

North Eastern Health Board
Report of the Comptroller and Auditor General

This report has been prepared pursuant to Section 6(4) of the Comptroller and Auditor General (Amendment) Act, 1993.

1. Tax Clearance Certificates

The Minister for Finance has directed that in the case of all public sector contracts of a value of £5,000 (inclusive of VAT) or more within any 12 month period, contractors will be required to produce valid tax clearance certificates.

It was noted during audit that tax clearance certificates had not been obtained from more than 200 companies who had been paid in excess of £5,000 in the financial year. It was also noted that procedures were not in place to review payments to suppliers so as to ensure that tax clearance certificates were sought when the threshold was exceeded.

In response to my inquiries the Chief Executive Officer (CEO) informed me that the Board's accounting system did not provide the necessary information to fully comply with tax clearance procedures. However, new financial systems which are currently being configured for implementation on 1 January 1998 will enable the Board to meet the required regulations. In the meantime, staff have been instructed that goods and services may only be purchased from those firms who have the necessary tax clearance certificates.

2. Medical Cards - Monaghan Community Care Area

Eligibility for medical cards is determined by the CEO in accordance with Section 45 of the Health Act, 1970. An eligible person is defined as "an adult person (or dependant of such a person) who without undue hardship is unable to arrange general practitioner, medical and surgical services for themselves and their dependants". Some of the benefits available to a medical card holder are free GP services, free prescribed drugs and medicines and free hospital in-patient and out-patient services. The following internal control weaknesses were noted during a review of the procedures for processing medical cards in the community care offices in Monaghan.

- The Board's information system indicated that in certain cases delays of up to six months had occurred in the processing of medical card applications.
- There were no controls over medical card stationery.
- Reconciliations were not carried out between applications processed and medical cards issued.

The CEO made the following comments in relation to the specific issues arising from the audit of this area.

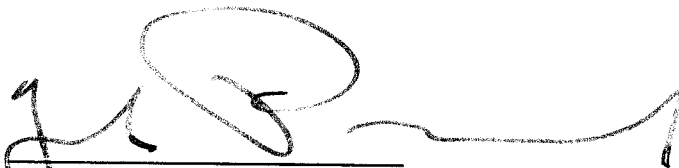
- The majority of medical card applications can be processed without delay when the application form is fully and accurately completed. In a minority of cases additional information must be sought. Further processing cannot be proceeded with until a reply is received. The computer system does not provide for the recording of transactions between the Community Welfare Officer (CWO) and the applicant and the information extracted

from the system may therefore not reflect the true position on the ground, i.e. the apparent delay in dealing with the case could be due to the applicant not responding to the request for information from the CWO.

The Superintendent Community Welfare Officer for the Monaghan region has arranged that all outstanding applicants will be contacted and asked to update the information on their medical card applications section on their status. If a reply is not received by the Board within ten days, the application will be cancelled.

This new arrangement will result in a more accurate picture of the real situation being available. The Superintendent CWO will introduce procedures to ensure that a lengthy outstanding application list does not occur in the future.

- The Monaghan medical card office is secured at the end of business each day as is the main entrance to the building. In order to further improve existing arrangements medical card stationery will be properly secured at the end of business each day. Paper based medical cards are to be phased out nationally towards the end of 1997 with the introduction of plastic laminated cards. These new cards are to be produced by a central agency on behalf of all boards.
- The current system for processing medical cards is adequate but it must be subject to constant review and updating. The Board's internal audit section carries out periodic reviews on this area. A review of the medical card system is planned on a national basis following the recommendations of a working group established by the General Medical Services (Payments) Board.



John Purcell
Comptroller and Auditor General

28 November 1997