

Appendix B Letter of representation

(Client letter header)

Comptroller and Auditor General
3A Mayor Street Upper
Dublin 1
D01 PF72

Letter of Representation

We hereby confirm to the best of our knowledge and belief and having made appropriate enquiries of other officials of the Health Service Executive (HSE) the following representations given to you in connection with your audit of the annual financial statements of the HSE for the year ended 31 December 2021.

Acknowledgement of responsibilities

1. The Board¹ acknowledges its statutory responsibility for the financial statements including its responsibility for the preparation of the financial statements in accordance with the applicable financial reporting framework. All accounting records and relevant information have been made available to you for the purpose of the audit and all transactions undertaken have been properly recorded and reflected in the financial statements.
2. The Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud, irregularity and impropriety. We have disclosed to you, the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud, irregularity or impropriety. We have disclosed to you our knowledge of actual or suspected fraud, irregularity or impropriety affecting the HSE involving management, employees who have significant roles in internal control or others where such fraud, irregularity or impropriety could have a material effect on the financial statements.

Compliance with legal and other authorities

3. The Code of Practice for the Governance of State Bodies 2016 has been adopted and is being complied with other than any issues reported in the financial statements and statement of internal control, and in particular
 - all appropriate procedures for financial reporting, internal audit, risk management, procurement, property acquisition, asset disposals, disposals of surplus property and tax compliance are being carried out.
 - codes of conduct for directors and employees which take into account the provisions of the Ethics in Public Office Acts have been put in place and are being adhered to

¹ The Board or equivalent governing authority of the Body.

- Government policy on the remuneration of the Chief Executive Officer and all employees is being complied with including superannuation of former Chief Executive Officers and employees
 - Government guidelines on the payment of directors' fees are being complied with
 - the standard rules and procedures set out in the Public Spending Code, for expenditure planning, appraisal and evaluation are being complied with.
 - Government travel policy requirements are being complied with in all respects
4. We confirm the Board has put in place procedures whereby workers and former workers may, in accordance with the Protected Disclosures Act 2014, raise concerns, in confidence, about possible irregularities in financial reporting or other matters, and has procedures in place to ensure meaningful follow-up of matters raised. We have disclosed to you any financial wrongdoing as defined in the Protected Disclosures Act 2014.
 5. The statement on internal control reflects our compliance with the requirements of the Code of Practice for the Governance of State Bodies issued in August 2016 and any weaknesses identified are disclosed.
 6. Payments and transactions in respect of any grants, loans and investments made during the year conformed with legislation and with Government and Department directives and were authorised, approved and processed in accordance with the Board's internal procedures and controls.
 7. No transactions were entered into shortly before the reporting date with the intention that they should be reversed shortly after that date, so as not to present a true and fair view of the assets, liabilities and financial position of the HSE at the reporting date and of its income and expenditure for the year.
 8. The HSE has not exceeded the borrowing limits approved by the Department of Health.
 9. The Board members do not have an interest in any grant or other contract entered into by the HSE during the year other than as disclosed in the financial statements, see note 27 related party transactions. All relationships and transactions with subsidiary and related parties have been properly recorded, accounted for and adequately disclosed in the financial statements. There were no loans to directors/board members, or staff other than those already brought to your attention and correctly recorded and disclosed in the financial statements and the related party disclosure note.
 10. There have been no communications concerning non-compliance with requirements of regulatory or tax authorities with respect to any matter. The HSE is not aware of any actual or possible non-compliance with laws or regulations that could impact on the financial statements.

Confirmation of key account items

11. The HSE has satisfactory title to all assets included in the statement of financial position which were and remain free from any lien, encumbrance or charge, except as disclosed in the financial statements.

12. We confirm that all material assets owned by the HSE have been recognised in the financial statements at 31 December 2021
13. Except as disclosed to you, we have no other bank or financing facilities available. No funds are held by third parties on the HSE's behalf, either in escrow or on any other fiduciary basis.
14. Full disclosure of and provision has been made for all liabilities at the financial reporting date. Contingencies have been appropriately disclosed in the notes to the financial statements. There were no guarantees or letters of comfort issued by the HSE.
15. We confirm that all known or possible litigation and claims that could have an effect on the financial statements have been disclosed to you, accounted for and appropriately disclosed in the financial statements.
16. We have disclosed to you the total value of capital and lease commitments entered into and outstanding at the financial year end.
17. We have disclosed to you the total value of hospitality, cessation / severance and ex-gratia expenses reflected in the financial statements and governance statement.
18. We confirm the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
19. We are of the opinion that the methods, data and significant assumptions used in making accounting estimates, and their related disclosures are appropriate and reasonable.
20. We have no subsidiaries, joint ventures, or shareholdings acquired other than those disclosed in the financial statements.
21. We confirm we are not aware of any plans that would impact on the HSE ability to continue as a going concern. We are of the opinion that the HSE will have sufficient working capital to meet its foreseeable requirements for at least twelve months.
22. No circumstances have arisen or events occurred between the reporting date and the date of this letter which would require adjustment or disclosure in the financial statements.
23. The HSE complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
24. The value of capital commitments entered into and outstanding at 31 December 2021 amount to € 3,051 million. Lease commitments at 31 December 2021 amounted to €815 million.
25. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

Adequacy of controls and security of Information and Communication Technology (ICT) systems

26. The HSE has established mechanisms for ensuring the adequacy of the security of its information and communication technology (ICT) systems which include

- the establishment of appropriate policies and control procedures
- effective organisational structures including segregation of duties and
- reviews and evaluations of the ICT system are undertaken by HSE ICT management on an ongoing basis.

HSE's Internal Audit Division conducts an annual programme of ICT audits and reports to the Board (the Audit and Risk Committee) on the operation of the controls and the security of the systems. This examination is conducted in accordance with recognised ICT security and control standards (COBIT 2020), the Information Systems Audit & Control Association (ISACA) and the Chartered Institute of Internal Auditors (IIA)).

We confirm that all Internal Audit reports (including reports on ICT) are reviewed and considered by the Board (the Audit and Risk Committee) and that appropriate actions are taken by management in response to review findings.

Annual Report and Financial Statements

The documentation comprising the annual report or other information which we intend to publish with the audited financial statements and which has been submitted to you for the purpose of your audit is materially consistent with the financial statements.

Chairman

Chief Executive Officer

Date

27th May 2022