



Oifig an Cheannaire Oibríochtaí,
Na Seirbhísí Míchumais/An Rannán Cúram Sóisialta,
31-33 Sráid Chaitríona, Luimneach.

Office of the Head of Operations,
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25th July 2023

Deputy Carol Nolan,
Dail Eireann,
Leinster House,
Kildare Street,
Dublin 2.
E-mail: carol.nolan@oireachtas.ie

Dear Deputy Nolan,

The Health Service Executive Disability Services has been requested to reply directly to you in the context of the following parliamentary question, which was submitted to this department for response.

PQ 34142/22

To ask the Minister for Children; Equality; Disability; Integration and Youth if his Department or any agency under the aegis of his Department operates a 'barter account' for the provision of goods or services; if so, if payments have been directed to be made to a barter account during the period 2011 to date; and if he will make a statement on the matter.

HSE Response

Bartering involves the trade of goods and services for other goods and services. For example, a mechanic could provide services to a website-building company in exchange for a website.

Typically, a barter account is where a company records these trade transactions.

The HSE National Finance Division have made extensive enquiries in all relevant departments in the HSE. The result of this search is that no barter accounts exist in the HSE.

Please see the following links should you wish to review HSE Financial Information.

<https://www.hse.ie/eng/services/publications/corporate/annualrpts.html>

[HSE-Annual-Report-and-Financial-Statements-2022.pdf](#)

Agencies funded by the HSE

The HSE funds and works in partnership with organisations including Section 38, Section 39, Out of State and For Profit Agencies (**Agencies**) to ensure the best level of service possible is provided to people with a disability, and their families, within the available resources.

The majority of specialised disability provision (80%) is delivered through non-statutory sector service providers. The relationship between these providers and the HSE is governed by way of a Service Arrangement (SA) or Grant Aid Agreement (GA) via the nine Community Healthcare Organisations.



The HSE currently manages approximately 1,045 SAs or GAs with a total of 419 organisations.

There are mechanisms, safeguards and procedures in place to provide assurances to the HSE and to support accountability processes for public expenditure on health and personal social services.

Governance Framework for Funded Agencies (Framework)

As part of a HSE wide requirement to ensure appropriate governance arrangements that underpin the release of the funding of Agencies, a Governance Framework for Funded Agencies (**Framework**) has been developed which ensures a consistent approach in this regard.

The HSE must have in place appropriate contractual arrangements Service Arrangements (SA) and Grant Aid Agreements (GA) with all Agencies that have funding released to them for the provision of services in accordance with Section 38 and 39 of the Health Act 2004 and NFR B6.

The Framework was introduced to implement the legislative provisions of the Health Act, 2004 and to reflect the requirements for public accountability where the HSE is legally obliged to account for all public expenditure on health and personal social services. In this regard, the SA is a key document which comprises the following two Parts:

Part 1 - An SA is generally signed every one to three years by both parties and sets out the legal requirements that the Agency must comply with to receive funding in respect of the provision of services.

Part 2 –This comprises a set of 10 Schedules which must be completed and signed by the Agency and the HSE, which sets out the detail of the service and the exact funding that the HSE is providing for the delivery of this service. This set of Schedules also identifies the quality standards and best practice guidelines to be adhered to in the provision all services, along with the process for managing complaints in relation to service provision.

The Framework seeks to provide a level of governance which links funding provided to a quantum of service and provides for these services to be linked to quality standards, with continuous monitoring to ensure equity, efficiency and effective use of available resources.

As part of the SA process, the Disability Agencies are required to complete the Excel Template of the Part 2 which outlines how funding is to be used and which is interrogated at local level by the Service Managers and others in each Community Healthcare Area.

In addition, Performance Review meetings are conducted with the Agencies where a broad range of agenda items including, but not limited to, Finance, Staffing, Quality and Safety, Service Delivery and Performance Monitoring are covered.

As part of the SA Process, Agencies providing services on behalf of the HSE are required to provide Annual Audited Financial Statements (AFS) and an Annual Financial Management Report (AFMR).

S39 and S38 Agencies have their own Boards of Directors who have a fiduciary duty to abide by Service Arrangement requirements.

In addition, the Annual Compliance Statement (ACS) document is required to be submitted to the HSE Compliance Unit by S38 Agencies on an annual basis and relates to compliance with corporate governance requirements for the prior year.

The HSE's Compliance Unit supports the implementation of the Framework as it applies to Section 38 and Section 39 Agencies who deliver services on behalf of the HSE.

Further information regarding the HSE Compliance Unit and the governance arrangements for the funding of Non-Statutory Agencies can be obtained at:



<https://www.hse.ie/eng/services/publications/non-statutory-sector/>

National Financial Regulations

The National Financial Regulations (NFRs) are policy documents that form part of the overall HSE internal control environment by providing a high-level framework within which the internal financial controls operate.

The NFRs are in place to ensure the financial controls are consistent with:

- Irish and EU statutory requirements
- Achievement of best Value for Money (VFM)
- Government policies and guidelines

The National Financial Regulations apply to all staff in all divisions, Community Healthcare Organisations (CHOs) and Hospital Groups where services are provided on behalf of the HSE. This includes permanent, temporary and agency staff. Equivalent controls should also be implemented by Section 38 and Section 39 providers, where services are being provided on behalf of the HSE or where HSE grant aid funding is being received.

Section B6 of the NFRs apply to the HSEs funding structure (Service Arrangement and Grant Aid Agreement) with Section 38 and Section 39 agencies and the respective obligations of both the HSE and the non-statutory agencies. This includes:

- Governance process
- Performance monitoring and management
- Compliance requirements
- Expenditure bands and Approval Limits to sign service arrangements or grant aid agreements.

For further information please see:

<https://www.hse.ie/eng/about/who/finance/nfr/nfr-docs.html>

See B6 Section 38 and 39 Arrangements NFR document (PDF, 1.1MB, 15 pages) and B6 Checklist document (PDF, 207KB, 4 pages)

HSE Internal Audit Division

The Mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

The role of internal audit is: “to provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes” (The Institute of Internal Auditors).

The HSE's Internal Audit Division is responsible for ensuring that a comprehensive programme of audit work is carried out annually throughout the HSE. The purpose of this work is to provide assurance that controls and procedures are operated in accordance with best practice and with the appropriate regulations and to make recommendations for the improvement of such controls and procedures.

The HSE Audit Committee, to whom the Division reports, monitors the work of the Division. In addition, the Division reports at the highest level in the HSE. The scope of Internal Audit covers all systems and activities throughout the HSE and bodies totally or partially funded by the HSE.

The Division comprises four units:

1. Internal Audit Operations – this is the main part of the work of the Division and entails the completion of a programme of internal audits by each of the various audit offices (8 in all



based throughout the country - Cork, Dublin, Galway, Kells, Kilkenny, Limerick, Sligo and Tullamore).

2. ICT Audit – this comprises of a number of ICT audits conducted in the main by external specialist ICT auditors contracted to work for the Division.
3. Special Projects & Investigations – this work is conducted by a small team in the Division together with, if required, specialist forensic accounting contractors.
4. Healthcare Audit – this comprises audits specific to the area of Healthcare conducted by a team based throughout the country.

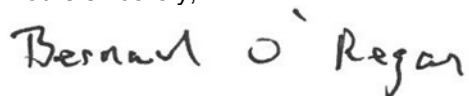
Further information regarding the HSE Internal Audit Division is available at:

<https://www.hse.ie/eng/about/who/audit/>

Furthermore, separate to internal audits, the HSE can appoint external entities to carry out audits/reviews. For example, the HSE appointed Deloitte in 2016 to carry out reviews of voluntary hospitals and agencies which it funded to determine if they were complying with pay policy and to assess governance arrangements.

In addition, the Comptroller and Auditor General is responsible for the audit of accounts across a wide range of State activities which includes Central Government, funds administered by Government Departments, State Revenue collection, non-commercial state sponsored bodies, Universities, third level educational institutions, health bodies and agencies and educational training boards.

Yours sincerely,



Bernard O'Regan
Head of Operations - Disability Services,
Community Operations