

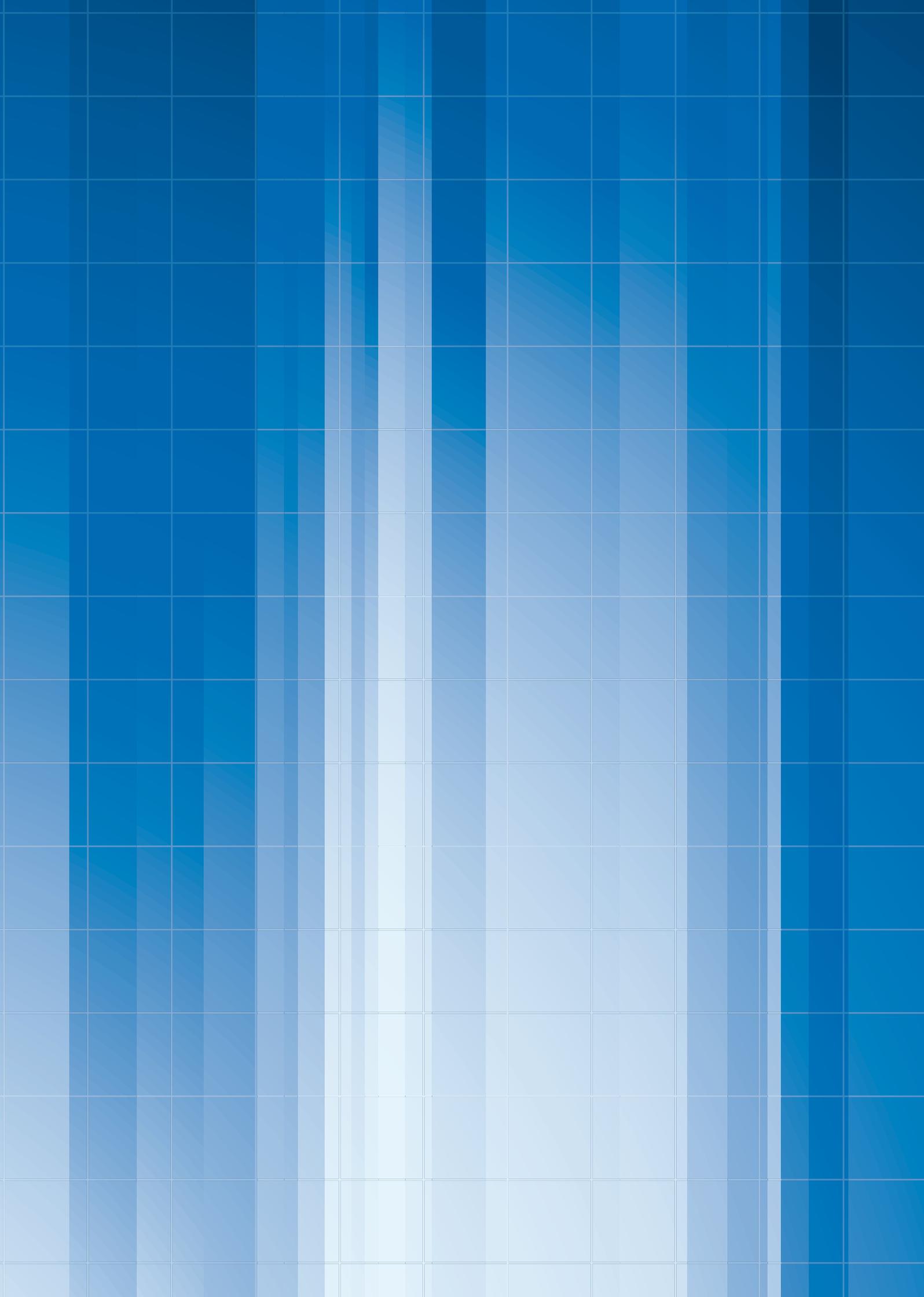
NATIONAL PAEDIATRIC HOSPITAL DEVELOPMENT BOARD

Planning, designing, building, equipping and furnishing
the new children's hospital

The New Children's Hospital

2009
ANNUAL REPORT





Contents

General Information	4
Background	5
Chairman's Statement	8
Chief Executive's Report	9
Board Members' Report	15
Statement of Board Members' Responsibilities	19
Report of the Comptroller and Auditor General	20
Certification of the Chief Executive and Chairman	22
Statement on Internal Financial Controls	23
Statement of Accounting Policies	25
Income and Expenditure Account	26
Balance Sheet	27
Cash Flow Statement	28
Notes to Financial Statements	29

General Information

National Paediatric Hospital Development Board

Project Office **2-3 Parnell Square East**
Dublin 1

Main Banker **Bank of Scotland**
124-127 St Stephen's Green
Dublin 2

Auditor **Comptroller and Auditor General**
Treasury Block
Lower Yard
Dublin Castle
Dublin 2

Solicitors **William Fry**
Fitzwilton House
Wilton Place
Dublin 2

Background

About the National Paediatric Hospital Development Board

The National Paediatric Hospital Development Board (the “Development Board”) was established by the Minister for Health & Children by Statutory Instrument SI 246 of 2007 on May 23, 2007.

The Development Board is responsible for planning, designing, building, equipping and furnishing a new national children’s hospital in accordance with the high-level framework brief which was commissioned by the Health Service Executive (HSE). The brief includes advice on the preferred national network of paediatric care, on the core services to be delivered at the new hospital, and on the additional range of services to be provided outside of the main hospital. This includes an assessment of the range of services to be provided through the urgent and ambulatory care services, and the preferred location(s) for these services, taking account of international best practice in the planning of children’s hospital services.

Functions of the Development Board

The functions of the Development Board, as outlined in SI 246 of 2007, are:

- to plan, design, build, furnish and equip a national paediatric hospital (‘the hospital’) in accordance with a brief approved by the Health Services Executive (‘the Executive’) with the prior consent of the Minister, and subject to any subsequent variations to this brief as may be determined by the Executive in consultation with the Board, and with the prior consent of the Minister;
- in consultation with the relevant hospitals, prepare plans for the transfer of services from the relevant hospitals to the hospital;
- in consultation with the relevant hospitals, prepare a human resource strategy for the transfer to the hospital;
- explore the possibility of securing philanthropic contributions to meet all or part of the capital cost of developing the hospital, and foster the philanthropic interests that already exist in relation to the provision of paediatric services;
- do any other thing as is necessary for the performance of its functions.

Membership of the Development Board

Under the terms of the Statutory Instrument, the Minister for Health & Children may appoint thirteen members to the Board – a Chairperson and twelve ordinary members.

The Development Board members in 2009 are listed on the next page.

The Development Board members, as of 31st December 2009, are as follows:

■ **Mr Philip Lynch – Chairman**

Mr Philip Lynch is Chief Executive Officer of One51 plc and also Chief Executive of the Irish Agricultural Wholesale Society Limited. He is a non-executive director of C&C Group and FBD Holdings. Between 1988 and 2005, he served as Chief Executive and subsequently Chairman of IAWS Group plc (now Arysza AG).

■ **Mr Lorcan Birthistle**

Mr Lorcan Birthistle is Chief Executive Officer of Our Lady's Children's Hospital, Crumlin. *Mr Birthistle replaced Mr John O'Brien on the board in November 2009*

■ **Ms Norah Casey**

Ms Norah Casey is Chief Executive of Harmonia Ltd and Chairperson of the Mayor of London's St Patrick's Day Festival.

■ **Mr Harry Crosbie**

Mr Harry Crosbie is Director of Arvo Construction Ltd, Point Village Co. Ltd, Point Village Management Ltd, Point Village Development Ltd, Grand Canal Theatre Co. Ltd, Tora Co. Ltd, Spencer Dock Development Co. Ltd, Spencer Dock International Convention Centre Ltd, Spencer Dock Housing Association Ltd, SDDC (No.1) Ltd, and SDDC (No. 2) Ltd.

■ **Ms Kathryn D'Arcy**

Ms Kathryn D'Arcy is Director of ICT Ireland, Irish Business and Employers' Confederation.

■ **Ms Linda Dillon**

Ms Linda Dillon is the parent patient representative on the Board and founder director of Alice's Wonderland Foundation.

■ **Dr Pat Doherty**

Dr Pat Doherty is a consultant anaesthetist and Chairman of the Medical Board at Our Lady's Children's Hospital, Crumlin.

■ **Dr Alan Finan**

Dr Alan Finan is a consultant paediatrician, Cavan Monaghan Hospital Group, Clinical Network Director for Paediatrics for the North East and member of the Board of the Faculty of Paediatrics, Royal College of Physicians of Ireland.

■ **Mr Michael Flaherty**

Mr Michael Flaherty is senior audit partner, Consumer and Industrial Markets Division, KPMG.

■ **Mr Brian Gilroy**

Mr Brian Gilroy is National Director of Commercial and Support Services, Health Service Executive and member of the Grangegorman Development Agency Board.

■ **Dr Owen Hensey**

Dr Owen Hensey is a consultant paediatrician, Children's University Hospital, Temple Street and Medical Director, Central Remedial Clinic, Clontarf.

■ **Dr Edna Roche**

Dr Edna Roche is a consultant paediatric endocrinologist at the National Children's Hospital, Tallaght and a Senior Lecturer at the University of Dublin, Trinity College. *Dr Roche replaced Dr David Coughlan on the Board in August 2009.*

■ **Ms Vera Wegner**

Ms Vera Wegner is a psychologist and psychotherapist in private practice.

Executive Team

<p>Ms Eilish Hardiman, Chief Executive Officer</p>	<p>Ms Eilish Hardiman has 20 years experience in acute healthcare – eight at senior management level in her roles as Deputy CEO and Director of Nursing at St James’s Hospital. Eilish has contributed to the development of national health policy through her membership on several national bodies, including the National Haemophilia Council, the Commission on Nursing, and the National Implementation Body on Nurse Education. Eilish holds an MBA in Executive Management from Smurfit School of Business Studies, University College Dublin.</p>
<p>Dr Emma Curtis, Medical Director</p>	<p>Dr Curtis is a Consultant Paediatrician, special interest Community Child Health, at the National Children’s Hospital in Tallaght. Prior to taking up this post in 2002 Dr Curtis had worked for 8 years in Newcastle upon Tyne completing her training in community child health and was appointed to a consultant post there in 1999.</p>
<p>Mr Jim Farragher, Chief Financial Officer</p>	<p>Prior to his appointment, Mr Farragher was Director of Finance with 3Com Corporation for over ten years, in Ireland and the USA. Jim also worked with Digital Equipment Corporation in senior financial roles in their Irish operations, America and their European headquarters in Geneva, Switzerland.</p> <p>Mr Farragher is a Fellow of the Institute of Chartered Accountants in England and Wales. He is a business graduate of University College Dublin and holds an MBA from University College Galway.</p>

Chairman's Statement

The vision for the new children's hospital, shared by the Minister for Health & Children, the Development Board and the HSE is steadfastly clear. The new Children's Hospital of Ireland will be a contemporary, child-centred and family-focused hospital which will deliver excellence in clinical care, teaching and research in an environment that is fully supportive of the children, young persons, their families and staff.

I am very pleased to report that the paediatric healthcare community have unified behind this vision, and are working intensively with the project team in the current phase of planning and designing the new hospital at Eccles Street in central Dublin and the Ambulatory and Urgent Care Centre at Tallaght.

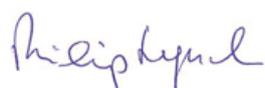
The new children's hospital will have a major impact on a broad cross-section of people in Ireland. For this reason, we have consulted with a wide range of stakeholders, including children, young people, families, illness support groups, paediatric service providers, hospital staff, local communities and state organisations. The Board wish to thank the numerous people who have enthusiastically engaged with us throughout 2009 and are grateful for the widespread and invaluable support we have received.

The pivotal role that the development of the children's hospital plays in realising the ambition of the Irish State to provide exemplary care to its citizens, and particularly the care of children, is reflected by the commitment to this project by political, civic and clinical leaders. In particular, I am grateful to the Minister for Health & Children, Mary Harney TD, for her continued support for the project, to the Government for its continued financial commitment and to Prof. Brendan Drumm for the unfaltering support and advice afforded by him and his staff in the Health Service Executive.

I wish to thank the members of the Development Board for their continued commitment, guidance and energetic involvement throughout the initiation and planning phases of the project. As a Board, we are profoundly aware of the responsibility we have to deliver an outstanding hospital, and key decisions are being made at a time of economic difficulty. We will ensure, through strong governance and vigilance that the investment of public and philanthropic funds is managed prudently and delivers real value for money.

I also wish to thank the Executive Management team of Eilish Hardiman (Chief Executive), Dr. Emma Curtis (Medical Director) and Jim Farragher (Chief Finance Officer) for the remarkable progress achieved in 2009. Supported by the Business Services Team and the Project Management Services Team, the Executive has completed the appointment of the Integrated Design Team, developed the Business Case and Design Brief and engaged extensively with the three children's hospitals in Dublin, the HSE and a wide range of paediatric services providers in Ireland and internationally.

Looking ahead to 2010, we will continue to plan for the services that will be provided in the new hospital. We will submit the relevant planning applications for the hospital at Eccles Street and the Ambulatory and Urgent Care Centre at Tallaght. Subject to the progress of the planning application, we hope to commence enabling works at Eccles Street by the end of 2010. We will also start the procurement of the Design & Build contractors for the hospital and the Ambulatory and Urgent Care Centre. We look forward with enthusiasm to the challenges ahead, and we are confident that we will receive the support of the general public for this critically important project for children's healthcare.



Philip Lynch
Chairman
National Paediatric Hospital Development Board

Chief Executive's Report

The project to build the new Children's Hospital is one of the largest, most complex and significant capital development projects underway in Ireland today. With an estimated capital spend of €750m over the next 5 years, and the challenge of merging three institutions into one, the new children's hospital aims to provide a level of healthcare for children and young people in Ireland that will become an exemplary model for paediatric services around the world.

In full recognition that the decisions made in the planning stage of the project set the direction for the future development, the Executive, supported by the Development Board and the project team, undertook an intense programme of engagement that included children and young people, family and illness support groups, hospital staff and clinicians, local residents and councillors, political leaders, and international paediatric healthcare experts.

Between now and the planned opening of the Ambulatory and Urgent Care Centre at Tallaght in 2013, and the hospital at Eccles Street in 2014, the project will progress through stages of planning, design, construction, equipping, commissioning and operational start-up. Throughout 2009, the primary focus of the project team has been on planning for the new hospital, encompassing healthcare planning, business planning, site, design and construction planning.

Healthcare planning

A new National Model of Care

In consultation with a broad range of stakeholders, the project team co-ordinated the development of a new National Model of Care for Paediatric Healthcare Services in Ireland, which has been endorsed by the HSE. The development of a single organisation with responsibility for national tertiary paediatric services is a fundamental change in the delivery of paediatric healthcare in Ireland. It provides an opportunity not only to create an effective, purpose built and appropriate healthcare environment for children, young people and their families, but will also enable the implementation of a national model of care for paediatric healthcare nationwide, centred on the child or young person and their family.

The key principles of the new model of care for paediatric healthcare are that care will be provided as close to the child's home as possible, depending on their clinical needs; within the network at the appropriate level, in order to use resources efficiently; and where clinically appropriate, short stay or ambulatory care will be provided in preference to inpatient care.

The new National Model of Care for Paediatric Services in Ireland will be driven and led by the HSE. It needs the positive engagement of every professional manager and institution in the country with responsibility for child healthcare. It is a model that has the new children's hospital at its core, with roles and responsibilities that extend into all aspects of paediatric healthcare throughout the country.

In this new model of care, the new children's hospital will be the central component of an integrated healthcare system for Ireland's children, young people and their families. This system will be based on a national network of interconnected elements, from the home to the new hospital including:

- The children and young people in need of care;
- The parents, guardians and families of the children being cared for;
- General practitioners and community healthcare workers;
- Local health clinics and inter-disciplinary primary care teams;
- Shared care services providing ambulatory care;
- Urgent care centres;
- Local hospitals;
- Regional hospitals; and
- One national tertiary children's hospital – the Children's Hospital of Ireland.

Activity and capacity

The activity and capacity requirements of the new children's hospital has been determined on the basis of a detailed review and analysis of current paediatric hospital activity, a review of international trends in paediatric healthcare and projected activity up to the year 2030. The review and analysis was undertaken in consultation with providers of paediatric healthcare, education and research services in Ireland and supported by international advisors. In line with international best practice, research findings and child and parents preferences, accommodation for children and young people in the new hospital will be provided in single rooms, with facilities for parents to sleep in the room with their sick child.

Projected capacity requirements for the new children's hospital at Eccles St and the Ambulatory and Urgent Care Centre at Tallaght are based on activity levels for 2021, when the child population is expected to peak.

The new children's hospital will accommodate a total of 445 beds (392 in-patient beds and 53 day care beds) to meet paediatric healthcare demands projected to 2021. The configuration of these beds reflects international and best practice trends in paediatric acute bed requirements. This will mean that there will be more critical care and day care beds within the overall bed complement.

Ambulatory services in the new children's hospital and Ambulatory and Urgent Care Centre are planned and designed to accommodate an increasing shift in paediatric services from in-patient based care to day care, out-patient care and/or home based care. Ambulatory services, consisting of day care and out-patient services, are planned and designed to support drop-in clinics, rapid access clinics, out-reach clinics to regional hospitals, shared care programmes with regional/local hospitals and to co-ordinate home based care, in particular through the utilisation of integrated ICT systems.

Ambulatory services in the new children's hospital and the Ambulatory and Urgent Care Centre will provide the highest volume of activity provided through 53 day care beds and 58 consulting examination room in the hospital and 28 day care beds and 26 consulting examination rooms in the Ambulatory and Urgent Care Centre at Tallaght.

The projected accommodation requirements and related activity levels identified in 2009 are under review with the HSE in early 2010 and are subject to validation as part of the development of the design brief and the definitive business case.

Design Brief

The Design Brief was developed in close consultation with a broad cohort of stakeholder representatives, supplemented by contributions and reviews undertaken by international practitioners and is influenced by international best practice in contemporary paediatric healthcare. It is a comprehensive document that sets out the infrastructure and service requirements for the hospital at Eccles Street and the Ambulatory and Urgent Care Centre at Tallaght.

The Design Brief describes how the hospital should be designed and developed to meet the healthcare needs of children and young people over the coming decades. The brief outlines the organisation structure proposed for the new children's hospital, which reflects contemporary management structures for acute academic hospitals and that fully integrates clinical services with education and research.

The brief provides an overview of the medical and surgical specialties and the essential support services that will be provided by the children's hospital. A detailed set of functional requirements are set out in the brief for all of the services that will be provided in the hospital at Eccles Street and the Ambulatory and Urgent Care Centre at Tallaght.

The brief also includes an outline of the hospital-wide operational policies impacting on the design, and highlights the key role of ICT within the new hospital and the Ambulatory and Urgent Care Centre. It sets out the design principles to be followed throughout the development of the new buildings, including requirements on the functional design and engineering. Strong emphasis will be given to ensuring that the buildings adhere to the highest standards in sustainability and environmentally friendly policies and practices.

Business planning

The Business Case for the new children's hospital outlines the compelling case for developing a new children's hospital at Eccles Street, with an Ambulatory and Urgent Care Centre at Tallaght, in accordance with earlier Government decisions. The Business Case was developed using projected capital and recurring costs and analysing the range of expected benefits.

Capital costs

Comprehensive financial models were developed to identify and cost the different components of the proposed development. This involved identifying and quantifying the impact on capital costs of the differences in procurement methodology and options of locating facilities either on or off site at Eccles Street. The total capital cost of the hospital at Eccles Street and the ambulatory and urgent care centre at Tallaght is currently estimated to be €750m. This capital cost will be further refined as part of the design development process in 2010.

Revenue costs

In terms of operating costs and revenues, all elements of expenditure, including recurring direct and indirect costs, transition costs and the costs of additional services were rigorously analysed.

The Development Board will continually monitor the progress of the project towards achieving the benefits, value for money and return on investment outlined in the business case in consultation with the existing hospitals, the HSE and the National Development Finance Agency.

ICT

The criticality of ICT to the efficient clinical, business and operations of the new children's hospital and Ambulatory and Urgent Care Centre is embedded in the Board's vision for a 'Digital hospital', with paperless processes that drive higher standards in patient safety, support greater operational efficiencies and enhance quality of care and patient satisfaction. The business case for ICT will be developed in 2010.

Site, design and construction planning

In early 2009, the Development Board commissioned a team of architects to develop a Site Master Plan to establish the optimal configuration and massing of the new children's hospital alongside the existing Mater Misericordiae University Hospital (MMUH) and the planned maternity hospital on Eccles Street. Special consideration was given to the needs of local residents, the Local Area Plan developed by Dublin City Council, proximity to the existing Victorian building at the Mater Misericordiae University Hospital and the environmental impact of the new hospital.

A key benefit from the selection of Eccles Street as the location of the new children's hospital is the opportunity to share services with an adult acute hospital. The project team, working closely with MMUH, and latterly the Rotunda Hospital, have identified an extensive list of services which can potentially be shared and detailed discussions on shared services will continue into 2010. The project team also engaged with MMUH in planning the decanting of existing facilities from the children's hospital site.

A significant achievement in 2009 was the agreement reached with the Railway Procurement Agency (RPA) for the provision of an entrance at Eccles Street to the planned Metro North Mater stop. The Development Board, supported by the HSE, consider the Metro North facility will become an important component in the transport infrastructure of the new hospital, and will greatly assist the staff and the public in accessing the new hospital.

The appointment of the Integrated Design Team (IDT) in October 2009 was the result of an extensive open tender public procurement exercise. Strong international interest in the project was evident from the response received to prequalification questionnaires issued in February 2009. A short-list of 6 candidates, including US, European, UK and Irish candidates, were invited to tender and the successful candidate, a consortia led by Murray O'Laoire, O'Connell Mahon and NBBJ architects, were appointed in October 2009.

Based on the Design Brief, the IDT commenced the development of the Concept Design, which will form the basis of the first planning application for enabling and demolition works in early 2010. The IDT will work in close cooperation with the health planners on the project team, clinical representatives from the existing 3 children's hospitals in the development of the Concept Design.

Discussion on the site master plan, shared services and concept design for the Ambulatory & Urgent Care Centre at Tallaght will commence in 2010. A feasibility study was carried out by the IDT in 2009 to establish a preferred site option for the centre. This will be considered by the Board of AMNCH, as part of their Development Control Plan for the hospital campus, and a decision on a site for the ambulatory and urgent care centre will be made in early 2010.

In November 2009, the procurement of key specialist consultancy services was completed with the appointment of Maurice Johnson Associates as fire consultants, RPS Planning & Environmental as planning consultants and Willis Risk Management were appointed Project Supervisor Design Phase (PSDP). These specialists' services will work in collaboration with the IDT in planning and designing the hospital and Ambulatory and Urgent Care Centre.

Project management

A number of key milestones were achieved in the planning phase of the project in 2009. The appointment of the Project Management Services Team was concluded in February 2009. This team will manage the design, procurement, construction, equipping, and commissioning activities for the project. They will work closely with the Business Services Team, appointed in 2008, which are supporting the Executive on delivering the project.

The project will be implemented under the guidelines of the Capital Works Management Framework issued by the Department of Finance. In 2009, the project completed the appraisal stage with the approval in principle of the business case, and entered the initial planning stage.

The design team were appointed in October 2009 to complete with the objective of submitting planning applications by mid 2010. Enabling works will start in 2010, subject to planning permission, and the final output specification for the procurement of a design-and build contractor will be completed by the end of 2010. Current plans are that a design-and-build contractor will be appointed in mid-2011, and, subject to planning, construction works are expected to commence on the sites at Eccles Street and Tallaght in the first half of 2011. The hand-over of the Ambulatory and Urgent Care Centre is planned for the second half of 2013, and the hospital at Eccles Street in late 2014.

The project is being managed and governed by the requirements for public accountability, transparency, probity, equality, sound financial management and obtaining value for money. The Board is committed to ensuring sound governance is applied to the implementation of the project. Regular reviews are held to ensure that the project's continued viability, affordability and value for money criteria are being met. Processes for progress reporting, cost control, risk management, schedule planning, change management and performance assessment have been established and regular meeting take place in these areas.

The project administration, finance, quality and audit functions are in place and working effectively.

Stakeholder engagement and consultation

The Executive acknowledge and appreciate the support of the large numbers of people that have supported the project and contributed to the considerable progress that has been achieved in 2009. Representatives from HSE, hospitals, research, education, community, local residents and councillors, parent groups, illness support groups, charity organisations and many more have engaged constructively with the project team.

Frequent meetings and workshops were held throughout 2009 with representatives of the HSE, the children's hospitals, regional hospitals and paediatric research and education organisations to establish the size, services and configuration of the new hospital. The team are particularly encouraged by the commitment that these stakeholders have given to the project, and are looking forward to continued close engagement to ensure that the facilities provided in the new hospital and Ambulatory and Urgent Care Centre achieve their ambitions for excellence in paediatric healthcare.

Of particular note is the consultation event with children and young people that took place over two days in Dublin Castle in December 2009. These children and young people were randomly selected from the three existing children's hospitals in Dublin. The ideas, energy and enthusiasm of the children and young people, drawn from a wide range of backgrounds and with diverse experiences of paediatric hospital services in Ireland, is an inspiration for all of us engaged on the project. We established a Youth Advisory Panel that will provide a forum for children and young people to engage in planning the design of the new hospital. We plan to establish a similar forum for families and illness support groups in the first half of 2010.

The children's hospital at Eccles Street is located on a busy urban site and a key objective for us is to ensure that the development enhances the local area and environment. We have met regularly with local residents, councillors and planners in Dublin City Council throughout 2009, and will intensify this engagement as we prepare planning submissions throughout 2010. We will undertake a similar programme of meetings with local representatives and South Dublin County Council when a site location is confirmed at Tallaght in early 2010 for the Ambulatory and Urgent Care Centre.

We are grateful for the support we received from government departments and child advocacy bodies as we plan for the financing, transport, environmental and educational aspects of the project. The Department of Health and Children, the Office of the Minister for Children and Youth Affairs and the Ombudsman for Children have all contributed significantly to the progress of the project to date.

Conclusion

We are looking forward to a challenging year ahead in 2010. We plan to submit planning applications for the hospital at Eccles Street and the Ambulatory and Urgent Care Centre at Tallaght by mid 2010. Subject to securing planning approval we will tender and appoint contractors for the demolition and enabling works, and progress the procurement of the main design and build contractor. In consultation with the children's hospitals, we will complete the exemplar design of the hospital, and advance planning for organisational change management and ICT. We will also engage in detailed discussions with the funding agencies involved in the project, and will commence a campaign to raise philanthropic funds for the development.

In conclusion, I wish to sincerely thank the Chairman, Mr Philip Lynch, the Board members and the executive team for their support, guidance and assistance.

I am extremely grateful for the invaluable support of the Minister for Health & Children and her Department officials throughout the year.

We concluded 2009 with full membership on the Development Board from all nominating authorities, including the three children's hospitals, HSE and Ministerial nominations.

The three existing children's hospitals in Dublin and several departments of the HSE – in particular the CEO's Office, Estates, Finance and the previous National Hospitals Office – provided valuable assistance and advice in 2009, without which we could not have made such significant progress.

I look forward to the continuing input, assistance and support of all stakeholders in progressing this ambitious project in 2010.



Eilish Hardiman

Chief Executive Officer

National Paediatric Hospital Development Board

Board Members' Report

Governance

The National Paediatric Hospital Development Board ('the Board') has adopted the *Code of Practice for Governance of State Bodies 2001*, and has implemented the provisions of that Code. The Board is committed to maintaining the highest standards of corporate governance, and to monitoring compliance on an ongoing basis.

The Finance Officer acted as Secretary to the Board throughout 2009 and was responsible for ensuring that Board decisions on procedures and controls were implemented, and that relevant legislation, regulations and guidelines were complied with.

In discharging its functions, the Board appointed an executive management team consisting of a Chief Executive, a Finance Officer and a Medical Director. The Board will continue to discharge its functions through this management team and through external consultants and contractors who have been and will be appointed under public tendering arrangements.

Ethics and standards

The provisions of the *Ethics in Public Office Act 1995* and the *Standards in Public Office Act 2001* have been implemented.

Board

The Board consists of a Chairman and twelve ordinary members, all of whom are non-executive and are appointed by the Minister for Health & Children.

All members receive appropriate and timely information to enable the Board to discharge its duties.

The Board has established sub-committees to assist in the effective discharge of its responsibilities, and are described on page 17 .

Meetings of the Board

In 2009 the Board met on 12 occasions, the Audit Committee met on 3 occasions and the Philanthropy committee met on 3 occasions.

The attendance at Board meetings and sub committees is set out in the tables overleaf.

Attendance at meetings of the Board

Member	Meetings	Attendance
Philip Lynch (chairman)	12	12
Lorcan Birthistle	-	-
Norah Casey	12	8
David Coughlan	8	-
Harry Crosbie	12	9
Kathryn D'Arcy	12	8
Linda Dillon	12	12
Pat Doherty	-	-
Alan Finan	12	11
Michael Flaherty	12	11
Brian Gilroy	12	8
Owen Hensey	12	8
John O'Brien	10	7
Edna Roche	2	2
Vera Wegner	12	9

Dr Pat Doherty was appointed to the Board in November 2009 as the nomination of Our Lady's Children's Hospital, Crumlin.

Dr Edna Roche replaced Dr David Coughlan on the board in August as the nomination of the National Children's Hospital, Tallaght.

Mr Lorcan Birthistle replaced Mr John O'Brien on the Board in November as a nomination of the Health Service Executive.

Attendance at meetings of the Board sub committees

Sub-Committee	Function	Membership	Meetings	Attendance
Audit Committee	<p>The Audit Committee reviews all matters relating to the financial affairs of the Board, and in particular:</p> <ul style="list-style-type: none"> ■ The Annual Report and financial statements; ■ The accounting policies; ■ Compliance with accounting standards; ■ The Board's assessment of risk; ■ The Board's system of internal financial control; and ■ The scope and results of internal audit activity. 	Mr M. Flaherty	3	3
		Ms N. Casey	3	3
		Mr J O'Brien	3	3
Philanthropy Sub - Committee	The Philanthropy Sub – Committee reviews all issues relating to philanthropic funding.	Ms L. Dillon	3	3
		Dr O. Hensey	3	3
		Ms N. Casey	3	3

Board members' remuneration

Board Member	Fees	Travel
Mr Philip Lynch	-	-
Mr Lorcan Birthistle	-	-
Ms Norah Casey	€7,000	-
Mr Harry Crosbie	-	-
Ms Kathryn D'Arcy	€7,000	-
Ms Linda Dillon	€7,000	-
Dr Pat Doherty	-	-
Dr Alan Finan	-	€2,704
Mr Michael Flaherty	-	-
Mr Brian Gilroy	-	-
Dr Owen Hensey	-	-
Dr Edna Roche	-	-
Ms Vera Wegner	€7,000	-
Total	€28,000	€2,704

Post balance sheet events

There were no post balance sheet events that materially impact on the project.

Statement of Board Members' Responsibilities

The National Paediatric Hospital Development Board was established by the National Paediatric Hospital Development Board (Establishment) Order, 2007 (S.I No.246 of 2007) on 23 May 2007, as amended by the Health (Miscellaneous Provisions) Act 2007.

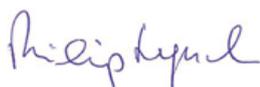
Under the terms of the National Paediatric Hospital Development Board (Establishment) Order, 2007 (S.I. No.246 of 2007), as amended by the Health (Miscellaneous Provisions) Act 2007, the Board acknowledges the requirement to prepare financial statements for the year which give a true and fair view of the state of affairs of the National Paediatric Hospital Development Board and its income and expenditure for the period.

In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- disclose and explain any material departures from applicable accounting standards, and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the National Paediatric Hospital Development Board will continue in existence.

The Board is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the National Paediatric Hospital Development Board and to enable the Board to ensure that the financial statements comply with the relevant Order and with the accounting standards laid down by the Minister for Health & Children. The Board is also responsible for safeguarding the assets of the National Paediatric Hospital Development Board and hence for taking reasonable steps for the prevention and the detection of fraud and other irregularities.

On behalf of the Board



Philip Lynch
Chairman
National Paediatric Hospital
Development Board



Harry Crosbie
Board Member
National Paediatric Hospital
Development Board

27 April 2010

Report of the Comptroller and Auditor General for presentation to the Houses of the Oireachtas

I have audited the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2009 under Section 5 of the Comptroller and Auditor General (Amendment) Act, 1993.

The financial statements which have been prepared under the accounting policies set out therein comprise the Statement of Accounting Policies, the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes.

Respective Responsibilities of the Board and the Comptroller and Auditor General

The Board is responsible for preparing the financial statements in accordance with the National Paediatric Hospital Development Board (Establishment) Order, 2007, and for ensuring the regularity of transactions. The Board prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland and in accordance with accounting standards specified by the Minister for Health and Children. The accounting responsibilities of the Board Members are set out in the Statement of Board Members' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Board's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

Report of the Comptroller and Auditor General for presentation to the houses of the Oireachtas (*continued*)

Basis of Audit Opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Board's affairs at 31 December 2009 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by the Board. The financial statements are in agreement with the books of account.



Gerard Smyth

For and on behalf of the
Comptroller and Auditor General

1 June 2010

Certification of the Chief Executive Officer and Chairman

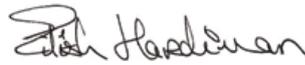
for the year ended 31 December 2009

We certify that the financial statements of the National Paediatric Hospital Development Board for the year ended 31 December 2009 as set out herein are in agreement with the books of account and have been drawn up in accordance with the accounting standards laid down by the Minister for Health & Children.

The financial statements, which comprise of pages 26 to 31 and the statement of accounting policies on page 25, give a true and fair view of the state of affairs of the Board at the 31 December 2009 and of its income and expenditure for the year then ended.



Philip Lynch
Chairman
National Paediatric Hospital
Development Board



Eilish Hardiman
Chief Executive Officer
National Paediatric Hospital
Development Board

27 April 2010

Statement on Internal Financial Controls

Responsibility for the System of Internal Financial Controls

On behalf of the Board I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets were safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or will be detected in a timely period.

The staff and the Board have taken the necessary steps to ensure that there is an effective system of financial control in place, by implementing a system of internal control based on regular information on expenditure being supplied to management, administrative procedures including segregation of duties, and a system of delegation of responsibility.

Key control procedures

The Board has taken steps to ensure an appropriate environment by:

- Clearly defining management responsibilities;
- Establishing formal procedures for reporting significant control failures; and
- Ensuring appropriate corrective action.

The Board established formal processes to identify and evaluate business risks by identifying the nature, extent and financial implications of risks facing the body including the extent and categories which it regards as acceptable; assessing the likelihood of identified risks occurring; assessing the body's ability to manage and mitigate the risks that do occur.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability.

In particular it includes:

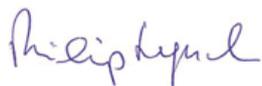
- A comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board;
- Accounts and annual financial reports which indicate financial performance against forecasts;
- Clearly defined capital investment control guidelines.

The Board has delegated responsibility for the development and maintenance of the financial control framework to management. The Board has established a formal process for monitoring and reviewing the effectiveness of the system of internal financial control and is informed and supported by the work of the Audit Committee which seeks to consider all significant control matters within the National Paediatric Hospital Development Board.

Statement on Internal Financial Controls *(continued)*

Review of the effectiveness of the system of Internal Financial Controls

I confirm that in the year ended 31 December 2009 the Board conducted a review of the systems of Internal Financial Controls and agreed that the effectiveness of the system of Internal Financial Controls was adequate given the nature and scope of the Board's activities during 2009. The Audit Committee are currently in the process of implementing internal audit arrangements which will support both the Audit Committee and Board as the nature and scope of activities increase in scale and complexity beyond 2009.



Philip Lynch

Chairman

National Paediatric Hospital Development Board

27 April 2010

Statement of Accounting Policies

Accounting convention

The Financial Statements are prepared in accordance with the historical cost convention and in accordance with the accounting standards laid down by the Minister for Health and Children.

Period of the financial statements

The Financial Statements relate to the accounting year ended 31 December 2009.

Grant income

Grant income comprises grants receivable from the Health Service Executive towards the design, construction and commissioning of a national paediatric hospital. Grants are recognised as income in line with expenditure.

Expenditure

Expenditure is recognised on an accruals basis and is transferred to construction work in progress.

Fixed assets - construction work in progress

All fixed asset acquisitions, regardless of the source of funds, are capitalised as construction work in progress and are not depreciated.

Capital account

The capital account represents the unamortised value of funding applied for the purchase of fixed assets.

Superannuation

The provision of superannuation for staff seconded to the Board remains the responsibility of the respective employer body. The charges for superannuation benefits in respect of seconded staff are recouped by the respective employer as part of the secondment arrangement and are charged to the Income and Expenditure Account.

Other pension contributions are made to a PRSA pension contract. These contributions are funded out of capital income of the Board and are charged to the Income and Expenditure Account in the year in which they become payable.

Income and Expenditure Account

for the year ended 31 December 2009

	Note	2009 €	2008 €
INCOME			
Oireachtas grants		11,619,039	4,484,495
Other income		7,495	2,560
		<u>11,626,534</u>	<u>4,487,055</u>
Transfer to capital account		<u>(11,626,534)</u>	<u>(4,487,055)</u>
		–	–
EXPENDITURE			
Expenditure	1	(11,626,534)	(4,487,055)
Transfer to construction work in progress	3	11,626,534	4,487,055
		<u>–</u>	<u>–</u>

There are no recognised gains or losses other than those dealt with in the Income and Expenditure Account.

The accounting policies on page 25 and the notes on pages 29 to 31 form part of these Financial Statements.

On behalf of the Board



Philip Lynch
Chairman
National Paediatric Hospital Development
Board



Eilish Hardiman
Chief Executive Officer
National Paediatric Hospital Development
Board

27 April 2010

Balance Sheet

as at 31 December 2009

	Note	2009		2008	
		€	€	€	€
FIXED ASSETS					
Construction work in progress	3		16,133,589		4,507,055
CURRENT ASSETS					
Debtors and prepayments	4	3,501,497		2,540,443	
Bank and cash		22,344		8,707	
		<u>3,523,841</u>		<u>2,549,150</u>	
CURRENT LIABILITIES					
Creditors	5	<u>(3,523,841)</u>		<u>(2,549,150)</u>	
Net current assets			<u>—</u>		<u>—</u>
Total Assets			<u>16,133,589</u>		<u>4,507,055</u>
Represented by:					
Capital account	6		<u>16,133,589</u>		<u>4,507,055</u>
			<u>16,133,589</u>		<u>4,507,055</u>

The accounting policies on page 25 and the notes on pages 29 to 31 form part of these Financial Statements.

On behalf of the Board



Philip Lynch
Chairman
National Paediatric Hospital Development
Board



Eilish Hardiman
Chief Executive Officer
National Paediatric Hospital Development
Board

27 April 2010

Cash Flow Statement

for the year ended 31 December 2009

	Note	2009		2008	
		€	€	€	€
Operating activities					
Net cash flow from operating activities	7		–		–
Returns on investments and servicing of finance					
Interest received		7,495		2,560	
Net cash inflow from investments and servicing of finance			7,495		2,560
Capital expenditure					
Expenditure from HSE capital		(11,626,534)		(4,487,055)	
Add back capital expenditure payable/accrued		994,313		2,503,469	
Net cash outflow from capital expenditure			(10,632,221)		(1,983,586)
Net cash outflow before financing			(10,624,726)		(1,981,026)
Financing					
Capital grant received from HSE		10,638,363		1,989,733	
Net cash inflow from financing			10,638,363		1,989,733
Increase in cash in the year			13,637		8,707
Reconciliation of net cash flow to movement in net funds					
Increase in cash in the year			13,637		8,707
Net funds at 1 January 2009			8,707		–
Net funds at 31 December 2009			22,344		8,707

Notes to Financial Statements

for the year ended 31 December 2009

1	Income and expenditure account		
	Included in the expenditure for the year are the following charges:		
		2009	2008
		€	€
	Auditors' remuneration	11,000	6,000
	<i>Board members' fees</i>		
	- Remuneration	28,000	26,833
	- Travel expenses	2,704	834
		<u> </u>	<u> </u>

The list of persons who were Board members during the year is contained in page 6 of the Annual Report. Four Board members are in receipt of fees and the remainder have waived their entitlement to fees.

2	Employees		
	The average number of employees (full time equivalents) during the year was as follows:		
		2009	2008
	Executive	<u> 2.5 </u>	<u> 2 </u>

Included in the expenditure for the year are the following payroll related costs.

		2009	2008
		€	€
	Payroll costs*	483,150	174,393
	Social welfare costs	13,584	11,624
	Pension costs	14,332	11,163
		<u> 511,066 </u>	<u> 197,180 </u>

* Included in payroll costs are locum, social welfare and superannuation costs of seconded employees which are incurred by the respective employers and recouped as part of the secondment arrangement through a charge to the National Paediatric Hospital Development Board.

The secondment arrangement applies to the Chief Executive Officer (CEO) and the total cost recharged in respect of the period from 1 March 2009 (date of appointment) by the respective employer was €147,489 including a basic salary amount of €116,528 and a charge of €29,132 for superannuation commitments in accordance with the Department of Finance guidelines for Public Sector Employees on secondment to the National Paediatric Hospital Development Board.

The total payroll costs for the Interim CEO from 1 January 2009 to 31 May 2009 (including a handover period from 1 March 2009) was €67,224 reflecting a basic salary for the period of €58,333.

There were no performance related payroll costs incurred in relation to the CEO or Interim CEO arrangements for the year ended 31 December 2009.

Notes to financial statements for the year ended 31 December 2009 (continued)

3	Fixed assets – construction work in progress	
	2009	2008
	€	€
Cost		
At 1 January 2009	4,507,055	20,000
Additions	11,626,534	4,487,055
At 31 December 2009	<u>16,133,589</u>	<u>4,507,055</u>

4	Debtors	
	2009	2008
	€	€
Health Service Executive grants due (Note 9)	3,495,438	2,514,762
Other debtors and prepayments	6,059	25,681
	<u>3,501,497</u>	<u>2,540,443</u>

5	Creditors: amounts falling due within one year	
	2009	2008
	€	€
Trade creditors	2,443,900	2,316,463
Accruals	1,077,321	194,942
<i>Taxation creditors</i>		
PAYE/PRSI	2,620	37,745
	<u>3,523,841</u>	<u>2,549,150</u>

6	Capital account	
	2009	2008
	€	€
Balance at 1 January 2009	4,507,055	20,000
Additions		
Transfer from Income and Expenditure Account	11,626,534	4,487,055
Balance at 31 December 2009	<u>16,133,589</u>	<u>4,507,055</u>

7	Reconciliation of surplus / (deficit) to net cash flow from operating activities	
	2009	2008
	€	€
Surplus / (deficit) for the year	<u>–</u>	<u>–</u>

8 Capital commitments

At 31 December 2009, the Board had the following capital commitments:

	2009 €	2008 €
Contracted for but not provided in the financial statements		
Within 1 year	11,440,595	9,468,427
Between 1 and 2 years	6,647,991	7,546,790
Between 2 and 5 years	18,008,308	9,101,569
Greater than 5 years	-	4,891,438
	<u>36,096,894</u>	<u>31,008,224</u>

9 Related parties

The Minister for Health & Children is a related party as she underwrites the assets and liabilities of the Board and can appoint a majority of the membership of the Board. The assets funded by the Minister cannot be disposed of or applied to any other purpose, without the Minister's prior consent. Advances and balances due from the Health Service Executive (HSE), which were all capital related, at the 31 December 2009 were:

	2009 €	2008 €
Capital		
Total capital grants notified by the HSE for the year	13,731,000	3,500,000
Opening balance due from HSE at 1 January 2009	2,514,762	20,000
Capital expenditure incurred in the year	11,626,534	4,487,055
Less: Remittances from the HSE in the year	(10,638,363)	(1,989,733)
Less: Other income	(7,495)	(2,560)
Balance due from the HSE as at 31 December 2009	<u>3,495,438</u>	<u>2,514,762</u>

10 Disclosure of members' interests

The Board has adopted procedures in accordance with guidelines issued by the Department of Finance in relation to the disclosure of interests by Board members and these procedures were adhered to during the year. There were no transactions in the year in relation to the Board's activities in which the Board's members had any beneficial interest.

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