

**ANNUAL FINANCIAL STATEMENTS**  
**FOR**  
**BEAUMONT HOSPITAL BOARD**  
**FOR THE YEAR ENDED 31/12/2023**

**Date : 08.10.2024**

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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 Board in consultation with 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 2023.

### Board Structure

The Board consists of a Chairperson and 10 ordinary members. The Board met on 12 occasions in 2023. The table below details 2023 Board members and those who subsequently joined before the signing of the Annual Financial Statements.

Board Member	Role	Nominated by	Term of Office
Philip, Pauline	Chairperson	Minister for Health	14.10.22 - 19.06.26
Aboud, Richard	Ordinary Member	ICGP	14.03.23 - 08.05.23
Barron, Daryl	Ordinary Member	Dublin City Council	19.06.20 - 18.06.23
Butler, Michelle	Ordinary Member	DCU	17.04.23 - 17.04.26
Callaghan, Loretto	Ordinary Member	Minister for Health	29.04.21 - 28.04.24
Kelly, Kieran	Ordinary Member	Minister for Health	17.08.23 - 17.08.26
Latham, John	Ordinary Member	ICGP	27.09.23 - 16.04.26
McGarvey, Henry	Ordinary Member	Minister for Health	29.06.17 - 28.06.23
McMorrow, Louise	Ordinary Member	Minister for Health	29.06.21 - 28.06.24
McNally, Paul	Ordinary Member	RCSI	16.02.20 - 15.02.23
Moore, Gerard	Ordinary Member	DCU	16.02.20 - 15.04.23
O’Donovan, Kevin	Ordinary Member	Minister for Health	29.04.21 - 28.04.24
O’Grady, Deirdre	Ordinary Member	Minister for Health	17.08.23 - 28.06.24
O’Leary Tom	Ordinary Member	Fingal County Council	27.03.24 – 12.08.24
Rane, Punam	Ordinary Member	Fingal County Council	19.06.23 - 28.01.24
Redmond, Patrick	Ordinary Member	RCSI	17.04.23 - 17.04.26
Ruane, Bernice	Ordinary Member	Minister for Health	02.07.21 - 01.07.27

The following Board members terms of office expired on; Daryl Barron on 18.06.23, Henry McGarvey on 28.06.23, Paul McNally on 15.02.23 and Gerard Moore on 15.04.23. Dr Richard Aboud was appointed on 14<sup>th</sup> March 2023 and resigned on 8<sup>th</sup> May 2023, Ms Punam Rane was appointed on 19<sup>th</sup> June 2023 and resigned on 28<sup>th</sup> Jan 2024, Mr Tom O’Leary was appointed on 27<sup>th</sup> March 2024 and resigned on 12<sup>th</sup> August 2024.

The Board has established three committees, as follows:

### **1. Audit & Residual Risk Committee**

The Audit & Residual Risk Committee (ARRC) was chaired by Kevin O’Donovan and Paul McNally, Bernice Ruane and a co-opted member, Bruce Hopkins, served as members during 2023. On 09 January 2024 Deirdre O’Grady was appointed as a new member. There were 8 meetings of the Audit & Residual Risk Committee in 2023.

### **2. Finance, Capital Project & IT Committee**

The Finance, Capital Project & IT Committee was chaired by Henry McGarvey from 1 January 2023 to 14 June 2023 and on an interim basis by Louise McMorrow on 15 June 2023 to 08 January 2024. Following the resignation of both Henry McGarvey and Daryl Barron in June 2023, the Finance, Capital Project & IT Committee was not quorate until Kieran Kelly was appointed as Chair on 08 January 2024. There were 2 formal meetings of the Finance Committee during 2023. The Finance Committee was renamed the Finance, Capital Project & IT Committee (FCIT) in January 2024. On 08 January 2024 John Latham was appointed to the committee.

### **3. Clinical Governance Performance & Risk Committee**

The Clinical Governance Performance & Risk Committee was chaired by Loretto Callaghan and Gerard Moore and Kevin O’Donovan served as members during 2023. On 09 January 2024 Michelle Butler and Patrick Redmond were appointed as new members of the committee. There were 6 meetings of the Clinical Governance Performance & Risk Committee in 2023.

### **Review of Effectiveness of Board and Board Committees**

The Board had a significant change in membership under a new Chair during 2023 with 4 retirements, 2 resignations and 7 new appointments.

The Board, Clinical Governance Performance & Risk Committee and the Finance, Capital Project & IT Committee were not in a position to undertake a review of effectiveness during 2023 or in the subsequent period to date in 2024.

The Audit & Residual Risk Committee undertook a review of effectiveness covering the period from 1 July 2021 (date the Chair commenced the role) to 2 March 2023. A

subsequent review was carried out in Q2 2024. 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 & Residual 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	ARRC	CGPRC	FCIT	Fees 2023	Expenses 2023
No of meetings	12	8	6	2		
Philip, Pauline	12					
Aboud, Richard	2					
Barron, Daryl	8			2		835
Butler, Michelle	8		1			
Callaghan, Loretto	10		6			
Kelly, Kieran	2					
Latham, John	2					
McGarvey, Henry	4			1		
McMorrow, Louise	10			2		
McNally, Paul	3	3				
Moore, Gerard	3		2			
O'Donovan, Kevin	12	8	6			
O'Grady, Deirdre	2					
Rane, Punam	5					
Redmond, Patrick	7		2			
Ruane, Bernice	12	8				
					-	835

The co-opted non-board member, Mr Bruce Hopkins attended 8 meetings of the Audit & Residual 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 2023, the Board had 11 members of which 7 (64%) were female members and 4 (36%) were male members. The Board therefore did not meet 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:

Range		Number of Employees	
From	To	2023	2022
€60,000	€69,999	780	674
€70,000	€79,999	473	360
€80,000	€89,999	193	146
€90,000	€99,999	124	100
€100,000	€109,999	65	40
€110,000	€119,999	32	30
€120,000	€129,999	21	13
€130,000	€139,999	11	11
€140,000	€149,999	12	14
€150,000	€159,999	11	21
€160,000	€169,999	6	28
€170,000	€179,999	12	25
€180,000	€189,999	8	25
€190,000	€199,999	11	20
€200,000	€209,999	26	20
€210,000	€219,999	27	13
€220,000	€229,999	27	16
€230,000	€239,999	27	22
€240,000	€249,999	22	11
€250,000	€259,999	27	14
€260,000	€269,999	21	4
€270,000	€279,999	5	6
€280,000	€289,999	6	3
€290,000	€299,999	5	2
€300,000	€309,999	4	1
€310,000	€319,999	0	2
€320,000	€329,999	4	-
€330,000	€339,999	1	1
€340,000	€349,999	1	1
€350,000	€359,000	-	-
€360,000	€369,000	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.

	2023	2022
	€	€
Legal Advice	877,191	632,510
Financial/Tax advice	-	1,538
Public Relations	44,280	44,280
Human Resources	86,766	63,442
Business Improvement	369,897	316,490
Corporate Service	65,515	-
<b>Total Consultancy Costs</b>	<b><u>1,443,649</u></b>	<b><u>1,058,260</u></b>
Consultancy Costs Capitalised	-	-
Consultancy Costs Charged to Income & Expenditure	<u>1,443,649</u>	<u>1,058,260</u>
<b>Total</b>	<b><u>1,443,649</u></b>	<b><u>1,058,260</u></b>

## 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 28 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:

	2023	2022
	€	€
Domestic		
- Board *	835	1,375
- Employees	7,007	2,276
International		
- Board	-	-
- Employees	<u>5,010</u>	<u>-</u>
<b>Total</b>	<b><u>12,852</u></b>	<b><u>3,651</u></b>

\* travel & subsistence of €835 paid directly to Board members in 2023. (2022: €1,375)

## Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2023	2022
	€	€
<b>Staff:</b>		
Retirement Vouchers	16,250	15,500
Retirement Receptions	12,050	3,423
<b>Client:</b>		
Client Hospitality	-	-
<b>Total</b>	<b>28,300</b>	<b>18,923</b>

## Remuneration

### (a) Aggregate Employee Benefits

	2023	2022
	€000	€000
Staff short-term benefits	340,501	316,443
Termination benefits	-	-
Retirement benefit costs	29,571	24,373
Employer's contribution to social welfare	34,067	30,522
<b>Total</b>	<b>404,139</b>	<b>371,338</b>

The total number of staff employed (WTE) at year end was 4,496 (2022 – 4,346)

### (b) Staff Short-Term Benefits

	2023	2022
	€000	€000
Basic pay	285,182	269,258
Overtime	25,104	22,220
Allowances	30,215	24,965
<b>Total</b>	<b>340,501</b>	<b>316,443</b>

### (c) Termination Benefits

	2023	2022
	€000	€000
Termination benefits charged to I&E	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

No service awards were made to departing staff in 2023. (2022: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:

	2023	2022
	€000	€000
Salary	3,584	3,194
Allowances	626	649
Termination benefits		-
Health Insurance		-
<b>Total</b>	<b>4,210</b>	<b>3,843</b>

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:

	2023	2022
	€	€
Salary	157,543	108,087
Allowances		-
<b>Total</b>	<b>157,543</b>	<b>108,087</b>

The CEO was employed under a secondment arrangement from the Royal College of Surgeons in Ireland Group (RCSI) which commenced on 13<sup>th</sup> June 2016. This arrangement ceased on 6<sup>th</sup> January 2023. The position was filled on an interim basis from 9<sup>th</sup> January 2023 and ceased 10<sup>th</sup> July 2023 (salary €77k). The position was then filled on an interim basis from 22<sup>nd</sup> June 2023 to 30<sup>th</sup> August 2024 (salary €80k).

#### 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. As explained in the Statement on Internal Controls Beaumont Hospital was not in full compliance with the Code of Practice for the Governance of State Bodies for 2023.

On behalf of the Board:



Pauline Philip  
Chairperson



Anne Coyle  
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 2023 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 2023 and its income and expenditure for 2023, 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.

#### *Non-compliant procurement*

The statement on internal control discloses that in 2023 Beaumont Hospital Board continued to incur significant expenditure where the procedures followed did not comply with public procurement guidelines.

**Seamus McCarthy**  
Comptroller and Auditor General

4 November 2024

## 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 31<sup>st</sup> DECEMBER 2023.**

We confirm that, in our opinion, the Financial Statements of Beaumont Hospital Board for the year ended 31 December 2023 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 39 to 56 which have been prepared under the statement of accounting policies set out on pages 35 to 38 properly present the state of affairs of the Hospital at 31<sup>st</sup> December 2023 and its income and expenditure and cash flow for the year then ended.

Signed:



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Pauline Philip  
Chairperson



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Anne Coyle  
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 2023 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 Statement on Internal Control (SIC) for the years ended 31 December 2020, 2021, and 2022 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 22, the board updated on the status of the Governance Compliance Project to seek to achieve full compliance not only with obligations of the Code but all other governance reporting obligations. 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 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 key 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, Beaumont Hospital has made a submission to HSE for approved resources to enable the appointment of 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 above, 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 (v), 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 need 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 expert/service provider to assist in the further 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 sought and received external advice on the indicative costs to engage the required additional resources to progress the Governance Compliance Project in 2023 and approved a submission to the HSE to secure the additional required resources based on the external advice on 9 January 2024. The submission was communicated to the HSE on 7 March 2024.

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 updated the 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 independent expertise to meet the requirements of the Code and other governance reporting obligations.

Beaumont Hospital in the process of updating its Risk Management Policy in compliance with the HSE Enterprise Risk Management Policy, 2023, including enhancements to the CRR and incorporating risk appetite statements.

The board has three board committees providing advice to the Board on matters relating to risk management on behalf of the board namely:

- (i) Audit & Risk Committee
- (ii) Finance Capital Projects & IT Committee
- (iii) Clinical Governance Performance & 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). In 2023 the board agreed to re-align the risk oversight responsibilities between the three committees and the TORs are currently being re-drafted to reflect this re-alignment.

## **5. Risk and Control Framework**

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

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 is expected to commence in Q4 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 to seek to ensure that 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 the Public Procurement Guidelines for Goods & Services (October 2023) issued by the Department of Public Expenditure NDP Delivery and Reform. The Guidelines align with EU and national public procurement rules, including 2014 Directives and 2016 Regulations. 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 and reports from the internal and external auditors, independent regulators, 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 2023 on 27 March 2024.

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 presentations on matters arising from the programme of Clinical Effectiveness Audits for 2023 by the Clinical Governance Performance & 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) Review of non-compliant procurement reports from the Head of Procurement by the Finance, Capital Projects & IT Committee
- (xii) Attendance at presentation from the external auditors on the findings of the external audit for the year ended 31 December 2022 and, preliminary discussions on the audit plan in respect of the year ended 31 December 2023
- (xiii) Receipt and review of communications from the external auditors on internal control recommendations arising from the audit of the financial statements for the year ended 31 December 2022.

## 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 2020,2021 and 2022 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 sought 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 Beaumont Hospital secured funding of €4.6 million in 2023 to staff the BHIS Replacement Project. Project Coral is now an active project in Beaumont Hospital with 9 different project streams all being led by Senior Executive sponsorship and senior project managers. There is also an overarching governance structure within the hospital at board and executive level for the project.

The replacement of BHIS has been a key focus of the Hospital for many years in consultation and partnership with the Health Service Executive (HSE) due to the fact that some BHIS replacement modules are being delivered by the 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 the impact of the Covid pandemic and also the Cyber Security Attack on HSE systems in recent years the MedLIS development project under the control of HSE has been



delayed. The current go-live date for MedLIS is the 17 August 2024 as agreed with the HSE National Project Team, the LIMS vendor, and Beaumont Hospital. The LIMS replacement, MedLIS, went live on 17 August 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 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 replacement system for Order Comms will be specific to Beaumont Hospital and is currently at contract negotiation stage with the successful vendor following a comprehensive tender process. The expected implementation date for Order Comms is Q1 2025.

The delays experienced on the delivery of MedLIS and knock on effect on replacement projects for other systems has resulted in a scenario where the key timelines to successful replacement of BHIS by the 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.

The findings of an independent ICT review commissioned by the Board in May, 2023, underpinned this risk. Whilst Beaumont Hospital has taken account of the Independent Consultants Report and is working to achieve an effective replacement of BHIS whilst developing plans to manage the risks identified, replacement of the system remains a key risk in the Hospital's Corporate Risk Register.

### **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).

### **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 the services that the hospital provides.

Management is progressing the development of a specific module of its business continuity plan for major incidents to include a segment 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 and as a consequence, 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. This was successfully delivered by Q3 2024.
- (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) 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
- (v) 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 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 was at a satisfactory level with an ambition for continuous improvement.

However, due to circumstances beyond the control of the hospital and the Board,

there were key departures from the Hospital's EMG in 2023. By end December 2023, there were 5 interim officer holders in positions within the EMG in addition to a Chief Operations Officer vacancy as a consequence of turnover, compounded by the national moratorium on recruitment. Separately, there was significant turnover in the composition of the board membership in the same period. Accordingly, the board acknowledged a risk that hospital performance on service delivery and budget control was challenged in 2023 against a backdrop of service pressures and HSE reform.

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

#### **9.3.1 Overview**

Beaumont Hospital has a strong legacy history of effective Clinical Governance with detailed programmes and processes to monitor Clinical Effectiveness, Clinical Compliance, and related risk management oversight over clinical activities. The ambition of Beaumont Hospital has always been to seek to achieve continuous improvement and the next major step in that journey will be the project to seek to achieve Joint Commission International (JCI) Accreditation.

The assessment criteria for JCI Accreditation provides a useful benchmark to assess the design of controls and processes to seek to achieve operating effectiveness over clinical activities and what actions/steps would contribute to a more effective environment.

The issues highlighted in 9.3.2 represent issues that have emerged from the review of effectiveness of controls over clinical activities for 2023 and also issues that will need to be addressed along the journey to achieve JCI Accreditation.

In performing the assessment, the board had regard to the following key performance metrics:

- (i) Review of operating performance metrics for the year
- (ii) Outcomes from clinical audit testing during the year in respect of both clinical compliance and clinical effectiveness
- (iii) Outcomes of independent regulatory reviews during the year
- (iv) Review of Quarterly Claims Reports from the State Claims Agency during the year (all medical claims against Beaumont Hospital are managed by the State Claims Agency and any settlements arising are paid by the HSE on a non- recourse basis to Beaumont Hospital - see analysis of movement on claim provisions in Note 28 to the Financial Statements on page 55).
- (v) Benchmarking against the assessment criteria for JCI Accreditation

### 9.3.2 Issues arising from review of operating effectiveness of controls over clinical activities

#### (i) Infrastructure Deficits

Beaumont Hospital has suffered from a lack of investment in infrastructure over many years with the key issues being:

- (a) Capacity of the hospital versus demand for services and in particular the emergency department, cardiology facilities, pharmacy, the number of operating theatres and equipment
- (b) Challenges in infection control due to the lack of single rooms
- (c) Fire safety related issues
- (d) Limitations in availability of data analytics from the IT systems (see 9.3.1 above)

Beaumont Hospital has submitted capital grant approval requests to the HSE on the issues addressed at (a) to (d) above and acknowledges the many demands across the healthcare system on the allocated resources provided to HSE to fund all capital projects.

#### (ii) Staffing Challenges

- (a) Challenges on key staff retention due to housing/cost of living challenges in the Dublin area
- (b) Shortage of specialist medical professionals in key areas nationally

Beaumont Hospital has put in place bespoke recruitment campaigns to address shortages of specific healthcare professionals, including incentivising their employee value proposition in parallel to national pay incentive measures.

#### (iii) Legal Claims

Due to confidentiality concerns the amount of data analytics available from the State Claims Agency is restricted especially in the matter of the benchmark data for equivalent sized large acute hospitals.

Notwithstanding Beaumont Hospital is concerned by the increasing trends in recent years in the matter of both the number and value of legal claim settlements and seeks to ensure that key messaging from the State Claims Agency is addressed on a timely basis. The areas of key focus at present are:

- (a) Documentation of all steps in a patient's care as evidence that all such steps were executed; and

- (b) Quality of communications with patients especially where possible serious incidents have been identified.

### **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.

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.

### **9.3.4 Assessment Criteria for JCI Accreditation/Improvements in Quality Control**

Development needs identified include programmes to monitor clinical compliance and effectiveness. Beaumont Hospital does have existing programmes under Clinical Audit to monitor the status of Standard Operating Procedures in terms of National Healthcare Polices and compliance therewith, but it is acknowledged that under JCI these programmes will need to be expanded and more effectively documented.

These and other development needs will be addressed in the programme to achieve and maintain JCI Accreditation.

## **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 2023 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 2022 (AFS 22) were presented for audit on 31 March 2023 but due to circumstances beyond the control of the board were not subsequently finalised until 28 December 2023.

Beaumont Hospital posted AFS 22 on its website in March 2024.

Draft AFS for the year ended 31 December 2023 (AFS 23) were presented for audit on 31 March 2024. Audit was completed 4 months earlier this year, unfortunately the 30 June 2024 deadline was not achieved.

- (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. ACS 2022 was submitted in Q2 2024. 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.

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

- (iii) 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 Related Issues**

### **9.4.2.1 Issues arising from non-integration of Payroll and Human Resource IT Systems**

The Payroll and Human Resource IT Systems in Beaumont Hospital have historically not been integrated and as a consequence temporary time lags arose where updates to the Human Resource System to reflect changes in status of employees were not simultaneously reflected in the Payroll System.

As a consequence, these time lags gave rise to either temporary payroll overpayments or temporary payroll underpayments but ordinarily, the under or overpayments were identified once the change in status notification was received and processed by the Payroll Department. Temporary payroll underpayments were generally resolved on a timely basis but as may be expected, some payroll overpayments took longer to resolve and hence gave rise to a receivable balance at each 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 2023 amounted to €706,324 and details on the movement in the balance during the year are set out in Note 29 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 and it is anticipated that the new system will greatly assist in the management of issues caused by the delay in notification of changes in employee status on a go forward basis.

## **9.4.3 HSE Cyber Attack and threat to Beaumont Hospital ICT Systems**

### **Background**

Cyber-attacks and security threats are a fact of life for all institutions and more so for global healthcare services.

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.

In the immediate aftermath of the cyber-attack on the health services in Ireland in 2021, Beaumont Hospital invested in a number of infrastructure projects in order to make security improvements to its environment. Work on its security infrastructure continued throughout 2022 and 2023.



Beaumont Hospital carried out a full security penetration test of its internal and external networks to understand and resolve any gaps. This was complete by the end of May 2024.

Additional cyber security resources will be required to implement future plans. Discussions are ongoing with the Finance Capital Projects and IT Committee and with management to identify and secure the necessary resources. An identified key resource is the establishment of a specialist Cyber Security Division within the IT Directorate headed by a Cyber Security Officer with executive responsibility for the hospital's entire security posture, physical and cyber, inclusive of operational risk.

In 2023 the board submitted a proposal to the HSE for funding to undertake an independent review of all cyber security threats and related controls for which funding was approved in October 2023. Resources will need to be identified to support the fieldwork and research requirements of the independent review. The Finance Capital Projects and IT Committee is working with the executive management team to advance matters in Q4 2024.

#### **9.4.4 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 2023, the total value of non-pay expenditure was €245 million. Throughout the year Beaumont Hospital continued to conduct tendering processes to meet compliance requirements, monitored through the Finance Capital Projects and IT Committee's bi-monthly review of progress on the percentage of total expenditure which is compliant, and the steps being taken to address non-compliance. The reports on the level of expenditure where the related procures complied with procurement rules showed that compliance levels, remained at 92.5% by the end of 2023.

The report at the year-end indicated non-compliant procurement of €18.48 million in 2023. 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. The Finance, Capital and IT Committee is reviewing with the management team the areas of non-compliance with the procurement regulations and the relevant sections of the Public Spending Code. Additional resources will be required to allow for full compliance.

The board will consider further during 2024 along with competing priorities for procurement resources.

#### **9.4.5 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 2023 Annual Financial Statements contain a provision of €606k 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.

The Finance Capital Projects and IT Committee is reviewing this matter with management with a view to bringing it to a resolution in 2024.

#### **9.4.6 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 Finance Capital Projects and IT Committee is committed to reviewing the key controls in this area.

This Statement on Internal Control was reviewed by the Audit & Risk Committee on 19 March 2024 and subsequently re-reviewed on 04 October 2024 and recommended to the board for formal approval on 08 October 2024.

Signed: \_\_\_\_\_



Date: 08 October 2024

**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
- (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.
- (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 Board.
- (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.

**Vehicles:** 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 31<sup>st</sup> December 2004.

### **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%)
- (d) Motor Vehicles:** 20% straight line.

### **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 31<sup>st</sup> December 2023.
- (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)

## **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.

## **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 28.

## **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 2023**

Form 1	Note	2023 €'000	2022 €'000
<b>CUMULATIVE NON-CAPITAL DEFICIT / (SURPLUS) BROUGHT FORWARD FROM PREVIOUS YEAR</b>		24,492	25,699
<b><u>PAY</u></b>			
Salaries	1	374,568	346,965
Superannuation and Gratuities	1	29,571	24,373
		<b>404,139</b>	<b>371,338</b>
<b><u>NON-PAY</u></b>			
Direct Patient Care	1	128,894	116,525
Support Services	1	64,931	61,038
Financial and Administrative	1	37,048	25,466
		<b>230,873</b>	<b>203,029</b>
<b>GROSS EXPENDITURE FOR THE YEAR</b>		<b>659,504</b>	<b>600,066</b>
<i>Includes deficit / (surplus) brought forward from previous year</i>			
<b><u>INCOME</u></b>			
	1	91,883	86,503
<b>NET EXPENDITURE FOR THE YEAR</b>		<b>567,621</b>	<b>513,563</b>
<b>DETERMINATION - Notified for the year from HSE</b>			
Fair Deal Funding		529,422	483,765
<b>DEFICIT FOR THE YEAR C/F TO FOLLOWING YEAR</b>		<b>4,499</b>	<b>5,306</b>
		<b>33,700</b>	<b>24,492</b>


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 2023 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:  \_\_\_\_\_  
Anne Coyle  
Chief Executive

Dated  
08 October 2024

Signed:  \_\_\_\_\_  
Pauline Philip  
Chairperson

Dated  
08 October 2024

Beaumont Hospital  
**CAPITAL INCOME &  
EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED  
31st DECEMBER 2023**

Form 2

Note

	2023 €000	2022 €000
	30,040	16,000
	30,040	16,000

**CAPITAL INCOME SOURCES**

Health Service Executive - Capital Grant

**TOTAL CAPITAL INCOME**

**CAPITAL EXPENDITURE**

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

Capital Expenditure - Capitalised  
Capital Expenditure - Not Capitalised

**TOTAL CAPITAL EXPENDITURE**

	-	-
	12,354	8,797
	10,169	1,109
	6,691	7,026
	-	125
	-	-
	-	-
	29,214	17,057
	-	-
	29,214	17,057

**OPENING SURPLUS FROM PREVIOUS YEAR**

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

	(5,734)	(6,791)
	(6,560)	(5,734)

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 2023 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: 

Anne Coyle  
Chief Executive

Dated  
08 October 2024

Signed: 

Pauline Philip  
Chairperson

Dated  
08 October 2024




Beaumont Hospital  
BALANCE SHEET AS AT  
31st DECEMBER 2023


Form 3	Note	2023 €'000	2022 €'000
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	13	183,157	162,300
		<b>183,157</b>	<b>162,300</b>
<b><u>CURRENT ASSETS</u></b>			
Debtors	14	58,771	53,720
Stocks	15	11,758	10,589
Cash in Hand and Bank Balances		1,238	2,697
		<b>71,767</b>	<b>67,006</b>
<b><u>CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>			
Creditors	16	89,791	69,721
Bank loans and overdraft	20	9,116	16,043
		<b>(27,140)</b>	<b>(18,758)</b>
<b>NET CURRENT ASSETS / (LIABILITIES)</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>156,017</b>	<b>143,542</b>
<b><u>CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u></b>			
Financing Obligations	17	-	-
		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS LESS CREDITORS</b>		<b>156,017</b>	<b>143,542</b>
<b><u>CAPITAL AND RESERVES</u></b>			
Non-Capital Income & Expenditure Account (Deficit) / Surplus		(33,700)	(24,492)
Capital Income & Expenditure Account (Deficit) / Surplus		6,560	5,734
Capitalisation Account	18	183,157	162,300
		<b>156,017</b>	<b>143,542</b>

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:   
Anne Coyle  
Chief Executive

Dated 08.10.2024

Signed:   
Pauline Philip  
Chairperson

Dated 08.10.2024

Beaumont Hospital  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED**  
**31st DECEMBER 2023**

Form 4	Note	2023 €'000	2022 €'000
Net Cash Inflow / (Outflow) From Operating Activities	19	4,599	2,230
<b><u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u></b>			
Interest Paid on Loans		-	-
Interest Received		-	-
<b>Net Cash Inflow / (Outflow) From Servicing of Finance</b>		-	-
<b><u>CAPITAL EXPENDITURE</u></b>			
Expenditure from HSE - (Ref. Capital I&E A/C)		(29,214)	(17,057)
Add back unpaid Capital Expenditure		3,681	1,778
Add back movements in finance lease obligations		-	-
Payments, from non-capital, re acquisition of fixed assets (net of trade-ins)		(25,533)	(15,279)
Receipts on sale of fixed assets (excluding trade-ins)		(1,881)	(1,493)
		-	-
<b>Net Cash Inflow / (Outflow) From Capital Expenditure</b>		(27,414)	(16,772)
<b>Net Cash Inflow / (Outflow) Before Financing</b>		(22,815)	(14,542)
<b><u>FINANCING</u></b>			
HSE Capital grant received		28,283	16,723
Receipts from other sources - acquisition of fixed assets		-	-
		28,283	16,723
Increase in investments		-	-
Capital element of finance lease rental repayments		-	-
Cash Inflow / (Outflow) from movement in Debt and Lease Financing		-	-
<b>Net Cash Inflow / (Outflow) From Financing</b>		28,283	16,723
<b>Net Cash Flow</b>		5,468	2,181
Increase / (Decrease) in Cash in hand and bank balances	20	(1,459)	2,054
(Increase) / Decrease in Bank Loans < 1 Year and Overdraft	20	6,927	127
(Increase) / Decrease in Bank Loans > 1 Year	20	-	-
<b>Changes in Net Debt</b>		5,468	2,181

# Beaumont Hospital

## NON-CAPITAL INCOME AND EXPENDITURE - DETAILS

	Note	2023 €'000	2022 €'000
<b>Note 1</b>			
<b><u>PAY</u></b>			
Management / Administration		45,203	43,240
Medical / Dental I (NCHDs)		52,924	49,055
Medical / Dental II (Consultants)		68,791	57,072
Nursing		137,930	132,307
Paramedical		45,257	42,290
Catering & Housekeeping / Support Services / Porters		20,391	18,856
Maintenance / Technical		4,072	4,145
	8	374,568	346,965
Pensions & Refunds		23,855	19,809
Gratuities / Lump Sums		5,716	4,564
Others		-	-
		29,571	24,373
		404,139	371,338

The increase in pay in 2023 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		61,519	54,045
Blood / Blood products		4,709	4,333
Medical Gases		626	458
Medical & Surgical Supplies		52,758	49,967
Medical Equipment Capitalised	12	1,135	1,036
Medical Equipment Supplies		8,147	6,686
		128,894	116,525

### SUPPORT SERVICES

X-Ray / Imaging Equipment Capitalised	12	-	14
X-Ray / Imaging Supplies		11,434	9,310
Laboratory Equipment Capitalised	12	138	186
Laboratory Supplies		17,423	16,004
Catering Equipment Capitalised		-	-
Catering Provisions		4,710	3,984
Heat, Power & Light		5,956	8,384
Laundry, Cleaning & Washing Equipment Capitalised		-	-
Laundry, Cleaning & Washing Supplies		9,849	8,302
Furniture, Crockery & Hardware Equipment Capitalised	12	20	-
Furniture, Crockery & Hardware Supplies		367	337
Bedding & Clothing		846	817
Maintenance Equipment Capitalised		-	-
Maintenance Materials Supplies		9,258	9,421
Grounds Maintenance		20	65
Travel & Subsistence		13	633
Transport of Patients		4,210	3,581
Transport - Other		687	-
Vehicles Purchased Capitalised		-	-
Vehicles Supplies		-	-
		64,931	61,038

# 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 & Telephone, 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

Note

2023  
€'000

2022  
€'000

73 81  
22 22

- -  
595 537  
72 72  
943 635  
5,915 6,211  
- -  
183 224  
588 225  
5,723 3,963  
638 528  
941 404  
1,393 3,101  
- -  
17,912 6,850  
2,050 2,613  
37,048 25,466

### **TOTAL NON-PAY**

230,873 203,029

### **TOTAL GROSS EXPENDITURE**

635,012 574,367

### INCOME

#### PATIENT INCOME

In-Patient  
Out-Patient

5  
5

28,477 31,325  
717 660

29,194 31,985

#### OTHER INCOME

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

10  
6  
7

7,116 6,850  
1,746 1,703  
419 466  
1,647 1,385  
1,409 1,143  
50,352 42,971

91,883 86,503

### **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 2023 was €6.259 million

### **NET EXPENDITURE**

543,129 487,864

# Beaumont Hospital

## INSURANCE

Note 2

Note

	2023	2022
	€'000	€'000
	96	105
	326	245
	173	187
	595	537

## OTHER

Public Liability (Combined Liability )

Property

Other

## MISCELLANEOUS NON-CAPITAL EXPENDITURE ON CAPITAL PROJECTS

Note 3

	2023	2022
	€'000	€'000
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-

Land

Buildings

Work-in-Progress

Equipment

Vehicles

Other

## MISCELLANEOUS EXPENSES

Note 4

	2023	2022
	€'000	€'000
	438	479
	3	-
	421	420
	22	(711)
	1,590	950
	15,438	5,712
	17,912	6,850

Security

Publications etc.

Membership / Subscriptions etc.

Interest on Late Payments Write-Off

Education / Training

Other

\* Other comprises: 49% NTPF, 36% Nursing Homes, 5% Transcription Services, 4% Translation Services, 3% Security, 3% Subscriptions

# Beaumont Hospital

## ANALYSIS OF PATIENT INCOME

Note 5

### IN-PATIENTS

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

### OUT-PATIENTS

Statutory Accident & Emergency Charges  
Other Out-Patient Charges

### TOTAL PATIENT INCOME

### INCOME FROM EXTERNAL AGENCIES

Note 6

Laboratory

### 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

Note

	2023 €'000	2022 €'000
	453	2,259
	26,014	27,437
	1,554	1,275
	456	354
	28,477	31,325
	672	611
	45	49
	717	660
	29,194	31,985

	2023 €'000	2022 €'000
	1,647	1,385
	1,647	1,385

	2023 €'000	2022 €'000
	675	522
	794	700
	8	3
	56	31
	34,773	31,996
	346	346
	11,384	6,560
	266	200
	2,050	2,613
	50,352	42,971

23

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

# Beaumont Hospital

## SUMMARY PAY ANALYSIS (Memorandum Only)

Note 8

### (a) Remuneration Costs

	2023 €'000	2022 €'000
Basic Pay	285,182	269,258
Overtime	25,104	22,220
Premium Pay	13,658	11,597
Shift Allowance	-	-
Holiday / Public Holiday Premiums	2,568	2,402
Higher Degree	1,215	1,154
Special Nursing	2,572	2,172
On Call / Standby	7,764	6,217
PRSI Employer	34,067	30,522
Travel Allowance	588	565
Other	1,850	858
	<b>374,568</b>	<b>346,965</b>

Note

## RECONCILIATION OF EXPENDITURE TO COST OF SERVICES

(Memorandum Only)

Note 9

		2023 €'000	2022 €'000
Net Expenditure - Current Year	Form 1	543,129	487,864
<b>Deduct</b>			
Purchase of Equipment and Vehicles from Non-Capital	12	1,881	1,493
Funding of Capital Projects and Balances from Non-Capital	3	-	-
Loan repayments - Principal Only	1	-	-
<b>Total Deductions</b>		<b>1,881</b>	<b>1,493</b>
<b>Sub-Total</b>		<b>541,248</b>	<b>486,371</b>
<b>Add Back</b>			
Depreciation Charge For The Year	13	10,238	9,335
<b>Running Cost of Service</b>		<b>551,486</b>	<b>495,706</b>

## ROAD TRAFFIC ACCIDENT MEMORANDUM ACCOUNT

Note 10

	2023 €'000	2022 €'000
Balance at 1st January	5,341	4,917
Bills Issued in Respect of the Year	1,272	1,750
Less cash received during the year	(419)	(466)
Less waivers and other write-offs	(806)	(860)
<b>Balance at 31st December</b>	<b>5,388</b>	<b>5,341</b>

# Beaumont Hospital

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

	Note	2023 €'000	2022 €'000
<b>NON-CAPITAL</b>			
Total notified non-capital determination for the year		529,422	483,765
Less: Remittances from HSE Non-Capital in the year		489,047	447,896
Balance due from HSE in respect of the year	14	40,375	35,869
Balance due from HSE re previous year(s) as at 1st January		35,869	39,092
Less: Remittances from HSE in year re previous year(s)		35,869	39,092
Balance due from HSE re previous year(s) as at 31st December		-	-
Money Follows the Patient Invoices to HSE		4,499	5,306
Remittance from HSE		4,190	4,875
Balance Due	14	309	431
<b>TOTAL BALANCE OF APPROVED NON-CAPITAL DETERMINATIONS DUE FROM HSE</b>		<b>40,684</b>	<b>36,300</b>
<b>CAPITAL</b>			
Total Capital Grants notified by HSE for the year		30,040	16,000
Less: Remittances from HSE Capital in the year		28,179	15,859
Balance due from HSE in respect of the year		1,861	141
Balance due from HSE re previous year(s) as at 1st January		141	1,060
Less: Remittances from HSE in year re previous year(s)		104	864
Less: Non Recoverable Equipment Written Off		-	196
Balance due from HSE re previous year(s) as at 31st December		37	-
<b>TOTAL BALANCE OF CAPITAL GRANTS DUE FROM HSE</b>		<b>1,898</b>	<b>141</b>
<b>GROSS TOTAL DUE FROM HSE CAPITAL AND NON-CAPITAL</b>	14	<b>42,582</b>	<b>36,441</b>
<b>PURCHASE OF FIXED ASSETS FROM NON-CAPITAL ACCOUNT (Capitalised)</b>			
<b>Note 12</b>			
Other Medical Equipment		1,135	1,036
X-Ray / Imaging Equipment		-	14
Laboratory Equipment/Fixtures & Fittings		138	186
Catering Equipment		20	-
Office Equipment		-	-
Building Additions		-	-
Farm & Garden Equipment		-	-
Computer Equipment		588	225
		1,881	1,461
Vehicles Purchased		-	32
		1,881	1,493



## Beaumont Hospital

Note 13

Note

### COST OR VALUATION approximating to cost at 01/01/2023

	Land	Buildings	Work in Progress	Equipment	Vehicles	Other	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Transfers from Work-in-Progress	215	213,370	3,082	105,208	77	-	321,952
Sub-Total	215	213,370	3,082	105,208	77	-	321,952
Additions From Capital	-	-	-	-	-	-	-
Additions - HSE Capital Equipment Transferred	-	12,354	10,169	6,691	-	-	29,214
Additions From Non-Capital	-	-	-	1,881	-	-	1,881
Disposals during the year at Gross Book Value	-	-	-	(1)	-	-	(1)
Revaluations	-	-	-	-	-	-	-
<b>COST / VALUATION at 31/12/2023</b>	<b>215</b>	<b>225,724</b>	<b>13,251</b>	<b>113,779</b>	<b>77</b>	<b>-</b>	<b>353,046</b>
<b>ACCUMULATED DEPRECIATION at 01/01/2023</b>	<b>-</b>	<b>78,112</b>	<b>-</b>	<b>81,489</b>	<b>51</b>	<b>-</b>	<b>159,652</b>
Depreciation charge for year	-	3,691	-	6,541	6	-	10,238
Disposals - Accumulated Depreciation	-	-	-	(1)	-	-	(1)
<b>ACCUMULATED DEPRECIATION at 31/12/2023</b>	<b>-</b>	<b>81,803</b>	<b>-</b>	<b>88,029</b>	<b>57</b>	<b>-</b>	<b>169,889</b>
<b>NET BOOK AMOUNT at 31/12/2023</b>	<b>215</b>	<b>143,921</b>	<b>13,251</b>	<b>25,750</b>	<b>20</b>	<b>-</b>	<b>183,157</b>
<b>NET BOOK AMOUNT at 31/12/2022</b>	<b>215</b>	<b>135,258</b>	<b>3,082</b>	<b>23,719</b>	<b>26</b>	<b>-</b>	<b>162,300</b>

Note 13(a)

In accordance with the Accounting Standards for Voluntary Hospitals 1999, a sum of €10,169m was transferred to Work in Progress in respect of capital projects which were incomplete at 31st December 2023.

# Beaumont Hospital

## DEBTORS

### Note 14

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

Note

11  
11  
11

2023	2022
€'000	€'000
40,375	35,869
1,898	141
309	431
42,582	36,441
31,707	32,889
(20,688)	(19,295)
4,987	4,256
(4,987)	(4,256)
690	639
4,480	3,046
16,189	17,279

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

58,771 53,720

## 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

2023	2022
€'000	€'000
3,016	2,718
473	44
-	-
5,906	5,474
89	69
439	806
1,210	802
73	52
44	40
4	17
-	-
65	30
290	284
136	156
13	97
-	-
11,758	10,589

## CREDITORS

### Note 16

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

23  
23

2023	2022
€'000	€'000
6,645	2,964
56,325	38,957
10,973	12,919
8,699	7,723
1,022	1,630
5,808	5,167
319	361
89,791	69,721

# Beaumont Hospital

## BANK LOANS - GREATER THAN ONE YEAR

Note 17

Note

Financing Obligations

2023	2022
€'000	€'000
-	-
-	-

## 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

2023	2022
€'000	€'000
162,300	153,085
29,214	17,057
1,881	1,493
-	-
31,095	18,550
-	-
10,238	9,335
10,238	9,335
183,157	162,300

## 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

2023	2022
€'000	€'000
(33,700)	(24,492)
(24,492)	(25,699)
(9,208)	1,207
-	-
1,881	1,493
-	-
(1,169)	(796)
(4,384)	3,227
1,090	2,823
16,389	(5,920)
-	196
4,599	2,230

## 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 2023 €'000	Cash Flow €'000	At 31st Dec-23 €'000
2,697	(1,459)	1,238
(16,043)	6,927	(9,116)
(13,346)	5,468	(7,878)
-	-	-
-	-	-
-	-	-
-	-	-
(13,346)	5,468	(7,878)

### 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

2023 €'000	2022 €'000
5,468	2,181
-	-
5,468	2,181
-	-
5,468	2,181
(13,346)	(15,527)
(7,878)	(13,346)

## 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 €76,904 was passed over to the hospital in 2023.

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	2023	2022
	€'000	€'000
Opening Balance	5,167	5,080
Lodgements	2,691	2,699
Withdrawals	(2,050)	(2,612)
Closing Balance	5,808	5,167

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 31.12.2023 €319k (2022: €361k).

#### 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

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

#### **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 2023 and €216,638 in 2022.

#### **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 2023 an amount of €9,111,896 in pension levies was deducted and retained by the hospital and forms part of the determination for the year.

#### **27. 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.

## 28. 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	2023	2022
	€'000	€'000
Opening Estimate	141,800	148,160
Claims settled during the year	(12,100)	(12,630)
New claims arising/adjustment to estimates	(890)	6,270
Closing Estimate	128,810	141,800

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.

## 29. Salary Overpayments & Related Credits

Balance at 1 January 2023	€640,071
Additional overpayments in year:	€135,504
Amounts recovered during year	<u>(€ 69,251)</u>
Balance at 31 December 2023	<u>€706,324</u>

Note: As explained in the Statement on Internal Control on page 32, the HR and Payroll systems in Beaumont Hospital were historically 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. In January 2024 we have moved to an Integrated HR/Payroll system, this will reduce the duplication of work flows between the two departments.

During a recent audit, it was identified that Beaumont Hospital failed to recoup funding from 2 HSE funded hospitals. Invoices have since been raised to the value of approx €280,000.

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.

## 30. 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.

### **31. Going Concern**

The financial statements have been prepared on the going concern basis which assumes that the Hospital will be able to continue in operational existence for the foreseeable future. The Hospital continues to operate in an environment with significant funding restraints and had an operational deficit in the year of €9.2m (2022: surplus €1.2m). A further operational deficit is projected for the current year.

Funding from the Health Services Executive (HSE) at an appropriate level is fundamental to the Hospital's ability to continue as a going concern. The Hospital is in active dialogue with the HSE in respect of the funding allocation and the HSE continues to provide sufficient monies to meet obligations. The Board expects that the HSE will continue this approach and will provide funds when required.

### **32. Approval of Financial Statements**

The financial statements were approved by the Board on 08<sup>th</sup> October 2024.