

Appropriation Account 2016

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 2016 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 2016, including the amount that could be used as appropriations-in-aid of expenditure for the year.

A surplus of €2.221 million is liable for surrender to the Exchequer.

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

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of appropriation accounts have been applied in the preparation of the account 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 the funding set out in the 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 2016 amounted to €13.92 billion (2015:€13.13 billion). This is accounted for across 17 subheads — each subhead from H to L4, excluding L1 which relates to the Department's capital expenditure. A number of these subheads classify expenditure on a geographical rather than a programme basis.

Statement on Internal Financial Control

Responsibility for system of internal financial control

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

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

Payroll and human resource functions are provided on a shared services basis by the National Shared Service Office (Vote 18). The Accounting Officer of the Department of Public Expenditure and Reform is also Accounting Officer for Vote 18 and is responsible for the operation of controls within the Shared Service Centres.

The Accounting Officer for Shared Services has put in place an audit process to provide independent assurance on the operation of controls within shared services. The Department transferred to the PeoplePoint service in August 2013 and the Payroll Shared Service at end October 2016. The audits are being conducted by firms of accountants in accordance with the International Standard on Assurance Engagements (ISAE 3402) which is designed to report to user departments and their auditors on the controls within shared services.

The audits encompass (i) a readiness assessment to identify risks and related controls and provide a gap analysis, followed by (ii) a report on the design and existence of controls, and (iii) an annual report on whether controls operated effectively.

The Accounting Officer for shared services has provided me with a letter outlining progress in implementing the audit assurance process and the results of the audits on the design, existence and operation of controls are expected to be reported to me as set out in that letter.

I take assurance from the system of control within shared services as reported to me by the Accounting Officer for Shared Services.

Financial control environment

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

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

Administrative controls and management reporting

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

- There is an appropriate budgeting system with an annual budget which is kept under review by senior management.
- There are regular reviews by senior management of periodic and annual financial reports which indicate financial performance against forecasts.
- A risk management system operates within the Department.
- There are systems aimed at ensuring the security of the ICT systems.
- There are appropriate capital investment control guidelines and formal project management disciplines.
- The Department ensures that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant guidelines.

Internal Audit and Audit Committee

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

Jim Breslin
Accounting Officer
Department of Health

31 March 2017

Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Vote 38 Health

I have audited the appropriation account for Vote 38 Health for the year ended 31 December 2016 under section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The account has been prepared in the form prescribed by the Minister for Public Expenditure and Reform, and in accordance with standard accounting policies and principles for appropriation accounts.

Responsibility of the Accounting Officer

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

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

Responsibility of the Comptroller and Auditor General

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

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

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

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

Scope of audit

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

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

Opinion on the appropriation account

In my opinion, the appropriation account properly presents the receipts and expenditure of Vote 38 Health for the year ended 31 December 2016.

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

Reporting on matters arising from audit

Chapter 19 of my report on the accounts of the public services for 2016 refers to certain matters relating to Vote 38 Health.

Seamus McCarthy
Comptroller and Auditor General

17 September 2017

Vote 38 Health

Appropriation Account 2016

Service	2016		2015	
	Estimate provision	Outturn	Outturn	
	€000	€000	€000	
Administration				
A.1	Salaries, wages and allowances	26,962	23,562	22,477
A.2	Travel and subsistence	654	375	349
A.3	Training and development and incidental expenses	1,150	881	766
A.4	Postal and telecommunication services	730	343	378
A.5	Office equipment and external IT services	2,323	1,742	1,669
A.6	Office premises expenses	700	411	576
A.7	Consultancy services and value for money and policy reviews	2,250	705	814
Grants				
B.1	Grants to research bodies and other research grants	38,000	34,763	34,566
B.2	Grants to health agencies and other similar organisations (part funded by National Lottery)	3,286	3,286	3,286
B.3	Drugs initiative	6,026	5,806	6,347
Other services				
C.	Expenses in connection with the World Health Organisation and other international bodies	3,100	2,635	2,590
D.	Statutory and non-statutory inquiries and miscellaneous legal fees and settlements	16,093	15,494	38,261
E.1	Developmental, consultative, supervisory, regulatory and advisory bodies	61,942	52,200	49,956
E.2	The Food Safety Promotion Board	5,236	5,236	5,474
E.3	The National Treatment Purchase Fund	5,100	5,100	5,100
E.4	Ireland/Northern Ireland INTERREG	100	—	1,020
F.1	Payments in respect of disablement caused by thalidomide	745	406	386
F.2	Payments in respect of persons claiming to have been damaged by vaccination	1	—	—
F.3	Payments to a special account established under section 10 of the Hepatitis C Compensation Tribunal Act 1997 and 2002	24,786	18,400	17,800

		Estimate provision €000	2016 Outturn €000	2015 Outturn €000
Other services (continued)				
F.4	Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002	3,849	3,000	2,949
G.	Dissemination of information, conferences and publications in respect of health and health services	2,513	1,948	1,111
Corporate Administrative				
H.	Pension lump sum payments	90,000	99,030	92,168
HSE Regions and Other Health Agencies				
I.1	HSE – Dublin Mid Leinster Region	1,441,353	1,435,278	1,337,688
I.2	HSE – Dublin North East Region	1,288,575	1,282,842	1,191,068
I.3	HSE – South Region	2,000,157	1,991,745	1,881,036
I.4	HSE – West Region	2,215,862	2,207,720	2,092,827
I.5	Grants in respect of certain other health bodies including voluntary and joint hospital boards	2,313,517	2,398,827	2,296,934
Other HSE Services				
J.1	Health agencies and similar organisations (part funded by the National Lottery)	7,513	4,255	4,289
J.2	Payments to Special Account – Health (Repayment) Act 2006	2,000	650	1,670
J.3	Payment to special account established under section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme	1,500	1,747	—
J.4	Service developments and innovative service delivery projects	87,000	70,000	40,000
J.5	Payment to State Claims Agency	198,000	228,911	205,227
J.6	Economic and social disadvantaged (dormant account funding)	2,700	1,276	1,915

		2016		2015
		Estimate provision	Outturn	Outturn
		€000	€000	€000
Care Programme				
K.1	Primary care reimbursement services and community demand led schemes	2,799,402	2,761,633	2,617,877
K.2	Long term residential care	939,902	921,656	895,300
Capital Services				
L.1	Grants in respect of building, equipping (including ICT)	14,527	11,169	11,148
L.2	Building, equipping and furnishing of health facilities and of higher education facilities	341,461	351,220	319,834
L.3	Building, equipping and furnishing of health facilities (part funded by the National Lottery)	2,539	2,539	2,539
L.4	Information services and related services for health agencies	157,700	160,429	153,353
Gross expenditure		14,109,254	14,107,220	13,340,748
<i>Deduct</i>				
M	Appropriations-in-aid	460,221	460,408	527,975
Net expenditure		13,649,033	13,646,812	12,812,773

Surplus for surrender

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

	2016	2015
	€	€
Surplus to be surrendered	2,221,193	8,427,346
Total	2,221,193	8,427,346

Notes to the Appropriation Account

1 Operating Cost Statement 2016

	2016	2015
€000	€000	€000
Expenditure on administration	28,019	27,029
Expenditure on services and programmes	14,079,201	13,313,719
Gross expenditure	14,107,220	13,340,748
<i>Deduct</i>		
Appropriations-in-aid	460,408	527,975
Net expenditure	13,646,812	12,812,773
Changes in capital assets		
Purchases cash	(197)	
Depreciation	167	
Loss on disposals	6	
	(24)	15
Changes in net current assets		
Decrease in closing accruals	(46)	
Increase in stock	(20)	
	(66)	10,660
Direct expenditure	13,646,722	12,823,448
Expenditure borne elsewhere		
Net allied services expenditure (note 1.1)	9,619	9,383
Notional rents	2,004	2,004
Net programme cost	13,658,345	12,834,835

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.

	2016	2015
	€000	€000
Vote 9 Office of the Revenue Commissioners	e 167	167
Vote 12 Superannuation and Retired Allowance	e 7,696	7,486
Vote 13 Office of Public Works	e 1,472	1,466
Central Fund – Ministerial pensions	e 284	264
	9,619	9,383

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

2 Balance Sheet as at 31 December 2016

	Note	2016 €000	2015 €000
Capital Assets	2.2	623	590
Current Assets			
Stocks	2.4	91	71
Prepayments		167	259
Accrued income		128	156
Other debit balances	2.5	19,595	7,546
Net Exchequer funding due	2.7	5,481	18,534
Total Current Assets		25,462	26,566
Less Current Liabilities			
Accrued expenses		440	606
Other credit balances	2.6	475	274
Bank and cash	2.3	24,601	25,806
Total current liabilities		25,516	26,686
Net Current Assets/ (Liabilities)		(54)	(120)
Net Assets		569	470
Represented by:			
State Funding Account	2.1	569	470

2.1 State Funding Account	Note	2016 €000	2016 €000	2015 €000
Balance at 1 January			470	11,133
Disbursements from the Vote				
Estimate provision	Account*	13,649,033		
Surplus to be surrendered	Account*	(2,221)		
Net vote			13,646,812	12,812,773
Expenditure (cash) borne elsewhere	1		9,619	9,383
Non cash expenditure – notional rent	1		2,004	2,004
Other non-cash item – capital accrual			9	12
Net programme cost	1		(13,658,345)	(12,834,835)
Balance at 31 December			569	470

*Note: "Account" refers to the appropriation account

2.2 Capital Assets

	Office equipment €000	Furniture and fittings €000	Total €000
Gross assets			
Cost or valuation at 1 January 2016	2,304	1,956	4,260
Additions	182	24	206
Disposals	(222)	(8)	(230)
Cost or valuation at 31 December 2016	2,264	1,972	4,236
Accumulated depreciation			
Opening balance at 1 January 2016	1,767	1,903	3,670
Depreciation for the year	116	51	167
Depreciation on disposals	(216)	(8)	(224)
Cumulative depreciation at 31 December 2016	1,667	1,946	3,613
Net assets at 31 December 2016	597	26	623
Net assets at 31 December 2015	537	53	590

2.3 Bank and Cash

	2016 €000	2015 €000
at 31 December		
PMG balance	(24,601)	(25,807)
Commercial bank account balance	—	1
	<u>(24,601)</u>	<u>(25,806)</u>

2.4 Stocks

	2016 €000	2015 €000
at 31 December		
Stationery	20	20
IT consumables	71	51
	<u>91</u>	<u>71</u>

2.5 Other Debit Balances	2016	2015
at 31 December	€000	€000
Recoupable salaries	30	76
Recoupable travel expenditure	5	8
Recoupable travel pass scheme expenditure	152	135
Hepatitis C Compensation Tribunal	18,001	4,175
HSE funding overdrawn/(undrawn)	1,388	(789)
Other debit suspense items	19	3,941
	<u>19,595</u>	<u>7,546</u>

2.6 Other Credit Balances	2016	2015
At 31 December	€000	€000

Amounts due to the State

Pay Related Social Insurance	—	(3)
Professional Services Withholding Tax	37	96
Value Added Tax	1	16
	<u>38</u>	<u>109</u>

Other credit suspense items	437	165
	<u>475</u>	<u>274</u>

2.7 Net Exchequer funding due	2016	2015
at 31 December	€000	€000
Surplus appropriations to be surrendered	2,221	8,427
Exchequer grant undrawn	(7,702)	(26,961)
Net Exchequer funding due	<u>(5,481)</u>	<u>(18,534)</u>

Represented by:**Debtors**

Debit balances: suspense items	19,595	8,335
	<u>19,595</u>	<u>8,335</u>

Creditors

Due to State	(38)	(109)
Bank and cash	(24,601)	(26,595)
Credit balances: suspense	(437)	(165)
	<u>(25,076)</u>	<u>(26,869)</u>
	<u>(5,481)</u>	<u>(18,534)</u>

2.8 Commitments	2016	2015
at 31 December	€000	€000

a) Global Commitments

Procurement of goods and services	1,067	977
Grant programmes	5,614	5,614
Capital grant programmes	28,789	38,801
Total of legally enforceable commitments	<u>35,470</u>	<u>45,392</u>

b) Capital Grant Programmes

	2016	2015
	€000	€000
Opening balance	38,801	38,610
Grants paid in year	(10,012)	(10,077)
New grant commitments	—	10,268
Closing balance	<u>28,789</u>	<u>38,801</u>

c) Major Capital Commitments

Note: Individual capital projects involving total expenditure of €6,350,000 or more are shown separately in the multi-annual capital commitments table

	Cumulative expenditure to 31 December 2015	Expenditure in 2016	Project commitments in subsequent years	Expected total spend lifetime of project 2016	Expected total spend lifetime of project 2015
	€000	€000	€000	€000	€000
Health Research Board Clinical Research facilities:					
St James's Hospital and Dublin Clinical Research Network	10,376	888	1,657	12,921	12,813
Total	<u>10,376</u>	<u>888</u>	<u>1,657</u>	<u>12,921</u>	<u>12,813</u>

3 Expenditure Variances by Subhead

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the original estimate provision by more than €100,000, and by more than 5% (25% in the case of administration subheads). There is an overall surrender with the excess spending on some subheads met through a virement of savings on some other subheads.

Description	Sub-head	Less/ (more) than provided	Explanation
		€000	
Travel and subsistence	A.2	279	Spending on travel was less than anticipated, due in part to staff vacancies, and delays in recruiting personnel.
Postal and telecommunication services	A.4	387	The savings arose due to the reducing cost of telephone charges.
Office premises expenses	A.6	289	The saving arose due to reduced spending on building maintenance pending the relocation of the Department.
Consultancy services and value for money and policy reviews	A.7	1,545	The saving resulted from delays in commencing and completing a number of projects and from using the resources of the Department's new Research Service Unit.
Grants to research bodies and other research grants	B.1	3,237	€34.763 million was spent on research from a provision of €38 million. The saving is primarily due to an unused provision for the next phase of the Irish Longitudinal Study on Ageing (TILDA), the commencement of which was delayed to 2017.
Expenses in connection with the World Health Organisation and other international bodies	C.	465	Additional provision was made in the subhead for potential currency exchange fluctuations in relation to the payment of the annual subscription to the World Health Organisation. In the event, these fluctuations did not arise to the extent provided for.

Description	Sub-head	Less/ (more) than provided	Explanation
		€000	
Developmental, consultative, supervisory, regulatory and advisory bodies	E.1	9,742	<p>The Department advances funds to health agencies up to the approved level of expenditure or actual expenditure, whichever is the lesser amount. Actual expenditure was less than budgeted for a number of agencies. Expenditure by the Health Information and Quality Authority (€0.808 million), the Mental Health Commission (€0.724 million) and the Food Safety Authority of Ireland (€0.174 million) was lower than budgeted predominantly due to a number of replacement posts not being filled during the year. Savings arose in the Health and Social Care Professionals Council (€0.163 million) and the Pre Hospital Emergency Care Council (€0.066 million) largely as a result of increased receipts from registration fees.</p> <p>Under the Lansdowne Road Agreement, €3.2 million was provided for to fund once-off developmental or exceptional costs in the NMBI associated with additional work required to fully implement all sections of The Nurses and Midwives Act 2011, once the costs are properly justified and validated. To date, this situation has not arisen; however, it is expected to occur in 2018.</p> <p>The original estimate provided for expenditure of €1 million on projects in respect of the All Ireland Heart Disease Network and the cardiac waiting list for children. The funding was vired from E1 to (HSE subhead I5) and was reflected in the increase in the HSE's determination on 22 December 2016.</p> <p>The 2016 estimate included provision for expenditure of €0.7 million for the implementation of the new EU Tobacco Products Directive 2014/40/EU. The legislation did not proceed as planned in the year.</p>
Ireland/Northern Ireland INTERREG	E.4	100	<p>Payments under this subhead are requested by the Special EU Programmes Body and based on actual payments made to projects under the Scheme. The nature of the INTERREG programme is such that the timing of project funding requests may be unpredictable particularly if there are queries to be resolved in the verification process and therefore yearly estimates can be subject to change.</p>
Payments in respect of disablement caused by thalidomide	F.1	339	<p>The Department continued to make monthly payments to Irish survivors of Thalidomide in 2016. The Department is participating in a legal mediation process, managed by the State Claims Agency, with twenty two thalidomide survivors who have lodged High Court personal injury claims against the State. The savings arose as the mediation process has not concluded.</p>
Payments to a special account established under section 10 of the Hepatitis C Compensation Tribunal Act 1997 and 2002	F.3	6,386	<p>The Department is not in a position to precisely forecast the number or value of awards made by the Hepatitis C and HIV Compensation Tribunal.</p>

Description	Sub-head	Less/ (more) than provided	Explanation
		€000	
Payments to a reparation fund established under section 11 of the Hepatitis C Compensation Tribunal Acts 1997 and 2002	F.4	849	The Department is not in a position to precisely forecast the number or value of awards made by the Hepatitis C and HIV Compensation Tribunal. A Reparation Fund payment is fixed at 20% of the Tribunal award.
Dissemination of information, conferences and publications in respect of health and health services	G	565	A number of projects associated with Healthy Ireland and other health promotion and protection projects did not conclude.
Pension lump sum payments	H	(9,030)	The provision for HSE pension lump sums in 2016 was €90 million. The anticipated expenditure was underestimated by €9.03 million due to the scale of pension lump sums and number of retirements being difficult to predict with certainty.
Health agencies and similar organisations (part funded by the National Lottery)	J.1	3,258	The provision for Subhead J1 in 2016 was €7.5 million. The National Lottery expenditure was less than forecast due to grants not being paid until the conditions of the grant are fulfilled. Delays occur due to outstanding information requirements such as tax clearance certificates and quotations.
Payments to Special Account – Health (Repayment) Act 2006	J.2	1,350	The provision for Subhead J2 in 2016 was €2 million. The nature of payments under this subhead are 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.
Payment to Special Account established under section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme	J.3	(247)	The provision for Subhead J3 in 2016 was €1.5 million. The anticipated expenditure was underestimated by €0.25 million due to 2015 claims amounting to €0.36 million, made by approved insurers, not processed for recoupment until January 2016.

Description	Sub-head	Less/ (more) than provided	Explanation
		€000	
Service developments and innovative service delivery projects	J.4	17,000	<p>In total, €35 million was provided in relation to the enhancement of mental health services and facilities in 2016. Due to delays in initiating the enhancements, arising from issues with recruitment, the amount spent was €24.5 million. The remaining €10.5 million was transferred within the mental health directorate to alleviate pressures within the services. €7 million was vired to HSE subhead L2 to fund capital works in 3 mental health facilities, and €3.5 million was vired across HSE subheads (I1-I4) to support existing services in the mental health area.</p> <p>Expenditure was €6.5 million less than projected, due to time related savings in recruiting staff associated with a number of initiatives. These included the enhancement of therapy services in the community including the recruitment of occupational therapists, speech & language therapists and physiotherapists (€3.5 million), staff costs associated with analysis of grade and staff mixes across wards under the nurse pilot scheme (€2 million) and increased recruitment and staff costs within the National Ambulance Service (€1 million). The funding that was available was vired across HSE subheads (I1-I4) to address deficits in the service areas to which development funding was originally applied.</p>
Payment to State Claims Agency	J.5	(30,911)	<p>The provision for payments to the State Claims Agency (SCA) in 2016 was €198 million. This variance reflects the nature of the SCA scheme with large single payments being difficult to predict.</p>
Economic and social disadvantaged (dormant account funding)	J.6	1,424	<p>The provision for Subhead J6 in 2016 was €2.7 million. The anticipated expenditure was overestimated by €1.4 million. This arose because of the detailed process for the approval and payment of funding to Dormant Account projects resulting in a certain proportion of funding being drawn down at contract stage, with the balance drawn down at a later stage. The funding for new projects in 2016 is being drawn down over two years and the delay in the commencement of these projects in 2016 means that a higher proportion of the funding remains to be drawn in 2017.</p>
Grants in respect of building, equipping (including ICT)	L.1	3,358	<p>The majority of the underspend related to the fit-out of the CORU (Health and Social Care Professionals Council) offices. Delays were encountered in completing the legal documentation and this had a knock-on effect on the fit-out, including the ICT.</p>

4 Receipts

4.1 Appropriations-in-aid	2016	2016	2015
	Estimated	Realised	Realised
	€000	€000	€000
1. Recovery of cost of health services provided under regulations of the European Community	280,000	277,655	342,764
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	3,000	2,829	2,831
4. Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund	3,000	6,031	6,304
5. Miscellaneous receipts	1	185	195
6. Dormant accounts	2,700	1,275	1,915
7. Receipts from pension-related deduction on public service remuneration	3,915	4,828	6,361
Total	460,221	460,408	527,975

Explanation of significant variations

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

Description	Less/(more) than estimated	Explanation
	€000	
Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund	171	Claims under the ophthalmic services scheme are difficult to predict. There is a time lag in the availability of information on the level of claims arising. As a result, the estimate for 2016 was based on the level of claims arising in 2015 with provision for a slight increase. In the event, the projected increase did not arise.
Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund	(3,031)	The estimate for 2016 is largely based on previous years and did not take account of the increase in outturn since 2012. It is proposed to develop more precise estimates for this expenditure subhead.
Miscellaneous receipts	(184)	As amounts due in any year are difficult to predict, a nominal amount of €1,000 is included in the estimate. Receipts in 2016 comprised of receipts for licence fees under the Misuse of Drugs Act, refunds of unspent Drugs Initiative funding and pension scheme remittances.
Dormant accounts	1,425	The funding received from Dormant Accounts is based on the amount paid from Subhead J6 during the year.
Receipts from pension-related deduction on public service remuneration	(913)	The amount due to the Department from health agencies in respect of the pension related deduction on public service remuneration is difficult to estimate as it is dependent on the number of public sector employees and the pay due to these employees by the agencies, both of which can vary.

5 Employee Numbers and Pay

The pay and allowances and other remuneration details in Note 5 relate to Department of Health staff only. Detailed information in relation to pay in respect of agencies is available in the relevant annual reports or directly from the agencies concerned. The agencies have been requested to provide this information on their websites.

	2016	2015
Number of staff at year end (full time equivalents)		
Department	400	341
Agencies		
Health Service Executive direct employees	70,927	68,771
Voluntary (Section 38) acute and non acute services employees	39,331	37,624
	<u>110,258</u>	<u>106,395</u>
Other agencies	1,563	1,522
	<u>112,221</u>	<u>108,258</u>

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

	2016	2015
	€000	€000
Department pay		
Pay	22,133	21,184
Higher, special or additional duties allowances	141	122
Other allowances	2	1
Overtime	116	136
Employer's PRSI	1,170	1,034
Total pay	<u>23,562</u>	<u>22,477</u>

5.1 Allowances and overtime payments

	Number of recipients	Recipients of €10,000 or more	Maximum individual payment 2016 €	Maximum individual payment 2015 €
Higher, special or additional duties	20	4	16,653	16,817
Other allowances	15	—	407	350
Overtime	36	5	14,506	21,816
Extra remuneration in more than one category	7	5	20,399	23,670

5.2 Other Remuneration Arrangements

Redundancy and severance payments of €104,670 were paid to three staff in 2016.

5.3 Payroll Overpayments

Salary overpayments amounted to €39,837 (10 cases) at end 2015 and €34,910 (8 cases) at end 2016. In all cases, recovery plans are in place.

6 Miscellaneous

6.1 National Lottery Funding

Sub-head	Description	2016		2015
		Estimate	Outturn	Outturn
		€000	€000	€000
B.2	Grants to health agencies and other similar organisation (part funded by National Lottery)	3,286	3,286	3,286
J.1	Health agencies and similar organisations (part funded by the National Lottery)	7,513	4,255	4,289
L.3	Building, equipping and furnishing of health facilities (part funded by the National Lottery)	2,539	2,539	2,539

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

6.2 Legal Costs	Total	Total
Compensation and legal costs awarded	2016	2015
	€000	€000
Claims by members of the public ¹	14,655	37,718
	14,655	37,718

¹The Department has not disclosed a breakdown of the total costs as required by DPER circular 29/2016 as the Department believes that such a disclosure may prejudice the outcome of ongoing cases.

6.3 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.

6.4 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 (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 authorises the State Claims Agency to drawdown moneys from the Fund to cover the cost of claims. At 31 December 2016 the balance on the fund totalled €5.119 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.

6.5 Late Payment Interest and Compensation Payments

	2016	2015
	€000	€000
Total of interest payments paid	2	4

