

Appropriation Account 2023

Vote 38

Health

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 2023 for the salaries and expenses of the Office of the Minister for Health and certain other services administered by that Office, including grants to the Health Service Executive and miscellaneous grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2023, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €11.45 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.

The account has been prepared in accordance with the *Further Revised Estimates for Public Services 2023* for Vote 38 Health.

Transfer of functions

The *Further Revised Estimates* took account of the transfer of administration and ministerial functions of specialist disability services provided by the Health Service Executive (HSE) and other specialist health providers previously funded and administered by the Department of Health to the Department of Children, Equality, Disability, Integration and Youth (DCEDIY) with effect from 1 March 2023 (under the Health (Miscellaneous Provisions) Act 2022 and SI 688 of 2022).

That transfer of functions comprised

- management of health services for people with a disability
- provision of community care services for people with disabilities, and
- provision of Children Disability Network Teams services.

In respect of the functions transferred, 39 posts were transferred from the Department of Health to the Department of Children, Equality, Disability, Integration and Youth. Funding of €2.647 billion transferred from Vote 38 Health to Vote 40 Children, Equality, Disability, Integration and Youth.

In line with the accounting arrangements set out by the Government Accounting Section of the Department of Public Expenditure, National Development Plan Delivery and Reform, the *Further Revised Estimates* reflect the transferred functions on a full-year basis. The appropriation account, which must follow the form and format of the relevant estimate, also reflects the above transfer of functions on a full-year basis.

Statement of accounting policies and principles

The standard accounting policies and principles for the production of appropriation accounts, as set out by the Department of Public Expenditure, National Development Plan Delivery and Reform in circular 22 of 2023, have been applied in the preparation of the account except for the following.

Payments to the HSE

Funds are advanced to the HSE in relation to the provision of services on a grant basis, in line with funding set out in the annual letter of determination which issues to the HSE setting out its approved level of expenditure. The total amount paid to the HSE was charged against the relevant subheads. Grant funding paid to the HSE in 2023 amounted to €21.845 billion (2022: €23.269 billion). This is accounted for across 14 subheads – each subhead from subhead I to subhead M.4, excluding subhead M.1, which related to the capital expenditure of agencies under the aegis of the Department other than the HSE.

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 control is a continuous process and the system and its effectiveness are kept under ongoing review.

Shared services

Payroll and human resource functions are provided on a shared services basis by the National Shared Services Office (Vote 18).

I have fulfilled my responsibilities in relation to the requirements of the service management agreement between this Department and the National Shared Services Office for the provision of shared services (e.g. HR). I rely on a letter of assurance from the Accounting Officer of the National Shared Services Office that the appropriate controls are exercised in the provision of shared services to this Department.

Financial control environment

A control environment comprising 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.
- Procedures for all key business processes have been documented.
- There are systems in place to safeguard the assets.

The Department will continue to strengthen the control environment in which it operates in 2024.

Administrative controls and management reporting

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,

- 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.

Procurement

The Department ensures that there is an appropriate focus on good procurement practice in the award of all contracts and that procedures are in place to ensure compliance with all relevant guidelines.

The Department has provided details of ten non-competitive contracts in the annual return in respect of circular 40/2002 to the Comptroller and Auditor General and the Department of Public Expenditure, National Development Plan Delivery and Reform.

Non-compliance with procurement rules

The Department complied with the guidelines with the exception of two contracts (in excess of €25,000), totalling €92,558 (ex. VAT) in 2023 as set out below.

- €37,214 related to a contract for monitoring, maintenance and support services for the Department's hardware and network infrastructure which had previously been tendered for but exceeded the relevant threshold. This service is deemed essential in order to maintain the ICT infrastructure. The Department carried out a procurement exercise to address ongoing requirements for this service and a compliant contract is now in place.
- €55,344 related to the delivery of a refreshed eHealth Strategy with the majority of this expenditure undertaken on foot of a mini competition under an OGP framework. During the course of the contract, additional works were identified that required additional expenditure that breached the lot threshold for the framework by 39%. It is noted that this is acceptable under EU public procurement regulations which state that any modification in price must not exceed 50% of the original contract value.

The above contracts have been included in the 40/2002 annual return referenced above

The Department is committed to addressing the issue of non-compliant procurement and is continuing to strengthen its policies and procedures in respect of procurement issues. Regular updates are provided to all staff in this regard. Where appropriate, the Department utilises centrally available frameworks. Improvements to existing contract management processes are a priority and implementation is ongoing internally. The Department continues to work closely with the Office of Government Procurement to improve compliance when undertaking its procurement activities.

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. The work of the Internal Audit Unit 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. Further, internal audit services are delivered in alignment with the *Internal Audit Standards for Government Departments and Offices* (2018), as issued by the Department of Public Expenditure, National Development Plan Delivery and Reform.

I confirm that the Department has an Audit Committee in situ, and it has operated satisfactorily throughout the year. I can confirm that the Audit Committee operated in accordance with a charter which was approved by me.

The internal audit function is reviewed periodically by me and the Audit Committee and is subject to independent quality assessment at least once every 5 years. Further, I have put procedures in place to ensure that the Internal Audit reports are appropriately followed up.

Risk and control framework

The Department oversees risk management through its Governance and Risk Unit, a new unit established in January 2023.

During 2023, the Department made significant improvements in its risk management capability. The Risk Committee was reconstituted and met several times during the year. An updated Risk Management Framework was published in June, and training provided to staff. The Department also migrated to eRisk in September, an online BTS platform developed by the Office of the Government Chief Information Officer (OGCIO) for recording and managing risks.

Regular updates on risk management were presented to the Department's Corporate Governance Committee, a sub-committee of the Management Board, which provides assurance to the Accounting Officer regarding the suitability and robustness of the Department's corporate governance systems, processes and procedures. The unit also presented the risk management framework and approach to the Department's Audit Committee in October, providing further assurance on risk management.

The Governance and Risk Unit will continue to lead the operationalisation of risk management and enhanced risk reporting via the Department's corporate governance structures during 2024.

Governance in the health sector

The Department's approach to managing governance across the health sector in 2023 is based on the Department of Public Expenditure, National Development Plan Delivery and Reform *Code of Practice for the Governance of State Bodies* (2016). Oversight of aegis bodies is undertaken by the designated units within the Department led at principal officer level with input and support from the Department's Governance and Risk Unit and other relevant units.

Responsibility for delivery on the mandate and functions of aegis bodies rests in the first instance with each board, and each chair of the board.

The relationship between the Department and the bodies under its aegis is determined primarily by

- the underpinning legislation establishing the body, and
- the requirements set out in the *Code of Practice*.

Under the *Code of Practice*, oversight agreements and performance delivery agreements were in place with aegis bodies during 2023. This approach focuses on outputs and outcomes and includes performance indicators to ensure that resources are used both in an effective and efficient manner to deliver quality services.

A corporate plan covering a three-year period is prepared by the HSE and approved by the Minister for Health. Each year, the HSE continues to prepare a national service plan setting out the type and volume of services it intends to provide for the funding available. This national service plan complies with section 9.5.2 of the oversight agreement with regards to the requirements of a performance delivery agreement. The *National Service Plan 2023* was approved by the Minister for Health on 23 March 2023 and subsequently laid before both Houses of the Oireachtas as per the legislative requirement in section 31(13) of the Health Act 2004 (as amended) and published by the HSE.

Performance reports are submitted monthly by the HSE during the course of the year, and monthly meetings take place at various levels between the two organisations to discuss ongoing or emerging performance issues and determine actions to improve areas of concern. During 2023, an industrial action within the HSE resulted in no monthly performance reports being produced from September 2023 through to year-end. These reports were prepared and received in March 2024 following suspension of the industrial action.

In relation to other aegis bodies, legislation generally provides for a multi-annual corporate plan and an annual business plan. These plans allow, respectively for overall corporate strategy and annual priorities to be developed and agreed with the Department.

Ongoing monitoring and review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the management board, where relevant, in a timely way. I confirm that key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.

Review of effectiveness

The Department has procedures to monitor the effectiveness of its risk management and control procedures. The Department's monitoring and review of the effectiveness of the system of internal financial control is informed by the work of the internal and external auditors and the senior management within the Department responsible for the development and maintenance of the internal financial control framework.

Internal financial control issues

No weaknesses in internal financial control were identified in relation to 2023 that require disclosure in the appropriation account.

Robert Watt
Accounting Officer
Department of Health

21 March 2024

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 38 Health

Opinion on the appropriation account

I have audited the appropriation account for Vote 38 Health for the year ended 31 December 2023 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993.

In my opinion, the appropriation account

- properly presents the receipts and expenditure of Vote 38 Health for the year ended 31 December 2023, and
- has been prepared in the form prescribed by the Minister for Public Expenditure, National Development Plan Delivery and Reform.

Basis of opinion

I conducted my audit of the appropriation account in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Department of Health and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on the statement on internal financial control, and on other matters

The Accounting Officer has presented a statement on internal financial control together with the appropriation account. My responsibilities to report in relation to the information in the statement, and on certain other matters upon which I report by exception, are described in the appendix to this report.

The Health Service Executive's integrated financial management system

Chapter 17 of my report on the accounts of the public services for 2023 deals with the funding provided from Vote 38 to the Health Service Executive in respect of a new integrated financial management system, the roll out of the project by the Executive and the project costs to date.

Seamus McCarthy

Comptroller and Auditor General

16 September 2024

Appendix to the report

Responsibilities of the Accounting Officer

The Accounting Officer is responsible for

- the preparation of the appropriation account in accordance with section 22 of the Exchequer and Audit Departments Act 1866
- ensuring the appropriation account complies with the requirements of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures*, and with other directions of the Minister for Public Expenditure National Development Plan Delivery and Reform
- ensuring the regularity of transactions, and
- implementing such internal control as the Accounting Officer determines is necessary to enable the preparation of the appropriation account free from material misstatement, whether due to fraud or error.

Responsibilities 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 account and to report thereon to the Houses of the Oireachtas stating whether, in my opinion, the account properly presents the receipts and expenditure related to the vote.

My objective in carrying out the audit is to obtain reasonable assurance about whether the appropriation account is free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the appropriation account.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the appropriation account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I assess whether the accounting provisions of the Department of Public Expenditure National Development Plan Delivery and Reform's *Public Financial Procedures* have been complied with.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the appropriation account to be readily and properly audited, or
- the appropriation account is not in agreement with the accounting records.

Reporting on the statement on internal financial control

My opinion on the appropriation account does not cover the Accounting Officer's statement on internal financial control, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the appropriation account, I am required under the ISAs to read the statement on internal financial control and, in doing so, consider whether the information contained therein is materially inconsistent with the appropriation account or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement, I am required to report that fact.

Reporting on other matters

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I am required to report under section 3 of the Comptroller and Auditor General (Amendment) Act 1993 if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I am also required under the 1993 Act to prepare, in each year, a report on such matters arising from my audits of the appropriation accounts as I consider appropriate. In such cases, the audit reports on the relevant appropriation accounts refer to the relevant chapter(s) in my annual *Report on the Accounts of the Public Services*.

Vote 38 Health

Appropriation Account 2023

Service		2023		2022
		Estimate provision		Outturn
		€000	€000	€000
Administration				
A.1	Salaries, wages and allowances			
	<i>Original</i>	49,848		
	<i>Supplementary</i>	(4,348)		
			45,500	45,506
A.2	Travel and subsistence		451	384
A.3	Training and development and incidental expenses			
	<i>Original</i>	3,916		
	<i>Supplementary</i>	(1,816)		
			2,100	3,188
A.4	Postal and telecommunications services			
	<i>Original</i>	174		
	<i>Supplementary</i>	(29)		
			145	187
A.5	Office equipment and external IT services			
	<i>Original</i>	2,951		
	<i>Supplementary</i>	(478)		
			2,473	2,217
A.6	Office premises expenses			
	<i>Original</i>	959		
	<i>Supplementary</i>	(109)		
			850	299
A.7	Consultancy services and value for money and policy reviews			
	<i>Original</i>	1,924		
	<i>Supplementary</i>	(524)		
			1,400	735

Service		2023		2022
		Estimate provision		Outturn
		€000	€000	€000
Grants				
B.1	Grants to research bodies and other research grants			
	Original	50,481		
	Supplementary	(1,233)		
			49,248	45,239
B.2	Healthy Ireland Fund		49,038	44,555
B.3	Drugs Initiative		14,380	14,455
B.4	Research Covid-19 action		5,360	5,347
			—	2,930
Other services				
C	Expenses in connection with the World Health Organisation and other international bodies		2,700	2,985
D	Statutory and non-statutory inquiries and miscellaneous legal fees and settlements			2,586
	Original	12,117		
	Supplementary	8,883		
			21,000	6,422
E.1	Developmental consultative, supervisory, regulatory and advisory bodies		21,027	
	Original	105,233		
	Supplementary	(10,596)		
			94,637	78,723
E.2	The Food Safety Promotion Board		85,987	
	Original	5,691		
	Supplementary	(63)		
			5,628	5,545
E.3	The National Treatment Purchase Fund		5,664	
	Original	100,022		
	Supplementary	(22)		
			100,000	100,000
E.4	Ireland/Northern Ireland INTERREG		100,000	1,554
			6,074	

Service	2023		2022
	Estimate provision €000	Outturn €000	Outturn €000
Other services (continued)			
E.5 Covid-19 actions	139,800	92,235	38,740
F.1 Payments in respect of disablement caused by Thalidomide	—	—	366
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 Acts 1997 and 2002	16,000	14,551	16,150
F.4 Payments to a reparation fund established under Section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002	2,000	2,284	3,046
G Dissemination of information, conferences and publications in respect of health and health care services			
Original	1,545		
Supplementary	(545)		
	1,000	900	1,358
H Sláintecare			
Original	16,936		
Supplementary	(10,936)		
	6,000	6,585	6,278
Corporate administrative			
I Net pension costs			
Original	685,563		
Supplementary	67,269		
	752,832	794,210	732,501

Service		2023		2022	
		Estimate provision			Outturn
		€000	€000	€000	€000
HSE health and social care services					
J.1	HSE (including services developments)				
	Original	12,686,484			
	Supplementary	693,514			
			13,379,998	13,333,494	13,984,051
J.2	HSE – Covid-19 actions				
	Original	565,490			
	Supplementary	119,760			
			685,250	709,857	1,878,259
Other HSE services					
K.1	Health agencies and similar organisations (part funded by the National Lottery)		4,513	—	4,513
K.2	Payments to Special Account – Health (Repayment) Act 2006		1,700	—	—
K.3	Payment to special account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme		1,000	2,228	—
K.4	Payment to State Claims Agency				
	Original	435,000			
	Supplementary	75,000			
			510,000	511,656	530,000
K.5	Economic and social disadvantage (dormant account funding)		1,985	69	108
Care programme					
L.1	Primary care reimbursement services				
	Original	3,930,202			
	Supplementary	109,332			
			4,039,534	4,030,478	3,685,646

Service		2023		2022
		Estimate provision		Outturn
		€000	€000	€000
Care programme (continued)				
L.2	Primary care reimbursement services – Covid-19 actions			
	Original	8,000		
	Supplementary	1,270		
			9,270	8,920
L.3	Long term residential care			—
	Original	1,094,197		
	Supplementary	(31,637)		
			1,062,560	1,113,700
				1,001,529
Capital services				
M.1	Grants in respect of building, equipping (including ICT)		19,927	16,088
M.2	Building, equipping and furnishing of health facilities			14,740
	Original	951,170		
	Supplementary	21,682		
			972,852	876,694
M.3	Information services and related services for health agencies		383,696	413,696
M.4	Capital Covid-19 actions (including ICT)		50,000	50,000
				140,000
Gross expenditure				
	Original	21,358,420		
	Supplementary	1,034,374		
			22,392,794	22,319,348
				23,664,752
	Deduct			
N	Appropriations-in-aid		438,371	446,374
				458,409
Net expenditure				
	Original	20,920,049		
	Supplementary	1,034,374		
			21,954,423	21,872,974
				23,206,343

Surplus

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

	2023	2022
	€	€
Surplus	81,449,616	42,065,397
Deferred surrender	(70,000,000)	—
Surplus to be surrendered	<u>11,449,616</u>	<u>42,065,397</u>

Robert Watt

Accounting Officer
Department of Health

21 March 2024

Notes to the Appropriation Account

Note 1 Operating Cost Statement 2023

	2023	2022
	€000	€000
Expenditure on Department administration	51,188	52,516
Expenditure on services and programmes	22,268,160	23,612,236
Gross expenditure	22,319,348	23,664,752
<i>Deduct</i>		
Appropriations-in-aid	446,374	458,409
Net expenditure	21,872,974	23,206,343
Changes in capital assets (note 2.1)		
Purchases	(66)	
Depreciation	43	
	(23)	(1)
Changes in net current assets		
Decrease in prepayments	400	
Increase in accrued income	(7)	
Decrease in accrued expenses	(1,249)	
	(856)	(1,046)
Direct expenditure	21,872,095	23,205,296
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	21,268	21,232
Net programme cost	21,893,363	23,226,528

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.

		2023	2022
		€000	€000
Vote 9	Office of the Revenue Commissioners	44	103
Vote 12	Superannuation and Retired Allowances	12,524	12,522
Vote 13	Office of Public Works	7,963	7,897
Vote 18	National Shared Services Office	75	69
Vote 20	Garda Síochána	238	227
Vote 43	Office of the Government Chief Information Officer	129	119
Central Fund – ministerial pensions		295	295
		21,268	21,232

Note 2 Statement of Financial Position as at 31 December 2023

	Note	2023 €000	2022 €000
Fixed assets			
Property, plant and equipment	2.1	98	75
Total fixed assets		98	75
Current assets			
Bank and cash		63,154	—
Prepayments	2.2	2,528	2,928
Accrued income		201	194
Other debit balances	2.4	6,462	6,404
Net Exchequer funding	2.6	—	8,820
Total current assets		72,345	18,346
Less current liabilities			
Accrued expenses	2.3	745	1,994
Bank and cash		—	11,404
Other credit balances	2.5	4,752	3,818
Net Exchequer funding	2.6	64,864	—
Total current liabilities		70,361	17,217
Net current assets		1,984	1,129
Net assets		2,082	1,204
Represented by:			
State funding account	2.7	2,082	1,204

2.1 Property, plant and equipment

	Office and IT equipment	Total
	€000	€000
Cost or valuation		
At 1 January 2023	226	226
Additions	66	66
At 31 December 2023	292	292
Accumulated depreciation		
At 1 January 2023	151	151
Depreciation for the year	43	43
At 31 December 2023	194	194
Net assets		
At 31 December 2023	98	98
At 31 December 2022	75	75

2.2 Prepayments

at 31 December	2023	2022
	€000	€000
Healthy Ireland Fund	1,708	2,194
GAA Healthy Clubs	400	—
Sláintecare integration fund	267	105
Other prepayments	153	138
Ukrainian Refugee Fund	—	491
	2,528	2,928

2.3 Accrued expenses

at 31 December	2023	2022
	€000	€000
Administration expenses	520	291
Other accruals	122	43
National Advisory Service	77	111
Irish Blood Transfusion Service	26	99
Hepatitis C Insurance Scheme	—	1,122
Covid digital certs	—	203
Legal fees	—	123
Healthy Ireland Fund	—	1
	745	1,994

2.4 Other debit balances

at 31 December	2023	2022
	€000	€000
Recoupable salaries	6	—
Recoupable travel pass scheme expenditure	56	52
Recoupable travel expenditure	4	4
Transfer of functions DCEDIY	98	—
Hepatitis C Compensation Tribunal ^a	6,060	6,238
Other debit suspense items	238	109
	6,462	6,404

Note ^a Subject to sanction from the Department of Public Expenditure, National Development Plan Delivery and Reform, subhead F.3 makes payments to a Special Account established under Section 10 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002 and subhead F.4 makes payments to a Reparation Fund established under Section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002. The Accounting Officer for the Department of Finance is responsible for the Special Account and Reparation Fund.

The Department of Health acts as paying agent to the Hepatitis C Compensation Tribunal and is responsible for paying tribunal awards and reparation awards and for paying the administration and legal costs of the Tribunal. The expenditure is recouped from the Special Account and the Reparation Fund on foot of returns of expenditure certified by the Accounting Office of the Department of Health.

The balance at year end shown here represents costs discharged by the Department of Health in respect of the Tribunal for which funding has yet to be recouped from the Special Account and Reparation Fund.

2.5 Other credit balances

at 31 December	2023	2022
	€000	€000
Amounts due to the State		
Income tax	578	580
Pay related social insurance	404	380
Universal social charge/income levy	119	116
Local property tax	2	3
Value added tax	7	34
Professional services withholding tax	42	324
	1,152	1,436
Payroll deductions held in suspense	274	256
EU funding	3,316	2,116
Other credit suspense items	10	11
	4,752	3,819

2.6 Net Exchequer funding

at 31 December	2023	2022
	€000	€000
Surplus to be surrendered	11,450	42,065
Deferred surrender	70,000	—
Exchequer grant undrawn	(16,586)	(50,885)
Net Exchequer funding	64,864	(8,820)
Represented by:		
Debtors		
Bank and cash	63,154	—
Debit balances: suspense	6,462	6,404
	69,616	6,404
Creditors		
Due to the State	(1,152)	(1,436)
Bank and cash	—	(11,404)
Credit balances: suspense	(3,600)	(2,383)
	(4,752)	(15,223)
	64,864	(8,820)

2.7 State funding account

	Note	2023	2022
		€000	€000
Balance at 1 January		1,204	157
Disbursements from the Vote			
Estimate provision	Account	21,954,423	
Deferred surrender	Account	(70,000)	
Surplus to be surrendered	Account	(11,450)	
Net vote		21,872,973	23,206,343
Expenditure (cash) borne elsewhere	1.1	21,268	21,232
Net programme cost	1	(21,893,363)	(23,226,528)
Balance at 31 December		2,082	1,204

2.8 Commitments

a) Global commitments	2023	2022
at 31 December	€000	€000
Procurement of goods and services	3,366	124,269 ^a
Non-capital grant programmes	34,567	32,711 ^a
Capital grant programmes	37,164	48,256
Total of legally enforceable commitments	75,097	205,236 ^a

b) Non-capital grant programmes	2023	2022
	€000	€000
Opening balance	32,711	16,829
Grants paid in the year	(16,405)	(19,822)
New grant commitments	18,951	35,769 ^a
Grants cancelled	(690)	(65)
Closing balance	34,567	32,711 ^a

c) Capital grant programmes	2023	2022
	€000	€000
Opening balance	48,256	47,641
Grants paid in the year	(9,856)	(9,993)
New grant commitments	—	10,994
Grants cancelled	(1,236)	(386)
Closing balance	37,164	48,256

Note ^a A detailed review showed an understatement in the 2022 accounts. This included the vaccine commitments as at the end of 2022. The responsibility of this commitment transferred to the HSE in 2023. The prior year figures have been adjusted to correct the understatement.

2.9 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.

2.10 HSE balance

at 31 December	2023	2022
	€000	€000
Opening liability 1 January	(463,523)	(954)
Determination	(21,846,895)	(23,706,949)
Grants issued	21,845,003	23,268,757
Capital first surplus retraction	47,465	—
Closing liability 31 December	(417,950)	(439,146)
Grant deferred	—	(24,377)
Net balance with HSE	(417,950)	(463,523)

Note Grant funding totalling €21,845 million was transferred to the HSE in 2023 to meet its immediate cash requirements. The total payments issued from the Health Vote to the HSE were less than the amount set out in the Minister's annual letter of determination by an amount of €1.89 million. The 2022 capital surplus of €47.5 million was offset against the liability, giving a net balance owed to the HSE of €417.95 million for 2023.

Note 3 Vote Expenditure

The following outlines the reasons for significant variations in expenditure from the amount provided. A significant variation is +/- €100,000, and +/- 5% of the amount provided (administration subheads +/- 25%).

Administration expenditure

A.3 Training and development and incidental expenses

Estimate provision €3.916 million; outturn €2.077 million

The underspend is due to lower than anticipated general administrative costs in the Department, including reduced press office costs, and greatly reduced cleaning costs.

A.5 Office equipment and external IT services

Estimate provision €2.951 million; outturn €2.102 million

The underspend is primarily due to the deferral of the planned purchase of additional storage for the Department.

A.7 Consultancy services and value for money and policy reviews

Estimate provision €1.924 million; outturn €765,405

The underspend is due to timing of projects where it's expected that these projects will carry forward into 2024. The savings on projects that were deemed closed or finished was €126,500.

Grants to agencies

B.3 Drugs initiative

Estimate provision €6.928 million; outturn €5.360 million

In 2023, €500,000 was set aside for a prevention and education programme that was being designed. This project did not reach implementation stage during 2023 but it is anticipated that it will be fully implemented in 2024.

Following the mid-term review of the National Drug Strategy, six strategic priorities were identified. A strategic implementation group (SIG) was established for each of these priorities. In 2023 a SIG support fund was established to fund the work programme of these groups, but there was minimal usage of this funding by the SIGs in 2023. It is anticipated that the SIGs will utilise this funding in 2024.

Additionally, the projected expenditure in relation to drug and alcohol taskforces was not fully spent in 2023 due to difficulties experienced in recruiting. It is anticipated that this issue will be addressed in 2024 and that the funding allocation will be drawn down.

Other services

C Expenses in connection the with World Health Organisation and other international bodies

Estimate provision €2.7 million; outturn €2.985 million

The overspend is due to the cost of contributions and memberships being higher than originally anticipated.

D Statutory and non-statutory inquiries and miscellaneous legal fees and settlements

Estimate provision €12.117 million; outturn €21.027 million

The overspend is due to a higher than anticipated volume of Medical Defence Union refusal cases being settled following post-Covid resumption of actions.

E.1 Developmental, consultative, supervisory, regulatory and advisory bodies

Estimate provision €105.233 million; outturn €85.987 million

The following agencies actual expenditure was lower than originally allocated.

- Food Safety Authority of Ireland - expenditure less than allocation mainly due to an underspend on payments to local authority vets.
- Health Information and Quality Authority - expenditure was less than allocation due to delay in filling posts.

Other miscellaneous items of underspend were due to the postponement of certain programmes and timing of payments, including by the Patient Safety Office initiatives, National Screening Advisory Committee, Public Health Authority, National Health Information Authority and the Nursing and Midwifery Board of Ireland funding under Lansdowne Road Agreement.

E.4 Ireland/Northern Ireland INTERREG

Estimate provision €5.300 million; outturn €6.074 million

The overspend is due to the completion of all projects in the final year of this programme.

E.5 Covid-19 actions

Estimate provision €139.800 million; outturn €92.235 million

The underspend relates to access to care funding held in this subhead for the HSE which was paid from subhead J.1. This was included in the final cash drawdown to the HSE in December 2023.

F.3 Payments to a Special Account established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002

Estimate provision €16 million; outturn €14.551 million

The shortfall in expenditure of €1.449 million relative to the estimate provision was due to lower than anticipated Tribunal expenditure.

The Department is not in a position to forecast precisely the number or value of awards made by the Hepatitis C and HIV Compensation Tribunal, which is independent of the Department.

F.4 Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002

Estimate provision €2 million; outturn €2.284 million

Section 11 of the Act provides for the payment of amounts in lieu to claimants who had accepted an award from the Tribunal or an offer of settlement. The increase in expenditure of €284,000 relative to the estimate provision was due to the value of reparation fund payments being higher than anticipated.

G Dissemination of information, conferences and publications in respect of health and health care services

Estimate provision €1.545 million; outturn €899,569

This variance is due to the lower volume of press campaigns in 2023 versus the estimate and prior years. Savings of €545,000 were vired from this subhead to meet expenditure elsewhere in the vote.

H Sláintecare

Estimate provision €16.936 million; outturn €6.585 million

The underspend in expenditure on Sláintecare related primarily to the HSE recruitment pause which resulted in delays to the operationalisation of Round 2 projects and consequent non-disbursement of the expected second tranche of funding. In addition, there were fewer than expected applications for Round 3 funding and a reduced number of successful projects, following the appraisal process. As a result, the amount of funding which could be disbursed to Rounds 2 and 3 projects in 2023 was reduced, compared to the amount expected to be disbursed.

Corporate administrative

I Net pension costs

Estimate provision €685.563 million; outturn €794.210 million.

Excess expenditure of €108.647 million. Subhead I provides for payment of superannuation benefits for HSE employees and includes pensions and retirement lump sums and is net of any superannuation contributions made by serving staff. The introduction of the Single Public Service Pension Scheme (SPSPS) in 2013 requires employee contributions by members of this scheme to be remitted centrally to the Exchequer. As members of older schemes retire and are replaced by members of the SPSPS, the amount of income retained by the HSE has fallen, thus creating a greater demand on this subhead. In tandem with increased benefits resulting from public sector pay agreements, this has led to the additional expenditure incurred in 2023. In addition, during 2023 the HSE made pension back-payments relating to older pay agreements and also commenced an initiative to advance payment of current pension lump-sum amounts.

HSE health and social care services

J.1 HSE (Including service developments)

Estimate provision €12,686.484 million; outturn €13,333.494 million

The overspend of €647 million in 2023 was primarily due to deficits in acute hospitals, and to a lesser extent across community and demand led areas. The majority of this deficit was related to non-pay expenditure, driven by both price increases due to high levels of inflation and volume increases arising from increases in demand for health services due to demographic changes in terms of a growing and ageing population above forecasted levels. In addition, a substantial portion of the deficit was due to pay expenditure, particularly in relation to agency and overtime costs, also driven by increases in demand for health services.

J.2 HSE Covid-19 actions

Estimate provision €565.490 million; outturn €709.857 million.

The overspend on HSE Covid current expenditure in 2023 was primarily due to unfunded Covid responses in acute and community settings. Significant progress had been made on ceasing many of these unfunded responses by end-2023 going into 2024. €119.760 million was vired to this subhead to meet this expenditure in 2023.

Other HSE services

K.1 Health agencies and similar organisations (part funded by the National Lottery)

Estimate provision €4.513 million; outturn €nil

The shortfall in expenditure relative to the estimate provision was due to the timing of grants being paid and the conditions of the grant being fulfilled.

K.2 Payments to Special Account – Health (Repayment) Act 2006

Estimate provision €1.7 million; outturn €nil

The underspend of €1.7 million in 2023 was due to the nature of payments under this subhead being such that the timing of funding requests may be unpredictable, particularly if there are queries to be resolved in the verification process, and therefore the timing of payments can be subject to change. Because of the statutory nature of the Scheme, the liabilities arising must be met by the State and therefore it is important to ensure that funding for the Scheme remains in the relevant subhead to meet final liabilities.

K.3 Payments to special account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme

Estimate provision €1.000 million; outturn €2.228 million

This is a quasi-judicial process based on claims lodged and the nature of claims and payments vary significantly from year to year. The overspend was due to all the 2022 and 2023 payments being made in 2023. The 2022 spend was €1.122 million and the 2023 spend was €1.106 million.

K.4 Payment to State Claims Agency

Estimate provision €435.000 million; outturn €511.656 million

The State Claims Agency (SCA) manages all clinical negligence claims taken against healthcare enterprises, hospitals and clinical, nursing and allied healthcare practitioners on behalf of the State.

The SCA seeks to manage claims to the lowest achievable level while ensuring that fair compensation is paid in cases where negligence does arise. The overspend for 2023 can be attributed to 1) an increase in the number of claims and 2) an increase in the value of settlements awarded, particularly claims arising due to catastrophic birth injury.

K.5 Economic and social disadvantage (dormant account funding)

Estimate provision €1.985 million; outturn €69,000

The underspend of €1.916 million against the estimate provision is as a result of the inherent unpredictability of applications to the Dormant Accounts fund seeking project approvals and variability in the timing of the approvals and expenditure in respect of projects sanctioned.

Care programme

L.2 Primary care reimbursement services – Covid-19 actions

Estimate provision €8.000 million; outturn €8.920 million

The allocation of €8 million in 2023 was to fund the purchase of Covid therapeutic drugs. Expenditure was above the estimate provision in 2023 due to additional procurement of these drugs above the original forecast.

Capital services

M.1 Grants in respect of building, equipping (including ICT)

Estimate provision €19.927 million; outturn €16.088 million

The underspend was a result of some deliverables to be completed by vendors running behind schedule. The agency concerned did not want to sign off on the invoices until they were satisfied all was in order. These are now matured liabilities for 2024.

M.2 Building, equipping and furnishing of health facilities

Estimate provision €951.170 million; outturn €876.694 million

There was an underspend in 2023 because €70 million in unspent funding related to the National Children's Hospital project was carried forward to 2024. Agreed at Ministerial level on 15 November 2023, and set out in the *Revised Estimates 2024*.

M.3 Information services and related services for health agencies

Estimate provision €383.70 million; outturn €413.70 million

The overspend of €30 million was a result of the identification of funding which could be utilised for ICT capital projects. This was met by virement of €30 million from subhead M2. Virement between capital subheads was to optimise overall delivery of the health capital programme.

Note 4 Receipts

4.1 Appropriations-in-aid

		2023		2022
		Estimated €000	Realised €000	Realised €000
1	Recovery of cost of health services provided under regulations of the European Community	255,000	260,000	270,000
2	Receipts from certain excise duties on tobacco products	167,605	167,605	167,605
3	Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund	4,000	6,927	6,598
4	Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund	4,000	3,870	2,091
5	Miscellaneous receipts	250	787	4,809
6	Dormant accounts	2,235	69	108
7	Receipts from additional superannuation contributions on public service remuneration	3,816	4,510	4,123
8	Receipts in respect of Special EU Programmes	1,465	2,606	3,074
Total		438,371	446,374	458,409

Significant variations

The following outlines the reasons for significant variations in individual appropriations-in-aid headings (+/-5% and €100,000).

3 Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund

Estimate €4 million; realised €6.927 million

The increase of €2.9 million was due to claims under the ophthalmic services scheme being difficult to predict. Claims are only notified by the Department of Social Protection at year end.

5 Miscellaneous receipts

Estimate €250,000; realised €787,000

The variance is largely due to unspent funds in relation to Round 1 of the Sláintecare Integration Fund of €375,000 being returned by Pobal, and higher than anticipated receipts relating to licence fees under the Misuse of Drugs Act of €313,330.

6 Dormant accounts*Estimate €2.235 million; realised €69,444*

The receipts from the Dormant Accounts Fund were €2.166 million lower than estimated due to uncertainty over timing of expenditure in respect of projects approved for funding under the dormant accounts action plans 2016, 2017 and 2018.

7 Receipts from additional superannuation contributions on public service remuneration*Estimate €3.816 million; realised €4.51 million*

The amount received from additional superannuation contributions was €694,000 more than estimated due to an increase in contributions received from agencies under the aegis of the Department, as well as the effect of Building Momentum increases.

8 Receipts in respect of Special EU Programmes*Estimate €1.465 million; realised €2.606 million*

The receipts in respect of Special EU Programmes were €1.141 million higher than expected due to an additional payment at the closure of INTERREG.

4.2 Extra receipts payable to the Exchequer

	2023	2022
	€000	€000
Balance at 1 January	—	—
Voluntary surrender of pay	37	53
Transferred to the Exchequer	(37)	(53)
Balance at 31 December	—	—

Note 5 Staffing and Remuneration

5.1 Employee numbers

Full time equivalents at year-end	2023	2022
Department	646	624
Health Service Executive direct employees ^a	94,696	89,227
Voluntary (section 38) acute and non-acute services employees ^a	51,289	48,519
Other agencies ^b	2,191	2,016
Number of staff at year end	148,822	140,386

Note ^a These figures include employees funded by both the Department of Health and the Department of Children, Equality, Disability, Integration and Youth.

^b 'Other agencies' includes all agencies operating under the Department's aegis including those that do not receive direct Exchequer funding

5.2 Pay

Remuneration of Department staff	2023	2022
	€000	€000
Pay	41,005	41,703
Severance and redundancy	20	12
Higher, special, or additional duties allowances	253	185
Other allowances	11	2
Overtime	101	104
Employer's PRSI	3,478	3,500
Total pay	44,868	45,506

Health Service Executive remuneration

	2023	2022
	€000	€000
Pay	5,265,552	4,730,778
Higher, special or additional duties allowances	612,889	603,538
Arrears	16,348	5,030
Overtime	303,557	276,579
Employer's PRSI	622,396	566,118
Pandemic special recognition payment	2,088	85,888
Superannuation	997,972	898,071
Total pay Health Service Executive direct employees	7,820,802	7,166,002
Agency staff costs	644,212	619,514
Total pay ^a	8,465,014	7,785,516

Note ^a The pay costs above do not include cost of employees in the voluntary sector. These figures include employees funded by both the Department of Health and the Department of Children, Equality, Disability, Integration and Youth.

Other agencies remuneration ^a

	2023	2022
	€000	€000
Pay	82,413	73,404
Higher, special or additional duties allowances	335	142
Other allowances	102	108
Overtime	12	16
Employer's PRSI	8,590	7,641
Total pay	91,452	81,311

Note ^a Other agencies include agencies operating under the Department's aegis that receive direct Exchequer funding, other than the Health Service Executive.

5.3 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Highest individual payment	
			2023	2022
			€	€
Department staff				
Higher, special or additional duties allowances	26	11	42,541	22,755
Other allowances ^b	17	—	4,805	1,309
Overtime	24	2	21,847	19,320
Extra remuneration in more than one category	7	5	26,760	24,146
Other agencies staff ^a				
Higher, special or additional duties allowances	85	8	29,921	22,250
Other allowances	18	—	6,394	6,394
Overtime	17	—	4,144	4,048
Extra remuneration in more than one category	2	—	6,265	4,448

Note ^a Other agencies include agencies operating under the Department's aegis that receive direct Exchequer funding, other than the Health Service Executive.

^b Includes 14 staff that are no longer with the Department but received arrears of allowances totalling €1,358 in 2023.

5.4 Department staffing by pay band

Pay band (€)		Number of employees	
From	To	2023	2022
20,000	59,999	372	409
60,000	69,999	66	52
70,000	79,999	63	68
80,000	89,999	49	54
90,000	99,999	36	34
100,000	109,999	18	22
110,000	119,999	10	9
120,000	129,999	2	4
130,000	139,999	2	2
140,000	149,999	—	1
150,000	159,999	1	—
160,000	169,999	2	1
170,000	179,999	3	2
180,000	189,999	—	—
190,000	199,999	1	1
200,000	229,999	—	—
230,000	239,999	—	1
240,000	249,999	—	—
250,000	259,999	1	—
260,000	289,999	—	—
290,000	299,999	1	1

5.5 Severance and redundancy

During 2023, two staff members whose employment was terminated, were paid severance payments totalling €13,446 and redundancy payments totalling €6,996.

5.6 Payroll overpayments

at 31 December	Number of recipients	2023 €	2022 €
Overpayments	36	119,437	101,898
Recovery plans in place	10	12,939	16,655

Nine overpayment recovery plans in respect of nine individuals to the value of €17,638 were transferred to six government departments/offices in 2023.

5.7 Remuneration and benefits of Accounting Officer

The Accounting Officer's remuneration and taxable benefits for the financial year was as follows.

	2023	2022
	€000	€000
Basic pay	<u>297</u>	<u>297</u>

The value of retirement benefits earned in the period is not included above. The Accounting Officer is a member of the Established New Entrants Post 2004 Pension Scheme and his entitlements to retirement benefits do not extend beyond the standard terms of that pension scheme.

Note 6 Miscellaneous

6.1 Committees, commissions and special inquiries

Fixed purpose commission	Year of appointment	Cumulative expenditure to the end of 2023 €000	Expenditure in 2023 €000	Expenditure in 2022 €000
<i>Commission of Investigation (certain matters relative to a disability service in the South East and related matters) ^a</i>	2017	—	—	775
CervicalCheck Tribunal	2020	3,774	569	863
		3,774	569	1,638

Note ^a As part of the transfer of functions to DCEDIY in 2023 the commission of investigation's full year funding and expenditure was moved to DCEDIY. That Department now has responsibility for specialist disability services and policy.

The CervicalCheck Tribunal was established by the Minister for Health on 27 October 2020. The Tribunal was established under section 4 of the CervicalCheck Tribunal Act 2019 which implements the report of the Hon. Mr Justice Charles Meenan on an *Alternative system for dealing with claims arising from CervicalCheck*. The Minister appointed the nominated members to the Tribunal with effect from 1 December 2020 facilitating the Tribunal in starting its work. Expenditure of the Tribunal is also charged to subhead D.

6.2 Compensation and legal costs

Payments/costs paid by the Department in the year

	Claims by members of the public	Total 2023	Total 2022
Number of cases	37	37	77
	€000	€000	€000
Department's own legal costs	2,121	2,121	2,390
Payments by/on behalf of Department			
Compensation	15,588	15,588	883
Legal costs	2,334	2,334	240
Other costs	167	167	41
2023 Total	20,210	20,210	3,554
2022 Total	3,554	3,554	

Cumulative costs paid by the Department in the year

	Claims by members of the public	Total 2023	Total 2022
Number of cases	4 ^a	4	-
	€000	€000	€000
Department's own legal costs	—	—	—
Payments by/on behalf of Department			
Compensation	—	—	—
Legal costs	45	45	—
Other costs	—	—	—
Total	45	45	—

Note ^a The State Claims Agency confirmed to the Department that four cases were deemed closed in 2023.

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 Hospital (Cork) and Mount Carmel Hospital in respect of specified obstetric claims. A fund was established with contributions from the two hospitals, the Medical Protection Society and the Department of Health. Claims are paid by the State Claims Agency as they arise. The Minister for Health has authorised the State Claims Agency to draw down moneys from the fund to cover the cost of claims.

At 31 December 2023, the balance on the fund totalled €4.437 million (2022: €4.934 million). The fund is managed by the National Treasury Management Agency and the related income and expenditure is reflected in the annual financial statements of the State Claims Agency.

6.4 National Lottery funding

Subhead	2023		2022
	Estimate	Outturn	Outturn
	€000	€000	€000
K.1 Health agencies and similar organisations (part funded by the National Lottery)	4,513	—	4,513
	4,513	—	4,513

6.5 EU funding

Expenditure under subhead E.4 Ireland/Northern Ireland INTERREG is co-financed by the EU.

6.6 Late interest payments and compensation payments

	2023	2022
	€000	€000
Total of interest payments paid	10	9

6.7 Write-offs

	2023	2022
	€000	€000
Suspense account balances ^a	—	900

Note ^a A review of a number of suspense account balances was undertaken by the Department, in 2022, and identified accounting adjustments, made in error, on three accounts. The Department did not identify any cash impact or loss to the Exchequer as a result of these entries.

A request to write off the unreconciled balances was made to the Department of Public Expenditure, National Development Plan Delivery and Reform to bring the balances on the appropriation account in line with expectations.

Procedures in relation to all suspense accounts were revised from 2022 onwards and no write offs of this nature were required in 2023.

6.8 Deferred surrender

Deferred surrender comprises of savings in 2023 of €70 million in capital expenditure in the following subheads that were carried over to 2024.

	2023	2022
	€000	€000
M.2 Building, equipping and furnishing of health facilities	70,000	—