



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

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**26/08/2021**

Ms Pat Fannin  
Committee Secretariat,  
Public Accounts Committee,  
Leinster House,  
Dublin 2.

**Re: (Ref: S0384 PAC33)**

Dear Mr Fannin

I refer to your recent correspondence to Mr. Paul Reid, Chief Executive Officer, Health Service Executive and the request for update information regarding the Integrated Financial Management and Procurement System (IFMS).

Please find below for the attention of the Public Accounts Committee members a briefing note and accompanying Appendix on the matter as requested.

If any further information is required please do not hesitate to contact me.

Yours sincerely,

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**Ray Mitchell**  
**Assistant National Director**  
**Parliamentary Affairs Division**

**Encl.**



## **HSE Procurement Compliance & the Integrated Financial Management and Procurement System (IFMS)**

Response to correspondence received from Committee of Public Accounts (Ref: S0384 PAC33)

August 2021

## Purpose of this Paper

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The purpose of this paper is to respond to the queries below from Committee of Public Accounts (PAC) in relation to the **Health Service Executive's (HSE) ongoing work on (i) the development and implementation of the single national integrated finance and procurement system, IFMS, and (ii) reform and improvement of procurement compliance.**

Following its meeting of 11 May 2021, the PAC issued correspondence to the HSE, dated 29 July 2021 (Ref: S0384PAC33), requesting:

- *an update regarding the status of the 2019 procurement review.*

This document provides:

1. Update regarding the status of the 2019 procurement review; and
2. Update on timelines for implementation of IFMS following a detailed replan of the project to take account of the significant and ongoing impacts of COVID-19 and the criminal ransomware attack on the HSE.

### 1. Update regarding the status of the 2019 procurement review

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Pending the implementation of IFMS, multiple fragmented legacy systems continue to present additional challenges in terms of reporting on procurement compliance in the HSE. An interim approach was first developed in respect of the 2019 review of procurement compliance, as an interim process improvement in advance of IFMS deployment. However, as reported in the HSE Chairman's Statement of Internal Control dated May 2020 in respect of the 2019 Annual Financial Statements, the HSE was not in a position to provide a definitive rate of procurement non-compliance in respect of 2019. The HSE procurement team tasked with providing this analysis were re-deployed at the onset of the pandemic emergency and redirected to the COVID-19 emergency response. The partially-complete 2019 procurement review was ceased while this frontline support was prioritised, with the HSE Chairman stating that the HSE expected to be in a position to provide this information for the first time in respect of 2020. This was achieved and reported in the 2020 Annual Financial Statements of the HSE and, as the first full year for which it has been possible to compile this information, provides a baseline against which to compare current and future years.

Attached in Appendix A is a copy of a briefing note which was presented to the Board of the OGP at its July 2021 meeting, which provides information in respect of the 2020 procurement review and the Declaration of Non-Competitive Procurement in the Chairman's Statement on Internal Control in the 2020 Annual Financial Statements.

The HSE is committed to the Government Procurement Reform programme and progressively building on this work during 2021. The Board of the HSE is committed to resolving the systemic issue of non-compliant procurement across the HSE and the wider health service. It is not intended to go back and recommence the review of 2019 procurement, which was superseded by the 2020 review. Retrospectively, the problems with procurement compliance are well-documented. Focus is instead directed towards achieving increased levels of compliance against the 2020 baseline.

Comprehensive steps are being taken in this regard, including the development of Corporate Procurement Plans for each Hospital Group, Community Health Organisation, National Directorates and an overall HSE Corporate Procurement Plan (2022-2024) will be published in Q1 2022. These Corporate Procurement Plans (CPP) will last 3 years and will be reviewed annually. Derived from these CPP, the HSE will develop a multi-annual programme of Sourcing and Contracting requirements for the Health Service.

This programme of Sourcing and Contracting requirements will identify the respective deliverables required from each central purchasing body (CPB) in the OGP model i.e. HSE, OGP, L.A., EPS and Defence, and will be reviewed/updated quarterly.

Performance of the respective CPBs against the deliverables agreed will be monitored as a Key Performance Indicator (KPI) for Health Service procurement compliance improvement to ensure continuing focus and progress against targets.

Priority Actions proposed / commenced to address the issue of Procurement Compliance in HSE:

- The realignment of HSE Procurement Shared Services which now reports directly to the Chief Finance Officer with specific focus of attention to procurement compliance from the Board's Audit and Risk Committee (ARC).
- The further development of ancillary systems and processes in advance of full implementation of the IFMS to improve insights from spend data across the health system enabling focussed compliance improvement initiatives in the short term.
- Prioritisation and resourcing of the Corporate Procurement Planning (CPP) process across all HSE divisions and agencies with a view to publishing individual Corporate Procurement Plans for each Hospital Group, Community Health Organisation, National Directorates and an overall HSE Corporate Procurement Plan (2022-2024).
- Strengthening the contractual and reporting obligations of agencies funded by the HSE in respect of procurement compliance and collaboration with the Procurement Reform programme.
- The development and communication to OGP of a multi-annual programme of Sourcing and Contracting requirements for the Health Service derived from the Health CPP process commencing from Q1 2022.
- The continuing sponsorship of health service participants on the QQI accredited Level 7 Certificate and Level 8 Diploma programmes in Public Procurement Supply Chain Excellence (PPSCE) in collaboration with University of Limerick, and the development and implementation of a bespoke CPD accredited training programme in procurement compliance targeted at health service managers, commencing in 2021.
- The setting and monitoring by the Board of Key Performance Indicators (KPI) for Procurement Compliance to ensure continuing focus and progress.

## **2. Update on Timelines for Implementation of IFMS**

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The previous update on IFMS implementation provided to the Committee was dated March 2021, at a time when the System Integrator contract was suspended in response to unprecedented service pressures attributable to the January 2021 surge in cases of COVID-19. It was clear that there were significant impacts on the project plan due to the ongoing pandemic emergency, and as a result project timelines per the September 2020 approved project plan would not be achievable. The nature of the pandemic meant that there was a degree of uncertainty in relation to the revised timelines for project work streams, particularly around assumptions made in relation to the course of the disease and these continue to be kept under review as the project progresses.

The Systems Integrator contract resumed as planned in April 2021 with a detailed planning exercise required to develop a revised plan to be presented for approval of project governance in May 2021. As the detailed replanning activity was taking place, the HSE was subject to a criminal ransomware attack which severely impacted communications, access to systems and to online collaboration tools, and access to key stakeholders and governance members who were involved in critical clinical and business continuity activity.

The detailed design of the IFMS was completed along with a rebaselined project plan which was approved by project governance on 5 July 2021.

The below table sets out the revised Project timeline for Phase 1, highlighting the deviation from the original baseline including the replan. Phase 1 was originally scheduled for completion in May 2023. Based on the revised plan, the completion date is now May 2024. This is a **12 month** net increase in duration of the plan as summarised by the impacts specified in Table 1 below.

	Design Stage	Build & Test	Deployment Group				Phase 1 40%	Phase 2 ** 80%
			A	B	C	D		
<b>Original Plan (7 February 2020)</b>								
Start	03/02/20	03/07/20	03/01/21	03/07/21	03/01/22	03/07/22	09/12/19	02/03/23
Finish*	02/07/20	02/01/21	02/09/21	02/03/22	02/09/22	02/03/23	21/04/23	02/03/24
<b>Replan Post COVID-19 First Wave (23 September 2020)</b> <i>[Reflects initial Covid delays with net change of 4 months to overall plan]</i>								
Start	03/02/20	05/02/21	03/08/21	10/01/22	06/06/22	05/12/22	09/12/19	03/07/23
Finish*	05/02/21	03/08/21	03/04/22	02/08/22	03/01/23	03/07/23	25/08/23	10/07/24
<b>Replan Post Design Stage (5 July 2021)</b> <i>[Reflects project pause for COVID-19 Third Wave, additional delays and extension of build and test timeline with net change of 12 months to overall plan]</i>								
Start	03/02/20	05/07/21	03/03/22	01/10/22	01/03/23	01/08/23	09/12/19	01/03/24
Finish*	02/07/21	04/04/22	01/11/22	01/05/23	01/10/23	01/03/24	01/05/24	01/03/25

**Table 1: IFMS Project Plan – deviation from original baseline**

\* The above Deployment finish dates represent Go-Live dates and do not include hyper care (2 months duration)

\*\* Indicative timelines for Phase 2 IFMS deployment to the balance of HSE areas and PCRS (which will achieve cumulative 80% of all health expenditure on IFMS). Dates are subject to standing up a second internal implementation teams running in parallel across multiple deployment sites.

### Design Stage Timeline

During the Design Stage the Project encountered a number of delays and challenges, which have caused the project to deviate from the original baseline plan approved by Steering 7 February 2020. Overall, there is a **9 month net increase** in the Design Stage timeline which can be attributed as follows:

- i. March 2020: **7 month** delay arose from the outbreak of the COVID-19 global pandemic and the reorientation of resources to support the COVID-19 emergency response; including accelerating the deployment of the Ariba Guided Buying & Invoicing Module (i.e. Ariba Snap project) and redeployment of certain project staff to support front line service provision. The effect of this delay was mitigated to **4 months** by compressing the timeline of Deployment Group B, C and D by 1 month each.
- ii. January 2021: **3 month** delay arose from the post-Christmas surge in cases which saw unprecedented pressures on the delivery of patient facing services. In the circumstances, it was not considered appropriate that the IFMS project would add any unnecessary further burden on key stakeholders involved in the delivery of frontline services.

- iii. Accordingly, Steering Committee invoked a suspension mechanism provided for in the System Integrator (SI) contract to give effect, after a thirty-day notice period, to a contract pause for the minimum period of thirty working days provided for in the contract. Project activities during the detailed Design Stage which required the participation and input of those key stakeholders involved in direct patient service provision were suspended from 22 January 2021 to 6 April 2021.
- iv. May 2021: **2 month** delay arose from challenges in finalising the Build and Test plan and impacts of the criminal ransomware attack on the HSE. The Project Plan for Build and Test that was initially provided by the SI in draft was challenged by HSE as unrealistic and insufficiently detailed to ensure it could be effectively monitored and controlled. To address this, an extensive series of detailed cross-functional planning workshops took place during May/June. During the same period the HSE was subject to a criminal ransomware attack which impacted communications, systems access and access to key stakeholders and governance members who were involved in critical clinical and business continuity activity.

### **Build and Test Timeline**

Following detailed planning for Build and Test with the project team, the timeline for Build and Test be increased from its original estimate of 6 months to 9 months i.e. **3 month** extension to the overall timelines.

### **Impact on Phase 2 roll-out**

Based on current planning this will impact the Lot 1 (deployment to all remaining HSE areas and PCRS), the first key milestone of the Phase 2 roll-out to achieve a cumulative 80% HSE-funded revenue expenditure. Completion of this phase of the rollout was originally projected for Q1 2024 (see Table 1) but is now be extended by **12 months**, for the reasons set out above, to Q1 2025.

**HSE**  
**August 2021**

## Appendix A: OGP Board Briefing Note July 2021



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

**Briefing Paper on HSE SIC / Circular 40-02 Process (2020)**

**Subject: HSE SIC – Declaration of Non-Competitive Procurement (2020)**

**Submitted for OGP Board meeting on:** 14<sup>th</sup> July 2021

**Name & title of author:** HSE Procurement

**Background and Summary**

The Code of Practice for the Governance of State Bodies sets out the procedures for procurement in code provisions 8.16 – 8.21 inclusive. Provision 8.16 provides that:

- ✓ Procedures are in place to detect non-compliance with procurement procedures;
- ✓ State entities have a contracts database for all contracts/payments in excess of €25,000;
- ✓ This database should have a monitoring system to flag non-competitive procurement; and
- ✓ Non-competitive procurement should be reported in the Chairperson’s comprehensive report to the Minister for Public Expenditure and Reform (the “**Minister**”).

The Code also requires the HSE to complete a Statement of Internal Control (“**SIC**”) which specifically calls out compliance with public procurement regulations. In 2019, the HSE were not in a position to provide an estimate of non-compliance for either the SIC or the Chairperson’s comprehensive report to the Minister. As part of the controls framework improvement plan which was discussed and agreed by the EMT in July 2020, the HSE committed to providing an estimate for 2020.

As part of the SIC process, HSE initiated a comprehensive self-declaration process involving major budget managers whereby non-competitive and non-compliant procurement in excess of €25,000 was declared for FY 2020. A Corporate Procurement Planning (CPP) Toolset (“**CPP Toolset**”) was developed to facilitate the efficient assessment and declaration by budget managers. This included the provision of a suite of comprehensive reports, analysis tools kits, training & supports to enable them conduct a detailed review identifying evidence in support of their declaration of non-compliance and non-competitive procurement. Details of the non-competitive and non-compliant procurement 2020 SIC / Declaration Process are included in Appendix 1.

For the purposes of the SIC for FY 2020, details of 11,702 invoices over €25,000 with an overall expenditure value of €1.979Bn were presented for review by the respective Budget Holder and to make a self-assessment and declaration regarding compliance and if a competitive process was carried out for each transaction.

The HSE Corporate Procurement Planning Toolset ‘**CPP Toolset**’ provided the capability to receive, collate and analyse these returns spanning c. 32 Corporate Groups, 222 organisations across 896 cost centres. Post process internal reviews and an external sampling and review process were conducted to assure re the accuracy of the declarations made. While the output of the independent verification is under review a preliminary view is that there is a high level (over 95%) agreement with the accuracy of the declarations made and the HSE Procurement’s review of same.

**Outcome of SIC self-assessment process:**

**Compliant Procurement**

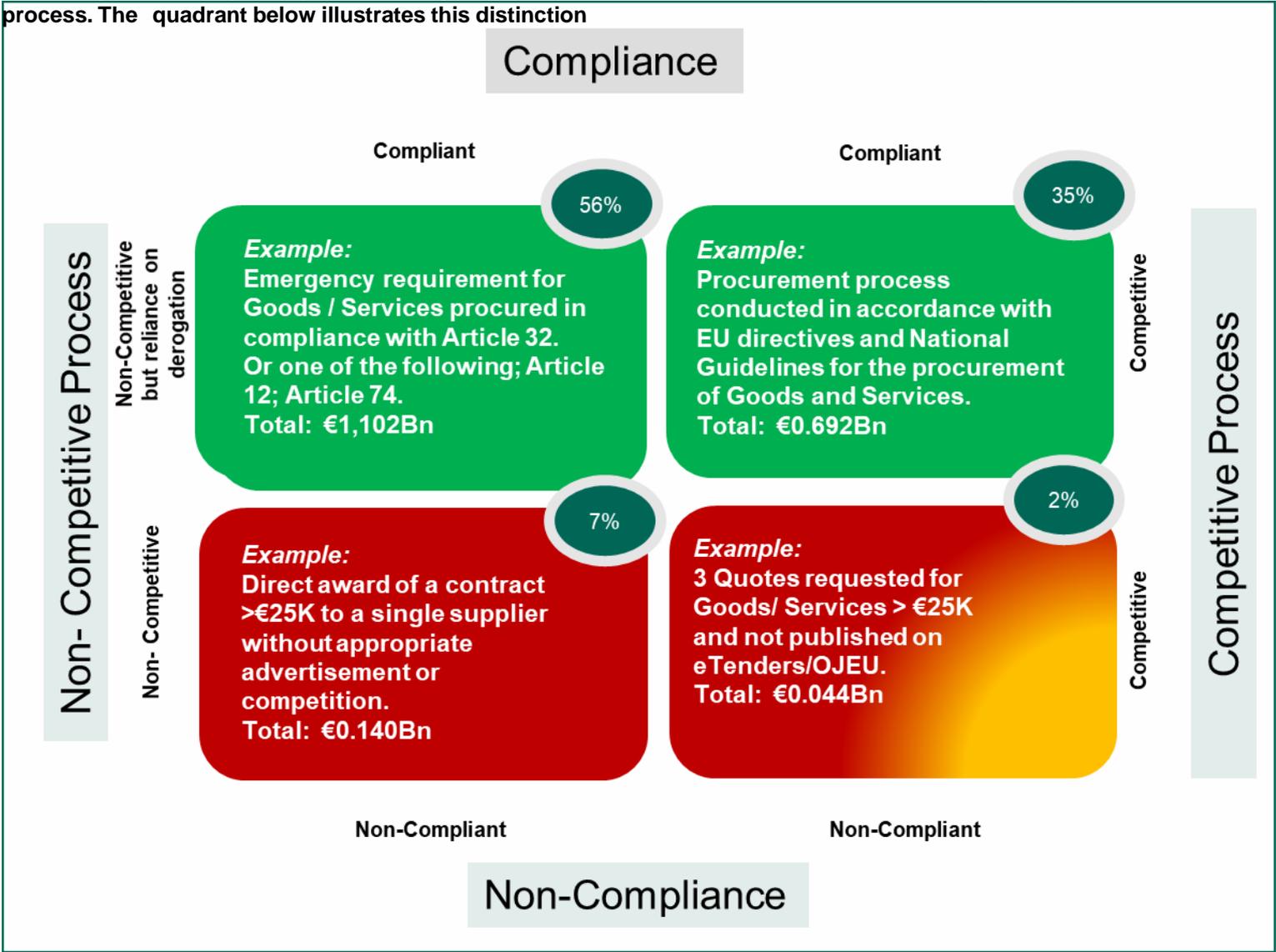
Of the total 2020 spend analysed, **91% was declared to be compliant (representing a value of €1,794,113,796)** and 9% was declared to be non-compliant (representing a value of €184,805,979). A significant portion of health service spend is procured in a compliant manner without competitive process using permitted derogations under EU Directive 2014/24/EU. This is explained in greater detail in Appendix 2 – Permitted Derogations

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### **Competitive Procurement**

Of the total 2020 spend analysed, 37% was declared to be awarded based on a competitive process (representing a value of €736,264,755) and 63% was declared to be awarded from a non-competitive process (representing a value of €1,242,655,020). A significant portion of health service spend is procured without competitive process using permitted derogations under EU Directive 2014/24/EU. This is particularly true in respect of Covid related expenditure and is explained in greater detail in Appendix 3 - Summary – Compliance/Competitive Expenditure Profile

**Non-compliance with public procurement procedures should not be conflated with a non-competitive procurement process. The quadrant below illustrates this distinction**



### **Conclusions**

HSE is demonstrating significant progress in respect of Provision 8.16 of the Code of Practice for the Governance of State Bodies through its SIC process of self-declaration of non-competitive and of non-compliant spend by its managers, and the development of a comprehensive Corporate Procurement Planning (CPP) Toolset which incorporates functionality to support this process on a continuing basis, the overall levels of non-compliance with the rules and principles governing public procurement declared will require significant effort to improve.

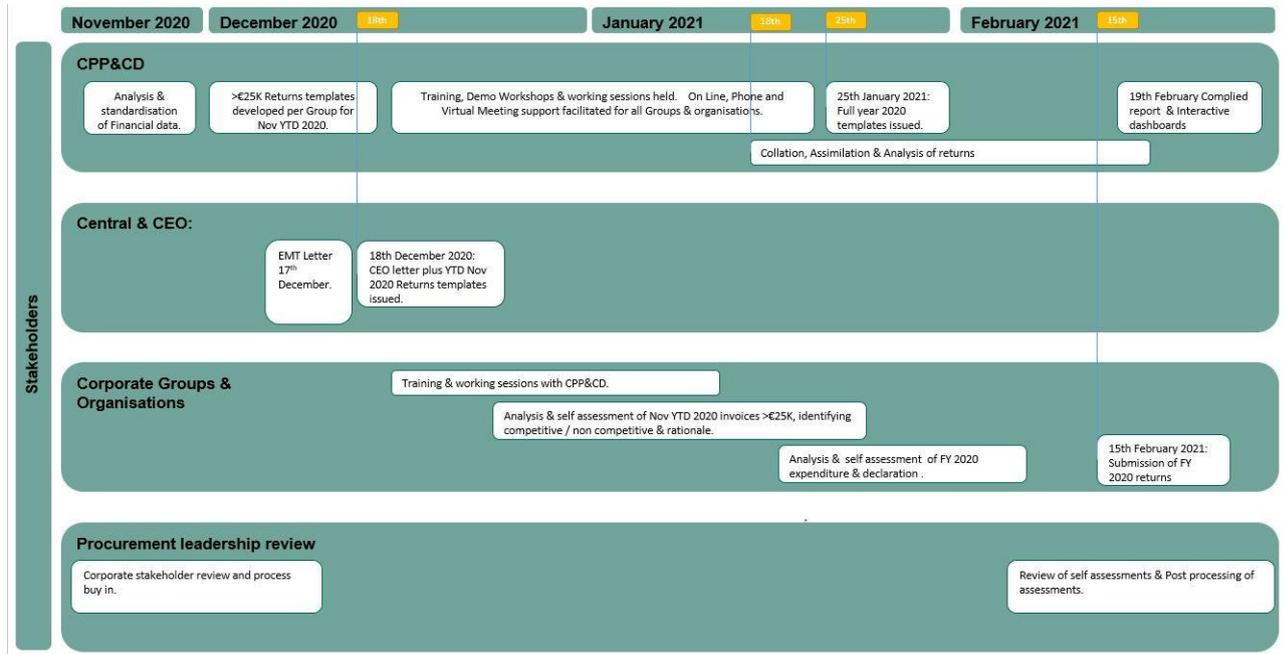
1. The HSE continues to have a significant level of non-compliant spend on goods and services (9% declared, representing a value of €184,805,979).

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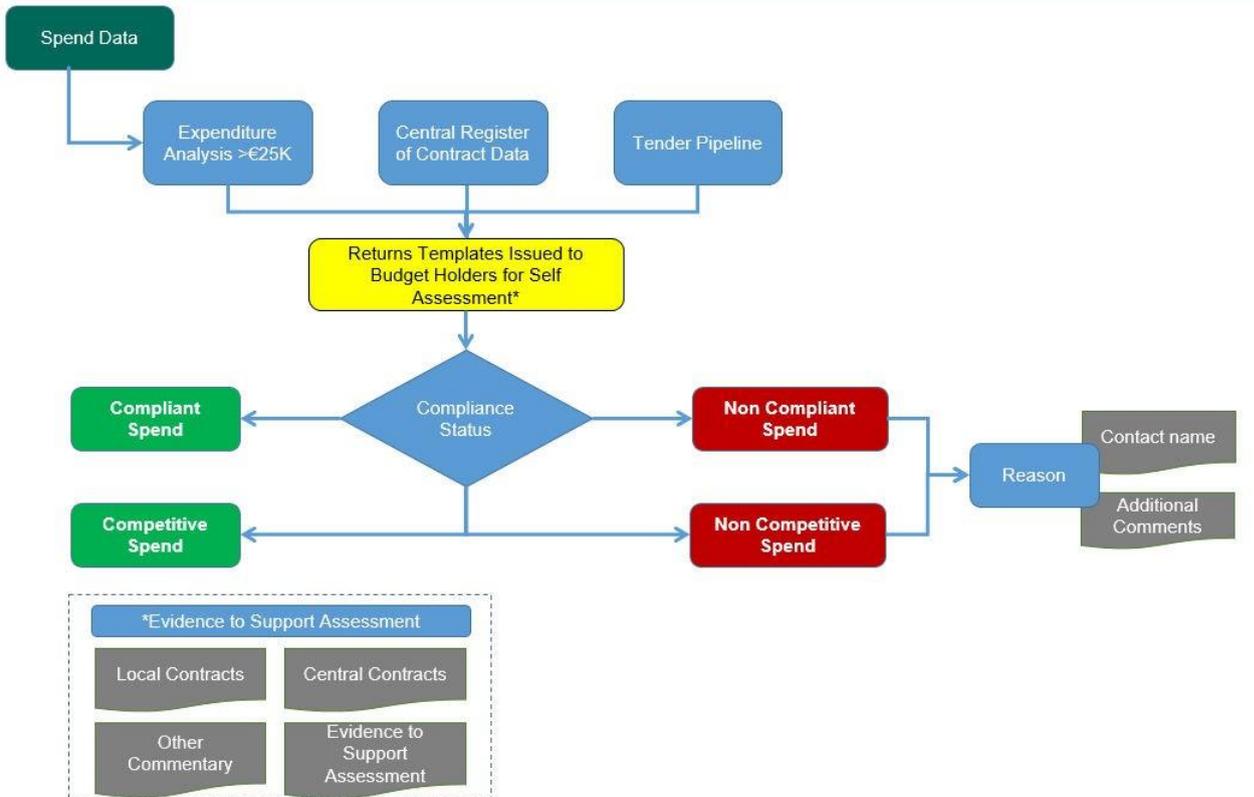
2. The HSE has a very significant level of non-competitive spend on goods and services (63% declared, representing a value of €1,242,655,020)
3. The Covid crisis has impacted heavily on the HSE' Procurement Plan in terms of a major surge of additional urgent procurement requirements necessitating the fulltime deployment of c. 50% of the sourcing team and also the unavailability of Clinical and Technical Evaluation Groups to participate in tender competitions. This has impacted on the completion of planned replacement contracts for goods and services necessitating the extension of these contracts beyond the timeframe specified in the original tender competition. **Additional effort will be required by HSE to improve Spend Under Management (SUM)**

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## Appendix 1. Non-Competitive and Non-Compliant Procurement 2020 SIC Declaration Process



## Non-Competitive and Non-Compliant Procurement 2020 SIC Declaration Process



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**Appendix 2. Permitted Derogations (EU Procurement Directive 2014/14/EU)**

Heading	Instruction / Description	Legal Justification
<b>Extension or rollover of existing or similar contract</b>	Similar contract awarded competitively earlier and new contract is performed on the same terms	<p><b>Article 72. C</b> - Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Directive and where all of the following conditions are fulfilled:</p> <p>(i) the need for modification has been brought about by circumstances which a diligent contracting authority could not foresee;</p> <p>(ii) the modification does not alter the overall nature of the contract;</p> <p>(iii) any increase in price is not higher than 50 % of the value of the original contract or framework agreement.</p>
<b>Urgency</b>	For reasons of extreme urgency arising from events unforeseeable competitive process could not be undertaken in the time available.	<b>Article 32.2.C</b> - Award of contract without prior publication, in so far as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with. The circumstances invoked to justify extreme urgency shall not in any event be attributable to the contracting authority.
<b>Urgency Covid Related</b>	Please identify if this extreme urgency was Covid related and identify what is the evidence base supporting this.	<b>Article 32.2.C</b> - Award of contract without prior publication, in so far as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with. The circumstances invoked to justify extreme urgency shall not in any event be attributable to the contracting authority.
<b>Commodity Items</b>	Supplies quoted and purchased on a commodity market	<b>Article 32.3.C</b> - The negotiated procedure without prior publication may be used for public supply contracts: for supplies quoted and purchased on a commodity market
<b>Particularly Advantageous Terms</b>	The purchase of supplies on particularly advantageous terms, from either a supplier which is definitively winding up its business activities, or the receivers or liquidators of a bankruptcy, an arrangement with creditors, or a similar procedure under national laws or regulations	<b>Article 32.3.D</b> - The negotiated procedure without prior publication may be used for public supply contracts: for the purchase of supplies or services on particularly advantageous terms, from either a supplier which is definitively winding up its business activities, or the liquidator in an insolvency procedure, an arrangement with creditors, or a similar procedure under national laws or regulations.
<b>Additional Works or Services</b>	For additional works or services not included in the project initially considered or in the original contract but which have, through unforeseen circumstances, become necessary for the performance of the works or services described therein, on condition that the award is made to the economic operator performing such works or services: when such additional works or services cannot be technically or economically separated from the original contract without major inconvenience to the contracting authorities, or when such works or services, although separable from the performance of the original contract, are strictly necessary for its completion. However, for contracts above EU threshold values the aggregate value of contracts awarded for additional works or services may not exceed 50 % of the amount of the original contract	<p><b>Article 72. C</b> - Contracts and framework agreements may be modified without a new procurement procedure in accordance with this Directive and where all of the following conditions are fulfilled:</p> <p>(i) the need for modification has been brought about by circumstances which a diligent contracting authority could not foresee;</p> <p>(ii) the modification does not alter the overall nature of the contract;</p>
<b>Extension or rollover of existing or similar contract</b>	For additional works or services not included in the project initially considered or in the original contract but which have, through unforeseen circumstances, become necessary for the performance of the works or services described therein, on condition that the award is made to the economic operator performing such works or services: when such additional works or services cannot be technically or economically separated from the original contract without major inconvenience to the contracting authorities, or when such works or services, although separable from the performance of the original contract, are strictly necessary for its completion. However, for contracts above EU threshold values the aggregate value of contracts awarded for additional works or services may not exceed 50 % of the amount of the original contract	<p>(iii) any increase in price is not higher than 50 % of the value of the original contract or framework agreement.</p>
<b>Special Advantage</b>	Chosen supplier had special advantage due to earlier research exclusively carried out in a particular area, or had exclusive data or information required to perform particular task and therefore competition was absent. HSE can demonstrate that it could not award the contract more economically	

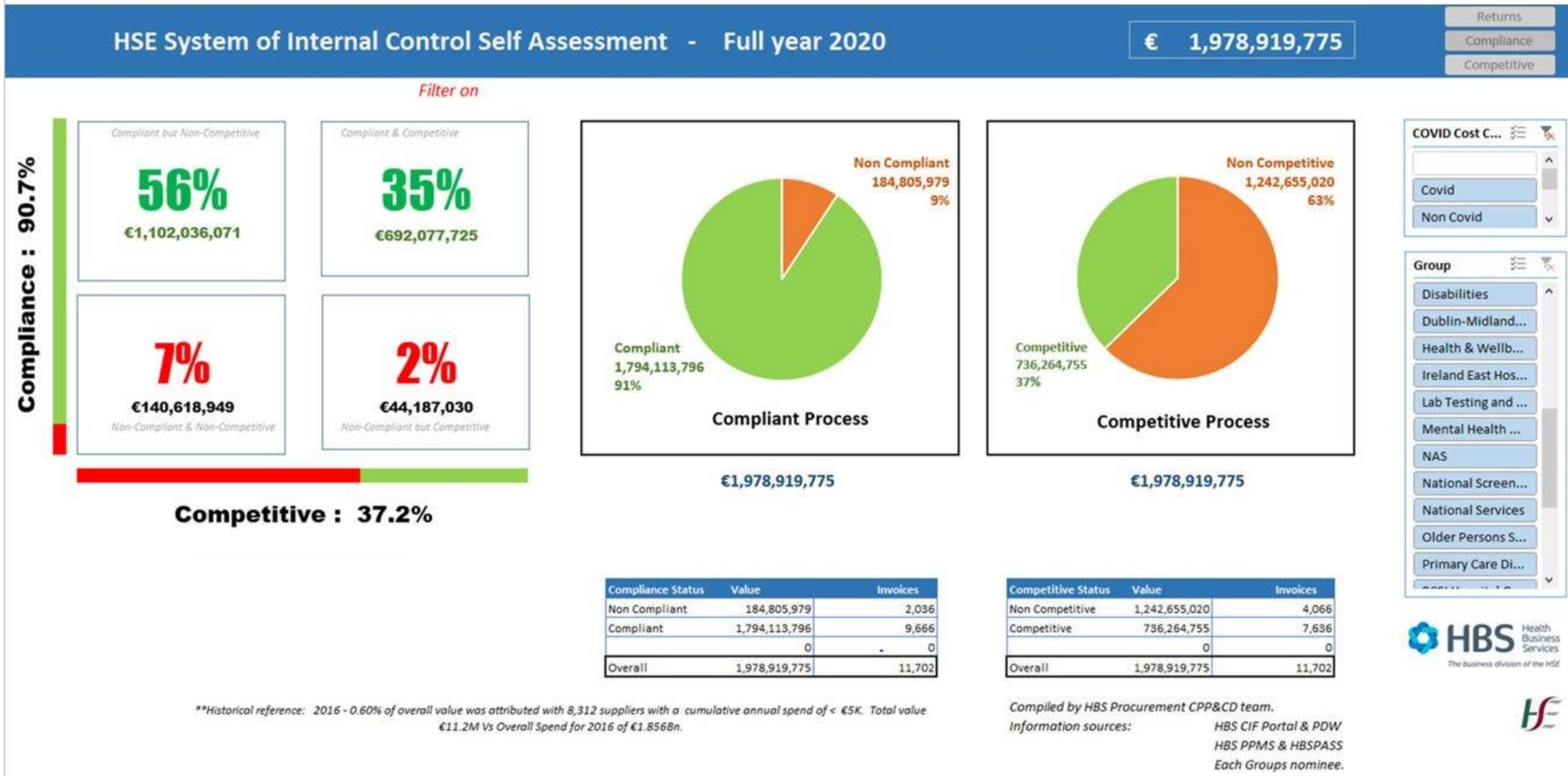
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Heading	Instruction / Description	Legal Justification
<b>Competition Failed</b>	When no tenders or no suitable tenders or no applications have been submitted in response to an open procedure or a restricted procedure and the initial conditions of contract are not substantially altered	<p><b>Article 32.2.A</b> - The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases; where no tenders or no suitable tenders or no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered and that a report is sent to the Commission where it so requests.</p> <p>A tender shall be considered not to be suitable where it is irrelevant to the contract, being manifestly incapable, without substantial changes, of meeting the contracting authority's needs and requirements as specified in the procurement documents. A request for participation shall be considered not to be suitable where the economic operator concerned is to be or may be excluded pursuant to Article 57 or does not meet the selection criteria set out by the contracting authority pursuant to Article 58.</p>
<b>Exclusive Rights / Proprietary</b>	When, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the contract may be awarded only to a particular economic operator	<p><b>Article 32.2.B</b> - The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:</p> <ul style="list-style-type: none"> <li>(i) the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance;</li> <li>(ii) competition is absent for technical reasons;</li> <li>(iii) the protection of exclusive rights, including intellectual property rights;</li> </ul>
<b>Additional Deliveries by the Original Supplier</b>	For additional deliveries by the original supplier which are intended either as a partial replacement of normal supplies or installations or as the extension of existing supplies or installations where a change of supplier would oblige the contracting authority to acquire material having different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and maintenance; the length of such contracts as well as that of recurrent contracts may not, as a general rule, exceed three years	<b>Article 32.3.B</b> - The negotiated procedure without prior publication may be used for public supply contracts: for additional deliveries by the original supplier which are intended either as a partial replacement of supplies or installations or as the extension of existing supplies or installations where a change of supplier would oblige the contracting authority to acquire supplies having different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and maintenance; the duration of such contracts as well as that of recurrent contracts shall not, as a general rule, exceed three years;
<b>Not Procurable by Competition</b>	e.g. Rent, Statutory Payments, Event / Course Fees on the open market, Licensed / Specialist Training Aids & Literature only available from an institution, Gaurdian ad Litum Service	Not applicable
<b>Public to Public (Article 12) and Recital 31 &amp; 32</b>	<p>All 3 conditions must be met:</p> <ul style="list-style-type: none"> <li>a. The contract establishes or implements a cooperation between the participating contracting authorities with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common;</li> <li>b. The implementation of that cooperation is governed solely by considerations relating to the public interest</li> <li>c. The participating contracting authorities perform on the open market less than 20% of the activities concerned by the cooperation.</li> </ul>	<p><b>Article 12.4</b> - A contract concluded exclusively between two or more contracting authorities shall fall outside the scope of this Directive where all of the following conditions are fulfilled:</p> <ul style="list-style-type: none"> <li>(a) the contract establishes or implements a cooperation between the participating contracting authorities with the aim of ensuring that public services they have to perform are provided with a view to achieving objectives they have in common;</li> <li>(b) the implementation of that cooperation is governed solely by considerations relating to the public interest; and</li> <li>(c) the participating contracting authorities perform on the open market less than 20 % of the activities concerned by the cooperation.</li> </ul>
<b>(Teckal Case C-107/98)</b>		

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Appendix 3. Summary – Compliance/Competitive Expenditure Profiles

# Overall Returns Profile FY 2020



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# COVID Profile:

HSE System of Internal Control Self Assessment - Full year 2020

€ 1,343,719,286

- Returns
- Compliance
- Competitive

Filter on

Compliance : 94.5%

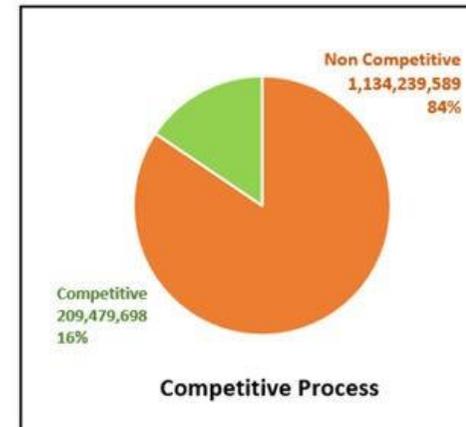


**Competitive : 15.6%**



€1,343,719,286

Compliance Status	Value	Invoices
Non Compliant	73,243,664	297
Compliant	1,270,475,622	2,882
	0	0
Overall	1,343,719,286	3,179



€1,343,719,286

Competitive Status	Value	Invoices
Non Competitive	1,134,239,589	2,281
Competitive	209,479,698	898
	0	0
Overall	1,343,719,286	3,179

COVID Cost C...

- Covid
- Non-Covid

Group

- Disabilities
- Dublin-Midland...
- Health & Wellb...
- Ireland East Hos...
- Lab Testing and ...
- Mental Health ...
- NAS
- National Screen...
- National Services
- Older Persons S...
- Primary Care Di...



\*\*Historical reference: 2016 - 0.60% of overall value was attributed with 8,312 suppliers with a cumulative annual spend of < €5K. Total value €11.2M Vs Overall Spend for 2016 of €1.856Bn.

Compiled by HBS Procurement CPP&CD team.  
 Information sources: HBS CIF Portal & PDW  
 HBS PPMS & HBSPASS  
 Each Groups nominee.

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# NON COVID Profile

HSE System of Internal Control Self Assessment - Full year 2020

€ 635,200,489

- Returns
- Compliance
- Competitive

Filter on

Compliance : 82.4%

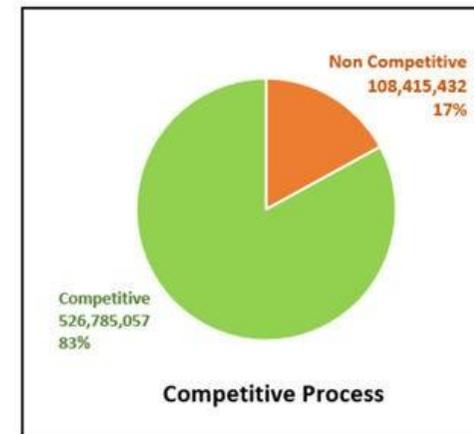


Competitive : 82.9%



€635,200,489

Compliance Status	Value	Invoices
Non Compliant	111,562,314	1,739
Compliant	523,638,174	6,784
	0	0
<b>Overall</b>	<b>635,200,489</b>	<b>8,523</b>



€635,200,489

Competitive Status	Value	Invoices
Non Competitive	108,415,432	1,785
Competitive	526,785,057	6,738
	0	0
<b>Overall</b>	<b>635,200,489</b>	<b>8,523</b>

COVID Cost C...

COVID

**Non Covid**

Group

- Disabilities
- Dublin-Midland...
- Health & Wellb...
- Ireland East Hos...
- Lab Testing and ...
- Mental Health ...
- NAS
- National Screen...
- National Services
- Older Persons S...
- Primary Care Di...



\*\*Historical reference: 2016 - 0.60% of overall value was attributed with 8,312 suppliers with a cumulative annual spend of < €5K. Total value €11.2M Vs Overall Spend for 2016 of €1.856Bn.

Compiled by HBS Procurement CPP&CD team.  
 Information sources: HBS CIF Portal & PDW  
 HBS PPMS & HBSPASS  
 Each Groups nominee.



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

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26<sup>th</sup> August 2021

Mr Pat Fannin,  
Committee Secretariat,  
Public Accounts Committee,  
Leinster House,  
Dublin 2.

**Re: (Ref: S0487 PAC33)**

Dear Mr Fannin,

I refer to your recent correspondence to Mr. Paul Reid, Chief Executive Officer, Health Service Executive and the request for information in relation to the Service Level Agreement (SLA) between the HSE and Southdoc regarding the provision of services under the GP Visit and General Medical Card schemes.

Please find below for the attention of the Public Accounts Committee members a briefing note on the matter as requested.

If any further information is required please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in blue ink that reads "Ray Mitchell".

**Ray Mitchell**  
**Assistant National Director**  
**Parliamentary Affairs Division**

**Encl.**

# Updated Briefing Note for the Committee of Public Accounts regarding SouthDoc Out-of-Hours Service.

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## **Details in relation to governance arrangements for the SLA.**

Services provided by SouthDoc are governed by a Service Level Agreement which is agreed and signed annually.

This SLA is reviewed quarterly where a review meeting is held between SouthDoc and HSE Management. The following agenda items are reviewed /discussed and followed up as appropriate:

- Quality and safety
- Performance
- Human Resources
- Governance
- Finance
- Planning

In addition, an annual financial statement is provided by SouthDoc each year as well as an annual financial monitoring return, which are both reviewed by HSE Finance Managers with follow up as appropriate.

An annual compliance statement is also submitted to the HSE Compliance Unit and responses to any queries raised by the unit provided by South Doc.

## **The level of public expenditure involved.**

The agreed level of expenditure for the full year 2021 is €7.5M.

## **The scope of the SLA.**

All out of hour's services provided by SouthDoc in the Counties of Cork and Kerry are covered by the Service Level Agreement.

## **Whether there is a penalty clause in the contract for the SLA.**

The Service Level Agreement, which is signed annually with SouthDoc, is a nationally agreed document specific to Primary Care Services.

Under part 1 of this SLA there are specific clauses which relate to the issue of non-compliance.

## **The number of centres currently operating and in receipt of funding as well as any reasons for closures of centres.**

There are 12 Active Treatment Centres as well as 6 Treatments centres which are attended by appointment only in operation throughout the SouthDoc catchment area. Funding is provided in respect of the overall service and not allocated to individual treatment centres. While some treatment centres were temporarily closed due to safety concerns associated with Covid 19 in lien with public health guidelines, all patients were still in receipt of a full out of hours service which may have been provided in a different location or via telehealth.

## **Clarification as to whether funding was provided for the periods when SouthDoc was closed.**

The Southdoc service continued to operate throughout the Covid pandemic with the utilisation of the necessary precautions required during the different phases of the public health emergency. They introduced a medical triage as an additional measure to the normal triage and whereby they could deal with certain issues via telecommunication, where this was possible and appropriate. There were 2 specific sites which were later to open, Listowel Co Kerry and the Blackpool Centre Cork City.

Any patient who sought service from Southdoc was subject to the triage process as outlined and if necessary received a home visit or clinical advice or consultation as was necessary. Some of these consultations may have occurred in Southdoc centres such as Tralee in the case of Kerry or in the case of Cork in the Southdoc headquarters in Cork City. Both such services were the subject of discussion regarding their restoration and this has either been achieved or is now planned for, subject to public health measures that will pertain at the time.

Full funding was provided for the periods when the Southdoc service had to be altered during the public health emergency and in light of the new requirements to be able to support the provision of the service to the public in alternative ways during the time period concerned.

## **Community Operations**

**HSE**

**August 2021**