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ACCOUNTING OFFICER ASSESSMENT: NEW FINANCE & HR SYSTEM FOR FCDO

It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start or vary major projects, and then to assess whether they measure up to the standards set out in *Managing Public Money*. From April 2017, the government has committed to make a summary of the key points from these assessments available to Parliament where they involve projects within the Government's Major Projects Portfolio.

This Accounting Officer Assessment considers the revised implementation dates for the FCDO Hera Programme to create a single integrated finance and HR system for the Department.

Background

The Hera programme was established by the FCDO to deliver a modern single integrated finance and HR system and has operated under a Full Business Case approved in March 2021. The Hera Programme is designed in line with the government's shared services strategy to shift to cloud-based systems using standard HR and finance processes. The aim is to create a single system for the department that will improve the user experience, improve alignment of government overseas, drive efficiency and provide better management information for managing resources effectively.

The Hera implementation plan sought to implement a two-phased delivery approach with deployment to former FCO system users in Autumn 2021 and form DFID users in the Spring of 2022. In September 2021, because of a combination of technical and resourcing issues, the programme recognised that successful implementation to that timeline was no longer possible. Following extensive replanning and drawing on external advice and recommendations from the IPA, a revised plan to deploy the Hera programme in 2022 was approved. Since then, the Hera programme has progressed to plan, meeting all its milestones and is now in final stages of user testing for its first deployment.

Regularity

The Hera programme continues to comply with Parliamentary requirements for the control of expenditure HMT regularity standards continue to be satisfied.

Propriety

There are no changes to the programme in terms of propriety. It remains compliant with Parliamentary controls. Funding for the programme has been made available through the FCDO's Spending Review settlement.

Value for money

The Hera programme will deliver significant cashable and non-cashable benefits. In particular, it will create a single integrated system with a better user experience and provide timely and integrated management information for the whole of the FCDO. The lifetime costs are broadly unchanged, but as a result of the revised implementation plans, the programme is projected to use all of the contingency identified in the Full Business Case.

Feasibility

There are delivery risks in any change to finance and HR systems. The wider FCDO transformation programme adds complexity. Nevertheless, these risks must be balanced against the considerable risks of continuing to operate on parallel legacy systems. Hera offers the most cost-effective and feasible way of integrating the new department's finances, workforce and payroll. The programme is tightly governed and is subject to close scrutiny and review within the FCDO and by the Infrastructure and Projects Authority.

Conclusion

Continuing to progress the Hera programme is the best value for money way of creating a common HR and finance system for the FCDO – which is an essential for managing our resources effectively and as an enabler for achieving the Government's objectives for the department.

As Accounting Officer, I considered this assessment and approved it on 28 April 2022.

This summary will be published on the Government's website (www.gov.uk). Copies will be deposited in the library of the House of Commons and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

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