



## **Appropriation Account 2014**

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**Vote 38**

**Health**

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## Introduction

As Accounting Officer for Vote 38, I am required each year to prepare the appropriation account for the Vote, and to submit the account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2014 for the salaries and expenses of the Office of the Minister for Health and certain other services administered by that Office, including miscellaneous grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2014, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €11.91 million is liable for surrender to the Exchequer.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the account.

## Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account.

## Statement on Internal Financial Control

### *Responsibility for system of internal financial control*

As Accounting Officer, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated by the Department.

This responsibility is exercised in the context of the resources available to me and my other obligations as Secretary General. Also, any system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner. Maintaining the system of internal financial controls is a continuous process and the system and its effectiveness are kept under ongoing review.

### *Financial control environment*

I confirm that a control environment containing the following elements is in place:

- financial responsibilities have been assigned at management level with corresponding accountability
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned
- formal procedures have been established for reporting significant control failures and ensuring appropriate corrective action
- there is an Audit Committee to advise me in discharging my responsibilities for the internal financial control system.

***Administrative controls and management reporting***

I confirm that a framework of administrative procedures and regular management reporting is in place including segregation of duties and a system of delegation and accountability and, in particular, that

- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Department.
- There are systems aimed at ensuring the security of the ICT systems.
- There are appropriate capital investment control guidelines and formal project management disciplines.
- I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Service Office for the provision of HR and pensions shared services. I rely on the assurances set out in that agreement that the National Shared Service Office has robust procedures and controls in place to provide the service and in that regard to manage risk and resolve issues.

The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines. The Department complied with the guidelines with the exception of one contract to the value of €62,501 which is listed in my annual return in respect of Circular 40/2002. In response to urgent patient safety implications emerging from the HIQA patient safety investigation report into services at University Hospital Galway, an urgent and exceptional requirement to support the development of recommended and required national clinical guidelines was identified. The requirement was for specialist clinical and economic research skills. The urgent nature of the required service, the patient safety considerations applying and the very specific and unique expertise required, led to the identification and contracting of a supplier on agreed terms without a competitive process.

***Internal Audit and Audit Committee***

I confirm that the Department has an internal audit function with appropriately trained personnel, which operates in accordance with a written charter which I have approved. Its work is informed by analysis of the financial risks to which the Department is exposed and its annual internal audit plans, approved by me, are based on this analysis. These plans aim to cover the key controls on a rolling basis over a reasonable period. The internal audit function is reviewed periodically by me and the Audit Committee. I have put procedures in place to ensure that the reports of the internal audit function are followed up.

**Jim Breslin**

Accounting Officer  
Department of Health

31 March 2015

## **Comptroller and Auditor General**

### **Report for presentation to the Houses of the Oireachtas**

#### **Vote 38 Health**

I have audited the appropriation account for Vote 38 Health for the year ended 31 December 2014 under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

#### ***Responsibility of the Accounting Officer***

In accordance with Section 22 of the Exchequer and Audit Departments Act 1866, the Accounting Officer is required to prepare the appropriation account. By law, the account must be submitted to me by 31 March following the end of the year of account.

The Accounting Officer is also responsible for the safeguarding of public funds and property under his control, for the efficiency and economy of administration by his Department and for the regularity and propriety of all transactions in the appropriation account.

#### ***Responsibility of the Comptroller and Auditor General***

I am required under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the appropriation accounts of all Votes and to perform such tests as I consider appropriate for the purpose of the audit.

Upon completion of the audit of an appropriation account, I am obliged to provide a certificate stating whether, in my opinion, the account properly presents the receipts and expenditure related to the Vote. I am also required to refer to any material case in which

- a department or office has failed to apply expenditure recorded in the account for the purposes for which the appropriations made by the Oireachtas were intended, or
- transactions recorded in the account do not conform with the authority under which they purport to have been carried out.

Under Section 3 (10) of the Comptroller and Auditor General (Amendment) Act 1993, I am required to prepare each year, a report on any matters that arise from the audits of the appropriation accounts or examinations of accounting controls.

#### ***Scope of audit***

An audit includes examination, on a test basis, of evidence relevant to the amounts and regularity of financial transactions included in the account and an assessment of whether the accounting provisions of the Department of Public Expenditure and Reform's *Public Financial Procedures* have been complied with.

The audit involves obtaining sufficient evidence to give reasonable assurance that the appropriation account is free from material misstatement, whether caused by fraud or other irregularity or error. I also seek to obtain evidence about the regularity of financial transactions in the course of the audit. In forming the audit opinion, the overall adequacy of the presentation of the information in the appropriation account is evaluated.

***Opinion on the appropriation account***

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 38 Health for the year ended 31 December 2014.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Department of Health. The appropriation account is in agreement with the books of account.

**Seamus McCarthy**  
Comptroller and Auditor General

21 September 2015

## Vote 38 Health

### Appropriation Account 2014

Service	2014		2013
	Estimate provision	Outturn	Outturn
	€000	€000	€000
<b>Administration</b>			
A.1 Salaries, wages and allowances	24,692	22,078	22,176
A.2 Travel and subsistence	654	356	499
A.3 Training and development and incidental expenses	1,003	663	634
A.4 Postal and telecommunication services	628	400	458
A.5 Office equipment and external IT services	1,824	1,352	1,539
A.6 Office premises expenses	725	496	620
A.7 Consultancy services and value for money and policy reviews	1,391	1,554	1,221
<i>EU Presidency</i>	—	—	568
<b>Grants</b>			
B.1 Grants to research bodies and other research grants	36,183	34,852	35,746
B.2 Grants to health agencies and other similar organisations (part funded by National Lottery)	3,286	3,286	3,286
B.3 Drugs initiative	7,381	7,267	29,568
<b>Other services</b>			
C. Expenses in connection with the World Health Organisation and other international bodies	2,600	2,347	2,676
D. Statutory and non-statutory inquiries and miscellaneous legal fees and settlements	10,093	17,047	8,623
E.1 Developmental, consultative, supervisory, regulatory and advisory bodies	56,643	47,808	50,291
E.2 The Food Safety Promotion Board	5,771	5,712	5,950
E.3 The National Treatment Purchase Fund Board and Special Delivery Unit	5,100	5,100	17,387
E.4 Ireland/Northern Ireland INTERREG	2,190	1,474	1,524

		2014		2013
		Estimate provision	Outturn	Outturn
		€000	€000	€000
<b>Other services (continued)</b>				
F.1	Payments in respect of disablement caused by thalidomide	745	384	420
F.2	Payments in respect of persons claiming to have been damaged by vaccination	1	—	—
F.3	Payments to a special account established under section 10 of the Hepatitis C Compensation Tribunal Act 1997 and 2002	24,786	24,000	21,200
F.4	Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002	3,849	3,200	3,000
G.	Dissemination of information, conferences and publications in respect of health and health services	813	1,003	537
<b>Capital services</b>				
H.	Grants in respect of building and equipping (including ICT) of agencies funded by the Department	15,527	14,383	11,127
<b>Gross expenditure</b>		<b>205,885</b>	<b>194,762</b>	<b>219,050</b>
<i>Deduct</i>				
I	<b>Appropriations-in-aid</b>	<b>3,916</b>	<b>4,702</b>	<b>4,836</b>
<b>Net expenditure</b>		<b>201,969</b>	<b>190,060</b>	<b>214,214</b>

**Surplus for surrender**

The surplus of the amount provided over the net amount applied is liable for surrender to the Exchequer.

	2014	2013
	€	€
Surplus to be surrendered	11,908,634	29,527,212

## Notes to the Appropriation Account

### 1 Operating Cost Statement 2014

	2014	2013
	€000	€000
Expenditure on administration	26,899	27,715
Expenditure on services and programmes	167,863	191,335
<b>Gross expenditure</b>	<b>194,762</b>	<b>219,050</b>
<i>Deduct</i>		
<b>Appropriations-in-aid</b>	<b>4,702</b>	<b>4,836</b>
<b>Net expenditure</b>	<b>190,060</b>	<b>214,214</b>
<b>Changes in capital assets</b>		
Purchases cash	(77)	
Depreciation	155	
Loss on disposals	—	
	78	65
<b>Changes in net current assets</b>		
Decrease in closing accruals	(1,371)	
Decrease in stock	17	
	(1,354)	(2,266)
<b>Direct expenditure</b>	<b>188,784</b>	<b>212,013</b>
<b>Expenditure borne elsewhere</b>		
Net allied services expenditure (note 1.1)	9,329	9,228
Notional rents	2,004	2,349
<b>Net programme cost</b>	<b>200,117</b>	<b>223,590</b>

#### 1.1 Net Allied Services Expenditure

The net allied services expenditure amount is made up of the following amounts in relation to Vote 38 borne elsewhere.

	2014	2013
	€000	€000
Vote 9 Office of the Revenue Commissioners	e 258	81
Vote 12 Superannuation and Retired Allowances	e 7,288	7,231
Vote 13 Office of Public Works	e 1,536	1,640
Central Fund - Ministerial pensions	e 247	276
	<b>9,329</b>	<b>9,228</b>

"e" indicates that the number is an estimated value or an apportioned cost.



## 2 Balance Sheet as at 31 December 2014

	Note	2014 €000	2013 €000
<b>Capital assets</b>	2.2	593	671
<b>Current assets</b>			
Stocks	2.4	65	82
Prepayments		173	355
Accrued income	2.5	10,595	8,960
Other debit balances	2.6	42,247	4,123
<b>Total current assets</b>		<b>53,080</b>	<b>13,520</b>
<b>Less current liabilities</b>			
Accrued expenses		293	211
Other credit balances	2.7	203	173
Bank and cash	2.3	42,030	3,333
Net liability to the Exchequer	2.8	14	617
<b>Total current liabilities</b>		<b>42,540</b>	<b>4,334</b>
<b>Net current assets</b>		<b>10,540</b>	<b>9,186</b>
<b>Net assets</b>		<b>11,133</b>	<b>9,857</b>
<b>Represented by:</b>			
<b>State funding account</b>	2.1	<b>11,133</b>	<b>9,857</b>

2.1 State Funding Account	Note	2014 €000	2013 €000
Balance at 1 January		9,857	7,667
Disbursements from the Vote			
Estimate provision	Account	201,969	
Surplus to be surrendered	Account	(11,909)	
Net vote		190,060	214,214
Expenditure (cash) borne elsewhere	1	9,329	9,228
Non cash expenditure – notional rent	1	2,004	2,349
Other non-cash item – capital accrual		—	(11)
Net programme cost	1	(200,117)	(223,590)
<b>Balance at 31 December</b>		<b>11,133</b>	<b>9,857</b>

**2.2 Capital Assets**

	Office equipment €000	Furniture and fittings €000	Total €000
<b>Gross assets</b>			
Cost or valuation at 1 January 2014	2,531	1,962	4,493
Additions	66	11	77
Disposals	(34)	(13)	(47)
Cost or valuation at 31 December 2014	2,563	1,960	4,523
<b>Accumulated depreciation</b>			
Opening balance at 1 January 2014	1,971	1,851	3,822
Depreciation for the year	101	54	155
Depreciation on disposals	(34)	(13)	(47)
Cumulative depreciation at 31 December 2014	2,038	1,892	3,930
<b>Net assets at 31 December 2014</b>	<b>525</b>	<b>68</b>	<b>593</b>
<b>Net assets at 31 December 2013</b>	<b>560</b>	<b>111</b>	<b>671</b>

**2.3 Bank and Cash**

	2014 €000	2013 €000
at 31 December		
PMG balance	(42,075)	(3,603)
Commercial bank account balance	45	406
Orders outstanding	—	(136)
	(42,030)	(3,333)

**2.4 Stocks**

	2014 €000	2013 €000
at 31 December		
Stationery	17	26
IT consumables	48	56
	65	82

**2.5 Accrued Income**

	2014 €000	2013 €000
at 31 December		
Pay related deductions due from IBTS	10,280	8,701
Other	315	259
	10,595	8,960

<b>2.6 Other Debit Balances</b>	<b>2014</b>	<b>2013</b>
at 31 December	<b>€000</b>	<b>€000</b>
Recoupable salaries	81	89
Recoupable travel expenditure	6	31
Recoupable travel pass scheme expenditure	132	134
Hepatitis C Compensation Tribunal	1,200	3,861
Other debit suspense items	40,828	8
	<u>42,247</u>	<u>4,123</u>

Under Section 3 of the Appropriation Act 2014, the Department advanced €40.41 million to the HSE in December 2014 to fund the cost of salaries due on 1 January 2015 but paid on 31 December 2014. The advance is included as a debit suspense balance in the Department's 2014 account and forms part of the grant payments to the HSE for 2015.

<b>2.7 Other Credit Balances</b>	<b>2014</b>	<b>2013</b>
At 31 December	<b>€000</b>	<b>€000</b>
Amounts due to the State		
Income Tax and Universal Social Charge	2	—
Pay Related Social Insurance	(4)	(3)
Professional Services Withholding Tax	24	71
Value Added Tax	5	13
Pensions	7	—
	<u>34</u>	<u>81</u>
Other credit suspense items	169	92
	<u>203</u>	<u>173</u>

<b>2.8 Net Liability to the Exchequer</b>	<b>2014</b>	<b>2013</b>
at 31 December	<b>€000</b>	<b>€000</b>
Surplus to be surrendered	11,909	29,528
Exchequer grant undrawn	(11,895)	(28,911)
Net liability to the Exchequer	<u>14</u>	<u>617</u>

**Represented by:**

**Debtors**

Debit balances: suspense	42,247	4,123
	<u>42,247</u>	<u>4,123</u>

**Creditors**

Due to State	(34)	(81)
Bank and cash	(42,030)	(3,333)
Credit balances: suspense	(169)	(92)
	<u>(42,233)</u>	<u>(3,506)</u>
	<u>14</u>	<u>617</u>

<b>2.9 Commitments</b>	<b>2014</b>	<b>2013</b>
at 31 December	<b>€000</b>	<b>€000</b>

**(a) Global commitments**

Non capital commitments likely to arise in subsequent years :

Procurement subheads	1,223	706
Grant subheads	6,946	9,669
	<u>8,169</u>	<u>10,375</u>

**(b) Multi-annual capital commitments****Capital projects over €6.3 million**

	<b>2014</b>				<b>2013</b>
	<b>Cumulative expenditure to 31 December 2013</b>	<b>Expenditure</b>	<b>Subsequent years</b>	<b>Project total</b>	<b>Project total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Health Research Board Clinical Research Facilities:</b>					
<b>Clinical Research Facilities:</b>					
St James's Hospital and Dublin Clinical Research Network	7,349	1,960	3,081	12,390	12,000
<b>Total</b>	<u>7,349</u>	<u>1,960</u>	<u>3,081</u>	<u>12,390</u>	<u>12,000</u>

### 3 Programme Expenditure by Subhead

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided, after any supplementary estimate adjustments, by more than €100,000, and by more than 5% (25% in the case of administration subheads).

Description	Sub-head	Less/(more) than provided €000	Explanation
Travel and Subsistence	A.2	298	The spending on travel abroad was less than anticipated and less than the previous year.
Training and development and incidental expenses	A.3	340	The savings arose mainly due to the reduced costs of cleaning services and a reduced spend on training courses. With regard to the cleaning service, a tendering process resulted in significant savings with a lower cost provider. On training, expenditure was less than anticipated due to a reduction in the overall staffing level. It was not possible to deliver the full extent of the planned training before year end.
Postal and telecommunication services	A.4	228	The savings arose due to the reducing cost of telephone charges.
Office equipment and external IT services	A.5	472	The spending on ICT was less than anticipated due to programmes to replace ICT hardware not proceeding as originally planned.
Office premises expenses	A.6	229	The spending on building maintenance was less than anticipated.
Expenses in connection with the World Health Organisation and other international bodies	C	253	The savings arose due to currency exchange fluctuations in relation to the payment of the annual subscription to the World Health Organisation.
Statutory and non-statutory inquiries and miscellaneous legal fees and settlements	D	(6,954)	The excess on miscellaneous legal settlements and fees arises largely from the payments made under the Lourdes Hospital Payment Scheme, the Symphysiotomy Payment Scheme and medical negligence claims.

Description	Sub-head	Less/(more) than provided €000	Explanation
Development, consultative, supervisory, regulatory and advisory bodies	E.1	8,835	<p>The Department advances funds to Health agencies up to the approved level of expenditure or actual expenditure, whichever is the lesser amount.</p> <p>In 2014, amounts advanced to health agencies was less than budgeted, including Health Information and Quality Authority - €2.725 million, Mental Health Commission €1.769 million, Food Safety Authority of Ireland - €0.121 million, CORU - €0.250 million, Pre Hospital Emergency Care Council - €0.107million.</p> <p>The savings in the Health Information and Quality Authority arose largely as a result of unfilled sanctioned posts. The pay and consequential saving in areas such as information technology and travel and subsistence contributed to savings of €2.7 million against the revised 2014 allocation of €12.125 million. The Authority continued to have almost 99% compliances with fee collection from registered centres and €7.4 million was generated from this source in the year.</p> <p>The savings accrued by the Mental Health Commission in 2014 are as a result of a reduction in expenditure on legal fees. In addition, some work which the Commission had anticipated would commence in 2014 was not undertaken due to a number of staff vacancies. The introduction of the secure messaging centre (which replaced the use of couriers in delivering confidential documentation) also resulted in a saving during 2014.</p> <p>The saving in 2014 on the provision for Health and Social Care Professionals Council (CORU) was primarily due to delays in recruiting staff.</p> <p>The Food Safety Authority of Ireland operated with a number of staff vacancies during the course of 2014 leading to an underspend on pay.</p> <p>The savings incurred by Pre Hospital Emergency Care Council relate to superannuation payments and income generated from registration fees.</p>
Ireland/Northern Ireland INTERREG	E.4	716	<p>Payments under this subhead are requested by the Special EU Programmes Body and based on actual payments made to projects under the Scheme. The amounts requested were less than anticipated.</p> <p>The estimate is set for the INTERREG programme for 2014 was at a higher level than originally sought from the SEUPB in 2012. This was to take account of the fact that in 2013 there was a saving because of delays in approving expenditure under the programme and therefore it was considered there could be a need for catch up funding during 2014.</p> <p>The nature of the INTERREG programme is such that the timing of project funding requests may be unpredictable particularly if there are queries to be resolved in the verification process and therefore yearly estimates can be subject to change.</p>

Description	Sub-head	Less/(more) than provided €000	Explanation
Payments in respect of disablement caused by thalidomide	F.1	361	During 2014 the Department continued to make monthly payments to Irish survivors of thalidomide. The Department is participating in a legal mediation process managed by the State Claims Agency with twenty two thalidomide survivors who have lodged High Court personal injury claims against the State. The savings in 2014 under subhead F1 are as a result of the mediation process not being completed in 2014.
Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002	F.4	649	The Department is not in a position to accurately forecast the number or value of amounts which will be awarded by the Hepatitis C and HIV Compensation Tribunal to claimants in any given year. The actual payments are dependent on the decisions of the Tribunal and these were less than were originally estimated. A Reparation Fund payment is fixed at 20% of the Tribunal award.
Dissemination of information, conferences and publications in respect of health and health service	G	(190)	A number of projects associated with Healthy Ireland were advanced in early 2014, allowing the Healthy Ireland Survey to commence ahead of previously envisaged schedules.
Grants in respect of building and equipping (including ICT) of agencies funded by the Department	H	1,144	The Department had budgeted for expenditure of €15.5 million. A number of planned projects did not proceed as anticipated, resulting in expenditure being €1.1 million less than expected.

## 4 Receipts

4.1 Appropriations-in-aid		2014		2013
		Estimated	Realised	Realised
		€000	€000	€000
1.	Miscellaneous	1	148	217
2.	Receipts from pension-related deductions on public service remuneration	3,915	4,554	4,619
Total		3,916	4,702	4,836

### Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Description	Less/(more) than estimated €000	Explanation
Miscellaneous	(147)	As receipts under this heading fluctuate, a nominal amount of €1,000 is included in the estimate. The variance is due to receipts for licence fees under the Misuse of Drugs Act, refunds of unspent Drugs Initiative funding and pension scheme remittances.
Receipts from pension-related deductions on public service remuneration	(639)	The amount due to the Department from health agencies in respect of the pension related deduction on public service remuneration is difficult to estimate as it is dependent on the number of public sector employees and the pay rates applying in the agencies, both of which can vary (see note 2.5).



## 5 Employee Numbers and Pay

The number of staff at year end in the Department's agencies includes a number of non-commercial state agencies that are not in direct receipt of Exchequer funding.

The pay, allowances and other remuneration details in this note relate to Department of Health staff only. Detailed information in relation to pay in respect of agencies under the aegis of the Department is available from the relevant annual reports or directly from the agencies concerned. The agencies have been requested to provide this information on their websites.

	2014	2013
<b>Number of staff at year end</b> (full time equivalents)		
Department	339	351
Agencies	1,640	1,349
	<u>1,979</u>	<u>1,700</u>
	<b>2014</b>	<b>2013</b>
	<b>€000</b>	<b>€000</b>
Pay	20,708	21,061
Higher, special or additional duties allowance	217	144
Other allowances	5	3
Overtime	145	221
Employer's PRSI	1,003	1,027
<b>Total pay</b>	<b><u>22,078</u></b>	<b><u>22,456</u></b>

### 5.1 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2014 €	Maximum individual payment 2013 €
Higher, special or additional duties	39	7	19,065	19,071
Other Allowances	24	—	2,508	337
Overtime	42	6	18,003	27,384

Certain individuals received extra remuneration in more than one category.

The allowances paid in 2014 reflect costs relating to Ireland's presidency of the EU.

## 6 Miscellaneous

### 6.1 National Lottery Funding

Sub-head	Description	2014		2013
		Estimate	Outturn	Outturn
		€000	€000	€000
B.2	Grants to health agencies and other similar organisations (part funded by National Lottery)	3,286	3,268	3,286

Under subhead B.2, a total of €3.286 million was paid to health agencies and other similar organisations. Details of the funding paid are available on the Department's website "www.health.gov.ie"

### 6.2 Legal Costs

	2014	2013
Legal costs paid during the year are categorised as follows:	€000	€000
Legal fees	—	—
Compensation	16,897	8,589
	<u>16,897</u>	<u>8,589</u>

### 6.3 Special Obstetrics Investment Fund

In 2008, the Minister for Health established a Special Obstetrics Indemnity Scheme. Under the scheme, the Minister agreed to indemnify Bon Secours and Mount Carmel Hospitals in respect of specified obstetric claims. A Fund was established with contributions from the two hospitals covered, the Medical Protection Society and the Department of Health. Claims are paid by the State Claims Agency as they arise. The Minister for Health authorises the State Claims Agency to draw down monies from the Fund to cover the cost of claims. At 31 December 2014 the balance on the fund totalled €5.5 million. The Fund is managed by the National Treasury Management Agency and the related income and expenditure is not reflected in the Department's appropriation account.

### 6.4 Contingent Liabilities

The Department is involved in a number of claims involving legal proceedings which may generate liabilities, depending on the outcome of the litigation.