Role and Functions of an Efficient Debt Management Information System (DMIS)

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Objectives of the presentation

• Role and importance of a DMIS
• Core functions of a DMIS
• Attributes of an efficient DMIS
• DMIS implementation and frequently asked questions
Role and importance of a Management Information System

• The role of any computerised MIS is “to support business activities so as to enable managers make operational, tactical and strategic decisions in an efficient manner”

• In the context of PDM, this means supporting Front/Middle/Back Office functions – from debt negotiations, administering debt service, reporting, right through to the elaboration and implementation of DM strategies

• A well functioning DMIS is crucial for effective PDM
PDM software applications and links

Domestic Debt Sub-system
- Electronic Trading Platform
- Securities Settlement System
- Auctioning System for domestic securities
- Central Depository System
- Online Bidding System

Debt Management Information System (DMIS)

DMIS link with IFMIS
- Primary Treasury Systems Interfaces
  - Budget System
  - Treasury System
  - Banking Interface
  - Payroll System
  - Interface with Tax & Custom Systems
  - Audit Interface

Other attributes of an efficient DMIS

• System
  • User friendliness
  • Quality of technical and user documentation
  • Work flow based
  • Systems performance
  • Support by the provider
  • How well is the DMIS managed by the debt office

• Data
  • Information flow
  • Data validation using a standard methodology (e.g. IMF Data Quality Assessment Framework (DQAF: coverage; quality; methodological soundness; timeliness;))
  • Data dissemination puts the database to the test

• People
  • A common reason why management information systems fail is lack of ownership
  • Users must be involved in the selection and/or review of a DMIS
  • Users must be adequately trained
DMIS usage and frequently asked questions

- Do all countries need a DMIS?
- In-house vs off the shelf?
- CSDRMS/DMFAS vs Commercial Products?
- Are current DMIS meeting the needs of countries?
- Can a country outgrow its current DMIS?

Source: World Bank PFM Systems and eServices Global Dataset
Thank you for your attention

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Core functions of a DMIS
Recording and Processing

Maintain an inventory of all external and domestic debt instruments and their relevant characteristics and financial terms

Record actual transactions on a transaction by transaction basis

Record relevant exogenous data (exchange & interest rates; macro-economic variables)

Compute stocks (e.g. DOD, CUB, arrears) and flows (e.g. debt service) for any aggregation period, by tranches/instruments

Manage the portfolio through restructuring or the use of derivatives

Adhere to international debt data compilation standards (IMF Public Sector and External Debt Statistics Guides)

Core functions of a DMIS Reporting and Data Exchange

Produce standard reports to meet day to day reporting requirements

Provide a facility to write customised report (using wizards and/or report writer)

Provide for the saving of outputs in various formats (Excel; PDF etc.)

Provide data import/export facilities to
Other sub-systems (auctioning system for domestic debt)
Analytical tools (DSA template, MTDS);
Reporting platforms (DRS, SDDS, GDDS, QEDS); and
IFMIS integration

Core functions of a DMIS Analysis

- Evaluate different loan options; test impact of new borrowings based on different scenarios
- Evaluate different proposals for debt restructuring (e.g. refinancing; rescheduling)
- Perform sensitivity analysis under various scenarios (e.g. interest and exchange rates)
- Calculate critical debt ratios and cost/risk indicators both in nominal and present value terms

Core functions of a DMIS

Other

- Validation tools to ensure database integrity and accuracy
- Managing user and database access (user login and passwords; audit trail)
- Facilities to backup and restore the database