



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

6th July 2022

Deputy Patricia Ryan TD,
Dáil Éireann,
Leinster House,
Kildare Street,
Dublin 2.

Re PQ 29938 22: *To ask the Minister for Health the progress being made in the HSE implementing the Integrated Financial Management System; and if he will make a statement on the matter.*

Dear Deputy Ryan,

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.

Future Health – A Strategic Framework for Reform of the Health Service 2012 – 2015, published by the Minister for Health in November 2012, detailed the actions required to deliver on health reforms set out in the Programme for Government. *Future Health* was built on four key inter-dependent pillars of reform, one of which was finance reform, underpinned by a fully integrated national financial management and procurement system; IFMS. The various stages of the finance reform programme and IFMS project are set out below.

The new operating model for Finance is a significant transformation programme for the Health System in both scale and complexity. The Finance Reform Programme (FRP) established under the Finance Operating Model (FOM) Business Case (June 2014) is delivering the programme on a phased basis, incorporating People, Process and Technology. The FOM is underpinned by a new Integrated Financial Management System (IFMS) and a mandated Financial Management Framework, incorporating a national shared services model, in line with the Government mandate to expand and accelerate the use of shared services in the Irish Public Service, as one of the key cross-cutting reform initiatives under the Public Service Reform Programme.

- | | |
|--------------------|---|
| 2014 – 2015 | Business Case Approval:
- <i>Defining Financial Management – A Finance Operating Model for Health in Ireland</i> (May 2014)
- Finance Reform HSE ICT Business Case (May 2015) |
| 2016 – 2017 | Public Procurement for new ERP Platform
Contract awarded to SAP for S/4 HANA (June 2017) |

2016 – 2019	Stabilisation SAP Programme - SAP ECC 6.0 for HSE MW, HSE NW, Crumlin Hospital, Children’s Health Ireland – deployment of SAP to c.1,200 users transacting c.€1.74bn in health expenditure annually Consolidated Financial Intelligence (CFI) Project
2018 – 2021	Publication of consultation paper: <i>Financial Management Framework for the Irish Health Service</i>
2018 – 2019	Public Procurement for Systems Integrator Contract awarded (December 2019)
2019	High Level Finance & Procurement Process Design (350+ processes plus ES & CoA) Mobilisation of Process Councils – representation from across the Health Service. IFMS Project Team Recruitment and Mobilisation of Project Office
2020	IFMS detailed design; detailed National Shared Service TOM National roll out of SAP Ariba Guided Buying & Invoicing System; COVID-19 Re-planning
2021	Completion of IFMS Design Stage (scheduled for February 2021, impacted by COVID-19 and cyber-attack, completed July 2021) Commencement of IFMS Build and Test Stage (July 2021) Termination of Systems Integrator Contract (October 2021) Commence deployment of Stabilisation SAP in CHI at Temple Street (October 2021) Update of detailed Statement of Requirements (December 2021)
2022 to date	IFMS Data Readiness Project Initiation (January 2022) Stabilisation SAP system upgrade (April 2022) Completion of public procurement process for new Systems Integrator (June 2022) Recommendation for award of contract to commence the Build, Test and Deployment IFMS to HSE, Tusla and all S.38 and S.39 voluntary organisations with annual funding in excess of €10m

The proposed Deployment Approach which was included in the HSE’s 2022 Statement of Requirements, seeks to maintain, to the greatest extent possible, the original deployment timelines to achieve 80% health sector expenditure transacted on IFMS by Q2 2025. The mitigation of any delays to the IFMS deployment timeframe, resulting from the procurement of a new Systems Integrator, is a key objective of the Finance Reform Board.

The proposed approach will see 53% of all HSE directly-run services on IFMS by the end of 2023, 82% of all HSE directly-run services on IFMS by the end of 2024, and 100% of HSE directly-run services on IFMS by mid-2025.

Deployment of the solution to voluntary organisations in scope will bring 89% of the entire health sector (statutory plus voluntary) onto IFMS by the end of 2025, with 94% of the health sector on IFMS by the end of 2026.

Figure 1 below provides a high-level proposed plan that shows the required timeline for the overall project and a summary level description of the four main deployment phases, namely Statutory, Category 1 Voluntaries, Category 2 Voluntaries and Category 3 Voluntaries.

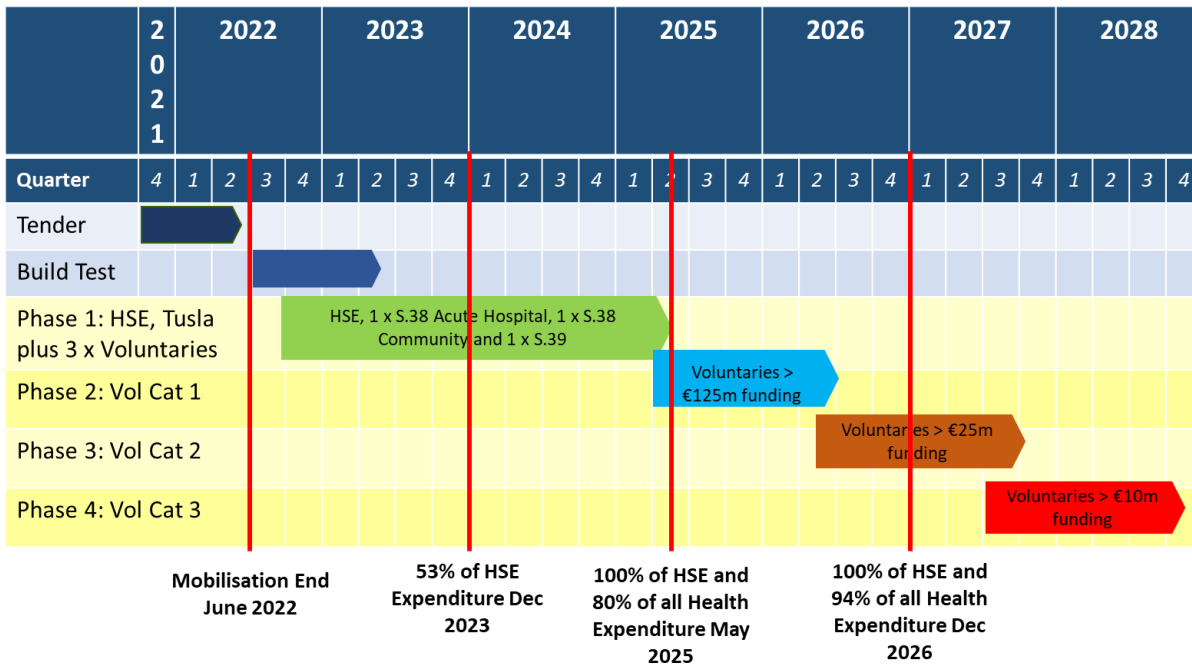


Figure 1: Proposed Deployment Approach
(Subject to validation by SI, and approval by project governance)

This proposed approach will be validated by the Systems Integrator and confirmed during the build stage of the project as part of detailed deployment planning, for final approval by project governance.

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