



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Finance Reform Programme

Market Engagement Briefing Day

16 September 2014

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INTRODUCTION AND OPENING REMARKS

Paddy McDonald – ACFO, Operations
Excellence

1

INTRODUCING THE MARKET ENGAGEMENT

John Swords – HSE Head of Procurement

- **Objectives of market engagement**
- **Areas to be ‘tested’ with the market**

2

BACKGROUND TO THE FINANCE REFORM PROGRAMME AND CONTEXT FOR THE PROCUREMENT

John Leech – Finance Reform Programme
Manager

The new Finance Operating Model

The commitment to establish a more efficient and effective system, coupled with the need to respond to findings of the independent reports into financial management practice has led to the establishment of the FRP to implement a new FOM for health. To be successful, the programme will have to address all aspects of financial management in HSE across people, process and technology.

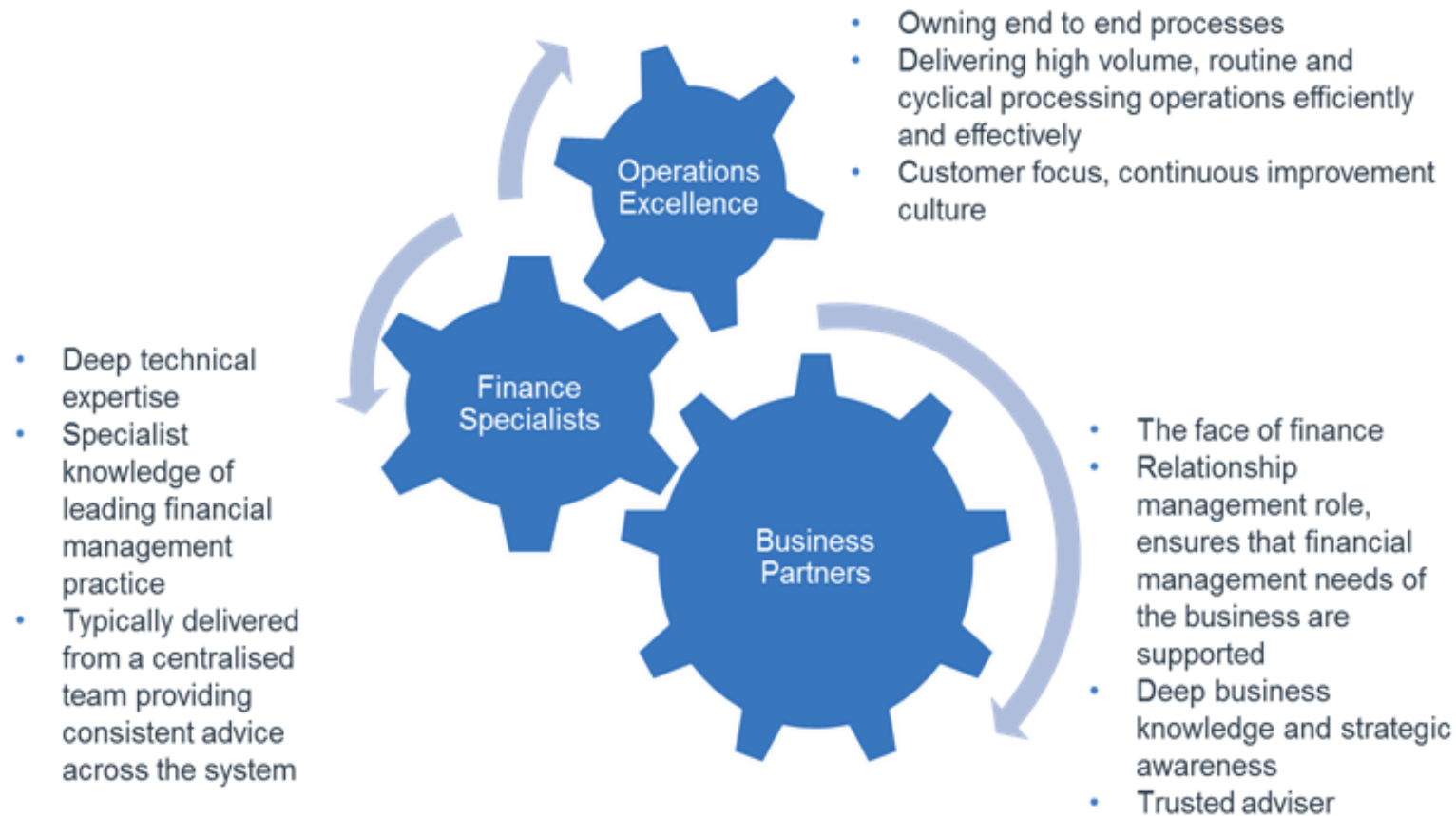
The vision for the new FOM is for

“Finance to deliver valued, responsive and efficient services and to adapt to the Irish health system’s changing business needs. Finance will encourage excellence, seek innovative solutions, take calculated judgements and work in partnership with those who can help it achieve its goals. Finance will respond to change and use it to release the potential in its people to really make a difference”

Background and context of the new operating model for finance and integrated financial management system

2

This translates into three distinct functions supporting service delivery in the new FOM as set out in the diagram below



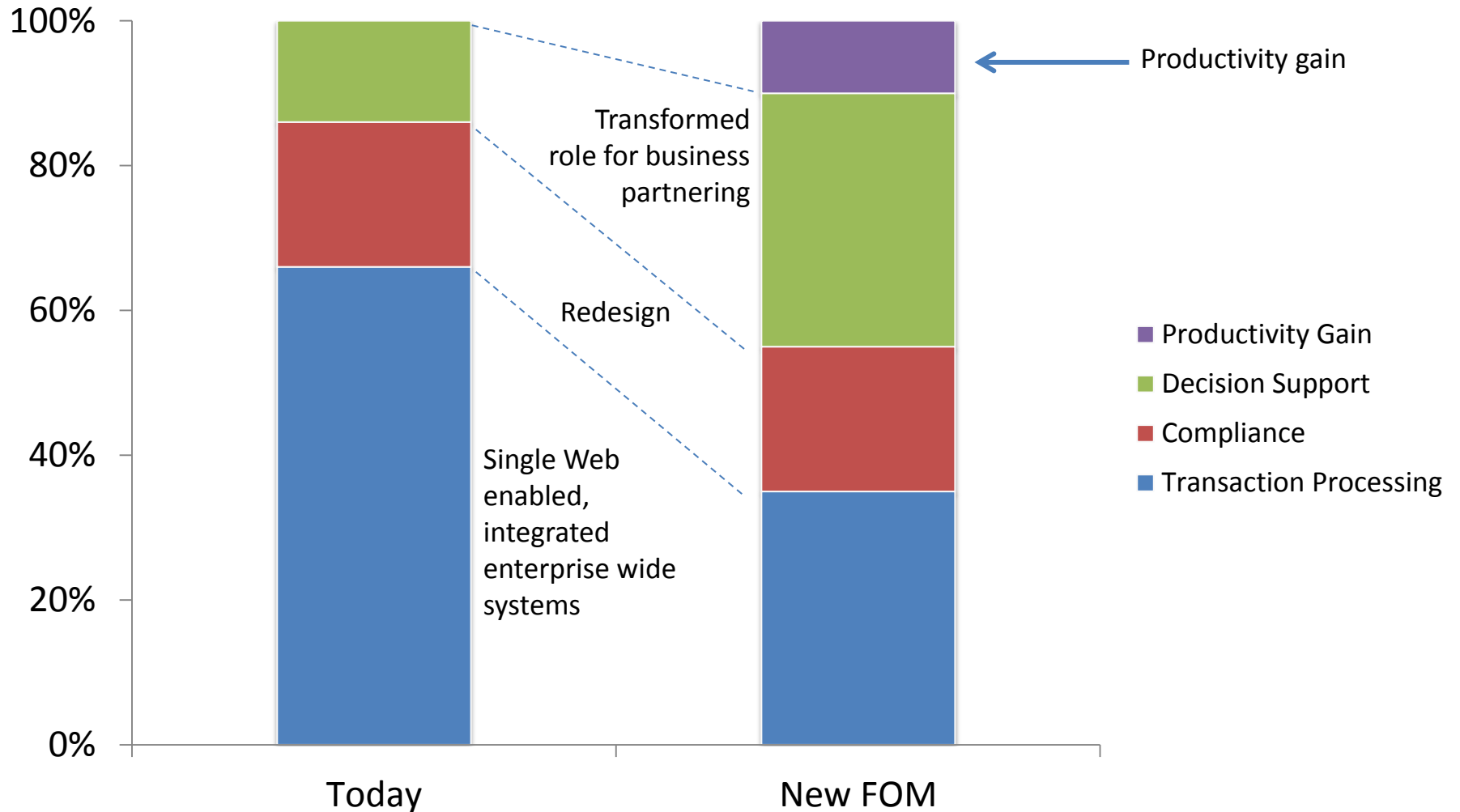
Assessment of the current state

- Reform of the Health Service comes at a time when the system is facing significant challenges.
- The entire system is embarking on a journey of radical reform
- The delivery of current business as usual financial services is significantly stressed and not sustainable.
- Multiple independent reviews of financial management have identified stark weaknesses and reported that practices are simply not fit for purpose.
- The level of financial complexity in the system limits the information available to support decision making and weakens performance management arrangements.

Background and context of the new operating model for finance and integrated financial management system

2

Assessment of the current state



Enables transparency of costing; Clear Line of Sight ; Clarity & Accountability

Equipped to withstand future requirements; Flexibility to change and adapt;

Easy access to real-time, transparent, accurate information across the entire spectrum of services

| Goal | High Level requirements |
|--|---|
| People: New finance services, operating structures and new ways of working to support the FOM | <ol style="list-style-type: none"> 1) Joining up governance, accountability and responsibility 2) Management arrangements and capability – clear definition and alignment of roles, responsibilities and capabilities |
| Process: clear ownership and consistent application of integrated processes, building trust in information and a single view of the truth | <ol style="list-style-type: none"> 1) Standardisation and improvement of processes 2) Integration of processes to allow clear line of sight across the system and efficient consolidation 3) Develop reporting processes and mechanisms that support decision making, service delivery and statutory requirements |
| Technology: Integrated Financial Management System supporting Finance, HR, Procurement and Payroll | <ol style="list-style-type: none"> 1) Increased granularity and consistency of information 2) Capability to support decision making and resource planning 3) Improved access to best practice services |

3

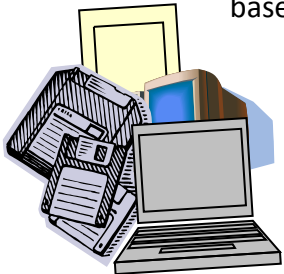
HIGH LEVEL REQUIREMENTS OF THE IFMS

Fran Thompson – HSE Head of ICT

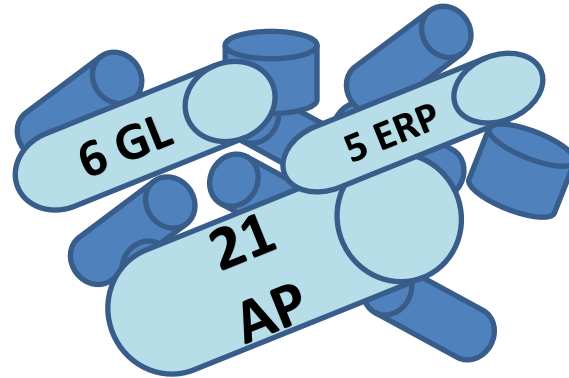
Current financial systems have evolved from legacy organisations and are no longer fit for purpose



Systems based on legacy Health Boards and 4 HSE regions



Some national systems based on PCs



3 national reporting systems

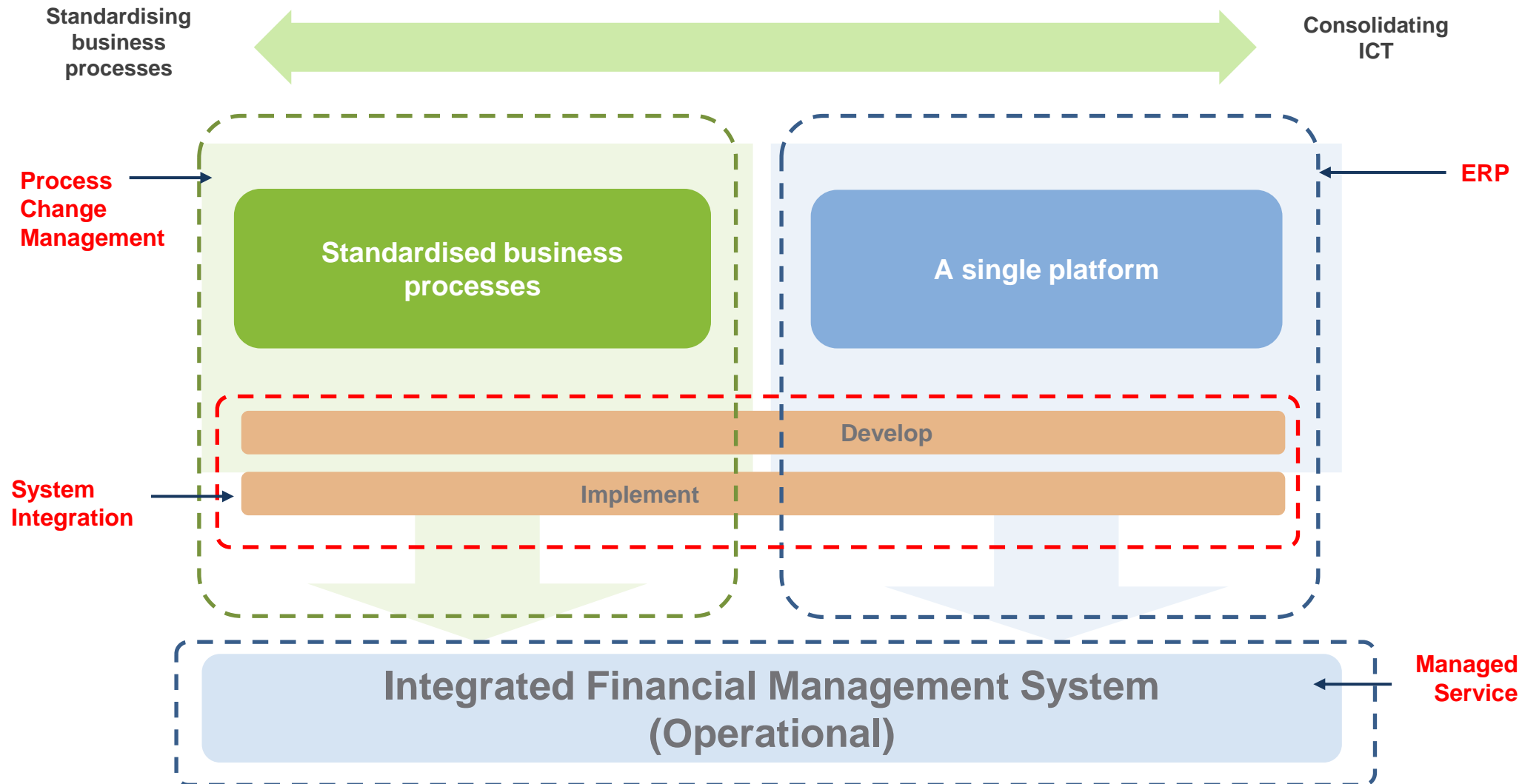


Over 100 systems, 4 regions and several hundred reporting entities. Too much scope for process variation and inconsistent reporting.

| Application Category | National | DNE/DML | South | West | Total |
|----------------------|----------|---------|-------|------|-------|
| Assets | | | | 2 | 2 |
| Billing | | 5 | | 1 | 6 |
| Budgeting | 2 | | | | 2 |
| Cash Management | 1 | 3 | | 1 | 5 |
| ERP | | 4 | | 1 | 5 |
| General Ledger | 2 | | 1 | 3 | 6 |
| HR | 1 | 1 | | | 2 |
| Inventory | | 3 | 2 | 3 | 7 |
| Payables | 3 | 9 | 2 | 7 | 21 |
| Payroll & Expenses | 4 | 7 | 6 | 8 | 25 |
| Receivables | 3 | 2 | | 1 | 6 |
| Reporting | 6 | 9 | 1 | | 16 |
| Grand Total | 22 | 42 | 12 | 27 | 103 |

There are four core components for delivering the IFMS

3



Software / ERP

To cover the purchasing of the software.

This lot will need to take into consideration the complexities of the ERP including ensuring the solution is suitably scalable, and the commercial model

Systems Integrator

To cover the configuration and implementation of the new ERP software.

This will include but not be limited to; mapping the as is system architecture, defining the requirements for the configuration of the ERP and rolling out the new ERP software including any interfaces to existing systems.

SME Framework

As part of this process, the HSE wish to understand how the SME sector can support the implementation of a new Finance Operating model and an Integrated Financial Management System

Process Change

To cover the process standardisation and the transition planning required to support the implementation of the IFMS.

This will include, but not be limited to; mapping as is processes; defining new, standard processes; implementing the new processes, including training.

Managed Service

To cover the IT service management required once the IFMS goes live.

This should include options for supporting all aspects of the ERP support such as; hosting, database administration, all technical support and end user support.

4

QUESTION AND ANSWER SESSION

5

CLOSING REMARKS

Paddy McDonald – ACFO, Operations
Excellence

The Business Case and market engagement are key steps towards delivery of the new financial operating model

