



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Oifig an Phríomhoifigigh Airgeadais
Feidhmeannacht na
Seirbhíse Sláinte
Seomra 125, Ospidéal
Dr. Steevens
BÁC 8

Office of the Chief Financial Officer
Health Service Executive
Room 125, Dr Steevens
Hospital
Dublin 8

13th May 2021

Deputy Neasa Hourigan TD,
Dáil Éireann,
Leinster House,
Kildare Street,
Dublin 2.

Re PQ22266 21: *To ask the Minister for Health the timeline and expected completion date for the move of over 200 legacy financial systems in the health service to a single integrated financial and procurement management system; and if he will make a statement on the matter.*

Dear Deputy Hourigan,

The Health Service Executive has been requested to reply directly to you in the context of the above Parliamentary Question, which you submitted to the Minister for Health for response. Your PQ above has been referred to me for response.

Integrated Financial Management and Procurement System (IFMS) Implementation Timelines

A key enabler of the HSE's overall finance reform programme is the implementation of a single national financial system for the Irish health service. IFMS will involve the operation of standardised financial and procurement processes, through the expansion of the current HSE shared services model, on a single contemporary technology platform (SAP S/4 HANA). The system will be adopted by all HSE directly provided services, all voluntary organisations funded under S.38 and larger S.39 funded organisations (> €3-€10m). IFMS will provide better financial reporting and forecasting and will enable improved financial management, planning, analysis, governance, compliance and transparency, and a better overall financial control environment.

Following a properly-procured public tender process SAP was selected as the software platform for IFMS in June 2017. The procurement process for a System Integrator (SI) to support the HSE with the detailed design, build and testing of the system within SAP was concluded in September 2019 and accordingly the Board approved the appointment of the SI in December 2019.

The impact of the COVID-19 pandemic on the project plan has been considerable. The post-Christmas surge in cases of COVID-19 in the community and the related increase in outbreaks, including in nursing homes, hospitalisations and ICU admissions in Q1, 2021, and more recently, the rollout of the mass vaccination programme, has resulted in unprecedented pressure on key IFMS project stakeholders who are involved in the delivery of services. Notwithstanding, design of the national system was progressed during 2020 with the detailed design of the system now completed for approval by project governance in May 2021.

The next stage of the project is the six-month build and test phase, after which operational deployment across the health system will commence. The detailed plan for these phases is currently being refined to take

account of the 2021 impacts of COVID-19. This revised plan will be recommended to governance for approval towards the end of May 2021. Per the current approved plan, it was anticipated that the IFMS would have successfully been deployed to cover 40% of the expenditure in health by Q3 2023 (end of Phase 1), 80% by Q4 2024 and 90% by Q1 2025, with roll-out prioritised by areas of significant expenditure, see Figure 1 and Figure 2, below.

Please note that where project dates are referenced in the Figure 1 and Figure 2, below, these are taken from the current approved project plan.

The overall impact of COVID-19 equates to project delays of approximately eight months against original timelines. The project was replanned in 2020 after the impact of first wave, with the delay estimated at seven months but mitigated to a net delay of four months. The incremental impact of the third wave is estimated at approximately four months. Clearly there is a degree of uncertainty around any assumptions made in relation to the course of the disease so the timelines will be kept under continuous review.

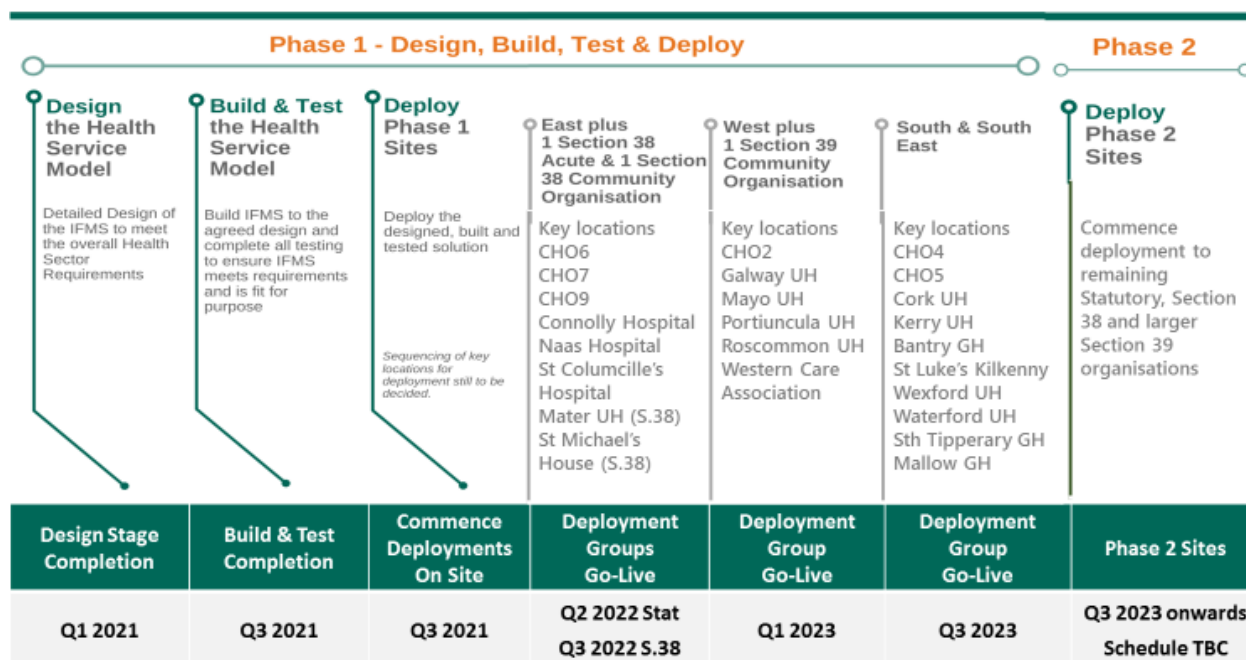


Figure 1: IFMS Phase 1 and Phase 2 deployment timelines

IFMS Deployment Phases & Lots	Work Stream	Phase 2 Lot Indicative Finish Dates	Cumulative % of health funding on IFMS
Phase 1 - Deployment Completed Q3 2023 (Aug)	-		40%
Phase 2 - Lot 1 (balance of HSE areas and PCRS)	1	Q4 2024	80%
Phase 2 - Lot 2 (Large Vol. Acute S38's and CHI)	2	Q1 2025	90%

Figure 2: Indicative timelines for Phase 2 IFMS deployment subject to standing up a second internal implementation team running in parallel across multiple deployment lots/groups.

If you have any queries, please do not hesitate to contact me at sarah.anderson1@hse.ie or tel: 087 9423319.

Yours sincerely

Sarah Anderson

Sarah Anderson
General Manager Corporate Finance
National Finance Division, HSE
Email: sarah.anderson1@hse.ie
Tel: 087 9423319