

**Minutes of the HSE Directorate meeting
Thursday 31st March, 2016**

Directorate Members Present: T. O'Brien (Chairman), P. Healy, S. Mulvany, L. Woods and A. O'Connor

Members of Leadership Team present: P. Lynch, J. Carolan, P. Connors, R. Corbridge, R. Mannion and J. Ryan

Apologies: S. O'Keeffe, J. Hennessy, P. Crowley, J. Coffey, M. Flynn, A. Carroll, D. McCallion and J. O'Sullivan

In attendance D. Purcell (Secretary)

Joined the Meeting: P. Cross (Chair Audit Committee), M. Dolan (Finance) and M. Lennon (Office of Legal Services)

Time & Location: Boardroom, Dr. Steevens' Hospital, Dublin 8 at 9.30am

Item	Discussion / Comments	Action
	Note: Leadership Team Members joined from the start of the meeting	
1	Approvals in accordance with the reserved functions of the Directorate	
1.1	Adoption of the Annual Financial Statements 2015 in accordance with section 36(4) of the Health Act, 2004	
	<p>P. Cross (Chair Audit Committee) and M. Dolan (Finance) joined the meeting for consideration of this item.</p> <p>P. Cross introduced this item and reported on the consideration of the draft Annual Financial Statements (AFS) 2015 by the Audit Committee at its meetings on the 10th and 29th March 2016. He reported that the Committee had reviewed the draft Annual Financial Statements 2015, Accounting Policies and notes to the accounts; draft Chairman's Statement on the System of Internal Financial Controls (SIFC); draft Directorate Members' Report; draft Statement of Directors' Responsibilities and draft Operating and Financial Review (OFR).</p> <p>P. Cross reported that there is evidence of improvement in the HSE internal financial controls, notwithstanding the significant continuing weaknesses, and welcomed the management focus in this area through the NFCAG and NPOG and the improvements in the annual controls review process.</p> <p>He reported that following the Audit Committee's review of the draft OFR and SIFC the view was that the reports would require significant reformatting and revision prior to finalisation and would be considered at the next Audit Committee meeting. He reported also that he expected numerous changes to the draft accounts themselves prior to finalisation, given the significant accounting issues still outstanding, and he recommended that the Directorate should review the documents again in April or May prior to their signature.</p> <p>P. Cross reported on the key audit areas remaining under consideration with the C&AG; FRS 102; fixed asset impairment; management of grants to section 38/39 agencies; non-compliant procurement; prompt payment interest and compensation; Vote technical adjustment; patient income debtors; consultants' pay claims; stocks and related financial controls; the critical estimates note; and grant income and related balances outstanding.</p> <p>The CFO spoke to the assurance memo and draft memo on key accounting issues and judgements circulated prior to the meeting.</p> <p>The CFO acknowledged the role of the Audit Committee and the significant work of the Finance AFS Team.</p> <p>Following a review of the draft accounts (including the draft SIFC and OFR) by the</p>	

	<p>Directorate, and based on the recommendation of the CFO, adoption of the AFS 2015 for submission for audit was proposed by the CFO, seconded by A. O'Connor and agreed. Directorate Decision No.31.03(14)2016</p> <p>It was noted that the audit of the AFS is ongoing and is not expected to conclude until mid-May. In the event that material changes to the AFS arise on audit, the amended AFS will be brought to the attention of the Audit Committee and the Directorate for re-adoption and re-signing.</p> <p><u>Actions agreed:</u></p> <ul style="list-style-type: none"> • The accounts will be submitted to the C&AG for audit and the Minister for Health in accordance with the Health Act 2004 • The Director General and Chief Financial Officer were nominated to sign the final AFS 2015 subject to any audit adjustments which may arise after approval not being material. • The Audit Committee will review again the CFO's material accounting issues and judgements and the draft accounts and SIFC, at its meeting in April 2016 	
1.2	Contract Approval Requests	
	<p>J. Carolan presented the Contract Approval Requests circulated prior to the meeting which were considered in detail:</p> <p>1.2.1 National Contract for Human Papillomavirus (HPV) Vaccine Following consideration approval to award the contract for the supply of Human Papillomavirus vaccine by a negotiated procedure under Article 31(1)(b) of the EU Procurement Directives was proposed by P. Healy, seconded by L. Woods and agreed. Directorate Decision No.31.03(15)2016</p> <p>The higher cost per dose for this contract compared to the introductory price in the previous contract was noted.</p> <p>1.2.2 Primary Care Centre Public Private Partnership Project (PCC PPPP Project) It was noted that the funding for the project was provided for in capital costs.</p> <p>Following consideration, approval to authorise the National Development Finance Agency (NDFA) to enter into a contract (Project Agreement) with the preferred bidder to design, build, finance, operate and maintain 14 primary care centres was proposed by P. Healy, seconded by A. O'Connor and agreed. Directorate Decision No.31.03(16)2016</p> <p><u>Actions agreed:</u></p> <ul style="list-style-type: none"> • Director General to sign letter authorising the NDFA to sign the contract (Project Agreement) acting as agent on behalf of the HSE, subject to a legal review of the arrangement with the NDFA. • J. Carolan to circulate a briefing note on the funding of revenue costs to operation Primary Care Centres. She confirmed that funding for capital costs is provided for in the Capital Plan. 	
1.3	Capital Approvals	
	<p>J. Carolan presented the capital approvals circulated prior to the meeting which were considered in detail and approved as follows:</p> <p>1.3.1 Construction of a Primary Care Centre for Cork City North West, at St Mary's Health Campus, Gurrabraher, Cork Approval to award the contract for the construction of a Primary Care Centre for Cork City North West at St. Mary's Health Campus Gurrabraher, Cork to the most economically advantageous tender was proposed by P. Healy, seconded by L. Woods and agreed. Directorate Decision No.31.03(17)2016</p> <p>1.3.2 New Build Replacement Community Nursing Unit at the Sacred Heart</p>	

	<p>Hospital, Castlebar, Co. Mayo Approval to award the contract for the building of a new 74 bed replacement community nursing unit at the Sacred Heart Hospital, Castlebar, Co. Mayo to the most economically advantageous tender was proposed by P. Healy, seconded by A. O'Connor and agreed. Directorate Decision No.31.03(18)2016</p>	
2	Legal Services Contract	
	<p>M. Lennon (Office of Legal Services) joined the meeting for consideration of this item.</p> <p>D. Purcell spoke to the paper circulated prior to the meeting providing a summary of the outcome of the recently completed tender process for the provision of legal services (solicitors) to the HSE. The first tender was for the provision of Operational Legal Services to seven Lots, which were geographically based, and where each Lot contained certain CHOs and Hospital Groups. The second tender was for the provision of Corporate Legal Services to be made available nationally to all Authorised Legal Service Users as required. It was noted that the execution of the contracts would be effective from 1st April 2016 through the Office of Government Procurement.</p> <p>Following discussion, the Leadership Team noted and supported the new arrangements.</p>	
3	Draft Annual Report 2015	
	<p>P. Lynch presented the draft Annual Report 2015 circulated prior to the meeting. It was noted that this draft had been prepared by the Planning Unit in conjunction with Planning and Performance leads in divisions and corporate services. The timelines for review and approval of the Annual Report 2015 were also noted.</p> <p><u>Action agreed:</u> National Directors to review the existing content within their sections of the draft report for appropriateness and accuracy and provide any additional comments to the Planning Unit by the 7th April 2016.</p>	
4	Any Other Business	
	<ul style="list-style-type: none"> • Pay & Staffing Strategy R. Mannion informed the meeting that the pay and staffing strategy was due to be sent to the DoH and that interim pay controls would continue to apply to areas that have not finalised their pay and numbers strategy. The Director General had written to P. Lynch in his capacity as Chair of NPOG in relation to the need for a differentiated approach so that services that are in control should experience a visible lessening of oversight while others should experience the full rigour. • The Director General has asked the CFO to provide a report for the Minister in the context of Government formation to get a picture of the projected end of year financial position for the HSE. 	

The meeting concluded at 11.55am

Signed:

Date:

Tony O'Brien
Chairman
