

FAQs - Finance Reform Programme 2013-2016

Q 1 – Why has a Finance Reform Programme been introduced?

Previous reviews including the PA Consulting Review, have highlighted weaknesses in financial management systems and processes that are impacting on financial management practice within the HSE. The HSE has appointed outside consultants to work closely with it to provide direct support to existing accountants and financial staff to improve the current financial and management accounting processes and to provide input to develop a robust costing system.

Q 2 – Which outside consultants have been appointed to work closely with the HSE to provide direct support to existing Financial staff?

PA Consulting

Q 3 – What is the purpose and role of the outside consultants?

The consultants are working with the existing Finance function to provide strategic advice and direction to the Chief Financial Officer (CFO) and other HSE management in relation to the transformation of financial management including structural and system improvements taking into account the reform of the health system currently underway including the introduction of hospital groups.

Q 4 – What benefits will be derived from the contract?

The anticipated benefits to be derived from the contract can be summarised as:

- Ability to improve the financial management of the health system;
- More robust budgeting and financial control systems;
- Development of an integrated financial performance framework to operate consistently across the system;
- More clarity in relation to cost reduction and cost containment options;
- Improved linkages between activity and cost;
- Better understanding of the service implications of cost reductions;
- Improved financial governance;
- Improved financial capacity and capability.

Q 5 – What was the key finding of the PA Consulting Review?

Weaknesses in financial management systems and process inherent within the previous Health Boards' structure continue to impact on financial management practice within the Health Service Executive (HSE). The foundations required to manage the health system effectively from a financial perspective are not in place. There are challenges with the current approach to budgeting and service planning, cost containment and performance management. There is no system wide view of service provision which aligns capacity with current activity and future demand, essential to ensure service plans can be delivered within decreasing financial resources. An alternative approach to cost reduction which embraces the potential offered by the Programme for Government, and is supported by an infrastructure to take control, stabilise and transform financial management practice is essential to enable the health sector in Ireland to meet the care needs of future generations at lower cost.

Q 6 – What is the Finance Operating Model designed to do?

The new Finance Operating Model for Health in Ireland will support far reaching and fundamental change in financial management practice and will be an important enabler of wider Systems Reform. This will fundamentally transform finance from being a reactive, fragmented, reporting function into a proactive, coherent decision support capability, adding value at all levels of the business at a significantly reduced cost. The model builds on leading practice principles to ensure the Chief Financial Officer's responsibilities and accountabilities for financial management are delivered, and the desired changes in behaviours amongst both finance staff and budget holders drive the improvements in financial management practices required.

Q 7 – What are the key activities planned during the next phase of the programme?

- Developing the business case for a managed service to provide a single integrated financial management system;
- Designing a common chart of accounts, data standards and defining system requirements;
- Developing interim Business Intelligence reporting;
- The design of transitional and final organisation structures, roles and person specifications; and
- Initiating the procurement of managed service to provide a single integrated financial management system.

Q 8 – Where can I view the PA Consulting Review?

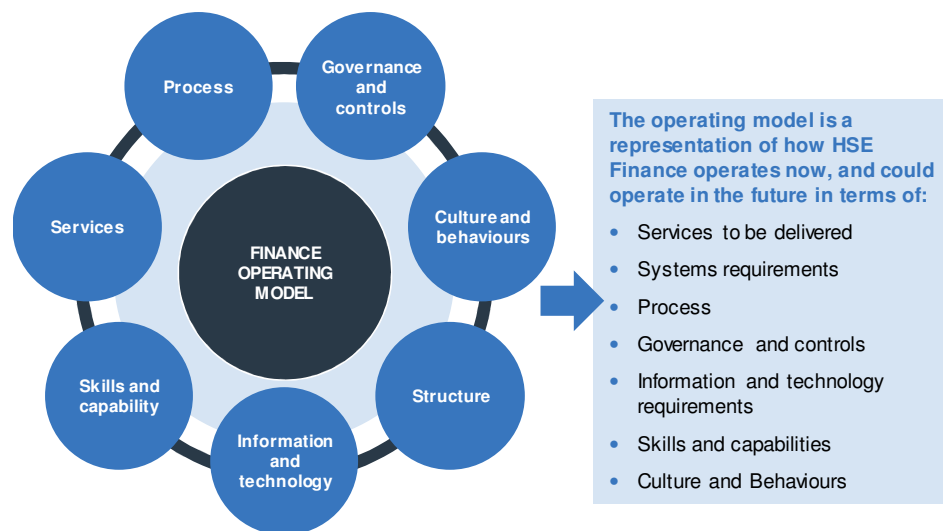
You can view the PA Consulting Review by visiting www.hse.ie/financereform

Q 9 – Where can I get more information about the work of the programme?

Visit www.hse.ie/financereform

Q 10 – What is an operating model?

An operating model describes how each of the components of a function or organisation will fit together to deliver an efficient and effective service, aligned to its strategic objectives.



Q11 – What do you mean by Operations Excellence, Finance Specialists and Business Partnering?

- **Operations Excellence:** the ‘finance engine room’ which will ensure that the infrastructure is in place to deliver financial reporting and transaction processing effectively and efficiently;
- **Finance Specialists:** deep technical skills and expertise providing a single point of contact for expert advice; and
- **Business Partners:** supporting financial management decision making and promoting a culture of financial responsibility across the system by working closely with the business at a strategic, national and operational level