HSE Board Briefing Template

Subject: Contract Approval Request for new IFMS System Integrator [HSE Ref:17935]

Submitted for meeting on: **29 June 2022**

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Why is this information being brought to the Boards attention? HSE National Financial Regulations require that HSE Board approval is obtained for contracts with a value in excess of €10m.

Is there an action by the Board required, if so please provide detail?: The purpose of this paper is to seek approval from the HSE Board on the recommendation from the Finance Reform Programme Governance and the HSE Audit and Risk Committee to approve the Contract Approval Request (CAR) Form (Ref 17935) for the new System Integrator for Integrated Financial Management System (IFMS) for the Health Service.

Please indicate which of the **Boards objectives** this relates to ; ▪ The development and implementing of an effective Corporate Governance Framework, incorporating clinical governance and a performance management and accountability system; ☐ ▪ Developing a plan for building public trust and confidence in the HSE and the wider health service; ☐ ▪ Ensuring the HSE's full support for and implementation of the Government's programme of health reform as set out in the Sláintecare Implementation Strategy; √ ▪ Exercising effective budgetary management, including improving the value achieved with existing resources and securing target saving, with the objective of delivering the National Service Plan within Budget. √

Brief summary of link to Board objectives.

Enabling Healthcare Delivery

Delivery of NSP2022 is dependent on a number of key enablers, which underpin service delivery. In conjunction with frontline services, the provision of a modern and efficient healthcare system is enabled by these essential support services. Corporate support services include the Office of the Chief Information Officer, Health Business Services (HBS), Corporate Finance, Corporate HR, National Communications, Research and Evidence, and Internal Audit.

Priorities and Actions

- Deliver the core digital programmes advancing the Sláintecare Implementation Strategy
- Progress major enterprise resource planning initiatives for the health environment
- Support the organisation to secure and demonstrate value in terms of the economy, efficiency and effectiveness in order to maintain and enhance appropriate investment in our health service.

Background - provide context in order to ensure that the Board fully understand the issue.

Please see attached document *Paper 1: IFMS Contract Approval Request: Governance Briefing*

Additional information requested by Performance and Delivery Committee: High-level Summary of IFMS Project Risk Management Process:

In line with the HSE's Integrated Risk Management Policy, Risks, Assumptions, Issues and Dependencies (RAID) Management is an integral part of the IFMS Project. A critical element of the project's ways of working is the formal identification and management of RAID items and the evaluation of their impact on the business environment and the achievement of the project's goals. This process, which is managed centrally by the Programme Management Office on behalf of the Finance Reform Steering Committee, is embedded into the IFMS project's activities and reporting relationships. The new IFMS System Integrator (SI) will be required to adhere to and actively participate in the IFMS RAID management processes.

There are three levels of RAID Management within the IFMS Project: **1)** Project Level, **2)** Quality Assurance and **3)** Programme Governance, with each of these levels having a role in the management of IFMS RAID items.

1) **Project Level:** Individual IFMS project teams (HSE and SI project team members) identify RAID items as they arise and are responsible for their daily management. Teams assess potential impacts and plan/implement appropriate mitigating actions to reduce their impact/likelihood. Each IFMS RAID item is registered and maintained on a central register, which is monitored and updated on an ongoing basis. RAID items are reviewed weekly among the full project team and managed/escalated accordingly.

2) **Quality Assurance:** A project-wide RAID Management meeting, chaired by the Programme Director, and including representatives from IFMS programme management and the SI project management team, is held every two weeks to provide oversight on behalf of the FRP Steering Committee. In providing guidance and direction to project teams, RAID Management ensures that all RAID items (new and existing) are managed in accordance with the FRP RAID Management and Corporate Risk Management procedures through to conclusion. This level ensures that robust RAID management is a continuous activity carried out by the project teams and provides quality assurance of the onward reporting to the FRP Steering Committee.

3) **Programme Governance:** The FRP Steering Committee is the governing authority for all RAID items relating to the IFMS project. Monthly status RAID reports are provided to the FRP Steering Committee and where appropriate, items are escalated by RAID Management for direction or additional action (as appropriate) by the FRP Steering Committee.

Highlight any implications that the Board should be made aware of in its consideration such as;
- Current status
- Budget   √
- Resources
- Impact to delivery of services
- Corporate Plan
- Slaintecare   √
- Social factors (e.g, impact on specific area such as the elderly, disabilities)
- Technological factors   √
- Legal factors

Conclusion

Based on the successful bidder submission, the total cost to the HSE including all optional extensions and optional drawdowns, is €63,258,550 (inc VAT), ███████████████████████████████████████
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Approval of the CAR, via the governance process set out in the *Recommendation / Decision Sought* section below, will allow the programme to:

- finalise the contract and
- authorisation the HSE Accounting Officer (HSE CEO) to sign the contract on behalf of the HSE Board as the Contracting Authority.

(final authorisation by the HSE Board is subject to written approval from DGOU in accordance with DPER circular 02/16)

Recommendation

The Procurement Evaluation Group (PEG) recommend that the approval of the outcome of the Procurement Process for the IFMS System Integrator and the Contract Approval Request. HSE Executive Management Team members will consider this recommendation for submission to the HSE Audit & Risk Committee, and subject to their approval, onward to the HSE Board.

Subject to the approval of each of the FRP and HSE governance structures, the Contract Approval Request (CAR) for the new system integrator for IFMS is being submitted with a request for approval of the:

- o   HSE Executive Management Team   14 June 2022 **[Approval Received]**
- o   FRP Steering Committee   15 June 2022 **[Approval Received]**
- o   Finance Reform Board   16 June 2022 **[Approval Received]**
- o   HSE Audit & Risk Committee   16 June 2022 **[Approval Received]**
- o   External Peer Review Group/DGOU   28 June 2022
- o   HSE Board   29 June 2022

(final authorisation by the HSE Board is subject to written approval from DGOU in accordance with DPER circular 02/16)

The Finance Reform Programme also submits quarterly reports to the Performance and Delivery Committee (P&DC) on the IFMS Project. The IFMS update provided to the May P&DC included an update on the procurement of the new system integrator and the proposed submission of a preferred tenderer to the June FRP and HSE governance meetings. A further update will be provided to the June P&DC.