



an ciste náisiúnta um cheannach cóireála  

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the national treatment purchase fund

National Treatment Purchase Fund Board

Financial Statements

For Year Ended 31 December 2021

# National Treatment Purchase Fund Board

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## **National Treatment Purchase Fund Board**

### **General Information**

Board members:	Don Gallagher (Chairperson) Patrick Gibbons Terry McWade Patricia Byron Anne Stewart Dónall Curtin Donna Roche Sarah Johnson Martin Sisk
Acting Board Secretary:	Eamonn Horgan
Head Office:	Ashford House Tara Street Dublin 2
Telephone No:	+353 1 6427 101
Fax No:	+353 1 6427 102
Website:	<a href="http://www.ntpf.ie">www.ntpf.ie</a>
Auditors:	Comptroller and Auditor General 3A Mayor Street Upper North Wall Dublin 1
Main Bankers:	AIB Bank Limited Swords Road Santry Dublin 9
Solicitors:	Philip Lee Solicitors Connaught House One Burlington Road Dublin 4 D04 C5Y6

## **National Treatment Purchase Fund Board**

### **Governance Statements and Board Members' Report**

For the year ended 31 December 2021

#### **Governance**

The Board of the National Treatment Purchase Fund (NTPF) was established under Statutory Instrument (S.I.) 179 – National Treatment Purchase Fund (Establishment) Order, 2004 as amended by S.I. No. 125 of 2007, the Health (Miscellaneous Provision) Act 2007 and the Nursing Homes Support Scheme Act (2009). The functions of the Board are set out in Section 4 of S.I. 179. 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 business issues. The regular day-to-day management, control and direction of the NTPF are the responsibility of the Chief Executive Officer (CEO) and the senior management team. The CEO 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 risks likely to arise. The CEO acts as a direct liaison between the Board and management of NTPF.

#### **Board Responsibilities**

The work and responsibilities of the Board are set out in the Statutory Instrument. Standing items considered by the Board include;

- Declaration of interests
- Reports from committees
- Review of Risk register
- Financial reports/management accounts
- Performance reports
- Reserved matters

Section 6(10.1) of the Statutory Instrument requires the Board of the NTPF to keep, in such form as may be approved by the Minister for Health all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Board of the NTPF is required to;

- Select suitable accounting policies and 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 operation
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

## National Treatment Purchase Fund Board

### Governance Statements and Board Members' Report (cont.)

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 6(10.1) of the Statutory Instrument. The maintenance and integrity of the corporate and financial information on the NTPF's website is the responsibility of the Board. The Board is responsible for approving the annual plan and budget.

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

The Board considers that the financial statements of the NTPF give a true and fair view of the financial performance and the financial position of the NTPF at 31 December 2021 except for the non-compliance with the requirements of FRS 102 in relation to retirement benefit obligations. Retirement benefits are accounted for on a pay-as-you-go basis.

### Board Structure

The Board consists of a Chairperson and eight ordinary members, all of whom are appointed by the Minister for Health. The members of the Board are appointed for a period of up to three years and meet on a regular basis. The table below details the latest appointment date for members as at the end of the reporting period:

<b>Board Member</b>	<b>Role</b>	<b>Latest Date Appointed</b>
Don Gallagher	Chairperson	24 March 2021
Patrick Gibbons	Ordinary Member	28 February 2020
Terry McWade	Ordinary Member	28 February 2020
Patricia Byron	Ordinary Member	25 May 2020
Anne Stewart	Ordinary Member	25 May 2020
Dónall Curtin	Ordinary Member	24 March 2021
Donna Roche	Ordinary Member	24 March 2021
Sarah Johnson	Ordinary Member	03 June 2021
Martin Sisk	Ordinary Member	02 July 2021

## **National Treatment Purchase Fund Board**

### **Governance Statements and Board Members' Report (cont.)**

The Board last carried out a Board Effectiveness and Evaluation Review on 30th November 2020.

The Board has established two committees, as follows:

**Audit and Risk Committee;** comprises four Board members and an external expert (non-voting member). The role of the Audit and Risk Committee (ARC) is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems, including audit activities, are monitored actively and independently. The ARC reports to the Board after each meeting, and formally in writing annually.

The members of the ARC at 31 December 2021 were Dónall Curtin (Chairperson), Patrick Gibbons, Anne Stewart, and Martin Sisk. Mr. Eugene Kelly was re-appointed as an external expert (non-voting member) from 01 November 2021 for a period of one year. There were 6 meetings of the ARC in 2021.

**Patient Care Committee;** comprises four Board members and an external expert (non-voting member). The role of the Patient Care Committee (PCC) is to provide scrutiny and challenge with regard to the aspects of quality, risk management and safety of patient care as are relevant to be managed by the NTPF arising from its commissioning function. The PCC reports to the Board after each meeting, and formally in writing annually.

The members of the PCC at 31 December 2021 were Terry McWade (Chairperson), Patricia Byron, Donna Roche and Sarah Johnson. Ms. Margaret Murphy was appointed as an external expert (non-voting member) on 09 June 2021. There were 6 meetings of the PCC in 2021.

### **Schedule of Attendance, Fees and Expenses**

A schedule of attendance at Board and Committee meetings for 2021 is set out below including the fees and expenses received by each member;

## National Treatment Purchase Fund Board

### Governance Statements and Board Members' Report (cont.)

Board Members				Expenses	
	Board	Audit & Risk Committee	Patient Care Committee	Fees 2021 €	2021 €
<b>Number of meetings</b>	<b>8</b>	<b>6</b>	<b>6</b>		
John Horan	4 (4)			5,054	-
Patricia Byron	8 (8)		6 (6)	7,695	-
Patrick Gibbons	7 (8)	6 (6)		7,695	-
James Melly	1 (3)	2 (2)		2,689	-
Jack Nagle	2 (2)		1 (1)	1,283	-
Terry McWade	8 (8)		6 (6)	7,695	-
Brendan O'Donoghue	2 (2)	2 (2)	1 (1)	1,283	-
Anne Stewart	8 (8)	6 (6)		7,695	-
Dónall Curtin	6 (6)	4 (4)		5,937	-
Don Gallagher (Chair)	6 (6)		3 (3)	8,042	-
Donna Roche	6 (6)		5 (5)	5,937	-
Sarah Johnson	4 (4)		2 (2)	4,446	-
Martin Sisk	4 (4)	2 (2)		3,827	-
				<b>69,278</b>	<b>0</b>

The figures shown in brackets relates to the number of meetings that members were eligible to attend.

### Key Personnel Changes

Changes to key management personnel during the reporting period is set out below:

In accordance with the National Treatment Purchase Fund (Establishment) Order, 2004 the Minister appointed five new members in 2021:

<u>Board Member</u>	<u>Role</u>	<u>Appointment Date</u>
Don Gallagher	Chairperson	24 March 2021
Donna Roche	Ordinary Member	24 March 2021
Dónall Curtin	Ordinary Member	24 March 2021
Sarah Johnson	Ordinary Member	03 June 2021
Martin Sisk	Ordinary Member	02 July 2021

The following memberships ceased in 2021:

<u>Board Member</u>	<u>Role</u>	<u>Date Membership Ceased</u>
John Horan	Chairperson	02 June 2021
James Melly	Ordinary Member	06 May 2021
Jack Nagle	Ordinary Member	27 February 2021
Brendan O'Donoghue	Ordinary Member	27 February 2021

## National Treatment Purchase Fund Board

### Governance Statements and Board Members' Report (cont.)

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

The Board is responsible for ensuring that the National Treatment Purchase Fund 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 and its Annex published in 2020. The following disclosures are required by the Code:

#### *Consultancy Costs;*

	2021	2020
Legal	77,110	268,199
Public relations	41,392	42,499
Business improvement	59,901	61,023
	<hr/>	<hr/>
	178,403	371,721

The legal costs above do not include any components of compensation.

#### *Travel & Subsistence;*

	Domestic		Foreign		Total	
	2021	2020	2021	2020	2021	2020
Staff	2,434	22,327	0	0	2,434	22,327
Board	0	122	0	0	0	122
Total	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,434	22,449	0	0	2,434	22,449

#### *Hospitality Expenditure;*

An amount of €0 was incurred on internal hospitality for 2021 (2020 €0). There was €0 amount incurred on external hospitality for 2021 (2020 €0).

#### *Employee short-term benefits;*

Employee short-term benefits are disclosed in note 5 to the financial statements.



## National Treatment Purchase Fund Board

### Governance Statements and Board Members' Report (cont.)

#### *Gender Balance, Diversity and Inclusion*

As at 31 December, the Board had 4 (44%) female and 5 (55%) male board members. There was no vacant positions at year end. The NTPF meets the Government target of a minimum of 40% representation of each gender in the membership of State Boards.

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and its Annex published in 2020 and has put procedures in place to ensure compliance with the Code.

The National Treatment Purchase Fund was in compliance with the Code of Practice for the Governance of State Bodies for 2021.

On behalf of the NTPF Board:



Don Gallagher (Chairperson)  
Board Member  
30 September 2022



Dónall Curtin  
Board Member  
30 September 2022

## **National Treatment Purchase Fund Board**

### **Statement on Internal Control**

#### **Scope of Responsibility**

On behalf of the National Treatment Purchase Fund (NTPF) I 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) and its Annex published in 2020.

#### **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 controls, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the NTPF for the year ended 31 December 2021 and up to the date of approval of the financial statements.

#### **Capacity to Handle Risk**

The NTPF has an Audit and Risk Committee (ARC) comprising of four Board members and one external expert. The ARC met six times during the year.

The NTPF has also established an internal audit function which is adequately resourced. An accounting firm is appointed to perform the internal audit process and conducts an audit plan agreed with the ARC.

The ARC has developed a risk management policy which sets out its risk appetite, the risk management process in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff that are expected to work within the NTPF's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

#### **Risk and Control Framework**

Risk management is a standing item on the agenda of both Board and ARC meetings. A Risk Register is in place which identifies the key risks facing the NTPF and these have been identified, evaluated and graded according to their significance. The ARC reviews all risks identified on the Risk Register and the management plan for mitigating the identified risk at each meeting. Risks

## **National Treatment Purchase Fund Board**

### **Statement on Internal Control (cont.)**

identified throughout the year are added to the Risk Register on an on-going basis. In addition, the high ranking risks, new risks and changing risks on the Risk Register are reviewed at each Board meeting. 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 risk and responsibility for operation of controls assigned to specific staff. I 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. I 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 and forecasts.

### **Procurement**

I confirm that the NTPF has procedures in place to ensure compliance with current procurement rules and guidelines and that during 2021 the NTPF complied with those procedures.

### **Review of Effectiveness**

The Board confirmed on 07 March 2022 that it had conducted an annual review of the effectiveness of the 2021 internal controls.

## **National Treatment Purchase Fund Board**

### **Statement on Internal Control (cont.)**

The NTPF has procedures to monitor the effectiveness of its risk management and control procedures. The NTPF's monitoring and review of the effectiveness of the system of internal control is informed by the work of the internal and external auditors, the Audit and Risk Committee which oversee their work, the Patient Care Committee which monitors risks relating to the Commissioning of patient treatments and senior management within the NTPF who are responsible for the development and maintenance of the internal control framework.

#### **Internal Control Issues:**

No material weaknesses in internal control were identified in relation to 2021.

#### **Impact of Covid-19**

Covid-19 continued to impact on the operations of the NTPF throughout 2021. The NTPF responded by reviewing and changing oversight processes and control procedures, including those required to facilitate effective and secure remote working. Key controls over these processes remained substantially the same as they were pre-pandemic. During 2020 and 2021, additional software controls and monitoring were implemented to mitigate the ICT risks from remote working, with associated guidance and awareness training for staff. The NTPF Board, Senior Executive Team and management will keep the emerging situation under continual review.

Due to high incidence rates of Covid-19 throughout parts of 2021 and the HSE cyber-attack, the NTPF's capacity to arrange elective treatments for patients on waiting lists was impacted. Therefore, the NTPF did not draw down the full income allocation for 2021. During 2021 the NTPF has worked in close engagement with the Department of Health, the Health Service Executive and other agencies, to support the National response to the pandemic.

The NTPF continued to administer the application process and provide advice to the Health Service Executive (HSE) on the Temporary Assistance Payment Scheme throughout 2021. The Temporary Assistance Payment Scheme was announced by the State in April 2020 to support nursing homes with respect to additional cost pressures arising from Covid-19. The HSE administer the scheme and make payments to the Nursing Homes.

On behalf of the NTPF Board:



Don Gallagher  
Chairperson  
30 September 2022



# Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

## Report for presentation to the Houses of the Oireachtas

### National Treatment Purchase Fund Board

#### Qualified opinion on the financial statements

I have audited the financial statements of the National Treatment Purchase Fund Board for the year ended 31 December 2021 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 FRS 102 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 Treatment Purchase Fund Board at 31 December 2021 and of its income and expenditure for 2021 in accordance with FRS 102.

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

In compliance with the directions of the Minister for Health, the National Treatment Purchase Fund 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 Treatment Purchase Fund Board's financial statements for 2021 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 Treatment Purchase Fund 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 Treatment Purchase Fund 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

30 September 2022

## 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 annual financial statements in the form prescribed under article 10 of SI No 179/2004 National Treatment Purchase Fund Board (Establishment) Order 2004
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- 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 Treatment Purchase Fund 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 Treatment Purchase Fund 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 Treatment Purchase Fund 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.

I report by exception if, in my opinion,

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

### 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 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.

## National Treatment Purchase Fund Board

### Statement of Income and Expenditure and Retained Revenue Reserves

For the year ended 31 December 2021

		2021	2020
	Notes	€	€
<b>Income</b>			
Oireachtas Grant	2	110,000,000	80,000,000
Other Income		-	29,069
<b>Total Income</b>		<u>110,000,000</u>	<u>80,029,069</u>
<b>Less: Expenditure</b>			
Patient Care Expenditure	3	95,710,869	70,474,497
Administration Expenses	4	7,452,746	6,800,453
<b>Total Expenditure</b>		<u>103,163,615</u>	<u>77,274,950</u>
<b>Surplus for the Year before Appropriations</b>		6,836,385	2,754,119
<b>Transfer to Capital Account</b>	11	<u>(53,486)</u>	<u>(228,918)</u>
<b>Surplus for the Year after Appropriations</b>		6,782,899	2,525,201
Balance Brought Forward at 1 January		20,291,380	17,766,179
<b>Balance Carried Forward at 31 December</b>		<u>27,074,279</u>	<u>20,291,380</u>

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

The Statement of Cash Flows and notes 1 to 16 form part of these financial statements.

On Behalf of the National Treatment Purchase Fund Board:



Don Gallagher (Chairperson)  
Board Member  
30 September 2022



Dónall Curtin  
Board Member  
30 September 2022

## National Treatment Purchase Fund Board

### Statement of Financial Position As at 31 December 2021

	Notes	2021 €	2020 €
<b>Fixed Assets</b>	6	489,584	436,098
<b>Current Assets</b>			
Receivables and Prepayments	7	244,971	172,128
Cash and cash equivalents	8	54,396,819	45,177,284
		<u>54,641,790</u>	<u>45,349,412</u>
<b>Current Liabilities (amounts falling due within one year)</b>			
Care Payables and Accruals	9	26,113,617	23,822,572
Non-Care Payables and Accruals	10	1,453,894	1,235,460
		<u>27,567,511</u>	<u>25,058,032</u>
<b>Net Current Assets</b>		<u>27,074,279</u>	<u>20,291,380</u>
<b>Total Net Assets</b>		<u>27,563,863</u>	<u>20,727,478</u>
<b>Representing</b>			
Income and Expenditure and Retained Revenue Reserves		27,074,279	20,291,380
Capital Account	11	489,584	436,098
		<u>27,563,863</u>	<u>20,727,478</u>

The Statement of Cash Flows and notes 1 to 16 form part of these financial statements.

On Behalf of the National Treatment Purchase Fund Board:



Don Gallagher (Chairperson)  
Board Member  
30 September 2022



Dónall Curtin  
Board Member  
30 September 2022



## National Treatment Purchase Fund Board

### Statement of Cash Flows

For the year ended 31 December 2021

	Note	2021 €	2020 €
<b>Net Cash Flows from Operating Activities</b>			
Surplus of Income over Expenditure		6,836,385	2,754,119
Depreciation and impairment of Fixed Assets	6	162,219	139,688
(Increase) / Decrease in Receivables		(72,843)	147,268
Increase in Payables		2,509,479	5,283,195
<b>Net Cash Flows from Operating Activities</b>		<b>9,435,240</b>	<b>8,324,270</b>
<b>Cash Flows from Investing Activities</b>			
Payments to acquire Property, Plant and Equipment	6	(258,638)	(368,606)
Disposal of Property, Plant and Equipment	6	42,933	-
<b>Net Cash Flows from Investing Activities</b>		<b>(215,705)</b>	<b>(368,606)</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>9,219,535</b>	<b>7,955,664</b>
Cash and Cash Equivalents at 1 January		45,177,284	37,221,620
Cash and Cash Equivalents at 31 December		54,396,819	45,177,284

## **National Treatment Purchase Fund Board**

### **Notes to the financial statements**

For the year ended 31 December 2021

#### **1. Accounting Policies**

The basis of accounting and significant accounting policies adopted by the National Treatment Purchase Fund Board (NTPF Board) is set out below. They have all been applied consistently throughout the year and for the preceding year.

##### **a) General Information**

The Board of the National Treatment Purchase Fund (NTPF) was established under Statutory Instrument (S.I.) 179 – National Treatment Purchase Fund (Establishment) Order, 2004 as amended by S.I. No. 125 of 2007, the Health (Miscellaneous Provision) Act 2007 and the Nursing Homes Support Scheme Act (2009), with a head office at Ashford House, Tara Street, Dublin 2.

The NTPF Board's primary objectives are as follows:

- (i) To make arrangements with persons, whether resident in the State or elsewhere, for the provision of hospital treatment to such classes of persons as may be determined by the Minister from time to time.
- (ii) to collect, collate and validate information in relation to persons waiting for hospital treatment and to put in place information systems and procedures for that purpose.
- (iii) to furnish whenever so required by the Minister or on its own initiative, advice to the Minister on issues relating to its functions.
- (iv) to perform any other function in relation to the purchase of hospital treatment that the Minister may from time to time assign to it.
- (v) to make arrangements with a person it considers to be appropriate, being a proprietor of a nursing home, relating to the price at which long-term residential care services will be provided by such person to persons requiring such services and who are in receipt of financial support under the *Nursing Homes Support Scheme Act 2009*.

The NTPF Board is a Public Benefit Entity (PBE).

## **National Treatment Purchase Fund Board**

### **Notes to the financial statements (cont.) For the year ended 31 December 2021**

#### **b) Statement of Compliance**

The financial statements of the NTPF Board for the year ended 31 December 2021 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) with the exception that 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 future pension benefits accrued in the year has not been recognised in the financial statements.

#### **c) Basis of Preparation**

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair value as explained in the accounting policies below.

The financial statements are in the form approved by the Minister for Health under the National Treatment Purchase Fund Board (Establishment) Order 2004.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the NTPF Board's financial statements.

#### **d) Revenue**

##### Oireachtas Grants

Revenue is generally recognised on an accruals basis. However, Oireachtas Grants are provided to meet commitments during the year as opposed to expenses incurred during the year and are accounted for on a cash receipts basis.

Commitments are obligations or undertakings to make future payments to Public and Private Hospitals that exist at the end of the reporting period but which have not been recognised as liabilities in the Statement of Financial Position.

##### Other Revenue

Other revenue is recognised on a cash receipts basis.

#### **e) Patient care expenditure**

Care expenditure is recognised in the year in which the medical care is provided.

## **National Treatment Purchase Fund Board**

### **Notes to the financial statements (cont.)**

**For the year ended 31 December 2021**

#### **f) Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment on a straight line basis at rates which are estimated to reduce the assets to residual values by the end of their expected useful lives as follows:

Computer Software and Equipment	20% per annum
Office Equipment	20% per annum
Furniture and Fittings	10% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

Expenditure incurred on the development of computer systems, which is substantial in amount, and is considered to have an economic benefit to the Board lasting more than one year into the future, is capitalised and depreciated over the period in which the economic benefits are expected to arise. This period is subject to a maximum of 5 years. In the event of uncertainty regarding its future economic benefit an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

#### **g) Inventory**

As the Board does not carry any material inventory all sundry consumable items (e.g. stationery, printed material etc.) are charged in full to the Statement of Income and Expenditure and Retained Revenue Reserves in the period in which they were first acquired.

#### **h) Receivables**

Receivables are recognised at fair value, less provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the NTPF Board will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

## **National Treatment Purchase Fund Board**

### **Notes to the financial statements (cont.)**

**For the year ended 31 December 2021**

#### **i) 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.

#### **j) Employee Benefits**

##### Short-term 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.

##### Retirement Benefits

Pension entitlements of employees directly employed by the Board are provided for through a defined benefit scheme. By direction of the Minister for Health, no provision is made in the financial statements in respect of future pension benefits. Funding is provided when pension payments are made.

Pension contributions deducted from employees' salaries are offset against pension payments and recognised as net pension costs and charged to the Statement of Income and Expenditure and Retained Revenue Reserves when paid.

NTPF also administer the Single Public Service Pension Scheme ("Single Scheme") which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single scheme members' contributions are paid over to the Department of Public Expenditure and Reform.

Pension benefits of staff seconded to the NTPF remain the responsibility of their parent bodies. The employer cost of providing these benefits is charged to the Statement of Income and Expenditure and Retained Revenue Reserves and is remitted to the parent bodies.

## National Treatment Purchase Fund Board

### Notes to the financial statements (cont.) For the year ended 31 December 2021

#### k) Capital account

The capital account represents the unamortised value of income applied to capital expenditure. Releases are made from this reserve to the Statement of Income and Expenditure and Retained Revenue Reserves in line with the depreciation and write-down of the assets.

#### l) Foreign Currency Transactions

Foreign currency transactions during the period have been translated at the rate of exchange ruling at the date of the transaction.

#### m) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the reporting date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimated. However, there were no judgements required that had a significant effect on amounts recognised in the financial statements for 2021.

#### Depreciation and Residual Values

The NTPF Board has reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

## 2. Oireachtas Grants

The Oireachtas Grants voted to the National Treatment Purchase Fund from Vote 38 Health as shown in the financial statements consist of;

		<b>2021</b>	<b>2020</b>
		<b>€</b>	<b>€</b>
Grants for current expenditure	Sub-head E3	100,000,000	80,000,000
Grants for current expenditure	Sub-head E5	10,000,000	-
		<u>110,000,000</u>	<u>80,000,000</u>

The allocation for Sub-head E5 was a once off measure in response to the waiting list backlogs and capacity issues arising from the COVID-19 pandemic.

## National Treatment Purchase Fund Board

### Notes to the financial statements (cont.)

For the year ended 31 December 2021

#### 3(a) Patient Care Expenditure

In 2021 expenditure incurred by NTPF related to payments to private and public hospitals to provide inpatient and outpatient services to waiting list patients. The expenditure is broken down by payee type and speciality as follows;

	2021	2020
	€	€
Private Hospitals	45,178,894	22,957,536
Public Hospitals	50,531,975	47,516,961
	<u>95,710,869</u>	<u>70,474,497</u>

	2021	2020
	€	€
<b>3 (b) Patient Care Expenditure by speciality</b>		
Medical*	0	13,749,469
Orthopaedics	27,589,351	13,679,972
Ophthalmology	13,793,451	10,528,905
General Surgery	20,716,813	8,046,841
Urology	4,833,796	2,361,131
Otolaryngology (ENT)	4,936,377	2,571,227
Cardiac Surgery/ Cardiology	7,012,692	7,353,285
Radiology	7,174,640	5,938,100
Neurosurgery	1,258,844	1,226,906
Gynaecology	1,525,402	1,074,400
Vascular Surgery	1,099,326	1,203,271
Non Cosmetic Plastic Surgery	1,607,523	520,877
Pain Management	742,059	368,010
Neurology	56,610	431,884
Surgical Dermatology	1,900,568	419,370
Respiratory	594,932	325,065
Rheumatology	372,143	168,870
Immunology	15,311	184,707
Endocrinology	430,119	170,742
Maxillo-Facial	50,912	151,465
Total	<u>95,710,869</u>	<u>70,474,497</u>

\*Patient Care Expenditure classified as Medical relates to the funding of additional bed capacity for acute public hospitals, mainly in response to the Covid-19 pandemic.

## National Treatment Purchase Fund Board

### Notes to the financial statements (cont.) For the year ended 31 December 2021

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
<b>4 Administration Expenses</b>		
Payroll Note 5	3,907,731	3,531,367
Office rent	514,545	601,350
Professional services	953,696	1,003,054
Office expenses	181,626	200,459
Post and Postal Management	950,613	500,509
Computer expenses	403,605	335,294
Communications	41,392	42,499
Training and Recruitment	96,754	56,187
Legal fees	77,110	268,199
Transport and Travel	2,434	22,449
Depreciation	162,219	139,688
Premises cleaning and maintenance	16,423	31,560
Audit fees	20,350	20,350
Insurance	65,126	36,997
Bank charges	16,189	10,491
Loss on disposal of fixed assets	42,933	0
Miscellaneous costs	0	0
	<u>7,452,746</u>	<u>6,800,453</u>

The direct cost of administering the NTPF's negotiation function under the Nursing Homes Support Scheme Act is included in Administration Expenses. This cost amounted to €459,491 (2020: €351,479).

In addition, the cost of the NTPF's role in respect of the Covid-19 Temporary Assistance Payment Scheme amounted to €584,906 in 2021 (2020: €708,354).

## 5 Remuneration

	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
<b>5(a) Aggregate Employee Benefits</b>		
Staff Short-term Benefits	3,306,518	3,109,692
Pension payments	250,760	93,910
Employer's contribution to Social Welfare	350,453	327,765
Total Payroll Cost	<u>3,907,731</u>	<u>3,531,367</u>



## National Treatment Purchase Fund Board

### Notes to the financial statements (cont.)

For the year ended 31 December 2021

#### 5 Remuneration and Pay Costs (cont.)

Note: Pension payments above are net of employee pension contributions of €113,234 (2020 €111,727) which are deducted from salaries but retained by the NTPF. Pension deductions in respect of SPSPS members were €55,404 (2020 €36,703). These are remitted to the Department of Public Expenditure and Reform. Additional Superannuation Contributions (in accordance with DPER Circular 21/2018) of €102,306 (2020 €100,051) were remitted to the Department of Health.

	2021	2020
Number of staff employed (WTE) at year end	60	55

#### 5(b) Staff Short-term Benefits

	2021	2020
	€	€
Basic pay	3,305,523	3,109,692
Overtime	995	-
Allowances	-	-
	<u>3,306,518</u>	<u>3,109,692</u>

Basic pay includes agency staff costs of €9,503 (2020 Nil).

	2021	2020
	€	€
5(c) Chief Executive's Salary	139,464	135,604

The Chief Executive is a member of the NTPF Superannuation Scheme and his entitlements in that regard do not extend beyond the terms of the model public service pension scheme. The value of retirement benefits earned in the period is not included in the above.

#### 5(d) Key Management Personnel

Key management personnel in the NTPF consist of the Members of the Board, the Chief Executive Officer, Finance Director, ICT Director, Audit, Quality and Research Director, Director of Corporate Services and Process Innovation Director. The total value of employee benefits for key management personnel is set out below;

	2021	2020
	€	€
Salary	606,547	594,465

## National Treatment Purchase Fund Board

### Notes to the financial statements (cont.)

For the year ended 31 December 2021

#### 5 Remuneration and Pay Costs (cont.)

Salary for key management personnel does not include the value of retirement benefits earned in the period. Key management personnel, excluding Board members, are members of the NTPF Superannuation Scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme.

#### 5(e) Employee benefits breakdown

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

From	To	Number of Employees	
		2021	2020
€60,000	- €69,999	9	7
€70,000	- €79,999	3	4
€80,000	- €89,999	1	1
€90,000	- €99,999	1	1
€100,000	- €109,999	1	1
€110,000	- €119,999	-	-
€120,000	- €129,999	-	-
€130,000	- €139,999	1	1
Total		16	15

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, allowances and other payments made on behalf of the employee but exclude employer's PRSI.

## National Treatment Purchase Fund Board

### Notes to the financial statements (cont.)

For the year ended 31 December 2021

#### 6 Property, Plant & Equipment

	Computer Equipment and Software €	Office Equipment €	Furniture, Fixtures and Fittings €	Total €
<b>Cost</b>				
At 1 January 2021	1,166,529	70,400	174,004	1,410,933
Additions	228,443	-	30,195	258,638
Disposals	(106,912)	(9,342)	(62,844)	(179,098)
At 31 December 2021	<b>1,288,060</b>	<b>61,058</b>	<b>141,355</b>	<b>1,490,473</b>
<b>Depreciation</b>				
At 1 January 2021	(761,359)	(58,183)	(155,293)	(974,835)
Charge for the Year	(151,518)	(5,318)	(5,383)	(162,219)
Disposals	66,131	9,108	60,926	136,165
At 31 December 2021	<b>(846,746)</b>	<b>(54,393)</b>	<b>(99,750)</b>	<b>(1,000,889)</b>
<b>Net Book Value</b>				
At 1 January 2021	405,170	12,217	18,711	436,098
Net movement for the year	36,144	(5,552)	22,894	53,486
At 31 December 2021	<b>441,314</b>	<b>6,665</b>	<b>41,605</b>	<b>489,584</b>

## National Treatment Purchase Fund Board

### Notes to the financial statements (cont.)

For the year ended 31 December 2021

	<b>2021</b>	<b>2020</b>
<b>7 Receivables and prepayments</b>	<b>€</b>	<b>€</b>
Sundry Prepayments	242,178	166,521
Other Sundry Receivables	2,793	5,607
	<u>244,971</u>	<u>172,128</u>
	<b>2021</b>	<b>2020</b>
<b>8 Cash and Cash Equivalents</b>	<b>€</b>	<b>€</b>
Bank Current Account	466,519	276,984
NTMA Exchequer Notes	53,930,000	44,900,000
Petty Cash	300	300
	<u>54,396,819</u>	<u>45,177,284</u>
	<b>2021</b>	<b>2020</b>
<b>9 Care Payables and Accruals</b>	<b>€</b>	<b>€</b>
Care payables	7,084,300	162,576
Care accruals	19,029,317	23,659,996
	<u>26,113,617</u>	<u>23,822,572</u>
	<b>2021</b>	<b>2020</b>
<b>10 Non-Care Payables and Accruals</b>	<b>€</b>	<b>€</b>
Professional Services Withholding Tax	509,017	464,211
PAYE / PRSI and Government Levies	114,496	188,532
Other non care payables and accruals	830,381	582,717
	<u>1,453,894</u>	<u>1,235,460</u>
	<b>2021</b>	<b>2020</b>
<b>11 Capital Account</b>	<b>€</b>	<b>€</b>
Balance at 1 January	436,098	207,180
Funds allocated to acquire fixed assets	258,638	368,606
Amortisation in line with asset depreciation	(162,219)	(139,688)
Disposal of Property, Plant and Equipment	(42,933)	-
Net movement in Capital Account	<u>53,486</u>	<u>228,918</u>
Balance at 31 December	<u>489,584</u>	<u>436,098</u>

## National Treatment Purchase Fund Board

### Notes to the financial statements (cont.) For the year ended 31 December 2021

#### 12. Operating Leases

The National Treatment Purchase Fund occupies premises at Ashford House, Tara Street, Dublin 2 under a lease agreement commencing 1 January 2021 and expiring on 31 December 2025. The total office floor area of the property is 935m<sup>2</sup> of which NTPF occupied 100% at the reporting date.

<b>Operating lease rentals (charged to Income and Expenditure and Retained Reserves)</b>	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Land and Buildings	514,545	601,350

<b>The Board has the following commitments under operating leases which expire</b>	<b>2021</b>	<b>2020</b>
	<b>€</b>	<b>€</b>
Within 1 year	517,008	517,008
Within 2 to 5 years	1,551,024	2,068,032

#### 13. Commitments

Commitments are obligations or undertakings to make future payments to Public and Private Hospitals that exist at the end of the reporting period but which have not been recognised as liabilities in the Statement of Financial Position. Offers of treatments, to an estimated value of €30M (2020: €20M), have been accepted by public patients at the reporting date for the treatments to take place in the following year. Commitments include outpatient consultations and provision for follow up care where appropriate. As the Financial Statements are prepared on an accruals basis these commitments have not been recognised as a liability at the reporting date.

#### 14. Related Party Disclosures

Key personnel of the NTPF Board consist of Members of the Board, the CEO and senior Managers. For a breakdown of the remuneration and benefits paid to key personnel see Note 5.

The NTPF Board adopts procedures in accordance with the guidelines issued by the Department of Public Expenditure and Reform covering the personal interests of Board

## **National Treatment Purchase Fund Board**

### **Notes to the financial statements (cont.) For the year ended 31 December 2021**

#### **14. Related Party Disclosures (cont.)**

Members. In the normal course of business the NTPF Board may enter into contractual arrangements with entities in which the NTPF Board Members are employed or are otherwise interested. During the year the NTPF Board had no dealings with bodies connected to any of the Board Members.

#### **15. Events after the reporting date**

There are no events between the reporting date and the date of approval of these financial statements that require adjustment to the financial statements.

The Board recognises that the Covid-19 pandemic is a significant event which has occurred during the reporting period.

The NTPF is being allocated additional funding in respect of 2022 to address waiting lists.

The Board considers that, as the entity provides a public service that is funded by monies provided by the Exchequer, via the Department of Health, it is appropriate to prepare these financial statements on a going concern basis.

#### **16 Approval of the financial statements**

The financial statements were approved by the National Treatment Purchase Fund Board on 30 September 2022.