries in Accpac General Ledger (see screenshot below):



Accounting journal processed:

*Dr Payroll Expense (As specified in the in the PJC setup)
Cr Actual Payroll Expense ... Which is in a Nominal Group State format*

Client NCA	Page 1 of 1	Prepared by S.Rider	Date January 8, 2002
Process Time Attribution		Approved by D.Bramley	Date January 8, 2002



Result

The final result of these entries is that employee costs are recognised in the job module as time cards are entered (i.e. into the WIP account). Provida’s attribution add-on absorbs the actual payroll costs into WIP and cancels the salary expense. The Accpac Revenue Recognition process moves the WIP amount into an expense account (would normally be cost of sales).

Note that the Payroll Expense (As specified in the in the PJC setup) should have a zero balance at the end of the process.

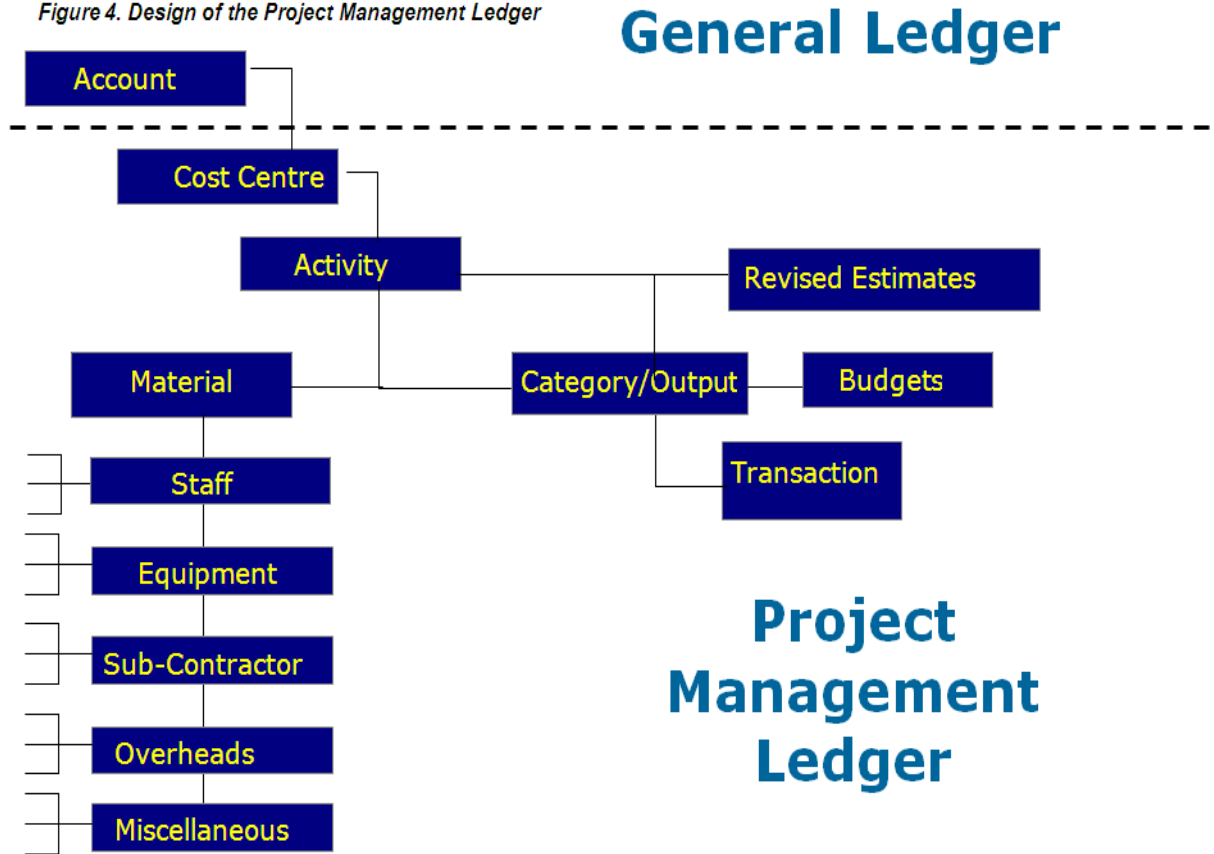
The 'Actual Payroll Expense' account keeps track of how much work is actually attributed to projects. If it has a high debit balance, that means that wages expenses for the group are not being charged out to projects. A zero balance would mean that all the wages expense has been charged out to projects.

Some of the issues to consider:

- Users are unable to post to projects from the General Ledger, but may be able to use PM Charges as the entry method.
- All project related accounts in the GL can be assigned PM as their control ledger and therefore no non-PM entries can be made to the account.
- An example where there could be an issue with entering costs against projects is where floor space is divided amongst projects according to usage. When the rent invoice arrives, AP codes the whole amount to rent overhead because at that stage they do not know the apportionment of the floor space for that period's project related cost. At a later stage, when the space usage is known, costs are disbursed to projects. Using the conventional GL method, these costs will be disbursed to the correct GL project code but NOT to the Project Management project code. Thus the PM sub-ledger will not balance back to the GL. Cost centre managers will primarily query the PM ledger, as this will contain actuals, budgets and estimates.
- One possible solution to this is to allot the original unallocated rent cost to an "overhead" Project in the PM ledger and later apply this amount to the specific projects. The other option is to process a PM Charge that debits the correct project cost and credits overhead "holding" account.
- The other, preferable option is to use the Equipment Usage Input in the Project Management module to enter "GL type" entries for miscellaneous or ad hoc project related transactions.
- Projects in PM are linked to Cost Centres in the GL.
- Staff that are not entering time sheets and are therefore excluded from that form of time attribution may be attached to projects or activities as either a labour burden or as an overhead. This is applicable because 100% of their time is spent on the one project.

Provida’s design of the Accpac Project and Job Costing Ledger at ACC:

Figure 4. Design of the Project Management Ledger



Choice

The ACC selected Provida to implement the Accpac solution because of Provida’s preparedness to gain a deep understanding of the ACC’s business processes. This involved a planning study and a number of workshops with key stakeholders within the ACC. Provida implemented the solution within the time and budget constraints.

Overall Link between PJC and the rest of the Sage Accpac ERP and Reporting System

