Modernizing Financial Management with Intelligent Automation

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Life-long healthcare and benefits provider:

- ❑ 18 million Veterans (6% of US pop.)
- ❑ 170 Medical Centers
- ❑ 135 Cemeteries
- ❑ 400,000+ employees
- ❑ $325 billion FY24 budget

Financial Services Center (FSC)

Government Franchise

Build and provide services to VA and other government agencies:

- ☐ **Pay Invoices**
- ☐ **Pay Benefits**
- ☐ Insurance Claims
- ☐ Accounting and Audit
- ☐ Payroll Time and Attendance
- ☐ Credit Card and Travel Processing
- ☐ Customer Engagement / Call Center
- ☐ Document Management and Records Storage

Challenge: Build Services

❑ Rapid development.

❑ Easily modifiable.

❑ Robust rules engine to handle complex business.

❑ Robust workflow.

❑ Flexible interfaces.

❑ Scalable.

❑ Compatible with Agile.

❑ Supports business and IT collaboration.

❑ Adapts with emerging technologies.
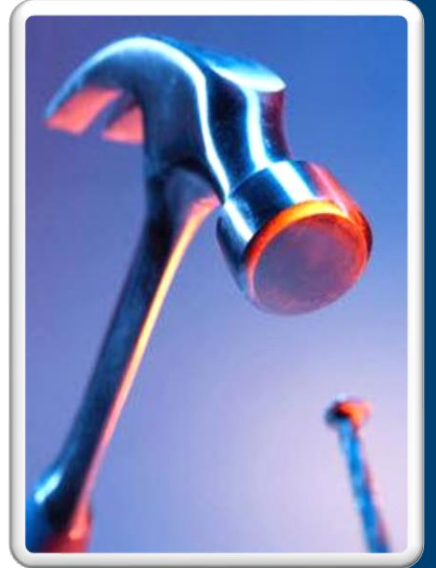
2011

Expanded Veteran Services

More Funds ➡ More Invoices to Pay
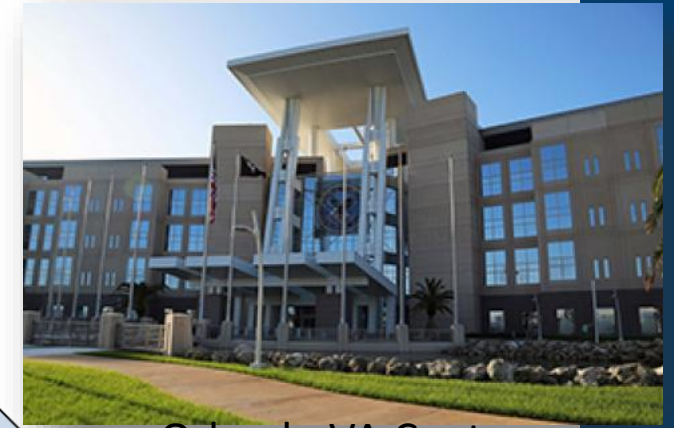

Orlando VA Center

2014

VA
- Hospitals
- Clinics
- Offices
- Labs
- Homes
- Memorials

Contracts

Vendors
- Construction
- Maintenance
- Equipment
- Supplies
- Contract Labor
- Utilities

Invoices

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FINANCIAL TECHNOLOGY SERVICE | FINANCIAL SERVICES CENTER

Invoice Payment Processing System (IPPS)

Invoices
(EDI, Tungsten, paper)

Intake

Certify

Business Activity Monitoring (BAM)

Financial Accounting

US Treasury

5,000 Business Rules

2 million Invoices/yr

$35 billion

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FINANCIAL TECHNOLOGY SERVICE   FINANCIAL SERVICES CENTER
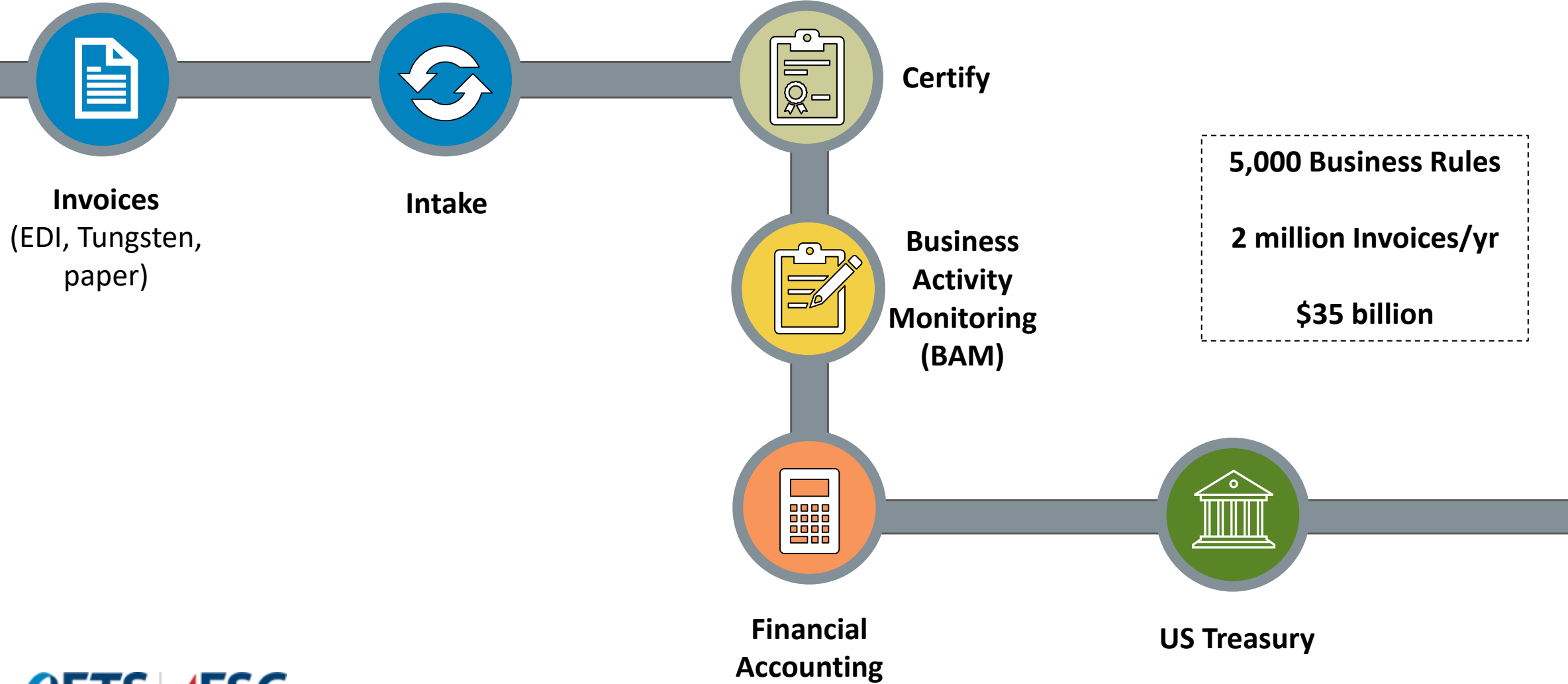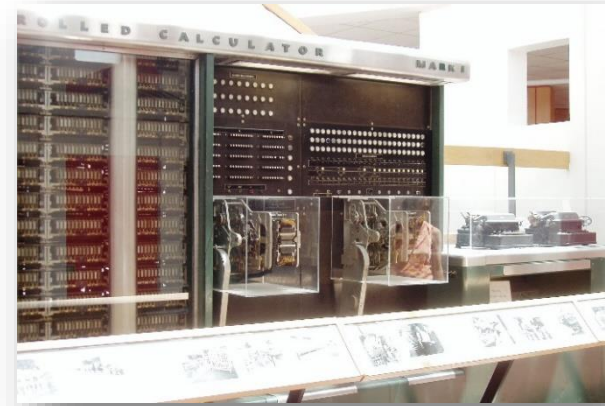
Challenge: Overwhelming Requirements, IT Constraints
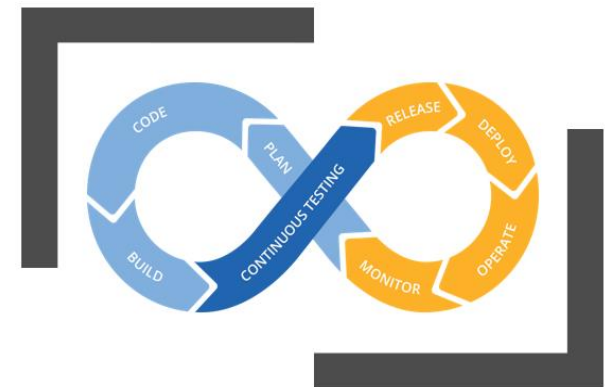
2016

Business Ops

IT Ops

Q1, Q2, Q3, Q4 Release

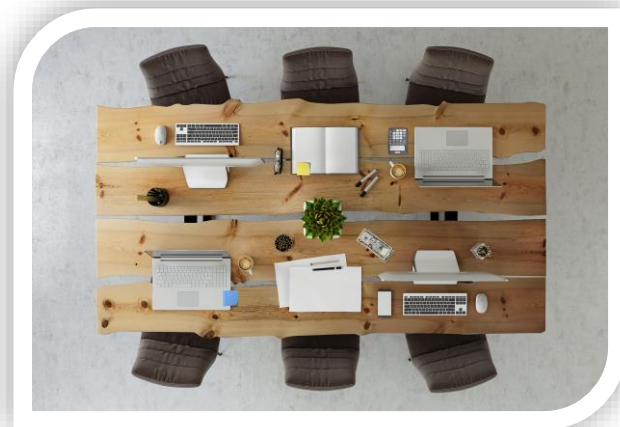# Transform FSC – SAFe/Agile/Scrum

❑ Organize Product Scrum Teams

❑ Create Prioritized Backlog

❑ Planning and Delivery Cadence

❑ Focus on Value Provided

❑ Iterate Faster and Faster

Product Owner

Scrum Master / Team Coach

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Transform FSC – DevOps Delivery
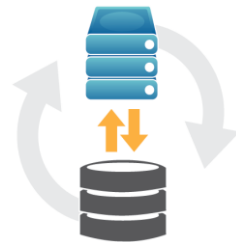
❑ Pega Deployment Manager   Octopus Deploy

❑ Automated Release Notes & CM Team approvals with a click

❑ Release anytime and any day in the week

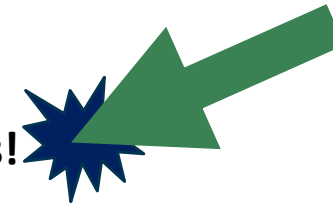❑ Smoke, Regression & Performance Test Automations   Cucumber

❑ Automated Backups   Automated Restarts

RESTART SERVER

Reduced deployments from 1-2 hours to 2-3 minutes!

Challenge: Improve Payment Integrity

2017

Invalid Invoice

Do Not Pay

STOP

3M + Vendors

Improve Payment Integrity

Purchase Order Flip

Incorporate AI

IPPS

⬇

AI Integration (BAM)

⬇

Payment?

BAM: An artificial intelligence tool that provides predictive analysis to identify payment anomalies for further research.
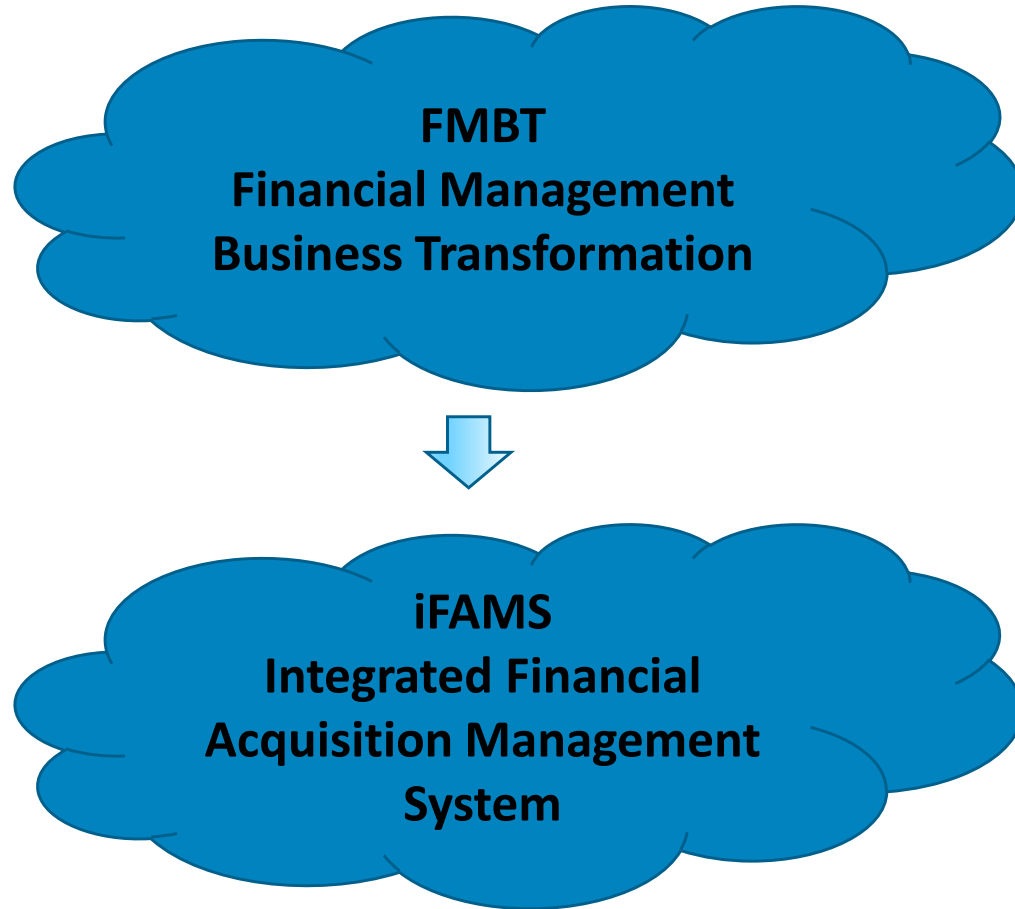
Results to Date
(Oct 2019 – Apr 2024)
➢ $515 Million in Payments Stopped

Challenge:
VA Financial Management Modernization

2019

FMBT
Financial Management
Business Transformation

iFAMS
Integrated Financial
Acquisition Management
System

Deadline to Meet:
Go Live – Nov 2020

"Procure to Pay"

Dual Payment Processing

FMS Invoices → IPPS → FMS → U.S. Treasury

iFAMS Invoices → IPPS → iFAMS → U.S. Treasury

Core Process Modification

Vendor → Obligation → Payment
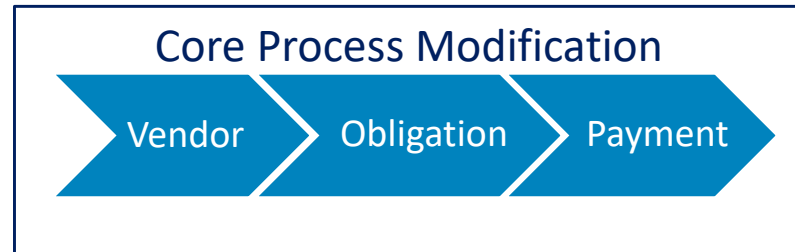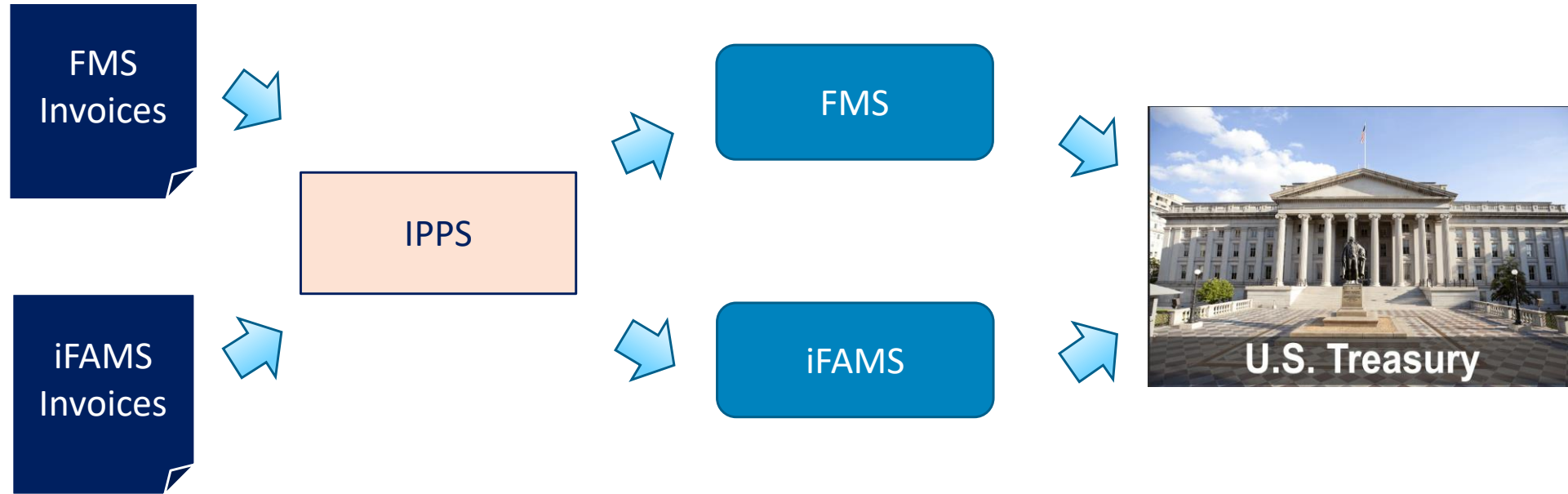
IPPS – Invoice Payment Processing System
FMS – Financial Management System
iFAMS – Integrated Financial Accounting Management System

Digital Business Services

2019

Workflow Solutions

Ratification Tracking System (RTS):
Replace manual email process

Automation Solutions

Robotic Process Automation:
Automate onboarding
vendors to FMS

FSC Robots

Working smarter:
Robots submit FMS updates

2022

Vendor Form

EFT Rejects

Enhance Robot

Separated Employee

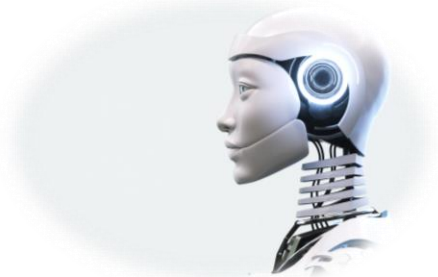EFT Matching
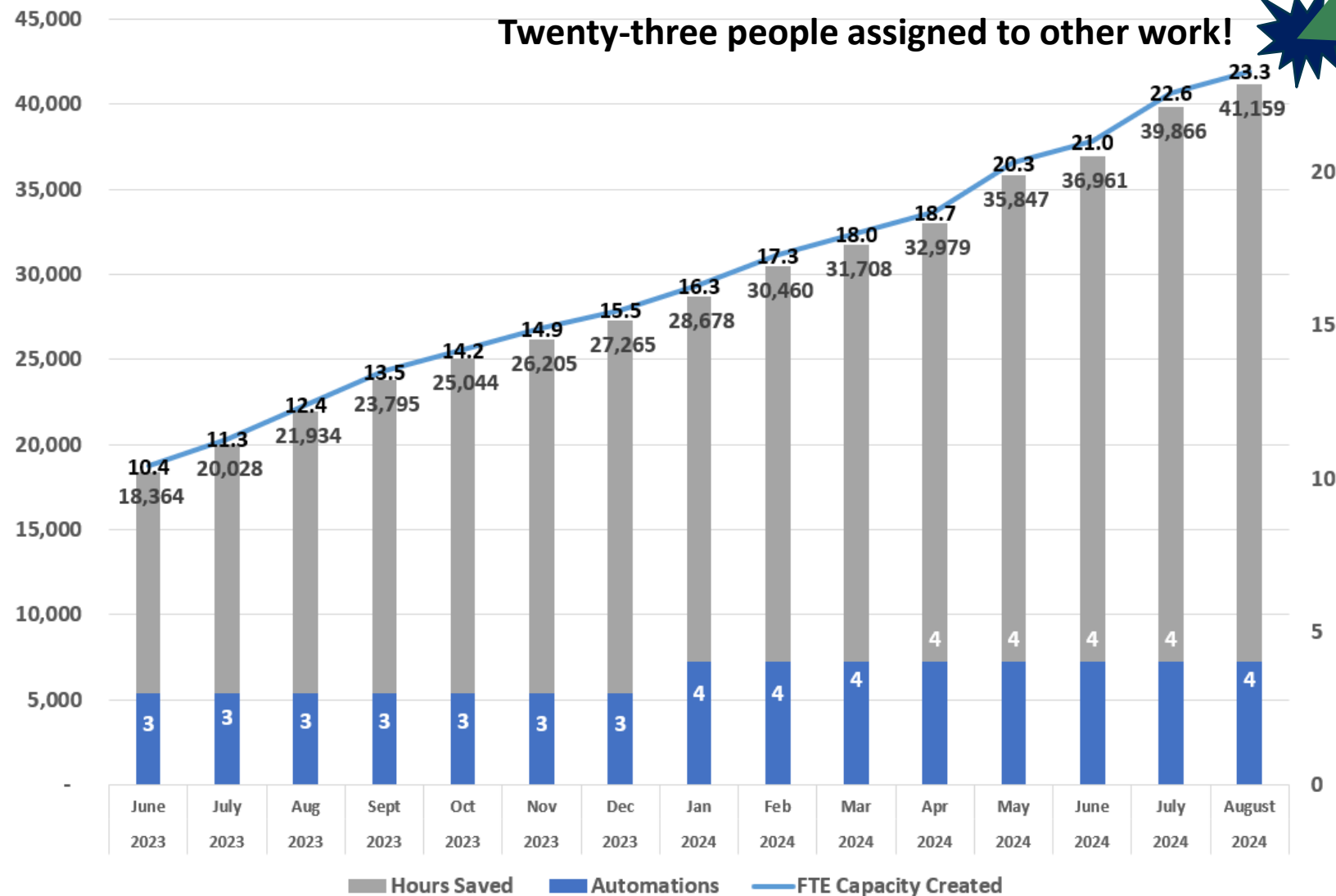
iFAMS uses API

Robotics Savings

Robotic Automations
1. 10091 Vendorizing
2. EFT Rejects
3. Employee Separation
4. EFT Match

Robotic Opportunities
1. Cancelled Checks Automation
2. Notification of Change (NOC) Report Automation
3. X95 Report Automation
4. Death Master File (DMF) Continuous Monitoring Report

Robotic Tools
- Process Mining

Twenty-three people assigned to other work!

Month	Hours Saved	Automations	FTE Capacity Created
June 2023	18,364	3	10.4
July 2023	20,028	3	11.3
Aug 2023	21,934	3	12.4
Sept 2023	23,795	3	13.5
Oct 2023	25,044	3	14.2
Nov 2023	26,205	3	14.9
Dec 2023	27,265	3	15.5
Jan 2024	28,678	4	16.3
Feb 2024	30,460	4	17.3
Mar 2024	31,708	4	18.0
Apr 2024	32,979	4	18.7
May 2024	35,847	4	20.3
June 2024	36,961	4	21.0
July 2024	39,866	4	22.6
August 2024	41,159	4	23.3

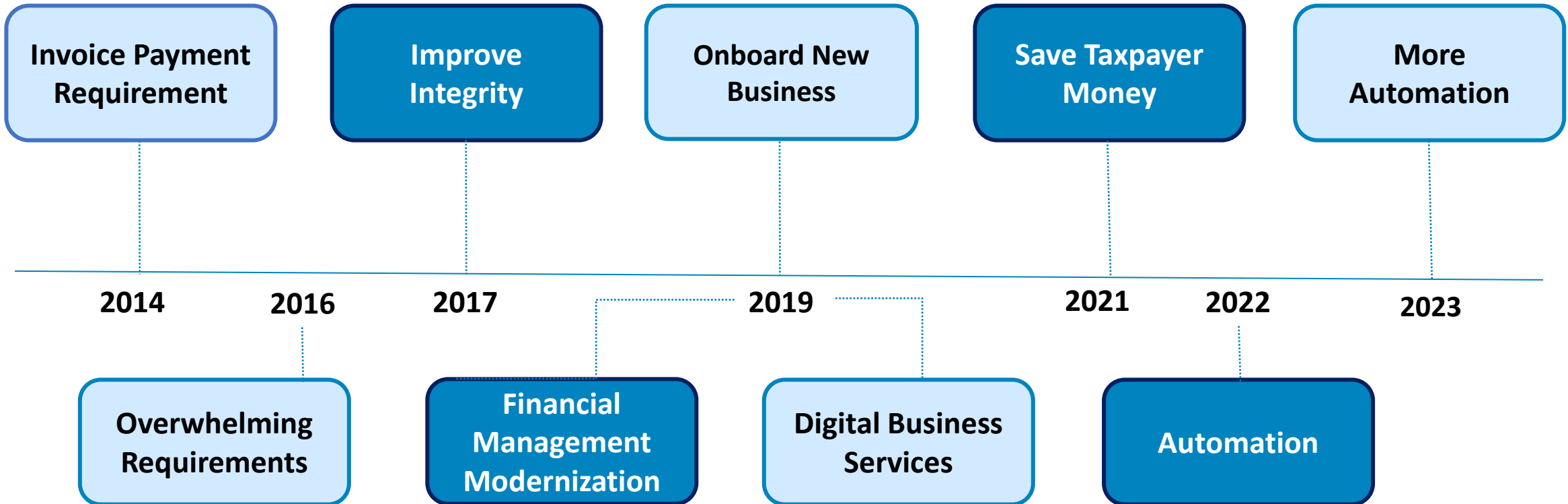Legend: Hours Saved · Automations · FTE Capacity Created

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Journey So Far…

- ❑ We built it
- ❑ They came
- ❑ We transformed to SAFe
- ❑ We transformed DevOps
- ❑ We made it better
- ❑ We adapted
- ❑ We added new technologies
- ❑ We leveraged skill to build other systems

Journey So Far

Invoice Payment Requirement — 2014

Overwhelming Requirements — 2016

Improve Integrity — 2017

Financial Management Modernization — 2017

Onboard New Business — 2019

Digital Business Services — 2019

Save Taxpayer Money — 2021

Automation — 2022

More Automation — 2023

Next Challenges

Security

Privacy

Fraud Prevention

New Technologies

Lower Operating Costs

More Customers

New Features

508 Accessibility

Rapid Delivery