



UFMS Newsletter

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Driving Toward "One HHS": UFMS Launched!

Secretary Thompson has directed that a unified accounting system be established for the Department of Health and Human Services (HHS). This modern financial system, known as the *Unified Financial Management System (UFMS)*, will replace the multiple, outdated accounting systems currently in use across the Department. It will support, at a minimum, traditional accounting functions (such as general ledger, cost management, accounts receivable and payable, etc.) as outlined by the Joint Financial Management Improvement Program (JFMIP). The Secretary wants to achieve greater economies of scale, eliminate duplication, and

provide better service delivery.

The Secretary further directed that UFMS would consist of two major components:

- the Healthcare Integrated General Ledger Accounting System (HIGLAS) at the Centers for Medicare and Medicaid Services (CMS), and
- a unified system for the rest of the Department.

Consistent with the Secretary's vision, CMS has begun the planning and design of HIGLAS and the Department has begun planning for UFMS.

Welcome from Gerald Thomas, UFMS Program Director



Gerald Thomas
UFMS Program Director

The UFMS project is challenging and exciting. Its success depends on the input and collaboration of many of our HHS colleagues across the Department. I'm proud to have the opportunity to direct this project.

Since we'll be working together for a long time and sharing our thoughts in this newsletter and elsewhere, I am pleased to provide some introductory information.

I joined HHS from the Defense Department in January 2002 to serve as UFMS Program Director. I had been director of the Business Modernization and Systems Integration Directorate in the Office of the Secretary of DoD, with responsibility for leading DoD's strategic financial management modernization program, including the development of a department-wide financial management enterprise architecture.

Previously at DoD, I served as Assistant Director for Accounting Standards and Systems Requirements, Systems Integration Directorate, in the Defense Finance and Accounting Service.

I directed DFAS's accounting and finance systems compliance initiatives and worked with DoD agencies to integrate their "feeder" systems into the Defense Corporate Information Infrastructure.

I worked with the U.S. General Accounting Office for 20 years, becoming Assistant Director, Defense Financial Audits, Accounting and Information Management Division. I joined GAO upon graduating from East Carolina University, Greenville, NC, in 1976 where I earned a Bachelor of Science in Business Administration (Accounting). I am a Certified Public Accountant (Maryland) and a Certified Government Financial Manager.

I have written two books on the Civil War: *Divided Allegiances: Bertie County during the Civil War* and *Bertie in Blue: Experiences of Bertie County's Union Servicemen during the Civil War*.

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The Challenge

From the outset of the UFMS project, the HHS team understood that the implementation of a *unified* financial management system across HHS poses technical as well as significant operational and organizational challenges. Among the reasons UFMS is a more complex project than its name may imply are the following:

- *HHS has a variety of organizational cultures in its agencies.*
- *UFMS represents a change in the Department's traditionally decentralized financial management model.*
- *Component agencies were implementing and/or pursuing new financial systems independently at the time of the Secretary's June 2001 Memorandum.*

In addition to these challenges, the system implementation itself is daunting. Five 'legacy' accounting systems currently are in use across HHS that employ different technologies and disparate data definitions, and are not electronically integrated.

Implementing one financial system that can support the diverse, complex needs of each component agency will require significant collaboration across the Department. HHS has

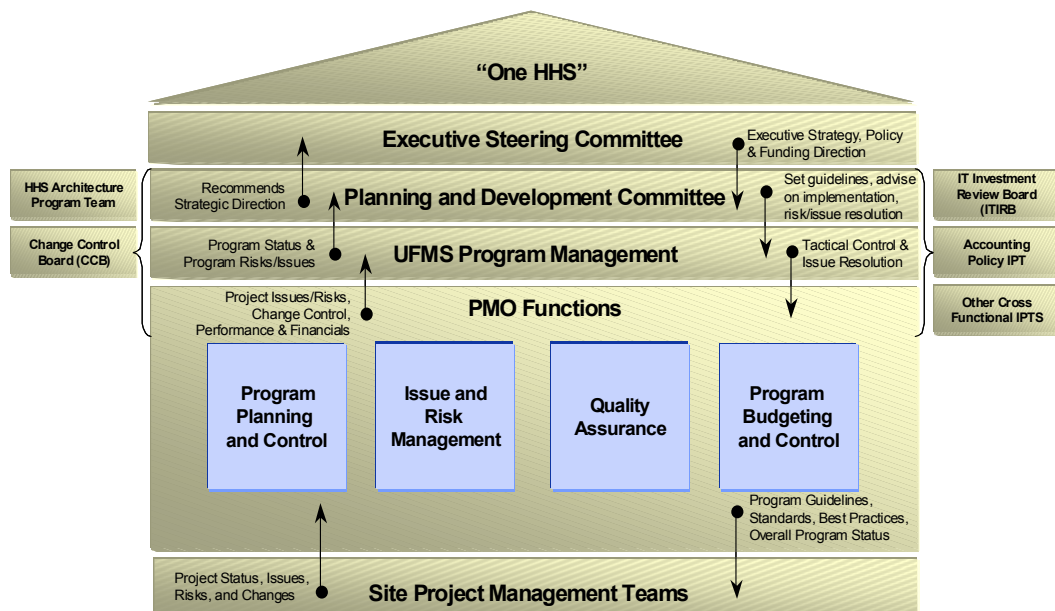
responded by building a knowledgeable team with representation from every component agency to address these challenges head on.

The UFMS Leadership Team

Ms. Janet Hale, Assistant Secretary for Budget, Technology and Finance (ASBTF), is responsible for setting the strategic direction of the UFMS project. Ms. Hale is committed to helping the Secretary build "One HHS" and will work with all of the partners in the Governance structure toward that goal.

Representatives from each component agency are participating in the UFMS Project. Many are serving on the Project Management Office (PMO) team. Representatives are contributing to decision-making and oversight through two committees. The **Steering Committee** consists of the Chief Operating Officer equivalents at each agency. The SC serves as a strategic advisory board that provides counsel to the ASBTF/CFO and makes decisions regarding: UFMS policy, strategy, funding and program risks. The Steering Committee will also provide oversight for each major Department-wide system integration project. The **Planning and Development Committee** consists of the Chief Information Officers and Chief Financial Officers

UFMS Program Management Communication Flow





from each agency and the Deputy Assistant Secretaries from the Office of the Assistant Secretary for Administration and Management (ASAM) and from ASBTF. The PDC provides oversight and guidance to the UFMS PMO throughout the planning, design and implementation phases of the UFMS Program.

The PMO has the day-to-day responsibility for the planning, development and implementation of UFMS.

UFMS: Building the Foundation

One of the first strategic accomplishments of the HHS team and its systems integrator (KPMG Consulting) was developing a UFMS mission statement and objectives that support Secretary Thompson's "One HHS" vision. These documents, also known as 'foundational agreements' are used to:

- Promote collective understanding of the target end state, primary objectives and project parameters;
- Drive target business model development and effective implementation planning;
- Balance value perspectives which may differ based upon role and organization; and
- Help UFMS executive stakeholders reach understandings and agreements that result in unified, decisive action.

The UFMS mission statement:

"The Department shall have an integrated Department-wide financial system that consistently produces relevant, reliable, and timely financial information to support decision-making and cost-effective business operations at all levels throughout the Department."

The team is focused on achieving the following program objectives:

- Eliminate redundant and outdated financial systems by implementing a modern integrated HHS-wide system
- Produce accurate, timely, reliable and relevant financial information to help HHS managers make fact-based decisions to

improve customer service

- Comply with applicable Federal financial management system requirements, accounting and transaction standards
- Strengthen internal controls by instituting business rules, data standards and accounting policies across HHS, and
- Continue to achieve unqualified audit opinions on annual financial statements.

Integrating with Other Initiatives

The UFMS implementation is one of HHS's most significant e-business initiatives. Therefore, it impacts and can be impacted by other HHS and Federal Government e-Government system implementations. The UFMS team has incorporated a strategic planning process for conducting joint planning with other major initiatives. These include the HHS Enterprise Human Resource Planning (EHRP) project, the HHS enterprise architecture planning initiatives, and Federal initiatives such as the Federal e-Grants (being led by HHS), e-Travel and e-Payroll Programs. This strategic planning process is being implemented in parallel with the UFMS systems integration effort to ensure that impacts to other initiatives are identified and planned for as soon as possible.

What is the BACS?

The Budget and Accounting Classification Structure (BACS) is the accounting classification for categorizing the component agencies' and the Department's financial information. The UFMS team has been working with the Accounting Policy Workgroup to define a BACS for the Department to support agency-level core financial operations and reporting, and support Department-level consolidated financial reporting.

If you are interested in joining the UFMS team, send your resume to Ufms.project@hhs.gov

Or if you just have some questions about the Program, feel free to:

CONTACT US

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Oracle as the Core Financial System

The UFMS project team is implementing Oracle Federal Financials 11i, a family of industry leading financial management and accounting applications, as the core financial system for the Department. Oracle Federal Financials easily maps to the JFMIP functions included in the UFMS implementation and will enable HHS to:

- 1) make management decisions on more timely and reliable information
- 2) reduce finance, administrative and IT costs
- 3) improve operational efficiencies and

4) lower transaction costs and cycle times while improving the accuracy of transaction data.

Implementing Oracle 11i will enable HHS to reduce processing time, institute statutory financial controls and deliver comprehensive financial information throughout the Department.

Using the new system, line managers will be able to analyze the state of their business every day—relative to past, present, and projected performance metrics. This real-time view will allow HHS managers and senior leaders to make better decisions, make daily corrections and drive towards its goals.

Accomplishments to Date

The HHS/KPMG Consulting team has been working on critical analysis and implementation planning activities for the UFMS initiative. Currently, the team is completing the UFMS Implementation Plan, which when done will represent the culmination of initial analytical and planning activities. Some of the key team deliverables that were prerequisites to the implementation plan include:

- UFMS Governance Plan - outlines the oversight structure and processes for the UFMS implementation
- UFMS Risk Assessment and Management Plan (RAMP) - describes the processes and responsibilities involved in risk assessment and mitigation
- UFMS Target Business Model and High-Level Fit/Gap Analysis - provides HHS with a vision of financial management operations after UFMS is implemented
- UFMS Future State Architecture - depicts the underlying technology that will be required to implement the system and how this technology supports the requirements of UFMS
- UFMS Change Management Plan - focuses on the people and organizational aspects of the project

- UFMS Organization and Staffing Plan – documents the implementation team structure and make-up
- UFMS Performance Measurement Plan – provides cost, schedule and technical measures against which the project's progress will be gauged

What's Next? Think Global

The UFMS *Global Design* activities will begin October 2002 for the purpose of developing standards and common processes across the Department. The UFMS team will develop standards that relate to such implementation activities as application development, test scenarios, or training standards. The team will also define and institute standards pertaining to ongoing accounting, technology and business policies. The Global Design will consider the needs of HHS and the component agencies as well as best practices in implementing financial systems for large-scale organizations.

The UFMS team will use information from the NIH NBRSS project and the UFMS Consolidated Requirements as the starting point for Global Design activities. Other inputs will include information from other Oracle Federal Financials projects as well as KPMG Consulting's Knowledge Repository from similar scale initiatives.