

PWYLLGOR CYLLID FINANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	29 June 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Oracle E-Business Suite Upgrade – Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Huw Thomas, Director of Finance

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

Hywel Dda University Health Board, in common with all Health organisations in Wales, uses the Oracle E-Business Suite (EBS) to maintain its financial ledger and procurement. Support for the R12.1.3 version of Oracle EBS, currently used in Wales, expires in December 2021. Directors of Finance agreed to move to the R12.2.9 version to remain on a supported platform with a planned go-live date of 20th July 2021.

Detailed below is the current status of the Oracle EBS R12.2.9 upgrade.

Cefndir / Background

The Oracle EBS in Wales has a managed service contract which is provided by Version 1. This contract is managed for the NHS in Wales (the Consortium), by the NHS Wales Shared Services Partnership (NWSSP) Central Team E Services (CTES).

The Oracle EBS is currently on platform version R12.1.3 and premier support for this expires in December 2021.

Directors of Finance supported the all Wales Consortium Strategy & Development Board (STRAD) recommendation to upgrade the Oracle EBS from R12.1.3 to R12.2.9 before December 2021, in order to remain on a supported platform.

The upgrade project commenced in January 2021, with a plan to undertake 4 iterations of user acceptance testing (UAT) in two phases before going live on 20th July 2021:

- Phase 1 – UAT1.1 and UAT1.2
- Phase 2 – UAT2.1 and UAT2.2

The aim of UAT2.2, the final iteration, is to undertake full end-to-end testing without any issues or fixes, with the same expectation on go live.

Asesiad / Assessment

Phase 1 was signed off overall, with a number of outstanding issues carried forward to Phase 2, with the caveat that these would be resolved before completion of UAT2.2. Sign-off was mainly based on UAT1.2 results, as performance of the UAT1.1 environment was degraded and impacted on the ability of testers to perform end-to-end testing. UAT1.1 would therefore not have been signed off on its own results.

At the end of UAT2.1 an analysis of the overall issues across the Consortium identified 16 issues which occurred in both Phase 1 and UAT2.1, and 21 new issues in UAT2.1.

The 37 issues were resolved and now form part of wider Version 1 and/ or Central Team (CTES) implementation plans i.e. they are included in their run book and should not recur. However, because of the volume of issues which recurred in UAT2.1 from Phase 1 and the volume of new issues, the Operational and Technical Group (OPTEC) members, responsible for project managing the R12.2.9 upgrade, indicated their confidence was low and felt this needed to be tested in a new third cycle, to evidence that all issues had been identified and resolved, before proceeding to go-live.

A third cycle, being a new environment for testing, would require the run book items to be implemented, whereas UAT2.2 would be on the same platform as UAT2.1 and, as such, the run book items could not be further tested in this environment.

Following on from the OPTEC Board meeting on Thursday 27th and STRAD Board meeting on Friday 28th May 2021, a decision was made to cancel UAT 2.2 and to start planning for a new UAT 3 cycle.

As a result of the new UAT cycle the original go-live date of July 2021 is no longer achievable. CTES and Version 1 are now in the process of re-planning the implementation based on the pre-agreed contingency dates in October 2021; these dates are yet to be confirmed.

The risks of remaining on the 'As Is' plan/ moving to a new UAT test cycle were presented to the STRAD group prior to them making their decision, the key risks being:

Risks of continuing with the planned go live:

The risk being high to patient care if, following a planned 4-day system downtime, the run book issues recurred on go-live and service users could not order/ receive goods and services in a timely manner.

There is also a risk to the potential integrity of the financial system and ability to produce internal/ external reports in line with agreed month-end timelines.

Risks of a new UAT cycle and go live date:

Health organisations could be under further COVID-19 pressures in the autumn. If the October 2021 timeline is missed there would be additional costs to the Consortium.

Other risks involve extension to the timelines for other project areas – disaster recovery testing, no system bug fixes/ patches *i.e.* an extended change freeze and system developments.

Argymhelliad / Recommendation

The Finance Committee is requested to note the content of the update above.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor	3.5.9 Commissioning regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money.
Cyfeirnod Cofrestr Risg Risk Register Reference:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability 7. Staff and Resources
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives:	Improve efficiency and quality of services through collaboration with people, communities and partners

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	R12.2.9 upgrade project highlight report
Rhestr Termau: *Glossary of Terms:	<p>Explanation of terms is included within the report. Additional explanations as follows:</p> <p>STRAD – Consortium Strategy and Development Board. The governance group is made up of representatives from each Health organisation in Wales that are members of the Consortium.</p> <p>UAT – User Acceptance Testing. Testing updates/changes to the EBS in a test environment before releasing them into the live environment, to ensure the system performs as expected.</p> <p>End to end testing – to test transactions through each process step from start to finish to ensure the system performs as expected e.g. from raising a purchase</p>

	<p>requisition through to paying it and reporting it in the ledger.</p> <p>Run book – Version 1 and CTES implementation plan for the upgraded system. These are tasks that need to be implemented prior to releasing the upgraded environment to the Consortium members.</p>
<p>Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cyllid: Parties / Committees consulted prior to Finance Committee:</p>	<p>R12.2.9 Project Sponsor (Assistant Director of Finance)</p>

<p>Effaith: (rhaid cwblhau)</p> <p>Impact: (must be completed)</p>	
<p>Ariannol / Gwerth am Arian: Financial / Service:</p>	<p>Financial & Procurement implications are noted within the report</p>
<p>Ansawdd / Gofal Claf: Quality / Patient Care:</p>	<p>Risk to our financial and procurement system affects our ability to discharge timely and effective care to patients</p>
<p>Gweithlu: Workforce:</p>	<p>Impact on finance and procurement users of system</p>
<p>Risg: Risk:</p>	<p>Financial & Procurement risks are detailed in the report</p>
<p>Cyfreithiol: Legal:</p>	<p>The UHB has a legal duty to deliver a breakeven financial position over a rolling three-year basis and an administrative requirement to operate within its budget within any given financial year.</p>
<p>Enw Da: Reputational:</p>	<p>EBS must be fit for purpose or it will affect our reputation with Welsh Government, the Audit Wales, and with external stakeholders</p>
<p>Gyfrinachedd: Privacy:</p>	<p>Not Applicable</p>
<p>Cydraddoldeb: Equality:</p>	<p>Not Applicable</p>