

## **Chapter 37**

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**Health Service Executive**

**SKILL Programme**



## SKILL Programme

37.1 The SKILL<sup>260</sup> programme is a training and development programme for supervisors and support staff employed in health and social services. There are around 32,000 such staff in the health service.

37.2 The programme was established under an agreement negotiated between the health service employers, the Department of Health and Children (DOHC), the Department of Finance and relevant health sector trade unions. It arose out of a Labour Court recommendation made in October 2003 dealing with the pay relationship between non-nursing grades in the health service and health service craft workers.

37.3 The Labour Court had recommended that a training and development programme should be established supported by a fund of €60 million to cover the period 2004 to 2008. Thereafter, a fund of €12 million (index linked) was to be provided on an annual basis. The purpose of the programme was to ensure a standardised approach to meeting the training needs of support staff grades. The Labour Court also recommended that a review of the operation of the programme should be undertaken after three years.

37.4 The aims of the SKILL programme are to

- update and extend the knowledge, skills and experience of staff in order to make them more efficient in the jobs they perform and consequently improve services to patients/clients
- develop areas of expertise in order to progress skill mix requirements of the health services
- enhance job satisfaction and motivation in order that staff may contribute more fully to the attainment of their organisation's mission and
- develop strategies to create opportunities regarding promotional outlets and career path movement.

### **HSE Statement on Internal Financial Control - 2009**

The financial statements of the HSE for the year 2009 upon which I reported on 21 May 2010 recorded the following in the associated Statement on Internal Financial Control

*“A HSE internal audit review was initiated in September 2009 on the administration of the SKILL programme, which is a training and development programme for support staff and line managers/supervisors in services such as catering, housekeeping, therapy assistants, technicians, maintenance, portering and other non-clinical, non-administrative staff. The audit identified weaknesses in the governance, control of, and accountability for funds disbursed in respect of administration of the programme. In particular, the audit review identified payments of €2.353 million to one organisation which had been made over the period 2002 to 2009 and where payments were made but not accompanied by adequate supporting documentation. All payments to that organisation have ceased since November 2009. The results of the audit have been reported to the Audit Committee, to the Board and to the Comptroller and Auditor General. Management has directed that a further audit of the programme's training related costs be undertaken the results of which will be reported to the Audit Committee, to the Board and to the Comptroller and Auditor General. The Comptroller and Auditor General has been kept fully informed throughout and the Gardaí have been notified.”*

<sup>260</sup>

SKILL stands for Securing Knowledge Intra Life Long Learning.

37.5 The HSE Internal Audit focused on administration and related matters. There are currently two further internal audits in progress. The subject matter of those audits are SKILL Procurement and SKILL programme Backfill Contributions.

## Programme Delivery and Accounting

37.6 Funding of €2.75 million for the SKILL programme was provided to the Health Service Employers Agency (HSEA)<sup>261</sup> by the DOHC in 2004. During that year, the programme was administered by the Office of Health Management (OHM)<sup>262</sup> and the HSEA made the payments under the programme at its direction. The functions of both the OHM and the HSEA transferred to the HSE on its establishment in 2005 along with the balance of unspent funding of approximately €500,000. Thereafter, the programme expenditure was incorporated into the HSE's financial statements.

## Governance and Management of the Programme

37.7 In 2004, prior to the establishment of the HSE, a National Steering Group was established comprising representatives of the health employers, the trade unions, and the voluntary health sector to oversee the implementation of the SKILL programme. In August 2005 representatives of the DOHC and the Department of Finance joined the Steering Group. Memoranda of Understanding for the periods 2004 - 2008 and 2009 - 2016 were drawn up between the HSE, the DOHC and the Department of Finance.

37.8 In June 2005, the Acting National Director of Human Resources set out the governance and reporting arrangements for the programme, which were approved by the Steering Group in June 2005. These arrangements covered the following broad areas

- Governance structure – Steering Group and the relationship with the HSE
- Project planning and report systems
- Financial and accountability systems
- Staffing.

### Role of the National Steering Group

The role of the Steering Group was to

- develop and agree an overall strategic plan
- agree the overall objectives of the project
- guide, oversee and evaluate the work of project teams
- approve the roll-out of the programmes as they were developed and became available
- develop the accreditation agenda
- review bi-monthly progress reports.

<sup>261</sup> The HSEA records indicate that the funding was received via the South Eastern Health Board.

<sup>262</sup> The OHM was established by the DOHC in 1997 to implement the Management Development Strategy for the Health and Personal Social Services.

37.9 The governance arrangements did not make the Steering Group accountable for financial controls. It provided that the HSE would develop the appropriate financial and accounting arrangements to be put in place including

- establishment of a separate cost centre which would distinguish pay/non pay costs
- determination of who could approve expenditure in particular circumstances and the preparation of an appropriate protocol
- establishment of reporting requirements.

37.10 It also provided for the submission of quarterly reports to the National Director of Finance by the Steering Group. A General Manager was assigned to the SKILL programme with executive responsibility and accountability for the day-to-day delivery of the work set out in the programme plan, including technical development of the training, quality assurance of the training, ensuring compliance with tendering requirements, communications and reporting requirements. In practice, the General Manager acted as budget holder and payments were processed through the HSEA payments system. The General Manager provided quarterly financial reports to the Steering Group.

## Chapter Focus

This chapter reviews the outlay under the programme, the extent to which its costs have been accounted for by reference to substantiating documentation, the arrangements for delivery and evaluation of the programme and procurement of training and other services.

## Programme Cost

37.11 The programme and related activities is estimated to have cost €47 million in the period 2004 - 2009.

37.12 External training costs of over €15 million were incurred in the period 2004 – 2009 and almost double this sum was incurred in grants to employers mainly as a contribution to staff replacement costs ('backfilling grants'). The broad classifications under which the funds were applied are outlined in Figure 178.

**Figure 178 SKILL Programme Expenditure 2004 to 2009**

<b>Expenditure Classification</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
External Training Cost	-	8	1,133	5,239	4,923	4,430	<b>15,733</b>
Internal Training Cost	2,088	2,474	6,147	5,142	7,166	5,009	<b>28,026</b>
Grants	50 <sup>a</sup>	-	250	250	250	250 <sup>b</sup>	<b>1,050</b>
Reimbursements <sup>c</sup>	3	-	25	92	228	-	<b>348</b>
Other Costs <sup>d</sup>	100	573	387	365	339	132	<b>1,896</b>
<b>Total</b>	<b>2,241</b>	<b>3,055</b>	<b>7,942</b>	<b>11,088</b>	<b>12,906</b>	<b>9,821</b>	<b>47,053</b>

Source: The costs were identified by Internal Audit in the HSE. The classification and notes have been made by Comptroller and Auditor General audit staff.

Notes:

- a According to the HSEA records, the grant of €50,000 in 2004 shown in Figure 178, was paid to SIPTU.
- b The grant paid in 2009 was €208,200. An amount of €41,800 advanced for other purposes in 2008 was treated as satisfying part of the 2009 grant.
- c Some of the payments referred to as 'reimbursements' could be considered as payments made pursuant to further funding applications. For convenience, they are aggregated with amounts paid as reimbursements of expenses.
- d Includes expenditure on SKILL office operations, consultancy, advertising, Kennedy Fellowships, SKILL Grant Scheme, travel and subsistence, hotels, conferences and taxis.

37.13 The grant payments shown in Figure 178 represent expenditure charged to the SKILL programme. From 2006 onwards, annual payments to SIPTU were included in the charge to the programme. The cheques were made payable to the SIPTU National Health and Local Authority Levy Fund and were lodged to a bank account with that name. SIPTU has informed HSE Internal Audit that this account is not an authorised account of the Union.

37.14 Prior to this, the OHM had, in 2004, paid grants totalling €225,000 to the SIPTU National Health and Local Authority Levy Fund and a grant of €10,000, under the Action Plan for People Management initiative, to SIPTU. In 2005, a cheque was issued for €250,000 which was stated to be for the "SIPTU Health Division". Thus, the total received, in the form of grants, by SIPTU or the SIPTU National Health and Local Authority Levy Fund, from the HSE or its predecessor bodies, in the period 2004 to 2009 was €1,535,000. In addition, reimbursement payments of €348,322 were made.

37.15 An amount of €876,000 under the Action Plan for People Management was paid by the Health Services National Partnership Forum in the period 2004 to 2008 with the cheques being made payable to the SIPTU National Health and Local Authority Levy Fund. The accounting for these payments will be reported upon separately when certifying the 2008 accounts of the Forum.

37.16 The SKILL programme also provides funding for the following two other initiatives

- John F Kennedy Fellowship Scholarships<sup>263</sup> - The programme co-funded 16 fellowships over the period 2006-2010 totalling €17,952.
- SKILL Grant Scheme<sup>264</sup> - The programme paid €52,855 in grants for the period 2005 to 2009.

### **External Training Cost**

37.17 Under the supervision of the Steering Group, competency frameworks were devised based on research including an education and training survey. These frameworks informed the content and design of the training programmes, which then obtained FETAC<sup>265</sup> accreditation under the National Qualifications Framework<sup>266</sup>.

37.18 Participants returning to education after many years absence and requiring additional support in the area of literacy, language or IT are referred for that support at FETAC Level 3 or 4. Thereafter, they can progress to FETAC Level 5 or 6. Each course comprises eight modules, normally completed over 12 months with each module generally requiring four days paid leave of absence.

37.19 Three training providers were engaged to provide the education and training

- SKILLVEC – a consortium of Vocational Educational Committees (VECs) led by the City of Dublin VEC – provided courses nationally.
- The Open Training College provided two specialist modules for the disability sector.
- University College Dublin provided two specialist modules for radiography services.

37.20 These external providers deliver programmes for all support staff including Health Care Assistants. The payments<sup>267</sup> to each provider in the period 2004 to 2009 were as follows

- €15,157,855 to City of Dublin VEC
- €489,325 to the Open Training College
- €27,749 to University College Dublin.

37.21 In addition, Centres of Nursing Midwifery Education (CNME) provide courses to health care assistants. The programme offers two sector specific, FETAC certified courses

- FETAC Level 5 award (Certificate in Health Service Skills) aimed at support staff
- FETAC Level 6 award (Advanced Certificate in Supervisory Management Skills) aimed at supervisors

<sup>263</sup> This is a scholarship and career mentoring programme under which fellows receive \$1,500 payment per annum for 2 years academic study. The fellowship includes a period of academic study abroad.

<sup>264</sup> The scheme provides grants for the purchase of schoolbooks and class materials to individuals undertaking certain approved courses of study. Grants are up to a maximum of €300 for Junior Certificate level, €500 for Leaving Certificate level and €1,000 for Diploma/Degree Level.

<sup>265</sup> The Further Education and Training Awards Council (FETAC) is the statutory awarding body for further education and training. FETAC makes quality assured awards that are part of the National Framework of Qualifications 1-6.

<sup>266</sup> The National Qualifications Framework (NFQ) is a system of 10 levels with each level based on nationally agreed standards of knowledge, skill and competence i.e. what an individual is expected to know, understand and be able to do following successful completion of a process of learning.

<sup>267</sup> There were miscellaneous payments totalling €58,291 to five other education providers.

37.22 Figure 179 sets out the number of students who are either currently participating or have participated and completed the programme for the period 2004 – 2010. The actual number of VEC participants in any one year may be somewhat higher due to the fact that participants who complete more than one level over a period of years are counted only once.

**Figure 179 Number of Participants 2004 to 2010**

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total
CNME Participants	456	820	743	657	528	428	261	<b>3,893</b>
VEC Participants <sup>a</sup>	-	-	-	1,365	895	1,076	1,049	<b>4,385</b>
<b>Total</b>	<b>456</b>	<b>820</b>	<b>743</b>	<b>2,022</b>	<b>1,423</b>	<b>1,504</b>	<b>1,310</b>	<b>8,278</b>

Note:

- a VEC participants includes those graduated, awaiting graduation and currently actively participating on modules and are based on the number who registered in the year less subsequent withdrawals.

### **Audit Findings – External Training Costs**

A number of concerns were raised following a review of training costs.

- While a tendering notice was published in the European Journal on the 13 April 2005 for the procurement of the external training providers and a detailed request for tender document was prepared, no evidence was available to my staff of how tenders were evaluated and selected to provide the training.
- A payment to the Open Training College of €11,712 in August 2008 included €3,312 in respect of training 372 students in two modules between September 2007 and August 2008. The related database (which was updated by the course provider) only recorded participants of 245. This discrepancy would need to be reviewed by HSE management.
- In the case of SKILLVEC payments, individual module sheets are submitted with invoices. These include details of college location, modules delivered, date of delivery and number of attendees. A minimum charge was set, based on groups of 15 attending each module. A sample of one hundred module delivery sheets was selected for analysis. It was noted that fifty-five modules had an attendance of 15 or more, forty-five modules had an attendance of less than 15 with twenty-five of these with 10 attendees or less. Since the payment structure is based on modules delivered rather than attendees it does not, in this case, impact on the accuracy of the charge. However, low levels of attendees per module has value for money implications.
- A sample of twenty-five module delivery sheets was cross-checked against the related database. 72% of the sample did not reconcile with the attendance figures on the database. This would raise concerns regarding the accuracy of the database data and the output figures reported.

### **Internal Training Costs**

37.23 The SKILL programme provides a grant to employers in respect of each participant (currently €3,500). These backfilling grants are a contribution towards costs associated with the release of staff to participate in the SKILL programme. In addition, each CNME receives an allocation of €1,554 per participant from the SKILL programme.

#### **Audit Concern – Internal Training Costs**

I asked the Accounting Officer how the amount of the backfilling grant was determined having regard to an October 2007 decision of the Steering Group to increase the value of backfilling contributions “*in order to fully utilise SKILL funding*” and whether these amounts were appropriate in each case.

37.24 In regard to whether backfilling was appropriate or necessary in every case the Accounting Officer stated such replacement had been identified as a key service need to enable participation on the programmes. Because the staff involved are key frontline workers they are essential to day-to-day patient care and integral to staffing rosters. Existing HSE budgets do not have the capacity to fully fund temporary replacements for support staff.

37.25 The Accounting Officer stated that in 2007 the Steering Group undertook an exercise to examine the actual backfilling costs required. Based on one-to-one replacement, a shortfall was identified between the actual costs and the grant paid by SKILL. The Steering Group decided to increase the backfilling contribution as the SKILL budget, at the time, had the capacity to facilitate this based on the throughput of numbers. Based on the average pay across the support staff categories, the full replacement cost associated with release of staff is €4,384 excluding employer PRSI. The backfilling grant value is €3,500. The decision was based on the need to support employers in meeting these backfilling costs. He said that organisations are required to meet the difference between the cost of full replacement and the backfilling grant from within their own budgets. Any shortfall would affect frontline service provision.

#### **Audit Findings – Internal Training Costs**

Reviews by my staff indicated that

- A €10,000 payment to Mental Health Ireland was made based on an application received to “promote mental health training for health care assistants”. This payment was approved by the Steering Group.
- A €30,000 payment to the Disability Federation of Ireland and the National Federation of Voluntary Bodies (€15,000 each) for ad-hoc projects. There were no related applications on file. These payments were approved after a presentation to the Steering Group.
- In the case of CNME courses, the SKILL programme records indicate that payments have been made in respect of 4,241 participants. Based on information supplied by the Nursing and Midwifery Planning and Development Unit, HSE Internal Audit reported that 4,592 individuals had registered and 699 had subsequently withdrawn resulting in only 3,893 completing the course.
- A sample of four backfill contributions totalling €96,500 was examined. While requests for payments were on file in each case only two of the four had listings of individual participants. Thus, there was no evidence that the payments had been linked to actual participation in the programme. In the light of this, there did not appear to be an adequate process in place to link programme delivery with the payments made to the CNMEs.

## Grant Payments

37.26 In addition to the direct SKILL expenditure certain expenditure arose out of commitments originally entered into by the DOHC and which predated the programme. Annual grants of €190,000 were made to the SIPTU National Health and Local Authority Levy Fund up to 2004 and from 2005 onwards grants of €250,000 were paid.

37.27 In 2001, the DOHC had entered into an arrangement to fund the provision of training to frontline supervisors in the health services (frontline supervision programmes). The DOHC asked the Office of Health Management (OHM) to develop a training package and pilot the programme. A programme objective was the enhancement of leadership skill of frontline supervisors. Subsequently, the OHM commissioned the University of Limerick to assist with the programme. The DOHC arranged for the funding to be paid to the OHM via the former Midland Health Board, both of which were subsumed into the HSE upon its establishment in 2005. The DOHC directed the OHM to make the payments to SIPTU.

37.28 The OHM paid two other grants in 2004 – €5,000 to the SIPTU National Health and Local Authority Levy Fund in respect of costs associated with research and development in industrial relations and human resource management programmes and €10,000 to SIPTU in respect of research undertaken to identify management skills and attributes for support services. €50,000 was paid by the HSEA to SIPTU in 2004 in respect of a frontline supervisors programme.

37.29 When the DOHC increased the funding to €250,000 from 2005 it confirmed to SIPTU that ongoing funding of this amount would be made available out of the SKILL programme budget. The grant was expressed to be for the purpose of *“maintaining support for SIPTU’s human resource/personnel development schemes and the development of management union/partnerships of best practice in health enterprises.”* The approval also stated *“This funding has been provided in the Midland Health Board’s letter of determination for 2005, on the basis that it will be channelled to SIPTU via the Office for Health Management, as in previous years.”*

### Audit Concern – Grant Payments

In the period 2004 to 2009, SIPTU and/or the SIPTU National Health and Local Authority Levy Fund received grants of €1,535,000. In addition, certain administrative expenses were initially met from the SIPTU National Health and Local Authority Levy Fund Account on behalf of the SKILL programme on a reimbursement basis. These are dealt with under Administrative Expenditure.

I sought the views of the Accounting Officer of the DOHC in relation to

- the purpose of grants which it had provided for SIPTU, the conditions attached to those grants and how the Department satisfied itself that those conditions were met
- outputs obtained for the grants paid.

37.30 The Accounting Officer of the DOHC informed me that Frontline Supervision Programmes were a partnership initiative between the Department and SIPTU to develop training for frontline supervisors in ancillary services and that SIPTU's human resource/personnel development schemes are a continuation of that partnership initiative. He considered that the following would be among the activities comprehended by the schemes

- provision of training and personal development programmes
- training and development programmes for frontline supervisors
- employer/union partnership initiatives in best practice
- development and piloting of new work practices
- study visits to other health systems.

37.31 The view was that service reform and improvement, which was underpinned by a partnership approach, could assist in delivering both health service goals and improved job satisfaction for frontline workers. In this context, training and career progression for frontline staff were identified as beneficial in improving both service quality and staff satisfaction. The approach to the Department's funding approval in this case reflected the general position that prior to the establishment of the HSE, specific allocations were made to health boards and these set out at a reasonably high level the purposes for which the funding was intended. The approach was to make funding provision for certain purposes while leaving a health board to operationally determine, within the parameters of the overall purpose, the best usage of the funding and any specific performance or accountability conditions arising.

37.32 Although the DOHC might take the initiative in providing funding for a particular purpose, including to support activities on the part of another organisation, at a minimum a health board would still be expected, in acting as an agent, to exercise financial oversight and monitor the use of the funding provided. In this case, it would have been expected by the DOHC that the OHM and the Midland Health Board would have fulfilled this function and put in place the necessary arrangements in relation to the conditions attached to the grants and the validation of expenditure.

### ***Administration and Other Costs***

37.33 In June 2005, members of the Steering Group noted that there were delays in the payment of hotel invoices. The SIPTU representative on the Steering Group suggested that SIPTU would pay these invoices in the interim and be reimbursed later by the HSE. From December 2004 to March 2009, a total of €348,322 was paid to the SIPTU National Health and Local Authority Levy Fund by way of reimbursement of costs including SKILL conference expenses, master classes, Kennedy Fellowships and travel and subsistence.

37.34 The payment requests for the most part described the claims for grants in general terms and were not supported by substantiating documentation. All payment requests for reimbursement stipulated that the cheques should be issued to the SIPTU National Health and Local Authority Levy Fund. So far, the HSE has been unable to satisfy itself that all of the amounts claimed and paid as reimbursements represented expenditure properly incurred for the purpose of the SKILL programme. As part of the HSE Internal Audit process, the HSE contacted SIPTU seeking documentation to support the reimbursement of costs. SIPTU informed the HSE that it had not received the grant payments lodged to the SIPTU National Health and Local Authority Levy Fund and neither had it paid any costs on behalf of the HSE nor sought recoupment from HSE for such costs. The HSE has notified An Garda Síochána of this matter and it is currently under investigation by An Garda Síochána.

37.35 In addition, while HSE Internal Audit identified the fact that foreign travel had occurred at least part of the cost of which had been met by the SIPTU National Health and Local Authority Levy Fund, the HSE could not directly link the payments with the reimbursement claims.

37.36 HSE Internal Audit found that the SKILL programme incurred expenditure of €12,746 on taxi services over the period 2006 to September 2009 and did not use the HSE taxi contract in operation at the time. In its review of invoices submitted for taxis, HSE Internal Audit found that a number of journeys had been undertaken between home and office and between hotels, restaurants and pubs and these journeys took place outside of office hours.

### **Non-Competitive Procurement**

37.37 HSE Internal Audit reported that the HSE procurement policies were breached and existing HSE contracts were not utilised. In particular, it found some services had not been tendered for, including

- consultancy services costing €429,708 (which included payments of €72,873 to a Steering Group member)
- advertising and promotion services costing €241,446.

### **Audit Concern – Control over Administrative Expenditure**

I sought the views of the Accounting Officer on the findings in the HSE Internal Audit report in relation to the shortcomings in control in relation to administration expenses.

37.38 The Accounting Officer stated that the examination by Internal Audit was initiated at the request of the HSE National HR Director as a positive act of good governance. He accepted the finding of HSE Internal Audit that *“the culture as operated in the SKILL office resulted in a significant number of breaches of public sector requirements and HSE policies and procedures in relation to procurement and utilisation of HSE contracts”*. He said that he fully accepted the recommendations of the Internal Audit report and that there is an active programme of implementation in place. The HSE Board had also taken the matter very seriously, both at Audit sub-committee and Board level and had received briefings on the audit findings and the status of the recommendations. The recommendations included that

- all SKILL overseas travel arrangements and costs should be transparent, approved in advance and incurred in accordance with public sector travel guidelines and public financial procedures
- staff should be reminded that all overseas travel arrangements for HSE staff should be made through the HSE Business Travel Unit in accordance with HSE policy
- all HSE policies, including the National Financial Regulations and the HSE Procurement Policy must be implemented and adhered to by the SKILL Office
- all services should be tendered in accordance with HSE policies, only approved subsistence rates should be paid where officers are away on business overnight and taxi usage should be strictly in accordance with HSE taxi usage policy
- HR should take action to ensure that the HSE is compliant with its employment control rules and public sector recruitment obligations.

37.39 In regard to non-competitive procurement, the Accounting Officer informed me that the consultant had been selected by way of interview; however there is no evidence of a competitive process having been undertaken. He also stated that it was totally unacceptable that the Steering Group should have ignored procurement policies in making this appointment. It was also unacceptable that the Steering Group should appoint one of their own members to a consultancy position.

## Accountability for the Programme Funding

37.40 The HSE's annual estimates made provision for funding of €13.8 million per annum for each of the years 2005 to 2008 and €12 million for 2009 in respect of SKILL related activity – a total of €67.2 million. The figures were identified each year in an annual letter from the Department of Finance granting the sanction of the Minister for Finance in respect of the HSE's proposed expenditure. These letters were transmitted to the HSE by the DOHC.

37.41 Each year the HSE Finance Directorate was requested to release funding to the HSEA on the basis of a budget which took account of proposed payments to training providers and of backfilling costs which were based on the proposed number of participants. Expenditure returns were made monthly to the HSE Finance Directorate by the HSEA (which included the SKILL programme expenditure) and these were incorporated into monthly returns to the DOHC.

37.42 At the broad programme level, the Department of Finance had set the following requirements

- that delegated sanction did not apply to this funding and it should be used for the express purpose for which it had been provided and
- that the training initiative would be managed in line with normal government accounting practice and any surplus at the end of each financial year would be returned to the Exchequer.

37.43 In the period 2005 – 2009, the amount provided exceeded the amount directly applied by some €22 million<sup>268</sup>. In practice, the Department of Finance ring-fencing requirement was met through the surrender by the Vote of surplus funds at year-end. In all years, the surplus on the Vote exceeded any savings on the programme.

37.44 However, in the case of grant and reimbursement payments of €1,595,502 made by the HSE to SIPTU and/or the SIPTU National Health and Local Authority Levy Fund since 2005 and included in the overall outturn, the HSE has not been able to confirm that the amounts in question were fully applied for the purpose granted since the related invoices were general in nature and the amounts claimed were not vouched in detail.

## General Observations of the Accounting Officer

37.45 In response to audit queries the Accounting Officer stated that that some elements of the approved governance and reporting arrangements were not implemented. In particular, there had been no formal determination of who could approve expenditure and quarterly reports had not been provided to the National Director of Finance as envisaged by the arrangements agreed by the Steering Group. The Accounting Officer said that the arrangements actually implemented created

<sup>268</sup> In addition, there was unspent funding from 2004 of approximately €500,000 transferred to the HSE on its establishment.

a “silo” in which the Skill programme was overseen by the Steering Group rather than the HSE’s National Human Resources Directorate.

37.46 The Accounting Officer said that the direct notification by the DOHC to a third party organisation that it had arranged to channel funds, to the third party organisation, through the then Midland Health Board and subsequently the HSE caused difficulty. He said that there was no communication with the Accounting Officer of the HSE on this matter following the establishment of the HSE. In any event, there was a lack of clarity from the DOHC regarding the specific purposes and uses for which the grants were to be awarded to SIPTU.

37.47 The Accounting Officer also stated that the programme would be restructured in line with the recommendations of an independent value for money evaluation which is being undertaken. He accepted an internal audit recommendation that the Steering Group be stood down until a new governance structure is determined and implemented.

37.48 He stated that if, following the evaluation it is decided that the SKILL programme be continued, its activities should be incorporated into the HSE Human Resource Leadership, Education and Development Department, where it should be subject to the full range of HSE’s policies and procedures including provision of full monthly financial and operational reports for review by the National Director of Human Resources.

37.49 He stated that a clear governance structure should be drawn up and approved by the National Director of Human Resources identifying the respective roles, responsibilities and accountabilities of the National Human Resources Directorate, the General Manager and the Steering Group (if any) and clearly identifying the direct line reporting relationship from the General Manager to the National Human Resources Directorate and from the Steering Group (if any) to the National Human Resources Directorate. The approved governance structure should be documented, signed and dated.

## **Evaluation of Effectiveness**

37.50 Over the course of the programme, the Steering Group commissioned a number of studies. These fell into two broad categories

- evaluation of the delivery process and
- evaluation of the impact of the programme.

### ***Delivery Evaluations***

37.51 Evaluation of the delivery process focussed on

- the programme modules
- the implementation process
- the process by which the VECs involved subject matter experts in the development of the course modules.

### ***Evaluation of Modules***

37.52 The broad conclusion of the evaluation of the modules – which was undertaken over the period June 2006 to October 2007 – was that 29% required no revision, 60% required minor revision and 11% required major revision. It also found that participants rated an average of 77% of assignments/materials on the courses as relevant to the HSE and that the average level of satisfaction among participants was in the range 75%- 100%. The Accounting Officer has assured

me that all revisions were made and this was done in collaboration with subject matter experts and then subject to further review by external evaluators.

### *Evaluation of Implementation Process*

37.53 The evaluation of the implementation process was based on interviews and focus groups with key project stakeholders. It concluded that SKILL was seen as a positive initiative in the health service but that

- management commitment and clear accountability would be important in ensuring a better take up of places
- there was a need for better communication about aspects of the programme such as cover arrangements and how funding should be used to provide cover
- there were some logistical concerns centering mainly on the question of whether modules could be delivered on site so as to avoid staff having to travel and the use of half day modules rather than full day to facilitate staff release.

37.54 The evaluation noted that lack of cover to release staff was a key impediment for SKILL. There were also concerns among staff that managers did not promote the SKILL programme, that other training such as health and safety may have taken precedence and that there was no link between SKILL and the normal staff appraisal and development system.

37.55 The Accounting Officer noted that in terms of releasing staff to attend the SKILL programme there was initial local management resistance in some areas of the health service. In more recent times there had been some concern at the impact of the public sector moratorium on staffing and the need to ensure continuity of care and service provision. To provide reassurance, extensive communication has taken place with managers throughout the system through newsletters, the HSE website as well as local briefing and information sessions by Human Relations structures. Demand for programme places is now greater than the supply of places. Managers know and have experience of the value of having a knowledgeable, adaptable, up to date workforce that possesses an educational qualification that meets HIQA standards requirements.

37.56 The SKILL programme is now viewed as addressing the Personal Development Planning needs of support staff. Some hospitals have integrated SKILL into their team based performance management/staff appraisal and development system. Information packs outlining module content is available for managers to access and become familiar with. With regard to logistical concerns during the last two to three years increased energy has been focused on working with hospitals and community services as critical mass sites (CMS)<sup>269</sup> of which there are now about thirty at various stages of development throughout the country.

37.57 Programmes are delivered either onsite or off site to meet the needs of the individual and the organisation and in doing so ensure continuity of service delivery for the patients/clients. There is also an ongoing process of contextualisation of modules to ensure module content and design is 'fit for purpose' and responsive to service needs.

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<sup>269</sup> The CMS approach ensures that a large number of support staff from one particular employer will go through the programme at the same time. This way the impact of the courses and the programme on the workplace is more transparent.

### *Involvement of Subject Matter Experts*

37.58 The evaluation of the process by which the VECs involved subject matter experts in the development of the course modules concluded that some subject matter experts experienced inconsistencies in the way the VECs dealt with them and suggested that this partly explained why the modules did not always cover the required competencies. It recommended that a clear process be drawn up so that the VEC and subject matter experts could work together to revise or develop modules. The Accounting Officer assured me that this had been done.

### ***Evaluation of Longer Term Impact***

37.59 The Steering Group also commissioned two evaluations of the longer term impact of the programme aimed at

- determining whether completion of the SKILL modules increased skills and knowledge across the competencies identified as critical for the role of support staff and supervisors
- measuring the business impact of SKILL.

37.60 Both evaluations recognised that there were limitations in such exercises. Increased skills and knowledge might best be measured through observation but since this was considered impractical in a health setting, the evaluation relied on an analysis of before and after questionnaires completed by participants and their managers. As regards business impact, there were difficulties in selecting appropriate measures and in some cases distinguishing the impact of participation of staff in the SKILL programme from other factors that might have affected the particular measure.

37.61 The evaluations concluded that SKILL level 5 courses were making a clear impact on participants' self-assessment of behavioural change and that this was also noted by line managers. SKILL level 6 courses did not admit of a clear conclusion but it could be said that based on participants' self-assessment there was substantial competency improvement in a number of areas as a result of participation in SKILL.

37.62 The evaluation of the business impact concluded that there were some improvements in business level results as a result of SKILL but that many other improvements could not necessarily be attributed to SKILL. It suggested that measures such as staff turnover and absenteeism had not been the most appropriate for measuring the impact of participation in SKILL. It also noted that some managers had expressed concerns about the relevance of some modules and overlap with internal courses, as well as the logistics of arranging cover and rostering.

## Associated Study Visits

37.63 HSE Internal Audit reported that travel to the US, Australia and Hong Kong had taken place by SKILL Steering Group members. However, the financial records of SKILL did not record any travel, hotel or other expenditure in relation to such trips. Figure 180 summarises foreign travel identified by HSE Internal Audit.

**Figure 180 Overseas Trips Identified by HSE Internal Audit**

Destination	Year						Total Number of Trips
	2004	2005	2006	2007	2008	2009	
New York	1	1	2	2	1	2	9
UK <sup>a</sup>	-	3	3	3	3	4	16
Australia	-	1	-	-	-	-	1
Los Angeles	-	-	-	1	-	-	1
Multiple Sites <sup>b</sup>	-	-	-	-	1	-	1
Boston	-	-	-	1	-	-	1
Savannah, Georgia	-	-	-	-	1	-	1
Brussels	-	-	-	-	1	-	1
<b>Total</b>	<b>1</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>31</b>

Notes:

a UK includes trips to London (10), Oxford (2) Southampton (2), Sheffield (1) Birmingham (1).

b These included Los Angeles, Australia and Hong Kong.

37.64 The details of foreign travel are based on information provided to HSE Internal Audit by a number of past and current Steering Group members and the SKILL Project Team. HSE Internal Audit reported that Steering Group members indicated that the study visits, including the travel and accommodation arrangements, were organised by a SIPTU official who was a member of the Steering Group. However, it also noted that the minutes of the Steering Group do not refer to long haul foreign travel and only a small group of members were aware of, and participated in, these study visits. Based on explanations provided by the SIPTU official there appeared to be two types of study visit

- journeys to London, Southampton, Sheffield, Newcastle and Manchester which were funded from the reimbursement claims submitted to the SKILL programme
- other foreign travel, in which SKILL personnel and some Steering Group members participated – these were not SKILL programme visits but partnership visits and were funded from partnership moneys.

### Audit Concern

In view of the findings of the Internal Audit Report I sought the observations of the Accounting Officers of the Department of Health and Children, the Department of Finance and the HSE.

## Observations of the Accounting Officers – Foreign Travel

37.65 The Accounting Officer of the Department of Health and Children informed me that the Department's former and current Steering Group members consider that foreign travel was not undertaken under the aegis of the Steering Group or at its behest. The only exceptions were trips directly associated with the JFK Fellowships for support staff. Other than those, relevant officials do not believe that any other trips referred to in Figure 180, or the funding for them, were discussed or approved by the Steering Group. He stated that while some Department representatives on the Steering Group participated in some of the trips this is not so in all cases and Department officials who were not members of the Steering Group also travelled on visits.

37.66 In general, feedback from the Department officials who were members of the Steering Group and others aware of the study visits is that the visits were not at the time specifically seen as being associated with SKILL and had their basis in wider efforts under partnership to improve industrial relations and develop a shared understanding of the scope for change and reform in the health services.

37.67 The Accounting Officer of the DOHC informed me that the Department's Personnel Officer had reviewed travel claims made since January 2000 by officials in respect of study visits which might have been connected with the SKILL programme or other management/union partnership activities. The Personnel Officer had also received information from serving and former staff in relation to visits where travel and subsistence claims were not made to the Department. In some, but not all such cases, subsistence expenses were paid by SIPTU. The relevant visits amongst those listed in Figure 180 where officials participated are New York (2004, 2005, 2006 and 2009), Australia (2005 and 2008), Boston and Savannah. In addition, officials participated in study visits to Vancouver (2003) and St.Paul/Minneapolis (2004) which were not listed in Figure 180 but which are considered similar in purpose and organisation to the management/union visits listed there. In summary, the review identified that there were ten study visits in which Department officials participated, involving seven different officials. The content of these visits supported joint management/union study of the reform of service delivery. The participation of officials on study visits was undertaken with the knowledge of their superiors.

37.68 The Accounting Officer advised that one former official who retired in 2006 subsequently travelled on foreign visits in a personal capacity. His input included acting as a rapporteur on four study visits and as a participant in five visits to UK universities specifically related to SKILL training. (These Universities had assisted the NHS with similar up-skilling of staff through training and education.)

37.69 The Accounting Officer confirmed that a total of eight travel and subsistence claims were made to the Department in connection with the study visits outlined above. In all cases the conference rate<sup>270</sup> was claimed. Records indicate that the Department did not pay accommodation or flight costs in respect of any of the above study visits and it is the understanding of the relevant officials that in all cases flight and accommodation costs were met out of the annual grant provided by the OHM/HSE to SIPTU.

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<sup>270</sup> The conference rate is a reduced rate of subsistence that takes account of the fact that accommodation is paid for or reimbursed separately. Under Department of Finance rules, the conference rate should not normally be granted for fact finding journeys.

37.70 A review of the foreign travel claims of the Department of Finance official who was a member of the Steering Group identified four claims where the purpose of the travel was stated to be related to the SKILL project. These were visits to Southampton University, Newcastle University/Hospital, London Hospital Trust and City University of New York in respect of a JFK Scholarship Conference.

37.71 The official also made a claim for subsistence, at the conference rate, in respect of the visit to Savannah, Georgia identified in the HSE Internal Audit report. The purpose stated for this trip made no reference to SKILL but was described as Health Partnership/Local Partnership. Apart from one visit to London, on no occasion was a claim made on the Vote of the Office of the Minister for Finance in respect of air travel. The participation of the official on each of these visits was undertaken with the knowledge of his superiors. The Accounting Officer of the Department of Finance informed me that he believed that the official may have participated in a small number, not exceeding five, of additional SKILLS related trips in late 2008 and 2009 for which no travel and subsistence claim was made against the Department. The extent of the latter trips is currently being investigated by the Department's Internal Audit.

37.72 The HSE Accounting Officer informed me that an internal investigation into the matters pertaining to a number of significant issues in the operation of the SKILL programme has commenced. It was envisaged that the independent investigator will report back to the HSE in autumn 2010. The terms of reference are as follows

- Confirm the HSE staff, and partners where applicable, who took part in SKILL related overseas travel.
- Determine the purpose of this travel.
- Determine how this travel was arranged and paid for.
- Identify expenses and subsistence claimed by HSE staff associated with this travel.
- Identify if travel costs were reimbursed. If there were reimbursements to where was it submitted to.
- Determine appropriateness of the overseas travel identified and whether it represented value for money.
- Make recommendations to improve the management of overseas travel to HSE staff having regard to the code of governance and existing travel regulations.
- In relation to the SKILL programme ascertain if HR and financial regulations, that were in place at the time, were complied with.

## Conclusion

A review of the minutes of the Steering Group indicates that the Group undertook its role diligently. However, any arrangement that involves a steering group with participants drawn in part from outside an organisation carries the risk that accountability will be weakened through misunderstanding or confusion of roles.

There is a need to ensure that the relationship between such groups and the Accounting Officer is fully transparent and that all parties are clear that control, management and accountability rest with the Accounting Officer.

While tenders were sought for the programme's major external cost viz. provision of training, a proper record of evaluations was not maintained. There were breaches of procedures in relation to the procurement of other services.

There is a need to ensure that procurement is transparently conducted and an adequate record maintained of the process followed and of how decisions are made.

There were a number of instances involving breaches of the HSE's financial regulations.

The HSE should obtain, on an annual basis, confirmation from all budget holders that controls have operated in their areas of responsibility.

While the rationale put forward for the backfilling payments appears reasonable, there is no evidence that the backfilling payments were, in fact, used to provide cover for the absences of staff who were participating in the programme. Neither is it clear that the level of payments aligns with the record of numbers participating.

The HSE should review the extent to which programme output and participation correlates with expenses paid.

The terms in which the funding paid into the SIPTU National Health and Local Authority Levy Fund Account were described would have been of limited use in enabling either the OHM or the HSE to determine what was expected to be provided by the funding.

It is essential that there be clarity about the nature and purpose of funding, the outputs expected and how accountability will be discharged by the recipient.

The relevant correspondence refers to "funding" without making it clear whether the payment was a grant or a grant-in-aid. Public Financial Procedures provide that grants must be fully vouched and any balance remaining unexpended at the end of the year must be surrendered. A grant-in-aid does not require detailed vouching but the grantee is obliged to provide audited accounts.

There is a need for the Department of Finance to clarify whether and to what extent grants may be made on a block basis (not requiring detailed vouching) and to provide related guidance.

Study visits were financed out of grants paid to the SIPTU National Health and Local Authority Levy Fund. Some of the visits were not integral to the SKILL programme and their only connection is the fact that the costs were met out of funding provided out of the SKILL budget.

The arrangements for the discharge of travel costs associated with the visits was not satisfactory in that flight and accommodation costs were met out of the SKILL budget and other subsistence costs were met by the DOHC and the Department of Finance.

In order to ensure clear and transparent management and accountability, all costs relating to the public business of a Department or State body should be charged to the account of that Department or Body.

Reimbursements were made to the SIPTU National Health and Local Authority Levy Fund in respect of expenses of €348,322 which had been met by it on behalf of the SKILL programme.

All payments should be processed through the relevant public account in order to give assurance that there is adequate control over the initiation, authorisation and charging of expenditure to public funds.

In the case of travel and subsistence costs, it is not clear that the use of the conference rate was appropriate in the circumstances of the study visits.

The Department of Finance should consider reiterating to public bodies the rules relating to the use of the conference rate.

The Steering Group commissioned a number of reviews of the effectiveness of the training provided under the programme. However, the results, particularly in relation to level 6 courses, are not conclusive.

It would be useful for the HSE to re-evaluate the courses. It might also be appropriate to pilot new arrangements to address the logistics issues identified in the evaluations.

