



Ard Reachtaire Cuntas agus Ciste
Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Special Account for the purposes of the Health (Repayment Scheme) Act 2006

Opinion on the Account

I have audited the Special Account prepared by the Health Service Executive for the year ended 31 December 2018 as required under the provisions of section 18 of the Health (Repayment Scheme) Act 2006. The Special Account comprises an account of receipts and payments, the statement of accounting policies and related notes.

In my opinion, the account properly presents

- the transactions for 2018, and
- the balance at 31 December 2018.

Basis of opinion

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

My responsibilities to report in relation to 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.

Andrew Harkness
For and on behalf of the
Comptroller and Auditor General

31 January 2020

Appendix to the report

Responsibilities of the Health Service Executive

The Health Service Executive is responsible for

- the preparation of the account in the form prescribed under section 18 of the Health (Repayment Scheme) Act 2006
- ensuring that the account properly presents the balance at year end and the transactions in the year
- ensuring the regularity of transactions, and
- such internal control as it determines is necessary to enable the preparation of an account that is free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 18 of the Health (Repayment Scheme) Act 2006 to audit the Special Account 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 account as a whole is free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this account.

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

- I identify and assess the risks of material misstatement of the account whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

I communicate with the Health Service Executive 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.

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 identify 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 identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I 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 account to be readily and properly audited, or
- the account is not in agreement with the accounting records.

SPECIAL ACCOUNT ESTABLISHED FOR THE PURPOSE OF THE HEALTH (REPAYMENT SCHEME) ACT, 2006

ACCOUNT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	€	€
Balance at 1 January	0	0
<i>Receipts</i>		
Oireachtas Grant	0	0
	<hr/>	<hr/>
	0	0
<i>Payments</i>		
Refunded to HSE in respect of Repayments and Scheme Administration Costs	0	0
	<hr/>	<hr/>
	0	0
Balance on Special Account at 31 December	<hr/> <hr/>	<hr/> <hr/>
	0	0

The Statement of Accounting Policies and Notes 1 to 4 form part of this account.



Paul Reid

Chief Executive Officer, Health Service Executive

Date

31 Jan 2020

SPECIAL ACCOUNT ESTABLISHED FOR THE PURPOSE OF THE HEALTH (REPAYMENT SCHEME) ACT, 2006

STATEMENT OF ACCOUNTING POLICIES

Background

The Health (Repayment Scheme) Act 2006 provides for a scheme to repay certain charges imposed on persons with full eligibility for in-patient services in Health Service Executive (HSE) long stay facilities and to regulate Patients Private Property Accounts. In accordance with the Act a Special Account was established which is an account with the Paymaster General held in the joint names of the Health Service Executive and the Minister for Finance. The Special Account was established on 30 June 2006.

Funding

The Special Account is funded from moneys provided by the Oireachtas through the Vote for the Office of the Minister for Health, previously the Vote for the Health Service Executive (HSE). Payments from the vote into the Special Account and reimbursements from the Special Account are issued only with the sanction of the Minister of Public Expenditure and Reform.

These moneys may only be used for the purposes for which they were voted and shall be issued out of that account only by direction of the Office of the Minister for Health. These moneys may only be used:

- to meet the cost of repayments made;
- to meet the costs of the HSE in administering the Health (Repayments Scheme) Act 2006 in relation to repayments and in relation to the HSE's establishment and management of the Repayments Scheme (Donations) Fund, provided for in the Act.

Administrative and Governance Arrangements

Applications for repayment were previously processed by an external scheme administrator, appointed by the HSE. Following the completion of the Scheme Administrators contract on 31st July 2011 the remaining claims are now being processed by the HSE. The HSE is responsible for the administration incurred on the Special Account. Repayments are issued by the HSE. Returns of expenditure, certified by the appropriate officer of the HSE are sent at intervals to the Department of Health, which are then sent to the Department of Public Expenditure and Reform for approval under the direction of the Minister. Once approval is received, the HSE is refunded from the Special Account.

The governance and control procedures (which encompass the account) are set out in the HSE's financial statements.

While the scheme is closed to new applications, a small number of existing applications are being reviewed, as well as any ongoing queries from the general public. Formally closing the scheme is a matter for the Department of Health.

Basis of Accounting

The account has been prepared on a receipts and payments basis. Outstanding liabilities are set out in Note 2 to the account.

Oireachtas Grant

The Oireachtas grant is paid into the Special Account from the Vote for the Office of the Minister for Health (Subhead J.2.).

SPECIAL ACCOUNT ESTABLISHED FOR THE PURPOSE OF THE HEALTH (REPAYMENT SCHEME) ACT, 2006

NOTES TO THE ACCOUNTS

	2018	2017
	€	€
Note 1		
Statement of Balances as at 31 December		
Balance on Special Account at 31 December	0	0
Outstanding		
Amount due for refund to the HSE at 31 December	2,464,284	2,138,341
Note 2		
Outstanding Liabilities at 31 December		
Opening balance - due to the HSE at 1 January	2,138,341	2,030,895
Payments made by the HSE during the year	325,943	107,446
Refunds made to the HSE during the year	0	0
Balance due to the HSE at 31 December	2,464,284	2,138,341

**SPECIAL ACCOUNT ESTABLISHED FOR THE PURPOSE OF THE HEALTH (REPAYMENT
SCHEME) ACT, 2006**

NOTES TO THE ACCOUNTS

NOTE 3 - Annual Scheme Expenditure

Annual expenditure in relation to the Health Repayments

Scheme since commencement on 30 June 2006 to 31

December 2018 is as follows:

	2018	2017
	€	€
Payments to Claimants	192,510	38,784
Administration Costs of Repayments	133,433	68,662
Administration Costs of Donations Fund	0	0
Total	<u>325,943</u>	<u>107,446</u>
Number of Cases	5	11

Cumulative Scheme Expenditure

Cumulative expenditure in relation to the Health

Repayments Scheme since commencement on 30 June

2006 to 31 December 2018 is as follows:

	2018	2017
	€	€
Payments to Claimants	453,278,906	453,086,396
Administration Costs of Repayments	32,411,186	32,277,753
Administration Costs of Donations Fund	0	0
Total	<u>485,690,092</u>	<u>485,364,149</u>
Cumulative Number of Cases to 31 December 2018	20,299	20,294

**SPECIAL ACCOUNT ESTABLISHED FOR THE PURPOSE OF THE HEALTH (REPAYMENT
SCHEME) ACT, 2006**

NOTES TO THE ACCOUNTS

NOTE 4 - Annual Costs Incurred

Annual costs incurred by the HSE up to the end of 2018 as certified by the Accounting Officer of the HSE were as follows:

	2018	2017
	€	€
Payments to Claimants	192,510	38,784
<i>Administration Costs of Repayments:</i>		
Payments to third party Scheme Administrator	0	0
HSE Pay Costs	118,145	66,195
Advertising	0	0
Legal and Professional Fees	0	0
Office Expenses	15,288	2,467
Total Administration Costs	<u>133,433</u>	<u>68,662</u>
Administration Costs of Donations Fund	0	0
Total Annual Costs Incurred	<u>325,943</u>	<u>107,446</u>

Cumulative Costs Incurred

Cumulative costs incurred by the HSE up to the end of 2018 as certified by the Accounting Officer of the HSE were as follows:

	2018	2017
	€	€
Payments to Claimants	453,278,906	453,086,396
<i>Administration Costs of Repayments:</i>		
Payments to third party Scheme Administrator	19,786,940	19,786,940
HSE Pay Costs	6,094,555	5,976,410
Advertising	1,347,765	1,347,765
Legal and Professional Fees	3,991,084	3,991,084
Office Expenses	1,190,842	1,175,554
Total Administration Costs	<u>32,411,186</u>	<u>32,277,753</u>
Administration Costs of Donations Fund	0	0
Total Cumulative Costs Incurred	<u><u>485,690,092</u></u>	<u><u>485,364,149</u></u>