



## HSE Board Briefing Template

<b>Subject: Approval of all Special Legislative Accounts for 2022</b>
<b>Submitted for meeting on: 24<sup>th</sup> November 2023</b>
<b>Name &amp; title of author: Mairead Dolan ACFO on behalf of Stephen Mulvany CFO</b>
<b>Why is this information being brought to the Boards attention?</b> This falls within the reserved functions of the HSE Board
<b>Is there an action by the Board required, if so please provide detail?</b> Yes, the Board will be asked to formally approve these 2022 accounts for signature as appropriate by the Chair of the Board and the CEO of the HSE. This includes the signature of the relevant Letters of Representation.
<b>Please indicate which of the Board's objectives this relates to;</b> Financial Matters Generally and Compliance with legislative requirements.
<b>Brief summary of link to Board objectives.</b>  Compliance with legislation / reserved function of Board
<b>Background - provide context in order to ensure that the Board fully understand the issue.</b>  In additional to the Annual Financial Statements (AFS) the HSE is required to prepare certain accounts under legislation as follows: <ul style="list-style-type: none"><li>• Patients' Private Property Accounts as required by the Health (Repayment Scheme) Act 2006</li><li>• Hepatitis C Insurance Scheme Accounts as regulated by the Hepatitis C Compensation Tribunal (amendment) Act, 2006.</li><li>• Long Stay Repayments Account as regulated by Section 18 of the Health Act 2006.</li><li>• Long Stay Donations fund as regulated by Section 11 of the Health Act 2006.</li></ul> An executive summary of all said accounts is provided further in this briefing note.  The format of each set of accounts has been specified by the Minister after consultation with the Comptroller and Auditor Generals office.  In each case, the legislation provides that accounts must be submitted to the Comptroller and Auditor General for audit as soon as it is practicable after the end of the financial year to which they relate, but, in any case not later than 6 months after the end of that year, ie, by 30 June 2023.  These accounts have been submitted to the C&AG for audit in line with that requirement.

These Special accounts have now been audited by the C&AG and have been cleared for final approval and signature by the HSE Board in line with its reserved functions.

No material matters have been identified by the C&AG during the course of their audit fieldwork.

The Audit and Risk Committee reviewed these draft accounts at their July meeting and then again at their October meeting where it is agreed that they would recommend these accounts for approval and signature to the HSE Board with EMT support.

These accounts have also been reviewed by the EMT on 31<sup>st</sup> October 2023 who have confirmed their approval and recommendation to the Board.

A summary of all four sets of accounts is included in this briefing.

**Highlight any implications that the Board should be made aware of in its consideration such as:**

- In respect of all 4 sets of accounts there were no material changes to the draft accounts as presented for audit.
- In respect of the PPP accounts the Statement of Internal Control (SIC) has been finalised and notes similar control issues as raised in prior years noting the mitigations that are in place re same, these are namely unclaimed clients funds, segregation of duties and use of withdrawal forms

**Conclusion**

These Special Legislative Accounts require approval signature and submission to the Minister for Health in line with legislation.

**Recommendation**

It is recommended that the HSE approve these accounts and that the CEO and CFO are the designated signatories as appropriate. This includes signature pages of the accounts and the letters of Rep associated with these accounts.

## Briefing Note to: HSE Board 24 November 2023

# Re: Patients' Private Property (PPP) Accounts

### 1. Introduction

The HSE is required to prepare financial statements, in such form as may be specified by the Minister for Health, in respect of patients' private property. Such accounts are provided to the Comptroller & Auditor General not later than six months after the end of the relevant financial year. These draft Accounts were forwarded to the C&AG in line with that deadline. Following completion of the C&AG Audit, the Accounts will require the approval of the Chief Executive Officer and Chief Financial Officer prior to being forwarded to the Minister for Health.

The Audit has now concluded and these are the final Accounts to be approved by the Board and forwarded to C&AG for inclusion of their report and then forwarded to the Minister per the legislative requirement.

These accounts have been reviewed by the ARC in July and October 2023 who have recommended these to come to the Board. The EMT have approved these on 31 October 2023.

### 2. Key figures and Statistics

#### Fund Value

The value of the PPP fund decreased by €0.722m to €101.885m during 2022 which is a 0.71% decrease on the 2021 value.

#### Investment Income

€92 million was on deposit with the NTMA during 2022 and interest of €120,686 accrued for the first time since 2015 for distribution among clients after a deduction of 20% Central Unit administration costs.

#### Number of PPP Accounts

The number of PPP accounts retained at 153 Care Centres (one less than 2021) at 31/12/2022 was 5,020 which is a decrease of 134 on 2021.

#### Retained Interest

Note 7 in the National Accounts recognises the progress made in the project currently on-going to allocate the €14.5m past interest earned, currently held in PPPCU, to entitled patients. Since 2017 to May 2023 over €7.8m has been paid out to entitled clients/estates and the exercise will continue to closure as sites work to source entitled persons/estates and ensure indemnities/probate are in order before issuing payment.

### 3. Management Letters and Local Reporting

Management letters and sets of PPP accounts are issued by Crowleys DFK in respect of:

- Overall HSE National PPP Accounts
- Each of the 153 individual Care Centres and the PPPA Central Unit covered by the audit.

### 4. Changes to the 2022 PPP Accounts already reviewed by Audit Committee to be noted

- The Financial Statements remain unchanged to those already reviewed by the ARC in June 2023 apart from some minor tweaks to the Notes agreed with C&AG
- The SIC (same as previous years) is now included which was not in the accounts reviewed in June 2023 by the ARC.

## 5. Key Audit Findings

The key audit findings outlined in the Management Letter provided to the CFO by Crowley's DFK and reviewed by the ARC in June 2023 are as follows;

- Funds of Deceased Clients/Inactive Accounts (**high**)
- Segregation of Duties (low)
- Bank Mandates – excess cheque signatories (low)
- Inactive accounts (low)
- Use of Withdrawal Forms (low)
- Client Ledger Differences (low)
- Monthly Bank and Cash Reconciliations (low)

## 6. Management Response to Key Findings

Each Care Centre receives their own more detailed Management Letter which identifies in much more detail the specific findings for each site to be addressed.

Management accept the findings listed. With the exception of the finding in respect of funds held in respect of Deceased Clients (high risk rating) the other findings are rated low risk and relate to the issues which have been the subject of an ongoing quality improvement initiative over the past number of years.

The PPP service is a unique invaluable service and is the safest least intrusive method of managing or helping to manage a vulnerable adult's in care finances with greater independent oversight than any alternative method. The HSE is committed to addressing the issues raised in the audits.

Briefing Note to: HSE Board 24 November 2023

# Re: All other Special Legislative Accounts 2022

## 1. Introduction and format of Special Legislative Accounts

In addition to the Annual Financial Statements (AFS). The HSE is required to prepare certain accounts under legislation as follows:

- Hepatitis C Insurance Scheme Accounts as regulated by the Hepatitis C Compensation Tribunal (amendment) Act, 2006.
- Long Stay Repayments Account as regulated by Section 18 of the Health Act 2006.
- Long Stay Donations fund as regulated by Section 11 of the Health Act 2006.

An executive summary of all said accounts is provided further in this briefing note.

The format of each set of accounts has been specified by the Minister after consultation with the Comptroller and Auditor Generals office.

In each case, the legislation provides that accounts must be submitted to the Comptroller and Auditor General for audit as soon as it is practicable after the end of the financial year to which they relate, but, in any case not later than 6 months after the end of that year, ie, by 30 June 2023.

These accounts have been submitted to the C&AG for audit in line with that requirement.

## **2. Status of the Special Legislative Accounts**

These accounts are now certified by the C&AG and on that basis were reviewed by the Audit and Risk Committee at their October meeting where they have agreed to recommend these to the Board for approval under their reserved functions with the support of the EMT.

The EMT have approved these at their meeting of 31<sup>st</sup> October 2023 and therefore the HSE Bard are now being asked to approve these accounts and associated Letters of Representation should be signed by the CEO and CFO where required.

## **3. Relationship to HSE Annual Financial Statements**

All income and expenditure relating to the Hepatitis C Insurance Scheme and the Long Stay Repayments Scheme are accounted for across the relevant headings ( income, pay and non pay expenditure) in the AFS income and expenditure account. There are separate detailed disclosure notes on these schemes also included in the AFS.

## **4. Executive Summary**

### **4.1 Hepatitis C Insurance Scheme Account 2022**

The Hepatitis C Compensation Tribunal (Amendment) Act 2006 established a statutory scheme with effect from 2007 to address insurance issues experienced by persons infected with Hepatitis C and/or HIV through the administration within the state of blood and blood product. This scheme addresses the problems faced by these persons due to their inability to purchase mortgage protection and life assurance policies as a result of contaminated blood products being administered to them.

The life assurance element of the scheme was launched in September 2007 with the travel insurance cover added in March 2009.

Expenditure in relation to this scheme for 2022 was €1.134m representing an increase of €0.819m over the prior year. The main driver of this increase relates to the payments in respect of uninsurable death benefits in the year noting that there were none in 2021.

To date the overall expenditure under the terms of this scheme as shown in Note 4 to the accounts amounts to €13.132m. Circa 1700 people are covered under the terms of this scheme.

The Special Account is funded from moneys provided by the Oireachtas through the Vote for the Minister for Health.

Note 10 to the Annual Financial Statements (AFS) 2022 of the HSE refers.

### **4.2 Long Stay Repayments Account 2022**

The Health (Repayment Scheme) Act 2006 was enacted in June 2006 to provide a legal basis for the repayment of long stay charges for in-patient services which were wrongfully imposed on eligible persons since 1976 under the Health (Charges for In-Patient Services) Regulations 1976 as amended in 1987 or the Institutional Assistance Regulations 1954 as amended in 1965.

A Special Account was established on 30 June 2006 and all transactions related to this account must receive the Sanction of the Minister of Finance.

Those entitled to repayments were:

- eligible people who are alive and who were wrongfully charged at any time since August 1976
- the estates of eligible people who were wrongfully charged and died after 9th December 1998

- the spouses of children of eligible people who paid recoverable health charges from their own resources

The Health Repayment Scheme applied to eligible residents of public long stay facilities and public contracted beds who were wrongfully charged.

Total expenditure in relation to this scheme decreased by €0.3m in 2022 as a result of a reversal of a prior year accrual which has been deemed unrequired. There were no claims or other material activity in 2022.

The pay costs associated with the scheme administrator have been reviewed in 2022 and due to the lack of direct activity on this account no costs have been charged to the scheme.

The scheme cannot conclude until all offers are brought to a conclusion. The legislation does not provide for an end or closing date in completing these cases.

To date there have been 20,303 cases actioned under this scheme totalling €485.6m.

Note 9 to the Annual Financial Statements (AFS) of the HSE refers.

#### **4.3 Long Stay Donations Fund 2022 no changes arising on audit**

In accordance with section 11 of the Health (repayments scheme) Act 2006 an applicant under the repayments scheme may direct that any and all of a repayment due could be paid into the Long Stay Donations fund.

This fund has essentially been wound down and the fund value as at 31 December 2022 is Nil. Due to lack of activity on this Donation Fund bank account over recent years this account was closed by Ulster Bank in April 2018. All of the Donation Funds received to date are fully allocated and expended for their intended purposes in accordance with the Health (Repayment Scheme) Act 2006.

#### **5. 2023 and Future years**

The Hepatitis C Insurance Scheme is expected to continue to operate in the immediate future.

A timeframe for close down of the Health Repayment Scheme has yet to be agreed. The Department of Health in conjunction with the HSE's National Co-Ordinating Unit for the Health Repayment Scheme will review the level of potential claims remaining and consider measures necessary to bring the scheme to a closure, including any legislative revisions that may be required. The Donations Fund is expected to be closed out at the same time as the Long Stay Repayments has concluded.