

**National Paediatric Hospital Development Board**

**Financial Statements**

**for the year ended 31 December 2018**

## **National Paediatric Hospital Development Board**

**for the year ended 31 December 2018**

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**National Paediatric Hospital Development Board**  
**For the year ended 31 December 2018**

**Statement on Internal Control**

**Scope of Responsibility**

On behalf of the National Paediatric Hospital Development Board (NPHDB), we acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

**Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the NPHDB for the year ended 31 December 2018 and up to the date of approval of the financial statements.

**Capacity to Handle Risk**

The NPHDB has an Audit & Risk Sub-Committee (ARSC) comprising three Board members and two executive members, with financial and audit expertise, one of whom is the Chair. The ARSC met six times in 2018.

The NPHDB has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARSC. The internal audit function is externally sourced.

The ARSC has developed a risk management policy which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been made available to all staff who are expected to work within the NPHDB's risk management policies, and who are made responsible for alerting management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

**Risk and Control Framework**

The NPHDB has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register is in place which identifies the key risks facing the NPHDB and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARSC on a quarterly basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. We confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented;
- financial responsibilities have been assigned at management level with corresponding accountability;
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management;
- there are systems aimed at ensuring the security of the information and communication technology systems; and
- there are systems in place to safeguard the assets.

### **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 Board, where relevant, in a timely way. We confirm that the following ongoing monitoring systems are in place:

- 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;
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned; and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

### **Procurement**

We confirm that the NPHDB has a policy and procedures in place to ensure compliance with current procurement rules and guidelines and that during 2018 the NPHDB complied with those procedures.

### **Review of Effectiveness**

We confirm that the NPHDB has procedures to monitor the effectiveness of its risk management and control procedures. The NPHDB's monitoring and review of the effectiveness of the system of internal controls is informed by the work of the internal and external auditors, the ARSC which oversees their work, and the senior management within the NPHDB responsible for the development and maintenance of the internal control framework.

We confirm that the Board conducted an annual review of the effectiveness of the internal controls in 2018.

### **Internal Control Issues**

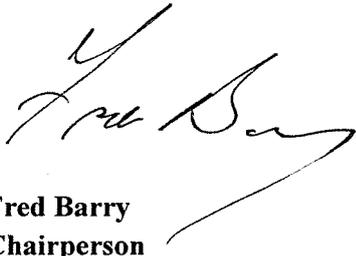
As set out in the Annual Report, the final Gross Maximum Price (GMP) of the development of the new children's hospital (NCH) and satellite centres was finalised at €1.433m in November 2018. This is €450m more than the estimate provided to the Government in April 2017.

The Board has set up a Committee to consider and address the recommendations of the Internal Audit (Mazars) Report and the HSE commissioned PWC report on the matter.

The increased cost of the project (as compared to the estimated cost) has been reviewed and approved by the Government, with corrective actions being put in place to address the key recommendations in the Reports, covering project control environment, performance monitoring and mitigation of residual risk for Phase B of the contract.

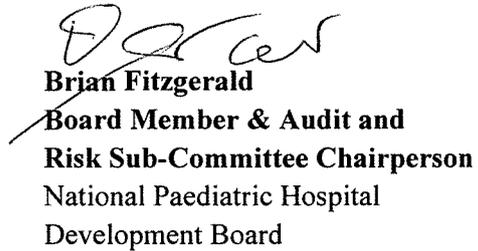
The leadership and governance of the NCH project has been reviewed and a new position of the Chief Officer (CO) identified, which has been permanently filled in September 2019. Following the departure of the Project Director the role is currently being filled on a temporary basis and the recruitment process for the position is progressing through the Public Appointments Service.

On behalf of the Board of the NPHDB:



**Fred Barry**  
**Chairperson**

National Paediatric Hospital  
Development Board



**Brian Fitzgerald**  
**Board Member & Audit and  
Risk Sub-Committee Chairperson**  
National Paediatric Hospital  
Development Board

Date: 09 October 2019

**National Paediatric Hospital Development Board  
For the year ended 31 December 2018**

**Governance Statement and Board Members' Report**

**Governance**

The Board of the NPHDB was established under Statutory Instrument (S.I.) No.246 of 2007 and amended by the Children's Health Act 2018. The functions of the Board are set out in section 5 of the S.I. and section 61 of the Children's Health Act 2018. The Board is accountable to the Minister for Health and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key project issues. The regular day-to-day management, control and direction of the NPHDB are the responsibility of the Chief Officer (CO) and the senior management team. The CO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the entity, and of any significant tasks likely to arise. The CO acts as a direct liaison between the Board and the management of the NPHDB.

The NPHDB is responsible for planning, designing, building, equipping and furnishing a new children's hospital in accordance with the high-level framework brief which was commissioned by the Health Service Executive (HSE). The brief includes advice on the preferred national network of paediatric care, on the core services to be delivered at the NCH, and on the additional range of services to be provided outside of the main hospital. This includes an assessment of the range of services to be provided through the paediatric outpatients and urgent care centres (OP & UCC), and the location(s) for these services, taking account of international best practice in the planning of children's hospital services.

**Functions of the NPHDB**

The functions of the NPHDB, as outlined in S.I. 246 of 2007 and amended by the Children's Health Act 2018, are:

- to plan, design, build, furnish and equip a national paediatric hospital ('the new children's hospital' (NCH) in accordance with a brief approved by the HSE) with the prior consent of the Minister, and subject to any subsequent variations to this brief as may be determined by the HSE in consultation with the NPHDB, and with the prior consent of the Minister; and
- do any other thing as is necessary for the performance of its functions.

**Board Responsibilities**

The work and responsibilities of the Board are set out in the NPHDB Code of Governance manual, which also contain the matters specifically reserved for Board decision. Standing items considered by the Board include:

- declaration of interests;
- review and approval of minutes and action items;
- reports from committees;
- financial reports;
- performance reports; and
- reserved matters.

Section 14 of the Statutory Instrument (S.I.) No.246 of 2007 requires the Board of the NPHDB to keep, in such form as may be approved by the Minister of Health with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of the NPHDB is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in existence; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in financial statements.

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 14 of the S.I. No.246 of 2007. The maintenance and integrity of the corporate and financial information on the NPHDB's website, [www.newchildrenshospital.ie](http://www.newchildrenshospital.ie), is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of the NPHDB by reference to the annual plan and budget is carried out on a monthly basis at the Board meeting. An evaluation of the yearly performance of the NPHDB by reference to the annual plan and budget was carried out at the Board meeting of 6th February 2019.

The Board is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

The Board considers that the financial statements of the NPHDB give a true and fair view of the financial performance and the financial position of the NPHDB at 31 December 2018.

The Children's Health Act 2018 has included the following sections relating to the Board:

- Section 62: Transfer of certain property, rights, and liabilities of the Board to Children's Health Ireland;
- Section 63: Dissolution of the Board;
- Section 64: Liability for loss occurring before dissolution day;
- Section 65: Provisions consequent upon transfer of functions, property, rights and liabilities to Executive;
- Section 66: Final accounts and final annual report to the Board; and
- Section 67: Cessation of membership of the Board.

The Children's Health Act 2018 was passed by Dáil Éireann on 7th November 2018.

### **Board Structure**

The Board consists of a Chairperson, Deputy Chairperson and ten ordinary members, all of whom are appointed by the Minister of Health for a period of five years and meet on a monthly basis. The table on page 8 details the appointment period for current members:

Governance Statement and Board Members' Report (Cont'd)

Board Member	Role	Date Appointed	Date Retired	Date Resigned
Mr Tom Costello	Chairperson	02 August 2013		02 February 2019
Mr Tim Bouchier-Hayes	Vice Chairperson	02 August 2013		
Mr John Cole	Ordinary Member	02 August 2013		
Mr Brian Fitzgerald	Ordinary Member	02 August 2013		
Mr Karl Kent	Ordinary Member	02 August 2013		
Mr John Martin	Ordinary Member	02 August 2013		27 May 2019
Mr Paul Quinn	Ordinary Member	02 August 2013		19 July 2019
Ms Anne Butler	Ordinary Member	02 August 2013		
Ms Marguerite Sayers	Ordinary Member	02 August 2013		31 May 2019
Prof Hilary Hoey	Ordinary Member	18 October 2013	30 July 2018	
Mr Liam Woods	Ordinary Member	04 March 2015		
Mr Lorcan Birthistle	Ordinary Member	02 February 2016		
Mr Jonathan Hourihane	Ordinary Member	03 October 2018		03 September 2019

All Board members whose appointment expired on 02 August 2018 were re-appointed for another 5 years.

The Board has commenced a Self-Assessment and Evaluation review for 2018 which was completed August 2019. The Governance Systems Review which was initiated in 2018 will be completed in Q3 2019.

The Board has established eight Sub-Committees, as follows:

1. **The Audit and Risk Sub-Committee (ARSC)** comprises three Board members and the NPH Executive. The role of the committee is to monitor and review the integrity of the financial statements, the management accounts and make recommendations to the Board; monitor and review the internal controls; review arrangements for Protected Disclosures; monitor and review the Internal Audit function, external auditors, risk management and governance.

The Board members of the ARSC are Brian Fitzgerald (Chair), Marguerite Sayers (Resigned 31.May.19) and Tim Bouchier-Hayes. There were 6 meetings of the ARSC in 2018.

2. **The Finance Sub-Committee (FSC)** comprises three Board members, one independent member and the NPH Executive. The role of the committee is to review and recommend the annual financial plan to the Board; monitor progress against project schedule and cash-flow/funding to complete the project on plan and update the Board; support evaluation of specific SAQ/tenders and report to the Board; and review and recommend change orders for approval to the Board.

The Board members of the FSC are Paul Quinn (Chair) (Resigned 19.07.19), Brian Fitzgerald and Tom Costello (Resigned 02.Feb.19). Jim Curran (Head of Estates, HSE) is the independent member. There were 13 meetings of the FSC in 2018.

3. **The Procurement Sub-Committee (PSC)** comprises three Board members, three independent members and the NPH Executive. The role of the committee is the identification and dissemination of best procurement practices; liaise as appropriate with other key stakeholders; and review the outcome from tender competitions and accept, approve or reject the outcome, ensuring best value for money from the procurement policies is delivered to the Board.

The Board members of the PSC are Tim Bouchier-Hayes (Chair), Paul Quinn (Resigned 19.07.19) and Tom Costello (Resigned 02.Feb.19). Jim Curran, Peter Finnegan (Principal Quantity Surveying Adviser, HSE) and Paul deFreine (Chief Architectural Advisor, HSE Estates) are the independent members. There were 4 meetings of the PSC in 2018.

- 4. The Organisational and Recruitment Sub-Committee (ORSC):** With the implementation of the Children's Health Act 2018, the workforce planning activity has transferred to the CHI. As this activity is no longer applicable to the NPH the ORSC has been disbanded and, in the interim, the Executive will update the ARSC with any H.R. related issues.
- 5. The Healthcare Technology Sub-Committee (HTSC)** comprises two Board members, six independent members and the NPH Executive. The role of the committee is to ensure that timely procurement delivers the optimum equipping solution for the NCH to allow world-class care to be delivered at best value. The Board members of the HTSC are Marguerite Sayers (Chair) (Resigned 31.May.19) and Tom Costello (Resigned 02.Feb.19). Seamus Priest (Head of Procurement, Mater Group), Frank McGuinness (ICT Contract Manager, Children's Hospital Ireland (CHI)), Dr. Aisling Snow (Clinical Lead Radiology, CHI), Valerie Plant (CFO, CHI, resigned 31.Dec.18), Paul deFreine and Ger Flynn (National Lead Medical Equipment, HSE) are the independent members. There were 6 meetings of the HTSC in 2018.
- 6. The Planning and Access Sub-Committee (PASC)** comprises three Board members, two independent members and the NPH Executive. The role of the committee is to monitor progress regarding planning, design, construction, access, risk and mobility management; report significant issues to the Board; identify risks and ensure they are communicated to the Board and adequately addressed by the design team, liaise with St. James's Hospital (SJH) and oversee ongoing engagement with the relevant county and city councils and An Bord Pleanala. The Board members of the PASC are Karl Kent (Chair), John Martin (Resigned 27.May.19) and Anne Butler. Paul deFreine and Niall McElwee (Director of Capital Projects, SJH) are the independent members. There were 4 meetings of the PASC in 2018.
- 7. The Design Sub-Committee (DSC)** comprises four Board members, three independent members and the NPH Executive. The role of the committee is to champion the pursuit of design excellence throughout the project; quality assure the procurement process, participate in regular reviews of the design development and make recommendations to the Board, liaise as appropriate with other key stakeholders and oversee the coordinated integration of a programme of art into the project design. The Board members of the DSC are John Cole (Chair), Tom Costello (Resigned 02.Feb.19), John Martin (Resigned 27.May.19) and Karl Kent. Eilish Hardiman (CEO, CHI), Veronica Kavanagh (CCO, CHI) (Resigned 31.May.18), Deirdre Hegarty (CCO, CHI) and Paul deFreine are the independent members. There were 7 meetings of the DSC in 2018.
- 8. The Construction Sub-Committee (CSC)** comprises two Board members, two independent members and the NPH Executive. The role of the committee is to deliver the project within budget and on schedule, engage with management and the project teams to oversee the progress and issues relating to the construction of the NCH, the two outpatients & urgent care centres and to liaise, recommend and report to the Board; to liaise with the FSC and to advise as to construction progress and financial status of the project in comparison to budget; and to examine the impact of changes or potential changes to the budget and consider actions or proposals to enable savings to the budget to be achieved. The Board members of the CSC are Tim Bouchier-Hayes (Chair) and Tom Costello (Resigned 02.Feb.19). Jim Curran and Paul deFreine are the independent members. There were 12 meetings of the CSC in 2018.

**Schedule of Attendance, Fees and Expenses**

A schedule of attendance at the Board and Committee meetings for 2018 is set out on the following page including the fees and expenses received by each member:

There were five Board members, Paul Quinn, Marguerite Sayers, Liam Woods, Lorcan Birthistle and Jonathan Hourihane, who did not receive a Board fee under the One Person One Salary (OPOS) principle. There was one Board member, Tim Bouchier-Hayes, who provided his services to the Board pro-bono.

**Key Personnel Changes**

There was one retirement (Prof Hilary Hoey) and one new appointment (Mr Jonathan Hourihane) during 2018.

Mr Tom Costello tendered his resignation and left the Board on 02 February 2019.

Mr Fred Barry was appointed as Chair of the Board on 09 April 2019.

Mr John Martin tendered his resignation and left the Board on 27 May 2019.

Ms Marguerite Sayers tendered her resignation and left the Board on 31 May 2019.

An Interim Project Director, Mr. Phelim Devine was appointed on 10 June 2019

Mr John Pollock tendered his resignation and left the NPHDB on 14 June 2019.

An Interim Chief Officer, Mr. Jack Golden was appointed from 07 June 2019 to 04 October 2019.

Mr Paul Quinn tendered his resignation and left the Board on 19 July 2019.

Mr John Hourihane tendered his resignation and left the Board on 03 September 2019.

Mr David Gunning was appointed as Chief Officer on 16 September 2019.

Schedule of Attendance, Fees and Expenses											
	Board	ARSC	FSC	PSC	ORSC	HTSC	PASC	DSC	CSC	Fees 2018	Expenses 2018
										€	€
No of meetings	13	6	13	4	0	6	4	7	12		
Mr Tom Costello	12	6	9	0		0		0	6		636
Mr Tim Bouchier-Hayes	12	6		3					11		
Mr John Cole	8							5		7,695	3,499
Mr Brian Fitzgerald	13	6	13				4	7		7,695	
Mr Karl Kent	13						4	6		7,695	
Mr John Martin	13						4	6		7,695	
Mr Paul Quinn	11		12	4							
Ms Anne Butler	9				0		1			7,695	
Ms Marguerite Sayers	10	3				5					
Prof Hilary Hoey	9									6,150	
Mr Liam Woods	6				0						
Mr Lorcan Birthistle	7										
Mr John Hourihane	1										255
Mr Jim Curran			7	1					9		
Mr Peter Finnegan				3							
Mr Paul deFreine				2			3	6	8		
Ms Fionnuala Duffy					0						
Mr Seamus Priest						5					
Mr Frank McGuinness						3					
Ms Aisling Snow						6					
Ms Valerie Plant						6					
Mr Ger Flynn						1					
Mr Niall McElwee							3				
Ms Eilish Hardiman								5			
Ms Veronica Kavanagh						2		3			
Ms Deirdre Hegarty						3		2			
										44,625	4,390

**Disclosures Required by Code of Practice for the Governance of State Bodies (2016)**

The Board is responsible for ensuring that the NPHDB has complied with the requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016. The following disclosures are required by the Code.

***Employee Short-Term Benefits Breakdown***

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Range		Number of employees	
From	To	2018	2017
€60,000 -	€69,999	2	4
€70,000 -	€79,999	4	3
€80,000 -	€89,999	1	1
€90,000 -	€99,999	1	0
€100,000 -	€109,999	1	1
€110,000 -	€119,999	1	1
€120,000 -	€129,999	0	0
€130,000 -	€139,999	0	3
€140,000 -	€149,999	1	0
€150,000 -	€159,999	1	0

***Consultancy Costs***

Consultancy costs are all outsourced "Business-as-usual" functions.

***Legal Costs and Settlements***

In 2018 the legal fees relating to the O'Reilly Avenue injunction proceedings amounted to €8,304.96. The legal fees and related costs are being claimed under the insurance cover that is in place.

Following the conclusion of the GMP for NCH Construction, agreement was reached following conciliation with the principal members of the Design Team concerning additional fees for prolongation, scope changes, alternative contractors proposals submitted by the main contractors, changes to planning applications and fire cert scope, additional resident staff, moving design team to site and strengthening of the design team functions.

The agreed settlement figure was €19.9m (net of VAT), with VAT at 23% of €4.6m, totalling €24.5m, of which €9.6m (gross of VAT) relates to and has been expensed in 2018. The balance of €14.9m (gross of VAT) is included in the Capital Commitments (Note 8).

***Travel and Subsistence Expenditure***

Travel and subsistence expenditure is categorised as follows:

	2018	2017
	€	€
Domestic		
- Board	891	-
- Employees	4,202	718
International		
- Board	3,499	2,777
- Employees	9,037	10,900
<b>Total</b>	<b>17,629</b>	<b>14,395</b>

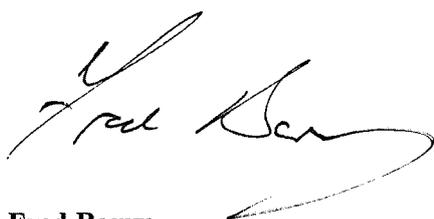
***Hospitality Expenditure***

There was no Hospitality Expenditure incurred in 2018.

***Statement of Compliance***

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code. The NPHDB was in full compliance with the Code of Practice for the Governance of State Bodies for 2018.

On behalf of the Board of the NPHDB:



**Fred Barry**  
Chairperson

National Paediatric Hospital  
Development Board

Date: 09 October 2019



**Brian Fitzgerald**  
Board Member & Audit and  
Risk Sub-Committee Chairperson  
National Paediatric Hospital  
Development Board



## Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

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

#### The National Paediatric Hospital Development Board

##### Qualified opinion on financial statements

I have audited the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2018 as required under the provisions of Section 5 of the Comptroller and Auditor General Amendment Act 1993. The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland* and comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- the statement of cash flows and
- the related notes, including a summary of significant accounting policies.

In my opinion, except for the non-compliance with the requirements of FRS102 in relation to retirement benefit entitlements referred to below, the financial statements give a true and fair view of the assets, liabilities and financial position of the National Paediatric Hospital Development Board at 31 December 2018 and of its income and expenditure for 2018 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

##### *Basis for qualified opinion on financial statements*

In compliance with the directions of the Minister for Health, the National Paediatric Hospital Development Board accounts for the costs of retirement benefit entitlements only as they become payable. This does not comply with FRS 102 which requires that the financial statements recognise the full cost of retirement benefit entitlements earned in the period and the accrued liability at the reporting date. The effect of the non-compliance on the National Paediatric Hospital Development Board's financial statements for 2018 has not been quantified.

I conducted my audit of the financial statements 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 National Paediatric Hospital Development Board 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 information other than the financial statements, and on other matters

The National Paediatric Hospital Development Board has presented certain other information together with the financial statements. This comprises the annual report, the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Seamus McCarthy**  
Comptroller and Auditor General  
24 October 2019

## Appendix to the report

### Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- the preparation of financial statements in the form prescribed under section 14 of the National Paediatric Hospital Development Board (Establishment) Order 2007 (SI 246/2007)
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under Section 5 of the Comptroller and Auditor General Amendment Act 1993 to audit the financial statements of the National Paediatric Hospital Development Board and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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 financial statements 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 evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit

evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Paediatric Hospital Development Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the National Paediatric Hospital Development Board to cease to continue as a going concern.

- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance 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.

### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 of this other information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I find material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I find 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 also 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 financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

**National Paediatric Hospital Development Board**

**Statement of Income and Expenditure and Retained Revenue Reserves  
for the year ended 31 December 2018**

	Note	2018 €	2017 €
<b>Income</b>			
Oireachtas grants	9	<u>127,603,801</u>	<u>67,211,202</u>
<b>Total Income</b>		<u>127,603,801</u>	<u>67,211,202</u>
<b>Expenditure</b>			
Administration & Operations	2	<u>127,603,801</u>	<u>67,211,202</u>
<b>Total Expenditure</b>		<u>127,603,801</u>	<u>67,211,202</u>
<b>Surplus / (Deficit) for the Year before Appropriations</b>		-	-
Transfer from/(to) the Capital Account	7	(127,603,801)	(67,211,202)
Transfer to construction work in progress	2	<u>127,603,801</u>	<u>67,211,202</u>
		-	-
<b>Surplus / (Deficit) for the Year after Appropriations</b>		-	-
Balance Brought Forward at 01 January		-	-
<b>Surplus / (Deficit) for the Year at 31 December</b>		-	-

All income and expenditure for the year relates to continuing activities at the balance sheet date.

The Statement of Income & Expenditure and Retained Revenue Reserves includes all gains and losses recognised in the year.

The Statement of Cash Flows and notes 1 to 13 form part of these financial statements.

On behalf of the Board of the NPHDB:

  
**Fred Barry**  
Chairperson

National Paediatric Hospital  
Development Board

  
**Brian Fitzgerald**  
Board Member & Audit and  
Risk Sub-Committee Chairperson  
National Paediatric Hospital  
Development Board

Date: 09 October 2019

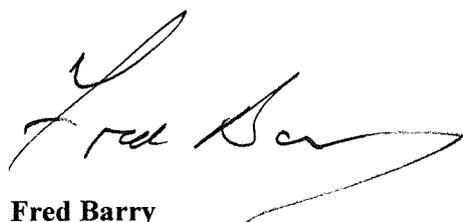
**National Paediatric Hospital Development Board**

**Statement of Financial Position  
for the year ended 31 December 2018**

	Notes	2018 €	2017 €
<b>Fixed Assets</b>			
Construction work in progress	2	<u>259,815,568</u>	<u>132,211,767</u>
<b>Total Fixed Assets</b>		<u>259,815,568</u>	<u>132,211,767</u>
<b>Current Assets</b>			
Receivables	3	20,282,337	9,172,075
Cash and cash equivalents	4	<u>3,693,297</u>	<u>997,301</u>
		23,975,634	10,169,376
<b>Current Liabilities (amounts falling due within one year)</b>			
Payables	6	(20,285,634)	(5,608,185)
<b>Net Current Assets</b>		<u>3,690,000</u>	<u>4,561,191</u>
<b>Long Term Liabilities (amounts falling due after one year)</b>			
Payables	6	(3,690,000)	(4,561,191)
<b>Total Net Assets</b>		<u>259,815,568</u>	<u>132,211,767</u>
<b>Represented by:</b>			
Capital account	7	259,815,568	132,211,767
		<u>259,815,568</u>	<u>132,211,767</u>

The Statement of Cash Flows and notes 1 to 13 form part of these financial statements.

On behalf of the Board of the NPHDB:

  
**Fred Barry**  
Chairperson

National Paediatric Hospital  
Development Board

  
**Brian Fitzgerald**  
Board Member & Audit and  
Risk Sub-Committee Chairperson  
National Paediatric Hospital  
Development Board

Date: 09 October 2019

**National Paediatric Hospital Development Board**

**Statement of Cash Flows  
for the year ended 31 December 2018**

	2018	2017
	€	€
<b>Net Cash Flow from Operating Activities</b>		
Excess Income over Expenditure	-	-
(Increase) / Decrease in Receivables	(11,110,262)	(7,061,225)
Increase / (Decrease) in Payables	13,806,258	7,203,447
Bank interest received	-	-
<b>Net Cash Inflow from Operating Activities</b>	<u>2,695,996</u>	<u>142,222</u>
<b>Cash Flows from Financing Activities</b>		
Bank Interest received	-	-
<b>Net Cash Flows from Financing Activities</b>	<u>-</u>	<u>-</u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	2,695,996	142,222
Cash and cash equivalents at 01 January	997,301	855,079
<b>Cash and cash equivalents at 31 December</b>	<u><u>3,693,297</u></u>	<u><u>997,301</u></u>

**National Paediatric Hospital Development Board**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2018**

**1. Accounting Policies**

The basis of accounting and significant accounting policies adopted by the NPHDB are set out below. They have all been applied consistently throughout the year and for the preceding year.

**a) Statement of Compliance**

The financial statements of the NPHDB for the year ended 31 December 2018 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland.

**b) Basis of Preparation**

The financial statements have been prepared:

- i) under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Health with the concurrence of the Minister for Finance under the S.I. No.246 of 2007. The following accounting policies (c to m) have been applied consistently in dealing with items which are considered material in relation to the NPHDB's financial statements; and
- ii) on a going concern basis. While legislation has been drafted for the dissolution of the Board the legislation provides for the transfer of all assets and liabilities to the Health Service Executive. Accordingly no adjustments to the carrying value of asset or liabilities were required.

**c) Revenue**

Oireachtas Grants

Grant income comprises grants receivable from the HSE towards the planning, design, construction, and commissioning of a national paediatric hospital. Grants are recognised as income in line with expenditure.

**d) Expenditure**

All expenditure, including administrative costs, incurred by the Board are recognised on an accruals basis and capitalised and transferred to construction work in progress and are not depreciated. All expenditure incurred is classified by cost type. As VAT is irrecoverable it is charged against the category for which it is incurred.

**e) Fixed assets - construction work in progress**

All fixed asset acquisitions, regardless of the source of funds, are capitalised as construction work in progress and are not depreciated.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue reserves in the year.

**f) Operating Leases**

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period.

**g) Payables**

Payables are initially recognised at fair value. Payables are classified as current if payable within one year or less. If not, they are presented as non current liabilities.

**h) Capital Account**

The capital account represents the unamortised value of funding applied for the purchase of fixed assets - Construction work in progress.

**i) Retirement Benefits**

The Public Service (Single Scheme and Other Provisions) Act 2012 became law on 28th July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme") which commenced with effect from 1st January 2013. There are four employees of the NPHDB that are members of the Single Scheme. In accordance with direction from the Minister of Health, pensions are accounted for on a pay as you go basis. The provisions of FRS 102 'Section 28: Employee Benefits' are not applied and the liability for the future pension benefits accrued in the year has not been recognised in the financial statements.

The provision of the superannuation liability for the twelve staff seconded to the Board during 2017, remains the responsibility of the respective employer body and not the NPHDB.

Other contributions are made to a PRSA pension contract. These contributions are funded out of capital income of the Board and are charged to the Statement of Income and Expenditure and Retained Revenue Reserves in the year in which they become payable.

**j) Receivables**

The balance due from the HSE represents expenditure accrued by the Board for which funding has not yet been drawn down from the HSE. All other receivables are recognised at fair value.

**k) Short-term Employee Benefits**

Short-term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

**l) Critical Accounting Judgement and Estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that effect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There were no judgements required that had a significant effect on amounts recognised in the financial statements for 2018.

**m) Community Benefit Oversight Group (CBOG)**

In early 2015, a CBOG was established by the NPHDB and the CHI to promote active engagement between community interests and the hospital project. In 2018, the NPHDB paid salary costs on behalf of the CBOG. The CBOG was also funded by the HSE, Dublin City Council (DCC) and the CHI. Funding received by the CBOG is lodged to a separate bank account administered by the NPHDB and monies are transferred from the CBOG bank account to reimburse the NPHDB for expenses incurred by it on behalf of the CBOG.

While the NPHDB provides administrative support, the CBOG has established a governance and reporting structure and internal control processes for the CBOG. As a result, the transactions related to the operation of the CBOG are treated as follows in the NPHDB's financial statements:

- (i) The NPHDB's financial statements recognise funding provided to the group as an administrative cost; and  
(ii) The CBOG's bank balance is recognised in the NPHDB's financial statements. The related debtors and creditors are also included. The CBOG's income and expenditure is disclosed only by way of a note to the NPHDB's financial statements. See note 5.

## 2. Administration & Operations / Construction work in progress

Total costs incurred to date amount to €259.8m with costs of €127.6m incurred in 2018. The table below shows the total cost incurred by cost category. As outlined in the accounting policy, VAT incurred in relation to expenditure incurred by the NPHDB is not recoverable. The table includes the amounts relating to irrecoverable VAT for information purposes.

	2018			Cumulative to 31 December 2018		
	Excl. VAT €	Irrecoverable VAT €	Total Cost €	Excl. VAT €	Irrecoverable VAT €	Total Cost €
(i) BST / CMS *	2,381,724	547,826	2,929,550	6,854,952	1,590,091	8,445,043
(ii) Design Team	15,520,673	3,569,796	19,090,469	47,429,495	10,926,700	58,356,195
(iii) Site development and clearance	262,199	42,822	305,021	27,043,371	3,979,995	31,023,366
(iv) Construction	88,648,063	11,966,828	100,614,891	114,396,049	15,261,017	129,657,066
(v) Equipment	3,647	839	4,486	3,647	839	4,486
(vi) Admin Costs	4,214,436	444,948	4,659,384	30,106,686	2,222,726	32,329,412
	<u>111,030,742</u>	<u>16,573,059</u>	<u>127,603,801</u>	<u>225,834,200</u>	<u>33,981,368</u>	<u>259,815,568</u>
	2017			Cumulative to 31 December 2017		
	Excl. VAT €	Irrecoverable VAT €	Total Cost €	Excl. VAT €	Irrecoverable VAT €	Total Cost €
(i) BST / CMS *	1,333,222	306,641	1,639,863	4,473,228	1,042,265	5,515,493
(ii) Design Team	9,066,778	2,085,359	11,152,137	31,908,822	7,356,904	39,265,726
(iii) Site development and clearance	11,629,898	1,677,960	13,307,858	26,781,172	3,937,173	30,718,345
(iv) Construction	25,747,986	3,294,189	29,042,175	25,747,986	3,294,189	29,042,175
(v) Equipment	-	-	-	-	-	-
(vi) Admin Costs	11,677,455	391,714	12,069,169	25,892,250	1,777,778	27,670,028
	<u>59,455,339</u>	<u>7,755,863</u>	<u>67,211,202</u>	<u>114,803,458</u>	<u>17,408,309</u>	<u>132,211,767</u>

\* BST / CMS is Business Services Team / Construction Management Services

## 2 (vi) Administration Costs:

		2018		
	Note	Excl. Vat €	Irrecoverable Vat €	Total Cost €
Remuneration and other pay costs	2 (a)	1,785,629	47,493	1,833,122
ICT		157,808	36,236	194,044
Legal expenses		104,181	23,961	128,142
Other professional fees		680,105	113,584	793,689
Office expenses		105,166	18,045	123,211
Rent & Rates		15,897	20,605	36,502
Office fit out		118,329	19,810	138,139
Communications & Community Engagement		279,755	58,696	338,451
C&AG audit fees		27,000	-	27,000
Internal audit fees		147,768	33,987	181,755
Insurance		328,416	-	328,416
Planning application costs		2,120	-	2,120
Business case development		38,798	8,924	47,722
Health planning		41,493	8,005	49,498
Programming and scheduling services		122,342	28,139	150,481
Capital Contribution		205,810	25,294	231,104
Other administration expenses		53,819	2,169	55,988
		<u>4,214,436</u>	<u>444,948</u>	<u>4,659,384</u>

		2017		
	Note	Excl. Vat €	Irrecoverable Vat €	Total Cost €
Remuneration and other pay costs	2 (a)	2,021,769	37,302	2,059,071
ICT		151,192	34,774	185,966
Legal expenses		332,619	76,502	409,121
Procurement fees		139,967	32,192	172,159
Other professional fees		246,852	41,207	288,059
Office expenses		85,259	16,829	102,088
Rent & Rates		201,911	35,431	237,342
Office fit out		111,566	22,379	133,945
Communications & Community Engagement		288,563	65,053	353,616
C&AG audit fees		15,000	-	15,000
Internal audit fees		7,726	1,777	9,503
Insurance		471,013	-	471,013
Planning application costs		7,326,526	-	7,326,526
Business case development		43,474	9,999	53,473
Health planning		(107,283)	(24,675)	(131,958)
Programming and scheduling services		182,395	41,951	224,346
Capital Contribution		111,950	-	111,950
Other administration expenses		46,956	993	47,949
		<u>11,677,455</u>	<u>391,714</u>	<u>12,069,169</u>

**Remuneration****2 (a) Remuneration and Other Pay Costs**

	2018	2017
	€	€
Staff salaries	829,835	956,023
Seconded Salaries	818,810	903,560
Employer's contribution to social welfare	82,587	96,299
Board members' emoluments	44,625	58,140
Retirement Benefit Costs	9,772	7,747
	<u>1,785,629</u>	<u>2,021,769</u>

The seconded salaries include costs associated with backfilling the seconded posts and locum fees.

**2 (b) Aggregate Employee Benefits**

	2018	2017
	€	€
Basic Pay	1,648,645	1,859,583
Employer's contribution to social welfare	82,587	96,299
	<u>1,731,232</u>	<u>1,955,882</u>

The average number of employees (full time equivalents) during the year as follows:

	2018	2017
Executive & Staff	11.1	12.4
Seconded Staff	6.2	7.5
Total	<u>17.3</u>	<u>19.9</u>

The total number of staff employed (FTE) at year ended was 15.5 (2017: 17.5)

**2 (c) Key Management Personnel**

Key management personnel in the NPHDB consists of the members of the Board, the Project Director, the Design Director / Deputy Project Director, the Commercial Advisor, the Medical Director and the Finance Officer. The total value of employee benefits for key management personnel is set out below:

	2018	2017
	€	€
Salary	673,483	667,086
Retirement Benefit Costs	9,772	7,747
	<u>683,255</u>	<u>674,833</u>

The Project Director's pension entitlement do not extend beyond the standard entitlements in the model single public service pension scheme and a PRSA contract is in place for the Finance Officer. The remaining key management personnel are seconded staff. The amounts disclosed above do not include the value of retirement benefits earned in the period.

## 2 (d) Project Director Salary and Benefits

The Project Director remuneration package for the financial period was as follows:

	2018	2017
	€	€
Basic Pay	<u>143,303</u>	<u>133,613</u>

The Project Director is a member of the Single Public Service Pension Scheme, and his entitlements in that regard do not extend beyond the terms of the model single public service pension scheme. The value of retirement benefits earned in the period is not included above.

## 3. Receivables

		2018	2017
	Note	€	€
HSE grants due	9	<u>19,907,848</u>	<u>150,418</u>
Other debtors and prepayments		<u>374,489</u>	<u>9,021,657</u>
		<u><u>20,282,337</u></u>	<u><u>9,172,075</u></u>

## 4. Cash &amp; Cash Equivalents

		2018	2017
	Note	€	€
NPHDB bank balance		<u>3,649,367</u>	<u>997,290</u>
Community Benefit Oversight Group bank balance	5	<u>43,930</u>	<u>11</u>
		<u><u>3,693,297</u></u>	<u><u>997,301</u></u>

## 5. Cash &amp; Cash Equivalents concerning Community Benefit Oversight Group (CBOG) Funding

As outlined in Accounting Policy 1, NPHDB's financial statements includes a bank balance, debtors and creditors relating to the community benefit oversight group. The related figures together with the income and expenditure for the group for 2018 are set out below.

<b>CBOG Bank Account:</b>	2018	2017
	€	€
Balance on deposit account on 01 January	<u>11</u>	<u>84,446</u>
Receipts:		
Dublin City Council	30,000	-
Health Service Executive	20,000	-
CHI	30,000	
NPHDB	-	(362)
Interest	2	4
	<u>80,002</u>	<u>(358)</u>
Payments:		
Salaries	(28,020)	(76,962)
Consultant fees	(4,999)	(5,760)
Administration expenses	(3,064)	(1,355)
	<u>(36,083)</u>	<u>(84,077)</u>
Balance on deposit account on 31 December	<u><u>43,930</u></u>	<u><u>11</u></u>

## 6. Payables

Amounts falling due within one year:

	2018	2017
	€	€
Trade creditors	<u>3,470,473</u>	<u>453,377</u>
Other creditors	49,723	60,391
Accruals	16,016,904	4,507,339
Taxation creditors:		
- PAYE / PRSI	31,665	34,907
- PSWT	716,869	552,172
	<u>20,285,634</u>	<u>5,608,186</u>

Amounts falling due after more than one year:

	2018	2017
	€	€
Trade creditors	<u>3,690,000</u>	<u>4,561,191</u>

6.1: The trade creditors falling due after one year relates to the outstanding Dublin City Council Contribution as per condition 16 of the planning permission requirements. The final instalment is payable May 2021.

## 7. Capital Account

	2018	2017
	€	€
Opening balance	132,211,767	65,000,565
Transfer to Income and Expenditure		
- Capital expenditure	127,603,801	67,211,202
Closing balance	<u>259,815,568</u>	<u>132,211,767</u>

## 8. Capital Commitments

**8.1: Capital Commitments (excluding Lease Commitments):**

At 31 December 2018, the Board had the following capital commitments:

	2018	2017
	€	€
Contracted for but not provided in the financial statements		
Within 1 year	264,957,338	89,684,335
Between 1 and 2 years	653,024,342	38,095,956
Between 2 and 5 years	78,668,186	9,774,313
Total (including VAT)	<u>996,649,866</u>	<u>137,554,604</u>

The year on year changes reflects the agreement on the Guaranteed Maximum Price (GMP) for the construction of the hospital, the associated design changes less the expenditure on the contracts during the period. Up to the end of 2017, the Phase A of the construction contract was awarded which primarily supported the site enabling works of the project. In 2018, having agreed the GMP for the project, the contract for the main works was awarded for €887.7m (ex vat) which covered all of the construction works to the end of the project. As a result, the capital commitment above includes the outstanding commitments for the main works of €794.3m (ex. VAT) at the end of 2018.

**8.2: Lease Commitments:**

The NPHDB is located at Block A, Herberton, St. James's Walk, Rialto, Dublin 8 D08 HP97 at an annual rental cost of €215,902, with the office lease expiring 29th June 2019. In 2019, the lease was extended to 2023 for an annual rent of €235,053.

	2018	2017
	€	€
Contracted for but not provided in the financial statements		
Within 1 year	88,315	215,902
Between 1 and 2 years	-	161,927
Between 2 and 5 years	-	-
Total (including VAT)	<u>88,315</u>	<u>377,829</u>

**8.3: Total Capital Commitments:**

	2018	2017
	€	€
Contracted for but not provided in the financial statements		
Within 1 year	265,045,653	89,900,237
Between 1 and 2 years	653,024,342	38,257,883
Between 2 and 5 years	78,668,186	9,774,313
Total (including VAT)	<u>996,738,181</u>	<u>137,932,433</u>

**9. Funding from the Health Service Executive**

Advances and balances due from the Health Service Executive (HSE), which were all capital related, at the 31 December 2018 were:

	2018	2017
Note	€	€
Total capital grants notified by the HSE for the year	<u>120,000,000</u>	<u>68,000,000</u>
Opening balance due from HSE at 1 Jan 2018	150,418	685,591
Capital expenditure incurred in the year	127,603,801	67,211,202
Less: Remittances from the HSE in the year	(107,846,371)	(67,746,375)
Less: Other Income	-	-
Balance due from the HSE at 31 Dec 2018	<u>3</u> <u>19,907,848</u>	<u>150,418</u>

**10. Related Party Disclosures**

Please refer to Note 2 for a breakdown of the remuneration and benefits paid to key management.

The NPHDB adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board members. In the normal course of business, the NPHDB may enter into contractual arrangements with entities in which the NPHDB Board members are employed or are otherwise interested.

In cases of potential conflict of interest, Board members do not receive Board documentation or otherwise participate in or attend discussions regarding these transactions. A register is maintained and available on request of all such instances.

**List all party related disclosures**

As per the Conflict of Interest Log, there was one conflict of interest recorded in 2018. This related to a discussion on legal fees. The conflicted Board Member absented himself from the room for this discussion.

## 11. Contingent Liabilities

The NPHDB are currently, and may be from time to time, involved in a number of construction related claims, which may be settled through the Employer's Representative's determination and these may also be referred to the Project Board Under Dispute Resolution procedures. If not settled by the Project Board, claims will proceed to conciliation and potentially proceed to court proceedings as set out in the contract.

The Board has been notified of a number of contractual claims by the main contractor for the development of the NCH. These claims have been referred to the Employer Representative and/or to Conciliation. The Board disputes the validity of such claims and is not in a position to estimate any potential liability arising from a possible adverse decision.

## 12. Events after the reporting date

On the 1st January 2019 the Children's Hospital Group was replaced under legislation by Children's Health Ireland (CHI). CHI is now the entity that governs and delivers acute paediatric services currently at Crumlin, Temple Street and Tallaght.

In January 2019 the HSE commissioned a review to be undertaken by PwC into the escalation of cost on the project and recommendations were made within the published report in April 2019. The Board of the NPHDB have reviewed the report, acknowledged and noted the issues raised and recommendations set out in the PwC report and is developing an implementation plan against this.

The Chairperson of the Board Mr Tom Costello tendered his resignation and left the Board on 02 February 2019.

Mr. Fred Barry was appointed as Chairperson of the Board on 09 April 2019.

Mr John Martin tendered his resignation and left the Board on 27 May 2019.

Ms Marguerite Sayers tendered her resignation and left the Board on 31 May 2019.

The Project Director, Mr. John Pollock tendered his resignation in March 2019 and left the project on 14 June 2019.

An Interim Project Director, Mr. Phelim Devine was appointed on 10 June 2019. The Project Director role has been advertised.

Mr Paul Quinn tendered his resignation and left the Board on 19 July 2019.

An Interim Chief Officer, Mr. Jack Golden was appointed from 07 June 2019 to 04 October 2019.

Mr John Hourihane tendered his resignation from the Board and left the NPHDB on 03 September 2019.

Mr David Gunning was appointed as Chief Officer on 16 September 2019.

In February 2019, the NPHDB recommended to revert to a traditional capital funded approach for equipment procurement and sought endorsement to this approach which was obtained. The capital costs of €68.6m associated with traditional procurement are included in the overall budget of €1,433m as sanctioned by Government in December 2018.

The OP & UCC at Connolly is complete and was handed over to CHI in May 2019 for the CHI to commence the commissioning and transitioning of staff. CHI will operate the service and the centre opened in July 2019.

### 13. Approval of the financial statements

The financial statements were approved by the Board of the NPHDB on 09 October 2019.