



**An Roinn Airgeadais  
Department of Finance**

F7/05/06

26<sup>th</sup> February 2007

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**Circular 7/2007**

**Minute of the Minister for Finance  
on the Fourth Interim Report of the Committee of Public Accounts on the 2003  
Report of the Comptroller and Auditor General - Department of Health and  
Children; Beaumont Hospital; North Western Health Board; Southern Health  
Board; and Department of Social and Family Affairs**

A Chara

I am directed by the Minister for Finance to enclose for your information and guidance a copy of the Minute of the Minister for Finance in response to the Fourth Interim Report of the Committee of Public Accounts on the 2003 Report of the Comptroller and Auditor General - Department of Health and Children; Beaumont Hospital; North Western Health Board; Southern Health Board; and Department of Social and Family Affairs.

Your attention is drawn in particular to the following items in the Minute:

**Part 2 of the Minute:**

- The development of performance indicators is an important element of the estimates process to ensure that value for money is being achieved. It will also complement and help underpin the Annual Output Statements that Ministers are requested to produce as part of the estimates process.
- Departments must, in their evaluation of capital projects, satisfy themselves that staffing and other current costs arising are consistent with Government policy on staffing and can be met from within existing approved resources.

**Part 3 of the Minute:**

- Public sector organisations should automatically check the references and qualifications of applicants for all positions of authority.

**Part 4 of the Minute:**

- Commitments for major capital projects should not be made without having the necessary funding in place.

**Part 5 of the Minute:**

- Public procurement rules should always be followed for the engagement of consultants and other external services by public bodies.

Mise le Meas

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David Doyle  
Secretary General

**To: All Accounting Officers**

**Minute of the Minister for Finance**  
**on the Fourth Interim Report of the Committee of Public Accounts on the 2003**  
**Report of the Comptroller and Auditor General - Department of Health and**  
**Children; Beaumont Hospital; North Western Health Board; Southern Health**  
**Board; and Department of Social and Family Affairs**

The Minister for Finance has examined the Committee's Report and has taken account of its findings. In relation to its recommendations, his response is as follows:

**1. Special Report No. 7 – Health Sector Audits**

- **Effective arrangements should be put in place to monitor and control staffing numbers in the health sector.**

The Minister agrees that more effective monitoring and control arrangements should be put in place and, in that context, has been informed by the Department of Health & Children of the following revised arrangements:

- The HSE was notified on 20 December 2006 that a revised ceiling had been agreed with the Department of Finance on the strict understanding that the HSE operates a robust and effective employment control framework in respect of its own staff and ensures that corresponding controls are applied to employment levels within the voluntary hospitals and disability agencies.
- The conditions, to be adhered to by the HSE, include monthly employment monitoring reports and spot checks; the immediate establishment of a joint HSE, Department of Health & Children and Department of Finance monitoring committee; the prior approval of the Minister for Health and Children, given with the consent of the Minister for Finance, for all posts associated with new service developments; and a clear link between development funding and ceiling adjustments.

The Minister for Finance considers that these measures will improve monitoring and control of numbers in the health service. However, the Minister and his Department will be reviewing implementation of the measures in conjunction with the Minister for Health & Children and her Department.

- **The HSE needs to properly classify staff to facilitate the development of norms for the appropriate ratio of administrative and management staff to frontline staff.**
- **The contribution made by staff in direct support of frontline staff in the delivery of services should be taken into account when determining their classification.**

The Minister for Finance agrees with the Committee's recommendations regarding frontline staff. The current categorisation of staff into six categories (Medical/Dental, Nursing, Management/Administrative, Health and Social Care Professionals, General Support Staff and Other Patient and Client Care) has been in place since 2002. A

working group has been tasked to consider a more effective classification and reporting system. The reported Whole Time Equivalent (WTE) figure in respect of the staff category Management/Administrative at end September 2006 was 17,341 (this equates to total staff numbers of 19,873). The Minister has been advised by the Department of Health & Children that this will take some time to develop as it requires new reporting arrangements to be put in place in respect of all such staff. The Minister has been informed that such an approach will also need to be extended to the 63 Voluntary Hospitals and Voluntary Agencies, operating in the Primary Community and Continuing Care Sector. Such agencies accounted for nearly 5,000 WTEs in this staff category as at the end of September 2006.

The Minister has been advised by the Department of Health & Children that it considers that, in addition to considering the appropriate ratio of administrative and management staff to frontline staff and the contribution made by staff in direct support to frontline staff, there is a need to evaluate the extent to which some frontline staff may be engaged in administrative and management work.

The Minister for Finance regards the management and control of numbers in the Health sector as a major priority and has requested his Department to work with the Department of Health & Children to ensure that these new arrangements work effectively. He has asked his Department to report to him regularly in the matter.

- **The numbers of contract and agency staff employed should be kept under close review at all times in view of the significant cost implications of employing these categories of staff.**

The Minister agrees that this is an important issue which must be addressed as a matter of urgency. The Minister has been advised by the Department of Health & Children that, as part of the monthly employment monitoring reporting framework, all agency costs are being monitored. The HR Directorate of the HSE has engaged with, among others, the Dublin Academic Teaching Hospitals to establish a pilot scheme to identify alternatives to reliance on the use of agency nursing in the greater Dublin Area. The Minister is further advised by the Department of Health & Children that the former HSE North Western Area, HSE West and former HSE Midland Area, HSE Dublin Mid-Leinster have programmes in place to minimise reliance on agency nursing.

- **A standard procedure, taking account of both legal advice and best practice, should be put in place on the administration of patients' private property accounts.**

The Minister has been informed by the Department of Health & Children that the Health (Repayment Scheme) Act 2006 provides a new statutory framework for patient private property accounts. The legislation provides that money lodged to these accounts must be used specifically for the benefit of the patient. In order to protect the interests of patients, no money in excess of €5,000 a year can be used for the benefit of the patient without the approval of the Circuit Court. The Courts Service has prepared a set of draft rules to allow such applications to be made and these will be finalised shortly. Money may also be invested by the HSE on behalf of the patient in financial institutions authorised by the Irish Financial Services Regulatory Authority

and the National Treasury Management Agency. A central HSE investment unit for patients' funds became operational on 14 December 2006. The legislation allows the Minister for Health and Children to request reports from the HSE on the operation of these accounts and copies of these reports will be placed before both Houses of the Oireachtas. The Comptroller and Auditor General will also be empowered to audit patient private property accounts. Under the legislation the Minister for Health & Children may appoint an independent person to report on the operation of these accounts and to ensure that any money expended from these accounts is for the benefit of the patient. The Act also allows the Minister for Health & Children to make regulations enabling the HSE to impose a charge for the administration of patient private property.

Prior to the enactment of this legislation, the HSE had developed interim guidelines in respect of the administration of patient private property accounts. These were issued on 30 March 2006 and are designed to standardise the administration of such accounts and deliver common documented procedures. The Minister has been informed by the Department of Health & Children that the HSE are currently preparing final guidelines on the administration of such accounts in the light of the new legislation. Patient private property accounts will be administered in line with these national guidelines to ensure a consistent approach throughout the country.

The Minister for Finance considers that this is an important issue for patient services within the HSE. The Minister has asked his Department to monitor implementation of the new arrangements.

- **There should be clear guidance on the requirements for the approval of capital projects in the health sector.**

The Minister considers that this is an essential aspect of the planning and implementation of capital projects within the health sector and his Department will continue to provide direction in this regard. All capital projects undertaken within the health sector are subject to his Department's guidelines on the Appraisal and Management of Capital Expenditure.

The Minister has been advised by the Department of Health & Children that it considers that the establishment of the HSE with its own Vote, the legislative provisions in respect of capital expenditure in the Health Act 2004, and the overall governance arrangements that are being put in place in relation to the HSE's service plan and capital investment plans will provide a stronger and clearer accountability framework for HSE capital projects.

The Minister has been informed by the Department of Health & Children that the Board of the HSE approved a *Capital Projects Approval Protocol* in February 2006. Capital projects encompass all construction, works, refurbishments, building fit-out and equipping funded from capital funds. This sets out the specific criteria and information requirements to be fulfilled for the approval and management of capital projects.

The Minister has been informed by the Department of Health & Children that the HSE has confirmed that project funding is not made available until the project has

been approved in accordance with the protocol and that approval is subsequently notified to the relevant project manager and project sponsor.

The HSE approves capital projects on the basis of service priorities and available funding. It endeavours to undertake capital projects which contribute most to health and social gain and that are delivered in a way which maximises value for money.

The Minister has been advised by the Department of Health & Children that the HSE is still developing its capital and estate function and an appointment to the post of National Director of Capital and Estate Function was made in September 2006. The Minister has been assured by the Department of Health & Children that it will continue to work with the Department of Finance and the HSE to secure further improvements in the arrangements for managing the HSE capital investment.

## **2. Department of Health and Children – Vote 33; and Chapter 12.1**

- **The Department and the HSE should develop, on a national basis, a comprehensive set of health indicators against which outcomes can be compared.**

The Minister for Finance agrees that the development of performance indicators is an important element of the estimates process to ensure that value for money is being achieved. It will also complement and help underpin the Annual Output Statements that Ministers are requested to produce as part of the estimates process.

The Minister has been informed by the Department of Health & Children that the CEOs of the former health boards developed a set of National Health Service Performance Indicators. Following the establishment of the HSE in 2005, it was decided that these performance indicators should be reviewed in light of information availability and requirements and in order to link them to the HSE's National Service Plan. The intention is to rationalise and improve the information collected in order to optimise the performance monitoring and quality assurance functions. The Minister has been informed by the Department of Health & Children that a set of 35 key indicators, which will be linked to the HSE's National Service Plan has been agreed for 2007. The Minister has been assured by the Department of Health & Children that it intends to continue to work with the HSE to refine and improve the process further.

- **The Department should consult with the HSE and other relevant agencies to improve the quality of reporting the effectiveness of different medical practices and procedures across all areas within the health sector.**

The Minister has been informed by the Department of Health & Children that a report produced by the Chief Medical Officer (CMO) of that Department examined a number of medical practices and procedures including prescribing patterns, aspects of the efficiency of hospital services and uptake of certain surgical procedures. The main aim of the report was to use information already available to the Department to provide a better insight into the quality, equity and effectiveness of health service delivery. The report shows clearly that such an approach to performance monitoring which moves beyond the traditional focus on inputs, particularly budgets and staffing levels, is possible notwithstanding the existence of some key gaps in health information as outlined in the National Health Information Strategy. Using information this way can further improve our ability to monitor the performance of the health system.

The Minister has been advised by the Department of Health & Children that the CMO's report has been referred to the Chief Executive Officer of the HSE. It is proposed that the Department of Health & Children engage further with the HSE about the structures that might best be put in place to ensure that information, access and quality of service issues such as those identified in the report can be raised and pursued. These structures will need to reflect the role of the soon to be established Health Information and Quality Authority, which will take on responsibility for, inter alia, defining standards for information and health services in key areas e.g. the management of cancer.

- **Further efforts should be made by the Department to achieve a satisfactory and fair outcome in the matter of recovering overpayments made to GPs on foot of invalid medical cards.**

The Minister agrees that this is an important issue and that payment systems in place must be based on accurate and timely information to ensure correctness. The Minister has been advised by the Department of Health & Children that a review carried out by the HSE, and quality assured by external expertise, found overpayments amounting to some €6.5m and underpayments of approximately €4.7m, resulting in a net overpayment to GPs of approximately €1.8m. The Minister has been informed that decisions regarding next steps will need to be informed by an analysis of the degree of under/over payment by individual GPs, as well as other considerations such as the contractual review negotiations, the potential administrative workload in dealing with recovery from/repayments to individual GPs and the benefits which should accrue from the requirement (under the Labour Relations Commissions agreement of 2005) that GPs now play their part in the joint management of the client register. The matter will be kept under review to ensure that outstanding overpayments are eliminated where this is appropriate.

- **The commissioning and running costs should be factored into the decision making process on health capital projects.**

The Minister for Finance agrees that this is an area of great importance in the context of monitoring and controlling expenditure in the wider health sector and is something he is very conscious of when framing the estimates for the sector. The general conditions of sanction for multi-annual capital envelopes incorporated in his Department's guidelines for the Appraisal and Management of Capital expenditure state that Departments must, in their evaluation of capital projects, satisfy themselves that staffing and other current costs arising are consistent with Government policy on staffing and can be met from within existing approved resources.

The Minister has been informed that the Department of Health & Children and the HSE agree there is a need to ensure that the commissioning and running costs of capital projects are now factored into the decision making process. The Minister has been advised by the Department of Health & Children that steps have already been taken in this regard in dealing with the 2005 and 2006 capital programmes. The HSE has confirmed to the Department of Health & Children that, among other things, the future recurring revenue cost and whole time equivalent staffing impact of each proposed project must be validated and authorised by the Assistant National Directors of Finance for the respective administrative areas of the HSE, and any additional revenue costs of a capital project must be agreed in advance by the Department of Health and Children before it can be approved.



### 3. Beaumont Hospital – 2000, 2001 and 2002 Accounts

- **The Internal Auditor should have the opportunity to report to the Board without the CEO being present.**

The Minister for Finance agrees with this recommendation and points out that the current Department of Finance Guidelines for Corporate Governance for State Bodies contains a section on the internal audit function. They state, inter alia, that the head of internal audit should be a senior official and should report to the board audit committee directly and should have access to the Chairperson of the Board and the Chairperson of the Board Audit Committee. This would allow the Internal Auditor the opportunity to report to the Board without the CEO being present. The Department of Health & Children has been asked to bring this aspect of the guidelines to the attention of the HSE and the Hospital's Board.

- **Public sector organisations should automatically check the references and qualifications of applicants for all positions of authority.**

The Minister has been informed by the Department of Health & Children that the HSE adheres to the Commission for Public Service Appointments' Code of Practice for Appointment to Positions and has developed standardised recruitment and selection procedures which operate across the HSE. These procedures set out that any credit given to a candidate at interview in respect of claims to qualifications, training and experience is provisional and is subject to verification. The recommendation of the interview board is liable to revision if the claimed training or experience is not proven.

The Minister is further advised by the Department of Health & Children that employees of Beaumont Hospital are not direct employees of the Health Service Executive and are not subject to the HSE's recruitment and selection procedures. However, Beaumont Hospital has advised the Minister for Health & Children that revised recruitment procedures introduced in 2003 are aimed at preventing a recurrence of the situation. Original documentation for essential qualifications is requested and validated prior to the commencement of employment. The Recruitment Officer photocopies original certificates for the record, and signs-off that the original documentation was viewed. Regrettably, in 1998, the documentation supplied by a particular applicant was accepted without validation. This was done in the context that the candidate had held similar engineering roles in other reputable organisations within the State for a number of years prior to seeking employment with Beaumont Hospital. References backing up the employment history were obtained at the time.

- **The provision of support services, including laboratory services to private consultants, should be on a full cost arms length basis.**

The Minister has been advised by the Department of Health & Children:

- That Beaumont Private Clinic (BPC) is a building owned by Beaumont Hospital. It is leased to consultants who work in Beaumont Hospital for use as private consulting rooms in order that the consultants can undertake private out patient appointments in accordance with the terms of the consultants common contract.

The clinic is classified as “on site” for the purposes of the consultant’s common contract and the Clinical Indemnity Scheme.

- There are no regulations in place to allow for charges for laboratory tests undertaken on an outpatient basis. Similarly, when private patients of general practitioners are referred for a laboratory test to a public hospital there is no legal basis to charge for that service. An outpatient charge introduced in 1987 was subsequently abolished by Government decision in 1994 on the grounds of inherent anomalies and potential barriers to necessary treatment.
- Laboratory tests for patients who attend Beaumont Private Clinic are ordered by individual Beaumont Hospital consultants in the same way as tests are ordered by the same consultants for inpatients, outpatients and emergency patients in the hospital proper. Beaumont Hospital recognises patients who attend the clinic as its own outpatients to whom it is providing services under the Health Acts.

The Department of Health & Children is currently undertaking an extensive review of the legislation governing eligibility and entitlement to services with a view to drafting new legislation clarifying and updating these provisions, including the area of charging.

The Minister for Finance considers that this is a major issue for the organisation and funding of the health service which must be addressed as a priority. The Minister will continue to work with the Minister for Health & Children in this regard as part of the general reform of the health service.

#### 4. North Western Health Board – 2001 Accounts

- **Commitments for major capital projects should not be made without having the necessary funding in place.**

The Minister for Finance has already outlined the progress made in respect of the management of capital projects in his comments on Chapter 12.1 of the PAC report on the Department of Health & Children Vote 33, in response to the Committee's 4<sup>th</sup> recommendation that commissioning and running costs should be factored into the decision making process on health capital projects.

The Minister has been informed by the Department of Health & Children that the Board of the HSE approved a *Capital Projects Approval Protocol* in February 2006. A key element of this protocol is that only fully costed capital project proposals are included in the approved capital plan. Furthermore, the HSE has confirmed that project funding is not made available until the project has been approved in accordance with the protocol and that approval is subsequently notified to the relevant project manager and project sponsor.

The Minister has been advised by the Department of Health & Children that the HSE will only issue approval for capital projects based on consideration of service priorities and available funding. It endeavours to undertake capital projects which contribute most to health and social gain and that are delivered in a way which maximises value for money.

The Minister has been advised by the Department of Health & Children that the HSE is still developing its capital and estate function and, in this context, an appointment to the post of National Director of Capital and Estate Function was made in September 2006. The Minister has been assured by the Department of Health & Children that it will continue to work with the Department of Finance and the HSE to secure further improvements in the arrangements for managing the HSE capital investment.

- **Improvements to the purchasing system in the North Western Area of the HSE need to be maintained.**

The Minister for Finance agrees with this recommendation and has been informed by the Department of Health & Children that a revised regulatory framework is now in place, updating and replacing the financial regulations for all purchase to payment processes which had previously been in operation at health board level, to reflect the establishment of the HSE as a unitary service provider.

## 5. Southern Health Board – 2002 Accounts

- **Public procurement rules should always be followed for the engagement of consultants and other external services by public bodies.**

The Minister for Finance agrees with this recommendation and has been informed by the Department of Health & Children that the HSE introduced a new Procurement Policy in 2006 which updates the previous health service policy adopted in 2000 by the health boards, voluntary hospitals and direct-funded homes. Based on best practice, this Procurement Policy is designed to ensure a common approach for all HSE staff in the procurement of supplies, works and services to ensure a strong focus on the role of procurement in keeping with the Code of Practice for the Governance of State Bodies. The policy facilitates compliance with official public procurement policy and commits the HSE to achieving, amongst other things, efficiency, effectiveness and best value for money in procurement. The HSE is in the process of establishing a new office with specific responsibility for procurement and recruiting for the post of Head of Procurement.

The HSE is now the single legal contracting authority for running the country's health service and has put governance arrangements in place to address all aspects of obtaining approval and sign off for consultancy services. The new Consolidated Procurement Directives 2004/18/EC apply to consultancy services for threshold value over €211,000 and both the HSE Procurement Policy and the Department of Finance's Public Procurement Guidelines also apply to obtaining consultancy services.

## **6. Department of Social and Family Affairs – Vote 40; and Chapters 13.1, 13.2 and 13.3**

- **An effective system of medical review and examination should balance the resources applied with the risk of inappropriate payment while minimising the burden of bureaucracy on clients.**

This recommendation is accepted.

The Minister for Finance is advised by the Department of Social and Family Affairs that it strives to achieve the balance referred to in this recommendation. Savings estimated at some €30m. were achieved as a result of Medical Review and Assessment activity in 2005, at a cost of less than €7m. The administrative cadre of the Medical Review and Assessment Service comprises 32 staff while the medical cadre comprises 21 Medical Assessors. The pay and other operational costs were approximately €3.88m in 2005. In addition, €2.7m was paid to certifiers for the submission of approximately 61,000 medical reports. Thus, it can be seen that there is a significant return by way of savings on the investment of staff and other resources.

The Minister for Finance is advised by the Department of Social and Family Affairs that the bureaucratic burden on the customer is not onerous and that a customer who is selected for referral is issued with a request for a medical report to be submitted by his or her certifying doctor only if no such report has been received within the past 12 months. Subsequently, if an examination is being arranged for that customer and there is still no medical report from the past 12 months available, a request is sent directly to the certifier. On the basis of the certifier's report, the Medical Assessor determines whether an examination is required in that particular case.

The Minister for Finance is informed by the Department of Social and Family Affairs that examination sessions are scheduled approximately 3 weeks before the date of examination. The customer is issued a notification to attend for examination, together with an information leaflet explaining the examination process. Thus a customer generally receives only one letter from Medical Review and Assessment Section prior to their examination date, except when a request for the provision of a medical report by the certifier is also issued. Following examination, if the customer is found capable, he or she is notified of the decision and the certifier is notified also. Customers who do not attend for examination and fail to contact the Department at any point prior to the examination, or shortly afterwards, are informed by letter of the imposition of a 9-week suspension of payment, unless an acceptable explanation for non-attendance is furnished.

The Minister for Finance is also informed that, in 2005, some 124,415 cases were scheduled for desk reviews of medical evidence or medical examinations. The medical records and reports for 73,182 customers were desk assessed by the Department's Medical Assessors and did not require an examination. Some 51,233 persons were called for medical examination, of whom 34,687 were actually examined. The balance includes people who failed to attend, people called to sessions that were cancelled (e.g. if the Department's examining doctor was not available) and

people who ceased claiming before the scheduled examination date. (All cases of failure to attend are followed up and payment may be suspended in the absence of an acceptable explanation.)

The Minister for Finance is advised by the Department of Social and Family Affairs that overall, therefore, it considers that contact with the customer is kept at a reasonable level consistent with maintaining adequate and effective levels of control, given the overall level of resources applied to Medical Review and Assessment activity. He is also informed that a recently completed review of the Medical Review and Assessment Service has recommended large-scale organisational change and IT systems development to bring about further efficiencies and that preparatory work is already in progress for the implementation of the report's recommendations.

- **The Department should improve its procedures for reconfirming appointment times for medical assessments closer to the set date.**

The Minister is informed by the Department of Social and Family Affairs that it would not be possible to implement this recommendation in the context of the current administrative arrangements. However, it will be considered again in the context of the introduction of more modern IT supports and revised business processes.

The Minister for Finance is informed by the Department of Social and Family Affairs that its Medical Review and Assessment Section schedules examinations three weeks in advance. If the examination is cancelled or postponed, a letter is issued to the customer where there is sufficient time for it to be received in time. Otherwise, contact is made by phone wherever possible.

The Minister for Finance is also informed that approximately 2 ½ weeks before the scheduled examination, a letter is issued to the customer advising the date, time and venue of the examination. An information leaflet accompanies the letter to explain the examination process. The Minister for Finance is advised by the Department of Social and Family Affairs that, given the short time that elapses between notification of the examination and the date of examination, reconfirmation of appointments is not considered warranted and would add to the administrative overhead process. However, this recommendation will be considered again in the context of the implementation of the recommendations of the organisational and IT review referred to in the response to the previous recommendation.

- **The Department should keep under close review those GPs who certify persons as incapable for work who are later consistently found capable by the Department's medical assessors.**

This recommendation is accepted.

The Minister for Finance is advised that the Department of Social and Family Affairs intends to implement this recommendation as soon as possible. He is also informed by that Department, however, that its systems are unable to support the carrying out of such reviews at present. Following the recent review of the Medical Review and Assessment function, recommendations have been made for the development of new

systems that would enable such reviews to be undertaken. The Minister is informed that the monitoring of certifiers' performance will be addressed in that context.

- **The Department should examine further the reasons that persons examined medically as part of their assessment for disability payments and found capable of working are then put on other schemes.**

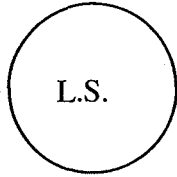
The Minister for Finance is advised by the Department of Social and Family Affairs that people are examined by its medical assessors specifically for the purpose of determining whether they meet (or continue to meet) the medical eligibility conditions for receipt of medical-related payments. He is also advised that those who are found capable of work following such a medical examination are not automatically transferred to another social welfare scheme. Nevertheless, people found capable of work may, if they consider they have an entitlement, then apply for a social welfare payment other than a disability payment. If such an application is made it must be considered on its merits having regard to the eligibility criteria for the particular scheme. If the person is found to be eligible for the payment, then that person must be awarded the payment, and the reason for the award of the payment in such cases is, therefore, known to the Department of Social and Family Affairs.

The Minister is informed by the Department of Social and Family Affairs that it is conscious of the need to support all of its customers of working age in making the transition from welfare to work where possible, including those who have previously been in receipt of an illness or disability payment, and that the arrangements for doing so are currently being enhanced as part of that Department's increasing commitment to activation.

- **The Department should, in conjunction with the Office of the Revenue Commissioners, introduce further systems of integration in order to streamline both systems and so reduce the time taken to detect overpayments.**

The Minister for Finance is advised by the Department of Social and Family Affairs that there is ongoing co-operation between it and the Office of the Revenue Commissioners with regard to the transmission of commencement of employment data to the Department. The Minister is informed by the Department of Social and Family Affairs that it is satisfied with the timing and content of this information, which is subject to continuous improvement. The Minister is further advised that recent enhancement of the P35 system within Revenue has led to earlier provision of data on employees and there are plans for further improvements in 2007. The challenge for the Department is to process and use the information speedily and effectively and the Minister is also advised by the Department of Social and Family Affairs that arrangements in this regard are being put in place to improve existing arrangements to ensure that records of people in payment are checked against the Revenue data at the earliest possible opportunity and followed up where necessary.

Given under the Official Seal of  
the Minister for Finance on  
this, the 23<sup>rd</sup> day of February,  
2007



David Doyle  
Secretary General  
Department of Finance