

ANNUAL FINANCIAL STATEMENTS

FOR

BEAUMONT HOSPITAL BOARD

FOR THE YEAR ENDED 31/12/2022

Date : 28.12.2023

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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 NDP Delivery 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. 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 2022.

Board Structure

The Board consists of a Chairperson and ten ordinary members. The Board met on eight occasions in 2022. The table below details 2022 Board members and those who subsequently joined before the signing of the Annual Financial Statements.

Board Member	Role	Nominated by	Term of Office
Pauline Philip	Chairperson	Minister for Health	14.10.22 - 19.06.26
Daryl Barron	Interim Chairperson	Dublin City Council	19.06.20 - 18.06.23
Henry McGarvey	Ordinary Member	Minister for Health	29.06.17 - 28.06.23
Una Kennedy	Ordinary Member	General Practitioner Body	15.02.20 - 14.09.22
Paul McNally	Ordinary Member	RCSI	16.02.20 - 15.02.23
Gerard Moore	Ordinary Member	DCU	16.02.20 - 15.02.23
Kevin O'Donovan	Ordinary Member	Minister for Health	29.04.21 - 28.04.24
Loretta Callaghan	Ordinary Member	Minister for Health	29.04.21 - 28.04.24
Michal Siwiec	Ordinary Member	Minister for Health	29.06.21 - 14.03.22
Louise McMorrow	Ordinary Member	Minister for Health	29.06.21 - 28.06.24
Bernice Ruane	Ordinary Member	Minister for Health	02.07.21 - 01.07.24
Patrick Redmond	Ordinary Member	RCSI	17.04.23 - 17.04.26
Michelle Butler	Ordinary Member	DCU	17.04.23 - 17.04.26
Punam Raac	Ordinary Member	Fingal County Council	19.06.23 - 19.06.26
Kieran Kelly	Ordinary Member	Minister for Health	17.08.23 - 17.08.26
Deirdre O'Grady	Ordinary Member	Minister for Health	17.08.23 - 23.06.24
John Latham	Ordinary Member	ICGP	27.09.23 - 16.04.26

Mr Michal Siwiec resigned on 14th March 2022 and Dr Una Kennedy resigned on 14th September 2022. Dr Richard Aboud was appointed on 14th March 2023 and resigned on 8th May 2023. Mr Daryl Barron acted as Interim Chairperson from 1st Jan 2022 until the appointment of Ms Pauline Philip on 14th October 2022.

The Board has established three committees, as follows:

1. Audit & Risk Committee

An Audit & Risk Committee, chaired by a member of the Hospital Board and consisting of nominees from the Hospital Board is in place. The members of the Audit & Risk Committee were Mr Kevin O'Donovan, Mr Paul McNally, Ms Bernice Ruane and a co-opted non-board member, Mr Bruce Hopkins. There were 9 meetings of the Audit & Risk Committee in 2022.

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 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 2022.

3. Clinical Governance & Risk Committee

The Hospital Board manages patient and medical risks through the Clinical Governance & Risk Committee, a permanent sub-committee of the board, chaired by a Board member. The members of the Clinical Governance & Risk Committee were Mr Kevin O'Donovan, Dr Gerry Moore, Dr Una Kennedy, Ms Loretto Callaghan and Mr Michal Siwiec. There were 8 meetings of the Clinical Governance & Risk Committee in 2022.

Review of Effectiveness of Board and Board Committees

The Board operated under an interim chair, with the acknowledgement of the Minister for Health, for the period from 1 January 2022 to 14 December 2022 following the resignation of the previous chair on 2 December 2021. The Board and Board Committees were also challenged in 2022 by the resignation of board members were not replaced until 2023.

The Board, Clinical Governance & Risk Committee and the Finance Committee were not in a position to undertake a review of effectiveness during 2022 or in the subsequent period to date in 2023.

The Audit & Risk Committee, whose membership was not impacted during 2022, did

undertake a review of effectiveness covering the period from 1 July 2021 (date the Chair commenced the role) to 2 March 2023. The results of the review were presented to Board Members at the Board Meeting on 2 March 2023. The review confirmed that the effectiveness of the Audit & Risk Committee had been compromised by the challenge on management resources identified by the Governance Requirements Project which is dealt with in the Statement on Internal Control.

Schedule of Attendance, Fees and Expenses

	Board	Audit Committee	Governance & Risk Committee	Finance Committee	Fees 2022	Expenses 2022
No of meetings	8	9	8	6		
Pauline Philip	2				-	-
Daryl Barron	8			6	-	-
Henry McGarvey	7			6	-	1,375
Paul McNally	7	9			-	-
Kevin O' Donovan	8	9	8		-	-
Gerard Moore	8		3		-	-
Michal Siwiec	2		1		-	-
Loretto Callaghan	7		8		-	-
Louise McMorrow	7			6	-	-
Una Kennedy	3		3		-	-
Bernice Ruane	7	9			-	-
					-	1,375

The co-opted non-board member, Mr Bruce Hopkins attended 9 meetings of the Audit & Risk Committee. 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 right of appointment 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 2022, the Board had nine members of which four (44%) were female members and five (56%) were male members. 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.

Employee Short-Term Benefits Breakdown

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

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.

Range		Number of Employees	
From	To	2022	2021
€60,000	€69,999	674	572
€70,000	€79,999	360	242
€80,000	€89,999	146	142
€90,000	€99,999	100	57
€100,000	€109,999	40	32
€110,000	€119,999	30	22
€120,000	€129,999	13	10
€130,000	€139,999	11	15
€140,000	€149,999	14	15
€150,000	€159,999	21	19
€160,000	€169,999	28	30
€170,000	€179,999	25	24
€180,000	€189,999	25	26
€190,000	€199,999	20	22
€200,000	€209,999	20	13
€210,000	€219,999	13	19
€220,000	€229,999	16	17
€230,000	€239,999	22	7
€240,000	€249,999	11	7
€250,000	€259,999	14	7
€260,000	€269,999	4	4
€270,000	€279,999	6	1
€280,000	€289,999	3	1
€290,000	€299,999	2	-
€300,000	€309,999	1	-
€310,000	€319,999	2	-
€320,000	€329,999	-	1
€330,000	€339,999	1	1
€340,000	€349,999	1	1

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.

	2022	2021
	€	€
Legal Advice	632,510	406,343
Financial/Tax advice	1,538	6,185
Public Relations	44,280	48,831
Human Resources	63,442	48,474
Business Improvement	316,490	301,215
Total Consultancy Costs	1,058,260	811,048
Consultancy Costs Capitalised	-	-
Consultancy Costs Charged to Income & Expenditure	1,058,260	811,048
Total	1,058,260	811,048

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:

	2022	2021
	€	€
Domestic		
- Board *	1,375	394
- Employees	2,276	4,591
International		
- Board	-	-
- Employees	-	-
Total	3,651	4,985

* travel & subsistence of €1,375 paid directly to Board members in 2022. (2021: €394)

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2022	2021
	€	€
Staff:		
Retirement Vouchers	15,500	17,750
Retirement Receptions	3,423	420
Client:		
Client Hospitality	-	-
Total	<u>18,923</u>	<u>18,170</u>

Remuneration

(a) Aggregate Employee Benefits

	2022	2021
	€000	€000
Staff short-term benefits	316,443	283,285
Termination benefits	-	-
Retirement benefit costs	24,373	26,449
Employer's contribution to social welfare	30,522	27,887
Total	<u>371,338</u>	<u>337,621</u>

The total number of staff employed (WTE) at year end was 4,346 (2021 – 4,144)

(b) Staff Short-Term Benefits

	2022	2021
	€000	€000
Basic pay	269,258	232,397
Overtime	22,220	20,177
Allowances	24,965	30,711
Total	<u>316,443</u>	<u>283,285</u>

(c) Termination Benefits

	2022	2021
	€000	€000
Termination benefits charged to I&E	-	-
Total	<u>-</u>	<u>-</u>

No service awards were made to departing staff in 2022. (2021: NIL)

(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:

	2022	2021
	€000	€000
Salary	3,194	2,406
Allowances	649	473
Termination benefits		-
Health Insurance		-
Total	3,843	2,879

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:

	2022	2021
	€	€
Salary	108,087	104,105
Allowances		-
Total	108,087	104,105

The CEO was employed under a secondment arrangement from the Royal College of Surgeons in Ireland Group (RCSI) which commenced on 13th June 2016. This arrangement ceased on 6th January 2023. 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.

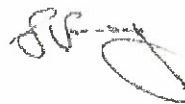
Statement of Compliance

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 2022 insofar as concerns additional reporting requirements.

On behalf of the Board:



Pauline Philip
Chairperson



David Sweeney
Interim 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 2022 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 2022 and its income and expenditure for 2022, 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 Board members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

Beaumont Hospital Information System (BHIS) replacement project

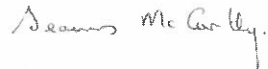
The statement on internal control discloses the challenges faced by Beaumont Hospital Board in relation to the replacement of its hospital information system (BHIS). BHIS is a core IT system for managing patient service provision. Currently, there is no external maintenance support and the system will be inoperable beyond 31 December 2025. The statement discloses that due to delays experienced to date, the timeline to implement the replacement project poses a significant risk to effective operation of the Hospital. The statement also sets out the steps being taken by the Hospital to address the risk.

Non-compliant procurement

The statement on internal control discloses that in 2022 Beaumont Hospital Board continued to incur significant expenditure where the procedures followed did not comply with public procurement guidelines. The statement also sets out the steps taken or planned by the Hospital to address the weaknesses that give rise to this.

Payroll overpayments

Note 30 to the financial statements and the statement on internal control discloses salary overpayments in the year of €288,513 due to breaches in payroll controls. The amount due to be recovered at the end of 2022 was €640,071. The statement also explains the steps being taken to avoid a recurrence of salary overpayments.



Séamus McCarthy
Comptroller and Auditor General

31 December 2023

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 2022.**

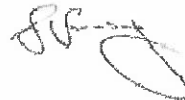
We confirm that, in our opinion, the Financial Statements of Beaumont Hospital Board for the year ended 31 December 2022 as set out herein are in agreement with the books of account and have been drawn up in accordance with the Accounting Standards for Voluntary Hospitals drawn up by the Department of Health.

These financial statements on pages 43 to 60 which have been prepared under the statement of accounting policies set out on pages 38 to 42 properly present the state of affairs of the Hospital at 31st December 2022 and its income and expenditure and cash flow for the year then ended.

Signed:



Pauline Philip
Chairperson



David Sweeney
Interim Chief Executive

STATEMENT ON INTERNAL CONTROL

1. 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. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016) (Code).

2. Purpose of the System of Internal Control

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

The system of internal control, which has had regard to guidance issued by the Department of Public Expenditure NDP Delivery and Reform and other guidance referenced hereunder and has been in place in Beaumont Hospital for the year ended 31 December 2022 and up to the date of approval of the financial statements except for the internal control issues outlined in Section 9 of this Statement on Internal Control.

3. Update on Status of project to seek to achieve full compliance with the requirements of the Code in relation to the Statement on Internal Control

3.1 Background

In the Statements on Internal Control (SIC) for the years ended 31 December 2020 and 2021, (SIC 20 and SIC 21) the board acknowledged that Beaumont Hospital was not in full compliance with the requirements of the Code in the matter of systems of internal controls. In SIC 21, the Board also confirmed that, as of July 2022, it had approved a pathway forward project to seek to achieve full compliance in these matters (Governance Compliance Project).

In developing the Governance Compliance Project, the Board was cognisant that the requirements and obligations of the Code whilst very understandable are onerous especially for non-commercial state bodies. Full compliance with the requirements and obligations requires a level of resources and expertise that is challenging in terms of the balance of allocation of resources between service delivery obligations and governance.

Beaumont Hospital is a state body and one of a very limited number of large acute hospitals that has that status and accordingly, to which the Code applies. Beaumont Hospital also operates under a Section 38 Service Level Agreement (SLA) with the Health Service Executive (HSE) and under the SLA has additional governance reporting obligations reflected in an obligation to furnish an Annual Compliance Statement (ACS) to HSE. We understand that HSE itself is obligated to have such SLA requirements in place with all funded agencies including voluntary hospitals and its SLA obligations do not distinguish between the very limited number of funded hospitals that are in themselves state bodies and the vast majority which are not.

Beaumont Hospital is effectively wholly funded by HSE where any private or other income is taken into account in agreeing on final revenue or capital grants to cover service delivery obligations. Accordingly, Beaumont Hospital has very limited discretionary spending powers and all expenditures are effectively subject to HSE approval under the SLA. Any additional resources identified as required to achieve full compliance with the Code and indeed, the ACS under the SLA are subject to approval by HSE.

3.2 Status of Governance Compliance Project

3.2.1 Agreement on Framework Approach to Statement on Internal Control

Under the Governance Compliance Project, the board has agreed on an outline framework approach to the SIC (Framework Approach) having regard to guidance issued by:

- (a) Department of Public Expenditure NDP Delivery & Reform (DPENDPR)
- (b) Office of the Comptroller & Auditor General (C&AG)
- (c) Guidance on Risk Management, Internal Control and Related Business and Financial Reporting issued by the Financial Reporting Council (UK) related to the UK Corporate Governance Code (UK Code) (September 2014) (FRC Guidance). The Code of Practice for the Governance of State Bodies is understood to be largely mirrored on the UK Code.

The steps in the Framework Approach are as follows:

- (i) The development of the Corporate Risk Register (CRR) that meets the requirements of the Code to cover all activities of the Hospital and key risk identification guidance.
- (ii) The development of a Corporate Risk Appetite Statement (CRAS) to supplement the CRR as it may not be feasible or appropriate to seek to mitigate the impact of identified keys risks to the lowest level in all instances.

- (iii) The development of the suite of key internal controls to seek to mitigate the impact of the identified key risks to the acceptable level of risk appetite. These key controls will be documented and tested for design effectiveness.

A programme of testing to seek to attest the operating effectiveness of the key controls for the relevant reporting period to be approved by the board and to be executed by internal audit. Under the Governance Compliance Project, it is proposed to make a submission to HSE to appoint a professional services firm to provide additional internal audit resources to supplement the existing role of the internal audit function where the only current resource is that of the head of internal audit.

- (iv) Based on the results of the programme at (iv), internal audit will prepare a Statement of Internal Control Assertions Report (SIC Assertions Report) to be presented to the board which will inform the board on the contents and nature of the Statement of Internal Control for the relevant financial period.
- (v) Internal audit will develop a plan for remediation of any significant weaknesses identified in the Statement of Internal Control, identify key owners and timelines for approval by the Board.
- (vi) Following the steps at (i) and (vi), the board, board committees and management will review the process and outcomes and agree any modifications to the process or the programme of work to be undertaken in the next financial reporting period - in effect a process of seeking to achieve continuous improvement.

3.2.2 Identification of areas of non-compliance with the Code and other Governance Reporting Requirements of the Board

In terms of the Framework Approach explained at 3.2.1 the Governance Compliance Project has identified the following gaps that need to be addressed:

- (i) The CRR and the processes around the CRR need to be reviewed and updated to more properly align with the requirements of the Code.
- (ii) Beaumont Hospital does not currently have a CRAS.
- (iii) Whilst a suite of internal controls does exist the suite needs to be reviewed and updated to fully meet the requirements of the Code.
- (iv) The board has a suite of processes to review the operating effectiveness of internal controls, but the scale and nature of the processes needs to be reviewed and updated to more fully comply

with the requirements of the Code. The current processes are at a high level performed by management and the board as Beaumont Hospital does not currently have sufficient internal audit resources necessary to assume the key role identified in the Framework Approach.

- (v) Beaumont Hospital does not have a SIC Assertions Report and the documentary evidence to support the review of operating effectiveness of key internal controls is documented in the minutes of board and board committee meetings.
- (vi) Beaumont Hospital has considered all significant issues and weaknesses identified from the review of the operating effectiveness by the board and has sought to develop and monitor remediation plans, but this process needs to be formalised and fully documented.

In the matter of the Statement of Internal Control and the agreed Framework Approach, the Governance Compliance Project identified the need for additional resources as follows:

- (i) The appointment of an external service provider to fulfil the role of Secretary to the board and board committees. This appointment was effected in March 2023.
- (ii) The engagement of an independent expertise/service provider to assist in the updated development of the CRR and the development of the CRAS in conjunction with management and the board (Risk Management Advice).
- (iii) The significant enhancement of internal audit resources, preferably on an outsourced or part outsourced basis to ensure the availability of specialist skill sets as necessary, to be in a position to fulfil the role set out in the Framework Approach at 3.2.1 (Internal Audit Resources).

The Governance Compliance Project made additional preliminary draft recommendations on resource requirements to meet other Governance Reporting Requirements, and these are dealt with under Internal Control Issues at Section 9 of this Statement on Internal Control.

The board has sought and received external advice on the indicative costs to engage the required additional resources to progress the Governance Compliance Project and has approved the development of a submission to the HSE to secure the additional required resources based on the external advice.

The Board is aware that HSE will have significant budget pressures in 2024

and as of the date of this report is not in a position to confirm whether the required additional resources will be made available to Beaumont Hospital and if so, when. For that reason, as of the date of this Statement on Internal Control, the board is unable to confirm the expected timelines to the achievement of full compliance with the requirements of the Code in relation to the Statement on Internal Control.

In the interim, the board had agreed on a program of procedures that were achievable within available resources and full details on these procedures and the internal control issues identified therefrom are set out in sections 8 and 9 of this Statement on Internal Control.

In the succeeding sections, the Board sets out the current processes for the Capacity to Handle Risk, the Risk and Control Framework and Ongoing Monitoring and Review of the existing processes and controls over the operating effectiveness of the system of internal controls and the required steps under the Governance Compliance Project.

4 Capacity to Handle Risk

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

Under the policy, each division in Beaumont Hospital is required to develop a divisional risk register and a Risk Management Committee reviews the divisional registers and agrees on a Corporate Risk Register (CRR) which is updated on a quarterly basis. The CRR is reviewed and approved by the Executive Management Group (EMG) before presentation to the board and each of the board committees at their respective meetings.

As explained in 3.2.2, the process around the development of the CRR and the related Corporate Risk Appetite Statement (CRAS) needs to be revised and revamped with the assistance of an independent expertise to meet the requirements of the Code and other governance reporting obligations.

The board has three board committees to oversee risk management on behalf of the board namely:

- (i) Audit & Risk Committee
- (ii) Finance Committee
- (iii) Clinical Governance & Risk Committee

The terms of reference (TORs) for each of these committees were updated as of July 2022 to seek to more properly align the TORs with the governance reporting obligations

of the Board including the obligations of the Code (Revised TORs). It is probable that these TORs will be revisited again in 2024 arising from the proposed external risk management engagement referred to in 3.2.2.

Under the Revised TORs risk oversight is now allocated as follows:

(i) Clinical Governance & Risk Committee (CG&RC)

The CG&RC provides oversight on all clinical risks and is chaired by a board member with significant experience in the healthcare sector. During 2022, other members of the committee included board nominees from the DCU School of Nursing and from the Irish College of General Practitioners. Management attendees at CG&RC meetings include the Director of Quality & Patient Safety, the Director of Nursing and Director of Clinical Governance.

(ii) Finance Committee (FC)

FC provides oversight of financial and budgetary management and procurement and is chaired by a professional accountant. A second member of the committee is also a professional accountant. Management attendees include the Director of Finance and Head of Procurement. The Governance Compliance Project (3.2.2) identified that the TORs for the FC need to be updated to more comprehensively outline oversight of all capital expenditure projects and asset disposals.

(iii) Audit & Risk Committee (ARC)

The ARC provides oversight of all other risks not covered by CG&RC and FC and includes oversight of the process for the Annual Financial Statements. ARC is chaired by a professional accountant with recent and relevant financial and governance reporting expertise. Other members bring the skill sets of corporate strategy and clinical practice. In 2021, ARC identified a skill-gap in the matter of IT and IT security expertise and with the approval of the board co-opted a non-board member to add that skill set. Management attendees include the Director of Finance, Head of Internal Audit, Director of Human Resources (as a nominee of the Chief Executive Officer), Head of IT and the Director of Patient Quality & Safety.

5. Risk and Control Framework

Beaumont Hospital has implemented a risk management system which seeks to identify and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

As explained in 3.2.2 above, the Governance Compliance Project has identified that the

risk management system needs to be revised and updated to more properly align with the Board's governance reporting requirements and has recommended the engagement of an independent expertise in this respect.

The existing risk and control framework does provide for the following:

- procedures for all key business processes have been documented. The Governance Compliance Project has recommended that the documentation around these processes needs to be reviewed and updated;
- financial responsibilities have been assigned at management level with corresponding accountability;
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management;
- there are systems aimed at ensuring the security of the information and communication technology systems. At a board meeting on 24 November 2022 the Board approved an independent engagement to assess Beaumont Hospital's cyber security controls. Following approval of funding for the engagement by HSE during 2023, the independent review will commence in early 2024; and
- there are systems in place to safeguard the assets and the Governance Compliance Project has recommended that these be reviewed and updated.

6. Ongoing Monitoring & Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the board, where relevant, in a timely way.

The Governance Compliance Project has recommended that these processes be independently reviewed and updated.

The current processes include the following ongoing monitoring systems:

- key risks and related controls have been identified and processes have been put in place to seek to monitor the operation of those key controls and report any identified deficiencies,
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by senior management of periodic and annual

performance and financial reports which indicate performance against budgets/forecasts

7. Procurement/Public Spending Code

Beaumont Hospital has procedures in place to seek to ensure compliance with current procurement rules and guidelines and the Public Spending Code. Matters arising regarding controls over procurement and the Public Spending Code are highlighted under internal control issues below.

8. Review of effectiveness of internal controls

Beaumont Hospital has procedures to monitor the effectiveness of its risk management and control procedures. Beaumont Hospital's monitoring and review of the effectiveness of the system of all internal controls is informed by the work of the internal and external auditors, clinical audit, the three board committees which oversee their work, and senior management with responsibility for the development and maintenance of the internal control framework.

The Governance Compliance Project has identified that the procedures in place need to be reviewed and updated and properly documented to provide supporting evidence for the board's assertions in relation to the operating effectiveness of the system of internal controls.

The Board conducted an annual review of the effectiveness of the internal controls for 2022 on 30 March 2023.

The steps taken by the board and the board committees during the period covered by the Statement of Internal Control which informed the annual review were as follows:

- (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 inter alia the effectiveness of Quality & Safety Controls at all board meetings on a year to date basis and reports from the Chief Executive Officer in relation thereto
- (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 were managed and controlled
- (iv) Review/receipt of presentation on the Draft Annual Report on matters arising from the programme of Clinical Effectiveness Audits for 2022 by the Clinical Governance & Risk Committee

- (v) Review of analysis of major healthcare incidents
- (vi) Review of Quarterly Claims Reports from the State Claims Agency
- (vii) Review of any regulatory inspection reports over clinical activities issued during the period
- (viii) Review of inspection reports presented by the Head of Internal Audit during the period
- (ix) Review of financial management reports from the Director of Finance
- (x) Review of human resource reports from the Director of Human Resources
- (xi) Attendance at presentation from the external auditors on the findings of the external audit for the years ended 31 December 2020 and 2021 and, the audit plan in respect of the year ended 31 December 2022
- (xii) Receipt and review of communications from the external auditors on internal control recommendations arising from the audit of the financial statements for the years ended 31 December 2020 and 2021.

9. Internal Control Issues

Arising from the steps taken by the board and board committees during the period covered by the Statement on Internal Control the following significant weaknesses or issues in the systems of internal control were identified.

The Governance Compliance Project (3.2.2) has confirmed the Board's assessment communicated in the Annual Financial Statements for 2020 and 2021 that Beaumont Hospital is not fully compliant with the requirements of the Code in relation to the Statement of Internal Control and has set out the detailed steps necessary to achieving full compliance. As previously stated, Beaumont Hospital will require additional resources to execute the recommended steps and has begun the process to seek approval from HSE for these additional resources. The timing of achievement of the steps and the achievement of full compliance with the requirements of the Code will be dependent on the approval and time of provision of additional resources by the HSE.

Accordingly, the board advises that the significant internal control weaknesses and issues identified below may not be all the significant internal control weaknesses and issues that may have been identified if the board was in full compliance with the requirements of the Code and if the framework referred to in Section 3.2.1 was in place for the period under review.

9.1 Beaumont Hospital Information Systems (BHIS) Replacement Project

9.1.1 Background

The Beaumont Hospital Information System (“BHIS”) is the core system within the hospital, underpinning patient service provision covering areas from patient management to labs. BHIS system was implemented in Beaumont Hospital over thirty years ago and it operates on technology (i.e., software and hardware) which is now effectively obsolete and for which now there is no external support. BHIS has an end of life date of 31 December 2025 due to a Y2K bug fix and will be inoperable beyond that date.

BHIS consists of a number of tightly integrated modules, with the main ones set out below:

- (i) Patient Administration system (“PAS”) – used to record patient details and track, and manage admissions, appointments, bed occupancy and discharges;
- (ii) Order Communications system (“Order Comms”) – used for electronically ordering medication and diagnostic tests and viewing test results;
- (iii) Laboratory Information Management system (“LIMS”) – used for managing clinical testing and reporting;
- (iv) Emergency Department system (“ED”) – used for managing patients, specifically in the Emergency Department; and
- (v) PIPE – user interface for order communications and reviewing results

In order to replace BHIS, Beaumont Hospital must simultaneously conduct replacement projects for: LIMS; PAS; Order Comms; and the ED system, coupled with managing the replacement or re-integration of 41 other downstream IT systems.

The replacement of BHIS has been a key focus of the Hospital for many years in consultation with the Health Service Executive (HSE). Due to the level of system integration required between the Hospital ICT systems, the LIMS system must be implemented first, to establish a stable platform, before the other replacement systems can be implemented. HSE stipulated that Beaumont Hospital adopt a proposed new national healthcare system for the LIMS replacement called MedLis. However, due to various challenges including Covid and the Cyber Security Attack on HSE systems in recent years the MedLis development project under the control of HSE has been delayed and the current estimated timeline for implementation is Q2 2024.

The replacement systems for PAS will be a National PAS iPM that is already in existence in other hospitals and is expected to be in place by Q1 2025. The replacement system for ED will be a National Acute Floor Information system (AFIS) with an implementation date of Q1 2025. The replacement system for Order Comms will be specific to the hospital and tender arrangements are in place with an implementation date of Q1 2025.

The delays experienced on the delivery of MedLis and the knock on effect on replacement projects for other systems has resulted in a scenario where the timelines to a successful replacement of BHIS by due date now effectively leaves very little room for any further delays and presents a major project management challenge. As a consequence, replacement of BHIS has been identified as the hospital's key risk in its Corporate Risk Register and has been the subject of ongoing dialogue with HSE.

9.1.2 Independent Consultants Report (June 2023)

The board of Beaumont Hospital engaged a firm of consultants to carry out an independent review of BHIS in May 2023. The overall objective of the review was to provide the Board with an independent opinion on the adequacy and effectiveness of the internal control framework in place around the planned replacement of BHIS and to make recommendations for improvement where this was deemed necessary or desirable.

The independent consultants concluded in June 2023 that the current circumstances surrounding the BHIS represent a significant risk to business continuity and hospital operations. The timescale to implement the BHIS replacement programme by December 2025, coupled with reliance on a small number of individuals with specialist knowledge, lack of vendor support, resourcing pressures, and the constant risk of BHIS outages or disruption created a precarious position for Beaumont Hospital. While Beaumont Hospital has developed compensating controls, such as downtime systems, to mitigate the risks in relation to BHIS, and to minimise the likelihood and impact of a BHIS outage, the current circumstances clearly presented a major risk to hospital operations.

The independent consultants advised that Beaumont Hospital needs to effectively manage a range of competing risks and issues simultaneously, namely:

- (i) the ongoing risk of BHIS outage which it must manage through a range of measures ranging from regular database cleansing, contingency arrangements for short periods of downtime, through to preparing a response plan in the event of a catastrophic BHIS failure
- (ii) the project risk associated with the BHIS replacement which requires steps to be taken to firm up timelines and bring additional resource on-board, create contingencies to manage short term slippages or resource constraints and strengthen, and deepen, the project management infrastructure around both MedLIS and the other replacement systems; and
- (iii) contingency planning for a failure of the replacement project to deliver either in time or at all.

9.1.3 Project Coral

In years since 2016 and throughout 2023, the IT Leadership Team has been working a BHIS Replacement Plan with HSE. Following on from the Independent Consultants' Report the plan was further adapted to address the recommendations in the report. The adapted plan was presented to a specially convened Board Briefing Session on 16 August 2023 (Project Coral).

The key features of Project Coral are the plan to recruit/re-deploy a total of 58 Whole Time Equivalents (WTEs) between 2023 and 2024 to deliver the project including a project Leadership Team and nine individual Project Managers and the decision to keep the current IT Leadership Team focused on keeping the legacy system stable until December 2025 while at the same time retaining an overall project replacement responsibility. On 28 June 2023, HSE approved the budget for the recruitment of 58 WTEs for Project Coral split between 28 WTEs in Q3/Q4 2023 and a further 30 WTEs in 2024.

As of December 2023, a total of 13 out of 28 WTEs for 2023 have been recruited including 7 out of 9 Project Managers and 3 out of 4 Subject Matter Experts. Based on the number of applicants and expressions of interest to date, the IT Management Team are of the opinion that it should be possible to recruit the full complement of the required and budgeted 58 WTEs.

9.1.4 Summary of key risks associated with the project to replace BHIS (Project Coral)

9.1.4.1 Outage of BHIS or unavailability of replacement system and impact on service capability for catchment area and designated areas of specialisation

A major BHIS outage at any time between now and 31 December 2025 and/or the absence of a fully functioning replacement system by 31 December 2025 may lead to a significant curtailment of service capability in Beaumont Hospital. As one of the largest acute hospitals in the state any such outage would have a serious impact on all of the services that the hospital provides.

Management have begun the process of developing a specific module of business continuity plan for a BHIS system outage or IT replacement system unavailability in conjunction with HSE management and other relevant hospitals in the state in terms of minimising the impact on service capability.

9.1.4.2 Specific Project Coral risks

- (i) The current IT leadership team will be primarily focused on the period to 31 December 2025 on keeping the legacy BHIS system operable and stable. Because of its legacy nature, the key expertise in BHIS resides with the current IT Leadership Team with little or no third party support available. No other hospital in the world operates BHIS. If, for whatever reason, key members of the current IT Leadership Team became unavailable there would be a significant risk of a pro-longed system outage in the period to 31 December 2025 and in advance of a replacement system being in place. Even with the current IT Leadership Team remaining in place throughout the period to 31 December 2025 there will always be a risk of a system outage that the IT Leadership Team may not be able to address in a timely manner.
- (ii) A key component to the replacement plan is dependent on the HSE delivering a functioning Medlis module by Q2 2024. Given the delays experienced on this module in recent years there is a serious risk that Medlis will not be delivered by Q2 2024 with knock on consequences for the replacement project as a whole.
- (iii) The replacement project plan involves the recruitment of a team of 58 whole time equivalents (WTEs) including the recruitment of all 9 individual project team leads. The recruitment plan has identified a mix of a re-deployment of in house employees and the third party persons with IT expertise. Notwithstanding the progress achieved to date in the recruitment drive, there is a risk that in the challenging recruitment market at present it will not be possible to engage sufficient resources and/or resources of the required calibre to deliver a successful replacement system.
- (iv) The plan for the replacement project as agreed by the hospital management team and the HSE does not provide for the project to be managed and delivered by a single service provider but rather the use of specially recruited resources under the management of the IT Leadership Team that in itself does not have significant experience of delivering major IT transformation projects. The approach presents a significant project management risk.
- (v) One of the key risk components in any major transformation project is the challenge on the successful migration of data from the legacy system to the replacement system and this will also be a key risk under Project Coral. A particular challenge has been identified at present in relation to the transfer of data to the new Medlis sub-system.

- (vi) On 4 October 2023, HSE announced a temporary pause on all applications for new and replacement posts for all management and administrative roles to facilitate budgetary management. In response, the trade union, ForSa, representing 12,000 clerical and administrative workers in the health service have given notice of various industrial actions and these actions have commenced. It is currently uncertain whether the industrial actions will impact on elements of Project Coral to be undertaken within Beaumont Hospital and/or within the HSE.
- (vii) There is an inherent risk of unforeseen delays and issues arising in any major IT transformation project even in the most carefully planned scenario. Accordingly, it is possible that other issues may emerge in the period to December 2025, as yet unidentified, which may lead to either a BHIS system outage or the absence of a fully functioning replacement system on or before December 2025.

9.2 Challenges on the Experience of the Executive Management Group and the Board

Beaumont Hospital's performance on its key obligations on Service Delivery, Budgetary Control, Strategy and Governance is impacted, inter alia, by the expertise, depth, and experience of its Executive Management Group (EMG) and its board.

The board's assessment of the hospital's performance on service delivery and budgetary control in the period to December 2023 is that it is at a satisfactory level with an ambition for continuous improvement. The board acknowledges the key role of the RCSI Hospitals Group Management and the HSE in monitoring and supervising the performance of the hospital on its service delivery and budgetary control obligations. However, due to circumstances beyond the control of the hospital and the board there have been a number of key departures from the hospital's EMG in the period since 31 December 2022. The hospital currently has five Interim Office Holders in the EMG, including the roles of Interim Chief Executive Officer, Interim Director of Finance, and Interim Director of Quality & Patient Safety. Separately, there has been a significant turnover in the composition of the board in the same period. Accordingly, the board acknowledges a risk that the hospital's performance on service delivery and budgetary control may be challenged in the interim period and if necessary, will seek increased support from the RCSI Hospitals Group Management Team and the HSE to the Interim Office Holders during this period, in addition to seeking to provide additional support from the board.

The board has initiated a major review of strategy in conjunction with the RCSI Hospitals' Group as of August 2023 and hopes to complete the review in 2024.

The board has also identified that the board and the hospital has not been fully compliant on many of its Governance and Governance Reporting obligations in recent years and as set out in Section 9.4.1 below. of this Statement has outlined a plan to seek to achieve full compliance. The Board's plan covers among other matters apparent gaps in the expertise, skill sets and experience of the EMG and the board.

9.3 Issues arising from the review of operating effectiveness of key controls over clinical activities

9.3.1 Issues arising from presentations to the Clinical Governance & Risk Committee

The key issues identified were:

- (i) Challenges with the infrastructure of Beaumont Hospital with particular reference to the emergency department, single bed capacity, cardiology facilities, pharmacy, and the number of operating theatres;
- (ii) Challenges with limitations in Beaumont Hospital IT systems especially with regard to electronic communications and record systems.
- (iii) Challenges with medical equipment
- (iv) Challenges on key staff retention due to housing/cost of living challenges in the Dublin area coupled with the availability of local community options in the region and as a consequence of the challenges at (i) to (iii) above.

Beaumont Hospital has submitted capital grant approval requests to the HSE on the issues addressed at (i) to (iii) above and acknowledges the many demands across the healthcare system on the allocated resources provided to HSE to fund all capital projects. As reported in section 9.1.3, HSE has approved funding for 58 WTE's (whole time equivalents) to work on the replacement of Beaumont Hospital's IT systems (BHIS), including the medical record systems, (Project Coral) as of 28 June 2023 and the project is expected to be completed before December 2025. Beaumont Hospital will continue to liaise with HSE on the remaining capital projects but is not in a position to provide timelines for approval on these capital project requests.

Beaumont Hospital has put in place bespoke recruitment campaigns to address shortages of specific health and social care professions, including incentivising their employee value proposition in parallel to national pay incentive measures.

9.3.2 Risk and Incident Management

Beaumont Hospital has a robust system in place for reporting and review of clinical incidents. Learning from incident reviews ensures risk mitigation strategies are in place to reduce future incidents.

Incident reporting is included in the monthly performance report for the board and reviewed at the Clinical Governance & Risk Committee.

The Clinical Governance & Risk Committee review Quarterly Claims Reports provided by the State Claims Agency (SCA Quarterly Reports). The SCA Quarterly Reports provide detailed analysis of claims by number, value and area of activity but do not provide qualitative analysis of the key factors contributing to claims, however Beaumont Hospital meets with the SCA Claims Co-ordinator to discuss learning arising from claims.

Some qualitative factors have been identified by the Quality & Patient Safety Team and two of the more prominent factors requiring improvement appear to be:

- (i) Full documentation of all the steps in a patient's care as evidence that all such steps were executed; and
- (ii) Quality of communications with patients especially where possible serious incidents have been identified.

These issues are being addressed in communication and open disclosure training modules for professional staff and through further development of clinical handover processes.

9.3.3 Quality and Patient Safety

Beaumont Hospital has a Quality and Patient Safety Programme in place with a focus on maintaining standards and performance, identifying, and embedding best practice across all areas and driving improvements in quality and safety. The quality and safety programme is underpinned by legislation, regulations, and national and international standards.

Beaumont Hospital has a project in place to seek to achieve Joint Commission International (JCI) Accreditation. The JCI Standards provide a framework for further quality improvement and will result in improvements to the control environment for the effectiveness of clinical activities including the management of identified key risks.

This includes adoption of the World Health Organisation International Patient Safety Goals, which is a key requirement to achieve JCI Accreditation:

- (i) Identify patients correctly
- (ii) Improve effective communication
- (iii) Improve the safety of high-alert medications
- (iv) Ensure safe surgery
- (v) Reduce the risk of healthcare associated infections
- (vi) Reduce the risk of harm arising from falls.

9.4 Issues arising from the review of operating effectiveness of key controls over non-clinical activities

9.4.1 Delays in compliance/non-compliance with governance reporting requirements

Beaumont Hospital had four annual governance reporting obligations and for 2022. Beaumont Hospital was not in compliance with three of these obligations for the reasons explained hereunder.

(i) Presentation of Annual Financial Statements (AFS)

Beaumont Hospital is required by the Code of Practice for the Governance of State Bodies to submit draft AFS for audit to the Office of the Comptroller & Auditor General (C&AG) no later than three months after each year end and to present finalised audited AFS no later than six months after each year end. In addition, Beaumont Hospital is also required to present its Annual Financial Statements for any year on its website once finalised.

Draft AFS for the year ended 31 December 2021 (AFS 21) were presented for audit on 8 July 2022 and subsequently finalised on 21 December 2022.

Beaumont Hospital posted AFS 20 and AFS 21 on its website in April 2023.

Beaumont Hospital submitted draft AFS 22 to the C&AG for audit on 31 March 2023. Due to circumstances beyond the control of the Board, the audit of Draft AFS 22 has been delayed and is now expected to be finalised in December 2023. The Board has commenced a dialogue with C&AG to seek to ensure that the audit of AFS 23 will be completed on or before 30 June 2024 based on a commitment to submit Draft AFS 23 to the C&AG no later than 31 March 2024.

(ii) Submission of Annual Compliance Statement on governance obligations (ACS) to HSE under the Section 38 Service level Agreement (Section 38 SLA)

Beaumont Hospital is obliged to submit an ACS for each calendar year to HSE no later than 31 May in the succeeding calendar year. As previously explained in 3.1, HSE is obligated to require all funded hospitals operating

under a Section 38 SLA to submit such an ACS and the requirements do not distinguish between hospitals that are state bodies and to which the requirements of the Code of Practice for the Governance of State Bodies (Code) also applies and those that are not. The Board believes there is a substantial degree of overlap between the obligations of the Code and the ACS, and each requires documented processes to support any assertions made. The combined requirements of the Code and the ACS represent a significant compliance challenge to Beaumont Hospital.

The ACS process requires the Board to perform due diligence procedures and to obtain written representations from nominated members of the Executive Management Group on the Hospital's compliance with the obligations of the Section 38 SLA with HSE. The Board is obligated to report the outcome from the performance of these procedures on a comply or explain basis and to develop remediation plans for any areas of non-compliance identified.

The Board is concerned that submissions of ACS confirmations in years between 2017 and 2020 may not have presented a true and accurate representation of matters at the time of submission. It has commenced a dialogue with the HSE Compliance Unit in this respect having regard to its status as a State Board to which the Code of Practice for the Governance of State Bodies (Code) also applies. The Governance Compliance Project has proposed the framework developed to achieve compliance with the obligations of the Code in the matter of systems of internal control will also be applied to the process to support ACS assertions and that in tandem with an SIC Assertions Report the ACS confirmation will in future be supported by an ACS Assertions Report to be developed and presented to the Board by a fully resourced internal audit function.

Section 3.2.2 sets out the current status of the proposed submission to the HSE for the approval of additional internal audit resources.

(ii) Annual Report on Protected Disclosures

Beaumont Hospital has a process to support the submission of protected disclosures in accordance with the requirements of the Protected Disclosures Act 2014.

The Governance Compliance Project (3.2.2) has identified that the process needs to be reviewed and updated and has recommended that external advice be sought in this respect. The board will seek to act on this advice under the Governance Compliance Project subject to approval on the provision of resources from HSE.

9.4.2 Payroll Overpayments & Underpayments and related credits

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 2022 amounted to €640,071 and details on the movement in the balance during the year are set out in Note 30 to the financial statements.

Beaumont Hospital launched the integrated Human Resource /Payroll System chosen by HSE as the National Solution as of 1 October 2023.

9.4.3 Procurement and the Public Spending Code

Since 2015, 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 2022, the total value of non-pay expenditure was €225.6 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 procurements complied with procurement rules showed that compliance levels, remained at 88.3% by the end of 2022.

The report at the year-end indicated non-compliant procurement of €26.4 million in 2022. 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. Separately, Section 3.2.2 of this Statement on Internal Control explains that the Governance Compliance Project will include a module on the development of a Corporate

Risk Appetite Statement. Compliance with public procurement regulations will be a key risk on the Corporate Risk Register and the board will then have to assess the targeted risk appetite level for that risk having regard to available resources and the cost benefit analysis of seeking to increase the level of compliance from 88.3% to 100%.

9.4.4 HSE Cyber Attack and threat to Beaumont Hospital ICT Systems

Background

Beaumont Hospital was subject to an attempted cyber-attack on 12 May 2021. This attack originated from the HSE network. The attack on Beaumont's network was successfully blocked by Beaumont Hospital's Security Infrastructure. No malware was installed on Beaumont's network as part of the attack.

Post Cyber-Attack

Since the attack Beaumont has invested in a number of infrastructure projects to in order to make security improvements to its environment. These included --

- Installation of Next Gen Firewalls
- 24x7 Security Operations Centre monitoring
- Replacement of legacy Microsoft operating systems
- Backup Infrastructure Upgrade
- Cyber education and training
- Security upgrades to endpoint devices
- In collaboration with HSE ICT, Beaumont implemented the Mandiant Network Hardening recommendations to further protect its internal network.

Future Plans

- Complete full network security penetration tests to understand and resolve any gaps in the environment.
- HSE has approved a project to move to Microsoft 365 and the project will commence in November 2023.
- Build on our ICT Cyber Security team in order to proactively manage security and respond to events as required.
- Continue with legacy Microsoft replacement programme.
- Continue with regular user phishing awareness and cyber education campaigns.

In 2023 the Board submitted a proposal for HSE for funding to undertake an independent review of all cyber security threats and related controls and in October 2023 funding was approved. The independent review is expected to commence in January 2024 and an update on matters arising from the review will be communicated in the Statement of Internal Control for 2023.

9.4.5 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 2022 thirteen allowances totalling €95,781 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 Annual Compliance Statement to the HSE and no new allowances or non-conformance arrangements were entered into in 2022.

9.4.6 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, Beaumont Hospital has not paid late interest or compensation, opting instead to negotiate extended payment terms with suppliers.

The 2022 Annual Financial Statements contain a provision of €584k for interest and compensation.

Beaumont Hospital has obtained independent legal advice to assist with interpretation of this legislation and is in discussions with HSE to achieve alignment in approach as appropriate.

9.4.7 Key controls over, fixed assets, capital expenditure projects and asset disposals

The review of operating effectiveness by the board and board committees and the Governance Compliance Project identified gaps in the key controls over fixed assets, capital expenditure projects and asset disposals. The board is committed to reviewing the key controls in this area and plans to re-visit the terms of reference for the relevant board committee to more fully align these terms with the requirements of the Code.

This Statement on Internal Control was reviewed by the Audit & Risk Committee on 20 March 2023 and subsequently re-reviewed on 27 December 2023 and recommended to the board for formal approval on 28 December 2023.

Signed: 

Date: 29th December 2023

Pauline Philip
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 2022.
- (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 NDP Delivery 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. The exemption permits defined benefit contributions to be recognised on a defined contribution basis for multi-employer plans. Many health care workers currently employed by Beaumont Hospital have had/will have service years in other hospitals as they move through their careers in the public health care sector and hence the exemption in FRS 102 would apply as working across a number of hospitals in public health under the aegis of HSE is the equivalent of a being a member of a multi-employer plan. 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 and ultimately, any agreed legal settlements or court awards are paid by the Health Service Executive on a non-recourse basis to the Hospital. Accordingly, the costs of such claims and the associated liabilities are 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 annual cost of such claims and the associated liabilities as of the balance sheet date together with an estimate of the amounts recoverable from the Health Service Executive in respect of the annual cost and the yearend provision for liabilities.

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 NDP Delivery and Reform Public Financial Procedures, without Board approval and prior sanction.

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 2022**

Form 1

**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

NET EXPENDITURE FOR THE YEAR

DETERMINATION - Notified for the year from HSE
Fair Deal Funding
DEFICIT FOR THE YEAR C/F TO FOLLOWING YEAR

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 2022 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:

David Sweeney
Interim Chief Executive

Signed:

Pauline Philip
Chairperson

Note

1
1

1
1
1

1

	2022 €'000	2021 €'000
	25,699	24,076
	346,965	311,170
	24,373	26,451
	371,338	337,621
	116,525	104,725
	61,038	51,668
	25,466	29,013
	203,029	185,406
	600,066	547,103
	86,503	91,060
	513,563	456,043
	483,765	425,599
	5,306	4,748
	24,492	25,699

Dated 29.12.23

Dated 29.12.23

Beaumont Hospital

**CAPITAL INCOME &
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED
31st DECEMBER 2022**

Form 2

Note

	2022 €000	2021 €000
	16,000	15,944
	16,000	15,944

CAPITAL INCOME SOURCES

Health Service Executive - Capital Grant

TOTAL CAPITAL INCOME

CAPITAL EXPENDITURE

Land
Buildings
Work-in-Progress
Equipment
Equipment - HSE Capital Equipment Transferred

Capital Expenditure - Capitalised

TOTAL CAPITAL EXPENDITURE

	2022	2021
	8,797	5,657
	1,109	1,868
	7,026	6,312
	125	906
	17,057	14,743
	17,057	14,743

OPENING SURPLUS FROM PREVIOUS YEAR

CLOSING DEFICIT / (SURPLUS) C/F TO FOLLOWING YEAR

	(6,791)	(5,590)
	(5,734)	(6,791)

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 2022 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:

David Sweeney
Interim Chief Executive

Signed:

Pauline Philip
Chairperson

Dated 29.12.23

Dated 29.12.23

Beaumont Hospital
BALANCE SHEET AS AT
31st DECEMBER 2022

Form 3

Note

	2022 €000	2021 €000
	162,300	153,085
	162,300	153,085

FIXED ASSETS

Tangible Assets

13

CURRENT ASSETS

Debtors

14

Stocks

15

Cash in Hand and Bank Balances

	53,720	60,689
	10,389	9,793
	2,697	643
	67,806	71,125

CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Creditors

16

Bank loans and overdraft

20

	69,721	73,863
	16,043	16,170
	(18,755)	(18,908)

NET CURRENT ASSETS / (LIABILITIES)

TOTAL ASSETS LESS CURRENT LIABILITIES

	143,542	134,177
--	---------	---------

CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Financing Obligations

17

	-	-
	-	-

TOTAL ASSETS LESS CREDITORS

	143,542	134,177
--	---------	---------

CAPITAL AND RESERVES

Non-Capital Income & Expenditure Account (Deficit) / Surplus

Capital Income & Expenditure Account (Deficit) / Surplus

Capitalisation Account

18

	(24,492)	(25,699)
	5,734	6,791
	162,300	153,085
	143,542	134,177

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:

David Sweeney
Interim Chief Executive

Signed:

Pauline Philip
Chairperson

Dated 29.12.23

Dated 29.12.23

Beaumont Hospital
CASH FLOW STATEMENT
FOR THE YEAR ENDED
31st DECEMBER 2022

Form 4

Note

Net Cash Inflow / (Outflow) From Operating Activities

19

2022	2021
€'000	€'000
2,230	(1,225)
-	-
-	-
-	-

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

Interest Paid on Loans
Interest Received

Net Cash Inflow / (Outflow) From Servicing of Finance

CAPITAL EXPENDITURE

Expenditure from HSE - (Ref. Capital L&E A/C)
Add back unpaid Capital Expenditure

Payments, from non-capital, re acquisition of fixed assets (net of trade-ins)

Net Cash Inflow / (Outflow) From Capital Expenditure

Net Cash Inflow / (Outflow) Before Financing

(17,057)	(14,743)
1,778	(1,521)
(15,279)	(16,264)
(1,493)	(1,982)
(16,972)	(18,246)
(14,542)	(19,471)

FINANCING

HSE Capital grant received

Net Cash Inflow / (Outflow) From Financing

Net Cash Flow

16,723	16,969
16,723	16,969
16,723	16,969
2,181	(2,502)

Increase / (Decrease) in Cash in hand and bank balances
(Increase) / Decrease in Bank Loans < 1 Year and Overdraft
Changes in Net Debt

20
20

2,054	135
127	(2,637)
2,181	(2,502)

Beaumont Hospital

NON-CAPITAL INCOME AND EXPENDITURE - DETAILS

Note 1

Note

PAY

Management / Administration
 Medical / Dental I (NCHDs)
 Medical / Dental II (Consultants)
 Nursing
 Paramedical
 Catering & Housekeeping / Support Services / Porters
 Maintenance / Technical

	2022	2021
	€000	€000
	43,240	38,657
	49,055	44,997
	57,072	51,168
	132,307	116,015
	42,290	38,839
	18,856	17,560
	4,145	3,934
	346,965	311,170
	19,809	18,176
	4,564	8,275
	24,373	26,451
	371,338	337,621

8

Pensions & Refunds
 Gratuities / Lump Sums

The increase in pay in 2022 is due to a number of factors including national pay awards, pandemic special recognition payments and the increase in WTE.

NON-PAY

DIRECT PATIENT CARE

Drugs & Medicines
 Blood / Blood products
 Medical Gases
 Medical & Surgical Supplies
 Medical Equipment Capitalised
 Medical Equipment Supplies

12

	54,045	46,007
	4,333	3,882
	458	432
	49,967	47,013
	1,036	1,386
	6,686	6,005
	116,525	104,725

SUPPORT SERVICES

X-Ray / Imaging Equipment Capitalised
 X-Ray / Imaging Supplies
 Laboratory Equipment Capitalised
 Laboratory Supplies
 Catering Equipment Capitalised
 Catering Provisions
 Heat, Power & Light
 Laundry, Cleaning & Washing Equipment Capitalised
 Laundry, Cleaning & Washing Supplies
 Furniture, Crockery & Hardware Equipment Capitalised
 Furniture, Crockery & Hardware Supplies
 Bedding & Clothing
 Maintenance Equipment Capitalised
 Maintenance Materials Supplies
 Grounds Maintenance
 Travel & Subsistence
 Transport of Patients
 Vehicles Purchased Capitalised
 Vehicles Supplies

12

12

12

	14	-
	9,310	7,631
	186	320
	16,004	13,710
	-	-
	3,984	3,443
	8,384	5,523
	-	-
	8,302	7,659
	-	150
	337	340
	817	710
	-	92
	9,421	9,268
	65	12
	633	539
	3,581	2,271
	-	-
	-	-
	61,038	51,668

Beaumont Hospital

Note 1 (continued)

FINANCIAL AND ADMINISTRATIVE

LOAN REPAYMENT PRINCIPAL

BANK INTEREST

Bank Charges
Overdraft Interest

OTHER

Insurance - Medical Defence
Insurance - Other
Audit
Legal
Office Expenses (Rent & Rates, Postage & Telephones, etc.)
Office Equipment
Office Equipment / Contracts On
Computer Equipment
Computer Supplies / Contracts On
Professional Services
Bad Debts written off
Adjustment to Doubtful Debts Provision
Miscellaneous Non-Capital Expenditure on Capital Projects
Miscellaneous Expenses
Expenditure from Research Funds

TOTAL NON-PAY

TOTAL GROSS EXPENDITURE

INCOME

PATIENT INCOME

In-Patient
Out-Patient

OTHER INCOME

Superannuation
Other Payroll Deductions
RTA Receipts
Income from External Agencies
Canteen Receipts
Other Income (Non-Capital)

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 2022 was €5.447 million

NET EXPENDITURE

	Note	2022 €'000	2021 €'000
LOAN REPAYMENT PRINCIPAL			
BANK INTEREST			
Bank Charges		81	148
Overdraft Interest		22	37
OTHER			
Insurance - Medical Defence	2	-	-
Insurance - Other	3	537	495
Audit		72	72
Legal		635	406
Office Expenses (Rent & Rates, Postage & Telephones, etc.)		6,211	4,480
Office Equipment		-	-
Office Equipment / Contracts On		224	100
Computer Equipment	12	225	34
Computer Supplies / Contracts On		3,963	3,145
Professional Services		528	532
Bad Debts written off		404	2,284
Adjustment to Doubtful Debts Provision		3,101	1,512
Miscellaneous Non-Capital Expenditure on Capital Projects	3	-	-
Miscellaneous Expenses	4	6,850	3,411
Expenditure from Research Funds	23	3,613	7,357
		25,466	29,013
TOTAL NON-PAY		203,029	185,406
TOTAL GROSS EXPENDITURE		574,367	523,027
<u>INCOME</u>			
<u>PATIENT INCOME</u>			
In-Patient	5	31,325	30,520
Out-Patient	5	660	657
		31,985	31,177
<u>OTHER INCOME</u>			
Superannuation		6,850	6,222
Other Payroll Deductions		1,703	1,739
RTA Receipts	10	466	657
Income from External Agencies	6	1,385	1,569
Canteen Receipts		1,149	1,093
Other Income (Non-Capital)	7	42,971	48,103
TOTAL INCOME		86,503	91,060
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 2022 was €5.447 million			
NET EXPENDITURE		487,864	431,967

Beaumont Hospital

INSURANCE Note 2

Note

	2022 €'000	2021 €'000
Public Liability (Combined Liability)	105	95
Property	245	243
Other	187	157
	537	495

OTHER

Public Liability (Combined Liability)
Property
Other

MISCELLANEOUS NON-CAPITAL EXPENDITURE ON CAPITAL PROJECTS Note 3

	2022 €'000	2021 €'000
Land	-	-
Buildings	-	-
Work-in-Progress	-	-
Equipment	-	-
Vehicles	-	-
Other	-	-
	-	-

Land
Buildings
Work-in-Progress
Equipment
Vehicles
Other

MISCELLANEOUS EXPENSES Note 4

	2022 €'000	2021 €'000
Security	479	450
Publications etc.	-	-
Membership / Subscriptions etc.	420	381
Interest on Late Payments Write-Off	(711)	-
Education / Training	950	791
Other	5,712	6,789
	6,850	8,411

Security
Publications etc.
Membership / Subscriptions etc.
Interest on Late Payments Write-Off
Education / Training
Other

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

	2022 €'000	2021 €'000
	2,259	1,979
	27,437	26,378
	1,275	1,342
	354	321
	31,325	30,320
	611	591
	49	66
	660	657
TOTAL PATIENT INCOME	31,985	31,177

OUT-PATIENTS

Statutory Accident & Emergency Charges
 Other Out-Patient Charges

TOTAL PATIENT INCOME

INCOME FROM EXTERNAL AGENCIES
 Note 6

Laboratory

	2022 €'000	2021 €'000
	1,385	1,569
	1,385	1,569

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

	2022 €'000	2021 €'000
	522	116
	700	717
	3	9
	31	41
	31,996	30,877
	346	346
	6,560	7,784
	200	856
	2,613	7,357
	42,971	48,103

* The Recoverable Costs comprise 22% Recoverable Salaries, 55% PCRS Drugs Recoup, 20% OPD Drugs Recoup and 3% 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

	2022 €000	2021 €000
Basic Pay	269,238	239,529
Overtime	22,220	20,177
Premium Pay	11,597	10,808
Shift Allowance	-	-
Holiday / Public Holiday Premiums	2,402	2,345
Higher Degree	1,154	1,137
Special Nursing	2,172	2,375
On Call / Standby	6,217	5,694
PRSI Employer	30,522	27,881
Travel Allowance	565	539
Other	858	635
	346,965	311,170

RECONCILIATION OF EXPENDITURE TO COST OF SERVICES

(Memorandum Only)

Note 9

Net Expenditure - Current Year

Deduct

Purchase of Equipment and Vehicles from Non-Capital

Funding of Capital Projects and Balances from Non-Capital

Loan repayments - Principal Only

Total Deductions

Sub-Total

Add Back

Depreciation Charge For The Year

Running Cost of Service

Form 1

12

3

1

13

	2022 €000	2021 €000
Net Expenditure - Current Year	487,864	431,967
<u>Deduct</u>		
Purchase of Equipment and Vehicles from Non-Capital	1,493	1,982
Funding of Capital Projects and Balances from Non-Capital	-	-
Loan repayments - Principal Only	-	-
Total Deductions	1,493	1,982
Sub-Total	486,371	429,985
<u>Add Back</u>		
Depreciation Charge For The Year	9,335	8,838
Running Cost of Service	495,706	438,823

ROAD TRAFFIC ACCIDENT MEMORANDUM ACCOUNT

Note 10

Balance at 1st January

BRIs Issued in Respect of the Year

Less cash received during the year

Less waivers and other write-offs

Balance at 31st December

	2022 €000	2021 €000
Balance at 1st January	4,917	4,786
BRIs Issued in Respect of the Year	1,750	1,223
Less cash received during the year	(466)	(637)
Less waivers and other write-offs	(860)	(435)
Balance at 31st December	5,341	4,917

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

	2022	2021
	€000	€000
	483,765	425,599
	447,896	386,507
	35,869	39,092
	39,092	26,720
	39,092	26,720
	-	-
	5,305	4,745
	4,875	4,310
	431	435
	36,300	39,527

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

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

14

14

**TOTAL BALANCE OF APPROVED NON-CAPITAL DETERMINATIONS DUE
FROM HSE**

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

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

	2022	2021
	€000	€000
	16,000	15,944
	15,859	15,080
	141	864
	1,060	2,085
	864	1,889
	196	-
	-	196

**TOTAL BALANCE OF CAPITAL GRANTS DUE FROM
HSE**

	141	1,060
--	-----	-------

GROSS TOTAL DUE FROM HSE CAPITAL AND NON-CAPITAL

14

	36,441	40,587
--	--------	--------

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

	2022	2021
	€000	€000
	1,056	1,386
	14	-
	185	320
	-	150
	-	-
	-	92
	-	-
	225	34
	1,461	1,982
	32	-
	1,493	1,982

Vehicles Purchased

Beaumont Hospital

Note 13

Note

COST OR VALUATION approximating to cost at 01/01/2022
 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 31/12/2022

ACCUMULATED DEPRECIATION at 01/01/2022
 Depreciation charge for year
 Disposals - Accumulated Depreciation
ACCUMULATED DEPRECIATION at 31/12/2022

NET BOOK AMOUNT at 31/12/2022

NET BOOK AMOUNT at 31/12/2021

Land	Buildings	Work in Progress	Equipment	Vehicles	Other	Total
€000	€000	€000	€000	€000	€000	€000
215	204,573	1,973	96,661	45	-	303,467
215	204,573	1,973	96,661	45	-	303,467
-	8,797	1,109	7,026	-	-	16,932
-	-	-	125	-	-	125
-	-	-	1,461	32	-	1,493
-	-	-	(65)	-	-	(65)
-	-	-	-	-	-	-
215	213,370	3,082	105,208	77	-	321,952
-	74,644	-	75,693	45	-	150,382
-	3,468	-	5,861	6	-	9,335
-	-	-	(65)	-	-	(65)
-	78,112	-	81,489	51	-	159,652
215	135,258	3,082	23,719	26	-	162,400
215	129,929	1,973	20,968	-	-	152,085

Note 13(d)

In accordance with the Accounting Standards for Voluntary Hospitals 1999, a sum of €1,109m was transferred to Work in Progress in respect of capital projects which were incomplete at 31st December 2022.

Beaumont Hospital

DEBTORS

Note 14

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

Note

Patients (Closing Ledger Balance)
less: Provision for bad and doubtful debts
787S Debtors (Chargeable Excess)
less: Provision for Chargeable Excess
Other
Prepayments

Non-HSE Debtors

	2022	2021
	€000	€000
	35,869	39,092
	141	1,060
	431	435
	36,441	40,587
	32,889	33,190
	(19,295)	(16,194)
	4,256	3,441
	(4,256)	(3,441)
	639	459
	3,046	2,647
	17,279	20,182
	53,720	60,689

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

	2022	2021
	€000	€000
	2,718	2,111
	44	42
	-	-
	5,474	5,410
	69	66
	806	804
	802	802
	52	49
	40	39
	17	10
	-	-
	30	15
	284	280
	156	145
	97	20
	10,589	9,793

CREDITORS

Note 16

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

23

23

	2022	2021
	€000	€000
	2,964	1,186
	38,957	50,906
	12,919	9,407
	7,723	5,656
	1,630	1,062
	5,167	5,080
	361	566
	69,721	73,863

BANK LOANS - GREATER THAN ONE YEAR

Note 17

Financing Obligations

Note

	2022	2021
	€000	€000
	-	-
	-	-

Beaumont Hospital

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

	2022 €000	2021 €000
Balance at beginning of year	153,085	145,198
Additions		
Finance Leases Adjustment	17,057	14,743
Capital Expenditure	1,493	1,982
Non-Capital Expenditure	-	-
Donations	-	-
Sub-Total Additions	18,550	16,725
Less		
Disposals (Cost less Depreciation)	-	-
Depreciation for the year	9,335	8,838
Sub-Total Deductions	9,335	8,838
Balance at year-end	162,300	153,085

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

	2022 €000	2021 €000
(Deficit) / Surplus (Non-Capital)	(24,492)	(25,699)
Add back (deficit) / surplus brought forward	(25,699)	(24,076)
(Deficit) / Surplus for current year	1,207	(1,623)
Deduct repayment of loan (Capital element) charged against non-capital	-	-
Deduct Interest and Dividend Income	-	-
Add back purchase of equipment from non-capital	1,493	1,982
Add back all interest charged against non-capital	-	-
(Increase) / Decrease in Stocks	(796)	(390)
(Increase) / Decrease in HSE Debtors (Non-Capital)	3,227	(12,419)
(Increase) / Decrease in Non-HSE Debtors	2,823	(5,345)
Increase / (Decrease) in Non-Capital Creditors and Taxation	(5,920)	16,570
HSE Capital Claim written off against Revenue	196	-
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES	2,230	(1,225)

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 2022 €'000	Cash Flow €'000	At 31st Dec-22 €'000
643	2,054	2,697
(16,170)	127	(16,043)
(15,527)	2,181	(13,346)
-	-	-
-	-	-
-	-	-
-	-	-
(15,527)	2,181	(13,346)

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

2022 €'000	2021 €'000
2,181	(2,502)
-	-
2,181	(2,502)
-	-
2,181	(2,502)
(15,527)	(13,025)
(13,346)	(15,527)

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 €940,249 was passed over to the hospital in 2022.

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	2022	2021
	€'000	€'000
Opening Balance	5,080	5,687
Lodgements	2,699	6,750
Withdrawals	(2,612)	(7,357)
Closing Balance	5,167	5,080

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 31.12.2022 €361k (2021: €566k).

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 2022 and €216,638 in 2021.

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. ADDITIONAL SUPERANNUATION CONTRIBUTION

In 2022 an amount of €7,887,110 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 2022. 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

As explained in the Statement of Accounting Policies, all medical and certain other legal claims taken against Beaumont Hospital are managed and controlled by the State Claims Agency (SCA) and ultimately settled by the Health Service Executive (HSE) on a non-recourse basis. SCA provided an analysis of the movement on the provisions held in relation to Beaumont Hospital on a quarterly basis. The movements on the provision during the year may be summarised as follows:

Description	2022	2021
	€'000	€'000
Opening Estimate	148,160	140,600
Claims settled during the year	(12,630)	(18,240)
New claims arising/adjustment to estimates	6,270	25,800
Closing Estimate	141,800	148,160

It is important to note that there can be significant time lags between the creation of a claim and the incident which gave rise to the claim and further there can be significant time lags between the creation of the claim and the year in which the claim is ultimately settled. The Quarterly Claims Reports from SCA do not currently provide history logs in this respect.

30. Salary Overpayments & Related Credits

Balance at 1 January 2022	€463,794
Additional overpayments in year:	€288,513
Amounts recovered during year	<u>(€112,236)</u>
Balance at 31 December 2022	<u>€640,071</u>

Note: As explained in the Statement on Internal Control on pages 16 to 37, 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. These amounts remain outstanding. 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 29th December 2023.