

Minute of the Minister for Finance and Public Expenditure and Reform in response to the Committee of Public Accounts Periodic Report No. 7, November 2019

The Minister for Finance and Public Expenditure and Reform has examined the Committee's Report and has taken account of its recommendations and conclusions.

The Committee's recommendations, which are outlined below, have been grouped with regard to the organisations the Committee met between April 2019 and July 2019, following up on matters arising from previous meetings and examining issues emerging from financial statements audited and matters reported on, by the Office of The Comptroller & Auditor General. The Minister's response is as follows:

Recommendation A.1.

The existing accommodation centres do not have the capacity to deal with the number of asylum seekers entering the country. The Committee recommends that the Department of Justice and Equality ensures its Reception and Integration Agency works intensively to procure sufficient and suitable accommodation for asylum seekers in a timely manner and with due regard for costs.

The Minister for Finance and Public Expenditure & Reform is informed by the Department of Justice and Equality that it accepts this recommendation.

The Minister is further informed by the Department of Justice and Equality that:

- The Department of Justice and Equality has been working with the Office of Government Procurement since Quarter 3 2017 to develop a procurement strategy to deliver quality accommodation to meet the demand for places. As a result, the Department is engaged in a regional procurement process which is scheduled for completion in Quarter 2 2020. Covid 19 has delayed the final assessment of the last tenders received. A method of remotely assessing these is being examined.
- Following completion of this regional procurement process, an assessment will be carried out by the Department of Justice and Equality in consultation with the Office of Government Procurement to ascertain whether a further procurement process will be required and what form that process should take.
- The procurement process is utilizing the Most Economically Advantageous Tender Method where bids are assessed on both the quality of the submission and the proposed costs.
- As part of the Transformation Programme within the Department of Justice and Equality undertaken in 2019, a dedicated International Protection Procurement Services Unit has been established to procure accommodation that meets standards and is sufficient to meet demand while achieving value for money.

- An assessment is ongoing whereby the Department of Justice and Equality is considering the use of lands within State Ownership to build accommodation centres for asylum seekers to reduce the exposure of the Department's reliance on the commercial sector to provide accommodation.
- In 2019, 735 additional beds were made available in existing and new accommodation centres (distinct from emergency beds). However, 220 bed spaces were lost due to the closure of one centre in Dublin. Arising from Covid 19, the Department of Justice and Equality procured a range of new facilities which has ensured no more than three unrelated people will be housed in any room. The Department has also given a commitment that this will be the norm henceforth. In addition four isolation units were opened and all vulnerable people identified and separately cocooned.

Recommendation A.2.

The system to move individuals who have been granted legal status to reside in Ireland out of accommodation centres and into permanent housing is not adequate. The Committee recommends that the Department of Justice and Equality works with local authorities and appropriate bodies to ensure that individuals who receive legal status to reside in Ireland are assisted to move out of accommodation centres as speedily as possible.

The Minister for Finance and Public Expenditure & Reform is informed by the Department of Justice and Equality that it accepts this recommendation.

The Minister is further informed by the Department of Justice and Equality that:

- The Department of Justice and Equality has established a working group consisting of representatives of the Department, the City & County Managers' Association (CCMA) and the Department of Housing, Planning and Local Government (DHPLG) to develop a coordinated response to assist persons with legal status to reside in Ireland to find accommodation;
- The Department of Justice and Equality has engaged the services of two NGOs to provide a case-managed approach to finding suitable accommodation, mainly via HAP tenancies, and to ensure a breakdown in tenancy is avoided;
- An oversight group, chaired by the Department of Justice and Equality and consisting of representatives of the CCMA, DHPLG, Department of Employment Affairs & Social Protection and the NGOs has been established to drive this process and ensure it achieves its full potential.
- In 2019, as a result of this response, in excess of 800 persons with status were supported in moving from International Protection Accommodation Service (IPAS) accommodation.

Recommendation A.3.

Understaffing in the Data Protection Commission, the Garda Síochána Ombudsman Commission, and the Probation Service appears to have impacted the ability of these agencies to fulfil their functions. The Committee recommends that the Department of Justice and Equality ensures the staffing needs of the Department's agencies are met in a more timely way.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Justice and Equality that it accepts this recommendation.

The Minister is further informed by the Department of Justice and Equality that:

Each agency has continued to fulfil its core functions effectively. However, the three agencies are expanding significantly and require additional expertise to meet future demands. It is challenging to recruit a large number of specialists in areas such as regulation, IT, legal, and social services in the current recruitment market. The Department of Justice and Equality has been examining its approach to recruitment for such positions and will implement the following: a new business partner model with our recruitment partners in the Public Appointment Service, support from third party recruitment agencies for certain niche/specialist competitions, and review our selection processes to help ensure the most suitable candidates are identified. The Department of Justice and Equality is committed to supporting its agencies in reaching their full staffing complement and the Department of Justice and Equality is confident that the new approaches will lead to more efficient and timely recruitment.

Recommendation A.4.

As the workload of the Central Statistics Office increases, all steps must be taken to ensure there is no delay to the output of official statistics. The Committee recommends that the Central Statistics Office recruits the additional staff it has received sanction for by the end of 2019 as indicated.

The Minister for Finance & Public Expenditure and Reform is informed by the Central Statistics Office that it accepts this recommendation.

The Central Statistics Office (CSO) has used all the recruitment channels available to fill the positions discussed at the time of the meeting in April 2019. At the time of the meeting there were 86 vacancies, this number included new positions which had been recently sanctioned for filling in March 2019 and positions which arose from the normal operation of the business, e.g. retirements, resignations, promotions etc. By year end 2019, 73 of these positions had been filled.

The CSO uses the services of the Public Appointments Service to fill vacancies as well as recruiting directly for the Statistician grade, Graduate positions, Field Staff positions and other specialist grades.

During 2019 the CSO had difficulty sourcing an adequate number of technology staff using the Public Appointments Service, as a result of which the Office took the decision to run several competitions under its own CPSA licence in the final quarter of the year to recruit these specialist staff. These competitions closed in December and interviews will be held in January 2020 where it is anticipated that outstanding vacancies will be filled. Difficulties in identifying TCOs to fill short term assignments are shared widely across the civil and public service and reflect increased economic buoyancy, resulting in fewer people seeking short term contracts. The Office continues its engagement with the Public Appointment Service in this regard.

Alongside difficulties in filling Technology specialist posts, the Office is also acutely aware of the risk of further attrition at Statistician grade, as CSO statisticians typically perform very well in promotional competitions for technical/statistical roles in the wider public and civil service. Therefore, while all Statistician vacancies for 2019 have now been filled, the CSO is already planning to hold another competition in 2020 to ensure that the required level of statistical expertise can be maintained on an ongoing basis. Please see table below giving details on competitions held during 2019.

Total number of Completed Competitions for 2019	18
Confined competitions	9
Open competitions	7
Seconded competitions	2

Recommendation A.5.

Insufficient progress is being made regarding the production of accurate crime statistics. The Committee recommends that the Central Statistics Office continues to engage with An Garda Síochána to complete the steps necessary so that reported crime data meet the criteria to ensure accuracy. Clear timelines should be agreed by both organisations to monitor improvements to the PULSE system and this work should be completed by the end of 2020.

The Minister for Finance & Public Expenditure and Reform is informed by the Central Statistics Office (CSO) that it accepts aspects of the recommendation A.5 namely that we continue to engage with *An Garda Síochána*.

The publication of crime statistics by the CSO is wholly dependent on the provision of quality PULSE data by An Garda Síochána. CSO has had ongoing engagement with An Garda Síochána during 2019 with respect to improving the quality and consistency of data collection by An Garda Síochána to meet the needs of official statistics.

The CSO has outlined the need for a clear and coordinated approach to managing data quality within An Garda Síochána, and welcomes the recent appointment of a new Chief Data Officer.

In December 2019, CSO published statistics on detection rates for recorded crime incidents for the first time since 2016, in response to new data governance controls introduced by An Garda Síochána specifically targeted at improving data quality in the recording of detections. These new governance controls support more reliable data outputs.

An Garda Síochána have undertaken to introduce an effective data quality management system for the production of crime statistics, and this work is underway. The category of Statistics Under Reservation applies to all statistical outputs sourced from PULSE data in the interim.

Recommendation A.6.

Considerable progress has been made by the Office of the Comptroller and Auditor General to ensure that the financial audits it carries out are completed and published in a timely manner. However, a 12-month target to complete financial audits of each public body from their financial year end is excessive. The Committee recommends that the Office of the Comptroller and Auditor General ensures it has the necessary resources to allow it, wherever possible, to complete audits within six months of the financial year end.

The Minister for Finance and Public Expenditure and Reform is informed by the Office of the Comptroller and Auditor General (“OCAG”) that it accepts this recommendation.

Current workflow management

In 2018, the most recent year for which full year statistics are available, the OCAG was responsible for the audit of 285 sets of 2017 financial statements. As most audited bodies have a financial year ending in December, this work is highly peaked, with June and September being significant deadlines.

The OCAG deploys available resources in a number of ways to manage the peak.

- Interim audits – this involves completing certain audit work before the financial year-end, thus reducing the amount of post year-end work required. Such an approach is only cost effective for larger audited bodies.

- Contracting out of audit work – the OCAG engages commercial audit firms to undertake financial audits on its behalf through open competitive procurement, to supplement the OCAG’s permanent staff resources. The contracting of audits is undertaken after discussion with local staff associations. In 2018, 52 audits of 2017 financial statements were outsourced. This equated to 9.2 full-time equivalent staff, at a cost of €928,000. The OCAG has experienced challenges in achieving this level of contracting out, as commercial firms also tend to be busier in the first half of the calendar year.
- Prioritisation of larger audited bodies – when scheduling audits, the OCAG prioritises bodies with either a large turnover and/or balance sheet.

Despite these measures, efficient use of the OCAG’s own staff throughout a twelve-month period results in planned final audit work in the second half of the year, particularly for smaller audited bodies.

Other constraints on early audit completion

Achievement of earlier (i.e. within six months of financial year-end) audit completion is not just a function of the resource levels in the OCAG. The co-operation of all audited bodies, and a number of other structural changes will be necessary to achieve this objective.

Earlier production of financial statements and audit readiness

Progress has been made across the board by audited bodies in advancing the production of draft financial statements, but further significant advances will be required if a six-month audit completion target is to be achieved. The OCAG will work with audited bodies to establish the scope for earlier production of financial statements between one and three months after the end of the financial year.

In addition, all audited bodies will need to be ready to have the audit commence at any time following presentation of draft financial statements, including having the capacity to respond to audit queries on a timely basis.

Statutory presentation of appropriation accounts

As at December 2019, there are two interlinked projects underway, which have a significant potential impact on how and when the appropriation accounts are prepared, and the timeliness of subsequent audits. The first project is the move to a financial management shared service (“FMSS”) for appropriation accounts. This will result in a single chart of accounts being applied across appropriation accounts. The National Shared Services Office is responsible for this project.

The second project concerns a move to an accruals accounting framework for the appropriation accounts. The Department of Public Expenditure and Reform is responsible for this project. Publication of appropriation accounts is expected to be within six months of the

financial year-end is one of the project's objectives. The OCAG will be represented on the Standing Advisory Group and through this involvement, it will be in a position to identify the additional resourcing requirements needed to meet its audit obligations within that timeframe. It is probable that resourcing requirements will also arise for departments, to ensure an orderly transition. Legislative amendments, particularly regarding the publication of appropriation accounts, may also be required. As it stands, the Comptroller and Auditor General is statutorily responsible for the publication of all appropriation accounts, simultaneously with a report on any matters arising from audit. Dropping the link between the accounts and the report would make the six-month accounts publication deadline easier to achieve.

Education sector audits

The difficulties in completing audits on a timely basis in this sector have been explored by the Committee on Public Accounts on previous occasions. While there has been steady progress in advancing the timeliness of audit completion, in 2019 only six education sector audits (out of a total of 41) were completed within six months of the financial year-end.

Particular challenges include

- continued working through of the restructuring required within the education and training boards sector,
- better co-ordination and co-operation between universities, private sector auditors appointed by the universities, and the OCAG and/or progress towards non-reliance by the OCAG on the work of private sector auditors in the audit of universities
- achieving a quicker resolution of specific issues that arise in particular audited bodies in the education sector

Other State bodies and funds

The remaining audits carried out in the second half of each year are quite diverse, comprising bodies and funds of varying scale and character.

Future strategy

In 2020, the OCAG will produce a five-year strategic plan, covering the period 2021-2026. This will occur in a context where the COVID 19 pandemic has severely disrupted auditing operations and where the optimum working model for the future needs to be re-evaluated. Consideration of opportunities for increased interim working and more flexible working models will be a key element in the preparation of this strategy, the outcome of which will inform the OCAG's estimates proposals for 2021 and subsequent years.

Recommendation A.7.

The Environmental Protection Agency's promotion of the Radon Remediation Scheme has not achieved the expected results. The Committee recommends that the Environmental Protection Agency reviews its communication strategy regarding the

Radon Remediation Scheme to ensure that the uptake of the scheme reaches its goal of 40% of affected homes by the end of 2020.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Communications, Climate, Action and the Environment that it accepts this recommendation.

The reference to an extant Radon Remediation Scheme and a goal to ensure that the uptake of the scheme reaches 40% of affected homes by the end of 2020 as referenced in the Committee's recommendation A.7 is not accurate. The strategic goal under Phase II of the National Radon Control Strategy is to increase the remediation rate to 40% for all homes over the reference level (currently 200 Bq/m³) where financial support is available to householders by end 2029.

In 2018, the Environmental Protection Agency (EPA) undertook a survey in relation to radon testing and remediation in Roscommon and East Galway. The results of this research confirmed existing expectations with regards to testing and remediation and were broadly in line with international experiences in this area.

Following on from this exercise, the EPA has engaged with behavioural economists in the Economic and Social Research Institute (ESRI) to analyse results and examine what measures could be taken to produce better outcomes in relation to testing and remediation. This work will include examination of the EPA's communication strategy in this area.

The EPA will work with the ESRI in 2020, examining different measures to stimulate responses as regards radon testing and remediation and their effectiveness. The outcome of this work will inform future policy initiatives aimed at reducing radon in domestic dwellings.

Recommendation A.8.

It is unsatisfactory that, under the *Waste Water Discharge Regulations 2017*, only local authority facilities that serve a population of 500 or more require a licence from the Environmental Protection Agency for waste water discharges. The Committee recommends the Environmental Protection Agency works with the Department of Housing, Planning and Local Government to ensure all waste water facilities operated by Local Authorities and/or Irish Water require a licence from the EPA.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Housing, Planning and Local Government that it notes this recommendation.

All discharges to the aquatic environment from sewer networks owned, managed and operated by Water Service Authorities (now Irish Water) require a waste water discharge licence or certificate of authorisation from the EPA. Larger wastewater treatment plants are licensed, while smaller plants are subject to certification. Certification is administratively more straight-forward (recognising the scale of the activity and having regard to the need for proportionality) but is no less environmentally protective than a licence.

Irish Water is required to hold a licence or certificate of authorisation depending on the population equivalent of the area served by the sewer network. Discharges require a licence unless the population equivalent is less than 500 people, in which case they must hold a certificate of authorisation.

Recommendation A.9.

An Garda Síochána's requirement for a supplementary estimate every year between 2013 and 2017 highlights ineffective management and control of the annual budget. The Committee recommends that An Garda Síochána reviews all financial controls, including those newly implemented or operating on a pilot basis, in order to identify the changes necessary to ensure accurate estimates are presented to the Dáil, and to eliminate the recurring need for supplementary estimates.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Justice and Equality that An Garda Síochána accepts this recommendation.

Financial controls should be reviewed, and this will be done as part of the implementation of the new Operating Model.

The implementation of the new Operating Model in 2020 envisages the devolution of budgetary control and responsibility to the Divisional Chief Superintendent. As part of the Operating Model, a Business Support Hub is being established and will be staffed by an Assistant Principal Officer and other administrative staff who will have access to all of the financial and other support systems. By devolving the budgets to the Divisional Chief Superintendents and putting the necessary support structures in place it is expected that tighter budgetary control can be exercised over the deployment of resources to meet operational needs while ensuring expenditure is kept within budget.

An Garda Síochána has also engaged a consultancy firm to review its finance function with a view to, amongst other matters, improving its internal financial controls.

The Department of Justice and Equality will ensure that sufficient funding is available within the overall national fiscal parameters. However, in this context, the Commissioner has emphasised that it is necessary that the budget available keeps pace with increases in headcount and other general cost increases.

It has also been the case that there were specific reasons contributing to the requirement for supplementary estimates in the period in question. These included the security costs for operations such as VIP visits and international events (G8 Summit) which would not have been known when the Estimates were being finalised. The unprecedented response required in relation to elevated organised criminal activity/feuds was also reflected through the supplementary estimate process. The pay agreement in 2017, was a further factor in the supplementary estimate process where the overtime rate increased substantially due to the re-categorisation of the rent allowance and the introduction of briefing time, whereby members were entitled to claim briefing time/parading time of 15 minutes per working day, which is remunerated through overtime.

An Garda Síochána has pointed out that the 2019 budget was successfully managed by An Garda Síochána putting aside the supplementary estimate primarily received to offset the additional unexpected and exceptional expenditure associated with the visits of US President Trump and Vice President Pence.

Recommendation A.10.

The inclusion of mandatory parading time, which is a daily activity, in An Garda Síochána's overtime budget is unsatisfactory. The Committee recommends that An Garda Síochána engages with the Minister for Justice and Equality and the Minister for Public Expenditure and Reform regarding the possibility of including mandatory parading time as part of Garda members' salaries rather than allocating it as overtime expenditure.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Justice and Equality that An Garda Síochána consider that there may be some merit in this recommendation.

However, as these arrangements for parading time were introduced as a recommendation from the Labour Court in 2016, any change to the arrangements would require engagement with all stakeholders and be subject to a full impact assessment including identification of all associated cost implications.

Recommendation A.11.

The new Resource Deployment Management System piloted by An Garda Síochána is a welcome development in the managing of staff resources. The Committee recommends that An Garda Síochána ensures the Resource Deployment Management System is extended to all Garda divisions by the end of 2020.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Justice and Equality that An Garda Síochána accepts the recommendation with regard to achieving a national rollout of the Roster & Duty Management System (RDMS), however,

achieving a national rollout by the end of 2020 is not feasible. An Garda Síochána is currently developing plans for its continued rollout in 2020 and 2021.

The introduction of the Roster & Duty Management System (RDMS) is a welcome development in An Garda Síochána. The system not only allows for the management of Garda resources from a time and attendance perspective, but in addition, it allows An Garda Síochána to plan for the future management of resources, to better match resources against demands. This is achieved through an integrated duty planning function. RDMS, when fully rolled out, will assist in accurately costing policing plans at Divisional, Regional and National level.

While the RDMS is a key target under A Policing Service for the Future (APSFF), it also competes with other high priority initiatives being introduced across the organisation, such as Enterprise Content Management (ECM), Investigation Management System (IMS), and the upcoming Schengen Information System (SIS).

RDMS has been introduced to three locations during the course of 2019, and rollout will continue throughout 2020. It is not envisaged that a full rollout could be completed in the timeframe recommended by the Public Accounts Committee in light of the above, and additional HR and ICT constraints.

Recommendation A.12.

The increase in the number of contracts entered into by An Garda Síochána since onwards that did not comply with procurement rules is unacceptable. The Committee recommends that in future steps are taken to ensure that all contracts entered into by An Garda Síochána meet procurement requirements and that appropriate and timely tender planning takes place for the retendering of contracts for necessary services that are due to expire.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Justice and Equality that An Garda Síochána accepts this recommendation.

An Garda Síochána Procurement Section continually reviews the Garda spend on goods and services to ensure, wherever possible, that such spend meets Government public procurement guidelines and EU Directives. Details of the contracts are entered on an e-Tenders contract database with a built in reminder system to ensure that tenders are advertised in good time in order to avoid non-compliance.

The Circular 40/02¹ (Public Procurement Guidelines) return for 2018 amounted to some €30.4m of which €6.25m was compliant as it related to sole suppliers and security goods/services for which there was a security derogation.

The net non-compliant spend amounted to €24.15m. Considerable progress has been achieved as €16 million worth of the non-compliant contracts were put in place over 2018/2019 with tender exercises for another €6m worth of goods/services contracts in progress. In summary, €22m of the non-compliant €24.15m spend is now fully compliant.

As well as addressing legacy 40.02 exposure, An Garda Síochána Procurement Section is required to put new contracts in place for other major spend areas.

Wherever possible An Garda Síochána uses the Office of Government Procurement (OGP) Framework agreement for items such as facilities management, ICT, professional services, utilities, outsourced services, HR/training, managed services, fleet and plant to source goods and services. Also, as part of its procurement planning process An Garda Síochána engages with the OGP at the earliest opportunity highlighting its key requirements for the following year and works with them in relation to Garda tender competitions.

While An Garda Síochána Procurement Section works in close collaboration with the OGP, it has to manage its own bespoke tenders covering specialist operational equipment/services. When making decisions in relation to the purchase of goods and services, the primary goal of the Procurement Section is to ensure the provision of goods and services that supports operational policing and at the same time achieves value for money. The Strategic Procurement Plan includes details of planned procurement exercises over 2019-2022 for renewal of existing contracts and planned new goods/services requirements. The annual business plans for each of the years sets out the procurements that are planned for that year.

When a contract is due to expire the relevant business area is notified either 12, 6 or 3 months out from the expiry period. In 2019, as in previous years, An Garda Síochána provided the OGP with details of its tender requirements for the period 2020-2022, in particular, its requirements in all the major-spend categories e.g. professional services, utilities, facilities management, outsourced-managed services, ICT, and transport & plant.

A reform of procurement decision making was a key recommendation in the Commission on the Future of Policing in Ireland report published in September 2018 and this reform has been listed as a key priority in the Government's implementation plan, 'A Policing Service for the Future'(APSFF) and is due to be completed by Q2 2020. This includes recommendations covering resourcing of procurement, clear identification of business owners for all areas of the non-pay expenditure, documenting procedures, and the development of e-procurement

¹ Under the Department of Finance Circular 40/02 (Public Procurement Guidelines), Accounting Officers of Government Department and Offices are required to complete and submit an annual report, signed off by the Accounting Officer, to the Comptroller and Auditor General in regard to contracts in excess of €25,000, exclusive of VAT, that were awarded without a competitive process.

systems to assist with contract management, staff development and training. The full implementation of the APSFF Procurement Reform Recommendations will assist in ensuring timely delivery of contracts.

Recommendation A.13.

The legal position regarding An Garda Síochána's use of Automated Number Plate Recognition technology is unclear and could impact the extension of such policing measures. The Committee recommends that An Garda Síochána engages with the Department of Justice and Equality and the Office of the Attorney General to clarify the legal standing and uses of Automatic Number Plate Recognition technology without delay.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Justice and Equality that An Garda Síochána accepts this recommendation.

An Garda Síochána is engaging with all relevant external stakeholders to progress this matter. The Department of Justice and Equality is currently working closely with An Garda Síochána to develop the general scheme of a Bill that will regulate the recordings by An Garda Síochána using CCTV, ANPR and body worn cameras. It is intended to publish the General Scheme of the Garda Síochána (Digital Recording) Bill which addresses this issue in Q2 2020.

Recommendation A.14.

Given the level of costs already incurred and the uncertainty about the time it will take to resolve the alleged State aid Apple case, there is a risk that associated costs, particularly those relating to legal services, could be substantial. The Committee recommends that the Department puts mechanisms in place to closely monitor the legal and other costs associated with the management and investment of the Ireland Apple Escrow Fund by the NTMA, in order to ensure that these costs are minimised.

The Minister for Finance and Public Expenditure and Reform is informed by the Department of Finance that it accepts this recommendation and it is in the process of being implemented.

Relevant external costs relevant to the Apple case are being collated on a monthly basis allowing these costs to be monitored.

With regard to escrow agent / custodian and investment manager fees, the fee arrangements are fixed as set out in the service agreements with the respective service providers and reflect the terms agreed as part of the competitive tender processes undertaken by the State and Apple. The actual fee amounts are borne by the escrow fund and are dependent on the value of the escrow fund, which will vary over time. These are

collated by the Department as received from the NTMA on a quarterly basis, allowing such costs to be monitored.

Recommendation A.15.

As the Finance Accounts do not include the State's substantial shareholdings in commercial banks, they fail to give a comprehensive picture of all of the State's assets and liabilities. The Committee recommends that a review of the format of the Finance Accounts be carried out and proposals brought forward to ensure that they incorporate the full extent of the State's assets and liabilities.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Finance that it notes this recommendation.

Section 4 of the Comptroller and Auditor General (Amendment) Act, 1993 defines the Finance Accounts as an account showing the payments into and out of the Central Fund and such other, if any, accounts and statements as the Minister for Finance considers appropriate and specifies to the Comptroller and Auditor General. The Finance Accounts, which are in effect the account of a bank account (the Central Fund), are not and do not purport to be a comprehensive financial statement for the State, its assets and liabilities. The Finance Accounts are not "Whole of Government Accounts" and are not designed to be a proxy for such accounts.

Investments in State companies are accounted for in Statement 1.8(A) of the Finance Accounts. This Statement only covers those organisations that are in the form of a company and does not include interest in companies held by the Ireland Strategic Investment Fund. However, the Department of Finance is currently preparing a "Public Sector Balance Sheet" which will provide a comprehensive picture of public wealth. A "Public Sector Balance Sheet" accounts for the entirety of what the state owns and owes, offering a broader fiscal picture beyond debt and deficits. Two main metrics will result from this work, notably, the State's net worth and financial net worth.

Internationally, countries are increasingly using the "Public Sector Balance Sheet" as a tool to gain further insight into public finances. The Department of Finance intends to publish a paper on these findings this year.

Recommendation A.16.

It is unsatisfactory that annual reporting is not provided, on a consolidated basis, of all contributions to and receipts from the EU, including estimated long-term commitments, disallowances, fines and appropriate performance metrics. The Committee recommends that the process of developing a suitable reporting mechanism be

accelerated with a view to putting in place annual consolidated reporting of Ireland's transactions with the EU by end of 2020.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Finance that it notes this recommendation.

On foot of the Public Accounts Committee recommendation, the Secretary General decided that the Department of Finance would carry out a scoping exercise. This exercise has now been completed and while it found reporting on EU transactions was detailed it also found that it was fragmented. It recommended that the Department of Finance should publish a report on an annual basis summarising and consolidating the data on Ireland's transactions with the EU, noting that presenting the information in such a report would be more transparent.

The Secretary General approved the recommendations and preparations have begun for the first such publication. It is intended that the first publication will be of the 2018 transactions and this will be published in Q2 2020. The 2019 transactions will be reported on when the C&AG completes their 2019 audits and we are currently targeting a Q4 2020 publication date, with subsequent publications in Q4 annually.

Recommendation A.17.

There must be accountability and transparency for all payments involving taxpayer's money before the Oireachtas. The Committee notes that the Department of Finance advised that it was not possible for it to release details of payments to individual barristers providing services in relation to the Ireland Apple Escrow Fund, as it would be likely to breach General Data Protection Regulation (GDPR) and the *Data Protection Act 2018*. The Committee recommends that mechanisms are put in place to ensure that accountability and transparency for the spending of all public money is maintained, notwithstanding the requirements of General Data Protection Regulation.

The Minister for Finance and Public Expenditure and Reform is informed by the Department of Finance that it accepts this recommendation regarding accountability and transparency for all payments involving taxpayers' money before the Oireachtas and with specific reference to the detail of the fees of barristers engaged on the Apple case.

In relation to details of payments to individual barristers providing services in relation to the Apple State aid case, the Department of Finance had made the Committee aware of legal advice it has received with regard to providing individual level data in respect of the fees of barristers, to the effect that the release of personal information of fee payments to individual barristers in response to a PQ was likely to be in breach of GDPR. The Department of Finance

was also provided with a letter from the Data Protection Commissioner regarding the treatment of legal fees under GDPR.

The Department of Finance issued an interim response to the Committee on 18 December 2019 advising that the matter had been referred to the Office of the Attorney General, seeking further legal clarifications. The Department of Finance advised the Committee that it is approaching the issue constructively and made clear its intention to revert to its original practice of providing this information if it is not legally prohibited from doing so.

The Department of Finance committed to providing a substantive response to the Committee once it was in receipt of advices from the AGOs.

The Department of Finance has now received these advices and a further response issued to the Committee on 13 May 2020. This response advised that having considered the legal advices now received, the Department has concluded that although legal issues might arise in respect of the release of individual fees on a general basis, there are individual occasions where these difficulties can be overcome on the basis of legitimate interests in the release of the information. Having satisfied itself that the requirements were met on this occasion, the Department provided the Committee with details of expenditure incurred on the Apple State aid case across all State parties involved, namely the Department of Finance, the CSSO/AGOs, Revenue, the NTMA and the Central Bank of Ireland. This includes expenditure incurred from the time of the initial Commission State aid investigation, the ongoing appeal of the Commission's decision, as well as costs associated with the State's legal obligation to recover the alleged aid. It is intended that the first publication will be of the 2018 transactions and this will be published in Q2 2020.

Recommendation A.18.

It is unacceptable that 6,000 children had not been allocated a social worker by Tusla even though the Department surrendered €58.7m to the Exchequer in 2017. The Committee recommends that the Department of Children and Youth Affairs works with Tusla to ensure that all children requiring a social worker are allocated one and that gaps in the system are eliminated, especially where funding has been provided.

The Minister for Finance and Public Expenditure and Reform is informed by the Department of Children and Youth Affairs that it accepts this recommendation.

The Minister is informed by the Department of Children and Youth Affairs, that it is important to note that Tusla's issue in the recruitment of social workers was not related to availability of additional funding. In fact, Tusla's challenge is in recruiting social workers, where there is a shortage of personnel both in Ireland and internationally. In addition, the money returned to the Exchequer in 2017 was not related to Tusla, but mainly to Early Years schemes, where it was extremely difficult to predict uptake of expanded schemes late in that year. There are

approximately 215 social worker graduates annually, a rate that is insufficient to meet demand across all adult and child services.

Due to the complex nature of child welfare and protection work and case load volumes, retention of social workers is also a challenge. Tusla has increased its cohort of employed social workers by 139 whole time equivalents over the last number of years and also uses agency social workers where necessary to ensure all vulnerable children receive a service. In addition to this, Tusla is investing in IT supports and recruiting business support staff to carry out administrative functions associated with social work activity. This frees up social workers to concentrate on core professional services.

Tusla has also developed a workforce strategy which, in addition to setting out recruitment strategies, also targets supports to front line staff to include resilience training and health and wellbeing measures to improve retention rates. The Department is also working with the education sector to consider how best to increase the number of social work graduate places over the coming years.

In relation to children requiring a social worker, progress is being made. At the end of August 2019 just over 5,000 open cases with Tusla did not have an allocated social worker. This represents a 21% (1,365) reduction in unallocated cases from 31 December 2018. It should also be noted, that the absence of an allocated social worker does not mean a child at risk is not receiving appropriate social work services.

The majority of the unspent monies in 2017 related to the Early Learning and School Age Childcare allocations. Numbers enrolling under the ECCE scheme were lower than originally planned for. In 2017, improvements were made to the scheme, and provision was made for a potential 100% take-up rate. In the event, the actual take-up rate was 94%. The shortfall in ECCE enrolments also led to a lower than anticipated engagement in AIM programme for children with special needs by pre-school providers and parents. Further savings arose on other schemes due to lower than expected uptake during 2017.

As the Early Learning and School Age Childcare programme year commences each September and can often have fluid movement of children between schemes, it is often very late in the financial year before the Department can fully determine what, if any, savings might arise. The under-spending of the magnitude that occurred in 2017 has not been repeated in subsequent years.

Recommendation A.19.

It is not clear that contracts with private agencies to provide residential and foster care services are appropriately managed. These contracts provided services for 260 children at a cost of €100m in 2017 and many of the contracts were in place prior to Tusla's

establishment. The Committee recommends that Tusla reviews all contracts with private agencies for the provision of residential and foster care services.

The Minister for Finance and Public Expenditure and Reform is informed by the Department of Children and Youth Affairs that it accepts this recommendation.

The Minister is informed by the Department of Children and Youth Affairs, that Tusla made considerable efforts to minimise costs during 2017 in an environment of increasing challenge to provide these services. In response to the recommendation, Tusla has confirmed that two separate review processes have been established in respect of foster care and residential care. The outcome of these procurement review processes will put in place new contract arrangements for these services.

Recommendation A.20.

The rate of non-compliance of childcare service providers in relation to the childcare schemes they receive payments for can be attributed to the lack of clarity regarding the qualifying criteria for these schemes. The Committee recommends that the Department of Children and Youth Affairs works to clarify the criteria of the childcare schemes and takes appropriate steps to communicate any changes to such criteria more effectively.

The Minister for Finance and Public Expenditure and Reform is informed by the Department of Children and Youth Affairs that it accepts this recommendation.

The Minister is informed by the Department of Children and Youth Affairs, that a number of factors influence non-compliance rates, one of which has traditionally been lack of clarity re qualifying criteria. The Department of Children and Youth Affairs has taken several steps to improve this, including a major review of scheme rules for 2017/18 to better ground the payment subsidies on child attendance. This was undertaken in consultation with the Chief States Solicitor's Office (CSSO).

The National Childcare Scheme, which was introduced on November 2019 has very clear rules and strengthens the link between attendance and subsidy, providing a direct link between an attendance return and a payment. It ensures clarity of ruleset, grounded in both primary and secondary legislation, further developed in a set of comprehensive policy guidelines.

The Department of Children and Youth Affairs communicates scheme requirements through various channels, including the publication of scheme rules, communications with providers, training and supports offered through local City/County Childcare Committees, and information available online and by phone. The Department of Children and Youth Affairs is committed to continuing to improve communications. The consolidation of several schemes

into the single National Childcare Scheme, with one set of rules, should also assist in this regard.

An extensive training and communications campaign has been undertaken in the lead up to the introduction of the National Childcare Scheme to inform providers and parents of the criteria and eligibility for the new scheme. A suite of resources is also available to parents and providers providing key information and guidance on the scheme and their respective responsibilities and is available on the dedicated National Childcare Scheme website at <https://ncs.gov.ie>.

Recommendation A.21.

The Department of Agriculture, Food and the Marine is working to rectify the deficiencies identified in the *C&AG Special Report 82 – Financial Management and Reporting for Fishery Harbour Centres*. The Committee notes that four of the seven recommendations from this report have yet to be implemented. The Committee recommends that the remaining four recommendations from the *C&AG Special Report 82 – Financial Management and Reporting for Fishery Harbour Centres* are implemented in full in 2020.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Agriculture, Food and the Marine (DAFM) that it accepts this recommendation.

Signed on 30 April 2014, the C&AG Special report 82 made seven recommendations on the management of fishery harbour centres.

While by their very nature all the recommendations require ongoing action, the three recommendations that have been implemented are as follows: -

Recommendation 2: - The DAFM should review the governance arrangements for the centres to ensure that they adequately take account of the nature of the business.

Recommendation 4: - The DAFM should immediately review those properties which are currently being provided free of charge or are vacant, with a view to ensuring that a proper competitive return is being obtained by the centres.

Recommendation 5: - The DAFM should ensure that appropriate arrangements are in place in the case of property sales to enable it to continue to obtain a return from the property pending the completion of the sales process.

The Department of Agriculture, Food and the Marine position is that substantial progress has been made in the implementation of the remaining four recommendations: -

Recommendation 1: - The DAFM should review the format of the accounts [of the Fisheries Harbour Fund] for 2012 (and later years) with a view to ensuring consistency with up-to-date accounting practice.

Recommendation 7: - The DAFM should obtain a current valuation of centre land and property. This would give more complete and up-to-date information and support financial analysis of the centres' performance, and decision making regarding the use of the centres' assets.

Current status of recommendations 1 and 7: -

Section 8 of the Fishery Harbour Centres Act, 1968 stipulates that the accounts of the Fishery Harbour Centres be prepared on a cash basis (i.e. receipts and payments). The Department has followed Vote Accounting (Cash Accounting) principles and provide accrual information in the FHC account for clarity and completeness purposes.

The valuation of assets contained in the Account is the cumulative investment made by the Exchequer by way of the Vote funded capital and maintenance spend. The most recent Valuation Office valuations have been disclosed in the Accounts since 2017 as a context for the Exchequer investment. However, a digital mapping exercise was deemed a critical element to the process of fully documenting the land and buildings in the Fishery Harbours to modern digitalised standards to ensure completeness of the asset register.

The digital mapping exercise involved the surveying and mapping of each of the six Fishery Harbour Centres on a GIS (Geographic Information System) Platform. This created a digital map/database of each harbour, based on the maps of Ordnance Survey Ireland, detailing the physical footprint of the harbour and all structures contained within it.

A new valuation is being carried out by the Valuation Office on the basis of the digitalised maps and will be completed by year end and fully included in the 2019 Account bringing closure to these two recommendations.

Recommendation 3: - The DAFM should, at regular intervals, formally review the adequacy of the charging order to ensure that all charging rates reflect current economic conditions, and that all relevant activities and services by centres are captured.

Current Status Recommendation 3: - The charging order has been subjected to an internal review by DAFM, it has also been the subject of extensive legal scrutiny which advises that individual charging orders are required for each Fishery Harbour Centre. Both the internal review and the legal scrutiny have taken some time. Since 31/10/19, all six draft orders have been cleared legally and will now undergo a final scrutiny by Sea Fisheries Administration Division before seeking Ministerial approval to initiate a public consultation process.

Recommendation 6: - DAFM should set specific targets for reducing the time to collect debts. It should also focus earlier attention on larger customers as arrears emerge and devise and document appropriate strategies to work with those customers.

Current Status Recommendation 6: -

The C&AG acknowledge that the DAFM has improved its performance in the management of debt, reducing both the level of total level of debt and its debtor days. The recommendation in itself forms and will continue to form part of ongoing operational procedures.

Since 2016, as part of an overall reorganisation of the DAFM debt management and recovery function, the monitoring of accounts receivable debt (including Fishery Harbour debt) is carried out centrally by the Central Debt Monitoring Unit (CDMU) in Accounts Division. The line divisions retain responsibility for the recovery of debt arising from their activity. The Central Debt Monitoring Unit assists the divisions in the form of monitoring and support.

Previously, in 2009, the Department established a dedicated Debt Management Unit within Sea Fisheries Administration Division which concentrates on the collection/recovery of the Fishery Harbour Centre debts. The DAFM debt recovery strategy procedures and the dunning process of debt follow-up is used to target debtors in a systematic manner. Debt which has been through the robust debt recovery process but considered un-collectable is written off with DPER Sanction as appropriate. A significant amount of older/legacy debt deemed to be uncollectable has been written off since 2014.

The Debt Management unit within Sea Fisheries Administration Division in conjunction and the Central Debt Monitoring Unit target the recovery of all collectible debts in as short a timeframe as possible. The overall target in all instances is to collect debts due within the 30-day timeframe allowed as part of the Department's terms and conditions. Where this is not achieved the Department's robust debt recovery strategy is initiated and implemented in all cases.

Recommendation A.22.

The lack of a comprehensive asset management register in the Department of Agriculture, Food and the Marine indicates a lack of oversight regarding the management of State property. The Committee recommends that the Department completes its project to establish a comprehensive database of all State assets in its possession without delay, and that processes are put in place to ensure that the asset register is kept up to date.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Agriculture, Food and the Marine that it accepts this recommendation.

The project to verify the Department's asset register is well advanced. A programme of annual verification has also been put in place.

Recommendation A.23.

The number of non-compliant procurement contracts, worth €5.6m, entered into by the Department of Agriculture, Food and the Marine in 2017 is unsatisfactory. The Committee recommends that all steps are taken to ensure that all Departmental contracts adhere to procurement rules and that non-compliance in the Department is eliminated by the end of 2022 as indicated by the Department.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Agriculture, Food and the Marine that it accepts this recommendation.

The Department of Agriculture, Food and the Marine welcomes the Committee's recommendation and is actively taking steps to reduce non-compliance in line with our 2022 target. Between 2017 and 2018 the Department of Agriculture, Food and the Marine reduced non-compliant procurement expenditure by some €1.8 million and it will continue its efforts in this regard over the coming years.

Recommendation A.24.

The financial management of the Health Service Executive, and the oversight performed by the Department of Health, is unsatisfactory and does not demonstrate good governance or control. However, the Committee acknowledges efforts to implement new methods of financial control to help ensure the HSE remains within budget. The Committee recommends that the HSE examines its financial management operations to identify areas where further efficiencies and savings can be made without impacting patient services.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Health that it agrees with the recommendation regarding the identification of areas where further efficiencies and savings can be made without impacting patient services.

With regard to governance and oversight, the Department of Health has agreed revised oversight structures with the HSE, taking account of the new HSE Board. Significant progress is evident in 2019 and the financial controls in place have had a positive impact on the 2019 financial outturn. While the Department notes the recommendation of the Committee regarding no impact on patient services, and agrees with the position, it is essential that the HSE operates within the financial parameters set out in the Letter of Determination and that service levels are planned and managed within the financial parameters.

The Sláintecare Implementation Strategy highlights the importance of enhancing efficiency within the system, and identified that ensuring care is delivered in the most appropriate and least complex way is the first step in improving productivity within the available resources.

Each year in its National Service Plan, the Health Service Executive sets out targets for efficiency improvements and the Department fully supports the HSE in achieving these targets. It is fully acknowledged that the costs associated with a larger and older population, with more acute health and social care requirements, increased demand for new and existing drugs, increase pay levels and the rising costs of health technology will increasingly need to be managed not solely through annual increased Exchequer allocations but also through improved efficiencies, productivity and value.

The Health Service Executive is also currently undertaking the rollout of a Single Integrated Financial and Procurement Management System (IFMS) which will further enhance the timeliness of financial reporting underpinning operational performance.

Recommendation A.25.

The Committee welcomes the establishment of the health budget oversight group within the Department of Public Expenditure and Reform to share information in a timely manner as an overspend mitigation measure. The Committee recommends that the health budget oversight group publishes quarterly reports to inform the Oireachtas and the public of measures being taken to exert control over the spending of the Health budget.

The Department of Health and the Department of Public Expenditure and Reform note this recommendation and recognise the importance of the presumption of openness in relation to official information, which allows citizens and commentators to become much more informed on the deliberations which precede decisions affecting them. Such an approach will also enhance the understanding of the link between funding level and services levels and the impact of any decisions taken outside of budget cycle that impact on financial performance.

In this context, the Health Budget Oversight Group will regularly publish the minutes of its monthly meetings, which will indicate the key points of discussion with regard to health spending and management of the health budget. Alongside the Department's publication of exchequer returns (the Fiscal Monitor), the Mid-year Expenditure Report, the Summer Economic Statement, and the associated press conferences, these minutes provide substantial and up-to-date material for members of the Oireachtas, and indeed members of the public, to be informed of the ongoing work of the Health Budget Oversight Group, and the bodies that make up its membership. In addition, the Department of Health and the

Health Service Executive publish regular reports on financial performance, employment controls, and healthcare outcomes.

Furthermore, the Minister for Public Expenditure and Reform and his Officials attend the Committee on Public Expenditure and Reform and the Budgetary Oversight Committee, as well as all relevant meetings of the Public Accounts Committee. These represent significant opportunities for officials to outline the measures being taken to control spending in the health sector.

It is considered that, in the context of the foregoing, the publication of additional and necessarily repetitive and duplicative reports of the Health Budget Oversight Group would not represent added value to the reporting mechanisms outlined above. The existing framework allows for a high level of transparency and provides members of the Oireachtas with sufficient information to understand and monitor the management of the Health Budget.

It may also be noted that the Budgetary Oversight Committee has a role in monitoring ongoing expenditure, which is complementary to the Committee of Public Accounts brief of examining reports of the Comptroller and Auditor General including those dealing specifically with value for money considerations. In this context, for the PAC to demand and receive a quarterly sectoral report in respect of current Health spending would appear inconsistent and likely to give rise to unnecessary duplication of effort on the part of members of the Oireachtas.

Recommendation A.26.

The delay in publishing the Health Service Executive's Capital Plan was not acceptable. The Committee recommends that, in future, the Health Service Executive finalises and publishes an annual Capital Plan within one month of the estimate being approved by the Oireachtas.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Health that it agrees with the recommendation regarding the Health Service Executive Capital Plan. Section 33B of the Health Act 2004 (as amended) provides for the determination of capital funding for the Health Service Executive and the submission of capital plans to the Minister for Health. HSE capital plans require the Minister for Health's approval.

The Department of Health and the Health Service Executive maintain close contact regarding the capital funds available each year and the progress and expenditure of major capital projects and programmes. A balanced capital spend is achieved in the Health Vote each year.

The Department of Health works with the Health Service Executive and the Department of Public Expenditure and Reform to develop a capital plan for the health services in the context of the known capital costs of major health capital projects and programmes. In this context,

the Department of Health have been in discussion with the Department of Public Expenditure regarding the increased capital cost of the new Children's Hospital. The Government has provided additional capital funding in respect of the additional capital expenditure required.

The increased capital funding provided by the Government enabled the HSE to plan and fund progress in respect of the health capital projects and programmes that were included in previous HSE capital plans and to progress additional evaluated and prioritised projects including Government priority health programmes and major health capital projects.

This allowed the Minister for Health to finalise the multi-annual Capital Plan which was published in September 2019.

Discussions are on-going regarding the HSE Capital Plan for 2020 with a view to approval and publication as soon as possible.

However, health capital projects and programmes are continuing apace through the life-cycle of the Public Spending Code including assessment, business case, design, tender, construction, equipping and commissioning.

The health sector will spend €774m in capital funds on the construction and equipping of public health facilities in 2020.

Recommendation A.27.

The use of the Hospital Inpatient Enquiry (HIPE) system to record private patient activity in public hospitals is inadequate as it does not include outpatient, maternity or emergency room services. The Committee recommends that the Health Service Executive implements a more robust system for recording private patient activity in public hospitals that includes all services and departments utilised by private patients.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Health that it agrees with the recommendation that the Health Service Executive implements a more robust system for recording private patient activity in public hospitals.

HIPE collects information on in-patient and day patient activity from participating public hospitals. The activity recorded on HIPE includes inpatients and day case recorded as admissions on the hospital system. Maternity admissions are also included on this system. The Department of Health is currently preparing a Health Information System Strategy which will look to address health information issues such as those raised by the Committee. We will work with the HIPE Governance Group on which the Department sits to evaluate issues

of health information gaps related to hospital activity highlighted by both the Committee and the upcoming Health Information System Strategy.

Recommendation A.28.

The Health Service Executive's non-compliant procurement of goods and services in 2018, estimated at €506m, or 23% of total expenditure, is alarming. The Committee recommends that an immediate plan of action, with annual targets and objectives, is developed to ensure that the Health Service Executive is fully compliant with procurement rules by the end of 2024 as indicated.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Health that it agrees with the recommendation regarding the development of an immediate plan of action with annual targets and objectives.

The Health Service Executive is undertaking the rollout of a Single Integrated Financial and Procurement Management System (IFMS) which will greatly enhance the HSE's national oversight of procurement compliance across the system. As part of that project there is a specific sub-group set up in relation to the purchase to pay process, incorporating procurement. The sub-group will comprise of stakeholders and subject matter experts.

By mid-April 2024 it is anticipated that the IFMS will cover 90% of the public health system, with roll-out prioritised by areas of significant expenditure. In the interim to improve procurement compliance, the HSE has established a Procurement Compliance Unit and is actively working with budget holders to determine their compliance profile. In addition a corporate procurement planning tool has been developed to match expenditure on the financial systems with known HSE and OGP contracts. This informs the procurement plan with a view to addressing non-compliance over time.

Recommendation A.29.

The development of a new financial management and procurement system is a welcome development and should assist the Health Service Executive and the Department of Health perform better oversight and governance of the health budget.

However, the Committee remains concerned that it will take until the end of March 2024 for this system to be fully implemented and that the current aim is for it to cover just 80% of the public health system. The Committee recommends that the Department of Health and the Health Service Executive ensure that the project to deliver a single national finance and procurement system is delivered on time, and within budget, and that accountability is maintained for any increases in the delivery time or budget.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Health that it accepts this recommendation.

The Single Integrated Financial and Procurement Management System (IFMS) will replace over 200 finance systems which currently operate independently within the health system. By mid-April 2024 it is anticipated that the IFMS will cover 90% of the public health system, with roll-out prioritised by areas of significant expenditure. However, following this, work will continue to deploy the system. It is expected that by Feb 2028 coverage will rise to 99%. In line with the approved governance process, the project will be overseen by the Finance Reform Programme Steering Group.

This group is chaired by the Chief Financial Officer of the HSE, and the membership is comprised of relevant stakeholders.

Four sub-groups have also been established to oversee the main end to end process areas:-

- Purchase to Pay
- Order to Cash
- Core Finance
- Financial Planning & Analysis and Treasury & Financial Risk Management

Each of these sub-groups will be comprised of stakeholders and subject matter experts. These groups will have a wide engagement approach with providers and other stakeholders which will provide input into a representative decision-making process.

Recommendation A.30.

The insufficient investment in community healthcare services, such as home care services, has affected the individuals in need and the wider health budget as the cost for not providing these services is often transferred to acute public hospitals. The Committee recommends that the Health Service Executive continues to investigate

ways to strengthen community healthcare services with the aim of increasing the availability of these services and reducing the pressure on acute hospital services.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Health that it accepts this recommendation.

In order to mitigate against an escalation of demand pressures in the health system, the Irish Government, in July 2018, approved the Sláintecare Implementation Strategy. At its core, the strategy focuses on establishing the building blocks for a system-wide reform programme to address the way in which health services are delivered in Ireland.

Sláintecare will comprehensively reform and modernise our health and social care services over the next 10 years. The objectives of the strategy are to promote the health of our population to prevent illness and create a health system where care is provided on the basis of need, not ability to pay. It will bring the majority of care into the community and create an integrated, accountable and reliable system with health and social care professionals working closely together. Through these goals of prevention and the provision of care closer to the home, it is predicted that the provision of healthcare will become more cost-effective with less demands placed on costly acute care. Therefore, Sláintecare will deliver a health service that has the capacity to manage Ireland's changing health and social care needs, in a more cost-effective manner, as the population ages.

Key Measures in delivering Enhanced Community Care:

1. Sláintecare Enhanced Community Care Fund

As part of the Budget 2020, €10m has been allocated in 2020 (rising to €60m in 2021) for the purposes of enhanced community services. This allocation will support the delivery of key reform initiatives identified as part of the Capacity and Access programme focusing on enhancing community care. This allocation is committed to delivering up to 1,000 new community frontline staff in order to support the shift in care from the acute sector to the community sector which is core to the Sláintecare reform. A key focus for the HSE will be to use Community Healthcare Network (CHN) Learning Sites to inform the further development and provision of a multi-disciplinary model of service and agree with the Sláintecare Programme Implementation Office (SPIO) and the DoH a business case for the required workforce expansion and then ensure the early and effective implementation of the agreed plan. Specifically, this money will support initiatives such as:-

- i. Funding expansion of services in CHN learning sites in line with the agreed business case with SPIO / DoH / HSE;
- ii. Prioritisation of initiatives that will have a positive impact on waiting lists, and in the first instance on community waiting lists;
- iii. Maintain and scaling successful Integration Fund projects into 2021; and

- iv. Developing enhanced support services for people with dementia including the hiring of additional dementia advisors.

2. Sláintecare Integration Fund

In September 2019, the 122 successful applicants for the €20 million Sláintecare Integration Fund were announced. The successful projects meet the goals outlined under Sláintecare:-

- demonstrate innovative ways in which citizens can engage in their own health
- represent best practice in the management of chronic diseases and caring for older people
- encourage innovations in shift of care to the community or promote hospital avoidance

The Sláintecare Integration Fund projects are working towards bringing about meaningful and long-lasting change to health and social care in Ireland. These projects will assist in delivering on the Sláintecare's goals of shifting the majority of care to the community, reducing waiting lists and improving experiences for patients and staff across the health and social care system in Ireland.

The Sláintecare Integration Fund projects will test new ways in which care can be brought closer to home, including putting the patient at the centre of service design and delivery.

The successful projects are in more than 100 locations right across the country. The project partners range from hospitals, hospital groups, Community Health Organisations, Community and Voluntary Organisations, Universities and Primary Care Centres. Many successful projects will be delivered in partnership between hospitals and CHOs, or hospitals and community organisations, highlighting the emphasis on integrated care and shifting care to the community.

3. The Establishment of Community Healthcare Networks

There is consensus that the way we deliver services needs to change if we are to continue to meet the needs of people who use our services and for our staff, particularly in community care. The implementation of Community Healthcare Networks is about delivering this change. Networks will support multi-disciplinary team working and localise decision making. This will allow decisions to be made closer to the point of care and specific to population needs within the Network. This will strengthen Primary Care team working and improve the experience for people who use and provide our services.

A Community Healthcare Network will deliver Primary Health Care Services across an average population of 50,000. The Network, will consist of between 4-6 primary care teams involving General Practice (GPs) in the planning and delivery of services in a structured way. There will be 96 Community Healthcare Networks across Ireland.

The Networks will manage specified Primary Care Team staff and enable collaborative multi-disciplinary team working, ensuring better co-ordinated care for people using our services. This will also improve integration with other community support services e.g. older people, disabilities, mental health and access to acute hospital services. The Networks will manage and deliver local services in a defined area, working together to meet the needs of the local community.

Improving the experience for people using our services is at the heart of implementing the Community Healthcare Networks. Networks will:-

- Support people to live more independently in their community,
- Co-ordinate and integrate services to meet our changing health needs,
- Support collaborative working together to provide person-centred care,
- Ensure timely access to quality services nationwide.

Community Healthcare Networks are a foundational step in building a better health service. The Networks put the structures in place that will enable a better service be delivered to the people using our health and social care services and for the staff delivering them. It provides the framework for future healthcare reform and supports Sláintecare.

Benefits for people who use our services

- Increased locally accessible services;
- Efficient move from community to acute services and back;
- More care at home than in hospitals;
- Prioritisation of service based on needs; and
- Early intervention and prevention.

Benefits for staff

- New leadership roles with GPs and clinicians involved in Network management teams;
- Networks will provide staff with opportunities to work with colleagues from other disciplines in a new dynamic and integrated manner;
- Greater say and involvement in decision making at a local level;
- Investment in Learning and Development with appropriate mentoring, and development of leadership and management skills;
- Champion innovation and accountability.

Older Persons Response: Home Support Services – Background

Home Support Services are an important component of the provision of service to older people with assessed needs and to support them in their choice of living in their own home and community.

Home Support services for older people, funded by the HSE, are provided either by directly employed home care support assistants (HCSAs) or by voluntary and private providers who have formal arrangements with the HSE to deliver the services. The type of support provided includes personal care and, where appropriate, essential household duties relating to the client's assessed needs.

The Home Support Service is not demand led and is therefore, resource limited and is operated in line with agreed limits and targets as set out in the National Service Plan.

National Service Plan (NSP) 2020

The National Service Plan 2020 provides funding for Home Support Services for mainly older people to support delivery of:-

- 18.67m Home Support hours to be delivered to approximately 54,000 people
- 230,000 hours to be provided in conjunction with the roll-out of a pilot Home Support Scheme in advance of legislation
- Intensive Home Care Packages delivered to approximately 235 people with approximately 360,000 hours delivered in the full year

NSP 2020 provides for an additional one million home support hours over and above the 2019 NSP target. The additional €52m provided for the Home Support service, bringing the total budget to just under €500m in 2020 will deliver 19.2m hours to almost 54,000 people by year end, (including full year funding for additional Home Support Packages provided in Q4 2019 and Q1 and Q4 2020 under the Winter Plan 2019/2020).

The number of people in receipt of Home Support at any time will vary during the year, as existing clients' needs are considered and change in line with increased levels of dependency, service requirements, and priority. In addition, some existing clients will cease service and new clients will be approved and commenced in line with their assessed need, including associated variation in the value of Home Support provided.

Despite the significant level of service provision, the demand for Home Support continues to grow as the population aged over 65 years' increases. All those waiting, and new applicants, are assessed and provided with a service, if appropriate, as soon as possible having regard to their assessed needs and priority. Furthermore, people being discharged from acute hospitals, who are in a position to return home with supports, are prioritised. The additional hours provided in 2020 will facilitate clients across these categories to be supported.

Waiting List

At the end of October 2019 there was over 7,800 people (preliminary data) nationally assessed and approved for Home Supports (new or additional) who were waiting for funding to be available. Of those waiting, 5,500 clients were waiting on a new service and the remaining 2,300 clients are currently in receipt of a Home Support service and require

additional supports. The number on the waiting list varies from area to area and is dependent on a number of factors including the availability of resources, service provision and other community resources such as access to day care and residential care.

The additional funding provided under Winter Plan 2019/2020 provided for 600 existing cases to be removed from the Community Waiting List by end December 2019. Also, it is estimated that an additional 500 people were supported to leave hospital during the winter following discharge based on a standard package of Home Support provision. A further 1,100 Home Support Packages (HSPs) will be provided for in Q1 (580) and Q4 (520) to support hospital egress.

In 2020, a Home Support pilot scheme will also be implemented in advance of future legislation and regulation planned for these services. The pilot will help inform how a new scheme will provide the basis for a fair and equitable provision of service to those most in need and in a flexible manner to suit their needs. Discussions are ongoing between the DoH and the HSE on the parameters of the pilot with timeframes etc. to be agreed in the coming weeks.

Other Community Supports

A range of other supports have also been instigated to further support the acute hospital sector including the following:

- Approval of Transitional Care Beds (TCB) on a demand led basis for both NHSS and Convalescence over the winter period has been extremely effective, resulting in Transitional Care being a responsive service giving same day approval and is a key element of hospital discharge planning. In the period 24th September 2019 to week ending 5th January 2020, 2,926 TCBs have been approved.
- Extension of TCB criteria to include patients waiting for home support in cases of delays in sourcing providers or housing adaptations.
- Approval of TCBs for Ward of Court cases whose discharges have been delayed.
- Complex discharges – a small cohort of complex discharges were facilitated through additional funding in 2019. Although these numbers are small, these are patients who utilise a large amount of hospital human resources and make a significant difference to the hospital itself when these discharges takes place.

In addition to the initiatives detailed above, the following community supports continue to be provided to support older people to remain living in their communities:-

- Day Care - provision of 28,000 places per week across 300 day centres. In 2020, the HSE will oversee the roll-out of an additional €1m grant aid for community and voluntary supports (including €250k for dementia specific supports) to circa 150

voluntary agencies to both sustain and provide for additional services through day care places, meals on wheels etc., for older persons.

- Residential Services – provision of 4,980 long stay and 1,720 short stay public residential care beds will be available in the course of 2020.
- Increase in Transitional Care funding in 2020 to support over 11,000 people, mainly in private nursing homes, following discharge from acute hospitals and to assist patients to go home or transition to residential care.
- NHSS – projected number of people supported by NHSS to increase to just over 24,300 by end December 2020. NSP Priority action to maintain the waiting period for funding at an average of 4-weeks for 2020.

Recommendation A.31.

It is concerning that the Ireland Apple Escrow Fund, as of 31 December 2018, had declined in value by €16m to €14.2 billion since its establishment in April 2018. The Committee recommends that the investment strategy between Apple and the State is reviewed on a regular basis to ensure the long-term value of the fund is maintained.

The Minister for Finance and Public Expenditure and Reform accepts this recommendation.

The role of the Escrow Fund Investment Committee (comprising an equal number of NTMA and Apple representatives), includes responsibility for: -

- monitoring the overall performance of the Escrow Fund; and
- reviewing the Investment Policy periodically to consider inter alia market developments and to ensure the Investment Policy remains appropriate to achieve the investment objective of preserving capital to the greatest extent possible in light of prevailing market conditions.

The performance of the Escrow Fund is determined by the prevailing interest rate environment and the asset credit quality over the duration of the escrow fund, with the duration of the fund currently unknown as it is related to the conclusion of the challenges to the EU Commission decision. Under the agreed investment policy, the Escrow Fund is to be invested predominately in low risk Euro fixed income securities with a short duration. The decline in value of the Escrow Fund since inception reflects the current negative interest rate environment (as illustrated by the consistent negative official ECB Overnight Deposit rate (currently -0.50%) and negative yields on highly rated euro-sovereign and quasi-sovereign bonds in which the Escrow Fund is predominately invested).

Recommendation A.32.

The Ireland Strategic Investment Fund lost €721,000 due to unintended currency exposure as a result of human error. The Committee recommends that the National

Treasury Management Agency examines all operations on a regular basis to ensure human error does not result in a major financial loss to the Exchequer again.

The Minister for Finance and Public Expenditure and Reform accepts this recommendation.

The error was identified by the National Treasury Management Agency (NTMA) in the course of its regular operations and highlighted to the Comptroller and Auditor General. The error was also referred to in the NTMA's Annual Report and Accounts 2018 and the Comptroller and Auditor General's (C&AG) audit report on the Ireland Strategic Investment Fund (ISIF) financial statements also draws attention to the NTMA's statement.

The NTMA immediately implemented additional safeguards and processes to prevent this from occurring again. As the Committee have noted, the NTMA has introduced enhanced controls in that area with a view to preventing such a situation arising again.

The NTMA has a culture of transparency so the identification, analysis of root cause and prompt reporting of this error within the organisation, is in line with its established processes.

Recommendation A.33.

The failure of the Health Service Executive (HSE) and its senior management to monitor and complete the communication plan in relation to the Cervical Check audit indicates a serious deficiency in risk management and its communication with patients. The Committee recommends that the HSE puts in place a process to ensure a more proactive, comprehensive and timely response to addressing serious clinical matters and associated risks.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Health that it agrees with the recommendation that the HSE puts in place a process to ensure a more proactive, comprehensive and timely response to addressing serious clinical matters and associated risks.

The HSE has taken a number of actions in response to both the Scally and McCraith Reports. A number of these are highlighted below.

HSE Board

Following the enactment of the *Health Service Executive (Governance) Act 2019* a new Board was appointed. As part of the strengthened governance of the HSE, Board Committees

including the Audit and Risk and Safety and Quality Committees provide oversight of the organisations risk framework and principal risks.

Risk Management

In 2019 the HSE undertook a major review of its approach to risk management. The Review Report was approved by the HSE Board in September 2019.

The Review made 13 recommendations which included the establishment of an Enterprise Risk Management (ERM) Programme and appointment of a Chief Risk Officer. Implementation of the recommendations of this Review has commenced.

In tandem with the above, the HSE's Executive Management Team has undertaken a review of the principal risks for the health service.

Incident Management

In January 2018 the HSE launched its Incident Management Framework [IMF]. The IMF was informed by detailed consultation with staff and patient groups and took account of the learning from a number of serious incidents. This Framework was also developed in collaboration with patients who had experienced harm. The goal of the Framework is first and foremost the avoidance of harm. If harm does occur however, there are a set of explicit responsibilities placed on health service providers which include;

- Ensuring that the needs of the person harmed are the first priority, in particular, that the impact of the incident is minimised and that they will be supported throughout.
- An early assessment to ensure that any immediate actions required to prevent the risk of recurrence are identified and responded to.
- That there is full, honest and compassionate disclosure of what happened [Open Disclosure].
- Undertaking an incident review to ensure there is an understanding of what went wrong and how the learning can be applied.

The HSE also committed to an early review of the IMF based on its use and this was carried out in 2019. The output of this review is being used to redesign elements of the IMF and to provide additional guidance on others. A revised IMF will be launched during 2020.

Open Disclosure:

The HSE revised its Open Disclosure Policy in 2019 in consultation with HSE services and patient representatives (including patients and families involved in matters arising in Cervical Check). This revised policy was launched on 12th June 2019 and clearly outlines the rights of all patients and service users to be communicated with in an open, honest, timely and compassionate way in relation to all matters relating to their care and treatment and especially when things go wrong. The revision of the policy incorporates the Scally recommendations and aligns with the provisions of Part 4 of the Civil Liability (Amendment)

Act 2017, the 2018 regulations accompanying Part 4 of the CLA Act, the Assisted Decision Making Act 2015 and the HSE Incident Management Framework 2018.

The open disclosure national training programme continues and all programmes have been revised to incorporate policy changes and information on current and pending legislation. The National Open Disclosure Office was established and came into operation in May 2019. This office provides strategic guidance on the implementation of:-

- a) The HSE Open Disclosure Policy and accompanying guidelines.
- b) Part 4 of the Civil Liability (Amendment) Act 2017.
- c) The Civil Liability (Open Disclosure) (Prescribed Statements) Regulations 2018.
- d) The provisions relating to open disclosure within the forthcoming Patient Safety Bill.
- e) The recommendations of the Scally Report September 2018, and
- f) The National Open Disclosure Training Programme.

A HSE National Open Disclosure Steering Committee has been established to strengthen corporate oversight, strategic leadership and accountability with the on-going implementation of the National Open Disclosure programme and policy. The inaugural meeting of this committee took place in April, 2019.

Recommendation A.34.

The number and cost of claims against the State continues to escalate year on year, particularly claims arising from clinical negligence. To date there is no evidence of a functioning systems-wide approach in the Health Service Executive to incorporate learnings from associated incidents across the entire health sector. The failure to incorporate learnings is itself likely to contribute to the increase of such claims. The Committee recommends that the Health Service Executive, in conjunction with the State Claims Agency and the Department of Health, puts in place a formal system to incorporate learnings from incidents of clinical negligence across the health sector in order to reduce the number of such incidents in the future.

The Minister for Finance & Public Expenditure and Reform is informed by the Department of Health that it accepts the recommendation regarding putting in place a formal system to incorporate learnings from incidents of clinical negligence across the health sector in order to reduce the number of such incidents in the future.

In 2018 the HSE published the Incident Management Framework replacing the HSE Safety Incident Management Policy 2014. It is designed to provide services with a practical and proportionate approach to the management of incidents in order to drive consistency in managing patient safety incidents. It also seeks to place a particular emphasis on the supporting needs of services users, families and staff in the aftermath of an incident.

As part of its commitment to supporting the implementation of the Incident Management Framework, the Quality Assurance and Verification Team (Quality Risk and Safety) in the HSE is developing a *National System to share learning following patient safety incidents*. This initiative seeks to put in place a system-wide approach across the HSE to sharing and incorporating learning associated with patient safety incidents.

This project will be developed in line with the principles of learning outlined in the HSE Incident Management Framework (2018):

<https://www.hse.ie/eng/about/qavd/incident-management/hse-2018-incident-management-framework-guidance-stories.pdf> and the HSE Patient Safety Strategy (2019): <https://www.hse.ie/eng/about/qavd/patient-safety/hse-patient-safety-strategy-2019-2024.pdf>. This new system will seek to build on the work already undertaken both locally and nationally as well as identifying new opportunities for development of information to inform safety improvement. Key to this is ensuring the most appropriate information and learning from incidents is accessible, in a format and of a quality that is trusted and supports improvement and change.

The HSE is in the process of establishing a Steering Group for the development phase of this project. The group will include representative of the key health sector stakeholders, including the State Claims Agency and the Department of Health. It is expected the development phase of the project will be completed in Q4 2020.

Recommendation A.35.

It is unsatisfactory that the Houses of the Oireachtas failed to meet obligations in relation to making official Acts available in Irish. The Committee recommends that the Houses of the Oireachtas Commission takes all the necessary steps to ensure that it has the resources in place to meet its objective to deal with arrears relating to the translation of Acts, by the target date of 31 July 2024.

The Minister is advised that the Houses of the Oireachtas Commission accepts this recommendation.

The Minister is further advised that a five-year strategy for clearing the arrears, entitled *Rannóg 2024*, is being implemented by *Rannóg an Aistriúcháin* and overseen by a Steering Group chaired at Assistant Secretary level and reporting on a quarterly basis to the Management Board of the Houses of the Oireachtas Service. The main elements of the strategy are as follows:-

Rannóg 2024 – Main Elements

1. **Clearance of all arrears of official translations of the Acts within a five-year period beginning on 31 July 2019.** This involves the clearance of over 500 Acts within 5 years.
2. **Establishment of a “current basis” provision of official translations and maintenance of this level of service provision into the future.** This involves the production of official translations of all Acts for a particular year by end Q2 of the following year and will prevent the creation of new arrears. 2019 has been chosen as the first Current Year.
3. **Creation of a new team structure for the effective provision of all Rannóg services.** This involves identifying the main Rannóg service provision pillars (Current Acts / Servicing Sittings; Arrears Acts; Corporate and Strategic Services; and Interpretation) and resourcing and ring-fencing them accordingly.
4. **Recruitment and maintenance of required resources to ensure the effective achievement of all strategic goals.** This involves increasing overall staff levels to 39, with an emphasis on editing and publication.

Rannóg 2024 – Implementation Steps to Date

1. Legislative editing framework for Arrears Acts

As all Arrears Acts are translated and await editing and Rannóg an Aistriúcháin does not have the editing capacity required in the section, an external editing framework has been established and is now operational. This framework will facilitate clearance of all arrears within the five-year period.

2. Staffing

Rannóg 2024 commits to increasing overall staff levels from the pre-Capacity Review established number of **23 to 39**.

Admin Staff

A new role of **AP Project/Production Manager** has been created and is integral to the successful implementation of the arrears clearance strategy. This post has been filled and is now operational. The section now also has the support of an EO and CO.

Translators/Editors

Seven competitions at Grád I, II and III level have been held in the past 12 months. Each of these competitions involves a translation exam, an editing exam and a competitive interview process. Getting the required editing capacity (Grád II and Grád III) is extremely challenging due to the specific skillset required by Rannóg an Aistriúcháin and a very competitive job market and recruitment campaigns have so far been disappointing.

3. Team Structure

Two initiatives in relation to section structure are now being actively pursued. The objectives of both initiatives is to improve the effectiveness of service provision and overcome the challenges of recruiting specialised staff. The first initiative is the recruitment of a dedicated team of interpreters to provide interpretation services to Dáil and Seanad and free up translators at Grád III who have been carrying out this work up to now. A public recruitment competition will be launched in the next few weeks. The second initiative involves the creation of a regional structure for Rannóg an Aistriúcháin (focussing on the Western Region) through the recruitment of staff in that region. This is a considered response to the difficulties of recruitment to posts situated in the capital, with its associated accommodation issues.

4. Translation Tool

A new translation tool has been acquired – Trados SDL Studio – and this tool is now in use in the section. Trados SDL Studio is a memory-based tool and affords translators and editors speedy access to Rannóg an Aistriúcháin’s large corpus of legislative precedents.

5. On-Line Publication

Timely publication of official translations of the Acts of the Oireachtas is crucial to the success of the Rannóg 2024 plan and work has now begun on updating the Rannóg website www.achtanna.ie, which contains all of the section’s legislative precedents.

6. Training

Due to the major changes taking place in Rannóg an Aistriúcháin, a specific focus is being maintained on staff training and development.

- A Rannóg training and development plan has been developed and is operational.
- Specialised training in Trados SDL Studio has been delivered to all grades.
- Specialised training in MS Project has been delivered to grades involved in processing the clearance of arrears.

Rannóg 2024 – Monitoring and Oversight

A Rannóg 2024 Steering Group, chaired by the Assistant Secretary with responsibility for the Parliamentary Services Division (Elaine Gunn), monitors the progress of the Plan in order to ensure progressive and effective delivery on the Rannóg 2024 objectives. The Steering Group reports quarterly to the Houses of the Oireachtas Service Management Board. The Steering Group will also monitor the impact of the COVID-19 Emergency on the implementation of Rannóg 2024.

Given under the Official Seal of the Minister for
Finance and Public Expenditure and Reform on
this the 4 day of June, 2020.



A handwritten signature in black ink, which reads "Robert Watt". The signature is written in a cursive style and is located to the right of the official seal.

Robert Watt
Secretary General
Department of Public Expenditure and Reform