

# DÁIL ÉIREANN

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## AN COISTE UM CHUNTAIS PHOIBLÍ COMMITTEE OF PUBLIC ACCOUNTS

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*Déardaoin, 24 Meán Fómhair 2026*

*Thursday, 24 September 2026*

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The Committee met at 9.30 a.m.

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### MEMBERS PRESENT:

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|------------------------|-------------------------|
| Deputy Cathy Bennett,  | Deputy James Geoghegan, |
| Deputy Grace Boland,   | Deputy Eoghan Kenny,    |
| Deputy Joanna Byrne,   | Deputy Séamus McGrath,  |
| Deputy Martin Daly,    | Deputy Paul Murphy,     |
| Deputy Albert Dolan,   | Deputy Joe Neville,     |
| Deputy Aidan Farrelly, |                         |

DEPUTY JOHN BRADY IN THE CHAIR.

**Mr. Seamus McCarthy** (*An tArd Reachtaire Cuntas agus Ciste*) called and examined.

*Tháinig an coiste le chéile i seisiún príobháideach go dtí 10.20 a.m.*

*The committee met in private session until 10.20 a.m.*

### **Gnó an Choiste - Business of Committee**

**An Cathaoirleach:** Everyone is welcome to the meeting. We have received no apologies, bar from Deputy McAuliffe, who is on official for business for the Committee of Public Accounts.

Before we proceed, I have a few housekeeping matters to go through. Members are reminded of the provisions within Standing Order 226 that the committee shall refrain from inquiring into the merits of a policy or policies of the Government, or a Minister of the Government, or the merits of the objectives of such policies. Members are also reminded of the long-standing parliamentary practice that they should not comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable. I also remind members of the constitutional requirement that in order to participate in public meetings they must be physically present within the confines of the Leinster House complex or within the precincts of Leinster House.

The agenda for today's meeting is as follows: accounts and statements; correspondence; and upcoming meetings. The committee will then suspend before beginning the engagement with officials from the HSE at 10.30 a.m. or soon afterwards.

There are six sets of accounts and financial statements laid between 14 September and 18 September 2026, which are due to be considered today. We are joined by Mr. Seamus McCarthy, the Comptroller and Auditor General, who is a permanent witness to the committee. I ask him to address these before I open the floor to members.

**Mr. Seamus McCarthy:** First, we have the financial statements of the Ombudsman for Children for 2025. They received a clear audit opinion.

No. 2 is the financial statements of An Comhairle Ealaíon for 2025. They received a clear audit opinion.

No. 3 is the financial statements for Transport Infrastructure Ireland for 2025. They received a clear audit opinion.

No. 4 is the financial statements of the University of Galway for the financial year 2024-25. These received a clear audit opinion. However, I drew attention to two matters. First, there was a material level of non-compliant procurement incurred by the university in 2024-25. Second, the financial statements include a provision, which is effectively the writing off of €1.6 million of expenses incurred on the development of a student-record-management system. The development of the system is ongoing but the university felt that it had to write that off. It is actually over time as well. It was due to be completed in 2023. A further €552,000 was incurred on related mediation, legal and consultancy services.

**An Cathaoirleach:** This is another IT project where money has been essentially lost. It is absolutely staggering. In this case the figure is €1.6 million. This is repeated across the board

in all Departments and agencies. We have done extensive work on the issue of IT. I am sure the issues which arose in this case are similar in that there were failings to properly scope out the requirements for the project. Is there any more information on it? Is this a one-off for Galway or was this being rolled out across a number of institutions?

**Mr. Seamus McCarthy:** The student record system is obviously a very important support for the business of the university. Student record systems have been developed recently in other places. There was a generational shift going on. The experience has not been as bad in other third-level institutions, but there are cases where projects are struggling. The Higher Education Authority, HEA, is aware of difficulties that have been encountered in a number of colleges, so it may have an overview it could share with the committee. There is a significant amount of information in the Galway financial statements in relation to the specific project it was involved in. It is probably worth noting that the total expenditure on the student record system was about €10.6 million, so it is retaining €9 million of the expenditure as being useful for the eventual system that will be delivered, but obviously, the finalisation of the project is important.

**An Cathaoirleach:** I propose that we write to the University of Galway to get a comprehensive briefing on this matter. I also propose that we write to the HEA to get its perspective on this and all of the other projects alluded to by the C and AG where there have been problems, maybe not of this magnitude, but issues that have arisen and what the common denominators are in terms of the delivery of these. No one could deny that these are critical pieces of IT infrastructure but the failures are systemic across the board. I am sure the issues that have arisen here are not too dissimilar to the issues that have cropped up consistently across the board.

**Deputy Cathy Bennett:** It is an extraordinary waste of taxpayers' money again, with €2.1 million written off. It is also a waste of money for the students who are paying fees of €3,000 each to say that €2.1 million has been completely written off here. I want to emphasise, as the C and AG has said, that €10.6 million has been spent on a student record management system. I would like to know what other colleges are spending on such systems and right across the board, what every college is spending on this. For me, this is a huge amount of money and we need to delve deeper to see if other colleges are spending this amount of money on student record management systems. It seems to be an extraordinary amount. We can sit here and call out numbers but where does that €10.6 million come from? It comes from the students, the taxpayer and it is an extraordinary amount. We need to delve deeper and make sure we are getting value for money for the taxpayer and our students who are paying fees every year to go to college. It is extraordinary to spend €10.6 million on a management system. It is unbelievable.

**Deputy Grace Boland:** Regarding the Chair's proposal, we should also in the letter ask for the lessons learned and who they have been shared with. As the Chair said, this is a systemic issue. Are other agencies and universities and the Office of the Government Chief Information Officer, OCGIO, learning from all of these issues? That is my big concern.

**Mr. Seamus McCarthy:** On that point, the financial statements do disclose that the university has carried out an independent review of its experience with the project and it refers to some of the things learned and some of the mistakes that may have led to the provision being

incurred. That is part of the expenditure of €552,000. It is to be expected that things would be learned and I understand they have been shared with the HEA.

**An Cathaoirleach:** We will ask for a copy of that independent review.

**Deputy Grace Boland:** It also needs to be shared with the Office of the Government Chief Information Officer. It should not just stay sectoral. These IT issues are across all sectors, so it needs to be escalated right to the top and the OGCIO needs to ensure that what has been learned are disseminated across the public sector.

**Mr. Seamus McCarthy:** I understand that there are colleges where student record management systems have been developed which have not had time or budget overruns. There is experience there that may be valuable as well.

**Deputy Séamus McGrath:** To pick up on that point, it is crazy that each college designs its own system. Every college does not need to reinvent the wheel. There should be consistency and co-ordination between the colleges in trying to bring about savings. I ask Mr. McCarthy who is responsible. Who should be co-ordinating this? Every university is spending money developing a system when there should be a template system that could be used across the sector. It seems to be an extraordinary waste of public money that they are all trying to go down an individual road when it comes to this issue.

**Mr. Seamus McCarthy:** I understand that what were the institutes of technology, now the technological universities, were using a kind of shared platform. One would expect and hope that there would be utilisation of learning and systems. The Higher Education Authority would be best placed to give an overview of what it is trying to do in that space.

**Deputy Cathy Bennett:** As the Comptroller and Auditor General mentioned, €10.6 million was spent on the student records management system. Is this system being operated by the same IT company for all colleges? Is that company charging each college or are individual companies creating these packages?

**Mr. Seamus McCarthy:** Galway availed of a drawdown or a framework available to all universities, so there probably is commonality. ICT systems are extremely expensive. One would hope they would avail of any opportunity to build on common platforms and not have excessive customisation which might drive additional costs.

**Deputy Cathy Bennett:** Is Mr. McCarthy saying that each university could be paying €10.6 million for this management system?

**Mr. Seamus McCarthy:** I do not want to offer a figure without going back and having a look to see if we can get other examples for the Deputy.

**Deputy Martin Daly:** Are we to understand that it did not get the student records management system-----

**Mr. Seamus McCarthy:** It has not got it yet.

**Deputy Martin Daly:** -----and that this ongoing?

**Mr. Seamus McCarthy:** Yes.

**Deputy Martin Daly:** Is there any indication as to how it is proceeding at this stage?

**Mr. Seamus McCarthy:** I do not think it indicates in the financial statements when it expects to have it finished. The committee may want to ask it for an expected completion date.

**An Cathaoirleach:** We will write to the university.

**Deputy Martin Daly:** I suppose the observation is that we do not want the sclerotic, dead hand of anti-risk attached to organisations developing infrastructure they need either.

**Mr. Seamus McCarthy:** Absolutely.

**Deputy Martin Daly:** By the same token, there has to be clarity around how money is spent. That is the point we need to make.

**Mr. Seamus McCarthy:** The university allowed the contract with the developer it was using to come to an end. From memory, the university has not stated when it will appoint a replacement to complete the project.

**Deputy Martin Daly:** Mr. McCarthy talked about a material level of non-compliant procurement procedures. Was it tendered for properly?

**Mr. Seamus McCarthy:** It had a tender competition around 2020. However, while it got offers, it decided not to proceed. The following year it went with the framework that had been put in place by EduCampus, a subsidiary of the HEAnet, which itself is a subsidiary of the Higher Education Authority. It is a complex procurement process. It is open to the committee to probe more into how that is operating.

**Deputy Eoghan Kenny:** Does the Comptroller and Auditor General consider that to be a non-compliant procurement process?

**Mr. Seamus McCarthy:** No. That is not what the reference was to non-compliant procurement. That is a separate figure of about €846,000.

**Deputy Eoghan Kenny:** On commonality, do we have an understanding that other universities have used this same company and have not had an overspend?

**Mr. Seamus McCarthy:** That is my understanding.

**Deputy Eoghan Kenny:** While the University of Galway could have engaged with other colleges, I do not think it was its job to do so. The onus was on the company to provide the service to University of Galway that it previously provided to other universities and in respect of which it came in on budget.

**Mr. Seamus McCarthy:** They may have used the same framework to acquire a developer. I am probably getting into levels of detail-----

**Deputy Eoghan Kenny:** That they could provide.

**Mr. Seamus McCarthy:** Yes.

**An Cathaoirleach:** Let us write to the University of Galway, get a full briefing note, a copy of the review carried out and details of the learnings. We will also write to the HEA to try to get information on some of the other colleges, the systems and the difficulties. I am sure we will revert to this because I am very conscious of Dublin City ETB, the My SUSI IT project

and the massive issues with overruns, costs, etc. I am sure we will come back to the issue of IT in general but specifically in education also.

**Deputy Cathy Bennett:** Just to make clear, the committee will write to each college to inquire what system is used for its student record management system-----

**An Cathaoirleach:** We will get that from the HEA.

**Deputy Cathy Bennett:** -----who provided it and how much it cost?

**An Cathaoirleach:** Yes.

**Deputy Cathy Bennett:** I thank the Cathaoirleach.

**Deputy Séamus McGrath:** Perhaps we could also contact the Department of higher education because it is ultimately paying for all of this.

**An Cathaoirleach:** Yes.

**Deputy Eoghan Kenny:** I propose that the question we should ask is whether this came in on budget and whether the project relating to the University of Galway is the only one that did not come in on budget.

**An Cathaoirleach:** The Comptroller and Auditor General said that there may be others with issues. We will try to get clarity and figures, whether there are delays, etc.

**Mr. Seamus McCarthy:** No. 5 is the financial statements of University College Dublin for the financial year 2024-25. It received a clear audit opinion. I drew attention to a material level of procurement non-compliance. In that case, the figure disclosed is €1.48 million. There is no further detail in the financial statements about what it relates to. There is some detail in relation to a voluntary disclosure by the university to the Revenue Commissioners in relation to taxes on benefits-in-kind and the employment status of individuals in the period 2022 to 2026. This resulted in a net payment of €943,000 to Revenue. Recovery of the liabilities is not being pursued. Separately, there was a payment to Revenue of €381,000 in October 2025 in relation to chargeable excess tax and excess pension lump sum tax. Recovery of these amounts has been pursued with the pensioners concerned.

**Deputy Cathy Bennett:** The Comptroller and Auditor General stated that there is no further information on the €1.48 million in respect of procurement that was non-compliant. Can we request details in that regard? I do not know why we have not received details or why the college did not supply them in the first instance. It has to be fully transparent and let us know what is going on.

**Deputy Séamus McGrath:** What are the benefits-in-kind?

**Mr. Seamus McCarthy:** It does not mention that in the financial statements. The committee would have to specifically request the information from the university.

**Deputy Séamus McGrath:** The issue arose as a result of benefits-in-kind to employees in the context of an understatement of tax liability. It is important that we find out what those benefits-in-kind are.

**An Cathaoirleach:** We can write to it.

**Deputy Grace Boland:** We had a similar issue last week with the University of Maynooth. Can we write to the Department or the HEA and ask what the issue is with benefit-in-kind across the university sector? Are we going to see this every year? This should not be a systemic issue. What is driving all of this benefit-in-kind?

**An Cathaoirleach:** We can do that. Is that agreed? Agreed.

**Deputy Grace Boland:** I thank the Chair.

**Mr. Seamus McCarthy:** The final set of financial statements relates to Dublin City University, DCU, for 2024-25. They received a clear audit opinion. However, I drew attention to the writing off of €4.38 million in professional fees in relation to a student accommodation building that did not proceed to development due, I understand, to an escalation in expected costs. The university made a provision in relation to the fees incurred. If the project goes ahead in the future, it may be able to reverse that provision. As matters stand, it has taken the view that it needed to provide for €4.38 million.

**An Cathaoirleach:** We need to follow this up. Looking at the background, it appears that it was initially for accommodation for 1,235 students. That is what was designed. There was a comprehensive design process.

Ultimately, it appears that the Department refused to provide the funding for that to proceed. DCU had to go back to the drawing board and redesign the accommodation to facilitate 400 students. By the time that process concluded, any of the potential cost savings were eaten up by construction cost inflation, etc.

The information I am hearing is that the straw that broke the camel's back was the demand by the Department in terms of the rent chargeable to students in order to make this economically viable. That pushed it out of the reach of any students in the context of availing of affordable accommodation. There seem to be huge failures, and at national level, which have led to a student accommodation crisis. Not only that, we are also left with a write-off of €4.38 million. That is absolutely scandalous in light of the accommodation crisis students face every year. We need to follow up with the Department and DCU in order to get a full explanation. We need to find out where the project stands, because there is still a chronic shortage of student accommodation, not just in DCU but across the State. This is an absolutely shocking failure in the context of the delivery of affordable student accommodation, and it seems to be driven at a national level.

**Deputy Eoghan Kenny:** I wish to be associated with the Chair's comments. We are going through a student accommodation crisis. In our city of Cork, the position is very similar. During the week, Professor John O'Halloran said the same thing in relation to private rented accommodation for students. There is a lack of oversight in relation to this project. In the small print from the college, it seems that if the project does proceed in the future, maybe it will almost be able to pay the €4.38 million itself. Ultimately, this project is dead in the water. I cannot see how this project will ever proceed. Once again, the taxpayer will have to pick up the tab for what is a failure on the part of the Department and the college at a time when many young adults are really struggling to avail of student accommodation in Dublin and are travelling long distances. Some are sleeping in their cars. There are horror stories regarding where people attending college in Dublin are sleeping. It is just a failure on State's part to provide adequate accommodation for students attending college in Dublin.

What makes up the professional fees? How could professional fees be over €4 million? This comes back to the question of whether a procurement process was in place in respect of those professional fees. Was there a procurement process.

**Mr. Seamus McCarthy:** My understanding is that there would be a procurement process. Professional fees are extremely expensive on a capital project. They are typically and correctly rolled up in the capital cost of the project. There are industry standard percentages that can be expected to be added on. As the project gets bigger and more expensive, the fees get bigger and more expensive. It has always been that way. The Department or the Higher Education Authority may be able to provide a perspective on what the typical percentage would be.

**Deputy Séamus McGrath:** I agree with what has been said. This calls into question the initial project appraisal and whether due intelligence was done in terms of the cost involved. It is unacceptable to go so far down the road and spend €4.38 million, only for it to be stopped at that point. Any suggestion that any of that money could be recovered is really only trying to provide a soft landing here. It is highly unlikely that will happen. We absolutely need to probe the initial project appraisal and the costings. How such an amount of money could be wasted before somebody said "Stop" is extraordinary in this case.

**Deputy Paul Murphy:** This is the biggest amount of money that we have discussed so far in terms of the colleges. We are talking about a series of problems in colleges, but this is a huge amount of money, almost €5 million. It is incredible. There are real problems with Government policy, which are beyond us here, in terms of reliance on private construction companies, etc., as opposed to having a State construction company that would do this. I think they were effectively going to demolish an existing accommodation building and build a whole bunch more accommodation on it. I presume they have not demolished the existing accommodation. Presumably - hopefully - the existing accommodation still exists but it accommodates way fewer students. It took about 250 and it was supposed to go up to 1,200 in the context of a massive student accommodation crisis. We need to have a session on the colleges and have the HEA in to discuss this. I agree with the earlier point about synergies and the records management system. It does not seem to make sense to have different processes.

**An Cathaoirleach:** We need to get clarity from the Department, the HEA and DCU. The information I have is that DCU was led up the garden path by the Department on the co-funding of this project. Ultimately, the Department came back and told the college to scale back and make provision for 400 students, which pushed the cost up. There was then a further demand. I have been told that the rents being charged to students should be €11,500 per year as opposed to what was being looked at - €6,500 for a nine-month window. That was the straw that broke the camel's back in terms of the engagement between DCU and the Department. I am now being told that a developer-led proposal is being looked at. There are concerns, which are outside the remit of this committee in terms of policy, in the context of making student accommodation here and elsewhere completely unaffordable. We need to get clarity on that. We need to get full sight of the communication between the Department and DCU on this, because some of those unjustifiable demands being placed on DCU led to this project being pulled, with a loss of €4.38 million.

**Deputy Martin Daly:** We should not pre-empt-----

**An Cathaoirleach:** That is the information I have been given.

**Deputy Martin Daly:** I know, and I agree. We should tease out why the commitment was given and then reneged on. Were there cogent reasons as to why this project did not go ahead, especially in light of the spend of €4.38 million. That spend is a symptom rather than the core issue. That is the only point I am making. I am not cutting across the Cathaoirleach, but we need to be careful not to pre-empt that. We should get the facts.

**An Cathaoirleach:** The Deputy is right. We will establish the facts and get all that communication. Do members agree to note the listing of accounts and financial statements? Agreed.

There are a number of B items of correspondence to consider. These have been received by Departments and public bodies. I think a number of items were deferred but we are happy to proceed.

No. R2026/0451 is correspondence, dated 10 September 2026, from the president of Mary Immaculate College regarding non-compliant procurement. Do members wish to discuss this item? No. Is it agreed to note and publish? Agreed.

No. R2026/0453 is correspondence, dated 10 September 2026, from the chief executive of the Child and Family Agency, Tusla, regarding non-compliant procurement. Deputy Farrelly has flagged this item.

**Deputy Aidan Farrelly:** I went through the appendix to see the amount of money involved in contracts provided by security services to Tusla.

I think that approximately €1.2 million of service provision was agreed to in a non-compliant way. Ultimately, in its letter, Tusla says these were short-term or unplanned levels of service intervention. Given that Tusla is the body responsible for the welfare of our most vulnerable children and young people, I have a natural follow-on question concerning the types of service being provided by the security companies. Is this simple premises management? To what extent are these workers working in services in centres and possibly providing services that might be more appropriately provided by social workers or qualified professionals? If we could ask for a more detailed breakdown of what that expenditure looks like in terms of service provision, that would be useful to have.

**An Cathaoirleach:** Is it agreed that we will get that information? Agreed. Is it also agreed to note and publish the item, along with the agreed actions? Agreed.

The next item of correspondence is No. R2026/0454, dated 11 September 2026, from the chairperson of the Office of the Revenue Commissioners in response to the committee's request for a briefing note on nitrous oxide seizures. Deputy Bennett and I have flagged this for discussion. I call Deputy Bennett.

**Deputy Cathy Bennett:** I find it very disturbing that Revenue has responded to say that there is no EU-wide law in relation to the regulation of nitrous oxide. What I find more disturbing is that our Government appears to have done absolutely nothing in relation to this issue, even though it has cost taxpayers €5 million since 2022. In 2022 alone, there were 116 seizures. Revenue spent €2.66 million on disposal. There is a running theme throughout this committee that we are seeing serious waste and the Government is not doing anything in relation to it.

Can we write to the Department of justice to ask why no action has been taken over so many years to protect communities and why taxpayers have been left to pick up the tab and clean up the mess? We want to see an end to the situation and communities being saved. It is all being left to the taxpayer to pick up the bill. The Department of justice is doing nothing in relation to this issue. More needs to be done. I am calling for more to be done.

**An Cathaoirleach:** I flagged this item as well. We had correspondence last week on nitrous oxide that gave us some grim reading. We had a discussion on the subject. We know the prevalence of nitrous oxide and Deputy Byrne spoke very eloquently and passionately on it last week regarding the experience in our communities right across the State. Every town and village has dozens of large empty nitrous oxide canisters being disposed of. We know the impact it is having on children in particular. Hospitalisations are up 130%.

These figures tell me that the Government has thrown its hands up and that Revenue has hoisted the white flag here in terms of trying to tackle this issue. This is borne out for me by the number of seizures this year. Four seizures of nitrous oxide have taken place, totalling 194 kg of nitrous oxide to the value of €7,568. Last year, there were 19 seizures of 34,869 kg of nitrous oxide, which was valued at €1.285 million. There has been a dramatic drop in the seizures of nitrous oxide. This tells me that we have given up. The first aspect is that it is too costly to store the seized nitrous oxide and the second aspect is that it is too costly to dispose of it. Essentially, then, we are not going to do anything.

The real failure here is the failure to legislate. Deputy Bennett is right about the EU. There is no regulation there at EU level. It is up to member states. Legislation has been brought forward by Deputy Mark Ward, but instead of dealing with this serious issue, which is affecting communities throughout the State from the perspectives of health, addiction and finance, the white flag has again been hoisted and the proposed legislation has been kicked down the road with a timed amendment. It needs to be advanced because, ultimately, that is the only way to deal with this issue. This is reminiscent of the head shops that were very prevalent in every town and village going back ten or 15 years. A similar situation arose, unfortunately, where in that case it took communities dragging the Government by the scruff of its neck to finally deal with the issue and put the necessary legislation in place.

When I speak to the drug and alcohol task force in my hometown of Bray, I am being told that families have had kids hospitalised with spinal injuries as a result of the inhalation of nitrous oxide. I am also listening to consultants on the radio talking about the consequences of children inhaling nitrous oxide. I am hearing of communities, particularly at this time of year, where these canisters, which are highly pressurised containers, are going to be thrown on bonfires, which has been the case previously. This puts not only communities at risk, but also members of the fire service who are going out to deal with these things.

A call needs to be made. We are seeing the white flag being hoisted and that is a real failure on so many levels. It is an issue that we need to keep on top of but, ultimately, legislation will need to be brought in to ensure there is the regulation of the sale of nitrous oxide for legitimate purposes. Do any other members of the committee wish to contribute on this issue? Is it agreed to note and publish this item? Agreed.

The next correspondence is No. R2026/0455, dated 11 September 2026, from the Secretary General of the Department of Justice, Home Affairs and Migration regarding the late laying of

the financial statements for the Insolvency Service of Ireland. Do members wish to comment? No. Is it agreed to note and publish the item? Agreed.

No. R2026/0457, dated 11 September 2026, is correspondence from the president of University College Dublin, UCD, in relation to non-compliant procurement. Deputy Bennett alluded to this item.

**Deputy Cathy Bennett:** Which one is it?

**An Cathaoirleach:** It is from UCD. It is related to what came up when we were talking about the accounts and statements.

**Deputy Cathy Bennett:** My apologies. Was it related to the expenditure on the IT system?

**Mr. Seamus McCarthy:** No. It is non-compliant procurement expenditure, but it relates to the 2023-24 financial statements. I was speaking earlier about the 2024-25 financial statements.

**An Cathaoirleach:** Is that okay?

**Deputy Cathy Bennett:** Can we just leave it there for next week? I will just read through it.

**An Cathaoirleach:** Yes. We will leave that there and come back to it.

**Deputy Cathy Bennett:** I thank the Cathaoirleach.

**An Cathaoirleach:** No. R2026/0462, dated 14 September 2026, is correspondence from the Secretary General of the Department of Health regarding the Medical Council's 2024 financial statements. Do members wish to comment on this correspondence? No. Is it agreed to note and publish this item? Agreed.

**Deputy Cathy Bennett:** May I come in on the Medical Council? My office has had a couple of issues in relation to it. When is somebody struck off by the Medical Council? Can we write and ask whether anybody has been struck off by the Medical Council?

**Deputy Martin Daly:** There is a process of hearings to strike someone off. I will not go into the detail of it. Eventually, the Medical Council applies to the High Court to remove somebody from the register. It is, therefore, a public act and it is published.

**Deputy Cathy Bennett:** Is it true, then, that if medical negligence is found by the courts, somebody is taken off the register?

**Deputy Martin Daly:** That is a separate issue. That is a civil issue. If someone is litigated against because they did not carry out their professional duties properly, that is a civil issue, but it might lead into a complaint to the Medical Council, which is a separate issue and a separate process.

**An Cathaoirleach:** I thank Deputy Daly. We might have the Deputy on the witness side on the next occasion.

No. R2026/0463, dated 14 September 2026, is correspondence from Marine Accident Investigation Unit at the Department of Transport in response to the delay in the submission and laying before of the Oireachtas of the 2024 audited financial statements. Do members wish to comment on that? No. Is it agreed to note and publish the correspondence? Agreed.

No. R2026/0464, dated 14 September 2026, is correspondence from the Secretary General of the Department of Defence in response to the committee's request for information regarding the acquisition of light tactical armoured vehicles. Deputy Bennett has indicated that she does not wish to speak to it, but we touched on this earlier on and the Comptroller and Auditor General has a piece of work there that he will be reporting on. The information we have been given, which followed on from some publicity around these vehicles being offered to the military in Ukraine but turned down by Ukrainian defence forces, raises serious concerns. Those concerns are borne out in the communication we have received from the Department. It makes grim reading in relation to the difficulties around these vehicles. Twenty-seven of them were acquired, but from day one, there seemed to be very serious issues identified. Reading the correspondence, two of the vehicles were not used at all for a five-year period, given the serious issues with them. One of the vehicles had not been used at all for ten years. One of the vehicles ran up only 2,100 km over a 14-year timespan. The cost of maintenance and repair for one of the vehicles was €220,000. The list makes very grim reading. It raises very serious issues and concerns around the purchase of these and what scoping was done because, from day one, these vehicle were giving difficulties. There were issues around the odometers for reading the mileage on them. Ultimately, we are left with 27 vehicles that I do not think the Department knows what to do with. Even the defence forces in Ukraine do not want them, they are that bad. It raises very serious questions. It is an issue we will revert to when the Comptroller and Auditor General presents the work that his office has embarked on. The issue is quite concerning. Unless there are any other members who wish to speak on that, is it agreed to note and publish that correspondence? Agreed.

No. R2026/0466, dated 14 September 2026, is correspondence received from the Secretary General of the Department of Agriculture, Food and the Marine regarding the late laying of the 2024 financial statements for the Aquaculture Licences Appeals Board. Do members wish to comment? No. Is it agreed to note and publish? Agreed.

No. R2026/0467, dated 14 September 2026, is correspondence received from the Secretary General of the Department of Rural and Community Development and the Gaeltacht regarding the late laying of the 2022 financial statements from An Foras Teanga. Do members wish to comment? No. Is it agreed to note and publish the correspondence? Agreed. That concludes the B items for discussion today.

We move on to our work programme. The following meetings have been agreed. Today, we have the HSE. On 1 October, we will have the Child and Family Agency, Tusla. On 8 October, we will have An Garda Síochána. On 15 October, we will have Uisce Éireann. In regard to 22 October, it is to be confirmed.

Is there any other business that members wish to raise at this point?

**Deputy Eoghan Kenny:** Are we going to move on to talk about the C business?

**An Cathaoirleach:** We discussed C in private session, Deputy Kenny.

**Deputy Eoghan Kenny:** Okay. Maybe I will raise something with the Chair afterwards for next week.

**An Cathaoirleach:** If the Deputy wants to raise it, yes. If it is something we can come back to next week, yes.

**Deputy Eoghan Kenny:** Yes.

**An Cathaoirleach:** That concludes session 2. We will now suspend for five minutes.

*Cuireadh an suí ar fionraí ar 11.05 a.m. agus cuireadh tús leis arís ar 11.10 a.m.*

*Sitting suspended at 11.05 a.m. and resumed at 11.10 a.m.*

### **Financial Statements 2025: Health Service Executive**

**Ms Anne O'Connor** (*Chief Executive Officer, Health Service Executive*) called and examined.

**An Cathaoirleach:** This morning we will engage with the Health Service Executive, HSE, to discuss the 2025 financial statement. On behalf of the committee I welcome the following officials from the HSE: Ms Anne O'Connor, chief executive officer; Mr. Michael Lane, chief financial officer; Ms Martina Queally, regional executive officer HSE Dublin and South East; Mr. Damien McCallion, chief technology and transformation officer; and Dr. Philippa Ryan Withero, assistant national director, human resources division. We are also joined by officials from the Department of Health who are attending in a representative capacity: Ms Louise McGirr, assistant secretary, resources division; and Mr. Patrick McGlynn, principal officer. Finally, we are joined by officials from the Office of the Comptroller and Auditor General: Mr. Seamus McCarthy, Comptroller and Auditor General; and Mr. John Byrne, audit manager. You are all very welcome to our meeting.

Before we begin, I wish to explain some limitations to parliamentary privilege and the practice of the Houses as regards references you may make to other persons in your evidence. The evidence of witnesses physically present or who give evidence from within the parliamentary precincts is protected pursuant to both the Constitution and statute by absolute privilege. This means that you have an absolute defence against any defamation action for anything you say at the meeting. However, you are expected not to abuse this privilege. It is my duty as Cathaoirleach to ensure that this privilege is not abused. Therefore, if your statements are potentially defamatory in relation to an identifiable person or entity you will be directed to discontinue your remarks and it is imperative that you comply with any such direction. Witnesses are also reminded of the long-standing parliamentary practice that they should not criticise or make charges against any person or entity by name, or in such a way as to make him, her or it identifiable or otherwise engage in speech that might be regarded to the good name of the person or entity.

I now call on the Comptroller and Auditor General to deliver his opening statement.

**Mr. Seamus McCarthy:** The HSE's financial statements for 2025 record total expenditure of €30.4 billion. This was up 7% from the €28.3 billion spent in 2024. A total of €25.5 billion of the HSE's funding for 2025 was from the health Vote. Funding for specialist disability services totalling €3.5 billion was provided to the HSE by the Vote for children, disability and equality. Over €100 million was received from other State agencies, including the National Treatment Purchase Fund, NTPF. The HSE was allowed to retain receipts from employee pension contributions and other payroll deductions totalling €504 million. Income from patient charges amounted to just under €310 million. Non-capital expenditure in 2025 exceeded income by just over €1 billion and this deficit was carried forward to be met as a first charge

from the funding provided from the health Vote in 2026. On the capital side, there was a deficit of €19.7 million in 2025.

I issued a clear audit opinion in relation to the financial statements. However, in my report I drew attention to a number of matters which I will now briefly outline. The HSE incurred charges of €8.4 million in respect of Covid-19 vaccines held at the year's end which had reached their expiry dates or were determined no longer to be clinically suitable for use. The equivalent write-off was €11.1 million in 2024.

In 2025, the HSE also incurred storage costs amounting to €1.5 million in respect of stocks of legacy and obsolete personal protective equipment, PPE. The cumulative cost of storing the obsolete items to the end of 2025 was €8.85 million. A further €6.7 million was incurred by the executive in 2025 to dispose of this obsolete stock in an environmentally secure manner using a specialist service provider.

The executive acknowledges in the statement on internal control that delays occurred in submitting some completed forms to a private insurer in 2025 and discloses that around €3.4 million in patient income was lost in 2025 as a result. The loss for similar reasons in 2024 was estimated at €4.1 million.

As in previous years, my audit report for 2025 drew attention to non-compliant procurement, which remains a significant issue for the HSE. The HSE reviewed the compliance status of €1.8 billion, or 33%, of its spend on procurement of goods and services. The sample reviewed was based on invoices individually over €25,000 each. From this subset of invoices, HSE managers reported that 5% of the value of the sample invoices, or €90 million, had been procured in a manner that was non-compliant. In itself, this is a significant non-compliant procurement level.

Additionally, in 2025 the executive carried out an exercise on a sample of procurements below €25,000 each. Expenditure to the value of €6.3 million was reviewed. This exercise identified that the procurement non-compliance rate in respect of the sample transactions examined was 16%. The overall rate of procurement non-compliance is not known, because the spending within the scope of the review may not be representative of the executive's overall procurement of goods and services. However, the system-wide operation of the HSE's integrated financial management system may allow for better, more representative sampling of spending for review, and for more reliable estimates to be reported in the future.

The analysis of HSE personnel remuneration by pay band indicates that 11 employees, all of whom are medical consultants, were paid in excess of €500,000 each in 2025. The top ten earners received a combined €6.8 million in 2025. Four of the top earners were employed in one of the HSE's acute hospitals. The highest earner received almost €910,000 in total remuneration in 2025, of which over €616,000 was recorded as payments for additional work, including overtime, fees and session payments. Payments totalling €324,000 related to additional work carried out by the employee in 2023 and 2024. The remaining €586,000 related to work carried out in 2025, but the audit noted that the employee had submitted claims and been paid in respect of additional work only up to May 2025, so significant additional outlay may arise in respect of that year.

In 2025, the HSE provided non-capital grant funding of €8.4 billion to outside agencies. Agencies that received €100,000 or more are listed individually in appendix 1 of the financial

statements, showing the amount of funding provided. Annual grant funding of the agencies should be covered by the relevant form of funding and service contract or agreement. The level of detail in the standard agreements varies depending on the grant level. To be effective as a control over the level and timing of grant funding and the related level of service to be delivered, the relevant funding agreement should be in place early in the funding year. The audit found that by the end of March 2025, only 4% of grant funding issued in 2025 was covered by a funding agreement. More agreements were signed as the year progressed, but the statement on internal control indicates that, even by the end of the year, 11% of the funding for 2025 was still not covered by a completed funding agreement.

I also noted that the statement on internal control discloses weaknesses around the control and management of fixed assets in the HSE. These include inconsistencies in the application of HSE financial regulations, instances where assets no longer in use remained on asset registers, and capital projects where some costs were not included on asset registers.

I have raised concerns previously about these shortcomings related to fixed assets. In 2024, the HSE committed to establishment of a working group to address the issues. However, we noted that the working group's first meeting took place only in March 2026.

I noted in my report that the statement on internal control discloses that the Data Protection Commission had conducted a review of two data breaches arising from failures in the HSE's handling of patient records and that fines were expected to arise from these failures. Subsequently, the commission issued its report and recommendations and imposed fines on the HSE to the overall total of €945,000 in respect of both breaches.

**An Cathaoirleach:** I ask the chief executive officer of the HSE to deliver her opening statement.

**Ms Anne O'Connor:** I thank the Chair and committee members for the invitation to attend to discuss the HSE's 2025 annual report and financial statements. I am joined by my colleagues: Mr. Damien McCallion, chief technology and transformation officer and deputy CEO; Ms Martina Queally, regional executive officer for HSE Dublin and South East; Mr. Michael Lane, acting chief financial officer; and Dr. Philippa Ryan Withero, assistant national director for our national human resources division. I am also supported by Ms Nessa Lynch, general manager for my office; and Ms Mairead Dolan, assistant CFO from the national finance team.

The committee has received the annual financial statements for 2025, including the Comptroller and Auditor General's report and supporting briefing materials. Together with my colleagues, I welcome the opportunity to discuss both the financial performance of the organisation and the governance and control matters identified within these reports. The 2025 financial statements reflect a year of significant challenge and change for the health service. Demand for health and social care services continued to grow, reflecting Ireland's population of approximately 5.5 million people, with particularly strong growth in older age groups and increasing levels of complexity across the services we provide.

At the same time, the HSE continued to deliver extensive reform programmes aimed at strengthening governance, accountability and stewardship of public resources. The HSE received approximately €29 billion in revenue and capital funding during 2025 and reported total revenue expenditure of €28.9 billion. The financial statements report a revenue deficit of

€1 billion. However, this includes the prior year deficit brought forward in accordance with the Health Act. Excluding that accounting treatment, the underlying deficit incurred during 2025 was approximately €240 million, representing less than 1% of overall income.

The board and executive fully recognise that the effective stewardship of public funds is as important as the delivery of healthcare services. We also recognise the importance of transparency where weaknesses are identified. The Comptroller and Auditor General's report and the statement on internal control identify areas where further improvement is required, including procurement compliance, oversight of funded agencies, fixed asset management, elements of payroll administration, records management, write-offs and other aspects of financial control. We accept these findings and are committed to addressing them. However, it is important to view these matters in the context of a health service employing more than 150,000 staff, operating thousands of facilities and funding almost 1,900 external organisations, while managing expenditure approaching €29 billion annually. The existence of control weaknesses does not diminish our responsibility to address them. Rather, it reinforces the importance of continuing to strengthen governance, accountability and oversight across the organisation.

A key theme of 2025 was the implementation of major organisational reform. The six health regions and 20 integrated health areas became fully operational during the year. This change represents a fundamental redesign of how health services are planned, managed and held to account. Responsibility for service delivery and resource management is increasingly exercised through regional structures operating within a single national governance framework. As with any major organisational transformation, the effectiveness of these arrangements depends not only on organisational structures but on the consistent application of governance, accountability and control.

During 2026, the HSE has deployed a strengthened performance and accountability framework to support the new regional operating model. A significant management focus has been on ensuring that responsibilities for financial performance, service delivery, compliance and risk management are clearly assigned, actively monitored and subject to appropriate intervention where performance falls below standard expectations. Alongside regionalisation, the HSE completed implementation of the integrated financial management and procurement system, IFMS, across all directly managed HSE services, representing approximately 80% of health expenditure. The roll-out to section 38 organisations and other funded providers is now under way and will continue over the coming years. The IFMS is a critical investment and provides the foundation for improved financial management, procurement governance, reporting and transparency.

However, technology alone does not deliver effective control. Realising the full benefits of that investment requires continued improvement in business processes, data quality, compliance with the national procedures and the consistent adoption of common ways of working across both statutory and funded services. That work remains ongoing and is a major management priority. The establishment of health regions, the implementation of the IFMS and the deployment of the performance and accountability framework together represent a fundamental change in how the HSE manages public resources. These reforms are now moving from implementation to embedding and assurance. The challenge for the organisation is to

ensure that the expected improvements in governance, accountability and financial control are consistently realised across the entire health service.

Notwithstanding these challenges, the health service continued to deliver substantial levels of activity during 2025, including over 1.6 million emergency department attendances, over 25 million home support hours, significant increases in community-based services and the treatment of record numbers of patients across many service areas. These services were delivered while continuing to manage increasing demand and ongoing workforce pressures.

The board and the executive are committed to strengthening the controlled environment of the organisation and to ensuring that the significant public investment entrusted to the health service is managed to the highest possible standards of governance, accountability and transparency. While the financial statements and the Comptroller and Auditor General's report identify areas where improvements are required, they also reflect an organisation undertaking substantial reform to strengthen financial management, accountability and oversight across a complex health system. We welcome the scrutiny of the committee and we look forward to engaging constructively on the matters raised in the financial statements and the Comptroller and Auditor General's report. I thank the committee and look forward to assisting members.

**An Cathaoirleach:** We will suspend at approximately 12.30 p.m. for a short 15-minute break. Our lead speaker today is Deputy Joanna Byrne, who has 15 minutes and all other speakers have ten minutes. I am conscious that some of our witnesses have to be elsewhere for another meeting and will have to leave at 2 o'clock, so I ask that members work with us regarding time. If time permits, on conclusion of the first round, we will try to allow members back in for a second round of questions.

**Deputy Joanna Byrne:** I thank the witnesses for joining us here today. In the game they are in, the provision and delivery of healthcare, they cannot do it without sufficient professional staff. I want to start on recruitment and retention and the cost issues in that regard, starting with agency costs. We have seen figures of €832 million spent on agency staff across all HSE divisions in 2025, which was an increase of over €100 million on 2024. What has been done to tackle that? I notice it was something that was not really focused on in the opening statement but I imagine it is a huge challenge for the HSE. I would like to get some insight in that regard. There are figures of 6,000 fewer nurses, doctors and staff across the board than what is recommended for the HSE to provide the service it provides. I know many of them are nurses, which is predominantly a female profession, and there are issues with maternity leave and so on. I imagine that is a significant challenge for the HSE and I would like to get an insight on that.

**Ms Anne O'Connor:** I thank the Deputy for the question. She is absolutely right. Our health service is obviously hugely dependent on our workforce and we are competing in a global market when recruiting staff. We are dealing with a few different challenges at the minute. One is that we have, I suppose, an ever-increasing demand for the types of staff that we need. We have to compete in a global way for that workforce. From a fiscal perspective, we are challenged with respect to the affordability of our workforce. As the Deputy correctly states, we have a reliance on agency staff across the board but predominantly in nursing areas and healthcare assistants. We do have a very high cost for agency staff. This year, we have been focused on driving a reduction in the use of agency because agency staff are far more expensive than permanently employed staff.

We can see in some areas there has been a heavy reliance on agency. There has been a targeted approach to the reduction of agency staff. One control we have put in has been that push to convert agency staff to permanent staff to reduce the cost because it works out in excess of 30%, I think, higher for agency staff.

We have a programme of conversion. We had a ceiling for agency this year. We have been driving a conversion rate. As it stands, we have converted over 1,400 staff from agency to permanent staff. We are at 56% or 57% of our target for this year. That work is ongoing. In some areas they have been able to do it more effectively. For example, in Dublin and North East and in the West they have achieved their targets in respect of agency conversation. Other areas are struggling more. In the midlands there is a very high dependency on agency staff. It is harder to replace them in those areas. This is a clear focus. We have seen the cost of agency come down. We have had our fifth month of a reduction in agency costs both in the actual hours we need of agency and the cost of those hours. We reduced the cost from about €70 million in March down to €60 million in the most recent figures. It is a continual reduction in spend on agency.

**Deputy Joanna Byrne:** That leads to the next point I was going to raise in regard to inpatient hospital treatment rising by only 2% yet the spending increase was 50% or 51%. The Minister for public expenditure, Deputy Chambers, said that the ineffective implementation of budget controls and poor financial management by certain HSE regional executives has driven massive health service overspending. Does the HSE agree with that? Ms O'Connor probably answered this question already in regard to the affordability of the workforce, the level of expertise and the costs of the reliance on agency staff. Is that leading to the overspend or is it the inability of the HSE to manage its books effectively, as the Minister said?

**Ms Anne O'Connor:** A couple of different things are going on. If one looks at it at a high level, our hospitals are busier than ever before and we are seeing more people than ever. If one looks at our emergency departments, it is up by about 8%. In the past year, we have grown our emergency activity by the equivalent of the full number Beaumont Hospital emergency department might see in a year. It is a significant increase. When we have that level of activity, we have to open additional beds in hospitals, for example, and we rely on what we call surge beds. That often has a dependency on agency. We have to bring in staff, often at short notice, to staff up to manage demand. That is particularly prevalent across the busy months.

We have an absolute responsibility to manage the resource we have. We are entrusted with a level of resource every year. We have to ensure our resource is maxed out to best effect in the interests of patients. The population coming into our services is older and more frail. We see that across all of our services. We are dealing with a much higher and more complex group of patients than five or ten years ago. I think it is both. We have the type of activity we are doing and we have higher cost drugs. When we see more people, there are more drugs and more use of aids and appliances, etc. We also have management controls in terms of how efficient we are being. Some of that comes back to things like having national procurement frameworks in place, for example, and proactive management in the controls we have identified. We work closely with the Department in ensuring that control environment is embedded through our services and regions through to the front line because ultimately it is the people managing boards, units, hospitals and community services so it builds up from there.

**Deputy Joanna Byrne:** Does the HSE have the resources it needs to deliver the services? The reason I ask is the Mater hospital, St. Vincent's hospital and other hospital boards were at the committee before the recess. They were quite explicit in saying to us that they did not believe they had the resources to properly deliver services. Is there truth in that from the HSE's perspective?

**Ms Anne O'Connor:** I am not sure in all the years I have been around healthcare that we have ever been able to say we feel we have enough. There is always more demand. Our challenge because of the demand and people turning up is that we are responding a lot. We have a national service plan that is agreed at the beginning of the year which is effectively our contract for delivery. We have to orient our resources towards that.

I would make an observation that we are seeing a very high level of attendance at our hospitals. We see a lot of pressure in hospitals. We react, more money goes in and more agency but in fact when you look at our population and what the whole intent of Sláintecare is, it is about shifting that. We want to keep people in their communities at home. We have to over time engineer the resource more towards supporting people at home through home care or community services in the first instance. It is always a challenge. People will always want more resource. Some of that comes back to the prioritisation we have to do in our services and ensuring we align to the longer-term strategy in how we develop our services and, critically, how we recruit for those services.

**Deputy Joanna Byrne:** I see a bit of that locally. I am from Drogheda. We have a huge hospital, Our Lady of Lourdes Hospital. Our integrated health area lead, Paddy Clerkin, is doing an exceptional job. I have met him a number of times this year alone. I know the endeavours to streamline services and to improve efficiencies, opening additional wards and everything that is going on but we still see a challenge. A local journalist emailed us a couple of weeks ago who went in for a blood test to the emergency department on a Friday. She was left sitting for 16 hours just to get a blood test, around people who were probably more sick than she was and she was probably exposed to different things. There is always a challenge. Coming into this time of the year, there are reports of trolley crises. Unfortunately Our Lady of Lourdes is usually on the news with all the ambulances waiting outside not being able to offload their patients because there is no room. It is a stock image that seems to be pulled out every now and then. Great work is going on in local areas.

A big issue raised with me in regard to the HSE and Our Lady of Lourdes Hospital in my area is car parking charges. The hospital is choked in the middle of a huge and rapidly growing residential area. There is not a lot of on-street parking. The charges for the hospital car park are proving a particular challenge. The car park is some distance away from the hospital and people have to get to it and back. There is an inconvenience in that alone and then there is an additional charge. I have seen media reports of late - it seems to be a topical issue in the past couple of months - about a review of hospital car parking charges which the HSE may be looking into, with revenue more than doubling over four years. It is a massive amount of money. Our Lady of Lourdes Hospital took in €346,000 in 2020. This increased to €460,000 in 2025 with an upward trajectory year on year. It is an additional charge on families in particular those using hospitals long term on an ongoing basis. It is an additional tax on being sick in some people's view. Where does the HSE see that review going and what does Ms O'Connor think the outcome will be from the HSE's perspective?

**Ms Anne O'Connor:** I thank the Deputy for her acknowledgment of the work going on in the hospital. Priya and the team have done huge work and the improvement there is massive across elective care and emergency care.

Car parking is a topic that has been around for some time. The Deputy will be aware a review was done in 2018 which was not fully implemented. Recently we instructed all areas and all hospitals to proceed with the implementation of that. In parallel, the world has moved on a bit since 2018 and we now have to see where we are with car parking. In some areas, it is a bigger issue than others. For example, in Dublin city centre, you cannot have your car park being used by everybody if you need it for visitors and patients. I have asked our national director of health infrastructure to establish a group to look at this and drive on in terms of looking at the recommendations of the 2018 report, proceeding to drive the €10-a-day charge and to determine what else needs to happen. I understand that group is meeting next week.

**Deputy Joanna Byrne:** We will keep an eye on that. It is probably relevant to everybody.

I am being a bit parochial but if I do not get the local issues in, I will be in trouble. I have been raising for a long time the need for a new ambulance station in Drogheda. Very early on following my election to the Dáil this term, I was asked to visit the current ambulance station. I was appalled by the unsafe and unsanitary conditions our ambulance personnel were working in. There were major issues with exposed electrical wires, cases of green mould and everything grown in them.

There were also structural issues, with cracks and subsidence and so on. I went back recently to visit after remedial works had started. I was very impressed with the pace of the works and the level of acknowledgement, following me raising directly with the NAS and the HSE the urgent need for this work at the time. That is under way. Our ambulance station has moved into a temporary station while the works are ongoing. Personnel are due to move back into the upgraded station in the coming weeks and I have been invited to visit again.

The crux of the issue is that we need a fit-for-purpose ambulance station in Drogheda. Recently I met officials from the HSE estates unit on this matter and the challenge seems to be the identification of a suitable site. There has been a massive growth in population in Drogheda, with 25,000 people expected to move into the area in the coming years. We have had a huge housing boom along the new port access Northern Cross route. The current location of the ambulance station has particular challenges in turn-out times and getting in and out of traffic and everything in the town. A station is needed on the outer ring roads of the growing town as it evolves into a city. I ask the witnesses not to comment on that today but to take it away. There does seem to be an appetite across the board but it is crucially important that it is kept on the radar. I know there is investment in the station in Dundalk and I think there is investment in a station in Swords. I ask the witnesses to ensure that Drogheda does not fall through the cracks on both sides of that.

My last comment relates to finances. I have received correspondence from the family of a young boxer who knew the HSE was due to appear before this committee this morning. Sadly, a 31-year-old boxer called Lee Reeves was injured in a fight that took place in the 3Arena a number of weeks ago. He is in a coma and is breathing on his own. This week, he has started to squeeze the hands of members of his family, which is a really good sign. Lee has had a section of his skull removed to allow his brain to expand and awaits an operation for that part

of his skull to be reconfigured with a plate and whatnot. His operation has been cancelled twice. He is in the Mater hospital. There are real concerns that the longer this goes on, the more it will impede his recovery. My query is probably more relevant to Ms Queally, being Dublin-based. Again, I am not asking for a comment on that this morning. I ask for it to be taken away and reviewed.

**Ms Anne O'Connor:** Absolutely.

**Deputy Joanna Byrne:** It is crucially important that his operation is done in a timely manner to ensure that Lee gets the best outcome in terms of recovery.

**An Cathaoirleach:** Okay. I am not sure whether Ms O'Connor wants to pass comment on any of those issues.

**Ms Anne O'Connor:** I think that is fine.

**An Cathaoirleach:** Thanks for that. Our next questioner is Deputy Kenny.

**Deputy Eoghan Kenny:** I welcome the witnesses and wish Ms O'Connor well in her new role.

The HSE financial statement shows that one consultant received almost €910,000 in 2025, including more than €616,000 in payments for additional work. I will now ask a "Yes" or "No" question. Is Ms O'Connor, as CEO, able to tell this committee how many additional hours or sessions that consultant worked to receive those payments?

**Ms Anne O'Connor:** I am not sure if I have that in front of me here. I would have to get that.

**Deputy Eoghan Kenny:** Okay. Has the CEO any idea who independently verified that this work was carried out or who authorised these payments?

**Ms Anne O'Connor:** In terms of the high earners we have a decision register for that and the regional executive officers monitor that with their teams. Whenever a consultant is working extra hours, first, in terms of the payment piece, the payment can be related to arrears and I am sure Mr. Lane can talk more about that.

**Deputy Eoghan Kenny:** I see that €324,000 of these payments are related to work carried out in 2023 and 2024.

**Ms Anne O'Connor:** Yes.

**Deputy Eoghan Kenny:** Is there a time limit imposed on consultants submitting claims for additional work? There is an historical element to this. Is the HSE able to verify that work was carried out? As I said last week at a meeting of this committee, the system almost allows a lot of consultants who are paid in this way to treat the HSE as a savings scheme. A consultant would be able to go back as far as 2023 to get additional hours that he or she worked, in this magnitude, in one year. It is quite unbelievable and quite striking for me and the committee that a consultant within the HSE can be paid €910,000 with €324,000 of that dating back almost to 2023. I am not sure how the HSE can plan for its expenditure year on year if consultants can claim money from as far back as 2023.

**Ms Anne O'Connor:** I might ask Mr. Lane to comment on the arrears. In terms of the consultants working the extra hours, what we see is that there is a small number of specialties where this arises more than others, for example radiology and CAMHS consultants, where we have gaps.

**Deputy Eoghan Kenny:** That is fully understandable but it is quite concerning that at this committee, knowing that this question would probably arise because it is such a high amount to be paid, the CEO cannot tell me how many additional hours that person worked.

**Ms Anne O'Connor:** I might ask my colleague to comment on the arrears.

**Mr. Michael Lane:** Each hospital will individually validate all of the arrears and validate all of the workings in relation to that. Off the top of my head, I do not know what that equates to in hours. There is a formula for that. Maybe our HR colleagues here might understand that. The responsibility is with each hospital to manage that aspect, the calculations on that and the provision for accruals to make sure that it is reflected in the-----

**Deputy Eoghan Kenny:** Does Mr. Lane not accept that it is an issue for the HSE that a consultant can go back as far as 2023, from an expenditure point of view, to claim overpaid hours?

**Mr. Michael Lane:** It is very difficult to stand over that. That is not-----

**Deputy Eoghan Kenny:** Is the HSE putting any mechanisms in place to stop that?

**Mr. Michael Lane:** Our aim in all of this is to make sure that each hospital is working to the highest standard in terms of the controls.

**Deputy Eoghan Kenny:** I do not doubt that at all. What mechanism has the HSE put in place to stop this from happening again? Can Mr. Lane provide to me the amount of historical claims that are possible within the HSE now?

**Mr. Michael Lane:** I cannot give the Deputy that at the moment but I will get it for him in terms of historical claims.

**Deputy Eoghan Kenny:** We need, as a committee, to understand how many additional hours were worked by that consultant who was able to be paid that significant amount. We also need to get an understanding as to whether any mechanism has been put in place by the HSE to stop this from happening again. It is impossible for the HSE to plan its expenditure year on year if it does not know whether a particular consultant would claim back their additional overpaid hours. We cannot allow consultants to treat the HSE as a savings scheme.

**Mr. Michael Lane:** Absolutely.

**Deputy Eoghan Kenny:** The HSE, as a State agency, cannot be year on year not knowing whether or not a consultant is going to claim back the additional hours that they worked. That has to be fully appreciated. I do not doubt that this person worked these hours. This person is probably a very good consultant. It is possible that they worked these hours, and these significant hours of overtime. That is absolutely acceptable. The issue for the Committee of Public Accounts and taxpayers is that the HSE's senior management does not know whether those hours were worked or how many hours were worked. It definitely cannot understand, year on year, what its expenditure is going to be if it does not know the historical claims that

are within the HSE and whether or not it can plan on a yearly budget, while not knowing if a particular consultant is going to claim back their overtime hours.

**Ms Anne O'Connor:** Ms Queally is a regional executive officer and I ask her to outline the process that exists at a regional level for managing this.

**Ms Martina Queally:** In terms of high earners in 2025, we had one in the Dublin and South East region. We know who that was and why those hours occurred.

**Deputy Eoghan Kenny:** Is that the person who was paid €910,000?

**Ms Martina Queally:** No.

**Deputy Eoghan Kenny:** Where was the person paid? What consultant? I am not asking for a name. Where is that consultant based?

**Ms Martina Queally:** I am not sure where the €910,000 was.

**Ms Anne O'Connor:** In Cavan.

**Mr. Michael Lane:** In Cavan General Hospital.

**Ms Martina Queally:** Yes.

**Deputy Eoghan Kenny:** We know that the consultant is in Cavan General Hospital. Can the HSE prove that consultant did work those hours?

**Ms Martina Queally:** Perhaps the Deputy will allow me to explain the process, which I think is what he is interested in. The decision register is important. For anyone who is doing additional hours, there has to be a management decision to approve additional hours. For instance, in the context of the four consultants on the high earners this year, we know exactly what hours they have done.

**Deputy Eoghan Kenny:** Sorry to interject. Are those four earners all in Cavan?

**Ms Martina Queally:** No, sorry. I am talking about my own region. Apologies. Every regional officer has a decision register at site so that before anybody is asked to do additional hours there is a decision. There is a management decision taken and signed as to the additional hours that are being contracted.

The Deputy is correct. It is not appropriate that they would roll on and not be submitted in a timely fashion. That does not just refer to payments in terms of salary. It is about mileage, hours and everything. The Deputy is absolutely correct and I agree with him there have to be processes in place where people submit their claims in a timely fashion.

**Deputy Eoghan Kenny:** Currently, we do not have that process in place.

**Ms Martina Queally:** No, we do. We do.

**Deputy Eoghan Kenny:** Since when?

**Ms Martina Queally:** I certainly know that it is in place in the region since late 2024 or early 2025.

**Deputy Eoghan Kenny:** Is that possibly in one region or possibly in all of them?

**Ms Martina Queally:** No, I think it is in all regions.

**Ms Anne O'Connor:** We have a policy where consultants have to submit claims within three months.

**Deputy Eoghan Kenny:** When was that policy?

**Ms Anne O'Connor:** I am not sure when it came in. I would have to check it. I do not have that information.

**Deputy Eoghan Kenny:** So it is extremely possible that we have historical claims outstanding.

**Ms Martina Queally:** You have to tell people when you are introducing a new policy and they have to be afforded an opportunity to comply with the new policy, so if there are outstanding claims that can be verified, they would be honoured, but going forward the policy applies.

**Deputy Eoghan Kenny:** Do we have any idea how much it will cost in relation to historical payments?

**Ms Martina Queally:** We are now claiming on time and it has to be claimed within the time period.

**Deputy Eoghan Kenny:** That is appreciated. Have we an idea of how much the HSE has to pay out in historical claims based off the hours worked before this policy was put in place?

**Ms Martina Queally:** We have advised people that all claims must be submitted. We have some historical claims-----

**Deputy Eoghan Kenny:** Has the HSE had claims submitted to it now?

**Ms Martina Queally:** In the 2025 and 2026 period, yes, we have outstanding claims.

**Deputy Eoghan Kenny:** How much is that?

**Ms Martina Queally:** For instance in 2025, it was one consultant, as I said. I know I have the figure for how much of that related to a previous year accrued-----

**Deputy Eoghan Kenny:** Has Ms Queally an estimate of that figure?

**Ms Martina Queally:** Let me see if I can find it on the page. For instance, this year, of the three people, there was €209,000 related to 2025 in terms of payments.

**Deputy Eoghan Kenny:** There was €209,000 in relation to 2025. Did they claim back on any other hours in 2024 or 2023?

**Ms Martina Queally:** In 2026, there was €115,000 from January to July 2026. That was for approved work in histopathology to make sure that we had reduced turnaround times.

**Deputy Eoghan Kenny:** In that particular claim for that individual, did they claim anything for 2023 or 2024?

**Ms Martina Queally:** No.

**Deputy Eoghan Kenny:** Nothing at all.

**Ms Martina Queally:** No.

**Deputy Eoghan Kenny:** Okay. That is fine.

**Ms Martina Queally:** And our decision registers will mean that all of this is approved and authorised in a timely fashion.

**Deputy Eoghan Kenny:** Yes, there is a policy being put in place or has been put in place by the HSE to stop this from happening.

**Ms Martina Queally:** Yes, exactly.

**Deputy Eoghan Kenny:** Okay. What we want to know as a committee is to get an understanding, and the Chair might want to come in-----

**An Cathaoirleach:** On a point of clarification, I think the figures Ms Queally gave were just for the south region as opposed to national. Maybe that is the point the Deputy was coming to there. It would be useful to get those figures on a national basis as opposed to regional.

**Deputy Eoghan Kenny:** Yes, I think the committee has to have an understanding of how much is going to be paid out in historical claims since this policy has now been put in place, particularly if it is €324,000 for the years 2023 and 2024 for one individual. It is difficult to comprehend.

I will move on. On the €7.5 million in private insurance income lost, the HSE lost €4.1 million in 2024 and a further €3.4 million in 2025 because claims were not submitted to private health insurers within the required timeframe. That is €7.5 million income lost over two years. Will the CEO explain how this was allowed to happen? Which hospitals accounted for the largest losses? Who is responsible for ensuring that these claims were submitted on time? Were any disciplinary proceedings initiated as a result of these losses? If so, how many? Most important, how much money has the HSE lost in 2026 because of the same failures?

**Ms Anne O'Connor:** For 2025, we have a figure of €35 million. On the rejection of claims, there are different reasons we do not claim. In respect of people's cover, for example, the insurance companies might say the cover or the correct cover was not in place. We have different disputes over and back with insurers or delays in finalising details around claims. I think the important-----

**Deputy Eoghan Kenny:** I am speaking specifically to the HSE not submitting the claims of €4.1 million in 2024 and €3.4 million in 2025. That is what the Comptroller and Auditor General brought attention to.

**Ms Anne O'Connor:** That is not good enough, basically. We know there are delays there. A lot of that relates to consultants, in terms of signing forms and getting forms submitted on time. I would view that as something that is and should be within our control. That is a site management issue in terms of consultants.

**Deputy Eoghan Kenny:** Which hospitals had the largest?

**Ms Anne O'Connor:** I think it was possibly Limerick.

**Mr. Michael Lane:** St. James's Hospital would be the largest write-off.

**Deputy Eoghan Kenny:** Is there any accountability mechanisms put in place by the HSE on that?

**An Cathaoirleach:** I am conscious of time, Deputy Kenny.

**Deputy Eoghan Kenny:** Sorry.

**Ms Anne O'Connor:** It is a performance issue with the hospital. As Ms Queally said, within the regions we have performance agreements between the regions and the hospitals. In terms of income that would be an important discussion as part of the financial aspect of that performance relationship.

**Deputy James Geoghegan:** I thank the witnesses. The HSE got a budget of €29 billion for 2026. It is reported that it is in deficit this year by July by half a billion euro. In the briefing they provided to the committee, the witnesses from HSE said its deficit was increasingly structural rather than operational. What do they mean by that?

**Mr. Michael Lane:** Our deficit is made up of a range of drivers. For example, part of that deficit-----

**Deputy James Geoghegan:** I was going to direct my questions to Ms O'Connor, if I could. What is the reason for that?

**Ms Anne O'Connor:** On the structural deficit, we know that, particularly in our acute hospital system, there would be different deficits relating to prior years, etc. The acute hospitals would have deficits in terms of how they have been funded over different years and it is a particular issue for some of our major voluntary hospitals, the section 38s.

On our deficit in general, we break it down into our pay and non-pay in the organisation. We can see that we have a considerable deficit on our pay front. A bit of what we talked about earlier, for example, in terms of high agency costs would be a key driver of our pay deficit. That is something we are trying to drive down because it is, you could argue, within our control to do better on that. Then we have our non-pay deficits that can relate to anything that is non-pay, including the funding of services that count as non-pay. Sometimes our non-pay costs relate to actual service provision as well. It is just not provided directly by us so we fund the agencies.

**Deputy James Geoghegan:** What has changed in 2026 versus 2025? When a HSE briefing was given to us in 2025, it did not mention to us that the financial difficulties were structural rather than operational. The witnesses are specifically saying that now in the documents they have provided to us, so what has changed in that year?

**Ms Anne O'Connor:** I will have to go to our CFO on this.

**Mr. Michael Lane:** I think 2025 was a very particular year where we had the ability to manage to the year end with the funding we had. On the CEO's point, the biggest thing is that we started to rely too much on agency. Our agency grew significantly in 2025 and that continued into 2026. That means our funding base is wrong in that we cannot run a service on agency so we have to take that agency out. That is probably the largest structural change.

To understand our overall deficit, one of the things is the policy change on private income. That is a significant loss in income to us this year, so structurally we are going to have to

rebalance that and we are going to have to find a way to do without that income. That is probably a loss of €140 million to us in this year. That has to get filled structurally somewhere else to take account of that policy decision. Our extreme reliance on agency is one that is incredible; €833 million on agency is not sustainable. We have a target to bring that down to €720 million this year. That has to get reduced even further next year. Again, that is structurally getting the workforce in such a way that it can-----

**Deputy James Geoghegan:** If Mr. Lane were to characterise the change from operational to structural, he would be saying it is the loss of private income-----

**Mr. Michael Lane:** Yes.

**Deputy James Geoghegan:** -----and the HSE having an increased reliance on agency. Is that what he is saying?

**Mr. Michael Lane:** Yes.

**Deputy James Geoghegan:** What is the cause of the increased reliance on agency staff?

**Mr. Michael Lane:** The increase was to react very quickly to service decisions such as the surge that was mentioned earlier, to get that surge capacity in. The thing with agency is you can get it in very quickly and you can get it into sites where it is very difficult.

**Deputy James Geoghegan:** What happened in 2026 that you needed more agency than you needed in 2025?

**Mr. Michael Lane:** We need less agency but we need to convert that to permanent staff within our total pay budget. The mix is wrong and we have to get the mix right.

**Deputy James Geoghegan:** Ms O'Connor, am I right in saying that last year's budget allocated for 3,000 whole-time equivalent staff?

**Ms Anne O'Connor:** Over 3,000 - 3,200.

**Deputy James Geoghegan:** It is 3,200. How many have actually been employed to date?

**Ms Anne O'Connor:** We still have new developments to come in. We know we have-----

**Deputy James Geoghegan:** What are the figures at now? The HSE was given money for 3,200. What is it actually at right now today as Ms O'Connor sits before the committee?

**Ms Anne O'Connor:** I will ask Ms Ryan Withero, as head of HR, on our new developments.

**Deputy James Geoghegan:** Whole-time equivalents, 3,200, what figure is the HSE at now?

**Ms Philippa Ryan Withero:** On the figure in relation to the Department of Health-funded services, in terms of the additional service expansion for 2026-----

**Deputy James Geoghegan:** I just want to know. The HSE was given money for 3,200 whole-time equivalents. How many has it hired right now? That is all I want; just the figure.

**Ms Philippa Ryan Withero:** So, 3,300 is the figure-----

**Deputy James Geoghegan:** So you are already over the amount of money that the Department has allocated you for the whole-time equivalents. Will Ms O'Connor just explain

why the HSE is already over in terms of staffing numbers that the Department of Health has allocated the moneys for?

**Ms Anne O'Connor:** I do not think Ms Ryan Withero has answered the question around the 3,300.

**Ms Philippa Ryan Withero:** Just to clarify-----

**Deputy James Geoghegan:** It is simple. Is it 3,300 whole-time equivalents that you have hired?

**Ms Philippa Ryan Withero:** We have hired 3,286 WTE against a figure of 3,300, which was the net expansion for 2026 alone. That does not take into consideration service developments that were unfilled from prior years coming into 2026.

**Deputy James Geoghegan:** Just to be clear, the Department of Health provided moneys for 3,200 whole-time equivalents. Is that the correct figure?

**Ms Philippa Ryan Withero:** It was 3,300.

**Deputy James Geoghegan:** Sorry, 3,300, and you are currently at how many?

**Ms Philippa Ryan Withero:** We are at 3,286 WTEs.

**Deputy James Geoghegan:** It is 3,286. Please do not confuse matters. Is 3,286 what you are at in whole-time equivalents?

**Ms Philippa Ryan Withero:** Correct.

**Deputy James Geoghegan:** Okay. What is the trajectory between now and year end in terms of whole-time equivalent hires that the HSE is going to make?

**Ms Philippa Ryan Withero:** Perhaps Ms McGirr wants to take that.

**Ms Louise McGirr:** Is it okay if I answer?

**Deputy James Geoghegan:** Yes.

**Ms Louise McGirr:** The control environment within the HSE-----

**Deputy James Geoghegan:** I really just want the figure. Does Ms O'Connor know the figure? 3,286. Where are we going by year end?

**Ms Anne O'Connor:** They were additional headcount that were provided for in NSP 2026, as I understand it. Our challenge relates to prior recruitment.

**Deputy James Geoghegan:** Do you know the figure? Do you know how many more people the HSE is going to hire before year end? You are at 3,286 right now. You were given an allocation for 3,300. Do you know the figure you are going to be at by year end? It is a really simple question, and I just want the answer.

**Ms Anne O'Connor:** We are estimating that in terms, for example, of the agency conversions that I mentioned. We are getting away from that. The focus in the HSE now is on total pay bill management. It is about the affordability. So, in a way, whether it is 3,000-----

**Deputy James Geoghegan:** Are you going to tell me or are you just not going to tell me the figure? I would prefer if you just told me you are not going to tell me the figure.

**Ms Anne O'Connor:** What I can tell you is that we have converted agency of about 1,450.

**Deputy James Geoghegan:** No, can somebody here just tell me the figure? 3,286. What is the trajectory?

**Ms Louise McGirr:** We need to reduce the total pay bill. That is where we are at.

**Deputy James Geoghegan:** But by year end, are you going to be 3,400 or are you going to be 3,500? What are you going to be?

**Ms Louise McGirr:** We need to reduce it from where we are.

**Deputy James Geoghegan:** So you are going to get the figure down at a net level from 3,286 before the year end?

**Ms Louise McGirr:** We need to reduce our total pay, which means our agencies and overtime - all of those buckets. The total pay number must come down before the end of the year.

**Deputy James Geoghegan:** Was it an error of control that you are already at 3,286 in September?

**Ms Anne O'Connor:** If the Deputy looks at how it works, recruitment in the HSE is a huge thing given that our workforce is so huge. It takes a number of months, so what we can see in our figures is that recruitment that was initiated in 2025 resulted in people coming onto our payroll in 2026. These could be people who were recruited for new developments in the service plan, even in 2024 because, in particular if we are recruiting consultants, it can be a year or more to recruit them. We are seeing people coming onto the payroll who were recruited in 2024 and 2025 through funded developments then. What we can see is that the recruitment increased considerably in the back end of last year-----

**Deputy James Geoghegan:** Am I right in saying that the board, in the first quarter of this year, flagged this as a concern? Very early on in the board minutes it records that recruitment was at 1,700 whole-time equivalents around March. I think I am correct in that. Very early on in the calendar year people were expressing concerns at the pace at which whole-time equivalent hires were being made. Is that a correct assertion?

**Ms Louise McGirr:** There there has been a control escalation financially since April in the HSE. The CEO has had authorisation for hiring since June. That situation is now changing, where an additional layer of sanction is required by the Department in terms of any hiring.

**Deputy James Geoghegan:** Just to be clear, a control escalation means that certain elements in the HSE lost control and you are trying to gain back control at the central level. Is that right?

**Ms Anne O'Connor:** Yes is the answer to the Deputy's question. I started at the end of March and I brought in controls and escalations in April, the month after I started in the role, and further escalations were put in place in June. I was not satisfied that the controls from April were taking a significant grip, and that is when the national controls came in for both pay and non-pay at the end of June. We have now got two months of figures showing us that there is a difference on the things that are more controllable, if you like - the agency reduction, overtime

reduction and some of our non-pay reductions. We are seeing that, but we also know from previous experience in terms of introducing controls that it can take a few months. Because of our system, it can take a few months to wind down recruitment and, equally, it will take a few months to wind it back up. We are seeing that now. We are in our third month. We can see it starting to grip and we can see the costs coming down. To re-emphasise what Ms McGirr said, our focus is on reducing our total pay bill. It is not so much on numbers of people, it is about the affordability of the people we have. As I mentioned earlier, when we employ agency staff, they come at a higher premium, so our absolute priority is to convert the hired agency staff.

**Deputy James Geoghegan:** Just to conclude, and I acknowledge the demand on the services - nobody disputes that - but reading the figures in terms of the rise in deficit of over half a billion by the end of July, the board minute concerns, and the actions Ms O'Connor took in terms of control escalation, it does feel like for a certain period of this year the HSE lost control of spending. Does Ms O'Connor accept that contention?

**Ms Anne O'Connor:** I know that when I came in and I introduced the controls, I was concerned about the deficit, and that was a discussion that took place at that time in terms of escalations. We can see variances around the country. We can see that some regions are more on budget in terms of their pay and non-pay. Other regions are more challenged. That is why we are working through it. I would also say in parallel that the regional structures only really come in this year. In terms of shifting, there are an awful lot of things that have moved around. I mentioned in my opening statement about a year of very significant change. We are seeing that bedding down. We have our integrated structures now that have come in only really in the last six months, and the accountabilities and all that will flow from that are bedding in. There is no doubt that we are very challenged in terms of our fiscal environment and that we are going to be very challenged to reduce our spend both in respect of pay and non-pay, and that is an absolute focus for us, working with the Department on a daily basis on this.

**Deputy James Geoghegan:** I thank Ms O'Connor.

**Deputy Aidan Farrelly:** Ms O'Connor and all her colleagues are very welcome. I thank them for their time so far. Given the significant expenditure and income in an organisation like this - Deputy McAuliffe raised it before - an initial reaction is that it warrants a series of meetings. We are not really going to scratch the surface of such a significant programme area. We should be looking at a series of meetings with the committee into the future to really get into the weeds of this.

Ms McGirr mentioned that we need to reduce the pay bill. Will Ms O'Connor say what that will look like in practice, because there are people who experience the HSE in many different areas who would say that the one area where we do not need less is people on the ground providing services? She referred to agency staff. Irrespective of who they are, a loss of human resources in services will be a reduction in outcomes for people throughout this country. Will Ms O'Connor tell us that what will be prioritised first is to ensure all efficiencies are there from a management perspective within the organisation before she starts to look at those providing direct services?

**Ms Anne O'Connor:** Our focus is on the provision of services to patients. That is our number one priority, and the provision of safe services across the board. That has been the focus in terms of prioritising patient care. When I look at the posts that have been approved in

recent months, they have been agency conversion to ensure we are continuing the delivery of clinical services, and front-line clinical services are being prioritised. We have other enablers in our system. For example, in terms of our medical workforce, we are driving POCC implementation and we are seeing significant increases there in terms of Saturday hours and evening hours. We have to use all of those enablers that have come to us and that have been funded by the Government for the HSE, so we are driving those as well.

**Deputy Aidan Farrelly:** I thank Ms O'Connor. Has she received a figure from the Department of what that reduction in the pay bill needs to look like in terms of a calculation this year?

**Ms Anne O'Connor:** I will ask Ms McGirr to respond.

**Ms Louise McGirr:** We have to get back to break-even on pay, which means the HSE and the Department have to live within our pay budget. I will make a couple of comments in terms of-----

**Deputy Aidan Farrelly:** Could Ms McGirr just give the figure? What does that figure look like? What does the HSE need to reduce?

**Ms Louise McGirr:** We are currently over on pay by €100 million, so it has got to come back.

**Deputy Aidan Farrelly:** By year end we need to find €100 million.

**Ms Louise McGirr:** The new control is going in on four of the regions around additional sanction from us, which means they will have to get back to 2% over their pay deficit. It is a gradual reduction. This will continue into next year. This will not all be fixed this year for sure, but it will continue. This is what a multi-annual budget looks like in real life. The problems get carried in and we have to resolve them.

Just a point on the loss of staff, in looking at the last five years, and these are some big picture headline numbers, we should not confuse staff management and pay management with value for money and productivity. The health sector has had five years of a massive increase in investment. We are up 40% from Covid times. We have increased staffing overall by 30%.

**Deputy Aidan Farrelly:** I thank Ms McGirr. I understand. We have increased staffing by 30% and-----

**Ms Louise McGirr:** But that is not converting-----

**Deputy Aidan Farrelly:** -----and now we need to find €100 million.

**Ms Louise McGirr:** No, it is not converting, so when we stand back and look at it that level of an influx into the system, the total activity is not being delivered.

There is a 14% increase in the actual activity of hospitals versus an 80% increase in funding. Does the Deputy see what I mean? Everything is going into the hospital. Fixing this relies to a large extent on what is outside the hospitals where community services need to help people to stop going into hospitals.

**Deputy Aidan Farrelly:** I fully agree.

**Ms Louise McGirr:** We need to look at how we are spending the money. If we gave another €10 billion to the hospitals, we would still have an ED problem. We need to look at how we are spending it and whether we are converting that money in the best way possible to deliver the most services and the most patients. That is what we need to do and that is what we are all trying to do.

**Deputy Aidan Farrelly:** I accept that point. Who it currently is working for in terms of pay right now is certainly that consultant in Cavan General Hospital who received €910,000 in a salary in 2025. We talked about this at the committee last week and we asked that correspondence be issued so that we would not have a situation today whereby, when we asked detailed questions about this specific issue, people would not say they did not have the information to hand. We are asking for a very detailed breakdown on how someone can earn €910,000 when a significant portion of it was in payments additional to their salary. Can the witnesses provide us with this information right now?

**Ms Anne O'Connor:** I do not have the detailed breakdown here in terms of the breakdown of the different salaries. Can I make an observation because some of it is core salary and some is allowances? We can come back to the Deputy with that.

**Deputy Aidan Farrelly:** I understand that, but I propose that we take a break so the witnesses can get this information for us. We asked for this information last week. We need this information. A colleague of the witnesses will be able to provide us with that information in a couple of minutes. I ask that we pause the clock so we can get it. This is really important information. What we asked for was a detailed breakdown of how somebody can earn in such excess to their base salary, because if it is happening for one, we know it is happening for many others. I do not accept that the information is not readily available to somebody here. Can we press pause on the clock and get that information?

**Mr. Michael Lane:** I think we will have to go through a lot of workings to get all of that.

**Deputy Aidan Farrelly:** We should not have to go through a lot of workings to get that information.

**An Cathaoirleach:** In fairness, we had a lengthy conversation here at the committee last week and I believe some who are present from the HSE were tuned in and are very aware as to what areas of focus we would be turning to. I propose that we take our break at this point for 15 minutes. I am conscious of the time still remaining on the clock. It is to be hoped in that time the witnesses might endeavour to try to get some of the information for us. I propose that we suspend our engagement now and take a short break for 15 minutes.

**Mr. Michael Lane:** Just to be clear, is it the number of hours behind the calculations?

**Ms Anne O'Connor:** We know the categories and we know the cross-cover of the amounts.

**Deputy Aidan Farrelly:** We did not know that ten minutes ago. What we are looking for is a very detailed breakdown of where that expenditure was accrued.

**Mr. Michael Lane:** In terms of hours?

**An Cathaoirleach:** Can we take a break for 15 minutes? Deputy Farrelly will have five minutes remaining on the clock when we come back in 15 minutes and it is to be hoped we will have clarity. Maybe Deputy Farrelly and the witnesses can have a conversation and

establish what exactly it is that Deputy Farrelly requires. The meeting is now suspended for 15 minutes.

*Cuireadh an suí ar fionraí ar 12.13 p.m. agus cuireadh tús leis arís ar 12.34 p.m.*

*Sitting suspended at 12.13 p.m. and resumed at 12.34 p.m.*

**An Cathaoirleach:** I call on Deputy Farrelly to resume where we left off. He has five minutes or thereabouts. We hope we can establish the information he requested.

**Deputy Aidan Farrelly:** I thank those who spoke to me during the break about providing me with the headings relating to these payments. Many questions remain, particularly with regard to heading items relating to fees, sessions and so on. The questions I have revolve around the culture of such significant overpayments to the extent where it looks like you could nearly be earning double your salary in a year. That is a matter of concern. I thank the witnesses for their commitment to come back with detailed information. If we could get that across the board, it would be really prudent, given the work we are trying to do.

How many voluntary hospitals do not have a service arrangement in place for 2026?

**Ms Anne O'Connor:** The service arrangements have a part 1 and a part 2. Part 1 arrangements are at 98% or 99% completion and the part 2 arrangements are at about 81% in terms of the completion rate of the section 38 entities.

**Deputy Aidan Farrelly:** I cannot wrap my head around that. The HSE would potentially not have service arrangements in place until many months into the year. When did negotiations with voluntary hospitals to develop service arrangements for 2027 start? Are those negotiations ongoing?

**Ms Anne O'Connor:** Absolutely. I understand that documentation for last year went out at the end of 2025. They were working with the hospitals from late 2025 in respect of the 2026 funding. The discussions going on now relate to 2026 and 2027, but we have to have line of sight on our financial position for 2027 in order to have detailed discussions. The process is ongoing.

We have service arrangements with the larger agencies and grant aid agreements with smaller agencies. Where there is significant funding, regular governance meetings take place to review where they are in the context of funding. Governance meetings happen all year. They include consideration of whatever issues may be preventing signing of the service arrangements.

**Deputy Aidan Farrelly:** Perfect. My final question regards the use or prevalence of debt collection agencies by the organisation. In 2025, how much was spent on debt collection agency services by the HSE?

**Ms Anne O'Connor:** We will have to ask our CFO for that.

**Mr. Michael Lane:** I do not have that figure to hand. Is this the total for debt collection?

**Deputy Aidan Farrelly:** Yes.

**Mr. Michael Lane:** I can get the committee that figure.

**Deputy Aidan Farrelly:** Am I right in assuming that Mr. Lane does not have the figure for revenue brought in by their work?

**Mr. Michael Lane:** Not to hand, no.

**Deputy Aidan Farrelly:** Legislation is in place whereby the HSE is compelled to chase fees from patients. What does that involve? Does it tell the HSE how to chase down the cost or is there flexibility associated with it?

**Mr. Michael Lane:** There is flexibility. It depends. On the ED charges, for example, a series of letters go out. We try to collect the money through a series of letters over a period. We will look, maybe, to tighten that. We are moving to try to collect ED charges at the point of service delivery. That is best for everybody. People want to pay there and it helps us. We save postage, we do not have to go chasing down invoices and stuff. We have made a lot of progress on that this year. The new policy is two invoices - two chases - and then we look to see if we can recover it beyond that. For smaller fees, it is generally not worthwhile to use a debt collection agency for an ED charge.

**Mr. Damien McCallion:** There is an improvement programme for collection at point of care. In emergency departments, where possible, there is better communication to patients, better understanding, posters and better use of technology so people have various ways to pay. It is easier for everyone to collect at source. Obviously, there will be circumstances where that is not appropriate, and there is a clear policy around that. It is also done through our app, in terms of providing other ways for people to collect it. We do not want to have to chase money down from people but we have an obligation to try to do that. The more we can do that at source, that is what the improvement programme is focused on with all our hospitals, including the use of technology for payment systems. Many hospitals did not have the full array of payment options for people, which these days is just mandatory, really. We are trying to improve that at source so we do not have to chase or send letters and we avoid the situation the Deputy is setting out.

**Deputy Aidan Farrelly:** Will the HSE consider stopping the use of debt collectors for patients?

Without information on the fees, we are probably operating a little in the dark. However, we can see what the legacy of these fees has been. Often, they are quite small sums of money. While the legislation compels the HSE to do what it can to get this money back, there are no people sitting at home choosing not to pay for their emergency department visit or other interaction with the HSE. This is in sharp contrast to the sums of money that the organisation is willing to lose via insurance claims or in other ways. There are much more rewarding efficiencies that the organisation could find while not using someone to send a very threatening letter or knock on the door for what is often quite a small sum of money. I would appreciate it if the witnesses could follow up as to exactly what those sums look like for 2025 in order that we might see if the prevalence is increasing.

**An Cathaoirleach:** To clarify, while the committee did not formally write to the HSE after last week's meeting to request the specific information that Deputy Farrelly alluded to, it was discussed extensively at last week's meeting. This matter was highlighted in the Comptroller and Auditor General's accounts. There was a reasonable expectation on the part of members

that the relevant information would be here. I reiterate that we did not formally write to the HSE subsequent to last week's engagement. I call Deputy Dolan.

**Deputy Albert Dolan:** I thank the officials from the HSE for being with us. As Ms O'Connor continues in her role, I wish her the very best of luck. It is a very difficult role to take on. The HSE is a mega-organisation. We are talking about an organisation with a budget of over €27 billion, which brings with it a huge amount of responsibility.

I want to start by thanking the HSE for reducing the publishing threshold from €100,000 per purchase order to €20,000. This opened up the HSE's transparency and visibility across its public spending. I welcome that. Just to give an idea, when the HSE was publishing its purchase order reports in quarter 4 of 2025, there were maybe 600 or 700 records and a very low amount of visible spending. When that changed in quarter 1 of 2026, there were over 7,000 records. That gives an idea of how much spending falls into the bracket between €20,000 and €100,000. That was not visible to the public or to me, as a member of the Committee of Public Accounts, but now we can scrutinise it better and, hopefully, the HSE can use it to drive greater efficiencies within the organisation.

How much does the HSE spend on procurement each year?

**Mr. Michael Lane:** It is €5.6 billion or thereabouts.

**Deputy Albert Dolan:** I have a concern about that figure. It is stated in the HSE's 2024 report, in the context of compliance with procurement rules, that procurement spending was approximately €5.5 billion. Fast-forward to the 2025 report and it is stated that approximately €5.5 billion was spent on procurement. I do not believe for a second that procurement spending remained exactly or approximately the same between 2024 and 2025. Is Mr. Lane confident that the HSE is able to track spending on procured items or services?

**Mr. Michael Lane:** Yes. Everything we procure has a purchase order and a trail relating to it. We are having to do a lot of work, but our single IFMS system gives us visibility that we never had before. That is the starting point of trying to understand everything we are doing. With regard to contracting, there is more visibility of contracts and multi-annual procurement, and we are tracking those contracts on our software.

**Deputy Albert Dolan:** How does the HSE calculate that €5.5 billion?

**Mr. Michael Lane:** The €5.5 billion would be run off our procurement system.

**Deputy Albert Dolan:** Is it just an estimate based on what the contract awards are when summed together?

**Mr. Michael Lane:** Yes, to my knowledge.

**Deputy Albert Dolan:** That does not tell me how much was spent. It tells me what the estimate of the spend is going to be. The HSE has produced two annual reports in which the same figure comes up. The figure of €5.5 billion is 20% to 25% of total HSE spending. My fear is that a report comes out stating that it is €5.5 billion, and the amount is the same the next year. However, the HSE has calculated it on the basis of an estimate of the contracts and then wonders where all the money is going. Can the HSE be confident that it is not being fleeced by suppliers?

**Ms Anne O'Connor:** The Deputy met our head of procurement earlier this week and discussed some of these things. Gareth Morton and his team are very focused on increasing the visibility of everything in terms of the contracts that are there. He is working across the regions. With the regions coming in, there is work under way this year to ensure the visibility of all the contracts. By later this year, he will have that in place, and driving the improvement programmes. Certainly, in looking at the work that has been done, significant steps have been taken in terms of increasing the number of contracts that are in place and improving contracts, but it is a work in progress.

**Deputy Albert Dolan:** Following on from my meeting with Mr. Morton, I was incredibly impressed by the work that he is doing in trying to have greater transparency across the spend. The HSE has to remember that it is one of the largest buyers in the country. It should be using its position to leverage downward price pressure across this area. I welcome what it is doing with regard to agency workers and bringing people into the HSE. However, this frustrates me. I had the same problem with the Department of housing, which could not tell me the procurement spend - it is all based on an estimate, not what the actual spend was for the year. These are financial statements. They are a report. I just want to know how much was spent on procured items, whether services, items, capital or whatever was procured. What was the total spend for that? Very few bodies seem to be able to give a figure to it. The HSE uses the word "approximately", and it put in the same figure for 2024 and 2025.

**Mr. Michael Lane:** We are now at the stage where we have full visibility. We did not have that up to the full roll-out of the IFMS. We now have every single purchase order fleshed up each day on the system on a Power BI platform, where we have the contracts that are associated with that. That is going to move to the business warehouse, which we are developing from the IFMS, very soon. Every euro that comes from the system will be tracked on that, and we will be moving from looking at compliance sampling to real figures.

**Deputy Albert Dolan:** As per the correspondence I received from Ms O'Connor, I welcome that for quarter 3 of this year, the HSE will be doing a pilot phase. Then, in quarter 4, it is hoping to have reporting outputs. That is essentially achieving the golden thread, which is to go from the purchase order to the payment and link it back to the contract. The HSE has fragmented systems. However, for the systems and the coverage that it has with the IFMS, linking back to the contract spending - what the HSE contracted for, what it was trying to buy and what it actually got for that - is going to be important for the HSE when it goes back to talk to suppliers. The HSE can say that it has agreed a contract and a price, and this is where it is at. It is a behemoth of a task.

I thank Mr. Morton and his team for what they are doing. I just wanted to get it on the record today that right now, the HSE does not know exactly how much is spent on procurement. Is that fair to say?

**Mr. Michael Lane:** No. We can actually find that figure based on all of the purchase orders on our IFMS system at this point.

**Deputy Albert Dolan:** Would it be an arduous task to do that?

**Mr. Michael Lane:** No.

**Deputy Albert Dolan:** Without saying that Mr. Lane should go and do this, in the 2026 report, can we get an exact procurement spend figure for 2025 and then for the 2026 year, when it ends? At least then it allows the HSE to do a look-back exercise and get an exact figure for 2025, and it will have the figure for 2026. Going forward, this committee deserves to know, given this accounts for some 25% to 30% of HSE spend, exactly what that number is. Is that fair?

**Ms Anne O'Connor:** Yes, absolutely.

**Mr. Michael Lane:** It will come from our business warehouse, which we have not fully deployed yet, but it is well on track for quarter 4 of this year, and we will be putting all the purchasing data into that.

**Mr. Damien McCallion:** One advantage of the IFMS regarding our cost oversight process is that Mr. Morton is focused on our big spending areas and where we can drive value from contracts. That information is vital to prioritise because he only has so much capacity as well. It is a matter of prioritising his energy to the areas where we can drive up value with regard to things like aids and appliances, drugs and so on. The information we are able to draw from that now is phenomenal.

**Deputy Albert Dolan:** I appreciate that. An article that appeared in *The Irish Times* on 3 September was headlined “HSE €580m over-budget at the end of July despite curbs on spending”. For the €580 million that it went over budget, what did the HSE receive?

**Mr. Michael Lane:** We can break down that budget over many areas. Some of the elements are not within our control. We talked about patient private income, which would be about €70 million of that year to date. State claims and pensions are probably another €70 million. Those are HSE obligations, but they are not within our ability to control. We can then look at another key block of it that is entirely within our control and entirely our responsibility, which is the €130 million in agency savings and non-pay savings that were not directly patient-fronting that we would have to deliver.

If you want to talk think about the approximately €236 million, which is the balance of that, it all has a patient behind it. It is driven by the patient. It is drugs-related spend and for some of the staffing in the surge. To stop that immediately has an impact on a patient. That is the challenge for us. To be clear, there is a space in that €580 million, which is ours to manage. That is the agency piece and the non-pay savings across certain categories.

**Deputy Albert Dolan:** We have seen the rate at which the HSE budget has ballooned over the past five years or so. Obviously, all of these controls now have to be implemented, which is a signal from somewhere that this is a runaway train. How do the witnesses justify the extra spend when they are paying it out? What outcomes are patients seeing off the back of this extra money? If we are spending money for the sake of spending money, or if we are spending it to firefight, then we have to be honest about that and say we are firefighting. I want to know what patient outcomes they have delivered with the massive deficit.

**Ms Anne O'Connor:** There are a few bits in that. One is in terms of patient activity. We can see we are spending more money on drugs, which are more expensive. High-tech drugs and cancer drugs all cost an awful lot more. We are spending more money on aids and appliances. To go back to the Deputy's earlier point, we absolutely should become a price-setter in these

areas. We have huge volume going through. If you look at the cohort coming into our hospitals, there are a lot more older people with co-morbidities and higher needs, who then often have to go into different types of care with higher cost, etc. I go back to Ms McGirr's earlier point. When we build services and continue to focus on the hospitals, which is where people turn up for all sorts of reasons, sometimes because of a lack of options elsewhere, we end up in this world of higher cost and higher need. It is very hard to unravel that. That is not to take away from our need to be more productive and reduce agency and all of that. However, going back to what Ms McGirr said earlier, the answer is to really drive the Sláintecare agenda. For example, if you have somebody at home with access to good home support and good community services - I have an elderly father in my life - that reduces the need to pitch up to a hospital, where everything changes - people require beds and there are more costs, etc. When you look at the demography we have now, never mind what is coming at us, we have to reorient how we use our resource and get the value the Deputy is talking about. There is value. We can see that we are employing staff. We can see that we are spending money on drugs. If you look, for example, at the work going on in our chronic disease management programme, we are trying to bring back and kick the can down the road for people with chronic disease to support them earlier. Apart from doing the right thing for patients so they have better health outcomes, it also reduces costs over time. It is all of that we have to focus on in the context of our future years.

**Deputy Albert Dolan:** I thank the witnesses for their time, and the accounts team for all the work they are doing on the purchase order stuff. I really appreciate it, and I think the HSE has the potential to drive down prices across the board. I will support that endeavour as much as I can.

**Deputy Martin Daly:** I wish the best to Ms O'Connor in her tenure as CEO, and to Mr. McCallion, as well as Ms McGirr and her team from the Department of Health. I continue on from the discussion with Deputy Dolan. The witnesses have made some points about removing the pathways directly into hospital because it is expensive care and there is an ageing demographic, etc. However, there is no evidence that we have put commensurate investment into primary care as has gone into hospital care. Every year since the primary care strategy came out in 2001, and then the health strategy and Sláintecare, we have said that we need to put money into primary care and community services. In my region of HSE West North-West, we have the longest waiting lists for speech therapy and occupational therapy in the community. We have the longest wait for talk therapies. We have the longest delayed discharge from the time someone decides to send someone out of the hospital into the community in the country because of a dearth of services in the community such as home care packages, step-down facilities and nursing home beds. What are we doing about it? Are we going to continue running this deficit year on year without real structural change and different clinical pathways?

**Ms Anne O'Connor:** This is a discussion we had at our senior management team last week. From my perspective and that of the organisation, we absolutely have to focus on our community services and all the things the Deputy has described. We know that we have gaps in community services. We know we have teams that have one or two people and are not really teams. We equally know that we can see huge success from our initiatives like our integrated care teams for older persons and our chronic disease management programmes I mentioned earlier. It goes back to the point of shifting that dial back. We have become very focused on acute services. They will gobble up any amount of money. That is the reality because of how

hospitals work and the demand that comes in. For us, in terms of our positioning and discussions with the Department about next year, and from a health system perspective on the delivery of services, we have to get back to driving development. We know what works. We do not need to learn that, so we have to drive the development of our community services.

**Deputy Martin Daly:** The chronic disease management programme is one, but we need to go further upstream and start screening people at the age of 50, for example, for blood pressure, atrial fibrillation, chronic disease, smoking and lifestyle. The interventions are not early enough, but that is a policy decision.

I come back to recruitment and retention in the community. My time is tight, but I would like some answers. There is a sense that people are working agency in the community. I know of one young nurse who came back from Australia. She is working in Ballinasloe, County Galway, in the job she left to go to Australia. They need that job. She is in that agency job doing it. They are not going to facilitate her in Ballinasloe. They want to send her into Galway to do another job. That does not make any sense. There is no common sense to that type of recruitment. She has made representations to me. I do not want to make representations because it might affect her career. I have advised her to keep pushing, and I am bringing it up here in an anonymous way. It does not make any sense. Is the culture right for all of these young nursing, medical and allied health professionals coming out? Is the culture welcoming in the HSE, to attract them to and retain them in the service?

**Ms Anne O'Connor:** I do not mean to be glib and say I hope it is, but clearly it is not, if this is what the Deputy is describing. We want to retain our workforce. That includes graduates and people who have trained in our system who we are trying to attract back. Ms Queally is here for her own region, but in terms of how the regions work there is prioritisation. Agency conversion is something we are driving.

**Deputy Martin Daly:** I will take that answer. It seems incredible to me. It costs so much to place someone in an agency job who says they would take the permanent position, but that is the only thing being offered. The only sense I can get out of it is that it is personal. It should not be. I do not know why-----

**Ms Anne O'Connor:** I am happy to chat with the Deputy privately about that.

**Deputy Martin Daly:** On the agency costs, there is this change to having a bank, so the HSE will manage additional work. If people have retired from the HSE but come back in agency roles to do additional work, how will that affect their pension entitlements?

**Ms Anne O'Connor:** I will ask Ms Ryan Withero to speak to this.

**Deputy Martin Daly:** It may cause a bottleneck.

**Ms Philippa Ryan Withero:** It is a good point. Let us look at our ability to attract and rehire retirees. In our staff banks we have 20 in place now with the national staff bank model. We are increasing numbers that we are attracting into the staff bank at all times. It is a core issue, particularly if you look at some of our harder-to-fill roles. For example, in mental health nursing it can be difficult to attract and retain, but a source we can look to is rehiring retirees. We are currently engaged with the Department. Obviously, the pension abatement rules lie outside the scope of the HSE. It is something on which we are working with the Department.

**Mr. Damien McCallion:** When we look at the job market that is the key group for the banks to take out of agency. It is a big cadre in the agencies.

**Deputy Martin Daly:** That is why I asked the question. I come to the payment to high earners. I take a 180° look back at this instead of focusing on a small number of people earning considerable additional amounts of money in the service for work that has been verified. There are two issues I have with it. If someone is earning €900,000, which is the headline figure, how many hours are they putting in safely to provide that service? Is there a safety issue that the HSE is reliant on people to work that number of hours to, in effect, triple their base income?

**Ms Anne O'Connor:** That is absolutely one of the considerations. When the decision is being made at a local level, our adherence to the Organisation of Working Time Act is part of that, in terms of actual adherence to the legislation in respect of working time. They are two different questions but making sure we are watching the hours and the working time Act as well as the individual-----

**Deputy Martin Daly:** It is too easy to sign off on overtime forms and not actively recruit to fill that resourced position and, by the way, provide a better service and a safer service with less risk.

**Ms Anne O'Connor:** In terms of the posts where we see high earners, they are in a small number of specialties and, as I said, it is mainly radiology. Unfortunately, we are very challenged in recruiting in those specialties. We have CAMHS consultants who cover other areas at our request.

**Deputy Martin Daly:** I know that. I understand.

**Ms Anne O'Connor:** In terms of the high earners, sometimes we ask consultants to do this.

**Deputy Martin Daly:** The point has been made well by Deputy Farrelly about the management of this. Why should someone have to claim overtime? If you have put someone on to do a shift of work or cover, why is that not managed centrally and reflected in the monthly cheque, or whenever they get it, at the end of the day?

**Ms Anne O'Connor:** I would have to check in terms of the local arrangement there.

**Deputy Martin Daly:** If they are an employee, why do they need to claim? If they are asked to cover a weekend or a 48-hour shift, it should be reflected and they should not have to claim it 12, 15 or 18 months or two years later.

In relation to the private insurance charges, this is a perennial issue. Has the HSE engaged with the private insurance companies and found a way to streamline claims for hospital services?

**Ms Anne O'Connor:** I think extensively, but I will ask Mr. Lane to comment on that.

**Deputy Martin Daly:** Why is it not solvable?

**Mr. Michael Lane:** The answer is that yes, we do. We use a claims organisation to help us to do that for some of the more complex ones. We have been noticing a trend over the last number of years where insurance companies are really pushing back very hard on us. That means-----

**Deputy Martin Daly:** Is it a cumulative €200 million?

**Mr. Michael Lane:** Yes that is-----

**Deputy Martin Daly:** That is a lot of money.

**Mr. Michael Lane:** That is in the pipeline.

**Deputy Martin Daly:** The amount of €3.4 million is still a lot of money but a €200 million cumulative debt is a lot of money and deserves focus.

Coming back to productivity, we had issues with insourcing last year. Something that struck me was the difference between the productivity of someone in the same hospital or the same institution for the HSE or a voluntary hospital going in on a Saturday morning and able to see double the number of patients with fewer resources. Is that a question that can be answered?

**Ms Anne O'Connor:** To be clear, does Deputy Daly mean in terms of third party insourcing or is he speaking about-----

**Deputy Martin Daly:** I am talking about people who are asked to do additional clinics who are able to see more patients, often with fewer resources, on a Saturday morning.

**Ms Anne O'Connor:** We have ceased third party insourcing. In terms of any insourcing that happens on our sites with our own staff it is at our request. That is not managed externally by other organisations any more. In terms of productivity, a number of things are going on. For example, we have POCC implementation under way. We have a lot of Saturday work happening and layering in the five-over-seven working to support that.

**Deputy Martin Daly:** I am running out of time and I do not mean to interrupt but I want to say that I have raised the issue of digitalisation previously. The HSE talks about structural issues and there are real structural issues with this. If the State is spending 80% more on the delivery of health services, notwithstanding a growing and ageing population, and is getting 14% additional activity, there is a problem. The digitalisation of the health service really has to be the number one structural issue facing the HSE and the Department of Health.

**Mr. Damien McCallion:** As Deputy Daly knows, we have a big programme under way around that, with the health app launched and delivered to 250,000 people using the shared record available to staff. It started in the south east. We are out to tender for a full electronic health record. It is in the procurement process at the moment. It has been shortlisted down to four. We have a team of over 100 people working on it.

To reinforce Deputy Daly's point, if we look at the radiology area, where we have a full imaging system, we are also rolling it out to the private sector because it means that patients do not have to get their images taken again, which is not good for patients. We are also extending this to some of our smaller hospitals. In this area we are able to see everything that is happening and we can look at it in hospitals, and areas like Ms Queally's can use it to look at the productivity around the radiology function and how to organise staff. Deputy Daly is right that this sort of data gives us the ability to look at it in a way that perhaps we cannot when we are trying to run everything on paper.

**Deputy Martin Daly:** We can throw as much money as we want at the health service but if we do not digitalise the delivery of clinical services, as has been done with the IMFS, we are simply burning money-----

**Mr. Damien McCallion:** That is why we have-----

**Deputy Martin Daly:** -----on inefficiency.

**Mr. Damien McCallion:** Agreed. That is why we have kicked off that programme.

**Deputy Joe Neville:** I thank the witnesses for coming before the committee. I will start with some short questions and I ask for brief answers so we can try to get through as much as possible. What was the budget for 2025 for the HSE? I just want to get it on record.

**Mr. Michael Lane:** Revenue funding for 2025 was €27.6 billion.

**Deputy Joe Neville:** Did the actual spend meet the expectations of the budget?

**Mr. Michael Lane:** There was a €241 million overspend last year.

**Deputy Joe Neville:** What was the overspend in 2024?

**Mr. Michael Lane:** The carry forward accumulated debt was approximately €760 million.

**Deputy Joe Neville:** Was that carried forward from previous years or was it just from the one year?

**Mr. Michael Lane:** Just the one year.

**Deputy Joe Neville:** What about the previous year in 2023?

**Mr. Michael Lane:** I do not have it to hand but it was not of the same order.

**Deputy Joe Neville:** What was the reason for the large amount of €760 million? I know we are going back to Covid times.

**Mr. Michael Lane:** It is probably a variation of the same reasons that we have in the current year. It is explainable.

**Deputy Joe Neville:** With the current year, what deficit are we heading to?

**Mr. Michael Lane:** Our year-to-date figure was €580 million but within this we know there are certain elements on which we are working with the Department in terms of funding.

**Deputy Joe Neville:** I more want to get the budget. We can come to that point in a minute. Mr. Lane said it is €580 million for the year to date. What was the month of the year? Was that six months in?

**Mr. Michael Lane:** That was six months in; at the end of July.

**Deputy Joe Neville:** Which way is it trending?

**Mr. Michael Lane:** All of our months are trending down. We had a bad first quarter and a much better second quarter. We improved a lot in the second quarter. Preliminary figures for August are better. They are all trending in the correct way. A lot of our non-pay savings-----

**Deputy Joe Neville:** Does that mean the deficit will be decreasing or will the deficit be increasing at a slower rate?

**Mr. Michael Lane:** Our expectation is that we are going to bring control to the areas we talked about in pay and non-pay and at the same time we acknowledge-----

**Deputy Joe Neville:** Sorry my question is whether it will eat into the €580 million to reduce the deficit back to zero, or will it increase at a slower rate? Will the average of €40 million or €50 million a month decrease?

**Mr. Michael Lane:** We certainly know that on certain pay categories we are not going to get there. We have certain areas that will get to balance in pay within the month and we have some areas that will come down within 2%. We will not get the deficit to zero.

**Deputy Joe Neville:** What does Mr. Lane think the deficit will be by the year end?

**Mr. Michael Lane:** I cannot really speculate at this point. I know there are controllable elements and uncontrollable elements of it. We are not going to eat into the €580 million. We are not going to take that back but we understand what that-----

**Deputy Joe Neville:** It could be three quarters of a billion, basically.

**Mr. Michael Lane:** I would expect it may be less than that.

**Ms Louise McGirr:** In overall terms it is staying reasonably flat in terms of expenditure. We are currently at about 8.8% or 8.9% over, year on year. We are spending 8.9% more this year than last year. We were funded for 5% and that remains at that level.

**Deputy Joe Neville:** So it is 3% of the overall budget.

**Ms Louise McGirr:** It is more like 4% as we are nearer 9%.

**Deputy Joe Neville:** It will be 4% over budget.

**Ms Louise McGirr:** That is where we are at at the moment and everything that we are doing-----

**Deputy Joe Neville:** That is about €1 billion because it is 4% of €27 billion.

**Ms Louise McGirr:** At the moment everything we are doing is about turning that.

**Deputy Joe Neville:** It is about €1 billion trending at the moment, if it is 4% of €27 billion. Someone else might do the maths as I have just done it quickly.

**Ms Louise McGirr:** It was €700 million at the end of August. We do not-----

**Deputy Joe Neville:** It was €700 million by the end of August.

**Ms Louise McGirr:** Yes.

**Deputy Joe Neville:** So I am not far off.

**Ms Louise McGirr:** It is €696 million.

**Deputy Joe Neville:** It will probably be close to €1 billion by the end of the year. That is a huge amount of money. I am a member of the budgetary oversight committee and we are here

at the Committee of Public Accounts. Value for money is a key element of public spending. If we are going to be over by €1 billion, or even if we use the definitive figure of €580 million at the end of June, what is the primary driver of this?

**Mr. Michael Lane:** This was an earlier question and I can go back to it. One of the big things in the full year will be that €140 million of the deficit is due to the loss of private income. We can take that off the top. The next one, if we want to talk about it, is that obviously there are State claims and pension payments.

**Deputy Joe Neville:** I want to focus on staffing, if Mr. Lane does not mind. How much of the €580 million is staffing?

**Mr. Michael Lane:** We would probably be at about 2% for the HSE at the year end.

I think a lot of where you are seeing the overspend is in the drugs area, PCRS drugs. You are seeing a lot of home help support hours going into there, a lot of aids and appliances. The €230 million that I talked about earlier in terms of the €580 million-----

**Deputy Joe Neville:** Are they one-off? Sorry, they are obviously not one-off because, as Mr. Lane says, the HSE has got the structural problems, to use his term.

**Mr. Michael Lane:** They are driven by activity.

**Deputy Joe Neville:** I might just jump in. We do not feel much of it is staffing. I want to go back to an issue raised about staffing earlier. Was 3,000 the agreed number-----

**Ms Anne O'Connor:** In the service plan there was an additional 3,000-----

**Deputy Joe Neville:** Obviously, we have reached that 3,000 staff already. Was it 3,286 that someone said? That is fine. That is 14 shy of 3,300. Obviously, we still have another few months. Can I clarify whether that is 3,286 as of yesterday or is it as of 30 June?

**Ms Philippa Ryan Withero:** It is of 31 July

**Deputy Joe Neville:** It is as of 31 July. In the first seven months, it was 3,286. Have we surpassed 3,300? Have we hired 14 more people since? What do we feel? Who is the head of HR? I am not being glib.

*(Interruptions)*

**Deputy Joe Neville:** Ms Ryan Withero is, so she will know. I apologise. I was not sure.

**Ms Philippa Ryan Withero:** No problem, at all. Thank you, Deputy. In response to your question, in terms of that 3,286 that we have grown net year to date this year, it is important in the context of our total pay bill. If we take a look at our total pay bill-----

**Deputy Joe Neville:** I genuinely do not have too much time, but I am just wondering if we have gone past the 3,300.

**Mr. Damien McCallion:** We will have, yes.

**Ms Philippa Ryan Withero:** I think we will have.

**Deputy Joe Neville:** Where are we now, roughly? I just want to get the numbers.

**Mr. Damien McCallion:** We do not have the August figures, but we will have. I think what is important to say-----

**Deputy Joe Neville:** Where do you think we will be by the end of the year?

**Mr. Damien McCallion:** What is important to say, because this is where we got stuck in terms of the headcount, it is the pay. If you think of the earlier discussions-----

**Deputy Joe Neville:** No. I-----

**Mr. Damien McCallion:** -----one really important point is that we are investing. Approximately 700 student nurses are coming on stream now at the end of September and into October. They will add to the WTE, but they are being assigned against the agency so that we reduce the pay bill cost. We are trying to focus on the money.

**Deputy Joe Neville:** I get that, but I am looking at it more from a control perspective. I know the HSE is looking at it from a financial one. I get the logic.

**Mr. Damien McCallion:** To assure the Deputy, when we decide that those 700 people are going to be retained, it is a decision that is made consciously in order to reduce the overall pay bill by making sure that we are keeping those students, which we have done every year-----

**Deputy Joe Neville:** I am all for hiring more students, but I am just saying that if the HSE agrees 3,000 at the start of the year, if it has now changed it and by the time those 700 students come on stream in September, it will have already gone way past its number. It is probably closer to 3,500 or something.

**Mr. Damien McCallion:** It is just to get that balance, Deputy. The primary driver for us is our pay bill.

**Deputy Joe Neville:** I get it. I am focused. This is an FTE question.

**Mr. Damien McCallion:** Sure.

**Deputy Joe Neville:** How many will we have hired by the end of the year? I am talking about control. How many do we feel we will have hired?

**Mr. Damien McCallion:** It will grow in the sense of the 700 students, the agency conversion that we want to focus on, which we spoke about earlier-----

**Deputy Joe Neville:** What is the number though?

**Mr. Damien McCallion:** The control process is going to tighten that in terms of other posts to ensure that is prioritised.

**Deputy Joe Neville:** I genuinely do not mind. I just want to know the answer. Where do we think it will be?

**Ms Anne O'Connor:** There is not a target. The pay bill must drop.

**Mr. Damien McCallion:** We are looking at money.

**Deputy Joe Neville:** I am just asking how many.

**Ms Anne O'Connor:** For argument's sake, we are about halfway through. I understand what you are asking. For argument's sake, if we were to convert all of the agency posts, that is about another 1,400 people-----

**Deputy Joe Neville:** I totally get that.

**Ms Anne O'Connor:** -----so it is at least that.

**Ms Martina Queally:** Can I give an example?

**Deputy Joe Neville:** No. I genuinely do not have time. I am trying not to be rude. I am curious to know how many people we think we have hired.

**Ms Martina Queally:** We can look at it like this: if I am a regional executive officer and I have a problem on pay bill, as Ms McGirr said, I see that I am €38 million overspent on pay, just on pay. If I look at what is driving that in my region and I see that €19.4 million of it is an agency premium, I have to bring that down to save that €19 million. I am actively working on that.

**Deputy Joe Neville:** I get it.

**Ms Martina Queally:** There is €14 million of that on surge, which is current spend.

**Deputy Joe Neville:** I am conscious that I only have a minute left, and I have a number of issues I would like to raise. The witnesses will not give me a number.

**Mr. Damien McCallion:** The reason is twofold. First, we are trying to convert more to agency. Second, we cannot guarantee-----

**Deputy Joe Neville:** I have just asked a simple question, and I have not got a simple answer. I was just-----

**Mr. Damien McCallion:** It is more complex than-----

**Deputy Joe Neville:** No, it is not. It is a very simple answer. How many FTEs are there? If I went along to any company - Intel, Pfizer or anyone else - and asked how many people they are hiring this year, they would be able to give me a number. You do not want to give me a number. You are saying it was 3,300 but you are not willing to say where it will end up. My question is there. You have been given a number. You have decided your own thing - that you are going to do it your own way, which is absolutely fine for you because you feel that you are dealing with other issues. You are talking about it from a financial perspective and there is a logic to what you are saying, but at the same time if you have agreed upon a set of controls with the Department and you are overriding them, that is a different issue.

**Ms Anne O'Connor:** To be fair, I think the answer-----

**Deputy Joe Neville:** Who has the authority to hire new people in the HSE?

**Ms Anne O'Connor:** Since the end of June, it has to have my approval.

**Deputy Joe Neville:** Your approval.

**Ms Anne O'Connor:** That came in at the end of June.

**Deputy Joe Neville:** Every individual person has to be signed off by you. Was that always the case?

**Ms Anne O'Connor:** No. That came in at the end of June.

**Deputy Joe Neville:** That is new. Is that because the HSE has been hiring too many people?

**Ms Anne O'Connor:** I came in at the end of March and the figures were all ready. The absolute imperative for the HSE is to reduce our pay bill and that is the discussion we are engaged in with the Department.

**Deputy Joe Neville:** No, it is about control. Controlling expenditure is just as important. When the HSE hires an agency person over someone who is an FTE, it knows that when it takes on an FTE it is taking on a whole different element of cost into the long term. You talk about having a structural problem. When it comes to FTEs, you can hire people and, as with any business, it is leaving you without flexibility in the long term. When you talk about a structural problem, that is exactly how you get into a structural problem. I am not saying you cannot make an argument for every extra person. We could all have an extra three people sitting here and an extra two people sitting there, but are they delivering for that? Is the delivery of the extra expenditure good enough? Is the HSE seeing a decrease in the trolley numbers in those places? Where has the HSE hired most people in that time? Where has it overhired compared to the initial numbers that it gave us?

**Ms Anne O'Connor:** In terms of where we have hired, we know that we can see-----

**Ms Martina Queally:** Most of it is in hospitals.

**Ms Anne O'Connor:** Acute services.

**Deputy Joe Neville:** We will have no trolley issues this winter, will we not?

**Ms Anne O'Connor:** No. That is not the same. I do not think we can join those dots in that way.

**Deputy Joe Neville:** Why not? More people should increase productivity. I think the biggest concern in the State is that public expenditure has increased by 62% since 2019, and we are in a situation where we have to consider whether we are getting the proper results. If the HSE is increasing its hiring, and there are no controls on hiring, and it is not even listening to the Department, then there are potentially longer-term structural issues.

**Ms Anne O'Connor:** I will answer the trolley question. We had a discussion with Deputy Daly on that. Patient flow is a whole-system thing. In terms of how we recruit, it is important that we retain our community services to reduce because once people present to the hospital and they are admitted and we have people in beds, we have bed capacity challenges. We know that. Equally, we have some long-term care challenges. We have people in our hospitals who could go to long-term care if there were beds available.

**Deputy Joe Neville:** I get that, but-----

**An Cathaoirleach:** Sorry, we are way over, Deputy Neville.

**Deputy Joe Neville:** I know, totally. I just want to say that all of our jobs here is just to question on the financial spend and the taxpayer spend.

**Ms Anne O'Connor:** Yes. Absolutely.

**Deputy Joe Neville:** That is why we are here. I thank the witnesses for their time.

**Deputy Cathy Bennett:** I thank everybody for coming in today. Throughout the report that came in from the C and AG, I noticed that there were huge overspends every year and the C and AG made reports on that every year. In any of those years or in any of the following years, were there any improvements in those reports from the C and AG? Perhaps the C and AG would like to answer first.

**Mr. Seamus McCarthy:** I will take the write-off on vaccines in 2024 as an example. The figure was much higher in 2023, so there is actually a pattern of improvement there.

**Deputy Cathy Bennett:** That is only because of circumstances.

**Mr. Seamus McCarthy:** Well, it is, but if you are going to make year-to-year comparisons that is what it is showing.

**Deputy Cathy Bennett:** No. I mean in-----

**Mr. Seamus McCarthy:** In three consecutive years, I have drawn attention to the very high payments to the top earners. There is a lot of repetition there. It may not be the same individuals, but there may be some who are repeating. Procurement and non-compliant procurement is a systemic and persistent problem, but I expect to see better information about non-compliant procurement as a result of the implementation of the IFMS.

**Deputy Cathy Bennett:** Thank you. Does it not say it all when the C and AG says that there has not been much of an improvement over the last three years?

The HSE has implemented an integrated financial management and procurement system. How much did that cost?

**Mr. Michael Lane:** The cost of the IFMS programme up to June 2026 is €252 million, in total.

**Deputy Cathy Bennett:** At the start of the conversation, the witnesses said that health matters come first within the HSE but, to me, €252 million spent on an integrated computer system-----

**Mr. Michael Lane:** Yes. To give the context to that, that is the spend from 2017 right up to June this year. It includes all of the ICT capital costs. One hundred and fourteen million euro of it is ICT capital, which is investment-----

**Deputy Cathy Bennett:** How much?

**Mr. Michael Lane:** One hundred and fourteen million euro-----

**Deputy Cathy Bennett:** One hundred and fourteen million euro.

**Mr. Michael Lane:** -----is capital infrastructure. That is investment in the backbone of the technical system. We then have project costs of €65 million, again over the ten-odd years, and our centre of excellence, which supports that system and provides us-----

**Deputy Cathy Bennett:** It is an extraordinary amount of money when every hospital around the country is suffering. People are lying on trolleys, people are lying on floors, and €252 million is being spent on an ICT project. That is absolutely incredible.

I want to ask about the high-cost earners the Comptroller and Auditor General mentioned. Are wages included in this system? Can wages be monitored in the system so that it is known how much all of the hospitals right around the country are spending on consultants and staff in every department? Is that included?

**Mr. Damien McCallion:** There are two things. I appreciate that it is a substantial amount of money but, as some of the Deputies mentioned earlier, there is a consequence if we do not invest. Ireland is at the bottom of the EU 27 in relation to digitalisation right across the board.

**Deputy Cathy Bennett:** I am asking about the consultants. Are they included in that?

**Mr. Damien McCallion:** Sure. The SAP system we use for the integrated financial management system and for our HR system, which is called the national integrated staff record and payroll programme, NiSRP, is the same system and the same-----

**Deputy Cathy Bennett:** Okay, so it is all incorporated. Everybody can see everything on the IT system.

**Mr. Damien McCallion:** Within the rules that are there. There are clear rules for access to that information.

**Deputy Cathy Bennett:** Who was the first to see that a consultant was paid €600,000 or €700,000 plus overtime, meaning he got a total of €910,000? Who approved it?

**Ms Anne O'Connor:** We heard earlier how that was approved. The requirement is approved at regional level.

**Deputy Cathy Bennett:** Does that come across Ms O'Connor's desk?

**Ms Anne O'Connor:** No.

**Deputy Cathy Bennett:** She does not have to approve it.

**Ms Anne O'Connor:** No. The regional executive officers, REOs, approve it. For example, Ms Queally is an REO in her area.

**Deputy Cathy Bennett:** In which area?

**Ms Martina Queally:** I am in Dublin.

**Deputy Cathy Bennett:** Did Ms Queally approve this amount?

**Ms Martina Queally:** That was a different area.

**Deputy Cathy Bennett:** That was in-----

**Ms Martina Queally:** The €900,000 the Deputy is referring to related to Cavan, as I think the CEO said earlier.

**Deputy Cathy Bennett:** Cavan. I come from Cavan and Monaghan and we are dying for services there. We cannot cope. We have one hospital for Cavan and Monaghan, which are 47

km apart. The HSE continues to call Cavan and Monaghan one hospital. There are 47 km between the two hospitals and Ms O'Connor is telling us today that €910,000 was paid to one consultant in Cavan hospital. The documentation for today states that four other consultants were paid salaries close to this amount. Was that also in Cavan hospital?

**Ms Anne O'Connor:** We know that four of our top ten earners are in Cavan hospital.

**Deputy Cathy Bennett:** It is extraordinary. Do the witnesses know how long we have been waiting to get an MRI machine in Monaghan hospital? It was 18 months, yet the HSE has paid four consultants. It is shocking that this amount of money would be paid to consultants and we cannot get staff in Monaghan hospital. We have a perfectly good hospital in Monaghan and it is not being used to its full capacity. There are brilliant staff there, but people have to travel 47 km to Cavan hospital, where Ms O'Connor has not monitored what four staff have been paid or seen what they have been paid through the system the HSE paid €252 million for.

**Ms Anne O'Connor:** Those were the 2025 figures. Also, the business case for the second MRI in Monaghan has been approved.

**Deputy Cathy Bennett:** It has been approved, but it will be 18 months before we get it. What about the CT scanner in Monaghan hospital?

**Ms Anne O'Connor:** I do not think there is a second CT scanner-----

**Deputy Cathy Bennett:** No. When I wrote about it, I was told it was going to be put in place in "Cavan and Monaghan Hospital". This is the terminology the HSE uses. Cavan and Monaghan have two separate hospitals. I ask that, in any documentation I get going forward, they be referred to as two separate hospitals. They are not one hospital. They are 47 km apart.

**Ms Anne O'Connor:** As I understand it, clinically it is felt that, because the hospital is a model 2 hospital, it is not appropriate to have a CT scanner there. That is what I am advised from the clinical perspective.

**Deputy Cathy Bennett:** Who is advising Ms O'Connor? She is the director, the CEO. Who is advising her?

**Ms Anne O'Connor:** At regional level, there is a kind of executive-----

**Deputy Cathy Bennett:** But she is the CEO.

**Ms Anne O'Connor:** Absolutely, but in terms of the clinical appropriateness of a CT scanner in a model 2 hospital, I would be advised by clinicians on that.

**Deputy Cathy Bennett:** I want to ask about clinicians in relation to radiography. I read an article recently – I heard Mr. McCallion mention it as well – that stated that the HSE welcomed the outsourcing of radiography. Should we not have our services in-house?

**Mr. Damien McCallion:** I did not say that.

**Deputy Cathy Bennett:** What did Mr. McCallion say?

**Mr. Damien McCallion:** What I said was that the advantage of the national imaging system was that it gave us access to all the images, be they public or private. The reason that is

important is that we do not want patients getting scanned twice. All of our system, the public system-----

**Deputy Cathy Bennett:** Is Mr. McCallion welcoming people going out and paying privately for radiography so that the HSE does not have to do it?

**Mr. Damien McCallion:** We provide an excellent radiology service in the HSE and we continue to do so. I am saying that the reality is that some patients do go private. We want to have all of the images in one place so that people do not have to get scanned twice. A simple example is that if someone goes privately and then comes into the public hospital, they are not rescanned.

**Deputy Cathy Bennett:** No. Mr. McCallion is advocating that people pay privately so that they have to bring their scans in-----

**Mr. Damien McCallion:** Absolutely not. I am just saying to the Deputy-----

**Deputy Cathy Bennett:** Who reads all of the radiography scans? Are they read in-house? If radiography is performed by the HSE, are the scans read in-house?

**Mr. Damien McCallion:** A radiographer takes the image and a radiologist reports on it. That is the way the system works.

**Deputy Cathy Bennett:** Where are the images read?

**Mr. Damien McCallion:** Actually, with the advantage of the national integrated medical imaging system, NIMIS, images can be read either on-site or off-site.

**Deputy Cathy Bennett:** If they are read off-site, where are they read?

**Mr. Damien McCallion:** They can be read either on-site or off-site.

**Deputy Cathy Bennett:** Where are they read and who reads them off-site?

**Mr. Damien McCallion:** It depends on the particular situation. By off-site, I mean radiologists can read them from home. If there is a late-night call, they are able to look at the relevant image and get a better result quickly.

**Deputy Cathy Bennett:** Are radiology reports or whatever being read abroad?

**Mr. Damien McCallion:** That is a different matter. The Deputy might be referring to a report in the paper today about images being read overseas by a consultant through a private operator. That is through a private operator

**Deputy Cathy Bennett:** I know, but Mr. McCallion is here advocating for private operators in the sense that the HSE will take private scans and use them in-house.

**Mr. Damien McCallion:** I can assure the Deputy that I am not advocating-----

**Deputy Cathy Bennett:** On the other hand, Mr. McCallion is telling me the HSE is not using private scans, but it is.

**Mr. Damien McCallion:** I am not advocating that people do that. I am just saying that the reality is that if patients get an image taken at a private facility, that is their choice. We want to make sure that they are not scanned for a second time when they come into the public

system. Our objective is to increase the connection so that all of the images in Ireland are available. That is the safest thing. That is the advice from our clinical lead colleagues in radiology around the country.

**Deputy Cathy Bennett:** The people of Cavan and Monaghan are not happy with what the HSE is offering in relation to hospital services. We want two separate hospitals. There are huge waiting lists in Cavan hospital. There are loads of rooms available in Monaghan hospital that could be used and things could be happening there, but that is not happening at the moment.

Hospital car parking fees more than doubled from €7.39 million in 2021 to €17.76 million in 2025. There was a report produced on this. The hospitals are ripping off sick people as it stands. Where is the report? What has happened to it? Is Ms O'Connor going to stop hospitals charging people for parking in their car parks?

**Ms Anne O'Connor:** I actually covered this earlier. There was a report in 2018 that has not been fully implemented. We know there are different prices and different charges in different hospitals. We have instructed all sites to work to bring the charge back to €10 per day. Clearly, there are implications in doing that. I have asked our national director for strategic infrastructure to head up a group to consider those implications. It is going to meet next week, I think. We have to take the 2018 report into account but, critically, we have to drive the implementation of the recommendations. Some things have changed in the period since 2018, so we have to take stock of those. In parallel, we have to drive the implementation of the key recommendation around the reduction in the charge.

**Deputy Séamus McGrath:** I thank all the witnesses for being here. As one of the later speakers, there will inevitably be some repetition, so apologies.

I will start with the budget and the projected deficit for this year. The underlying deficit for 2025 was €240 million and, as was confirmed earlier, the projected deficit this year will be in the order of €1 billion. In plain English, what has gone wrong this year?

**Mr. Michael Lane:** The Deputy is talking about a €241 million deficit last year. Again, I have to come back to the fact that it is not about things going wrong. When you build a budget, you have to make a series of assumptions about many different things.

I will quickly go through those assumptions. One of the issues was the loss of income of €140 million. That was a clear loss of income. An assumption was made that it would not be that large. That is fine; these things happen. Likewise, we make assumptions around the level of activity hitting the system. We make assumptions around inflation.

**Deputy Séamus McGrath:** The level of activity surely cannot have surged to such an extent in six months in comparison with the previous year.

**Mr. Michael Lane:** The surging from last year is the problem in terms of a lot of what we are facing now. All spending activity, including agency spending, which we are trying to tackle, started to ramp up last year. It was on a trajectory and it takes time to bring it down again and convert the agency-----

**Deputy Séamus McGrath:** I am sorry to interrupt but I am under pressure of time. Mr. Lane is going to give multiple reasons for this but is it, in fact, purely down to bad management?

**Mr. Michael Lane:** No, I would not accept that.

**Deputy Séamus McGrath:** Mr. Lane does not accept that. Why, then, has control been taken from four of the six regional areas?

**Mr. Michael Lane:** When embarking on a significant structural reform of the health service, there is a need for everybody to work together, including ourselves and the Department, to ensure we embed the controls into the system, both centrally and regionally, and that they are working and are effective. We are all working together, including the regions, to be on top of that. These are all new structures. They have to bed in and they have to work. It actually is very good management that we are doing that-----

**Deputy Séamus McGrath:** If we do not accept there is a problem, we will not find solutions. If Mr. Lane had continued, I know he would have come up with many reasons. However, the fact control has been taken back surely is not a vindication of the regional structures and the management therein.

**Ms Anne O'Connor:** It absolutely is not okay to be over budget in the way we are. We are not accepting that, and dealing with it has been a priority focus for me since I started. As I mentioned, when I took up the role at the end of March, we were already €250 million in deficit. We were already going in the wrong direction at the beginning of the year. There is a huge change happening in terms of the regional structure, which I will come back to, and how everything is devolved. There is an awful lot of change and reform going on. At the heart of it all, we have a certain resource within which we must live. That requires us to prioritise and make decisions based on value, including on matters like agency staff. These things have happened over years.

My priority, working with the senior management team, is to bring that back and implement the controls. As we have discussed, it takes a while to bring in those controls. We know from previous years, such as in 2023, that it takes a number of months to implement new controls. We are seeing the grip coming in but it is not fast enough and it will not take us to where we need to be at the end of year. That is, of course, of concern to us all, but we will continue to drive what we can.

**Deputy Séamus McGrath:** What are the consequences of the tightening up that needs to happen? I had a call to my constituency office from a student nurse who told me that approximately half her class will not get work placements because of budget cuts. If that is correct, it is a consequence of what I would see as bad management to date. At a time when we badly need nurses, student nurses will not get employment through the HSE. Is that position correct?

**Ms Anne O'Connor:** No. This is a conversation we have had at a national level. We absolutely want to retain our student nurses. The challenge that can arise is that student nurses sometimes may not be able to stay on the ward where they trained and may be put somewhere else in the region, or whatever the case might be. From our perspective, we need to retain our talent. It is an opportunity as well to reduce our agency expenditure.

**Deputy Séamus McGrath:** Will there be opportunities for all student nurses in Ireland?

**Ms Anne O'Connor:** Yes, it is our intention to retain student nurses.

**Deputy Séamus McGrath:** In terms of the bigger picture, I understand we are spending 17% more than the EU average *per capita* on health. Is that broadly correct?

**Mr. Michael Lane:** It depends on how we get the baseline. There are lots of variables.

**Deputy Séamus McGrath:** Yet, we have to send people to other EU countries for many treatments, even though we are spending 17% more than the average. There are systemic issues here. The old adage about the HSE is that it is top heavy with administrative and managerial posts. Is that still a problem?

**Ms Anne O'Connor:** In terms of the EU average, we also must look at the associated health outcomes. We have very good health outcomes from the system in Ireland. Granted, we have significant challenges regarding access, which we know about, but when people are in our system, we deliver services that result in very good outcomes.

On the delivery of our health system, one of the Deputies mentioned earlier that we are one of the largest buyers in the country. We have a business within the HSE as well, which requires certain professionals, whether for finance, capital estates, etc., and that requires administrative grades. Critically, looking at services, when people walk into a clinic, it is an administrative person they meet in the first instance. We have an element of our workforce that is described as management-administration but it is not all made up of top-heavy managers.

**Deputy Séamus McGrath:** My time is nearly gone. In August this year, the CEO of Cork University Hospital, CUH, took the unprecedented and extraordinary step of raising, in a letter, serious concerns about the sustainability of the hospital in terms of patient safety, the conditions under which staff have to work and so on. The CEO spoke about a "material deterioration" in the hospital's ability to deal with the coming winter surge. Several hundred pre-approved posts have not been filled. What is the current position in relation to CUH?

**Ms Anne O'Connor:** The figures I have, which are for July 2026, show the hospital has 1,503 staff. That is a significant increase of 532 staff since December 2023. Taking the numbers just from December last year, staff numbers at CUH have grown by 233.

**Deputy Séamus McGrath:** Are they medical staff?

**Ms Anne O'Connor:** Since December 2023, 69 additional consultants have been appointed, with another 13 consultants and 16 additional registrars appointed in the six months between December 2025 and July this year. The hospital's workforce has grown. Granted, it is experiencing challenges in a context where many of our model 4 sites are under significant pressure in terms of attendances and activity. CUH has had a very significant investment in its workforce. As with all we have talked about here today, there must be a level of control and prioritisation within that.

**Deputy Séamus McGrath:** I understand hundreds of posts were approved at a regional level but have not actually been sanctioned centrally.

**Ms Anne O'Connor:** This goes back to affordability. The hospital's workforce has grown significantly.

**Deputy Séamus McGrath:** How can we have a system where the regional body approved posts, which was done many months ago, not just in the past few weeks, but those posts have not been filled because they were not approved centrally?

**Ms Anne O'Connor:** I think it will come back to affordability within the region if there are significant-----

**Deputy Séamus McGrath:** Why is the regional body approving the posts? Does it not have autonomy to do that? The regional authorities approve these posts but the funding does not appear to be there to meet those commitments.

**Ms Anne O'Connor:** We all have to work within the affordability limits. That is where we are at right now.

**Deputy Séamus McGrath:** Was the regional body wrong to approve those posts?

**Ms Anne O'Connor:** I do not know the detail of the posts. I think some of them will probably come on stream and some may be in recruitment. I know that staff headcount at CUH has increased significantly, both since December 2023 and since December last year.

**Deputy Séamus McGrath:** The CEO of CUH said there are 172 critical posts that have to be filled. Will some of those posts be filled?

**Ms Anne O'Connor:** I will have to look at that. In terms of everything we are doing at all sites, not just CUH, we have to look at how we manage recruitment of staff based on priority and the strategic delivery of the services we need to deliver. We have seen significant growth at CUH. We know it is delivering a whole range of excellent services. There is an ongoing discussion with the hospital.

**Deputy Séamus McGrath:** As I understand it, paediatrics, particularly neurology in paediatrics, is an especially difficult service for CUH. I have been told that service is on the brink and that unless posts are filled very quickly, it will be lost to Cork and will be transferred to Dublin. Is there a danger of that happening?

**Ms Anne O'Connor:** I will have to look into that. I am not sure what the post is but I think----

**Deputy Séamus McGrath:** It is not about one post but, rather, the whole paediatrics neurology service.

**Ms Anne O'Connor:** I will have to go away and look at that.

**Deputy Séamus McGrath:** The service is on the brink. I have been told by people working within the section that it is just not sustainable in terms of the vacancies in critical positions. Is Ms O'Connor not aware of that?

**Ms Anne O'Connor:** No, but I can check to see whether those posts have been prioritised. We have approved posts on a priority basis. If those posts have been prioritised, they should---  
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**Deputy Séamus McGrath:** This is one of the issues the hospital's CEO highlighted in her letter but it seems senior HSE management has not done any research into it. Has it been investigated? Did Ms O'Connor and her colleagues take that letter seriously?

**Ms Anne O'Connor:** Yes, absolutely. Indeed, in recent weeks, our chief clinical officer went to CUH to meet the clinical directors and hospital manager and to look at the delivery of service on site. He has done a report on that. There has been huge engagement with CUH and we have ongoing meetings about it.

**Mr. Damien McCallion:** As Ms O'Connor said, under the controlled posts process, certain posts were prioritised for each region. I would have anticipated that those posts would have come through. We can get back to the Deputy in terms of paediatric neurology at CUH. If those posts are at priority level, which it would appear they are, then they should have been prioritised.

**Deputy Séamus McGrath:** What concerns me is that this issue was highlighted in the letter from the chief executive in August but it seems the witnesses do have any knowledge about these posts.

**Mr. Damien McCallion:** As Ms O'Connor said, Dr. Colm Henry, our chief clinical officer, went down to Cork and met with CUH's quality safety committee, hospital management and the regional body to ensure the safety issues flagged in the letter are being addressed and that there is a process to make sure that happens. Every hospital has to live within its limit and make priority decisions, and this clearly is one that needs to be made.

**Deputy Séamus McGrath:** If the Cathaoirleach allows, I will quickly raise a separate issue.

**An Cathaoirleach:** Be very quick, Deputy.

**Deputy Séamus McGrath:** The C and AG highlighted that there were payments under bond to the National Paediatric Hospital Development Board in 2025.

Will Mr. McCarthy advise how much those payments were? These were in relation to the dispute process.

**Mr. Seamus McCarthy:** The payment was around €108 million. There was a payment, in total, of €122 million but around €14 million of that was VAT. The bond that the Deputy is referring to had a value of about €108 million. The amount was paid to the developer. The money was provided from the Vote to the HSE, to the National Paediatric Hospital Development Board, NPHDB, which paid BAM. If the bond is repaid at the end of the court case, the money will go back to the Vote.

**Deputy Séamus McGrath:** Obviously, the HSE is to take control of the children's hospital when it opens. Can the witnesses give us any update today on the opening of the hospital?

**Ms Anne O'Connor:** No, we have not got the substantial completion date yet. As the Deputy will be aware, that timeline has moved now on a number of occasions and there is active engagement with BAM in respect of that.

**Deputy Séamus McGrath:** Have we any indication?

**Ms Anne O'Connor:** Not at this minute.

**Deputy Séamus McGrath:** Can Ms O'Connor not even confirm whether it will be quarter 1 or quarter 2 of next year?

**Ms Anne O'Connor:** I do not have a date yet. We have not confirmed that yet.

**Ms Louise McGirr:** We do not have a date but we are doing everything we can within the hospital in terms of the areas that-----

**Ms Anne O'Connor:** There is a lot of work going on. The Deputy may have heard in the media, for example, that we have an IT system going in this weekend to align to the Children's Health Ireland, CHI, system. The work is continuing in respect of the service delivery and everything that needs to be done and that can be done is being done at this time.

**Ms Louise McGirr:** May I just clarify the point on Cork University Hospital? Cork University Hospital has hired 233 staff this year. It has hired more than any other model 4 hospital and the region has hired more than any other region. There are over 700 hires. The issue is the prioritisation of those posts and how they use their posts to not fill, necessarily, the most prioritised ones. They must ensure that if they fill any, they establish there is a patient safety risk. That is absolutely crucial. That is the strategic planning that we expect from regions and it is really important. In addition, Mr McCallion is right that we have sent people down. HIQA has been involved and the safety piece has been looked at. There is no evidence for the claims on safety. It is important to challenge how the regions are using their resources and prioritising all of the available resources to meet what inevitably will be gaps, demands and requirements from patient safety. That is the role model for the regions and we need to help them and make sure they do that. That is the new process that is coming into play.

**Deputy Grace Boland:** Ms O'Connor mentioned several times today that there was a higher premium for agency staff. What is the average premium per full-time equivalent, FTE?

**Ms Anne O'Connor:** For agency, it is about 30% more, for example, with nursing-----

**Deputy Grace Boland:** That is 30% more than a permanent FTE, but what is the average across all of the workforce?

**Mr. Michael Lane:** Bear in mind that there is VAT as well but I am guessing 17%, with VAT on top of that.

**Deputy Grace Boland:** Can the HSE reclaim the VAT?

**Mr. Michael Lane:** We would have a ready reckoner of about 40% in total for the cost of agency. We get three agency, two staff-----

**Deputy Grace Boland:** It is an important figure in terms of working out how the HSE can reduce-----

**Mr. Michael Lane:** It is very important.

**Deputy Grace Boland:** -----the resourcing budget.

**Mr. Michael Lane:** It is core to everything we do.

**Deputy Grace Boland:** In terms of agency versus permanent FTEs, the witnesses also talked about the mix. What is the optimum mix, percentage wise?

**Mr. Michael Lane:** Ms Ryan Withero is well versed on international practice, but it is somewhere between 3% to 5%.

**Ms Philippa Ryan Withero:** When we look across the other jurisdictions, it would be-----

**Deputy Grace Boland:** Can I have the figure please?

**Ms Philippa Ryan Withero:** -----2.5% to 5%.

**Deputy Grace Boland:** What are we at?

**Ms Philippa Ryan Withero:** Currently, where we are at ranges or differences across the regions-----

**Deputy Grace Boland:** Just roughly, please.

**Ms Philippa Ryan Withero:** It can be upwards of 8% or downwards towards 3%-----

**Deputy Grace Boland:** So, nationally we are at about 8%.

**Ms Philippa Ryan Withero:** I will come back to the Deputy with that figure.

**Deputy Grace Boland:** Will Ms Ryan Withero get back to me in this session?

**Ms Philippa Ryan Withero:** Yes.

**Deputy Grace Boland:** In terms of actually reducing that, we have made some progress on converting the 1,400. Is it totally agency staff that we are going to be looking at for the remainder of the year, in terms of trying to get down the resourcing budget?

**Ms Anne O'Connor:** No, not just agency staff-----

**Deputy Grace Boland:** Overtime-----

**Ms Anne O'Connor:** Yes. Our pay bill is direct pay, agency and overtime. We are seeing reductions now in terms of our agency and our overtime payments and we have to look at our direct pay as well, in terms of the total pay bill. This brings me back to the point that our focus has to be on reducing our total pay bill costs, but our priority is agency. That is where there are significant savings to be made.

**Deputy Grace Boland:** What is the headcount in the HSE as of today?

**Ms Philippa Ryan Withero:** I can take that. The whole-time equivalent, WTE, figure for the total HSE, as it stands today, is 155,463.

**Deputy Grace Boland:** What is the average, rough addition of agency staff?

**Ms Philippa Ryan Withero:** In terms of headcount?

**Deputy Grace Boland:** Yes.

**Ms Philippa Ryan Withero:** We do not count the agency staff in headcount. That comes in on pay spend. We would report our agency staff in relation to pay spend because they are not our directly employed staff.

**Deputy Grace Boland:** In 2019, we were at about 113,000 FTEs and now we are at 155,000, which is a 30% or 35% increase in headcount over that period. Have we seen a similar increase in activity over that period? How is that being monitored? What metrics are being used?

**Ms Anne O'Connor:** Yes, we see an increase in activity in a number of areas and we have services that did not exist in 2019, so we are also growing our services. There has been significant expansion in community since 2019. Obviously, we had Covid in the interim as well. We have seen an expansion in terms of the development of things like integrated care teams in the community, our enhanced community care, and the development of our primary

care networks. We have seen developments in mental health services in terms of the additionality of specialist teams and resources-----

**Deputy Grace Boland:** I fully appreciate all of that and that is very helpful for the health committee but in terms of this committee, we are really looking at the figures. In terms of the investment in people - I appreciate that there are increased services - what is the percentage increase in productivity? Can Ms O'Connor give me a percentage?

**Ms Anne O'Connor:** "No" is the answer, in terms of a percentage across the board but what I can say is that, when one looks at the different areas, we are now doing a lot of work on tracking productivity across, for example, outpatients, diagnostics, theatre and so on. Previously, we did not have a line of sight nationally of productivity measures across all of those in a uniform way, bearing in mind that we have statutory, voluntary and all of the different mixes. Going back to the digitalisation agenda, we now have dashboards that have been built that give us baselines and we can see improvements, for example, in theatre utilisation in some sites, but not all. We can see improvements-----

**Deputy Grace Boland:** On that, is there a standardisation right across the hospitals and our primary care services of times that clinics and operating theatres open? Are we seeing the same productivity in all operating theatres? Are we seeing the same number of people going through every type of clinic, nationally? Are there standards for those and is the HSE actually keeping key performance indicators, KPIs, and monitoring the delivery right across the country?

**Ms Anne O'Connor:** We have a number of different things under way there. In terms of standardisation, it varies depending on the service. For example, an occupational therapist, OT, with a children's disability network team might be working in quite a different way to an OT in an acute hospital, so-----

**Deputy Grace Boland:** Absolutely, and I am asking whether the HSE has separate KPIs for each of them.

**Ms Anne O'Connor:** In the work undertaken by Mr. McCallion and his team on the development of productivity dashboards, and working with the Department on improved productivity across the board, we are very focused in the first instance on outpatients, diagnostics and theatre utilisation. In community services-----

**Deputy Grace Boland:** The dashboards would be very helpful in identifying the gaps but is the HSE actually issuing instructions to every hospital, clinic and primary care centre to standardise that level of care and set the expectation of what is to be delivered?

**Ms Anne O'Connor:** When it comes to theatre, for example, it will depend on the resource available. What we are tracking is the availability of the theatres, with the staffing. A focus for us is looking at activity by WTE. With outpatients, for example, we are getting down to that level of granularity. We did not have that previously. We are seeing the activity by person or staff member. Within community services, we have something similar but the challenge in community services is that we do not have the systems to support it as much. We will have, as we bring in our community health records and all of that-----

**Deputy Grace Boland:** Back to my question, will the HSE be writing out to all of these different areas and trying to drive consistency and optimise usage right across the country?

**Ms Anne O'Connor:** Yes. Productivity is an absolute focus for us across the board. There are a number of different initiatives-----

**Deputy Grace Boland:** When will the HSE do that or has it done it already?

**Ms Anne O'Connor:** Not in terms of a single letter to everybody but we are driving the productivity agenda in the different worlds because in terms of community, they are quite different. In terms of the management focus, it is on driving productivity across the board and that is being driven through the regions and through services, but we know that they are not all the same. How services operate can be very different.

That is a management function in terms of driving productivity.

**Mr. Damien McCallion:** I will come in very briefly on an important point.

**Deputy Grace Boland:** I do not have time.

**Mr. Damien McCallion:** Very briefly. One is through the performance process that CO leads. That is reviewed on a monthly basis. Second, there are productivity programmes working - in the case of theatre, with the Royal College of Surgeons - to make sure that we get the best practice in each facility. That is important.

**Deputy Grace Boland:** What is the percentage of HSE staff employed in direct patient-facing roles? How does that compare to comparable international health services?

**Ms Philippa Ryan Withero:** The vast majority of our staff are employed in front-facing services-----

**Deputy Grace Boland:** I would just like the percentage, please.

**Ms Philippa Ryan Withero:** I might come back to the Deputy on that before the end of the session. If we look at it across the health regions, in terms of acute services, if the Deputy wants it broken down by acute-----

**Deputy Grace Boland:** I just want the national average, please.

**Ms Philippa Ryan Withero:** I will revert to the Deputy on the national average, in terms of that piece to give an absolute percentage-----

**Deputy Grace Boland:** It would be really helpful to have all of those when Ms Ryan Withero comes into this meeting. We are very focused on the statistics and the numbers. It would be very helpful for our next session, which I take it will be soon enough.

**Ms Louise McGirr:** I have productivity data to share with the Deputy that could unlock a previous question.

**Deputy Grace Boland:** I was actually asking about the percentage of HSE staff employed in direct patient-facing roles.

**Ms Louise McGirr:** On a previous question, I have productivity data.

**Deputy Grace Boland:** What is the number?

**Ms Louise McGirr:** There has been a 14% increase in activity since 2019 in our hospitals, which is where we measure-----

**Deputy Grace Boland:** I thank Ms McGirr, but I had actually moved on to the percentage of HSE staff employed in direct patient-facing roles versus admin and management.

**Ms Louise McGirr:** It was for the last question.

**Ms Anne O'Connor:** Just to go back to what I mentioned earlier, admin roles can be patient-facing in our clinics and our hospitals.

**Deputy Grace Boland:** We need to have the percentage breakdown and assess whether it has been benchmarked internationally to see where we stand.

I will briefly touch on community services. I represent north Fingal. There are approximately 90,000 people north of the town of Swords. To put that in context, that is 10,000 greater than those who live in County Cavan. It is about the same as those who live in County Laois, yet our health services are minimal compared to other counties and other areas of Dublin. I would appreciate if the HSE were to look at a minor injury clinic in Balbriggan. The HSE absolutely needs to look at DDoc's services. There are about 130,000 people in north Fingal who do not have access to a DDoc after 10 p.m. We are directed to Coolock or into the city centre. That is just not acceptable. Fingal itself is the third largest county in Ireland, and our health services need to be increasing. I appreciate that Sara Long and HSE Dublin and North East are doing a good job in managing their budgets, but we need to see the health services actually reflect the population numbers in Fingal, particularly north Fingal.

**Ms Anne O'Connor:** Absolutely. I am aware that a design team has been appointed for the primary care centre in Swords. The preliminary design and programme of works is being progressed. A diagnostics service has started in Balbriggan for X-rays out of Balbriggan primary care centre through mobile diagnostics for people aged over 17. They are initiatives that are progressing in respect of primary care within the area.

**Deputy Grace Boland:** That is really welcome. Now that we have X-ray in Balbriggan, I would like to see the expansion of services and to have a minor injuries unit. When you look at the population base, there are 90,000 people north of Swords. If we want community services, they have to be delivered where the population base is.

**An Cathaoirleach:** I have a number of questions. I will start off with the pay for consultants. I commend the Comptroller and Auditor General on drawing attention to this on an annual basis. It is staggering that the top ten consultants audited via the HSE's accounts earned €6.8 million. I want to confirm whether that includes voluntary hospitals as the Comptroller and Auditor General does not audit the voluntary hospitals.

**Mr. Seamus McCarthy:** Not all of them. This is the HSE pay path.

**An Cathaoirleach:** How many voluntary acute hospitals are in the State that are not audited by the Comptroller and Auditor General? I will ask the Department officials.

**Ms Louise McGirr:** It is four to six, I think. We will double-check that number. Some are. Beaumont and stuff are.

**Mr. Seamus McCarthy:** They are the ones audited by me. I think the Cathaoirleach is asking about the ones not audited by me.

**An Cathaoirleach:** What are the ones not audited by the Comptroller and Auditor General?

**Mr. Seamus McCarthy:** I think it is about 24.

**Ms Louise McGirr:** Of the voluntary hospitals-----

**An Cathaoirleach:** Yes.

**Mr. Seamus McCarthy:** Section 38.

**Ms Louise McGirr:** In the health Vote, in other words. We will get that number.

**An Cathaoirleach:** The Comptroller and Auditor General draws attention to the highly paid consultants. Does the Department monitor consultants' pay in the voluntary hospitals?

**Ms Louise McGirr:** We do not monitor it directly.

**An Cathaoirleach:** The Department does not monitor it.

**Ms Louise McGirr:** Not individually-----

**An Cathaoirleach:** Do we have a note of what the pay of the top ten consultants in voluntary hospitals would be?

**Ms Louise McGirr:** The relationship with the voluntary hospitals is through the SLAs. That is the governance line. The HSE, through the SLAs-----

**An Cathaoirleach:** I am asking-----

**Ms Louise McGirr:** No, we do not monitor the individual. We monitor the totality of income collection and all of these things like overpayments. That comes into the overall governance and oversight that we have.

**An Cathaoirleach:** Who would be able to tell me the pay of the top ten consultants in the voluntary hospitals not audited by the Comptroller and Auditor General?

**Ms Louise McGirr:** It is within the HSE regional structure. The voluntary hospitals report to the regions.

**An Cathaoirleach:** I will ask the HSE then. In the voluntary hospitals, what is the pay of the top ten consultants? Would any of them exceed €910,000?

**Ms Anne O'Connor:** I would have to check for the Cathaoirleach.

**An Cathaoirleach:** That is important information that is required. It is a serious issue. When we drag the voluntary hospitals before the committee, they attend on a voluntary basis. In my view, it is a serious issue in terms of transparency and accountability. That is a glaring omission. While, rightfully, the Comptroller and Auditor General draws attention to the top ten paid consultants, be it the HSE, we do not have a direct line of sight and, therefore, we cannot scrutinise. If we could get that information, that would be invaluable.

I will touch on the outstanding insurance claims. Again, it is something that other members and I have been following up on here. It is absolutely staggering that, over the last six years, €78 million has been written off. The primary cause of those write-offs is consultants not signing a form. We know that is not the full picture because of three of the voluntary hospitals that we had to bring in here on a voluntary basis. Over a five-year period, St. Vincent's, Tallaght and the Mater wrote off €13 million. Between the HSE hospitals and three voluntary hospitals

out of the 24, €91 million has been written off over a five- to six-year period. Does the HSE have a line of sight of all of those other voluntary hospitals? How much has been written off on an annual basis in terms of private health insurance claims not being signed off on, primarily by consultants? Do we have a total figure on that? No. Again, I will ask the Department.

**Ms Louise McGirr:** No, we do not have a total figure on it.

**Mr. Michael Lane:** Of write-offs from 2022 to 2025, we wrote off €70 million in the statutory and €54.8 million in the section 38s. The Cathaoirleach can round that up to €55 million.

**An Cathaoirleach:** That is in total between voluntary hospitals and the HSE. Over a five-year period, we are looking at €125 million being written off. The primary cause of that, as outlined by the HSE's briefing document, is a consultant not signing off.

**Mr. Michael Lane:** There are elements of it. You can break it down. In some cases, they are correctly rejected by the insurer because they were not covered. In some cases, they are rejected because of timelines-----

**An Cathaoirleach:** Mr. Lane might be able to provide us with that. We have some information, but we do not have that full picture. That is an additional €55 million, which is a staggering figure on top of an extraordinary figure of €70 million plus for the HSE hospitals. Is it a concern for the Department that this much money is being written off on an annual basis, primarily by a consultant not signing a piece of paper?

**Ms Louise McGirr:** Yes, of course it is.

**An Cathaoirleach:** What is being done on a Department level to address it?

**Ms Louise McGirr:** It is picked up through all of the oversight, HBOG and the Minister's quarterly. I can list them off to the Cathaoirleach. There are improvements in what the HSE is doing here. In terms of the overall controls, of which the income collection is a key part, we are not satisfied, nor is the HSE, that we are where we need to be in that. There will be more happening in that space in terms of controlled environment. Change is coming fairly rapidly in that space. Income collection would be a key part of that, where it is warranted. We have to see that alongside Sláintecare and the public-only consultant contract, where income is going down anyway as a feature. Where it is owed, it is owed.

**An Cathaoirleach:** Okay. If a consultant fails to sign off on an insurance claim or the piece of work he or she embarked on, is any financial penalty imposed on the consultant?

Do they still get paid, irrespective? I ask the HSE to answer that first.

**Ms Anne O'Connor:** I think so. I think some consultants are paid. I am not aware that they are penalised. I would have to look into it. Anyway-----

**An Cathaoirleach:** The primary cause of €125 million over the past five years being a consultant failing to sign off-----

**Ms Anne O'Connor:** That is not all consultants.

**An Cathaoirleach:** No, but the primary reason is consultants. The consultant gets paid irrespective.

**Mr. Michael Lane:** Just to be clear, it is not the primary reason. It is the primary reason for €37 million of the total over the five years. The primary reason in the write-offs is the rejection of claims. We cannot stand over it if it is not-----

**An Cathaoirleach:** In the briefing documents that the witnesses provided, they said the number one reason for the rejection of the claims is consultants-----

**Mr. Michael Lane:** We focus on that because it is controllable. It is within our remit to control it.

**An Cathaoirleach:** From a departmental view, should there be a penalty on a consultant for failing to sign off on an insurance claim, which essentially lets the private insurance industry off the hook? Is there a view in the Department?

**Ms Louise McGirr:** There needs to be accountability in terms of expenditure-----

**An Cathaoirleach:** We know that, but-----

**Ms Louise McGirr:** -----is the view of the Department. How does that materialise? Is the consultant being chased and not signing the form? That needs to be managed.

**An Cathaoirleach:** Should there be a personal liability on a consultant? Should they get paid irrespective?

**Ms Louise McGirr:** There needs to be a significant tightening of the income collection control environment. It is clear that we should not be writing off. Somebody should not be allowed to do that.

**An Cathaoirleach:** There is an external agency that has been employed by the HSE around some of the collection. The witnesses might not have the details here, but they might be able to furnish the committee with information on how much it is paid, what its remit is, what its focus is and whether that extends over to the voluntary hospitals as well. The witnesses might provide us with some of that information.

I wish to move on to the topic of internal auditors within the HSE. How many are directly engaged in internal audit within the HSE?

**Ms Anne O'Connor:** I have the information somewhere. I apologise; I will find it. There has been significant work undertaken by the internal audit team in terms of their-----

**An Cathaoirleach:** Ms O'Connor might come back to me-----

**Ms Anne O'Connor:** I have it here somewhere.

**An Cathaoirleach:** -----in relation to that. I want to touch on a report - an auditor's note - that was carried out around potential fraud risk after the HSE made €3.89 million in duplicate payments to GPs over a three-year period, which is gravely concerning. A report published in *The Irish Times* this morning referenced a control failure that saw duplicate payments to 2,412 GPs between 2021 and 2023. It goes on to say within the report that, "although largely recovered", I presume that is referring to the €3.89 million in duplicate payments. How much has been recovered in those duplicate payments?

**Mr. Michael Lane:** A total of 96% has been recovered.

**An Cathaoirleach:** It is 96%. How much does that leave outstanding?

**Mr. Michael Lane:** I should know the maths but I might need a calculator. Ten percent of it is €389,000. It is €150,000-odd.

**An Cathaoirleach:** How many GPs does that relate to?

**Ms Anne O'Connor:** A total of 2,412.

**An Cathaoirleach:** How many is it in relation to the €150,000-odd?

**Mr. Michael Lane:** That is just a total, I do not know what the 4% outstanding is.

**An Cathaoirleach:** Okay. Mr. Lane might be able to furnish the committee with a-----

**Mr. Michael Lane:** It may well just be one or two practices.

**Ms Anne O'Connor:** There are 26 in post in the internal audit team.

**An Cathaoirleach:** It is only 26.

**Ms Anne O'Connor:** Yes. They have a headcount of 34, but they have only got 26 in post. They are recruiting and they have new roles in ICT, audit and data analytics. They are currently recruiting.

**An Cathaoirleach:** It is of grave concern, given the magnitude of the organisation, the level of expenditure and the serious issues right across the board, that there are only 26 people currently employed within the HSE dealing with internal audit. How in God's earthly name are they supposed to be able to carry out any work given the serious concern regarding non-compliant procurement, overspend and all the other range of issues that we have discussed here today and there are only 26 people? Does Ms O'Connor think that is acceptable?

**Ms Anne O'Connor:** I said they have a head count of 34. This is as of September. That is where they are at in terms of the current cohort.

**An Cathaoirleach:** Ms O'Connor might come back to us with a full briefing note on that because I find it extraordinary.

To get back to this issue of the duplicate payments, it also talks about four GPs being referred to An Garda Síochána in 2024 in relation to concerns around fraud and the new payment method. Can we have an update on those cases that were referred to the Garda? Do we know if they have concluded? Have there been any charges stemming from those potential fraud cases?

**Ms Anne O'Connor:** I will have to come back to the Cathaoirleach on those cases.

**An Cathaoirleach:** This audit was published this morning. I do not know whether the timing is to get all the dirt out there in one go while coming before the public accounts committee. With this audit and findings of this magnitude, I thought that as the witnesses knew they were coming before the public accounts committee they might have a level of knowledge and detail.

**Mr. Damien McCallion:** To give the Cathaoirleach reassurance, the audit reports are published on a regular basis. We commit to that. It is done on a quarterly basis. There is nothing in terms of making-----

**An Cathaoirleach:** Regarding these four cases, do we know are they----

**Ms Anne O'Connor:** I am not making excuses here, but we would not normally comment on cases that have been referred to An Garda Síochána. That is in its hands.

**An Cathaoirleach:** Do the witnesses know the sums of money involved in the allegations of fraud?

**Ms Anne O'Connor:** I do not know. We can get it.

**An Cathaoirleach:** Ms O'Connor can get it. Okay.

I wish to touch on the issue of car parking charges. It is something that I and other members of the committee have touched on. It is an issue of serious concern. I hope the witnesses appreciate that. In earlier comments, it was said that it was an issue that crops up every now and again. For me, it is an issue that is real and that people deal with every single day of the week. It is there permanently. Hospitals depend on that revenue for one reason or another. They see it as a source of additional revenue, hence the revenue has increased substantially over the past number of years. A total of €73 million has been collected over the past three years. It was mentioned that there was yet another review. Why was the 2018 review not implemented?

**Ms Anne O'Connor:** It commenced and it was not driven. I imagine that Covid got in the way.

**An Cathaoirleach:** Who was to drive it?

**Ms Anne O'Connor:** Sorry?

**An Cathaoirleach:** Who was to drive it?

**Ms Anne O'Connor:** At that time, I am not sure to be honest. I think it might have sat with acute hospitals.

**An Cathaoirleach:** It was carried out and there was no one to drive it forward. Was it a box-ticking exercise?

**Ms Anne O'Connor:** I will have to look. Regarding 2018, I am not sure exactly where that landed. I think that is-----

**An Cathaoirleach:** Does anybody know why it was never done?

**Mr. Damien McCallion:** It was partially addressed. As O'Connor said, there were three elements to it. There was a maximum charge. The €10 was intended to be a maximum charge because a number of hospitals do not charge. There was a concession arrangement to be put in place in relation to people who might be regular visitors to a hospital and have to use the hospital a lot. The third element was to look at the income because, as the Cathaoirleach said, it has become part-----

**An Cathaoirleach:** I get all of that. I know what was being looked at. I know what the recommendations that came out of it were. Why was it not implemented? Here we are in 2026, revenue has substantially increased, and only again when the public spotlight is put on it there

is a decision to have another review. Do the witnesses understand people's frustration and lack of trust as to whether anything will come of this?

**Ms Anne O'Connor:** An instruction has issued to bring the maximum payment back to €10 a day. That has issued to the system.

**An Cathaoirleach:** Is that HSE hospitals only or is it voluntary hospitals or across the board?

**Ms Anne O'Connor:** It is issued to all hospitals.

**An Cathaoirleach:** When will we see that implemented?

**Ms Anne O'Connor:** The instruction issued in August regarding a direction to proceed immediately to do that.

**An Cathaoirleach:** It is immediately. St. Vincent's University Hospital down the road hiked up its maximum daily charge to €17 last year. When will people see the maximum charge reduce?

**Ms Anne O'Connor:** The group that is chaired by the national director for strategic infrastructure is meeting next week.

**An Cathaoirleach:** When will people who use that hospital see the maximum rate go down?

**Ms Anne O'Connor:** I will have to come back to the Cathaoirleach. The work has to be done. The instruction has issued. The group is meeting next week. They will be taking all the recommendations and looking at updating that view in terms of 2026.

**An Cathaoirleach:** Does this cover primary care centres as well or is it solely around hospitals?

**Ms Anne O'Connor:** The hospital car parking, as far as I am aware.

**An Cathaoirleach:** Can we get a note, because a lot of primary care centres have parking charges? In my own constituency, €2.70 an hour to park at the primary care centre in Bray is extortionate. It needs to extend there. Ultimately, we need to have free parking when people avail of medical care.

**Mr. Damien McCallion:** I would not disagree. One of the challenges, when we looked at this before, is that some locations are prime for other people to park in those facilities and it is how you make sure it is only for patients. That is one of the protocols we are going to look at. However, I take the Cathaoirleach's point.

**An Cathaoirleach:** I will come back to that. A number of the witnesses have to leave.

**Ms Anne O'Connor:** We can stay.

**An Cathaoirleach:** You can stay a little longer. If it is agreeable with all the witnesses, we will open it up for the second round of supplementary questions. We will try and keep it as brief as we can.

**Deputy James Geoghegan:** There was nodding enthusiasm on the other side to the extra questions. I have a question for Mr. Lane. Ms McGirr stated that the end of August deficit figure for the HSE is at €696 million. That is an unpublished figure, is that correct?

**Mr. Michael Lane:** That would be the cash drawdown figure. The line figure is approximately €660 million.

**Deputy James Geoghegan:** So the published July figure that we know is €580 million, the equivalent of that is €660 million for the end of August.

**Mr. Michael Lane:** Exactly, yes.

**Deputy James Geoghegan:** You said you did not have the WTE figures for the end of August, but you probably do if we know that it is €660 million. What are the WTE figures for end of August?

**Ms Anne O'Connor:** Do we have those yet?

**Mr. Michael Lane:** Finance would not necessarily track that. It would be a HR census output. I am not sure if they have August. There is a delay.

**Deputy James Geoghegan:** How would you have the figures if you did not have the WTE?

**Mr. Michael Lane:** The WTE is taken on a census report that is produced by HR from their HRBW. Finance just looks at the money - debits and credits. We close our ledgers and we produce our figures. HR-----

**Deputy James Geoghegan:** Maybe Ms Ryan Withero might look and see if she has the WTE. Does she have the figures?

**Ms Philippa Ryan Withero:** Yes. There were just findings, but at the moment it looks at an increase of about another 360 WTE net.

**Deputy James Geoghegan:** So an increase of 360 on top of 3,000-plus - remind me again?

**Ms Philippa Ryan Withero:** Three thousand two hundred and eighty-six.

**Deputy James Geoghegan:** Three thousand two hundred and eighty plus 360.

**Ms Philippa Ryan Withero:** That is for the total HSE. For the Department of Health only then, because that is the figures that we were looking at-----

**Deputy James Geoghegan:** Just the equivalent. You said earlier 3,286 WTE is the figure at the end of July. Is that correct?

**Ms Philippa Ryan Withero:** Yes.

**Deputy James Geoghegan:** What has that increased to at the end of August?

**Ms Philippa Ryan Withero:** That increase to the end of August for the Department of Health side is an additional 318 WTE.

**Deputy James Geoghegan:** Give me the full figure, then.

**Ms Philippa Ryan Withero:** The change would be 3,605.

**Deputy James Geoghegan:** Three thousand six hundred and five. As the crow flies, as it were, we are already in excess of the 3,300 WTE figure. I understand that this is not all about headcount; it is about payroll and salary. I understand the points being made but we are in excess already of the WTE allocation that the Department of Health budgeted for for 2026.

**Ms Philippa Ryan Withero:** If I may, in terms of the point the Deputy has made on the WTE, when we look at WTE net growth, it has to be in the context of the total pay bill. That growth that we have had year to date includes agency conversions. If we take it on balance, it is approximately a third, a third and a third. A third of our growth net this year is between our student nurses, student paramedics, etc. That would be in that figure. In addition to that, we have new service developments-----

**Deputy James Geoghegan:** Thank you. Mr. Lane, you are at €660 million at end of August. When Deputy Neville was asking you whether at year end you would be closer to three quarters of a billion, you said it might be less. Will you explain to me how you are going to be less than three quarters of a billion if you are at €660 million at the end of August? What is going to happen in September, October, November and December that will avoid you being in excess of €750 million at the end of December?

**Mr. Michael Lane:** I am not exactly saying that.

**Deputy James Geoghegan:** What are you saying? That is what you said to Deputy Neville. You said you might be less. That is what he you said.

**Mr. Michael Lane:** Okay.

**Deputy James Geoghegan:** He asked the question. Are you taking it back? Just to be clear, so we understand.

**Mr. Michael Lane:** Currently, we are €660 million. We have the four or five months that are left to go. It is difficult to be precise about this, but we expect the controls we put in place will continue to bring down the deficit.

**Deputy James Geoghegan:** Hold on. Deputy Neville said €750 million give or take. You said it might be less. Are you taking that statement back, yes or no?

**Mr. Michael Lane:** It is quite likely we are going to be in excess of that figure of €750 million.

**Deputy James Geoghegan:** Why did you tell Deputy Neville that it might be less than €750 million?

**Mr. Michael Lane:** I would have to check the record.

**Deputy James Geoghegan:** You did. So it is going to be more than €750 million. What ballpark figure are we heading towards? Deputy Neville said, based on basic maths, we were heading to €1 billion. Is that actually correct? You did not say it was correct when the Deputy asked you, but now I am asking you. Is it correct that we are heading towards €1 billion on the current trajectory?

**Mr. Michael Lane:** My assessment is that we will not be €1 billion overspent at year end but we will be in excess of our €660 million currently.

**Deputy James Geoghegan:** Earlier, you said it would not be €750 million and it might be less. Now you are saying it will not be €1 billion. What are we actually to believe? Can you put some actual guardrails on a figure that we are going to get to by year end, notwithstanding all of the controls you are putting in place right now?

**Mr. Michael Lane:** It will be certainly in the region of €750 million to €800 million, based on what is currently in play. However, if we manage to pull back, and a lot of our non-pay savings are weighted towards the year end, it depends on the delivery of those, it depends on how quickly we convert the agency, because that is the real thing for us if it converts quickly, it depends on the controls that the CEO has now, which are now biting, they will bring down our headcount and they will bring down our pay bill, obviously not to the level where we are going to break even. There are those-----

**Deputy James Geoghegan:** What does Ms O'Connor consider success and failure here by year end in monetary terms? Is a €900 million deficit a success based on the controls she has implemented?

**Ms Anne O'Connor:** The success for me is to see that the controls are taking effect. As Ms McGirr said earlier, we are not going to get back to break-even in our pay or non-pay. We know that a lot of our non-pay savings have been profiled for the second half of the year so we do not have visibility of those. Equally, we know that last year the savings were not delivered.

**Deputy James Geoghegan:** If there is not a target that relates to the deficit, and Ms O'Connor can understand the point I am making-----

**Ms Anne O'Connor:** I can, but I think-----

**Deputy James Geoghegan:** Is there a target? At board level, is there a target that the HSE is trying to get to with its deficit by year end based on the controls that Ms O'Connor has put in place?

**Ms Anne O'Connor:** The controls are changing. There is a lot of change going on in our control environment, even this week. It is too early to say what that number is in the context of the revised controls that we are currently talking to the Department about. Our focus is on the things that we can see before us in terms of control. They are the things we have talked about here already in terms of spend, pay bill, agency, overtime - all of that - and, critically, our non-pay. We know we are seeing progress. We are not seeing enough fast enough. That is why the controls have been changed, but I cannot put a number on that today because there is just so much that is still being finalised in terms of the rest of this year.

**Deputy James Geoghegan:** I put it to Ms O'Connor earlier that, based on the board minutes, the increased deficit and the actions she took to reclaim how moneys were being spent, spending was out of control in the HSE and they had lost control of spending. To some extent, Ms O'Connor agreed with that, and that is why she put in the control mechanisms in March and April last and we are where we are now. Can Ms O'Connor understand how the public watching in will be aghast at the idea that she does not even know where the HSE is heading in terms of the figure of reducing a deficit and of where the HSE is at, notwithstanding all the measures, and I understand Ms O'Connor is putting them in place, and that she does not even have a target? At the moment, it sounds like we are getting to €800 million or €900 million, and maybe it will be €1 billion, but there is not even a metric that, when Ms O'Connor comes back next year, we can say, "Well done, those controls worked. You were actually lower than what you originally hoped to achieve." Does Ms O'Connor understand the point I am making?

**Mr. Michael Lane:** There are a couple of things to clarify in terms of targets. We have a very specific target on agency of €720 million - to get it down to that. That delivered savings in its own right.

When it comes to pay, we have to differentiate between some of the regions. For two of the regions, our intention is to get them to break even on pay in the last two months of the year. The other regions have a bigger struggle, so we are to get them to 2%. There is one region where they have a lot of work to do and they will not make that. All of that can only be delivered by the type of controls that are in place. We have a trajectory, I think it is fair to say.

Within that €1 billion, we know that there are uncontrollables.

**Deputy James Geoghegan:** I acknowledge the uncontrollables and the witnesses have set out what they are, but in order for us to be able to assess whether the controls the witnesses are putting in place are successful, the witnesses have to put figures behind those.

**Mr. Michael Lane:** If we get to €720 million on agency, that is success. That is a significant lump taken out of our agency.

If we had those things for the three regions I talked about, we would break even in a month. As the Department alluded to earlier, this is a multi-annual process. It will not end in December. If we are getting two areas sustainable and balanced in the month, that is a tremendous achievement given where they came from. Likewise, the three areas behind them are getting the 2% and their challenge is for next year. Then there is one area we will have to do a lot of work with, in terms of restructuring and rebalancing and all of that. There are a lot of moving parts in this. That is why it is so difficult.

**Deputy James Geoghegan:** In every HSE-run or voluntary hospital, there should be some person whose role it is to go after low-hanging fruit. The insurance patient charges are low-hanging fruit. We have had hospital after hospital, including the ones the witnesses reported on today. Each one of them might be in two millions. One of the Dublin hospitals was at €8 million. There is no reason on this green earth why that money should not be recouped in full. It is impossible for me to understand how there is not somebody breathing down the neck of a consultant to sign the relevant piece of paper, so the piece of paper gets sent over and the money gets paid to the hospital. Do the witnesses agree at a basic level that somebody should be in charge of low-hanging fruit?

**Mr. Michael Lane:** That is the focus of every management engagement we have had this year. We prioritised income as one of the key things we can go at. Part of it is ED charges but that private income is also key.

**Deputy James Geoghegan:** Keep cracking the whip on all those other hospitals. I thank Mr. Lane.

**Deputy Albert Dolan:** I hope the Cathaoirleach will give me an extra five minutes as well. I would be grateful.

I appreciate the witnesses' time and their staying on for the second round of questions. I will elaborate on the point Deputy Geoghegan made. Absolutely, we should be attacking the low-hanging fruit, but the focus of today's debate has primarily been on moving agency staff over to a lower, more affordable rate of pay, essentially. It is not reducing pay but the witnesses

know what I mean. That is all well and good and will make up a portion of the HSE's savings, but I can only assume they are going after it because it is the easier saving to achieve. There are serious non-pay savings to be got across the HSE. Last year I was here and raised with Bernard Gloster that about €30 million was being spent on postage. What will the HSE do over the new few months to reduce non-pay spend? There are consulting companies contracted to the HSE. It is crazy the work they are doing that should be done within the HSE itself. The HSE has a deficit and has not been able to operate within budget. Where will it cut costs outside of pay? It will always have to pay people and have people working in it. Where will it find efficiencies, trim the fat and be a leaner organisation?

**Ms Anne O'Connor:** That is a really good point. One of the things I established in bringing in the controls was a cost and productivity oversight group that Mr. McCallion chairs. I will ask him to talk because that covers the national programmes the Deputy is touching on, in terms of the non-pay initiatives.

**Mr. Damien McCallion:** I will take each of these in turn. The management consultancy has been cut back to minimal; it is down to 40%. Any new contract has to come through me and then Ms O'Connor for approval. We are minimising those in terms of what is there.

**Deputy Albert Dolan:** Was that bloated before? If Mr. McCallion was able to cut it by 40% that quickly, is it not amazing?

**Mr. Damien McCallion:** It had shrunk year on year for the past number of years in terms of that core management consultancy piece.

**Deputy Albert Dolan:** What were they doing?

**Mr. Damien McCallion:** It was a variety of things. It has a value in some cases, maybe in terms of independently commissioned reviews and those sorts of things around services. It does vary. We are down to a very small number of contracts. It could be a specific piece of work commissioned to review a service that needs to be reviewed independently.

We are looking at all of our contracts. The Deputy will see tenders out currently in terms of acute beds and community beds to see if we can drive the price down in terms of the private sector where we need to utilise those. In terms of transitional care, they are big costs. With Mr. Morton, who may well have briefed the Deputy on some of this, we are looking at some bigger contracts to see where we can drive costs down in terms of what we see in the market. We have to be conscious cost pressure is coming in some areas. In some of the technology areas, there are cost pressures on chips and these things, so we are seeing hardware go up. We are looking at where we can avoid future cost as well as take cost out now.

On postage, one of our problems, to be blunt, is we do not have standard systems. We want to reduce postage and still safely get communication to people. We are going at that on two fronts. One is PCRS. The cards are on the app. We are not printing the cards any more so there is a saving on cards that were previously being printed all the time. In our hospitals, we are targeting outpatients where we have systems that can do that and where patients want it. We are conscious some people may not want emails or the app - elderly people, for example, may still want letters. That will be a gradual process. We are also looking at screening. We are sensitive to the importance of people being contacted around screening. That is one of our

big postage cost areas, and at the corporate level. We will see small amounts of savings this year but bigger chunks and a full-year effect next year.

The other piece we are doing, which other public health systems have done, is to build an infrastructure where someone can say their preference is app, email or postage. We cannot disadvantage older people but we are trying to move to digital first.

The other area is small things around disability and private placements, which we know are very expensive. We are looking at how to continuously review them to reduce cost so we can afford to provide the service to more people.

**Deputy Albert Dolan:** On the cost-productivity conversation, I am a big believer, though not everyone agrees, in incentivisation and proper incentives. I do not like when the conversation focuses on "This consultant got that." That is a tiny conversation in a much bigger system. I do not mind if consultants make huge money if they are delivering. If they are doing the hours, the hard yards and the procedures, pay them because they are getting through it. I heard a story recently of a consultant who was able to do 20 cataracts a day in their private clinic in Galway but was only facilitated to do three, maybe four on a good day, in University Hospital Galway.

**Mr. Damien McCallion:** It might vary so I will stay away from the individual case but I get the general point. How do we make sure it is productive? Deputy Daly asked about productivity compared to the private sector. A lot of our clinical programmes are looking at what we should be trying to do with the resources that are there. In terms of surgery, taking the surgery away so it is not impacted by urgent and emergency care pressures and putting it into surgical hubs will allow us-----

**Deputy Albert Dolan:** Rolling closures, as well, are costing the HSE a fortune. It has to close a theatre and not do procedures and people have to be invited back in. That costs a fortune in productivity and output.

**Mr. Damien McCallion:** One of the productivity programmes is around theatres. On day procedures, we believe surgical hubs six days per week will give us the throughput the Deputy is talking about. We believe it will be comparable to the private sector. I was in Mount Carmel in south Dublin recently and some of the staff had come from the private hospitals. They are saying it is already more efficient and lean than what they saw in private hospitals. That is for certain types of work. It is more complex for theatres when you get into in-patient work. You need beds and so on. That is where we are trying to generate improvements.

**Deputy Albert Dolan:** I will raise one final issue and I appreciate the Chair's leniency. Look at the efficiency of this. There are two MRI scanners in University Hospital Galway. I believe, if I have this correct, they are literally 20 yards apart. Measure the productivity of both of those scanners. I would appreciate any correspondence the witnesses could give me on that and on their findings. One of the scanners is private and one is public. They are supposed to be right beside each other. If the witnesses are aware of that, that is scandalous. It needs to be addressed. I believe they can address it.

On the cataracts, challenge the team. I know there are many great people doing great work in University Hospital Galway but if this person has the capacity and ability to perform 20 cataract surgeries in a day, why can they not do it in the hospital? All of us pay the price when our public hospitals are not able to perform.

I appreciate the witnesses' time and the opportunity to speak.

**Deputy Joe Neville:** I thank the witnesses for staying with us. I want to touch on an issue we were talking about before my time elapsed. Does Ms O'Connor have to sign off on each individual new person who comes in?

**Ms Anne O'Connor:** Since the end of June.

**Deputy Joe Neville:** Is that currently the way it is?

**Ms Anne O'Connor:** All the posts that come in are put on a decision register and are either signed off or not. Some categories are not really disputed in terms of agency conversion and students and that.

**Deputy Joe Neville:** So the agency conversions are not disputed. They just happen.

**Ms Anne O'Connor:** They have to provide the evidence. Information is collated by national HR on the case and making sure they are actual agency conversions.

One of the challenges is that people will put in requests for agency avoidance, which is a different thing. It is where we are already incurring a cost that we have to reduce that cost.

**Deputy Joe Neville:** Who was signing it off previously?

**Ms Anne O'Connor:** It was within the regions.

**Deputy Joe Neville:** Who was responsible? Ms O'Connor is the boss. Who was below Ms O'Connor?

**Ms Anne O'Connor:** The regional executive officers had authority to sign off.

**Deputy Joe Neville:** That responsibility taken off them, was it?

**Ms Anne O'Connor:** Yes, nationally. It was centralised to me.

**Deputy Joe Neville:** Did Ms O'Connor have a lack of trust in what they were doing?

**Ms Anne O'Connor:** No. The situation was of such concern that we had to ensure that the controls were stronger. To be fair to everybody, that has been very challenging because it is another step in a process.

**Deputy Joe Neville:** If you take responsibility from a group, it is because you feel you do not trust them any longer to do what they have been tasked to do.

**Ms Anne O'Connor:** There is the reality of the financial situation. In the discussions within the organisation and with colleagues in the Department of Health, we had to reduce our pay bill. In terms of the control environment, we had to strengthen it. That is part of our performance and accountability. As the Deputy may know, at the end of April when the original controls came in, areas were escalated in different ways. We had six regions in total. Three were escalated to level 1 and three escalated to level 2. The controls have been building, but, critically, it is our financial performance that we are watching. In healthcare, that is one aspect of what we have----

**Deputy Joe Neville:** I will not say there has been a failure of control because that would probably be a bit harsh, but if there has been an adjustment in controls in the area of staff, how

are controls performing across the HSE otherwise? I highlighted the positive work that had been done regarding the IFMS. Typically, the benefit of a financial management system is that it gives greater control from a procurement perspective. Have there been any issues with that?

**Mr. Michael Lane:** That provides a very useful control currently.

**Deputy Joe Neville:** I mean in terms of spending. Information management systems should control spending. If spending is out of control, what has not worked and what has the HSE had to adjust?

**Mr. Michael Lane:** At the moment, it provides control because every purchase order over €10,000 for non-clinical items comes to me for approval.

**Deputy Joe Neville:** Does Mr. Lane sign off on everything over €10,000?

**Mr. Michael Lane:** For non-clinical items, I review and sign off everything.

**Deputy Joe Neville:** How many of those would Mr. Lane get in a year?

**Mr. Michael Lane:** It is significant. There were about 800 purchase orders in the past two weeks.

**Deputy Joe Neville:** Does Mr. Lane have to go through them?

**Mr. Michael Lane:** My team and I go through them. We review them. We have a check-in for the end of the day. Getting to my larger point-----

**Deputy Joe Neville:** How many would be refused?

**Mr. Michael Lane:** There is a figure there.

**Ms Anne O'Connor:** A total of 31 have been refused.

**Deputy Joe Neville:** Who would have submitted those?

**Mr. Michael Lane:** They have been refused for the reason that they are probably something we can defer. They are not something that people were buying that they did not need to buy. It could be a piece of maintenance that can wait that is not HIQA driven. It is that type of expenditure. What I am trying to say is that a lot of the HSE's procurement is framework orders where we know we have to bring stuff into the system. Orders are done at the start of the year and goods are received against that. Again, it is a bit like the HR thing. It takes a long time to stop and bring it back into a single purchase order and check if we have the budget.

**Deputy Joe Neville:** Thirty-one out of 800 is not significant. It is a difficult task for Mr. Lane and his team. No matter how big the team is, it cannot be in every pocket.

**Ms Anne O'Connor:** The 31 purchase orders that were refused involved in excess of €8 million in savings in terms of the reduction in spending.

**Deputy Joe Neville:** Obviously, it could have been higher and then we would have saved even more. It is just that element of oversight at a really high level. It must be very difficult for Mr. Lane and his team to be almost expert in everything. I am sure the members of it come from all corners of the country, and all different scopes of areas. It is not easy to be an expert. I genuinely mean that in a good way. That is hard.

**Mr. Michael Lane:** There is a lot of follow back. Quite a lot of those go through a cycle of being referred back to the region for further consultation.

**Deputy Joe Neville:** Has there been a change to that system over the past six months similar to that relating to staff?

**Mr. Michael Lane:** No, this control only came in at that level on 21 August. It is a full system control. Prior to that, it was-----

**Deputy Joe Neville:** That is interesting. Essentially-----

**Ms Anne O'Connor:** That is the adjustment in the IFMS. It still had to be approved. They could make changes to the system.

**Deputy Joe Neville:** I am caught for time. These are positives; I am not being negative here. The HSE has changed controls both in staffing and for costs over €10,000 in order to try to react to overspending. One could be critical, but I see them as positive steps. At the same time, I would highlight a concern as well. Ultimately, Mr. Lane, at a very senior level, and Ms O'Connor, at the most senior level, are deciding whether the HSE should get an extra person in to work in a hospital in Clonmel, Limerick or wherever. For Mr. Lane, €10,000 might relate to the cost of a new bed. Can he give me an example of a spend of €10,000, even at its lowest level? What does a bed in a hospital cost?

**Mr. Michael Lane:** To open a hospital bed could cost thousands.

**Deputy Joe Neville:** That is what I am saying. I am trying to crystalise it. To be honest, the only reason I ask - not to be glib - is to crystallise the level at which Mr. Lane's team now has to look at costs. While there is a positive in that, there is a real concern as well.

**Mr. Damien McCallion:** If I could make one important point, part of the oversight process was to reinforce in the regions - Ms Queally might speak to this - that they are providing the same scrutiny before it comes up. If the control is working, we would not see a lot being rejected at nationally. Otherwise, it means things are floating up that should not. At regional level, the REOs and the individual IHA managers are very focused now on the non pay and making sure that it is essential things that come through. Ms Queally might want to comment on that.

**Deputy Joe Neville:** At the same time, the inference is that both of these controls, which are obviously significant - and I do not think they should be underestimated - mean that control now has to be at the highest level. That means there is no longer trust or faith in what those at the level below were doing as regards controlling costs. Essentially, what the HSE has had to do is take it to the very top. That is unfortunate, because it makes the witnesses' lives a lot trickier. It probably puts more responsibility on their shoulders, but it does show the depth of the issues and the challenges the HSE faces regarding cost controls.

**Mr. Damien McCallion:** Yes. That is the case.

**Mr. Michael Lane:** The situation required those measures.

**Deputy Joe Neville:** No, I fully get it. It is a overspend of €1 billion. I am sorry, an €800 million or €900 million overspend or whatever it ends up being, requires urgent measures. I am not being negative about it.

**Ms Louise McGirr:** It is important to ensure that the committee fully understands the new situation. Those controls will go further now - to €5,000. That is happening.

**Deputy Joe Neville:** Is €5,000 not a small sum, relatively speaking?

**Ms Louise McGirr:** Yes, but the key to this is that there has to be a control environment.

**Deputy Joe Neville:** It has to be done.

**Ms Louise McGirr:** Work will be done immediately on improving the root of the spending, and the IFMS and other systems will be used to manage this before the money is spent such that not everybody will be able purchase. We should not have the number of people we do who can raise purchase orders when they do not have money in their budgets, if the Deputy knows what I mean.

**Deputy Joe Neville:** Yes.

**Ms Louise McGirr:** That discipline around the control environment is really important and needs to be built into our systems.

**Deputy Joe Neville:** I am a chartered accountant. I was a CFO and financial controller in business, so I know the importance of this and also about the fact that the controls have to be brought in at such a high level.

**Ms Louise McGirr:** It needs to be more built into the system and used so that these things are not just automatically done.

**Deputy Joe Neville:** Yes, because people love to spend money.

**Mr. Damien McCallion:** As I said, to be fair to the regions, they are on this. I know that from Ms Queally and others, including the IHA managers. They are big entities in their own right. Each region is substantial. It would be a huge corporation, probably bigger than most private companies in Ireland in their own right.

**Deputy Joe Neville:** Yes, it is multibillion in nature.

**Mr. Damien McCallion:** Yes, it is massive. That is the key thing we are going to get to. This is reflective of the environment, as Ms McGirr said. Ms Queally can comment if she wants to. I know from our oversight groups that there are very strong controls and focus on non-pay items in terms of trying to control expenditure.

**Deputy Joe Neville:** We are obviously only asking about this because it is so important to us and to the people. It is a tough line of questioning, but a €750 million overspend deserves that level of inquiry. It probably even deserves much more. I thank the witnesses.

**An Cathaoirleach:** I have a number of concluding questions. I want to return to the primary care reimbursement scheme, the internal audit and the findings from it. It was stated that about 96% of the duplicate payments have been recovered but that an amount of about €150,000 is outstanding. Could Mr. Lane furnish information in respect of what process is in place to recoup the remaining amounts and whether legal proceedings to recoup the money are in train? I do not know whether that information is to hand.

**Mr. Michael Lane:** It is not to hand.

**An Cathaoirleach:** Mr. Lane might come back to us on that.

Also, in the audit, it says that it successfully managed this significant increase in volume and complexity of GP payments but the shift to activity-based funding has heightened the inherent risk of error and fraud. It goes on to say the audit found there is a significant challenge in verifying and validating these activity-based claims. To me, that sounds quite concerning. Maybe the CEO might come back to us on foot of this audit and the findings regarding what is being done. Is that scheme being reviewed and what processes, if any, have changed or will change to address those key concerns?

I just want to touch on the dental treatment services scheme, DTSS. It has been discussed at length at this committee previously. Unfortunately, the figures show that the number of dentists signing up to this scheme is at an all-time low. I think it is just 866 dentists are now signed up to the medical card scheme. That is down from, I think, 1,350 back in 2020. There has been a 35% drop in my own constituency and the number of dentists is down to 17 now in Wicklow, and that is down from 29 in 2020. I do not need to tell the witnesses the impact that has on people looking to access dental services, the inability to be able to find a dentist and the impact that has on people's dental healthcare. What are the current figures in terms of dentists signed up to the DTSS? Do we have those figures to hand?

**Ms Anne O'Connor:** I do not think we have them here, Deputy, but I will come back to you on them. I am aware that a lot of work is going on between ourselves and the Department in respect of the oral health strategy and the DTSS at the minute. I will get you an update on that.

**An Cathaoirleach:** I ask the Department officials if there is ongoing engagement with the DTSS.

**Ms Louise McGirr:** Yes, there is and we have increased fees. We have increased money to them, so it is difficult to get people on. We have done, over multiple years now, very significant increases in what we are paying.

**An Cathaoirleach:** Has there been an uptake in dentists signing up?

**Ms Louise McGirr:** In some areas. Ms O'Connor is right. We are looking at this again. It is not good enough what has been taken up. A lot of the money, being frank, is in cosmetics and other things, so it is not going on the DTSS, so we are looking at how we do those payments. We will see good developments in this, I hope. It is a key issue.

**An Cathaoirleach:** In fairness, the issue has been going on for years now.

**Ms Louise McGirr:** Absolutely. It is everything-----

**An Cathaoirleach:** It is quite concerning that we are still-----

**Ms Louise McGirr:** I know.

**An Cathaoirleach:** -----looking at it as opposed to having it in concrete.

**Ms Louise McGirr:** I think it is not that we are still looking at it. We have tried different things. We have tried the increases and it has not worked because they are not forced to come on. We have to try more and we have to do more in different ways. It is not something that

we just throw money at and it is going to fix it because we have tried that in terms of increases in fees, and it has not worked.

**An Cathaoirleach:** Does Ms McGirr have to hand the figures in terms of the number of dentists signed up it?

**Ms Louise McGirr:** I can get it very quickly for you, yes.

**An Cathaoirleach:** Maybe come back to us on that.

**Ms Louise McGirr:** On the Comptroller and Auditor General's question, 11 of the 16 voluntaries are not audited by the Comptroller and Auditor General. It is 16 voluntaries and 11 not audited.

**An Cathaoirleach:** Okay.

**Ms Louise McGirr:** You want numbers on the DTSS.

**An Cathaoirleach:** Yes. On the voluntary, it is something that we have given considerable focus to at this committee. It is a serious issue that that level of transparency and accountability is not there. I know it is not within our remit to stray into policy or whatever but it is a serious issue that needs to be rectified. That can only be rectified a Government level. This committee will keep returning to the issue of that level of transparency, the fiscal oversight by the Comptroller and Attorney General and, ultimately, the ability of this committee to bring in the representatives of those hospitals, where we have to rely on them coming on a voluntary basis.

**Ms Louise McGirr:** We pay about €5 billion to voluntary hospitals.

**An Cathaoirleach:** It is serious.

**Ms Louise McGirr:** I agree.

**An Cathaoirleach:** I want to touch on the issue of primary care centres. I know it is a chapter that the Comptroller and Auditor General did back in 2024. He drew attention to the PCCs and made a series of recommendations. I do not expect the witnesses to have what has transpired in relation to those recommendations but they might come back. A number of them were focused towards the Department and a number were focused towards the HSE. The witnesses might come back to in relation to that.

Separately, the Department has stated that it intends on carrying out a review of the PCC programme focusing on the cost-effectiveness of the various models of delivery for the PCCs. I do not know, Ms McGirr, whether you would have any information on that review, whether it has commenced, concluded or where it is at.

**Ms Louise McGirr:** A lot of it is around the utilisation of them. We see a big opportunity to improve. We are looking at that in terms of next year and how we use them there.

**An Cathaoirleach:** Also, it was the focus on the cost-effectiveness of leasing these primary care centres.

**Ms Louise McGirr:** The review is more comprehensive than that. It is that and it is also how well we use them.

**An Cathaoirleach:** Has it commenced?

**Ms Louise McGirr:** Yes, it has.

**An Cathaoirleach:** You might come back to us and let us know.

**Ms Louise McGirr:** I would rather get you an update. I do have some DTSS information as well.

**An Cathaoirleach:** Correct me if I am wrong but I think there are about 180 PCCs across the State. Does anyone have the most accurate up-to-date figure?

**Mr. Damien McCallion:** The figure is probably slightly higher. There are smaller health centres as well as big primary care centres. We can get you the full list.

**An Cathaoirleach:** Okay, you might do that. Again, referring back to the Comptroller and Auditor General's chapter back in 2024, he focused on a number of the centres, looking at the services facilitated and staffed within those. One of the biggest issues I hear from people is that some of these centres are brilliant and lovely buildings but the services delivered within are really lacking. That is a serious issue. Looking at the C&AG's chapter, it is very clear that it is not consistent across the board in terms of the PCCs that he has scrutinised. Of all of the PCCs in operation across the State, can we get a full breakdown as to the services facilitated and the staffing within each of those PCCs so we can have a line of sight on that?

**Ms Louise McGirr:** I can come back on the DTSS numbers. Following 2022, the number of dentists participating in DTSS went from 813 to 867 by May 2026. In the past four years, 50,000 additional patients received care and the number of treatments funded has risen by 240,000 since 2022. We are working on a strategic workforce plan, as you know, for oral health and dental hygienists are a big part of that, CPD for dentists and capacity building in our dental schools. There are a number of different themes.

**An Cathaoirleach:** There is a long way to go even to get back to the 2020 levels.

**Ms Louise McGirr:** There is.

**An Cathaoirleach:** You might come back with a full note on that from the Department.

**Ms Louise McGirr:** Sure.

**An Cathaoirleach:** An issue that was raised here a number of months ago was an issue concern within Autism Initiatives Ireland where there were allegations made that €1.5 million had been transferred to its British counterpart. We did get correspondence back from the HSE saying that a review would examine whether the issues identified have arisen within other organisations funded by the HSE. What is the status of that review that looked at the similar issues that were allegedly to have taken place within Autism Initiatives Ireland? Is anyone aware of that review or where it currently is at?

**Mr. Michael Lane:** It is part of the standard engagement that the regions would have. On that specific one, Ms Queally may be able to talk about.

**Ms Martina Queally:** A financial statement has to be reviewed for each year, and we have 2025 and 2026, which were submitted in March. They are currently under review.

There was a review commissioned that looked at the specific transfers. They were for shared services type model. It is not unusual for smaller organisations to have larger parent companies

to purchase shared services. They were things like HR and ICT. That report has been provided to us and our finance team are looking at it but it does not seem unreasonable the charges that were made. They have provided us with full detail on their accounts and they have come back in line with HSE policy. Their UK policy was slightly different in terms of reserves that the organisation would hold, but they have come back to the three-month policy which we would apply to all funded agencies. We are satisfied that they have come back. We will continue to monitor that situation and we do meet with them very regularly to advance that.

**An Cathaoirleach:** I am glad to hear that. I think it was alluded to that there was to be a broader review carried out to examine whether the issues identified within Autism Initiatives Ireland had arisen within other HSE-funded organisations.

I do not know whether that piece of work has commenced or whether-----

**Mr. Michael Lane:** That would be a standard part of the routine the regions have with all those organisations. Just generally, on compliance and the CMSUs, we will bring a proposal to the board in the next month to strengthen and to bring a national approach to some of those investigations and some of those reviews of organisations just to tighten control in that whole area. At the moment, it is at regions and they manage it - that is SLA - but there is a need for a more forensic national approach to some of those organisations. It is a bit like the point about internal audit. We have so much money going through that thing that we need to put something in place. We will bring that proposal through to the board in the next month. Then we hope to quickly move on with that, strengthening controls in those areas.

**Ms Louise McGirr:** On the PCC, the review has started and the first step is a census of all the services, as you have asked. That is not available yet - I have checked - but that is what they are doing at the moment. Work is ongoing on that.

**An Cathaoirleach:** When do you think it is expected? I do not expect you to answer in real time, but you might come back to the committee and provide a note on it just to let us know where it is at and when we might be able to-----

**Ms Louise McGirr:** Sure, and the scope of it, what it will achieve, the different steps and everything else. I think that would be useful. That is no problem at all.

**An Cathaoirleach:** Thank you for that.

That concludes my questions and our engagement for today. I thank the chief executive officer and the officials from the Department of Health for attending and staying over. I know you had told us you had other engagements, so thank you for that. I also thank the officials from the Office of the C and AG for their attendance once again.

Is it agreed that the clerk will seek any follow-up information and carry out any agreed actions arising from the meeting? Agreed.

The committee will meet again on Thursday, 1 October 2026, with the Child and Family Agency, Tusla.

*The witnesses withdrew.*

Cuireadh an coiste ar athló ar 2.52 p.m. go dtí 9.30 a.m., Déardaoín, an 1 Deireadh Fómhair 2026.

The committee adjourned at 2.52 p.m. until 9.30 a.m. on Thursday, 1 October 2026.