

## HSE Board Briefing for meeting 31<sup>st</sup> March 2023

<b>Subject/Title</b>	New bank accounts required for HSE In-House Cash (IHC) bank strategy
<b>ARC Lead</b>	Mairead Dolan, Interim CFO, HSE
<b>Prepared by</b>	Colum Maddox, Assistant CFO, HSE
<b>Purpose</b>	Decision

### 1. Background and Context

The HSE were advised on their bank account strategy by the external consultant they engaged on the Integrated Financial Management System (IFMS) Project. The advice was to move toward an In-House Cash (IHC) banking solution, which was considered best practice given the organisation's structure and banking needs.

Once fully implemented the IHC banking solution will reduce the number of external bank accounts in operation across the organisation from in excess of thirty, to only ten accounts. The IHC banking solution will be fully operational when all HSE areas have been deployed to the IFMS SAP environment. In the interim those HSE areas that have been deployed to the IFMS SAP environment will operate through the IHC bank strategy whereas those HSE areas not yet on the IFMS SAP environment will continue to operate through the existing banking model, with external bank accounts maintained by the HSE Cash Points (regionally).

There are a number of other advantages associated with adoption of the IHC banking solution, including but not limited to:

- **Maximise cash concentration:** Funds will remain in the HSE centrally managed bank accounts and the need to transfer funds between external bank accounts will be minimised as this will be managed through the virtual HSE internal bank.
- **Facilitate cash management:** virtualising the funding to clear the balance of the internal bank accounts of each Cash Point. No excess funds (floats) being held at the Cash Point level.
- **Virtualising intracompany cash settlement:** Intracompany cash settlement will not require cash movement in external bank accounts, it will be reflected in the internal bank balance and will impact the cash consumption of each Cash Point.
- **Flexibility for the Enterprise Structure:** currently there is one company code in the To-Be SAP system for the HSE legal entity. In the event that there is a future need to move part of the HSE statutory organisation to a new legal entity (company code), the IHC solution can be maintained with some minor adjustments to the accounting configuration.

The design of the IHC banking strategy was discussed and agreed with all relevant stakeholders, including but not limited to;

- HSE Treasury
- HSE Payment Services
- HSE Accounts Receivable
- HSE Payroll
- HSE Financial Shared Services, and
- SAP Centre of Excellence

The IHC banking strategy was approved by IFMS Project Governance with ultimate approval being granted by the IFMS Steering committee on 16 December, 2020.

The Designated Signatories for the 4 bank accounts are included in Appendix 1.

## 2. New IHC bank accounts required

The number and purpose of the external IHC bank accounts that we require, is as follows:

	Bank Account	Purpose	Status
■	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]

## 3. Approval to Open Bank Accounts

In line with the NFR and the HSE Code of Governance 2021, approval to open new bank accounts must be sought from the HSE Board.

**Board Approval Requested:**

It is requested that the HSE Board approve the opening of four bank accounts in line with the existing HSE Danske mandate. These are required for the effective operation of the IFMS In-House Cash banking solution. In addition it is also requested that the designated signatories set out in Appendix 1 be added as designated signatories on the requested new accounts.

A list of these bank accounts is included in the table below.

	Bank Account	Purpose
■	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]

## Appendix 1

### Designated signatories

No.	Account name	Designated signatory 1	Role	Designated signatory 2	Role
■	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
■	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]