

ANNUAL FINANCIAL STATEMENTS

FOR

BEAUMONT HOSPITAL BOARD

FOR THE YEAR ENDED 31/12/2021

Date : 14.12.2022

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GENERAL INFORMATION

Head Office: P.O. Box 1297, Beaumont Road, Dublin 9.
Phone :8093000
Fax: 8376982

Main Bankers: Bank of Ireland, Whitehall, Dublin 9.

Auditors: Comptroller and Auditor General, 3a Mayor Street Upper, Dublin 1.

The Comptroller and Auditor General audits these Financial Statements under Section 5 of the Comptroller and Auditor General (Amendment) Act 1993.

Solicitors: Byrne Wallace, 2 Grand Canal Square, Dublin 2.

GOVERNANCE STATEMENT AND BOARD MEMBERS' REPORT

Governance

The Board of Beaumont Hospital was established under the Beaumont Hospital Board (Establishment) Order, 1977 as amended by the Health (Miscellaneous Provisions) Act 2007. The functions of the Board are set out in Section 4 of this Act. The Board is accountable to the Minister for Health and is responsible for ensuring good governance and compliance with the requirements of the Code of Practice for the Governance of State Bodies.

Beaumont Hospital operates under a Section 38 Service Level Agreement with the Health Service Executive (HSE) and the nature and range of activities undertaken by Beaumont Hospital and funding thereof is agreed with the HSE under the provisions of the Section 38 Service Level Agreement. As a state body the strategic direction for Beaumont Hospital as a health care service provider is set by the Department of Health and the HSE in line with overall Government policy. The regular day to day management, control and direction of Beaumont Hospital are the responsibility of the Chief Executive Officer and the senior management team working in conjunction with the HSE and subject to oversight by the Board. The CEO acts as a direct liaison between Beaumont Hospital, the HSE, the Department of Health and the Board.

Board Responsibilities

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

- Declaration of interests,
- Reports from committees,
- Financial reports/management reports,
- Performance reports, and
- Reserved matters.

Section 21 of the Beaumont Hospital Board (Establishment) Order, 1977 requires the Board of Beaumont Hospital to keep, in such form as may be approved by the Minister for Health with the consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

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

- Select suitable accounting policies and apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- State whether applicable accounting standards have been followed, subject to any

material departures disclosed and explained in the financial statements.

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 21 of the Beaumont Hospital Board (Establishment) Order, 1977. The maintenance and integrity of the corporate and financial information on the Beaumont Hospital's website is the responsibility of the Board.

The Board is responsible for approving the annual plan and budget. An evaluation of the performance of Beaumont Hospital by reference to the annual plan and budget is carried out regularly throughout the year via the performance and standing committees of the Board.

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

The Board considers that the financial statements of Beaumont Hospital give a true and fair view of the financial performance and the financial position of Beaumont Hospital at 31 December 2021.

Board Structure

The Board consists of a Chairperson and ten ordinary members. The Board met on six occasions in 2021. The table below details 2021 Board members and those who subsequently joined before the signing of the Annual Financial Statements.

Board Member	Role	Nominated by	Term of Office
Gillian Harford	Chairperson (Resigned) Interim	Minister for Health	29.06.17 - 02.12.21
Daryl Barron	Chairperson	Dublin City Council	19.06.20 - 18.06.23
Gerry Murray	Ordinary Member	Minister for Health	29.06.17 - 28.06.21
Henry McGarvey	Ordinary Member	Minister for Health	29.06.17 - 28.06.23
Caitriona Sharky	Ordinary Member	Minister for Health	29.06.17 - 28.06.21
Paul McNally	Ordinary Member	RCSI	16.02.20 - 15.02.23
Kevin O'Donovan	Ordinary Member	Minister for Health	29.04.21 - 28.04.24
Gerard Moore	Ordinary Member	General Practitioner Body	16.02.20 - 15.02.23
Michal Siwiec	Ordinary Member	Minister for Health	29.06.21 - 14.03.22
Loretto Callaghan	Ordinary Member	Minister for Health	29.04.21 - 28.04.24
Louise McMorrow	Ordinary Member	Minister for Health	29.06.21 - 28.06.24 16.02.20 - 15.02.23
Una Kennedy	Ordinary Member	DCU	
Bernice Ruane	Ordinary Member	Minister for Health	02.07.21 - 01.07.24

On 2 December 2021, Ms Gillian Harford resigned as Chairperson and pending the appointment of a replacement, the Board, at a special meeting on 22 December 2021 appointed Mr Daryl Barron as Interim Chairperson and Mr Henry McGarvey and Mr Kevin O'Donovan as Interim Vice Chairpersons. The Minister of Health subsequently approved the interim nominations pending the appointment of a replacement Chairperson.

The Board has established three committees, as follows:

1. Audit Committee

An Audit Committee, chaired by a member of the Hospital Board and consisting of nominees from the Hospital Board is in place. The meetings of the Audit Committee are attended by members of the management team including the Director of Finance and Internal Auditor. All internal and external audit reports are presented to the meetings of the Audit Committee by the Internal Auditor. The Audit Committee has oversight responsibility for all areas of risk pertaining to the hospital excluding patient and medical risk, financial management and procurement risk. The members of the Audit Committee up to 28th June 2021 were Mr Gerry Murray, Ms Gillian Harford and Mr Paul McNally. Thereafter and for the remainder of 2021 the members of the Audit Committee were Mr Kevin O' Donovan, Mr Paul McNally and Ms Bernice Ruane. There were 4 meetings of the Audit Committee in 2021.

2. Finance Committee

A Finance Committee, chaired by a member of the Hospital Board and consisting of nominees from the Hospital Board is in place. The Finance Committee has oversight responsibility for financial performance and procurement. The meetings of the Finance Committee are attended by members of the management team including the Director of Finance and Management Accountant. The members of the Finance Committee up to 28th June 2021 were: Ms Gillian Harford, Mr Henry McGarvey and Mr Daryl Barron. Thereafter and for the remainder of 2021 the members of the Finance Committee were Mr Henry McGarvey, Mr Daryl Barron and Ms Louise McMorrow. There were 6 meetings of the Finance Committee in 2021.

3. Governance & Risk Committee

The Hospital Board manages patient and medical risks through the Governance and Risk Committee, a permanent sub-committee of the board, chaired by a Board member. The Committee receives and evaluates written and verbal reports from the Hospital's COO, Head of Quality and Safety and other senior managers on key risk issues and mitigation strategies. The members of the Governance & Risk Committee up to 28th June 2021 were Ms Caitriona Sharkey, Dr. Gerry Moore and Dr Una Kennedy. Thereafter and for the remainder of 2021 the members were Ms Loretto Callaghan, Dr Gerry Moore, Dr Una Kennedy, Mr Michal Siwec and Mr Kevin O' Donovan. There were 5 meetings of the Governance & Risk Committee in 2021.

Schedule of Attendance, Fees and Expenses

	Board	Audit Committee	Governance & Risk Committee	Finance Committee	Fees 2021	Expenses 2021
No of meetings	6	4	5	6		
Gillian Harford	6	3			-	-
Daryl Barron	5			6	-	-
Gerry Murray	3	3			-	-
Henry McGarvey	5			5	-	-
Caitriona Sharky	3		3		-	-
Paul McNally	5	3			-	-
Kevin O' Donovan	2	2	3		-	-
Gerard Moore	4		5		-	-
Michal Siwiec	3		2		-	-
Loretto Callaghan	4		3		-	-
Louise McMorrow	3			4	-	-
Una Kennedy	6		5		-	-
Bernice Ruane	3	1			-	-
					-	-

No Board Member received a Board fee per 17.(1) of the Beaumont Hospital Board (Establishment) Order, 1977.

Gender Balance in Board Membership

The Board of Beaumont Hospital was established under the Beaumont Hospital Board (Establishment) Order 1977 (Statutory Instrument NO. 255/1977). The following subsequent amendments to this Statutory Instrument were as follows (collectively referred to as the Establishment Order):

- Beaumont Hospital Board (Establishment) Order 1977 (Amendment) Order 1983 (S.I. No. 337 of 1983)
- Beaumont Hospital Board (Establishment) Order, 1977 (Amendment) Order, 1988 (S.I. No. 13 of 1988)
- Beaumont Hospital Board (Establishment) Order, 1977 (Amendment) (No. 2) Order 1988, (S.I. No. 59 of 1988)
- Beaumont Hospital Board (Establishment) Order, 1977 (Amendment) Order, 1989 (S.I. No. 234 of 1989)
- Health (Corporate Bodies) (Establishment) (Orders) (Amendment) Order, 1990 (S.I. No. 3 of 1990 and
- Health (Miscellaneous Provisions) Act 2007.

Under the Establishment Order, the Board shall consist of no more than eleven members

and the following parties may nominate members:

- Six (including the Chairman) nominated and appointed by the Minister for Health following the public appointment service process
- One nominated by the Minister for Health
- One nominated by Dublin City Council/Fingal County Council (rotated every three years) and appointed by the Minister for Health
- One nominated by the Royal College of Surgeons in Ireland and appointed by the Minister for Health
- One nominated by Dublin City University and appointed by the Minister for Health
- One nominated by Irish College of General Practitioners and appointed by the Minister for Health

Given the statutory nature of this appointment process, the Board can have no influence on the board's membership including on the gender balance of its membership and cannot dictate the specific measures to be taken by these bodies to address urgently this situation and to promote better gender balance. However, the Board does have processes to monitor gender diversity on the Board and where necessary does notify nominating bodies of the importance of achieving gender balance and invites them to consider this matter in their nomination process.

As of 31 December 2021, the Board had nine members of which four (44%) were female members and five (56%) were male members. During the year ended 31 December 2021 a total of 13 persons served as directors for all or part of the year of which six (46%) were female and seven (54%) were male. The Board therefore met the government target of a minimum of 40% representation of each gender in the membership of State Boards.

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

The Code of Practice (2016) sets out additional reporting requirements for State Bodies. The disclosures required by the Code are set out below or included as part of the Financial Statements. The Agency has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to seek to ensure compliance with the Code.

Retirement Vouchers	17,750	14,500
Retirement Receptions	420	4,704
Client:		
Client Hospitality	-	-
Total	18,170	19,204

Remuneration

(a) Aggregate Employee Benefits	2021	2020
	€000	€000
Staff short-term benefits	283,285	269,798
Termination benefits	-	-
Retirement benefit costs	26,449	23,200
Employer's contribution to social welfare	27,887	26,311
Total	337,621	319,309

The total number of staff employed (WTE) at year end was 4,144 (2020 – 4,030)

(b) Staff Short-Term Benefits	2021	2020
	€000	€000
Basic pay	232,397	231,206
Overtime	20,177	16,946
Allowances	30,711	21,646
Total	283,285	269,798

(c) Termination Benefits	2021	2020
	€000	€000
Termination benefits charged to I&E	-	-
Total	-	-

(d) Key Management Personnel

Key management personnel in Beaumont Hospital consist of the CEO, Clinical Directors and the members of the Senior Management Team. The total value of employee benefits for key management personnel is set out below:

	2021	2020
	€000	€000
Salary	2,406	2,454
Allowances	473	325
Termination benefits	-	-
Health Insurance	-	-
Total	2,879	2,779

Employee Short-Term Benefits Breakdown

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

Range		Number of Employees	
From	To	2021	2020
€60,000	€69,999	572	401
€70,000	€79,999	242	150
€80,000	€89,999	142	104
€90,000	€99,999	57	44
€100,000	€109,999	32	29
€110,000	€119,999	22	8
€120,000	€129,999	10	24
€130,000	€139,999	15	16
€140,000	€149,999	15	19
€150,000	€159,999	19	16
€160,000	€169,999	30	28
€170,000	€179,999	24	19
€180,000	€189,999	26	14
€190,000	€199,999	22	15
€200,000	€209,999	13	7
€210,000	€219,999	19	8
€220,000	€229,999	17	14
€230,000	€239,999	7	8
€240,000	€249,999	7	13
€250,000	€259,999	7	9
€260,000	-	9	38

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

Consultancy Costs

Consultancy Costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2021	2020
	€	€
Legal Advice	406,343	97,367
Financial/Tax advice	6,185	14,466
Public Relations	48,831	93,898

Human Resources	48,474	9,524
Business Improvement	301,215	240,675
Total Consultancy Costs	811,048	455,930
Consultancy Costs Capitalised	-	-
Consultancy Costs Charged to Income & Expenditure	811,048	455,930
Total	811,048	455,930

Legal Costs and Settlements

The only legal costs borne by the hospital are costs incurred in relation to general legal advice received by Beaumont Hospital and they are disclosed in Consultancy costs above.

Legal costs and services in respect of medical negligence claims are managed by the State Claims Agency without recourse to the hospital. Note 29 to the financial statements gives details on the movement on relevant provisions held by the State Claims Agency on behalf of the hospital.

Travel & Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2021	2020
	€	€
Domestic		
- Board *	394	790
- Employees	4,591	2,986
- Student Nurses	63,560	35,760
- Couriers	470,129	437,844
International		
- Board	-	-
- Employees	-	-
Total	538,674	477,380

* travel & subsistence of €394 paid directly to Board members in 2021. (2020: €790)

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2021	2020
	€	€
Staff:		

This does not include the value of retirement benefits earned in the period. The key management personnel are members of the Local Government/Voluntary Hospitals Superannuation Scheme and their entitlements in that regard do not extend beyond the terms of the model public services pension scheme.

(e) Chief Executive Officer Salary and Benefits

The CEO remuneration package for the financial period was as follows:


	2021	2020
	€	€
Salary	104,105	101,658
Allowances	-	-
Total	104,105	101,658

The CEO is employed under a secondment arrangement from the Royal College of Surgeons in Ireland Group (RCSI) which commenced on 13th June 2016. The amount shown above represents the amount paid to the group in respect of his pro-rated service to Beaumont Hospital. The CEO's pension entitlements do not extend beyond the standard entitlements under the Local Government/Voluntary Hospitals Superannuation Scheme.

Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to seek to ensure compliance with the Code. Beaumont Hospital was in full compliance with the Code of Practice for the Governance of State Bodies for 2021 insofar as concerns required additional reporting requirements.

On behalf of the Board:


Daryl Barron
Interim Chairperson


Ian Carter
Chief Executive



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Beaumont Hospital Board

Opinion on the financial statements

I have audited the financial statements of Beaumont Hospital Board for the year ended 31 December 2021 as required under the provisions of section 5 of the Comptroller and Auditor General (Amendment) Act 1993. The financial statements comprise

- the non-capital income and expenditure account
- the capital income and expenditure account
- the balance sheet
- the cash flow statement, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements

- properly present the state of affairs of Beaumont Hospital Board at 31 December 2021 and its income and expenditure for 2021, and
- have been prepared in the form prescribed under Article 21 of the Beaumont Hospital Board (Establishment) Order 1977, and in accordance with the Accounting Standards for Voluntary Hospitals approved by the Minister for Health.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of Beaumont Hospital Board and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

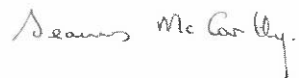
Beaumont Hospital Board has presented certain other information together with the financial statements. This comprises the governance statement and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception,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

Review of the effectiveness of controls

The *Code of Practice for the Governance of State Bodies* requires the Board each year to carry out a timely review of the effectiveness of the system of internal control operated in Beaumont Hospital. The audit has not received evidence that the Board carried out the required review of internal controls in respect of 2021. The Board has explained the steps it is taking to bring the annual review process into full compliance with the requirements of the Code.

Non-compliant procurement

The statement on internal control discloses that in 2021 Beaumont Hospital Board continued to incur significant expenditure where the procedures followed did not comply with public procurement guidelines. The statement on internal control also sets out the steps taken or planned by the Hospital to address the weaknesses that give rise to this.



Seamus McCarthy
Comptroller and Auditor General

21 December 2022

Appendix to the report

Responsibilities of Board members

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

- the preparation of annual financial statements in the form prescribed under Article 21 of the Beaumont Hospital Board (Establishment) Order 1977, and in accordance with the Accounting Standards for Voluntary Hospitals approved by the Minister for Health
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 5 of the Comptroller and Auditor General (Amendment) Act 1993 to audit the financial statements of Beaumont Hospital Board and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

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

Information other than the financial statements

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

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Reporting on other matters

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

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if there is any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

**CONFIRMATION FROM THE CHIEF EXECUTIVE OFFICER AND
CHAIRPERSON FOR THE YEAR ENDED 31ST DECEMBER 2021.**

We confirm that, in our opinion, the Financial Statements of Beaumont Hospital Board for the year ended 31 December 2021 as set out herein are in agreement with the books of account and have been drawn up in accordance with the Accounting Standards for Voluntary Hospitals drawn up by the Department of Health.

These financial statements on pages 33 to 50 which have been prepared under the statement of accounting policies set out on pages 28 to 32 properly present the state of affairs of the Hospital at 31st December 2021 and its income and expenditure and cash flow for the year then ended.

Signed:


Daryl Barron
Interim Chairperson


Ian Carter
Chief Executive

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

On behalf of Beaumont Hospital I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. Internal control helps us achieve our key priorities and service objectives and encompasses our structure, our roles and responsibilities, our systems, our processes, our tasks, our culture and our use of resources. The system of internal control also includes financial, operational, and compliance controls and risk management systems that support the achievement of the strategic priorities whilst safeguarding the use and deployment of public funds. It also encompasses oversight and control of assets for which Beaumont Hospital is responsible. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies of Practice for the Governance of State Bodies (2016) and our legal, regulatory and governance obligations.

This Statement on Internal Control sets out how these duties and obligations have been carried out in 2021 and the subsequent period to 15th December 2022 and includes an assessment of the internal controls and risk management systems in place within Beaumont Hospital that have sought to ensure these responsibilities have been met.

Assessment of the Review of Effectiveness of the System of Internal Control and compliance with the requirements of the Code of Practice for the Governance of State Bodies

Due to the number of changes to the Board in 2021, the previous Chairperson sought to ensure that there was a comprehensive induction programme for new and existing members and particularly for those who were new to State Boards and/or who had no previous experience of the requirements of the Code of Practice for the Governance of State Bodies.

Arising from the induction programme board members had a better understanding that:

- (i) the review of effectiveness of the systems of internal control extended not just to internal controls over financial reporting activities but to all controls over all activities;
- (ii) the review needed to be supported by a planned programme of testing procedures over all key controls over all Hospital activities;
- (iii) the review needed to be fully evidenced and documented in a Statement of Internal Controls Assertions Report or equivalent summarising the results of all the component elements of the assessment including testing of key controls; outcome of regulatory inspections during the period, reports from Internal and External Audit and representations from members of Management'; and
- (iv) The terms of reference for the Board and the Board Committees needed to be

sufficiently comprehensive and aligned to meeting the reporting obligations of the Statement of Internal Control

The Board formed the view that in years to December 2021 the Board had not fully achieved each of the required elements of an effective review as set out above. Specifically, the review had not extended to all key controls over all activities, the review had not been fully evidenced and documented and the terms of reference for the Board and Board Committees were not properly aligned to meeting the reporting obligations. As a consequence, the Board may not have previously identified all the weaknesses in the systems of internal controls that may have existed and/or may continue to exist.

The Board has commenced a significant exercise to seek to be in a position to meet the full requirements of the Code of Practice for the Governance of State Bodies insofar as concerns the requirements for the review of effectiveness of internal controls. The Board hopes to achieve good progress on this exercise in 2022 but realistically expects that full compliance may not be achievable until December 2023.

The key components of the exercise include:

- (i) Allocating responsibility for risk oversight to three board committees; namely Clinical Governance & Risk Committee, Finance Committee and the Audit & Risk Committee. In summary responsibility for oversight of risks under clinical activities have been assigned to the Clinical Governance & Risk Committee, responsibility for oversight of risks in relation to financial management, procurement and capital expenditure have been allocated to the Finance Committee and responsibility for oversight of all remaining risks have been allocated to the Audit & Risk Committee;
- (ii) Each Board Committee will have oversight responsibility for the update of Corporate Risk Register and the Corporate Risk Appetite Statement for risks relevant to their remit; the systems of internal control related to such risks and the agreed programme of work to review the effectiveness of the key controls over key risks;
- (iii) Each Board Committee will form an assessment of the effectiveness of key controls over key risks under their remit and approve a report prepared by management in relation thereto;
- (iv) The Audit & Risk Committee has been tasked with oversight and approval of a consolidated report to the Board prepared by management encompassing the individual reports approved by each Board Committee as explained in (iii);
- (v) The terms of reference for each Board Committee have been updated to give effect to the revised responsibilities and have been approved by the Board on 28 July 2022;

The Board, in conjunction with management, will make an assessment of the additional resources that will be required to give effect to the plan including professional advice and internal and outsourced resources and skill sets. The Board will seek to put the required resources in place as soon as possible.

Notwithstanding that Beaumont Hospital's and the Board's review of the effectiveness of the systems of internal control for the year ended 31 December 2021 and the period to 15th December 2022 may not have been in full compliance with the requirements of the Code of Practice for the Governance of State Bodies and may not have identified all material weaknesses that may have existed, Beaumont Hospital and the Board are not aware of any matters that have arisen in the period up to 15th December 2022, other than as identified in the Section on Internal Control Issues below, which has given rise to a material financial loss or serious damage to the reputation of Beaumont Hospital.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. Therefore, the system can only provide reasonable and not absolute assurance that services are provided to the appropriate standards, that our values and behaviours align with our mission and mandate, that assets are safeguarded, that transactions are appropriately authorised and properly recorded, and that material errors, mistakes or irregularities are either prevented or detected in a timely way and rectified where necessary.

This statement represents the position for the year ended 31st December 2021 and up to the date of approval of the financial statements, except for the internal controls issues outlined below.

Capacity to Handle Risk

Beaumont Hospital has three Board committees, including a Clinical Governance & Risk Committee, Finance Committee and the Audit & Risk Committee to provide oversight on risk. Each Board sub-committee has detailed terms of reference and work programmes, which were revised in July 2022, and each committee supports the Board in delivering on its governance role. Each committee is actively engaged in considering uncertainties and challenges and how the organisation is mitigating threats and exposures as well as exploiting opportunities that may exist.

Beaumont Hospital has an Internal Auditor whose programme of work is agreed with the Audit & Risk Committee on an annual basis and who operates under an Internal Audit Charter. As part of its review of processes to seek to ensure full compliance with the requirements of the Code of Practice for the Governance of State Bodies, the Board intends to critically assess the resources attributed to the Internal Audit Function. In addition, the Board intends to critically assess the resources attributed to Clinical Audit in its critical role as part of the systems of internal control over clinical activities.

Risk & Control Framework

Beaumont Hospital has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks. As previously reported, the Board has begun the process of re-visiting the adequacy of the processes around risk management and reporting on the effectiveness thereof.

A corporate risk register is in place which sought to identify all the key risks facing Beaumont Hospital and these are evaluated and graded according to their significance. In periods to July 2022, the register was reviewed and updated by the Clinical Governance & Risk Committee on a quarterly basis and as previously reported with effect from July 2022, oversight of the corporate risk register is now being shared between the Clinical Governance & Risk Committee, Finance Committee and the Audit & Risk Committee.

The corporate risk register details the controls and actions needed to mitigate the identified risks and responsibilities for operation of controls assigned to specific staff.

Beaumont Hospital does not have a Risk Appetite Statement and it is the Board's ambition that such a statement will be developed and approved as part of the review to be undertaken.

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

- A dedicated directorate/departmental structure with lead directors as part of overall organisational structure
- A senior leadership sub-group focusing on issues of corporate governance and compliance, including risk and internal control
- Establishing and agreeing terms of reference and reporting obligations for internal executive committees, project teams and working groups with oversight by the Senior Management Team
- A dedicated procurement function within Beaumont Hospital which seeks to ensure best-practice corporate procurement guidelines
- A Code of Business Conduct requiring Board members, management and staff to maintain the highest ethical standards and ensuring compliance with the requirements relating to Declaration of Interests as specified in the Ethics in Public Office Act 1995 and Standards in Public Office Act 2001;
- policies and procedures for the Senior Management Team, management and staff performance management, for professional and technical training and continuing professional development
- financial responsibilities have been assigned at management level with corresponding

accountability;

- there is an appropriate budgeting system with an annual budget which is kept under review by senior management;
- there are measures in place which seek to minimise the threat to the security of the information and communication technology systems, and
- there are systems in place to seek to safeguard the assets.

Ongoing Monitoring & Review

Beaumont Hospital does have processes for the ongoing monitoring and review of the systems of internal control but as previously reported the focus of the review was primarily limited to key controls over financial and administration risks.

The review of the operating effectiveness of internal controls for the year ended 31 December 2021 and the subsequent period to 15th December 2022 covered the following steps:

- (i) Review of the Corporate Risk Register by Board Committees and tabling of the Corporate Risk Register at board meetings
- (ii) Detailed review of Performance Metrics covering the effectiveness of Quality & Safety Controls at all board meetings on a year to date basis
- (iii) Presentations on activities from various Hospital Directorates and Divisions to the Board and Board Committees including, inter alia, matters related to key clinical risks and how they are managed and controlled in the period of the SIC review
- (iv) Review of analysis of major healthcare incidents
- (v) Review of any regulatory inspection reports over clinical activities issued
- (vi) Receipt and review of inspection reports presented by the Head of Internal Audit during the period
- (vii) Attendance at presentation from the external auditors on the findings of the external audit for the year ended 31 December 2020 and the audit plan in respect of the year ended 31 December 2021
- (viii) Receipt and review of management letter on internal control recommendations arising from the audit of the financial statements for the year ended 31 December 2020 from the external auditors issued on 21 October 2022

As previously explained, the Board has commenced an exercise to seek to achieve full compliance with the requirements of the Code to cover internal controls over all activities in 2023.

Internal Control Issues

The purpose of this section is to outline any internal control weaknesses identified in 2021 and up to 15th December 2022 and to summarise the progress being made with control weaknesses identified in previous years. Beaumont Hospital management continue to prioritise these issues and have implemented remediation programmes including the strengthening of controls and oversight.

(i) Payroll Overpayments & Underpayments

(a) Issues arising from non-integration of Payroll and Human Resource IT Systems

The Payroll and Human Resource IT Systems in Beaumont Hospital are not integrated and as a consequence temporary time lags can arise where updates to the Human Resource System to reflect changes in status of employees may not be simultaneously reflected in the Payroll System. As a consequence, these time lags can give rise to either temporary payroll overpayments or temporary payroll underpayments but ordinarily, the under or overpayments are identified once the change in status notification is received and processed by the Payroll Department. Temporary payroll underpayments are generally resolved on a timely basis but as may be expected, some payroll overpayments can take longer to resolve and hence give rise to a receivable balance as at the year end. Beaumont Hospital has a process in place to seek to recover payroll overpayments, but it can be challenging to achieve repayments in particular circumstances. The balance due in respect of payroll overpayments as of 31 December 2021 amounted to €463,794 and details on the movement in the balance during the year are set out in Note 31 to the financial statements.

Beaumont Hospital has commenced the integrated Human Resource /Payroll System that has been chosen by HSE as the National Solution and will align Beaumont Hospital with other public hospitals.

Separately, in 2021 a reconciliation test as of June 2021 performed by Internal Audit on both the Human Resource and Payroll Systems identified a small number of former employees who continued to be in receipt of payroll payments dating back to 2019. The total balance overpaid amounted to €294,472. Ultimately, the proposed integration of both Human Resource and Payroll Systems should prevent a re-occurrence of this circumstance and in the interim Beaumont Hospital has introduced a new control to reconcile joiners and leavers on a monthly basis retrospective to June 2021 being the date of the full reconciliation of both systems by Internal Audit. Beaumont Hospital intends to vigorously pursue the full recovery of these overpayments.

(b) Calculation of Holiday Premium Pay

In November 2022, Head of Internal Audit presented a draft report on preliminary findings arising from an audit of the calculation of Holiday Premium Pay (HPP). On 18 April 2018, the National Director of Human Resources, HSE, issued a clarification memo on the calculation of HPP to apply to all HSE and Section 38 Agencies with an effective date of 1 January 2018 (NDHR Memo 4/18).

NDHR memo 4/18 clarified that in the HPP calculation the amount of annual leave accrued by the employee in the relevant year should be applied in the formula. The preliminary finding of the Internal Audit Inspection, based on a number of test checks, found that for the majority of nursing staff an average holiday entitlement as opposed to the actual holiday entitlement was applied and, for other categories of staff the incorrect holiday entitlements were applied. The application of incorrect holiday leave entitlements has resulted in overpayments and underpayments of HPP.

Management has begun an exercise to revisit the calculations over the five year period to assess the amounts of over and under payments and because of the number of staff impacted this exercise will take some time to complete.

Head of Internal Audit has estimated based on an extrapolation of test results that the amounts of overpayments and underpayments arising from the application of incorrect annual leave entitlements over the five year period may be material. Accordingly, the weakness in internal control giving rise to these overpayments and underpayments is referred to in this Statement on Internal Control but the extrapolation exercise would not form the basis for accounting recognition and Beaumont Hospital will need to complete the check back exercise before it is in a position to confirm the amounts of overpayments and underpayments and to provide a basis for subsequent accounting recognition.

When the management exercise referred to above has been completed a separate assessment will be required in that matter of the impact of any adjustments to pension benefits as HPP forms part of the calculation of pension benefits.

(ii) Procurement

Since 2015, the Beaumont Hospital has been engaged on a project to examine all expenditure above prescribed thresholds and ensure that the relevant goods and services have been procured by way of a competitive tendering process, where required.

In 2021, the total value of non-pay expenditure was €195.2 million. Throughout the year Beaumont Hospital continued to conduct tendering processes to meet compliance requirements, monitored through the Finance Committee's bi-monthly review of progress on the percentage of total expenditure which is compliant and the steps being taken to address non-compliance. The reports on the level of expenditure where the related procures complied with procurement rules showed that compliance levels, remained at 89% by the end of 2021.

The report at the year-end indicated non-compliant procurement of €20.3 million in 2021. This figure includes €2.2 million where the Beaumont Hospital claimed a derogation as it is on particularly advantageous terms as permitted by Article 32(3) of Directive 2014/24/EU.

Procurement resources are focused on preventing new noncompliant contracts from commencing and tendering existing contracts on a phased basis.

Procurement compliance remains a key focus for the Board.

(iii) Risk Management

The Board's assessment of Beaumont Hospital's compliance with the requirements of the Code of Practice for the Governance of State Bodies identified gaps in the risk management system and the absence of clear direction in the allocation of oversight responsibility and reporting responsibilities to Board committees.

The Board has completed a process as of July 2022 to re-visit the terms of reference for each Board committee to address these internal control issues and each committee has now been charged with oversight responsibilities to seek to ensure that gaps in the risk management processes for Beaumont Hospital activities that fall under each committee's remit are effectively addressed. The Board hopes that these revised processes will be in place before end December 2023.

(iv) Information and Communication Technology (ICT)

Beaumont Hospital's principal ICT system is referred to as BHIS and is comprised of three modules: Laboratories (Labs); Patient Administration System (PAS); and Order Comms. BHIS will cease to function after 31 December 2025.

Two of the three modules of BHIS (Labs and PAS) are to be replaced by national systems to be implemented by the HSE, with the third (Order Comms) to be replaced by a new Beaumont Hospital-specific system.

Project dependencies require that the new Beaumont Hospital-specific Order Comms system may be selected and implemented in parallel with the national systems but cannot go live until after Medlis and PAS are delivered.

There have been delays in implementing Medlis, the replacement for Labs. However, the Head of IT has reported that the plans provided by HSE appear to meet Beaumont Hospital's requirements, creating a reasonable expectation that the projects can be delivered in advance of the 'drop dead' date of 31 December 2025, after which the BHIS system will cease to function.

Information as of November 2022 is that Medlis (Labs replacement) will be delivered in May 2024, with the national PAS (Beaumont Hospital PAS replacement) and the Beaumont Hospital Order Comms due to be implemented in parallel thereafter and delivered an estimated 16 months after Medlis, in September 2025.

The Board and Beaumont Hospital remain concerned with the delays in implementing the HSE national systems, given the very tight timelines faced

by Beaumont Hospital in ensuring a full suite of replacement modules is in place by 31 December 2025. Any further delay to the scheduled go live date of September 2023 for the Labs replacement is likely to have serious consequences for Beaumont Hospital.

(v) HSE Cyber Attack and threat to Beaumont Hospital ICT Systems

On 14 May 2021, the Health Service Executive (HSE) announced that it had been the subject of a very significant ransomware cyber-attack which was impacting all of its systems involved in the provision of its core services. The HSE reported that some of its servers and workstations had been encrypted with Conti ransomware and that staff were unable to access impacted patient data. In addition, it became aware that other health bodies, including hospitals, were also reporting that their information technology systems had been externally encrypted and that the Department of Health had reported suspicious activity on its systems. It is now reported that the initial infection of the HSE network occurred on 18 March 2021. Beaumont Hospital was one of the hospitals impacted by the cyber-attack.

By way of background, Beaumont Hospital operates under a service level agreement with the HSE and under that agreement staff at Beaumont Hospital are required to access applications on the National Health Network (NHN) hosted by HSE. Beaumont Hospital also operates its own network in support of the IT systems operated by Beaumont Hospital. In periods to May 2021, in common with other approved users, staff at Beaumont Hospital accessed the NHN through an active domain trust. In this type of trust network, users inputted their username and password on their own network and were able to access information and services on the NHN without being asked for additional authentication. This active domain trust provided the gateway for parties who perpetrated the cyber-attack on the HSE network that commenced on 18 March 2021 to seek to perpetrate cyber-attacks on external users of the NHN.

Separately, Beaumont Hospital hosted a national system for Epilepsy on its own network for use by staff at Beaumont Hospital and other nominated hospitals (National Epilepsy System). In periods to May 2021, access by any user of the National Epilepsy System was via the Hospital's VMware Horizon - Unified Access Gateway and no trusted network access was in place for staff at other hospitals.

On 12 May 2021, Beaumont Hospital identified malicious activity on its network, reported that activity to the HSE and took steps to proactively prevent an attack on its network by blocking access to its systems. This occurred prior to the deployment of the ransomware on the HSE network. To the best of its knowledge and belief, the management team at Beaumont Hospital understands that it was successful in preventing an attack on its own network.

The cyber-attack on the HSE did have an impact on healthcare activities at Beaumont Hospital as a consequence of the temporary suspension of access to NHN. In overall terms, management and the HSE have concluded that the level of impact of the cyber-attack on Beaumont Hospital was “Moderate”.

Following the cyber-attack, HSE engaged a number of third-party service providers, including Mandiant, to advise, inter alia, on immediate actions necessary to mitigate the risks associated with external access to NHN and engaged PwC to undertake a post incident review.

Following advice from Mandiant, HSE outlined fourteen action points for all external users of NHN. Beaumont Hospital has executed thirteen of the fourteen action points as of the date of this report and expects to close out on the final action point before the end of 2021.

HSE published the PwC post incident report on 11 December 2021.

<https://www.hse.ie/eng/services/news/media/pressrel/hse-publishes-independent-report-on-conti-cyber-attack.html>

In Annex 12A to the report, PwC has outlined eight recommendations for all public sector organisations to consider based on the lessons learned from the HSE cyber-attack. The Board and management have tabled these recommendations for consideration in assessing the hospital’s ongoing preparedness for any possible future cyber-attacks.

Beaumont Hospital has estimated that as a result of the cyber-attack, it incurred additional costs of €512,000 of which it is anticipated that approximately €233,000 will be recurring annual costs.

As of 14 May 2021, the trusted network access facility to NHN has been terminated and external users now have to provide additional authentication to access NHN after they have logged onto their own network.

In the period since May 2021 the security processes for access by users to the National Epilepsy System hosted on Beaumont Hospital’s own network have been augmented by the addition of Multi Factor Authentication procedures for all users. Beaumont Hospital has not been advised of any exfiltration of data on the National Epilepsy System in the periods to May 2021.

Beaumont Hospital understands that HSE has incurred significant legal costs since the cyber-attack including the securing of a High Court Order to prevent, inter alia, the sharing of any data exfiltrated by the cyber-attack. HSE has yet to inform patients, clients, and staff whose personal information was stolen as part of the cyber-attack and Beaumont Hospital understands that this communication exercise is expected to commence in the coming months. It is possible that the communication exercise may lead to legal actions against the

HSE and any other parties who may be associated with the stolen data. Beaumont Hospital has been given no indication to date that any data in respect of its patients, clients and staff was stolen as a consequence of the cyber-attack on the HSE or at the time of the attempted cyber-attack on Beaumont Hospital.

(vi) COVID-19

The onset of the COVID-19 pandemic from March 2020 has had both a financial and operational impact on the Beaumont Hospital. The HCAI Committee assumed oversight and management of infection prevention and control measures during the pandemic. The Committee met daily initially and then moved out to weekly. The impact on Beaumont Hospital running costs was also notable with increases seen in respect to both pay and non-pay costs in particular PPE, agency and overtime costs. Another impact noted was in relation to procurement compliance. However, it should be noted that any deviation from procurement requirements were supported by an activation of Article 32 of the EU regulations and the suspension by the Government of procurement rules.

Key controls over Beaumont Hospital's activities and processes remained substantially the same as they were pre pandemic with increased communication levels, collaboration and supervision to adapt to the challenge of remote working. Insofar as Beaumont Hospital is aware the increase in the number of employees who work remotely has to date not led to any known challenges to the operation of Beaumont Hospital's own internal controls systems including the work of Internal Audit.

However, Beaumont Hospital is aware that the nature and timing of the work of independent regulators including HIQA has been impacted and as a consequence the level of independent evidence of the satisfactory operation of key controls has been impacted.

(vii) Allowances

A review in 2014 by internal and external audit of allowances paid by Beaumont Hospital identified a high level of compliance but also noted a number of instances where allowances were deemed unapproved by the HSE.

As of 31 December 2021 fifteen allowances totalling €103,641 relate to staff that have contractual entitlements to the allowance. A further four on call and standby allowances relate to Transplant Co-ordinators, Pharmacists, Technical Services staff and a St Joseph's staff member. All were notified to the HSE in 2013 and a business case was submitted. Beaumont Hospital is still waiting for a response from HSE on these allowances and they continue to be paid.

Full details of all previous allowances have been disclosed as part of the 2014

Section 38 Compliance Statement to the HSE and no new allowances or non-conformance arrangements were entered into in 2021.

(viii) Prompt Payment of Accounts

The Board is aware of the legislation which came into effect in March 2013 providing for the payment of interest and compensation to suppliers in respect of late payment of invoices. Heretofore, the Board has not paid late interest or compensation, opting instead to negotiate extended payment terms with suppliers. The 2021 financial statements contain a provision of €1.295m for interest and compensation.

Review of Effectiveness

For 2021 and the period through to 15th December 2022, Beaumont Hospital's monitoring and review of the effectiveness of the system of internal control has been focused primarily on financial and administration controls by reference to review of reports from internal and external audit and regulatory agencies.

As acknowledged, the Board has made an assessment that not all of the assurance reports and assertions and the consolidation thereof for the benefit of the Board in order to comply with the requirements of the Code of Practice for the Governance of State Bodies was available for the purposes of the review of effectiveness.

The Board has commenced a process to seek to ensure full compliance with the requirements of the Code of Practice for the Governance of State Bodies and will seek to be in a position to report full compliance in respect of the year ended 31 December 2023.

Signed:  Date: 15/12/2022

Daryl Barron
Interim Chairperson

STATEMENT OF ACCOUNTING POLICIES

1. Basis of Accounting

- (i) The financial statements are prepared and presented in accordance with applicable legislation and Accounting Standards for Voluntary Hospitals issued by the Department of Health to be effective for accounting periods commencing on or after 1 January 1999 (Accounting Standards for Voluntary Hospitals) and otherwise in accordance with generally accepted accounting practices. Where relevant, in the application of generally accepted accounting practices, Beaumont Hospital has applied Financial Reporting Standard 102 issued by the Financial Reporting Council for the UK and Ireland (FRS 102). All accounting policies are derived from the Accounting Standards for Voluntary Hospitals unless otherwise stated and, where relevant, instances where the Accounting Standards for Voluntary Hospitals are not consistent with the requirements of FRS 102 are identified. Any identified departures from FRS 102 have been agreed with the Department of Health and/or the Health Service Executive.

The formats and presentation of the Non Capital and Capital Income & Expenditure Accounts, Balance Sheet and Cash Flow Statement under Accounting Standards for Voluntary Hospitals and related notes are not consistent with the requirements of FRS 102.

- (ii) These financial statements are prepared on a going concern basis and on an accruals basis under the historical cost convention, as modified for the valuation of certain fixed assets and the recognition of certain classes of income and expenditure on a receipts and payments basis as identified hereunder.
- (iii) EU Funds, Road Traffic Accident Income, Out-Patients Charges and minor miscellaneous incomes are recognised on a receipts and payments basis. Under FRS 102 such incomes would be recognised on an accruals basis.
- (iv) Grants from the Health Service Executive (*HSE*) are the amounts for the year allocated by the Executive up to the date of approval of these financial statements by the Chief Executive Officer and Chairperson.
- (v) Income for long stay beds under the HSE Fair Deal scheme is recognised by reference to the agreed fee for each fair deal patient as the service is provided to the patients.

2. Fixed Assets

- (i) All fixed assets acquisitions, regardless of the source of funds, (except for general equipment costing less than €3,810 per item and IT equipment costing less than

€1,270 per item purchased from non-capital funds) are capitalised in accordance with the Accounting Standards laid down by the Department of Health. Assets funded by the Department of Health or the Health Service Executive may not be disposed of without the consent of the Minister for Health. The acquisition of certain fixed assets has been accounted for on the basis of their substance rather than the legal form of the transaction.

(ii) The basis of valuation of the Hospital's fixed assets is as follows:

Land:	Land is stated at the attributed amount at which it was originally transferred from the Department of Health.
Buildings:	Valuation or cost, less accumulated depreciation.
Equipment:	Cost, less accumulated depreciation.

Fixed Assets of St. Joseph's Hospital, transferred from the HSE have been included in these financial statements at original cost less accumulated depreciation at 31st December 2004.

Under FRS 102, if assets of a certain class (eg. buildings) are stated at valuation then all assets under that class should be stated at valuation.

3. Depreciation

Fixed assets are depreciated in compliance with Department of Health Accounting Standards. The depreciation, which is matched by an equivalent amortisation of the capitalisation account, is not charged against the income and expenditure account.

Depreciation is calculated at the following rates: -

(a) Land:	No depreciation.
(b) Buildings:	2.5% reducing balance.
(c) Equipment:	Straight line over the expected useful life. (IT equipment 20%, all other equipment 12.5%)

Under FRS 102, depreciation should be charged to the Income & Expenditure Account.

4. Stocks of Consumable Stores

Stocks are stated on the basis of cost with appropriate write-offs for stock which is damaged or obsolete.

5. Bad and Doubtful Debts

As directed by the HSE, the Hospital makes a full provision for all debts outstanding for more than twelve months.

6. Superannuation

- (i) The superannuation amounts shown are in respect of entitlements under the superannuation code and reflect employee deductions for the year ended 31st December 2021.
- (ii) No provision has been made in respect of benefits payable under the Local Government/Voluntary Hospitals Superannuation Scheme as the liability is underwritten by the Minister for Health. Contributions from employees who are members of the scheme are credited to the Income and Expenditure Account when received. Pension payments under the scheme are charged to the Income & Expenditure Account when paid.
- (iii) The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 introduced the new Single Public Service Pension Scheme ("Single Scheme"). This commenced with effect from 1st January 2013. All new entrants to pensionable public service employment on or after 1st January 2013 are, in general, members of the Single Scheme. Members contributions are paid over to the Department of Public Expenditure and Reform. (DEPR)
- (iv) In the event, that FRS 102 was applicable, then it is probable that the Hospital would avail of the exemption in FRS 102 28.11. To recognise the defined benefit obligations on a defined contribution basis as a state plan equivalent to a multi-employer plan where insufficient information, is available to properly estimate the obligation in respect of service years provided to the Hospital given that many employees in voluntary hospitals build up service year entitlements in different voluntary hospitals throughout their careers. The payment obligations to the employee, from The Exchequer is ultimately serviced by the employee's Hospital at the time of their retirement with funds provided by HSE/The Exchequer.

7. Patients' Property

- (i) Monies received by the Hospital for safekeeping from or on behalf of patients are kept in a designated Bank Account separate and apart from the Hospital's accounts. This Account is called the Patients' Safekeeping Account.
- (ii) Such monies are not the property of the Hospital and are administered by the Hospital on behalf of the patients.

- (iii) The Hospital incurs some administration costs in connection with these accounts which it does not recoup from patients.

8. Capitalisation Account

The Capital Account represents the unamortised value of funds provided for fixed assets.

Under FRS 102, depreciation would be charged to the Income & Expenditure Account and any transfers to the Capital Account would be by way of a transfer between reserves after arriving at the deficit or surplus for the year in the Income & Expenditure Account.

9. Legal Claims managed by the State Claims Agency

Certain legal claims made against the Hospital are managed and controlled by the State Claims Agency without recourse to the Hospital. As the budget for any such claims is held by the State Claims Agency and the Hospital is not funded to meet the costs of such claims the associated liability is not recognised in the financial statements.

Details on the provision for legal claims made against the Hospital managed by the State Claims Agency are set out in Note 29.

Under FRS 102, full provision would be made in the financial statements for the estimated costs of such claims as of the balance sheet together with an estimate of the amounts recoverable from the Exchequer in respect of the provision.

10. Leases

Rentals payable under operating leases are dealt with in the financial statements as they fall due. The Hospital is not permitted to enter into finance lease obligations under the Department of Public Expenditure and Reform Public Financial Procedures, without Board approval and prior sanction (FRS102).

11. Foreign Currencies

Transactions denominated in foreign currencies are translated into euro at the rates of exchange prevailing at the accounting date and are included in the income and expenditure account for the year. Any difference arising on translation between transaction dates and payment dates is charged to the Non Capital Income and Expenditure Account.

12. Taxation

The Hospital (CHY7385) is exempt from the following taxes:

- Section 207 and 208, Taxes Consolidation Act 1997 (Income Tax);
- Section 609, Taxes Consolidation Act 1997 (Capital Gains Tax);
- Section 266, Taxes Consolidation Act 1997 (Deposit Interest Retention Tax);
- Sections 76 and 78, Taxes Consolidation Act 1997 (Corporation Tax);
- Sections 17, 22 and 76 of the Capital Acquisitions Taxes Consolidations Act 2003 (Capital Acquisitions Tax);
- Section 82, Stamp Duty Consolidation Act 1999 (Stamp Duty); and
- Chapter 8A, Part 6, Taxes Consolidation Act 1997 (Dividend Withholding Tax).

These exemptions extend to the income and property of the Hospital.

Beaumont Hospital

**NON-CAPITAL INCOME &
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED
31st December 2021**

Form 1

Note

CUMULATIVE NON-CAPITAL DEFICIT / (SURPLUS) BROUGHT FORWARD FROM PREVIOUS YEAR

PAY

Salaries
Superannuation and Gratuities

NON-PAY

Direct Patient Care
Support Services
Financial and Administrative

GROSS EXPENDITURE FOR THE YEAR

Includes deficit / (surplus) brought forward from previous year

INCOME

Taxation

NET EXPENDITURE FOR THE YEAR

DETERMINATION - Notified for the year from HSE

Fair Deal Funding

DEFICIT FOR THE YEAR C/F TO FOLLOWING YEAR

	2021 €000	2020 €000
CUMULATIVE NON-CAPITAL DEFICIT / (SURPLUS) BROUGHT FORWARD FROM PREVIOUS YEAR	24,076	24,302
<u>PAY</u>		
Salaries	311,170	296,109
Superannuation and Gratuities	26,451	23,200
	337,621	319,309
<u>NON-PAY</u>		
Direct Patient Care	104,725	97,164
Support Services	51,668	44,219
Financial and Administrative	29,013	19,882
	185,406	161,265
GROSS EXPENDITURE FOR THE YEAR	547,103	504,876

<u>INCOME</u>	91,060	77,473
Taxation	-	-
NET EXPENDITURE FOR THE YEAR	456,043	427,403

DETERMINATION - Notified for the year from HSE	425,599	398,302
Fair Deal Funding	4,745	5,025
DEFICIT FOR THE YEAR C/F TO FOLLOWING YEAR	25,699	24,076

With the exception of fixed asset depreciation which is dealt with through the Capitalisation Account, all recognised gains and losses for the year ended 31st December 2021 have been included in the Income and Expenditure Account. The net deficit in both years arises from continuing operations.

The financial statements, which include the accounting policies and notes, which were drawn up in compliance with the accounting standards laid down by the Minister for Health, were approved by the Board on:

On behalf of the Board

Signed: _____

Ian Carter
Chief Executive

Dated 15/12/22

Signed: _____

Daryl Barron
Interim Chairperson

Dated 15/12/2022

Beaumont Hospital

**CAPITAL INCOME &
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED
31st DECEMBER 2021**

Form 2

Note

	2021 €'000	2020 €'000
Health Service Executive - Capital Grant	15,944	18,445
TOTAL CAPITAL INCOME	15,944	18,445

CAPITAL INCOME SOURCES

Health Service Executive - Capital Grant

TOTAL CAPITAL INCOME

CAPITAL EXPENDITURE

Land
Buildings
Work-in-Progress
Equipment
Equipment - HSE Capital Equipment Transferred
Vehicles
Other - Donated Buildings

Land	-	-
Buildings	5,657	7,119
Work-in-Progress	1,868	-
Equipment	6,312	4,476
Equipment - HSE Capital Equipment Transferred	906	3,818
Vehicles	-	-
Other - Donated Buildings	-	-
Capital Expenditure - Capitalised	14,743	15,413
Capital Expenditure - Not Capitalised	-	-
TOTAL CAPITAL EXPENDITURE	14,743	15,413

Capital Expenditure - Capitalised
Capital Expenditure - Not Capitalised

TOTAL CAPITAL EXPENDITURE

OPENING SURPLUS FROM PREVIOUS YEAR

(5,590)	(2,558)
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CLOSING SURPLUS C/F TO FOLLOWING YEAR

(6,791)	(5,590)
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With the exception of fixed asset depreciation which is dealt with through the Capitalisation Account, all recognised gains and losses for the year ended 31st December 2021 have been included in the Income and Expenditure Account.
The net surplus in both years arises from continuing operations.

The financial statements, which include the accounting policies and notes, which were drawn up in compliance with the accounting standards laid down by the Minister for Health, were approved by the Board on:

On behalf of the Board:

Signed: 

Ian Carter
Chief Executive

Dated 15/12/22

Signed: 

Daryl Barron
Interim Chairperson

Dated 15/12/2022

Beaumont Hospital

**BALANCE SHEET AS AT
31st DECEMBER 2021**

Form 3	Note	2021 €'000	2020 €'000
<u>FIXED ASSETS</u>			
Tangible Assets	13	153,085	145,198
Financial Assets		-	-
		153,085	145,198
<u>CURRENT ASSETS</u>			
Debtors	14	60,689	43,950
Stocks	15	9,793	9,403
Investments		-	-
Cash in Hand and Bank Balances		643	508
		71,125	53,861
<u>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
Creditors	16	73,863	58,814
Bank loans and overdraft - note on security		16,170	13,533
Obligations under Finance Leases		-	-
Taxation		-	-
NET CURRENT ASSETS / (LIABILITIES)		(18,908)	(18,486)
TOTAL ASSETS LESS CURRENT LIABILITIES		134,177	126,712
<u>CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>			
Financing Obligations	17	-	-
Deferred Creditors		-	-
		-	-
TOTAL ASSETS LESS CREDITORS		134,177	126,712
<u>CAPITAL AND RESERVES</u>			
Non-Capital Income & Expenditure Account (Deficit) / Surplus		(25,699)	(24,076)
Capital Income & Expenditure Account (Deficit) / Surplus		6,791	5,590
Capitalisation Account	18	153,085	145,198
		134,177	126,712

The financial statements, which include the accounting policies and notes, which were drawn up in compliance with the accounting standards laid down by the Minister for Health, were approved by the Board on:

On behalf of the Board

Signed:  _____

Ian Carter
Chief Executive

Dated 15/12/22

Signed:  _____

Daryl Barron
Interim Chairperson

Dated 15/12/2022

Beaumont Hospital

**CASH FLOW STATEMENT
FOR THE YEAR ENDED
31st DECEMBER 2021**

Form 4	Note	2021 €'000	2020 €'000
Net Cash Inflow / (Outflow) From Operating Activities	19	(1,225)	8,558
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>			
Interest Paid on Loans		-	-
Interest Paid re finance leases		-	-
Equity Dividends Received		-	-
Interest Received		-	-
Net Cash Inflow / (Outflow) From Servicing of Finance		-	-
<u>CAPITAL EXPENDITURE</u>			
Expenditure from HSE - (Ref. Capital I&E A/C)		(14,743)	(15,413)
Expenditure from other sources		-	-
Add back unpaid Capital Expenditure		(1,521)	774
Add back movements in finance lease obligations		-	-
Capital Expenditure - Not Capitalised/Concourse & Leases Adjustment		(16,264)	(14,639)
Payments, from non-capital, re acquisition of fixed assets (net of trade-ins)		(1,982)	(2,066)
Receipts on sale of fixed assets (excluding trade-ins)		-	-
Net Cash Inflow / (Outflow) From Capital Expenditure		(18,246)	(16,705)
Net Cash Inflow / (Outflow) Before Financing		(19,471)	(8,147)
<u>FINANCING</u>			
HSE Capital grant received		16,969	18,505
Receipts from other sources - acquisition of fixed assets		-	-
		16,969	18,505
Increase in investments		-	-
Capital element of finance lease rental repayments		-	-
Cash Inflow / (Outflow) from movement in Debt and Lease Financing		-	-
Net Cash Inflow / (Outflow) From Financing		16,969	18,505
Net Cash Flow		(2,502)	10,358
Increase / (Decrease) in Cash in hand and bank balances	20	135	(241)
(Increase) / Decrease in Bank Loans < 1 Year and Overdraft	20	(2,637)	10,599
(Increase) / Decrease in Bank Loans > 1 Year	20	-	-
Changes in Net Debt		(2,502)	10,358

Beaumont Hospital

NON-CAPITAL INCOME AND EXPENDITURE - DETAILS

Note 1

Note

	2021 €'000	2020 €'000
PAY		
Management / Administration	38,657	36,519
Medical / Dental I (NCHDs)	44,997	41,663
Medical / Dental II (Consultants)	51,168	50,772
Nursing	116,015	108,605
Paramedical	38,839	37,572
Catering & Housekeeping / Support Services / Porters	17,560	17,450
Maintenance / Technical	3,934	3,528
	311,170	296,109
Pensions & Refunds	18,176	17,323
Gratuities / Lump Sums	8,275	5,877
Others	-	-
	26,451	23,200
	337,621	319,309

8

Pensions & Refunds
Gratuities / Lump Sums
Others

The increase in pay in 2021 is due to a number of factors including consultants settlements, national pay awards and increased PRSI rates.

NON-PAY

DIRECT PATIENT CARE

Drugs & Medicines		46,007	43,084
Blood / Blood products		3,882	3,740
Medical Gases		432	397
Medical & Surgical Supplies		47,013	42,941
Medical Equipment Capitalised	12	1,386	1,251
Medical Equipment Supplies		6,005	5,751
		104,725	97,164

SUPPORT SERVICES

X-Ray / Imaging Equipment Capitalised	12	-	-
X-Ray / Imaging Supplies		7,631	7,512
Laboratory Equipment Capitalised	12	320	192
Laboratory Supplies		13,710	12,160
Catering Equipment Capitalised		-	-
Catering Provisions		3,443	3,040
Heat, Power & Light		5,523	2,390
Laundry, Cleaning & Washing Equipment Capitalised		-	-
Laundry, Cleaning & Washing Supplies		7,659	7,231
Furniture, Crockery & Hardware Equipment Capitalised	12	150	65
Furniture, Crockery & Hardware Supplies		340	339
Bedding & Clothing		710	1,055
Maintenance Equipment Capitalised		92	525
Maintenance Materials Supplies		9,268	7,484
Grounds Maintenance		12	5
Travel & Subsistence		539	478
Transport of Patients		2,271	1,743
Vehicles Purchased Capitalised		-	-
Vehicles Supplies		-	-
		51,668	44,219

Beaumont Hospital

Note 1 (continued)

FINANCIAL AND ADMINISTRATIVE

LOAN REPAYMENT PRINCIPAL

BANK INTEREST

Sinking Fund Interest		-	-
Non-Capital Loan		-	-
Capital Loan		-	-
Finance Lease Repayments - Interest Element		-	-
Bank Charges		148	62
Overdraft Interest		37	15

OTHER

Insurance - Medical Defence	2	-	-
Insurance - Other	2	495	498
Audit		72	72
Legal		406	97
Office Expenses (Rent & Rates, Postage & Telephone, etc.)		4,480	4,239
Office Equipment		-	-
Office Equipment / Contracts On		100	80
Computer Equipment	12	34	33
Computer Supplies / Contracts On		3,145	2,661
Professional Services		532	506
Bad Debts written off		2,284	1,034
Adjustment to Doubtful Debts Provision		1,512	1,914
Miscellaneous Non-Capital Expenditure on Capital Projects	3	-	-
Miscellaneous Expenses	4	8,411	5,917
Expenditure from Research Funds	23	7,357	2,754

TOTAL NON-PAY

TOTAL GROSS EXPENDITURE

INCOME

PATIENT INCOME

In-Patient	5	30,520	28,784
Out-Patient	5	657	585
		31,177	29,369

OTHER INCOME

Superannuation		6,722	7,145
Other Payroll Deductions		1,739	1,503
RTA Receipts	10	657	753
Income from External Agencies	6	1,569	1,945
Canteen Receipts		1,093	954
Other Income (Non-Capital)	7	48,103	35,804
		91,060	77,473

TOTAL INCOME

Superannuation deductions from Single Public Sector Scheme members are not retained by the Hospital but remitted to the Department of Public Expenditure and Reform as required under the legislation. The amount deducted and remitted to DEPR in 2021 was €4.962 million

NET EXPENDITURE

Note

	2021 €'000	2020 €'000
TOTAL NON-PAY	185,406	161,265
TOTAL GROSS EXPENDITURE	523,027	480,574
INCOME		
PATIENT INCOME		
In-Patient	30,520	28,784
Out-Patient	657	585
	31,177	29,369
OTHER INCOME		
Superannuation	6,722	7,145
Other Payroll Deductions	1,739	1,503
RTA Receipts	657	753
Income from External Agencies	1,569	1,945
Canteen Receipts	1,093	954
Other Income (Non-Capital)	48,103	35,804
	91,060	77,473
NET EXPENDITURE	431,967	403,101

Beaumont Hospital

INSURANCE

Note 2

MEDICAL DEFENCE

(a) Consultants

(b) NCHDs

OTHER

Public Liability (Combined Liability)

Property

Other

Note

	2021 €000	2020 €000
	-	-
	-	-
	-	-
	95	78
	243	257
	157	163
	495	498

MISCELLANEOUS NON-CAPITAL EXPENDITURE ON

CAPITAL PROJECTS

Note 3

Land

Buildings

Work-in-Progress

Equipment

Vehicles

Other

	2021 €000	2020 €000
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

MISCELLANEOUS EXPENSES

Note 4

Security

Publications etc.

Membership / Subscriptions etc.

Interest on Late Payments

Education / Training

Shop / Restaurant Purchases

Other

	2021 €000	2020 €000
	450	588
	-	-
	381	317
	-	-
	791	483
	-	436
	6,789	4,093
	8,411	5,917

Beaumont Hospital

ANALYSIS OF PATIENT INCOME

Note 5

Note

IN-PATIENTS

Statutory In-Patient Charges
Private / Semi Private Charges
Long Stay Charges
Other In-Patient Charges

OUT-PATIENTS

Statutory Accident & Emergency Charges
Other Out-Patient Charges

TOTAL PATIENT INCOME

INCOME FROM EXTERNAL AGENCIES

Note 6

Laboratory
Pathology
Radiology
Commissioning Services
Other

OTHER INCOME (NON-CAPITAL)

Note 7

Shop Concession Fee
Car Parking
Public Telephones
Pharmacy / Stores Sales - Staff and Patients
Recoverable Costs *
Rents / Licences / Franchises, etc.
NTPF
Sundries
Income from Research Funds

23

	2021 €'000	2020 €'000
	1,979	1,779
	26,378	25,114
	1,842	1,522
	321	369
	30,520	28,784
	591	596
	66	(11)
	657	585
	31,177	29,369

	2021 €'000	2020 €'000
	1,569	1,945
	-	-
	-	-
	-	-
	-	-
	1,569	1,945

	2021 €'000	2020 €'000
	116	731
	717	1,359
	9	9
	41	19
	30,877	25,846
	346	346
	7,784	4,390
	856	350
	7,357	2,754
	48,103	35,804

* The Recoverable Costs comprise 24% Recoverable Salaries, 53% PCRS Drugs Recoup, 21% OPD Drugs Recoup and 2% Other.

Beaumont Hospital

SUMMARY PAY ANALYSIS (Memorandum Only)

Note 8

(a) Remuneration Costs

Basic Pay	
Overtime	
Premium Pay	
Shift Allowance	
Holiday / Public Holiday Premiums	
Higher Degree	
Special Nursing	
On Call / Standby	
PRSI Employer	
Travel Allowance	
Other	

Note

	2021 €'000	2020 €'000
	239,529	231,206
	20,177	16,946
	10,808	10,358
		-
	2,345	2,011
	1,137	1,122
	2,375	1,757
	5,694	5,284
	27,881	26,311
	539	548
	685	566
	311,170	296,109

RECONCILIATION OF EXPENDITURE TO COST OF SERVICES

(Memorandum Only)

Note 9

Net Expenditure - Current Year

Deduct

Purchase of Equipment and Vehicles from Non-Capital	12
Funding of Capital Projects and Balances from Non-Capital	3
Loan repayments - Principal Only	1

Total Deductions

Sub-Total

Add Back

Depreciation Charge For The Year

Running Cost of Service

Form 1

12

3

1

13

	2021 €'000	2020 €'000
	431,967	403,101
	1,982	2,066
	-	-
	-	-
	1,982	2,066
	429,985	401,035
	8,838	8,201
	438,823	409,236

ROAD TRAFFIC ACCIDENT MEMORANDUM ACCOUNT

Note 10

Balance at 1st January	
Bills Issued in Respect of the Year	
Less cash received during the year	
Less waivers and other write-offs	

Balance at 31st December

	2021 €'000	2020 €'000
	4,786	5,034
	1,223	1,365
	(657)	(753)
	(435)	(860)
	4,917	4,786

Beaumont Hospital

STATEMENT OF ADVANCES & BALANCES DUE FROM HSE NON-CAPITAL & CAPITAL

Note 11

NON-CAPITAL

Total notified non-capital determination for the year
Less: Remittances from HSE Non-Capital in the year
Balance due from HSE in respect of the year

Note

	2021 €'000	2020 €'000
	425,599	398,302
	386,507	371,582
	39,092	26,720
	26,720	23,148
	26,720	23,148
	-	-

Balance due from HSE re previous year(s) as at 1st January
Less: Remittances from HSE in year re previous year(s)
Balance due from HSE re previous year(s) as at 31st December

14

Money Follows the Patient Invoices to HSE
Remittance from HSE
Balance Due

14

	4,745	5,025
	4,310	4,637
	435	388

TOTAL BALANCE OF APPROVED NON-CAPITAL DETERMINATIONS DUE FROM HSE

	39,527	27,108
--	--------	--------

CAPITAL

Total Capital Grants notified by HSE for the year
Less: Remittances from HSE Capital in the year
Balance due from HSE in respect of the year

	15,944	18,445
	15,080	16,556
	864	1,889

Balance due from HSE re previous year(s) as at 1st January
Less: Remittances from HSE in year re previous year(s)
Less: Non Recoverable Equipment Written Off
Balance due from HSE re previous year(s) as at 31st December

	2,085	2,145
	1,889	1,949
	-	-
	196	196

TOTAL BALANCE OF CAPITAL GRANTS DUE FROM HSE

	1,060	2,085
--	-------	-------

GROSS TOTAL DUE FROM HSE CAPITAL AND NON-CAPITAL

14

	40,587	29,193
--	--------	--------

PURCHASE OF FIXED ASSETS FROM NON-CAPITAL ACCOUNT (Capitalised)

Note 12

Other Medical Equipment
X-Ray / Imaging Equipment
Laboratory Equipment/Fixtures & Fittings
Catering Equipment
Office Equipment
Building Additions
Farm & Garden Equipment
Computer Equipment

	2021 €'000	2020 €'000
	1,386	1,251
	-	-
	320	192
	150	65
	-	-
	92	525
	-	-
	34	33
	1,982	2,066
	-	-
	1,982	2,066

Vehicles Purchased

Beaumont Hospital

Note 13

COST OR VALUATION approximating to cost at 01/01/2021

Transfers from Work-in-Progress
Sub-Total

Additions From Capital

Additions - HSE Capital Equipment Transferred

Additions From Non-Capital

Disposals during the year at Gross Book Value

Revaluations

COST / VALUATION at 31/12/2021

ACCUMULATED DEPRECIATION at 01/01/2021

Depreciation charge for year

Disposals - Accumulated Depreciation

ACCUMULATED DEPRECIATION at 31/12/2021

NET BOOK AMOUNT at 31/12/2021

NET BOOK AMOUNT at 31/12/2020

Land	Buildings	Work in Progress	Equipment	Vehicles	Other	Total
€'000	€'000	€'000	€'000	€'000	€'000	€'000
215	198,824	105	87,647	45	-	286,836
215	198,824	105	87,647	45	-	286,836
-	5,657	1,868	6,312	-	-	13,837
-	-	-	906	-	-	906
-	92	-	1,890	-	-	1,982
-	-	-	(94)	-	-	(94)
-	-	-	-	-	-	-
215	204,573	1,973	96,661	45	-	303,467
-	71,313	-	70,280	45	-	141,638
-	3,331	-	5,507	-	-	8,838
-	-	-	(94)	-	-	(94)
-	74,644	-	75,693	45	-	150,382
215	129,929	1,973	20,968	-	-	153,085
215	127,511	105	17,367	-	-	145,198

Note

Note 13(a)

In accordance with the Accounting Standards for Voluntary Hospitals 1999, a sum of €1,868m was transferred to Work in Progress in respect of capital projects which were incomplete at 31st December 2021.

Beaumont Hospital

DEBTORS

Note 14

HSE - Revenue Grants Due
HSE - Capital Grants Due
HSE - Fair Deal Due
HSE Debtors

Note

11
11
11

	2021 €000	2020 €000
	39,092	26,720
	1,060	2,085
	435	388
	40,587	29,193
Patients (Closing Ledger Balance)	33,190	26,454
less: Provision for bad and doubtful debts	(16,194)	(14,682)
787S Debtors (Chargeable Excess)	3,441	1,608
less: Provision for Chargeable Excess	(3,441)	(1,608)
Other	459	465
Prepayments	2,647	2,520
Non-HSE Debtors	20,102	14,757

60,689 43,950

STOCKS

Note 15

Drugs & Medicines
Blood and Blood Products
Medical Gases
Medical and Surgical Supplies
Sterile Supplies
Pathology Supplies
X-Ray / Imaging
Provisions
Laundry / Cleaning
Bedding / Clothing
Furniture / Crockery
Heat / Power / Light Supplies
Maintenance Supplies
Office Supplies
Computer Supplies
Shop

	2021 €000	2020 €000
	2,111	1,994
	42	38
	-	-
	5,410	5,267
	66	62
	804	760
	802	757
	49	47
	39	37
	10	8
	-	-
	15	14
	280	264
	145	136
	20	19
	-	-
	9,793	9,403

In compliance with the accounting standards for voluntary hospitals Beaumont value stock at cost less write off for stock that is damaged or obsolete. This policy differs from FRS 102 which requires stock to be valued at the lower of cost or net realisable value. The Covid-19 emergency led to abnormally high market prices for PPE in the early months of the pandemic. As supply increased unit price fell. At year end the hospital had in stock approximately 50 thousand gowns which cost €21.5k and approximately 250 thousand gloves which cost €27.7k. The year end prices for these 2 items of PPE was 100% of the price paid. Accordingly, were FRS 102 accounting rules to be applied, the value of stock above would be written down by €NIL.

CREDITORS

Note 16

Creditors - Capital
Creditors - Non-Capital
PAYE and PRSI
Wages and Salaries
Other
Research Funds
Non Research Funds

23
23

	2021 €000	2020 €000
	1,186	2,707
	50,906	34,278
	9,407	8,760
	5,656	5,546
	1,062	1,033
	5,080	5,687
	566	803
	73,863	58,814

Beaumont Hospital

BANK LOANS - GREATER THAN ONE YEAR

Note 17

Note

	2021 €000	2020 €000
Financing Obligations	-	-
	-	-

CAPITALISATION ACCOUNT

Note 18

Balance at beginning of year

Additions

Finance Leases Adjustment

Capital Expenditure

Non-Capital Expenditure

Donations

Sub-Total Additions

Less

Disposals (Cost less Depreciation)

Depreciation for the year

Sub-Total Deductions

Balance at year-end

	2021 €000	2020 €000
Balance at beginning of year	145,198	135,920
Additions		
Finance Leases Adjustment		
Capital Expenditure	14,743	15,413
Non-Capital Expenditure	1,982	2,066
Donations	-	-
Sub-Total Additions	16,725	17,479
Less		
Disposals (Cost less Depreciation)	-	-
Depreciation for the year	8,838	8,201
Sub-Total Deductions	8,838	8,201
Balance at year-end	153,085	145,198

NOTE TO THE CASH FLOW STATEMENT

Note 19

(Deficit) / Surplus (Non-Capital)

Add back (deficit) / surplus brought forward

(Deficit) / Surplus for current year

Deduct repayment of loan (Capital element) charged against non-capital

Deduct Interest and Dividend Income

Add back purchase of equipment from non-capital

Add back all interest charged against non-capital

(Increase) / Decrease in Stocks

(Increase) / Decrease in HSE Debtors (Non-Capital)

(Increase) / Decrease in Non-HSE Debtors

Increase / (Decrease) in Non-Capital Creditors and Taxation

HSE Capital Claim written off against Revenue

NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES

	2021 €000	2020 €000
(Deficit) / Surplus (Non-Capital)	(25,699)	(24,076)
Add back (deficit) / surplus brought forward	(24,076)	(24,302)
(Deficit) / Surplus for current year	(1,623)	226
Deduct repayment of loan (Capital element) charged against non-capital	-	-
Deduct Interest and Dividend Income	-	-
Add back purchase of equipment from non-capital	1,982	2,066
Add back all interest charged against non-capital	-	-
(Increase) / Decrease in Stocks	(390)	(9)
(Increase) / Decrease in HSE Debtors (Non-Capital)	(12,419)	(3,475)
(Increase) / Decrease in Non-HSE Debtors	(5,345)	3,644
Increase / (Decrease) in Non-Capital Creditors and Taxation	16,570	6,106
HSE Capital Claim written off against Revenue	-	-
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	(1,225)	8,558

Beaumont Hospital

ANALYSIS OF CHANGES IN NET DEBT Note 20

Cash in Hand and Bank Balances
Bank Overdraft

BANK LOANS

Debt due within one year
Debt due after one year

Finance Leases: within one year
Finance Leases: from two to five years

At 1st Jan 2021 €000	Cash Flow €000	At 31st Dec-21 €000
508 (13,333)	135 (2,637)	643 (16,170)
(13,025)	(2,502)	(15,527)
-	-	-
-	-	-
-	-	-
-	-	-
(13,025)	(2,502)	(15,527)

RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET DEBT

Note 21

(Decrease) / Increase in cash in the year
Cash Inflow / (Outflow) from increase / (decrease) in debt and lease financing
Changes in net debt resulting from cash flow
New Finance Leases taken out in the year
Changes in Net Debt
Net Debt at beginning of year
Net Debt at end of year

2021 €'000	2020 €'000
(2,502)	10,358
-	-
(2,502)	10,358
-	-
(2,502)	10,358
(13,025)	(23,383)
(15,527)	(13,025)

NOTES TO THE FINANCIAL STATEMENTS

22. BEAUMONT FOUNDATION

Beaumont Foundation was established as the fundraising arm of Beaumont Hospital and works with the hospital to fund a range of projects. The Foundation is a company Limited by Guarantee. It is a registered charity for taxation purposes. The directors of the Company include staff and board members or former board members of the Hospital. Its accounts are audited by a firm of Chartered Accountants. An amount of €2,536,439 was passed over to the hospital in 2021.

The Foundation is provided with office space within the Hospital for which no fee is charged.

23. DONATIONS, BEQUEST AND RESEARCH FUNDS

23.1. Funds Held in the Hospital's Bank Account

The Hospital holds and administers funds provided by third parties to clinical departments within the hospital for research and other clinical purposes. These funds are identified separately in the books of the Hospital and are managed and accounted for under a transparent process which ensures that the funds are expended for the purposes specified by the donors. The balances held in relation to these funds at year end are recorded in Creditors (Note 16).

The following table shows the balances and movements on these funds:

Description	2021	2020
	€'000	€'000
Opening Balance	5,687	4,836
Lodgements	6,750	3,605
Withdrawals	(7,357)	(2,754)
Closing Balance	5,080	5,687

A number of non research funds are also held on behalf of departments within the Hospital. These funds are also managed and accounted for under a transparent process which ensures that the funds are expended for the purposes specified by the account holder. Balance at 31.12.2021 €566k (2020: €803k).

23.2. Funds Held Separately from the Hospital's Bank Account

In addition to the above funds the Hospital administers a number of named bequests and donations which are required to be held separately from the Hospital's own funds. These funds are held in a separate bank account, are administered in accordance with the conditions attaching to the bequests or donations and are properly accounted for. These funds have not been

accounted for in these Financial Statements. Details of these funds are shown in the following table

	Balance 1st Jan	Receipts	Payments	Balance 31st Dec
	€'000	€'000	€'000	€'000
Sheppard Fund	48	-	-	48
Stardust Fund	102	-	-	102
	150	-	-	150

24. LEASED PROPERTIES

Beaumont Hospital has long term ground rent lease agreements with the parties listed hereunder following the agreement to permit relevant parties construct properties on Hospital Grounds

Beaumont Private Clinic
Royal College of Surgeons in Ireland
Irish Kidney Association Ltd.,

Private Clinic Site
Smurfit Building Site
Hostel Site

The ground rent receivable from the above properties is included in hospital income and amounted to €216,638 in 2021 and €216,638 in 2020.

25. BOARD MEMBERS INTERESTS

The Board adopted procedures in accordance with guidelines issued by the Department of Public Expenditure & Reform in relation to the disclosure of interests by Board members and these procedures have been adhered to in the year. There were no transactions in the year in relation to the Board's activities in which Board members had any beneficial interest.

26. PENSION LEVY

In 2021 an amount of €7,244,594 in pension levies was deducted and retained by the hospital and forms part of the determination for the year.

27. Covid 19 Impact

Covid 19 had a significant impact on Beaumont during 2021. It resulted in increased pay and non-pay costs and reduced income. The funding requirement to offset this was provided by the HSE. The HSE also provided support in the form of PPE and vital equipment to facilitate the continued treatment of patients throughout the pandemic. Covid 19 drove an increase in staff absences which closely followed the increased infection rates that were seen nationally.

28. Insurance

The Hospital has insurance cover with a third-party provider for professional indemnity, property and other specific service related policies. As a delegated State Authority, the Hospital's risks are delegated to the State Claims Agency. This covers employer's liability, public liability and motor cover. The State Claims Agency indemnifies a third party in respect of personal injury and third-party property damage claims which are the result of the delegated State Authority's negligence.

29. State Claims Agency

The States Claims Agency identified the claims that relate to the Hospital from the overall liability held by the State Claims Agency. The outstanding liability relating to the Hospital, estimated by the State Claims Agency as at 31st December 2021, was €148.2m (2020: €140.6m).

30. Salary Overpayments

Balance at 1 January 2021	€493,623
Additional overpayments in year:	
(i) Arising from time lag adjustments	€28,542
(ii) Identification of payroll payments to former employees (see note below)	€127,911
Amounts recovered during year	<u>(€186,282)</u>
Balance at 31 December 2021	<u>€463,794</u>

Note: As explained in the Statement on Internal Control on pages 15 to 24, the HR and Payroll systems in Beaumont Hospital are not integrated and accordingly changes in employee status may not be recognised on the Payroll System on a simultaneous basis leading to overpayments and underpayments due to time lags. Separately, in June 2021 an internal audit test check procedure identified payroll payments to four former employees dating from 2019 to 2021 amounting in total to €294,500 of which €127,911 related to 2021. The Statement on Internal Control sets out the background and the Hospital's position on these overpayments and that Hospital policy is to vigorously pursue recovery of the overpayment balances howsoever they arose.

31. Contingent Liabilities

The Hospital is currently dealing with litigation matters which may generate liabilities depending on the outcome of the legal proceedings. With regard to standard legal cases the Hospital's insurance, which covers professional indemnity, property and other specific service-related policies, would be sufficient to cover the majority of costs. There is, however, an element of uncertainty due to indemnity limits and certain policy conditions. The Hospital is not in a position to estimate any potential liabilities arising from these proceedings. The financial effects of any uninsured contingencies have not been provided for in the financial statements.

32. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on 15th December 2022.

NOTES TO THE FINANCIAL STATEMENTS

22. BEAUMONT FOUNDATION

Beaumont Foundation was established as the fundraising arm of Beaumont Hospital and works with the hospital to fund a range of projects. The Foundation is a company Limited by Guarantee. It is a registered charity for taxation purposes. The directors of the Company include staff and board members or former board members of the Hospital. Its accounts are audited by a firm of Chartered Accountants. An amount of €2,536,439 was passed over to the hospital in 2021.

The Foundation is provided with office space within the Hospital for which no fee is charged.

23. DONATIONS, BEQUEST AND RESEARCH FUNDS

23.1. Funds Held in the Hospital's Bank Account

The Hospital holds and administers funds provided by third parties to clinical departments within the hospital for research and other clinical purposes. These funds are identified separately in the books of the Hospital and are managed and accounted for under a transparent process which ensures that the funds are expended for the purposes specified by the donors. The balances held in relation to these funds at year end are recorded in Creditors (Note 16).

The following table shows the balances and movements on these funds:

Description	2021	2020
	€'000	€'000
Opening Balance	5,687	4,836
Lodgements	6,750	3,605
Withdrawals	(7,357)	(2,754)
Closing Balance	5,080	5,687

A number of non research funds are also held on behalf of departments within the Hospital. These funds are also managed and accounted for under a transparent process which ensures that the funds are expended for the purposes specified by the account holder. Balance at 31.12.2021 €566k (2020: €803k).

23.2. Funds Held Separately from the Hospital's Bank Account

In addition to the above funds the Hospital administers a number of named bequests and donations which are required to be held separately from the Hospital's own funds. These funds are held in a separate bank account, are administered in accordance with the conditions attaching to the bequests or donations and are properly accounted for. These funds have not been

accounted for in these Financial Statements. Details of these funds are shown in the following table

	Balance 1st Jan	Receipts	Payments	Balance 31st Dec
	€'000	€'000	€'000	€'000
Sheppard Fund	48	-	-	48
Stardust Fund	102	-	-	102
	150	-	-	150

24. LEASED PROPERTIES

Beaumont Hospital has long term ground rent lease agreements with the parties listed hereunder following the agreement to permit relevant parties construct properties on Hospital Grounds

Beaumont Private Clinic	Private Clinic Site
Royal College of Surgeons in Ireland	Smurfit Building Site
Irish Kidney Association Ltd.,	Hostel Site

The ground rent receivable from the above properties is included in hospital income and amounted to €216,638 in 2021 and €216,638 in 2020.

25. BOARD MEMBERS INTERESTS

The Board adopted procedures in accordance with guidelines issued by the Department of Public Expenditure & Reform in relation to the disclosure of interests by Board members and these procedures have been adhered to in the year. There were no transactions in the year in relation to the Board's activities in which Board members had any beneficial interest.

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