

Personal Injuries Assessment Board

# Annual Report 2018



# Who we are...

**The Personal Injuries Assessment Board (PIAB) is Ireland's independent state body which assesses personal injury compensation**

## **Contact Information**

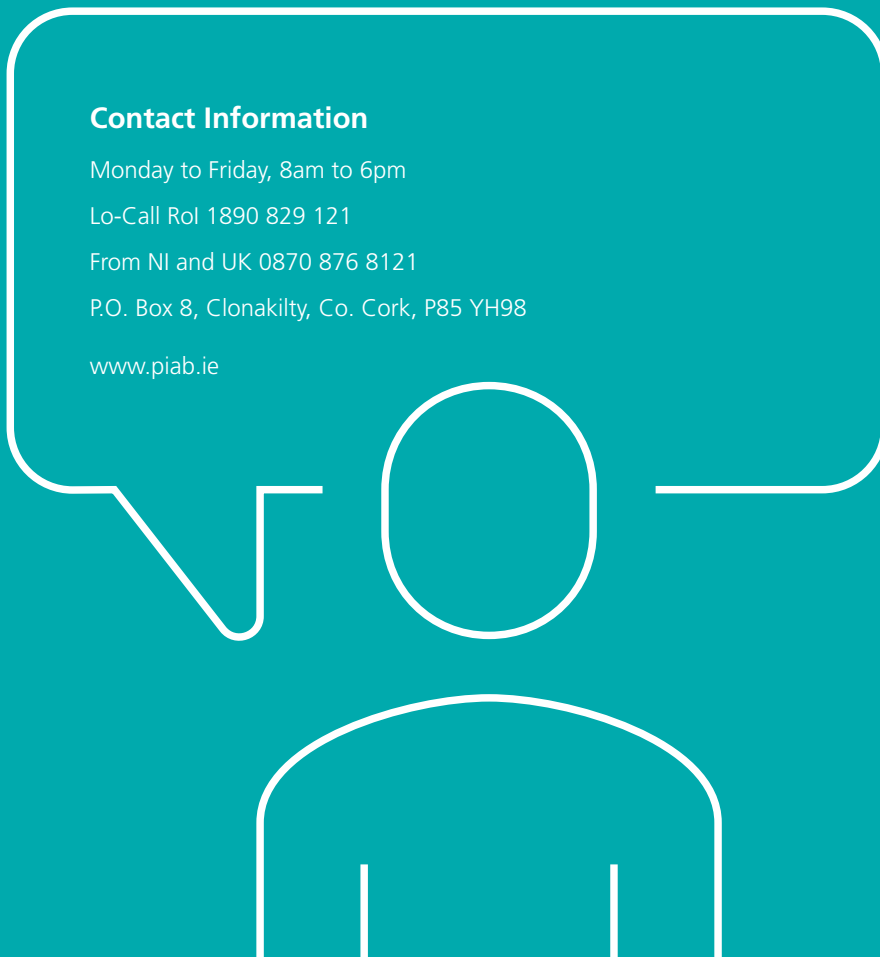
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# Key Statistics – 2018

Total number of applications

**33,371**

% change in application numbers compared to 2017

**+0.8%**

Total number of awards

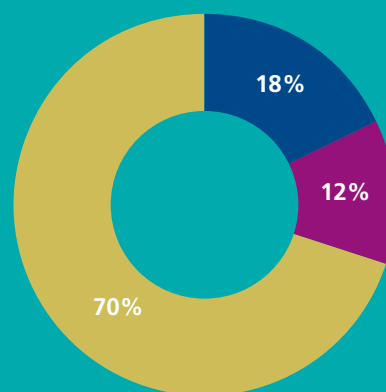
**12,112**

Value of Awards

**€298.55m**



Awards by category



- Motor Liability
- Public Liability
- Employer's Liability

Key Statistics – 2018

Average Award

**€24,649**

Highest Award

**€908,749**

Average processing time

**7.2 months**

Delivery Costs

**6.1%**

Income

**€11.8M**

Surplus

**€669K**

Medical Examinations  
Arranged

**22,416**

Invoices paid to suppliers

**23,719**

Website visits

**161,153**

Calls to Service Centre

**43,343**

# Chairperson's Statement

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PIAB made a very significant contribution to the personal injuries system in 2018, through operating its model efficiently and transparently, and through working to help improve the environment in terms of assessment and awarding of compensation.

Personal injuries compensation is an issue which has a significant impact on all sections of Irish society, and the PIAB model removes avoidable processing costs, as well as moving thousands of cases away from the Courts system, while fairly addressing compensation for those who have suffered injuries.

As the key official body in this area, our work in PIAB impacts directly on those who have suffered injuries in accidents where another person or entity is responsible. In those cases it is clear that fair compensation for damages and loss needs to be paid to those affected, and there is wide agreement in Irish society on that point.

The personal injuries system equally affects those whom a claim is made against. These range from drivers of vehicles and their insurers, to employers and to owners of premises used by the public. In each of these cases those who the claim is made against wish to be able to transparently see that the claim is dealt with efficiently and in a timely manner where their rights are protected.

But the impact is much wider than that in terms of its impact on society. The majority of citizens pay premiums for insurance coverage either as motorists, home owners or as members of community, festival or sports groups. A significant factor in those insurance premiums is the cost of personal injuries damages, both the award and the processing costs through different channels. Broad agreement has developed in recent years among consumers, business groups, motorists and policymakers on the need for change in the personal injuries environment in Ireland.

This was the background for PIAB's full commitment in working during 2018 on changes to improve the system in Ireland. PIAB's role is to assess personal injuries compensation in a timely and cost-efficient manner by helping to remove unnecessary delivery costs while ensuring consistency of awards and fair treatment for all parties, as well as working to improve the personal injuries environment.

PIAB fully supports the agreed way forward supported widely by stakeholders, contained in the reports of the Personal Injuries Commission and the Department of Finance Cost of Insurance Working Group. We believe it is vital for progress to continue to be made on implementation of those recommendations.

During 2018, the Government progressed the PIAB Amendment Bill, a piece of legislation which will make a real contribution to the further efficiency and effectiveness of the PIAB model. I wish to thank the Minister for Business, Enterprise and Innovation, Ms Heather Humphreys T.D., for all of her work and that of her officials on this key measure, as well as on the other matters during the year.

## Chairperson's Statement

I wish to specifically refer to the key contribution which was made last year by the Personal Injuries Commission (PIC) led by the retired High Court President, Mr Justice Nicholas Kearns in this context. His leadership role in the development of the final report of the PIC and the benchmarking work it undertook means ground-breaking changes have been recommended, which will benefit all parties.

PIAB actively participated in the work of the PIC as a member, and it strongly welcomed and supported its recommendations.

I believe that, as a result of the work of the PIC, 2018 will be seen as one of the most significant years in this area since the establishment of PIAB fifteen years ago.

2018 proved to be another very busy and productive year for PIAB in terms of its day-to-day operations.

Last year, our highly skilled staff and management continued to ensure the processing of claims efficiently and promptly. PIAB continued to fund its operations, keeping overall processing costs at historically low levels.

A key achievement during the year was the growth in digitisation of our services. This is an area which I expect to continue to increase consistently in the years ahead. It will bring major efficiencies for users and for PIAB, and fits with our objective of processing claims in a timely and cost-effective manner.

I thank the Chief Executive, Conor O'Brien, and the management and staff of the organisation for their work in delivering continued high performance in 2018.

I wish to thank the members of the Board for their wholehearted contribution during the year. On behalf of the Board, I also wish to express my gratitude to Dermot Gorman, Fionnuala O'Loughlin, and John Lynch whose terms of office expired during 2018. I welcome Nuala Jackson S.C. and Dr. Jean O'Sullivan who joined the Board during the year.

I also wish to thank the Minister of State at the Department of Finance, Mr Michael D'Arcy T.D., with whom we have worked closely on the Cost of Insurance Working Group.

I am pleased to present the 2018 Personal Injuries Assessment Board Annual Report.



**Dermot Divilly**  
*Chairperson*

# Chief Executive's Review

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PIAB continued to deliver during 2018 on its mission of processing personal injury claims for public place, workplace and road accidents in a fair, efficient and transparent manner.

As the organisation has done for many years, PIAB covered its day-to-day costs, without the need for Exchequer funding in 2018. Through operational efficiency, we produced a surplus for the year.

The mission statement of PIAB is "to facilitate the delivery of compensation in a fair, prompt and transparent manner for the benefit of society overall."

I am pleased to state that PIAB continued to deliver on that mission during 2018.

- ▶ We managed 33,371 personal injury claims and made 12,112 formal awards;
- ▶ We achieved an average claims processing timeframe of 7.2 months – well below the statutory 9 month timeline, and at a cost of 6.1% of accepted awards;
- ▶ We awarded total compensation for accident victims of €298.55 million;
- ▶ Our operations ensured a continued reduction in cases going to the Court system, enabling that system to address other important issues; and
- ▶ We made progress on our move to the increased use of new technology for receiving and processing claims, through the roll-out of our Solicitors Portal.

We also delivered on the organisation's statutory obligations, and continued to progress its strategic objectives. We also prepared for future developments, and a process of consultation and preparation took place during the year to lay the ground for the next PIAB Strategic Plan 2019-2024.

## Highlights

Key 2018 highlights included:

- ▶ The Web Portal began gaining significant numbers of users from the legal profession during 2018. Ongoing consultation and communications around the Portal took place. This web service has important benefits for all parties in terms of efficiency and savings in processing costs. It is a secure, web-based platform where authorised users can access information in relation to their client's claims and correspond with PIAB. Further work is planned on digitisation of services.
- ▶ PIAB executives were members of the Personal Injuries Commission and played an active role. In addition, staff seconded to the Personal Injuries Commission secretariat played a vital role, working with officials of the Department of Business, Enterprise and Innovation and other stakeholders, in the finalisation and publication of the PIC's international benchmarking study and final report.
- ▶ PIAB contributed significantly to the Department of Finance Cost of Insurance Working Group (CIWG) providing information and input and working to implement the various recommendations. The CIWG published a Report on the Cost of Employer and Public Liability Insurance in 2018 and also published a number of reviews to ensure delivery of actions.



## Chief Executive's Review

- ▶ During the year our Service Centre handled 43,343 incoming calls, and correspondence relating to existing claims and the 33,371 new claims received during the year, including 103,443 incoming e-mails and 7,713 incoming faxes. In addition, our Service Centre arranged 22,416 medical appointments.
- ▶ A comprehensive eight-month readiness project was completed by PIAB in advance of the go-live of the General Data Protection Regulation (GDPR). The readiness project was informed by an analysis by independent expert data privacy consultants, identifying any additional areas to be covered by PIAB's policies, procedures and practice. All of PIAB's data processing and privacy policy and procedures were reviewed and updated where required, to ensure readiness for the implementation of the Data Protection Act in May 2018.
- ▶ In 2018 we enhanced our data classification system, referencing the World Health Organisation's ICD-10 system. This work will facilitate greater analysis of the types of injuries sustained in accidents resulting in personal injury claims. As part of this, PIAB published data on whiplash-related injury compensation awards resulting from road traffic accidents in Ireland in line with a recommendation from the first report of the Personal Injuries Commission (PIC). This involved analysis of approximately 4,500 awards made in the first six months of 2018.

## Book of Quantum

While currently PIAB produces the Book of Quantum, the Personal Injuries Commission said in its Second and Final Report that it believed that the statutory establishment of the Irish Judicial Council would provide a unique opportunity to seek and obtain guidance for judges in measuring general damages for personal injury. The PIC said it believed Judicial Guidelines should lead to greatly increased levels of consistency in awards, increase the frequency of early resolution of claims, reduce costs and generally provide a much better informed process. Representatives from both the Law Society and the Bar Council supported this recommendation. PIAB fully supports this recommendation and believes that the Judicial Council, when established, will be able to make a very important contribution through such a review. PIAB will fully cooperate with and support the Judicial Council.

## Stakeholder Engagement

Throughout 2018, we engaged closely with a wide range of stakeholders including business and consumer groups, the insurance industry, the legal profession, the medical profession, government departments, state agencies and representative groups.

The meetings with stakeholders were very helpful and informative in contributing to our work. I thank all of those bodies and other stakeholders we met during the year.

## Chief Executive's Review

### Safety Campaigns

PIAB is strongly supportive of campaigns to reduce the number of accidents in the workplace, public places and on the roads. We co-operate with the Road Safety Authority and Health and Safety Authority and An Garda Síochána on road safety and workplace safety issues. As we are able to produce more detailed statistics from our work, we will be able to share increased aggregated data with those bodies and with other relevant organisations. During 2018, we in PIAB used our social media and web channels to consistently support safety campaigns including Project Edward organised by the European Traffic Police Network (TISPOL) and An Garda Síochána, and we will continue our support in 2019.

### People

I wish to particularly acknowledge the professionalism, expertise, hard work and commitment of all of our staff, without whom we could not have made the progress we have during 2018. I thank them sincerely for their unstinting contribution to our achievement of our mission.

### Conclusion

I thank the Chairperson of PIAB and the other members of the Board for their support and input during the year.

I wish to express my thanks to Ms Heather Humphreys T.D., the Minister for Business, Enterprise and Innovation, and to the staff in her Department for their support and assistance during the year and we look forward to continued constructive work with them. I also wish to express my gratitude to Mr Michael D'Arcy T.D., the Minister for State at the Department of Finance, who chairs the Cost of Insurance Working Group. It is only right that I commend the work of Mr Nicholas Kearns, the Chair of the Personal Injuries Commission for his hard work and very substantial contribution in the area.

I believe that, in the year ahead, there is potential for real and meaningful change that will benefit all parties and which will enable PIAB to continue to deliver on its vital work.



**Conor O'Brien**  
*Chief Executive*



# Financial Review

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# Financial Review

## Key Financial Highlights €'000s

	2018 €'000	2017 €'000	% Change
Total Income	€11,792	€11,687	+0.9%
Total Expenditure	€11,123	€11,250	-1.1%
Surplus	€669	€437	+53.1%
Cash inflow/(outflow)	€835	(€1,049)	+179.6%
Capital Expenditure	€198	€1,231	-83.9%

PIAB delivered a strong financial performance in 2018. A small increase in income coupled with a continued focus on costs management resulted in a surplus as outlined above.

### Total Income

Fee Income received from respondents (persons who respond to claims), primarily insurance companies, accounted for 87% of total income in 2018, similar to 2017. The current respondent fee charge in respect of PIAB dealing with a personal injury claim is €600. Respondent fee income is recognised on consent to the PIAB process in the year where the income is earned, i.e. service provided. €10.4m respondent fee income was received in 2018 (2017:€10.1m).

Fee income is also received from claimants (persons who suffer a personal injury). The current fee of €45 is submitted with the claim application and recognised on a cash receipts basis. The claimant fee is refunded to the claimant as part of the award. €1.5m claimant fee income was received in 2018, similar to 2017, reflecting a flat year in terms of the volume of applications received, numbering 33,371 in 2018 (2017:33,122).

Respondent fees paid in advance are treated as deferred income and are reported in the Statement of Financial Position as a current liability. This income is released to the Statement of Income and Expenditure and Retained Revenue Reserves on delivery of the service. The resultant deferred income balance at 31 December 2018 was €2.6m (2017:€2.5m).

### Total Expenditure

Total expenditure of €11.1m is lower than prior year by 1.1% with main elements as follows:

- ▶ Salary costs €6.1m
- ▶ Outsourced service centre costs €2.3m
- ▶ Other non-pay costs €2.7m

## Financial Review

Salary costs at €6.1m include a nominal increase of €21k (0.3%) on prior year. The key factors impacting on salary costs during the year are as follows:

- ▶ The average staff number employed was 84.3 (2017: 82).
- ▶ Higher number of staff availing of flexible working arrangements during the year.
- ▶ Salary increases paid under the Public Service Stability Agreement (2018-2020).
- ▶ The Single Public Service Pension Scheme (SPSPS) employer deduction applied since 2015 was amended in 2018 applying the provision of the Department of Public Expenditure and Reform (DPER) Circular 28/2016. As a result a reimbursement of €230,742 was received from DPER prior to year-end.

Outsourced service centre contract costs at €2.3m are lower than prior year by €146k (6%) due to a reduction in services procured during 2018.

Other non-pay costs at €2.7m are similar to prior year. The main elements are Information Technology (IT) and Telecommunications, €0.7m (2017: €0.6m), increased cost primarily reflecting annualised hosting and managed service costs following completion of IT project during 2017. Depreciation costs have increased to €0.4m (2017:€0.2m) as the asset base increased in 2017.

PIAB maintains a panel of independent experts (primarily medical practitioners) who complete independent medical examinations as part of the claims assessment process. The amount paid by PIAB to panel members in 2018 was €7.4m (2017: €8.0m), a reduction of circa 8% attributable primarily to lower volumes. These costs are reimbursed by the Respondent to PIAB.

### Net Assets

Net assets are €18.1m comprising primarily of current assets (cash deposits €19.4m), financed by cumulative retained revenue reserves (€18.1m).

### Capital Expenditure

Capital investment was €0.2m (2017: €1.2m) with investment in online services, infrastructure and building refurbishment. A significant capital investment programme will be developed in 2019 in line with PIAB's strategic plan and also in line with Government initiatives (Our Public Service 2020).

### Treasury

Cash deposits are €19.4m (2017: €18.6m) with a positive cash inflow of €0.8m. Cash generated from operations was €1m, with €0.2m invested in fixed assets. Short term deposits (€19.1m) are invested in a number of financial institutions in line with PIAB's treasury policy with €0.3m held for working capital/liquidity purposes.

## Financial Review

### Looking ahead to 2019

The PIAB (Amendment) Act 2019 was signed into law on the 25th February 2019 and is due to be commenced on the 3rd April 2019. This Act contains a new provision which will facilitate the return of monies to the Exchequer. A reserves policy will be developed in 2019 in conjunction with our parent department DBEI (Department of Business Enterprise and Innovation). It is envisaged that the policy will provide for monies to be retained by PIAB for operating, contingency and capital investment purposes with an agreed sum being returned to the Exchequer in 2019.

# PIAB at a Glance

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# PIAB at a Glance

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PIAB is Ireland's independent State body which assesses personal injuries compensation in a timely and cost-efficient manner.

PIAB assesses compensation in respect of personal injuries suffered by people in motor accidents, work place accidents and public liability accidents.

All personal injury claims must come through PIAB, unless settled early between claimants and insurers/respondents.

PIAB has assessed more than 130,000 cases since it was set up in 2004 and over 60 per cent of claimants have accepted its assessments.

The average time to assess a claim in 2018 was 7.2 months and the average delivery cost was 6.1% of compensation awarded.

Claims may be resolved by: direct settlement between the parties, a PIAB assessment, or litigation. Court decisions ultimately determine overall damages levels and the PIAB model preserves the constitutional right of access to the courts.

Insurers/respondents are charged a €600 fee per case for the PIAB service and claimants are charged €45. Upon consent to assess from the respondent, most PIAB cases are handled within 7 months. In comparison, cases can take significantly longer to reach a conclusion and incur significantly higher processing costs if they proceed to litigation.

Claimants can deal with PIAB directly or choose to engage the services of a solicitor to engage with us on their behalf – however, they generally must bear any associated legal costs.

We publish transparent information, the most comprehensive available in relation to personal injury claims in Ireland, including the Book of Quantum. We also participate, actively and collaboratively in relevant bodies such as the recent Personal Injuries Commission and the Department of Finance Cost of Insurance Working Group and we engage positively with all stakeholders.

By publishing data transparently, and because the PIAB model results in more predictable costs of claims, PIAB contributes to a more efficient personal injuries compensation system in Ireland.

# What we do

We facilitate a fair and transparent personal injuries assessment process in which claims are resolved at a low delivery cost and in a timely and non-adversarial manner.

We engage with all parties and stakeholders in the claims resolution process in a straight-forward and efficient way.

Our model is a positive one for society as a whole as it delivers compensation more quickly, with lower costs and predictable outcomes.

# Operational Review

## PIAB Strategic Objectives:

- ▶ To assess fairly and accurately the amount of compensation entitlement in personal injury claims within the remit of the Personal Injuries Assessment Board in a timely manner.
- ▶ To promote the lowest possible administration costs associated with the resolution of personal injury claims.
- ▶ To promote a culture of innovation and excellence, fostering an efficient, flexible organisation with motivated and skilled staff and maximising the positive impact of technology.
- ▶ To promote and advance a superior customer service, focussed on making information about our services accessible to all, supported by a transparent and accessible claims assessment process and a cost-effective organisation.
- ▶ To continue to contribute positively to the changing personal injury claims resolution environment in Ireland through greater use of the Board's non-adversarial model.



# Fairly and Accurately Assessing Compensation

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# Fairly and Accurately Assessing Compensation

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All personal injury claims (with exceptions set out in the Personal Injuries Assessment Board Act 2003) must be submitted to PIAB, unless they are settled early between claimants and insurers/respondents. Claimants can deal directly with PIAB or they may ask a third party, including solicitors, to submit their claim on their behalf. Claimants generally must bear any legal costs.

PIAB assesses compensation payable for personal injuries sustained as a result of a motor, workplace or public liability accidents. All such cases must be submitted to PIAB unless resolved at an earlier stage between the parties. Where the respondent (the party against whom the claim is made) consents to an assessment being made by PIAB, the assessment is completed promptly – within an average of just over seven months in 2018. In 2018, the total number of applications to PIAB was 33,371 showing an increase of 0.8% on the 2017 figure of 33,114. Motor claims volumes were 18,564 in 2018. Public liability claims numbered 8,666 in 2018 and employers' liability claims volumes were 6,141 in number. Where both parties accept the assessment, the matter is resolved without recourse to litigation, resulting in legally enforceable awards on a par with the courts. In 2018, PIAB made 12,112 awards for compensation with a value of €298.55 million. This compared with 12,663 awards in 2017 with a value of €315.04 million.

A PIAB award is the financial compensation payable to an individual who suffers a personal injury. It includes two types of damages. These are general damages for pain and suffering caused by the injury, and special damages for financial loss – both to date and into the future e.g. loss of wages, cost of medical care etc. Awards data in this report relates to the total value of an award and does not differentiate between general and special damages.

General damages are assessed having regard to The Book of Quantum, a guide to compensation levels in Ireland (available at [www.piab.ie](http://www.piab.ie)) to which the courts are also required to have regard under the Civil Liability and Courts Act 2004.

## Fairly and Accurately Assessing Compensation

### Awards volumes and values

Table 1.1 sets out the number and value of awards made each year since 2006.

**Table 1.1 Awards Volumes and Values by Year**

	No. of Awards	Value of Awards
2018	12,112	€298.55m
2017	12,663	€315.04m
2016	12,966	€315.13m
2015	11,734	€268.45m
2014	12,420	€281.21m
2013	10,656	€243.46m
2012	10,136	€217.94m
2011	9,833	€209.83m
2010	8,380	€186.63m
2009	8,643	€200.22m
2008	8,845	€217.16m
2007	8,208	€181.04m
2006	5,573	€115.28m
<b>Total</b>	<b>132,169</b>	<b>€3,049.94m</b>

**Table 1.2 Breakdown of 2018 Awards by Category**

	%	Volume	Average value
Motor Liability	70%	8,529	€22,682
Employers' Liability	12%	1,395	€30,839
Public Liability	18%	2,188	€28,372
<b>Subtotal</b>		<b>12,112</b>	

## Fairly and Accurately Assessing Compensation

**Table 1.3 Value of Average Awards by Category**

	2018	2017
Motor Liability	€22,682	€23,234
Employers' Liability	€30,839	€32,015
Public Liability	€28,372	€27,638
Overall average	€24,649	€24,879

Table 1.3 shows the average value of awards by each of the categories in 2018, i.e. Motor Liability, Employers' Liability and Public Liability, with the comparable 2017 figure.

The volume of cases in each claim category can vary year to year reflecting changes in the economic environment and the flow of new claims and private settlement patterns. Changes in volume of claims, category and severity each year can cause a variation in the average award. The average award in 2018 decreased slightly over the previous year's figure.

During the year, and in line with earlier years, average awards in the Employers' Liability category were higher than in the other categories reflecting the often more serious and complex nature of the injuries sustained in workplace accidents.

### Range of Awards

The highest award in 2018 was €908,749.

Over half of all PIAB awards in 2018 were under €20,000 (6,395 cases).

The large majority of personal injury awards in 2018 (10,523) were under €38,000 in award value.

109 claims saw awards of over €100,000, as shown in Table 1.4.

**Table 1.4 Breakdown of Total No. of Awards in 2018 (by Value and Claim Category)**

Average Value Category (€'s)	Motor Liability	Employers' Liability	Public Liability	Total
<20k	4,935	503	957	6,395
20-38k	2,812	567	749	4,128
38-100k	716	307	457	1,480
>100k	66	18	25	109
<b>All</b>	<b>8,529</b>	<b>1,395</b>	<b>2,188</b>	<b>12,112</b>

## Fairly and Accurately Assessing Compensation

### Average Award by Region/Category

**Table 1.5**

<b>DUBLIN</b>	<b>2018 Average Award</b>
Motor Liability	€21,856
Employers' Liability	€26,122
Public Liability	€27,046

<b>REST OF LEINSTER</b>	<b>2018 Average Award</b>
Motor Liability	€23,277
Employers' Liability	€32,410
Public Liability	€30,535

<b>CONNAUGHT-ULSTER</b>	<b>2018 Average Award</b>
Motor Liability	€24,194
Employers' Liability	€37,655
Public Liability	€32,885

<b>MUNSTER</b>	<b>2018 Average Award</b>
Motor Liability	€22,379
Employers' Liability	€32,936
Public Liability	€26,593

Table 1.5 and tables in the appendices of this report show the breakdown of the average award by category on a regional basis. Regional variations are reflected in the particular nature of the accidents involved. A detailed analysis of awards by region and county can be found in the Appendix.

### Assessment Timeline

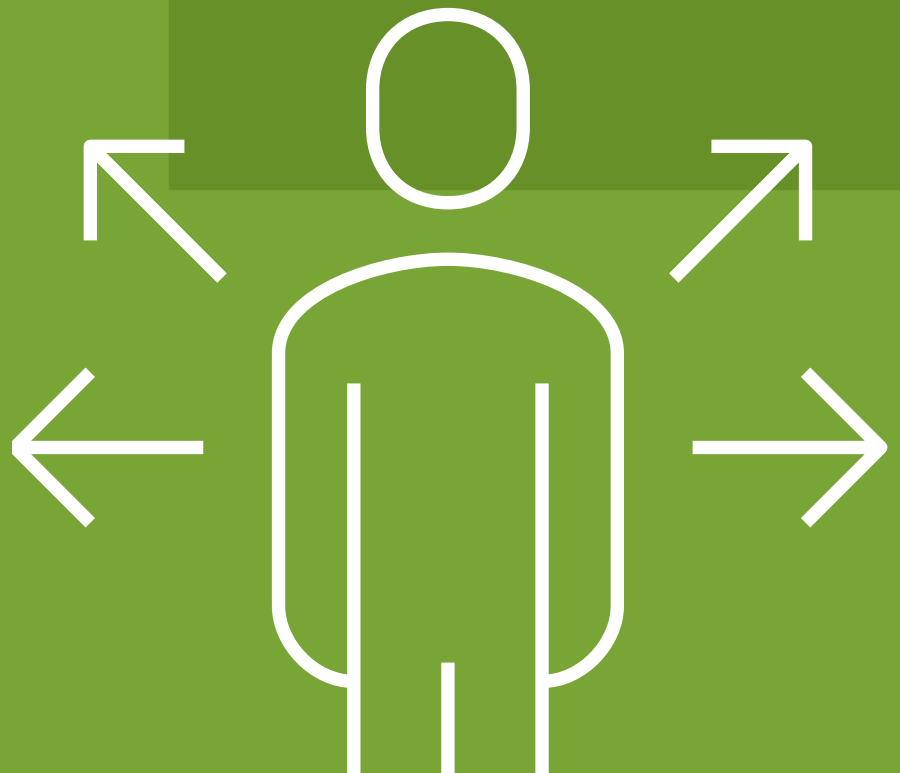
PIAB is obliged, under its 2003 Act, to assess claims within 9 months of a respondent's (those responding to claims – mostly insurers on behalf of policyholders) consent to the assessment process. There are exceptional circumstances in which the 9 month time limit can be extended. The 2018 results for PIAB show that average time from Date of Consent to Date of Award was 7.2 months. This is far more efficient and quicker than other channels outside the PIAB model which can take multiples of that time for resolution, with far higher processing costs than PIAB.





# Delivering Lowest Possible Administration Costs

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# Delivering Lowest Possible Administration Costs

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PIAB operated at nil cost to the Exchequer again in 2018. It does not draw down funds and in addition contributes significantly to the economy in terms of purchase of goods and services through public procurement and tax (PAYE/PRSI, PSWT and VAT).

PIAB's income is derived from the fees it levies, primarily on respondents (or their insurers) with a modest application fee levied on claimants. The current fees are €600 for respondents and €45 for claimants, and are set by legislation.

Operating costs were €127k lower than 2017 highlighting the continued focus in 2018 on securing value for money in the supplies and services procured by PIAB and managing costs.

Competitive tendering and Central Government contracts were used in order to achieve savings and efficiencies in areas such as PR/Communications, Managed Print Services and Occupational Health Services. In addition, there were contract negotiations undertaken in 2018 to offset the postal charges increases.

## Review of Energy Usage in 2018

As a public sector agency, we are fully committed to playing our part in the achievement of energy efficiency (reduction) targets of 33% improvement from the baseline year 2009 to 2020. As of December 2018 based on the figures provided to SEAI we have achieved a 63.4% improvement from baseline.

In 2018, PIAB consumed 150,503 KWh of energy, consisting solely of electricity use; this was the first full year of electricity usage since the refurbishment works were undertaken in 2017. The overall 2018 usage represents a 36,897 KWh decrease on usage in 2017.

PIAB participates in a framework agreement for the supply of electricity procured centrally by the Office of Government Procurement.

PIAB is aware of its responsibilities in relation to sustainability issues. We have put in place a number of green initiatives which include the promotion of public transport use by staff under the tax-saver scheme, staff access to the cycle-to-work scheme, the use of recycling bins and energy efficient measures including the installation of sensory-activated lights in offices. PIAB will continue to put in place necessary measures, where possible, in order to reduce our carbon footprint.

## Actions Undertaken in 2018

- ▶ Conduct ongoing staff awareness relating to energy conservation
- ▶ Monitoring the savings from the building refurbishment undertaken in 2017

## Delivering Lowest Possible Administration Costs

### Actions Planned for 2019

In 2019, we intend to complete the following:

- ▶ undertake a desktop upgrade project.
- ▶ conduct engagement with other public bodies.
- ▶ conduct ongoing staff awareness relating to energy conservation.

### Prompt Payment of Accounts

In the year to 31 December 2018, 87% of payments had been made within 15 days and 99.8% within 30 days.

Prompt Payments	2018	2017
Total Number of Invoices paid	23,719	25,887
Total Value of Payments	€16,871,145	€19,001,112
Total Number of Invoices paid in excess of 30 days	46	246
Total Prompt Payment Interest and Compensation	€2,592	€4,207

### Delivery Costs

In 2018, PIAB delivered the current level of compensation at a delivery cost of 6.1%. Our delivery costs are not based on a percentage of the amount of the award but are predominantly fixed fees. This is lower than previous year's figure which was 6.2%.

The more cases that can be processed through PIAB's low cost model the greater the impact on overall claims costs which are a contributing factor to insurance premium levels.

In 2018, the number of awards accepted by customers of PIAB (claimants and respondents) was 6,208, as shown in Table 2.1 below.

**Table 2.1 Total Number and Value of PIAB Accepted Awards**

	2018	2017	2016	2015	2014	2013	2012
No. of Accepted Awards	6,206	6,788	7,071	6,716	7,519	6,476	6,124
Total Value of Accepted Awards	€153.60m	€168.86m	€168.68m	€151.35m	€165.97m	€142.57m	€127.62m
Total PIAB Delivery Costs	€9.45m	€10.46m	€10.72m	€9.84m	€11.17m	€10.76m	€11.47m



# Promoting Culture of Innovation, Excellence and Efficiency

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# Promoting Culture of Innovation, Excellence and Efficiency

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## Information and Communications Technology

The PIAB process involves the processing of information relating to claimants and respondents and information and communications technology (ICT) is key for the organisation.

The PIAB systems/applications operated normally throughout the year providing users with 99.6% systems availability during working hours. Service requests were actioned in line with Service Level Agreements in place with IT-managed service providers.

PIAB has an ongoing programme of investment in ICT. Through the use of technology and online services we have been able to improve service quality and access for customers, as well as driving efficiencies.

Our investments in the ICT area include upgrading and replacing hardware and software, along with the use of specialist services to augment our in-house expertise in a cost-efficient and effective way. Investment during the year included work on online services, IT managed services and on hosting services.

Training and briefing across the organisation took place on relevant information technology topics during the year.

## Online platforms

The organisation is progressive in introducing and updating its systems to meet business needs. In particular the online services offered by PIAB have increased during 2018 with enhancements to the online application system and provision of the PIAB Solicitors Portal.

These systems have involved major work programs. Extensive IT project work took place during 2018 to support the development and roll out of the PIAB Solicitors Web Portal. This has been well received and the numbers of users from the legal profession continues to grow. Among its benefits, the portal provides access to real time information in relation to claims and their progress.

Other initiatives during the year included website updates, replacing of the managed print service and some initial research into what the next versions of the main PIAB IT system may provide.

## Promoting Culture of Innovation, Excellence and Efficiency

### Facilities

PIAB occupies two floors at Grain House, Belgard Square North, Tallaght. The premises are leased by the Office of Public Works (OPW) and the lease costs are borne by the Board. Key developments during 2018 included:

- ▶ The procurement of a facility management service.
- ▶ Screens added in meeting rooms to enhance collaborative working.
- ▶ Portable Appliance Testing (PAT) carried out within the PIAB premises.

### GDPR

A major eight-month readiness project was implemented by PIAB in preparation for the go-live of the General Data Protection Regulation (GDPR). The readiness project was informed by an analysis by independent expert data privacy consultants, identifying any additional areas to be covered by PIAB's policies, procedures and practice.

All of PIAB's data processing and privacy policy and procedures were reviewed and updated where required, to ensure readiness for the implementation of the Data Protection Act in May 2018. Updates to contracts to comply with GDPR were put in place with all suppliers and new data processing agreements put in place with the largest suppliers.

PIAB respects the privacy rights of people whose Personal Data it processes and it is committed to working in compliance with Data Protection legislation and in treating Personal Data securely and with care. It has a comprehensive Data Protection Code of Practice, Privacy Statement and Cookie Policy.





# Advancing Superior Customer Service

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# Advancing Superior Customer Service

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From its very beginning in 2004, PIAB has prioritised its service to its customers. Those customers include a wide range of groups, starting with those who have suffered an injury and are considering making a claim or have done so, and those whom a claim is made against, who are known legally by the term “respondents”. Those two groups are very often engaging with us for the first time, and with the stress of an accident having prompted their need to contact us.

We have for many years had a customer charter and a complaints policy on our website, and we have always focussed on ensuring that customers could find information either simply using our website, or by being able to speak to an experienced person, either in our Service Centre in Clonakilty, Co. Cork or in our Assessment Centre in Dublin.

We are also conscious that our stakeholders include insurance policy holders who pay premiums and therefore have direct interest in claims and costs. We are, in addition, aware of the need to provide a quick and efficient service to medical and legal professionals, public representatives, insurers, academics, business or consumer organisations and those making or feeding into policy on insurance, safety, and litigation.

## Customer Survey

In 2018, PIAB conducted a customer service survey of people dealing directly with our staff, and the results showed the following:

- ▶ 99 per cent of customers stated that their communications had been dealt with in a courteous, helpful and friendly manner.
- ▶ 92 per cent of customers felt those they engaged with in PIAB were knowledgeable and informed on the options available.
- ▶ 90 per cent of those surveyed felt as a result of our communication with them that they fully understood the PIAB application process.
- ▶ 84 per cent said they were either very satisfied or satisfied with their engagement with our staff.
- ▶ 79 per cent felt that the PIAB process was the method of making a claim for personal injuries damages which had the lowest processing cost and was quickest.

PIAB strives to deliver a superior customer service and has in place a comprehensive quality assurance programme to support the delivery of such a service.

Its engagement with claimants and with solicitors is changing very significantly through the increasing use of electronic methods of making or processing applications.

PIAB's website continued to be updated significantly during 2018.

## Advancing Superior Customer Service

It provides:

- ▶ Information about the claim process.
- ▶ Downloadable forms (claim application form and medical form).
- ▶ A PIAB claimant guide.
- ▶ A PIAB respondent guide.
- ▶ Information relating to the Board to include background and history.
- ▶ News and publications including media releases and annual reports.

### Solicitors Portal

The PIAB web portal for solicitors was rolled out in 2017 and there was a very significant expansion in the number of solicitors using it in 2018. It is a secure, web based platform where authorised users can access information to their client's claims and correspond with PIAB.

There are major advantages to the use of this portal for solicitors, and ultimately for all of those paying for the cost of claims processing through premiums, as it is more efficient and involves savings in terms of costs and time.

The PIAB Solicitors Portal provides benefits including:

- ▶ Access to real time information in relation to claims.
- ▶ Facility to monitor progress of claim applications.
- ▶ Automated acknowledgement of the statute stopped date on submission of an application (this is a unique benefit only available to users who submit claims via the portal).
- ▶ Ready access to information to convey to clients.
- ▶ Reduced paper/storage and admin costs.
- ▶ Visibility of assessment details.
- ▶ Payment on account options.

We progressed our move to increased use of new technology for receiving and processing claims. 829 solicitor firms registered to use the PIAB Solicitors Portal during 2018, bringing total registered since launch to 847. In 2018, over 2,500 claims were submitted either through PIAB's website or through the portal.

Further development of the Solicitors Portal is planned in 2019.

## Advancing Superior Customer Service

### Service

PIAB's model is a user-friendly administrative and paper-based system with no oral hearings or adversarial processes and we make many supports available to claimants wishing to handle their claim themselves.

In addition to our website, which received 161,153 visits in 2018, we also provide information via our Twitter feed.

We operate a web chat service, as well as answering queries by email, in addition to the telephone engagement with our staff.

Our Service Centre provides:

- ▶ Detailed information and assistance to potential claimants and respondents in progressing claims;
- ▶ Detailed guidance and assistance to claimants completing applications; and
- ▶ Availability to speak to personnel on Lo-call number 1890 829 121 from 8am to 6pm Monday to Friday.

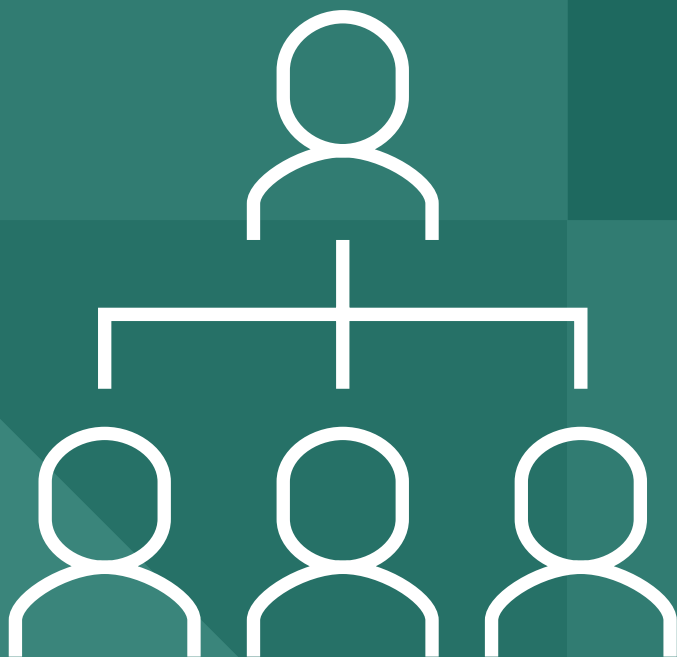
The Service Centre also deals with other agents e.g. solicitors, insurance companies, doctors and specialists.

### Customer service statistics

During the year our Service Centre handled 43,343 incoming calls, and correspondence relating to existing claims and 33,371 new claims, 103,443 incoming e-mails and 7,713 incoming faxes. Our Service Centre arranged 22,416 medical appointments.

# Contributing Positively to the Claims Resolution Environment

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# Contributing Positively to the Claims Resolution Environment

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PIAB was established to improve the Irish personal injury claims resolution system by substantially reducing the number of cases going to court and by the speedy and low cost processing and assessment of claims. Before PIAB was established, a claimant who had suffered a personal injury had no alternative but to pursue their claim through the litigation system.

PIAB's non-adversarial model delivers much quicker awards to claimants and at a processing cost which is far lower than through other channels including litigation. Total PIAB delivery costs during 2018 were €9.45 million (6.1% of the cost of awards delivered). This shows the major savings achieved through use of PIAB system when compared to the costs which would have resulted had the cases been pursued through litigation. The Cost of Insurance Working Group estimated that where cases go to litigation outside the PIAB process the add-on legal and other costs run at over 40% of the ultimate award. Those additional costs are borne by everyone who pays for insurance premiums and PIAB, through its operations, seeks to provide a less costly and time consuming alternative.

In addition to PIAB facilitating very significant reductions in the cost of processing claims as set out above, PIAB is also committed to playing an active role in reviewing, analysing and promoting improvements to the general claims resolution environment. PIAB does this through regular engagement with all stakeholders, through participating actively in bodies in the areas of policy and procedure, and by the provision of the most detailed data currently available in Ireland in relation to personal injuries compensation.

## Personal Injuries Commission (PIC)

The Cost of Insurance Working Group (CIWG) recommended that a Personal Injuries Commission be established to examine a number of areas including to;

- ▶ assess systems for handling personal injury claims particularly soft tissue ('whiplash') claims, focussing on causes, frequency, diagnosis, treatment and appropriate compensation level;
- ▶ carry out a high-level benchmarking exercise of international awards for personal injury claims with domestic ones as referred to in the Book of Quantum; and
- ▶ analyse and report on alternative compensation and resolution models internationally focussing on common law systems while taking account of social welfare, healthcare and related factors associated with each jurisdiction.

## Contributing Positively to the Claims Resolution Environment

The PIC was established in early 2017. Its Second and Final Report was completed in June 2018 and published in September 2018 following consideration by Government. The establishment of the Personal Injuries Commission (PIC) was one of the key recommendations from the Cost of Insurance Working Group Report on the Cost of Motor Insurance in January 2017. PIAB fully engaged in the work of the PIC as a member, and welcomed its recommendations. The PIC was chaired by former High Court President, Mr Nicholas Kearns. PIAB played a very active and constructive role in that body's important work over 2017 and 2018. This included the seconding of expert staff to assist the work of the commission in researching, analysing and production of its reports.

The PIC published two reports, a short summary of which is provided below.

### **First Report End 2017 – New Examination and Reporting Procedures for Soft-Tissue ('Whiplash') Injuries**

The PIC proposed the adoption in medical reporting in Ireland of the Whiplash Associated Disorder (WAD) grading, the Neck Disability Index (NDI) and the Visual Analogue Scale (VAS) for pain. Use of this system is to be included in every soft-tissue ('whiplash') examination and medical report. Specifically it aims to bring more consistency to the examination, medical reporting and diagnosis of injuries. The new system will improve the quality of personal injury processes in Ireland and thereby deliver substantial benefits for the good of society as a whole. Some medical professionals use this international examination and reporting standard already. PIAB was asked by the PIC to support the implementation of the recommendation.

PIAB commenced roll-out in 2018 of the requirement for the use of the new template and continues to provide assistance in terms of the joint proposal by the Irish College of General Practitioners (ICGP), Royal College of Surgeons in Ireland (RCSI) to facilitate implementation of the overall medical-related PIC report recommendations including development and implementation of an appropriate underpinning training and accreditation programme

This continues to be worked on in collaboration by PIAB and with other stakeholders.

### **Second and Final Report September 2018**

This report contained benchmarking data in relation to claims costs in Ireland and in England and Wales, and a number of major recommendations including the establishment of the Judicial Council and the setting by that body of guidelines on compensation awards for various injuries, most specifically in the case of whiplash-related injuries.



## Contributing Positively to the Claims Resolution Environment

### Cost of Insurance Working Group

The Working Group brought together all the relevant Departments and Offices. The first phase involved an examination of the Motor Insurance sector and included a recommendation to establish a Personal Injuries Commission (the PIC). The second phase involved an examination of the Employer Liability Insurance and Public Liability Insurance sectors.

The Cost of Insurance Working Group is chaired by the Minister of State at the Department of Finance, Michael D'Arcy T.D., and continued in 2018 to make progress in its review of the factors which are influencing the increased cost of insurance.

PIAB senior executives were very active participants in the work of the working group, and all recommendations to date for delivery by PIAB have been implemented.

### Claims and Policy Insights

In fulfilling our remit to deliver compensation awards, we gather substantial data on injuries and the circumstances of accidents in a wide variety of settings. We have extensive processes in place to protect the privacy of the data subjects. The use of anonymised data provides an important insight into the types of injuries people sustain and the nature of the accidents in which they are involved.

During 2018, we moved to publish a significant amount of additional data following on from our commencement of compiling data with reference to ICD-10 (an international medical classification system). We issued material to the media and via our website on whiplash-related injury compensation awards resulting from road traffic accidents in Ireland. The publication of this data by PIAB delivered on a recommendation from the first report of the PIC, and involved analysis of approximately 4,500 awards made in the first six months of 2018.

This statistical information can be particularly useful to those responsible for risk management and accident prevention, including other State Agencies.

In delivering on our objective of contributing positively to the changing personal injury claims resolution environment in Ireland through greater use of the Board's non-adversarial model, we engage widely.

We provide information transparently to policymakers which assists their work and we provide factual information and explanatory material to people who have experienced an accident and who have the option of using our model.

PIAB believes that there is a need for transparent data on cases settled outside the PIAB or court process, in order to provide the full picture of claims data.

## Contributing Positively to the Claims Resolution Environment

### Stakeholders

We provide information to a wide range of stakeholders from the business, legal and insurance sector and consumer areas, and to academic specialists in the injuries compensation and insurance areas. We attend and participate actively in conferences and seminars and provide our insight on areas where improvements can be made. During 2018, we met with a wide range of organisations, and attended relevant conferences.

The stakeholders we met during the year included:

AA Ireland; An Garda Síochána; Chambers Ireland; the Bar Council of Ireland; Brokers Ireland; the Central Bank of Ireland; the Consumers' Association of Ireland; the Courts Service; the Competition and Consumer Protection Commission; Ibec; the Alliance for Insurance Reform; the Irish College of General Practitioners; the Irish Congress of Trade Unions; the Irish Hospital Consultants Association; Irish Small and Medium Enterprises (ISME); Insurance Ireland; the Law Society of Ireland; the Road Safety Authority; the Health and Safety Authority; the State Claims Agency; the Small Firms Association; Retail Ireland; the Society of the Irish Motor Industry, and the National Irish Safety Organisation. In addition to the Department of Business, Enterprise and Innovation, we also engaged with the Department of Finance, the Department of Justice and Equality, and the Department of Transport, Tourism and Sport.

We also had regular meetings with groups representing business and consumers, with individual insurance companies and with members of the legal and medical professions and attended and spoke at relevant events.

In September 2018, we took a stand at the *Taking Care of Business* Mid-West event in Limerick, organised by the Department of Business, Enterprise and Innovation, and provided information to small and medium-sized businesses at the event. We also attended a wide range of meetings of medical, health and safety and insurance sector groups during 2018.



# Our People

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# Our People

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During the year, PIAB continued to promote its agreed cultural values. These are Collaboration, Respect, Openness and Integrity. PIAB developed and rolled out initiatives to cultivate these values to both reward and recognise our people while fostering collaboration across all teams.

We developed a holistic programme of lunch time lectures on First Aid (Adult First Aid Overview, Paediatric First Aid and Cardiac First Aid Response, Care of the Older Adult) and personal resilience and self-care.

It is widely recognised that volunteering opportunities have a positive impact on individuals, organisations and the wider community. Volunteering can be a powerful driver of personal, social, economic, cultural and environmental change. It can empower people to fulfil their potential and acquire new skills and knowledge, to connect with others in a positive way but also build their capacity and creativity to contribute to the vibrancy of their own communities.

Over the past 12 months PIAB introduced a policy on Special Leave for Charitable, Social and Cultural purposes, where staff can avail of unpaid leave for the purpose of service in this country with voluntary organisations engaged wholly or mainly in charitable work or community welfare. Our staff in a collaborative effort assisted a local volunteer community led organisation in Tallaght called VISIT. Our staff purchased sleeping bags and other clothing, and compiled care bags full of personal products to assist those in need. This was identified as a way of showing our understanding of the realities of life for the less fortunate.

PIAB launched a Continuous Improvement initiative during the year. This allows staff to present/suggest ideas to improve anything in the work environment or how we operate. This initiative has been fully implemented with each team in PIAB having a Continuous Improvement Co-Ordinator and a number of ideas implemented.

PIAB is committed to employee wellbeing and welfare with a view to assisting employees to fulfil their obligations and to provide a regular and efficient service, leading to the achievement of the Board's goals. PIAB offered all colleagues voluntary health screenings and flu vaccines on two occasions in 2018 and continues to provide an Employee Assistance Programme.

With much sadness, we note that in February 2018 one of our colleagues passed away. This colleague made an inimitable and valued contribution to the Board during his time with us, and is greatly missed.

## Governance Statement and Board Members' Report

# Governance Statement and Board Members' Report

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### Governance

The Personal Injuries Assessment Board (PIAB) is a non-commercial State body. Its functions and duties are set out in the Personal Injuries Assessment Board Acts 2003 and 2007. The Board is responsible for formulating PIAB's policies and the execution of other fiduciary duties. It is collectively responsible for leading and directing the organisation's activities. While the Board may delegate particular functions to management the exercise of the power of delegation does not absolve the Board from the duty to supervise the discharge of the delegated function.

The Board fulfils key functions as set out below which includes providing leadership and direction of the organisation within a framework of prudent and effective controls which enables risk to be assessed and managed.

### How the Board operates – Role of the Board

The Board meets on a regular basis. As required Executive staff and others e.g. various experts etc., attend at Board meetings for the purposes of discussing relevant matters. During 2018 the Board also met on occasion, without Executive Members present, to discuss any matters that were deemed relevant.

The Board may delegate some of its powers as it sees fit to either a Board Committee or to the Chairperson or to the Chief Executive Officer, subject to compliance with any relevant legislation particularly the Personal Injuries Assessment Board Act 2003. Executive management are responsible for the day to day running of the organisation. The Board's terms of reference includes a formal schedule of matters specifically reserved to it for decision. These include:

- ▶ Ensuring that the Board operates within the limits of its statutory authority and/or any delegated authority agreed with the Minister;
- ▶ Discharging the principal functions of the Board as set out in the PIAB Acts;
- ▶ Discharging the Board's other legislative functions;
- ▶ Ensuring that high standards of corporate governance are observed at all times;
- ▶ Ensuring the maintenance of a sound system of internal controls including financial, operational, compliance, strategic and reputational controls, and risk management processes and policies;
- ▶ Monitoring the effectiveness of the Board's risk management processes and systems to ensure the effective identification, monitoring and control of risks;
- ▶ Undertaking an annual assessment of the effectiveness of internal control and risk management processes;

## Governance Statement and Board Members' Report

- ▶ Agreement of the purchasing procedures of the Board, including the delegated levels of authority;
- ▶ Approval of major purchases/contracts;
- ▶ Approval of any significant changes in accounting policies or practices;
- ▶ Approval of Annual Reports and Financial Statements;
- ▶ Approval and monitoring of the Annual Budget;
- ▶ Approval of the Strategic Audit Plan;
- ▶ Appointment, remuneration and assessment of performance of the Chief Executive Officer subject to any Ministerial approval required;
- ▶ Approval of the Board's Strategic Plan for submission to the Minister;
- ▶ Approval of the delegation of responsibilities to the Chief Executive Officer;
- ▶ Overseeing the discharge by the executive management of the day to day business of the Board;
- ▶ Undertaking an annual review of its own performance;
- ▶ Appointing the Chairperson and Members of Board Committees and approval/review of the terms of reference of these committees; and
- ▶ Approval of the Code of Business Conduct for Board Members.

### Board Responsibilities

Section 77 of the Personal Injuries Assessment Board Act, 2003, requires the Board to prepare annual financial statements in the format and manner specified by the Minister for Business, Enterprise and Innovation.

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

- ▶ Select suitable accounting policies and apply them consistently.
- ▶ Make judgements and estimates that are reasonable and prudent.
- ▶ Prepare the financial statements on a going concern basis unless it is inappropriate to presume the Board will continue in operation.
- ▶ State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, the financial position of the Board and which enable it to ensure that the financial statements comply with Section 77 of the Act. The Board is also responsible for safeguarding the assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board considers that the financial statements of PIAB give a true and fair view of the financial performance and the financial position of PIAB at 31 December 2018.

During the year, the Board approved an Annual budget and on an on-going basis evaluated performance against budget – this was achieved by regular budget updates provided by the Executive for the consideration of the Board at its regular meetings.

As outlined in the Statement on Internal Control contained within the Financial Statements which form part of this Annual Report, the Board carried out a review of the effectiveness of internal controls within the organisation during the year. This review was informed by the work of the internal auditor, the Audit and

## Governance Statement and Board Members' Report

Risk Committee which oversees the work of the internal auditor, and the organisation's Executive which has responsibility for the development and maintenance of the control framework. The Board concluded that they are satisfied as to the effectiveness of the system of internal controls in place in the organisation.

During the year, the Board carried out an assessment of the organisation's principal risks, including a description of the risk and associated measures or strategies to control and mitigate these risks. Board Members concluded that they were satisfied as to the risk management framework and associated processes in place.

During the year, the organisation implemented risk management procedures as outlined in our Risk Management Framework. This comprehensive framework is fully integrated with our Quality Assurance Programme and Business Planning Cycle.

During the year, the Board undertook a self-evaluation of its own performance. The findings of the review were generally positive with some clarification sought around a small number of areas.

### Board Structure

The Board consists of a Chairperson, and nine ordinary (non-executive) members and the Chief Executive Officer. The Members of the Board are appointed by the Minister for Business, Enterprise and Innovation for a defined period in accordance of the terms of the Personal Injuries Assessment Board Act 2003. Members may be re-appointed. The Board met eight times during 2018. The table below lists all Board Members who served in 2018 and their attendance record at Board meetings.

### Full List of Board Members during 2018

Name	Position	Attendance Record
Dermot Divilly	Non-Executive Chairperson	8 out of 8
John Lynch	Vice Chairperson and Business Consultant	4 out of 5
Conor O'Brien	Chief Executive	8 out of 8
Colette Crowne	Competition and Consumer Protection Commission	7 out of 8
Walter Cullen	Irish Congress of Trade Unions (ICTU) nominee	8 out of 8
Dermot Gorman	Insurance Ireland nominee	1 out of 2
Nuala E. Jackson	Senior Counsel	3 out of 3
Martin Naughton	Irish Congress of Trade Unions (ICTU) nominee	8 out of 8
Tim O'Hanrahan	Central Bank of Ireland nominee	7 out of 8
Fionnuala O'Loughlin	Consultant Psychiatrist	0 out of 2
Dr Jean O'Sullivan	Consultant in Emergency Medicine	3 out of 3
Breda Power	Department of Business, Enterprise and Innovation	8 out of 8
Margot Slattery	Irish Business and Employers Confederation (IBEC) nominee	6 out of 8
Stephen Watkins	Secretary to the Board	8 out of 8



## Governance Statement and Board Members' Report

### Personnel Changes

During 2018 both Fionnuala O'Loughlin and Dermot Gorman resigned from the Board in April and the term of office of John Lynch ended in July. Nuala Jackson S.C. and Dr Jean O'Sullivan were appointed from the 1st of August 2018. There is currently one vacancy on the Board.

### Committees

The Board has also established an Audit and Risk Committee comprising a number of Board Members. The role of this committee is to support the Board in relation to its responsibilities for issues of risk, control and governance and associated assurance. The Committee is independent from the financial management of the organisation. In particular the Committee ensures that the internal control systems including audit activities are monitored actively and independently. The Committee reports to the Board after each meeting, and formally in writing annually. The Committee met four times during 2018. Details of Committee membership during the year follow:

### Audit and Risk Committee Members 2018

Member	Tenure
John Lynch (Chairperson)*	Ceased in July 2018
Walter Cullen	Full year
Dermot Gorman	Ceased in April 2018
Tim O'Hanrahan*	Full year
Breda Power	Full year
Margot Slattery	Appointed in November 2018

Secretary: Stephen Watkins

\* Tim O'Hanrahan was appointed as Chairperson following the departure of John Lynch.

## Governance Statement and Board Members' Report

### Board Fees and Expenses

Details of fees paid to Board Members are set out below. As in previous years, no expenses were paid to Board Members.

	2018 €	2017 €
Dermot Divilly – Chairperson	20,520	20,520
Walter Cullen	11,970	11,970
Dermot Gorman	3,990	11,970
Nuala E. Jackson	4,987	-
John Lynch	6,983	11,970
Martin Naughton	11,970	11,970
Margot Slattery	11,970	11,970
<b>Total</b>	<b>72,390</b>	<b>80,370</b>

The following Board Members were paid no fees during 2018 due to the application of One Person One salary principle: Breda Power, Fionnuala O'Loughlin, Tim O'Hanrahan, Dr Jean O'Sullivan, Colette Crowne and Conor O'Brien.

### Executive Management Team

The regular day-to-day management, control and direction of PIAB are the responsibility of the Chief Executive Officer (CEO) and the senior management team. Together they make up the Executive Management Team. The CEO and the senior management team must follow the broad strategic direction set by the Board, and must ensure that all Board members have a clear understanding of the key activities and decisions related to the organisation, and of any significant risks likely to arise. The CEO acts as a direct liaison between the Board and management.

The Chief Executive Conor O'Brien is a member of the Board. He also leads the Executive Management Team which includes:

- ▶ Maurice Priestley – Director of Operations
- ▶ Helen Moran – Director of Business Support Services
- ▶ Stephen Watkins – Director of Corporate Services
- ▶ Bernadette King – Director of Finance

The Chief Executive Officer is responsible for the day-to-day management of PIAB's operations supported by directors, managers, assessors and support staff.

## Governance Statement and Board Members' Report

### Disclosures required by the Code of Practice for the Governance of State Bodies (2016)

The Board is responsible for ensuring that PIAB has complied with the requirements of the Code of Practice for the Governance of State Bodies (the Code) as published by the Department of Public Expenditure and Reform (DPER) in August 2016. The following disclosures are required by the Code.

**Employee Short-Term Benefits Breakdown** (The disclosure in relation to this is contained in Note 3 in the Financial Statements in this Annual Report).

**Consultancy Costs** (The disclosure in relation to this is contained in Note 5 in the Financial Statements in this Annual Report).

### Legal Costs and Settlements

(The disclosure in relation to general legal advices is contained in Note 5 in the Financial Statements in this Annual Report).

### Travel and Subsistence Expenditure

(The disclosure in relation to this is contained in Note 5 in the Financial Statements in this Annual Report).

### Hospitality Expenditure

(The disclosure in relation to this is contained in Note 5 in the Financial Statements in this Annual Report).

## Statement of Compliance

The Board has adopted the Code of Practice for the Governance of State Bodies (2016) and has put procedures in place to ensure compliance with the Code.

Instances of non-compliant procurement are outlined in the Statement on Internal Control contained in the Financial Statements appended to this Annual Report.

As there was significant upheaval in Board Membership during 2018 it was decided by the Board that carrying out an external review of performance at this point would have limited value. Accordingly it was decided to carry out the external review in 2019 instead when Board Membership was more stable. An internal Board review was carried out in 2018 and an external review will be completed in 2019.

Otherwise PIAB was in full compliance with the Code of Practice during 2018.

**Signed**



**Dermot Divilly**  
Chairperson

29 May 2019

**Signed**



**Conor O'Brien**  
Chief Executive

29 May 2019

# Governance

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## Risk and Control Framework

PIAB has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks. These reports were brought before the Audit and Risk Committee and there were no significant issues identified.

PIAB have appointed a Chief Risk Officer to oversee the implementation of the risk management framework. PIAB review management reporting on risk at each Board meeting.

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely manner.

Ongoing monitoring includes information from the three lines of defence as follows:

- ▶ **First line of defence** – information coming from business operational areas that can be used to derive assurance in relation to how risks are being managed. This includes risk registers, reports on the routine system controls, performance data and other management information.
- ▶ **Second line of defence** – work associated with oversight of management activity. This includes compliance assessments or reviews to determine that quality arrangements are being met in line with expectations for specific areas of risk across the organisation e.g. procurement.
- ▶ **Third line of defence** – independent and objective assurance. This focuses on the role of internal audit which carries out a programme of work specifically designed to provide an independent and objective opinion on the framework of governance, risk management and control.

## Internal Audit

The Internal Audit function is a key element in informing the governing Board on the effectiveness of the system of internal controls. The internal auditors operate in accordance with the Code of Practice for the Governance of State Bodies. Internal Auditor reports were prepared in 2018 covering a wide range of areas: Financial, Operational and Organisational. These reports were brought before the Audit and Risk Committee and there were no significant issues identified.

## Corporate Governance – Compliance

PIAB operates in accordance with the provisions of its 2003 Act, as amended in 2007. PIAB operates under the aegis of the Minister for Business, Enterprise and Innovation.

In addition to the terms of our governing legislation, we are also required to comply with a wide range of other statutory (National and EU) and administrative requirements. In particular, we have put in place procedures to ensure compliance with the following specific requirements:

## Governance

### Code of Practice for the Governance of State Bodies

PIAB has developed and implemented procedures to ensure that it fully complies with the new Code which was introduced in August 2016 and formally adopted by the Board. Annually, the Board's Chairperson formally confirms to the Minister for Business, Enterprise and Innovation PIAB's compliance with the Code. As part of the requirements of the Code an agreed Service Level Agreement has been developed with our parent Department.

### Ethics in Public Office Act, 1995

PIAB comes within the scope of the Ethics in Public Office Act, 1995 and has adopted procedures to comply with the Act. Accordingly, where required, Board Members and staff holding designated positions have completed statements of interest in compliance with the provisions of the Act. Furthermore, procedures are in place for the on-going disclosure of interests by Board Members which is a question asked at the outset of every Board meeting. Staff at management level are also subject to this legislation.

### Safety, Health and Welfare at Work Act 2005

In accordance with the Safety, Health and Welfare at Work Act 2005, PIAB has implemented procedures to comply with the provisions of the Act. We have adopted a safety statement that encompasses all of the aspects of staff welfare.

### Employment Equality

PIAB is proud to be an equal opportunities employer. Its offices are fully accessible. PIAB is represented on the Department of Business Enterprise and Innovations' Disability Consultative Committee. PIAB's values are Collaboration, Respect, Openness and Integrity.

These values support the culture of PIAB which is one which demonstrates that all colleagues regardless of any disabilities which they may have are regarded as competent and are genuinely valued in the workforce. Staff in PIAB are offered ergonomic assessments on their return to work following long term sick leave.

PIAB funds an Employee Assistant Programme for all employees which offers 24/7 one to one counselling. The Board's aim is to establish a work place where staff feel supported and equally valued if they disclose a disability.

On a macro level PIAB hope to work with the National Disability Authority and DBEI in regard to the Comprehensive Employment Strategy for People with Disabilities 2019-2021.

PIAB has an active Health and Safety Committee. A member of this committee completes a monthly premises audit/H&S walkabout to ensure that we have an accessible work environment.

PIAB offers colleagues agile work options such as flexi time, work sharing, shorter work year and career breaks in addition to all Statutory Leave.

## Governance

### Human Rights

PIAB's Customer Charter commits the organisation to the following: Treating customers equally, fairly and with respect.

PIAB is aware of the categories of people protected by equality law and does not discriminate on any of the grounds set down in relation to provision of the goods and services in the Equal Status Acts 2000-2015 (ESA). PIAB does not discriminate on grounds of gender; civil status; parental status; maternity status; family status; sexual orientation; religion; age; race, nationality, or ethnic background; membership of the Traveller community; or disability.

PIAB provides services to all claimants or respondents, relating to claims which have occurred in the Republic of Ireland and it takes decisions based on its role and responsibilities under legislation including the Personal Injuries Assessment Acts, as amended, and other relevant laws. PIAB's commitment to fair, efficient and transparent assessment of claims is clearly set out on its website. PIAB provides services in a variety of languages (in addition to English and Irish we provide information in Russian, Polish, Chinese, and Arabic). The updated PIAB website has been developed to provide improved access to people with visual disabilities and is written in a simple and clear manner.

### Data Protection

PIAB is required to process Personal Data in order to carry out its statutory functions in assessing personal injuries claims in a fair and efficient way. PIAB respects the privacy rights of those whose Personal Data it processes and it is highly conscious of its obligations under existing legislation including the Data Protection Acts (1988, 2003 and 2018) and the General Data Protection Regulation (GDPR) which came into force from the 25th May 2018. PIAB operates in accordance with a formal Data Protection Code of Practice, which is published on its website. PIAB commenced a GDPR readiness programme during 2017, and that was completed in advance of the implementation of the GDPR.

### Freedom of Information Legislation

PIAB was brought under the remit of Freedom of Information (FOI) legislation during 2015. The organisation responded to a number of requests both case-related and more general in 2018. Under its FOI Publication Scheme, PIAB publishes information on its service, financial information, and procurement on its website.

### Official Languages Act 2003

PIAB comes under the remit of the Official Languages Act 2003 which provides a statutory framework for the delivery of services through the Irish Language. In accordance with Section 10 of the Act, this Annual Report is published simultaneously in Irish and English.

### Protected Disclosures

PIAB has a Protected Disclosures Policy which provides a framework where staff can raise concerns regarding potential wrongdoings that have come to their attention while working in the organisation in the knowledge that they can avail of significant employment protections. During 2018, no protected disclosures were made.

## Governance

### Procurement

Competitive tendering is the normal procedure utilised by PIAB in the procurement process. Tenders issued have had due regard to the value thresholds for the application of procurement rules. PIAB confirms compliance with procurement procedures in respect of competitive tendering with the exception of the non-compliant procurement outlined in the Statement on Internal Control. The compliance includes adherence to both national guidelines from the Office of Government Procurement and the relevant EU Directives, which have the force of law in all Member States. We continually review and update our procurement policies and procedures and also provide training to relevant personnel in this important technical area.

### Prompt Payment of Accounts

PIAB acknowledges its responsibility for ensuring compliance in all material respects with the provisions of the European Communities (Late Payment in Commercial Transactions) Regulations, 2012 (SI.580 of 2012), which provides that penalty interest will become payable if payments for commercial transactions are not met within 30 days, unless otherwise specified in a contract or agreement. It is our policy to ensure that all invoices are tracked and paid promptly before their due date for interest and charges purposes. Procedures are in place to provide reasonable assurances against non-compliance with the Act and Regulations.

PIAB is committed to meeting its obligations under the 15-day Government decision, which came into effect on 1 July 2011 and was augmented by the S29296 of 28 March 2017 which put the decision on a formal footing. This provision ensures that payments to suppliers in respect of all valid invoices received will be made within 15 calendar days and that we publish on our website the total number and value of payments made quarterly and the levels of late payment interest and compensation costs paid.

### Taxation

PIAB confirms compliance with tax laws. Procedures are in place to ensure that PIAB is exemplary in its compliance with its obligation under taxation laws and that all tax liabilities are paid on or before the relevant due dates.

### Strategic Planning

PIAB operates in accordance with its Strategic Plan for the period 2014-2019. This plan sets out our key Strategic Objectives over the coming years along with the key actions to be undertaken to achieve these objectives. At operational level, staff objectives and annual business plans continue to be aligned with PIAB's strategic objectives. Work took place on the development of a new Strategic Plan during 2018.

# Financial Statements

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# Financial Statements

**for the financial year ended 31 December 2018**

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## General Information

<b>Members of the Board</b>	Dermot Divilly (Chairperson)		
	Conor O'Brien (CEO)		
	Walter Cullen		
	Dermot Gorman	<i>Membership ceased April 2018</i>	
	John Lynch	<i>Membership ceased July 2018</i>	
	Martin Naughton		
	Tim O'Hanrahan		
	Colette Crowne		
	Fionnuala O'Loughlin	<i>Membership ceased April 2018</i>	
	Breda Power		
	Margot Slattery		
	Nuala E. Jackson	<i>Commenced 1st August 2018</i>	
	Dr Jean O'Sullivan	<i>Commenced 1st August 2018</i>	
<b>Office</b>	Grain House Exchange Hall Belgard Square North Tallaght Dublin 24		
<b>Auditor</b>	Comptroller and Auditor General 3A Mayor Street Upper North Wall Dublin 1		
<b>Bankers</b>	Bank of Ireland 4-6 Priorsgate Main Street Tallaght Dublin 24	KBC Bank Ireland plc Sandwith Street Upper Dublin 2	Ulster Bank Group George's Quay Dublin 2
<b>Solicitors</b>	Eversheds Sutherland One Earlsfort Centre Earlsfort Terrace Dublin 2		
<b>Website</b>	<a href="http://www.piab.ie">www.piab.ie</a>		

## Financial Statements for the Financial Year ended 31 December 2018

# Statement on Internal Control

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### Responsibility for System of Internal Control

On behalf of the PIAB (Personal Injuries Assessment Board), I acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

### Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform, has been in place in PIAB for the year ended 31 December 2018 and up to the date of approval of the financial statements.

### Control Environment

The Audit and Risk Committee (ARC) which is comprised of non-executive directors, includes persons possessing recent and relevant financial experience including competency in accounting, audit and risk management. The ARC met four times in 2018.

PIAB has also established an internal audit function which is adequately resourced and conducts a programme of work agreed with the ARC. The internal Audit function operates in accordance with an approved Internal Audit Charter, which is consistent with the provisions set out in the Code. A three-year internal audit work plan has been determined in consultation with the ARC. This plan is reviewed annually and revised as and when required. The current internal audit work plan takes account of areas of potential risk identified by the organisation having regard to its strategic objectives and risk management framework. The internal auditor provides the Audit and Risk Committee with regular reports on assignments carried out. These reports highlight deficiencies or weaknesses, if any, in the system of internal control and the recommended corrective measures to be taken where necessary.

The Executive has developed a risk management policy, endorsed by the Board, which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy and contents have been brought to the attention of all staff who are expected to work within PIAB's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

## Financial Statements for the Financial Year ended 31 December 2018

### Statement on Internal Control

#### Risk and Control Framework

PIAB has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks. A risk register is in place which identifies the key risks facing PIAB and these have been identified, evaluated and graded according to their significance. The register is reviewed and updated by the ARC on an annual basis. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk register details the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific business units/managers.

The Board has taken steps to ensure an appropriate control environment is in place with the following elements:

- ▶ a Chief Risk Officer has been appointed to oversee the implementation of the risk management framework,
- ▶ procedures for all key business processes have been documented,
- ▶ there is an appropriate budgeting system with an annual budget, which is reviewed and approved by the Board
- ▶ the annual budget is kept under review by senior management and the Board
- ▶ a comprehensive monthly reporting system including financial and operational reporting, which is kept under review by senior management
- ▶ financial and operational responsibilities have been assigned at management level with corresponding accountability,
- ▶ regular internal audit reviews on financial, operational and compliance controls and procedures.
- ▶ there are systems aimed at ensuring the security of the information and communication technology systems,
- ▶ there are systems in place to safeguard the assets.

#### Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely manner.

The system of internal control is based on a framework of regular management reporting, administrative procedures including segregation of duties and a system of delegation and accountability. In particular it includes:

- ▶ key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies;
- ▶ reporting arrangements have been established at all levels where responsibility for financial management has been assigned;
- ▶ there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts;
- ▶ a review of management reporting on risk at each Board meeting; and
- ▶ a three-year internal audit plan is agreed. The audit plan is reviewed and agreed annually. The internal audit programme provides an independent and objective opinion on the control environment.

## Financial Statements for the Financial Year ended 31 December 2018

### Procurement

PIAB has detailed policies and procedures in place to ensure compliance with current procurement rules and guidelines. To ensure best practice in this area, training is provided to key staff and management on a regular basis. PIAB have a three year Corporate Procurement Plan (2016-2018) and Annual Procurement plans in place. During the year, expenditure of €11,823,020 was incurred on goods and services. Matters arising regarding Controls over procurement are highlighted under Internal Control Issues below:

### Internal Control Issues

#### Non Compliant Procurement

During 2018 expenditure of €134,290 was incurred in relation to six service contracts where the procedures employed were not fully compliant with procurement guidelines. The reasons were as follows:

- i) €15,990 – due to the rollover of the existing contract pending the resolution of technical issues uncovered in transferring the service to an existing supplier. All services were moved to an existing supplier in Quarter 1 2019.
- ii) €26,400 – due to the rollover of two existing contracts pending finalisation of a new tender. One of the new tender competitions was issued in December 2018 and the other will be issued in early 2019.
- iii) €72,000 – due to the rollover of two existing contracts pending finalisation of new tender competitions. The new tender competitions were completed using OGP frameworks in December 2018.
- iv) €19,900 – due to the rollover of an existing contract pending finalisation of a new contract. The supplier is the only supplier available to the Board to supply the services. A new contract will be negotiated in 2019.

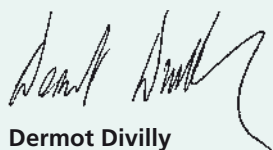
The instances of non-compliant procurement outlined in 2017 Financial Statements were resolved in 2018.

### Review of Effectiveness

I confirm that PIAB has procedures to monitor the effectiveness of its risk management and control procedures. PIAB's monitoring and review of the effectiveness of the system of internal control is informed by the work of the Internal Auditor, the Office of the Comptroller and Auditor General, the Audit and Risk committee, which oversees their work, and the senior management within PIAB responsible for the development and maintenance of the internal control framework.

I confirm that the Board conducted an annual review of the effectiveness of the system of internal controls for 2018, in December 2018.

Signed on behalf of the Board



**Dermot Divilly**  
Chairperson

**29 May 2019**



Ard Reachtaire Cuntas agus Ciste  
Comptroller and Auditor General

# Report for presentation to the Houses of the Oireachtas

## Personal Injuries Assessment Board

### Opinion on financial statements

I have audited the financial statements of the Personal Injuries Assessment Board for the year ending 31 December 2018 as required under the provisions of section 77 of the Personal Injuries Assessment Board Act 2003. The financial statements comprise

- ▶ the statement of income and expenditure and retained revenue reserves
- ▶ the statement of comprehensive income
- ▶ the statement of financial position
- ▶ the statement of cash flows and
- ▶ the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Personal Injuries Assessment Board at 31 December 2018 and of its income and expenditure for 2018 in accordance with Financial Reporting Standard (FRS) 102 – The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

### Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Personal Injuries Assessment Board and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Report on information other than the financial statements, and on other matters

The Personal Injuries Assessment Board has presented certain other information together with the financial statements. This comprises the annual report including the governance statement and Board members' report and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Andrew Harkness**

*For and on behalf of the Comptroller and Auditor General*

**4 June 2019**

## Report of the Comptroller and Auditor General

### Responsibilities of Board members

As detailed in the governance statement and Board members' report, the Board members are responsible for

- ▶ the preparation of financial statements in the form prescribed under section 77 of the Personal Injuries Assessment Board Act 2003
- ▶ ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ▶ ensuring the regularity of transactions
- ▶ assessing whether the use of the going concern basis of accounting is appropriate, and
- ▶ such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 77 of the Personal Injuries Assessment Board Act 2003 to audit the financial statements of the Personal Injuries Assessment Board and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- ▶ I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- ▶ I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- ▶ I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Personal Injuries Assessment Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Personal Injuries Assessment Board to cease to continue as a going concern.

## Report of the Comptroller and Auditor General

- ▶ I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Information other than the financial statements**

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### **Reporting on other matters**

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

I also report by exception if, in my opinion,

- ▶ I have not received all the information and explanations I required for my audit, or
- ▶ the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- ▶ the financial statements are not in agreement with the accounting records.



## Notes to the Financial Statements for the financial year ended 31 December 2018

# Statement of Income and Expenditure and Retained Revenue Reserves

## For the Financial Year Ended 31 December 2018

		2018	2017
	NOTES	€	€
<b>Income</b>			
Fee Income	2 (a)	<b>11,732,723</b>	11,652,039
Other Income	2 (b)	<b>58,981</b>	34,784
<b>Total Income</b>		<b>11,791,704</b>	11,686,823
<b>Expenditure</b>			
Salaries, Pensions and Related Expenses	3	<b>6,134,517</b>	6,113,213
Claims Processing Expenses	4	<b>2,342,699</b>	2,489,062
Board Members' Fees	3	<b>72,390</b>	80,370
Accommodation and Building Costs	5	<b>415,593</b>	419,413
Recruitment, Training and Education Costs	5	<b>58,588</b>	64,049
Information, Research and Communication Costs	5	<b>179,145</b>	218,968
Legal Costs and Professional Fees	5	<b>222,952</b>	299,074
Judicial Review Costs	5	<b>34,685</b>	91,699
IT Costs	5	<b>638,883</b>	522,337
Telecommunication Costs	5	<b>72,805</b>	83,327
General Administration Costs	5	<b>574,774</b>	647,747
Depreciation	6	<b>375,822</b>	220,337
<b>Total Expenditure</b>		<b>11,122,853</b>	11,249,596
<b>SURPLUS FOR THE YEAR</b>		<b>668,851</b>	437,227
Balance at 1 January		<b>17,449,908</b>	17,012,681
<b>BALANCE AT END OF YEAR</b>		<b>18,118,759</b>	17,449,908

All income and expenditure for the year relates to continuing activities at the reporting date. The Statement of Cash Flows and notes 1 to 18 form part of these financial statements.

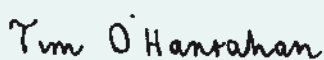
On Behalf of the Board



**Dermot Divilly**  
(Chairperson)

29 May 2019

On Behalf of the Board



**Tim O'Hanrahan**  
(Board Member)

29 May 2019

Notes to the Financial Statements for the financial year ended 31 December 2018

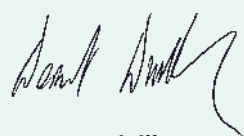
## Statement of Comprehensive Income

### For the Year Ended 31 December 2018

	NOTES	2018 €	2017 €
Surplus for the year		<b>668,851</b>	437,227
Experience gains on retirement benefit obligations	14	<b>2,209,000</b>	348,000
Change in assumptions underlying the present value of retirement benefit obligations	14	<b>1,681,000</b>	0
Adjustment to deferred retirement benefits funding		<b>(3,890,000)</b>	(348,000)
<b>Comprehensive Income for the year</b>		<b>668,851</b>	<b>437,227</b>

The Statement of Cash Flows and notes 1 to 18 form part of these financial statements.

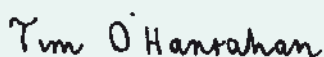
On Behalf of the Board



**Dermot Divilly**  
(Chairperson)

**29 May 2019**

On Behalf of the Board



**Tim O'Hanrahan**  
(Board Member)

**29 May 2019**

## Notes to the Financial Statements for the financial year ended 31 December 2018

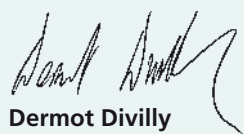
## Statement of Financial Position

As at 31 December 2018

	NOTES	2018	2018	2017	2017
		€	€	€	€
<b>Non Current Assets</b>					
Fixed Assets	6		1,127,283		1,308,078
<b>Current Assets</b>					
Receivables	7 (a)	2,124,236		1,946,249	
Cash and Cash equivalents	7 (b)	19,407,903		18,573,179	
<b>Total Current Assets</b>		<b>21,532,139</b>		<b>20,519,428</b>	
<b>Current Liabilities: amounts falling due within one year</b>					
Payables	8	3,778,363		3,622,597	
<b>Net Current Assets</b>			<b>17,753,776</b>		<b>16,896,831</b>
<b>Creditors: amounts falling due after one year</b>					
Provision for liabilities and charges	10		(762,300)		(755,001)
<b>Retirement Benefits</b>					
Retirement Benefit Obligations	14		(27,143,000)		(28,854,000)
Deferred Retirement Benefit Funding Asset	14		27,143,000		28,854,000
<b>Total Net Assets</b>			<b>18,118,759</b>		<b>17,449,908</b>
<b>Financed By:</b>					
Retained Revenue Reserves			18,118,759		17,449,908
<b>Total Financed by:</b>			<b>18,118,759</b>		<b>17,449,908</b>

The Statement of Cash Flows and notes 1 to 18 form part of these financial statements.

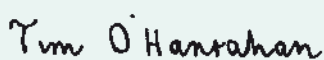
On Behalf of the Board



**Dermot Divilly**  
(Chairperson)

29 May 2019

On Behalf of the Board



**Tim O'Hanrahan**  
(Board Member)

29 May 2019

## Notes to the Financial Statements for the financial year ended 31 December 2018

## Statement of Cashflows

## For the Year Ended 31 December 2018

	NOTES	2018 €	2017 €
<b>Cash Flow from Operating Activities</b>			
Surplus for the Financial Year		<b>668,851</b>	437,227
Adjustments for:			
Depreciation		<b>375,822</b>	220,337
Interest received	2 (b)	<b>(10,944)</b>	(9,338)
(Increase)/Decrease in Receivables		<b>(177,987)</b>	159,526
(Decrease)/Increase in Payables		<b>155,766</b>	(626,006)
(Decrease)/Increase in Provision for Liabilities		<b>7,299</b>	(9,907)
<b>Cash from Operating activities</b>		<b>1,018,807</b>	171,839
<b>Cash flows from investing Activities</b>			
Purchase of Tangible Fixed Assets	6	<b>(197,574)</b>	(1,230,807)
Disposal of Fixed Assets	6	<b>2,547</b>	0
<b>Net Cash outflow from Investing Activities</b>		<b>(195,027)</b>	(1,230,807)
<b>Cash Flows from Financing Activities</b>			
Interest Received	2 (b)	<b>10,944</b>	9,338
<b>Net Cash inflow from Financing Activities</b>		<b>10,944</b>	9,338
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>834,724</b>	(1,049,630)
Cash and Cash Equivalents at 1 January		<b>18,573,179</b>	19,622,809
<b>Cash and Cash Equivalents at 31 December</b>		<b>19,407,903</b>	18,573,179

## Notes to the Financial Statements for the financial year ended 31 December 2018

## Notes to the Financial Statements

## for the Financial Year ended 31 December 2018

**1. Statement of Accounting Policies**

The basis of accounting and significant accounting policies adopted by the Personal Injuries Assessment Board are set out below. They have all been applied consistently throughout the year and for the preceding year.

**General Information**

Personal Injuries Assessment Board (PIAB) was set up under the Personal Injuries Assessment Board, Act 2003 with a head office at Grain House, Exchange Hall, Belgard Square North, Tallaght, Dublin 24. PIAB's primary functions are set out in Part 3 of the Personal Injuries Assessment Board Act 2003 – To assess fairly and accurately the amount of compensation entitlement in personal injury claims within the remit of Personal Injuries Assessment Board in a timely manner.

PIAB is a Public Benefit Entity.

**Statement of Compliance**

The financial statements of the Board for the year ended 31 December 2018 have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) issued by the Financial Reporting Council.

**Basis of Preparation**

The financial statements have been prepared under the accrual method of accounting, the historical cost convention, in accordance with generally accepted accounting practice and are in the format agreed with the Minister for Business, Enterprise and Innovation. The unit of currency in which the financial statements are denominated is the Euro.

**Income****Claimant fees:**

Claimant fees are recognised on a cash receipts basis on receipt of an application to register a claim with the PIAB.

**Respondent fees:**

Respondent fees are recognised on consent to the PIAB process in the year when the income is earned and the service provided.

In line with FRS102 section 23, rendering of services, Respondent fee income is recognised to the extent that it is probable that the economic benefits will flow to the PIAB and the revenue can be measured reliably. The following criteria is met before revenue is recognised:

## Notes to the Financial Statements for the financial year ended 31 December 2018

**1. Statement of Accounting Policies (continued)****Rendering of services:**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract.

Respondent fee income is recognised in the period in which the income is earned and the service provided, based on the stage of completion method for rendering of services.

Fees paid in advance are treated as deferred income and are reported as a current liability. This income is released to the Statement of Income and Expenditure and Retained Revenue Reserves on delivery of the service.

**Prepaid Costs**

The Board incurs costs prior to receiving consent and at year-end makes an estimate of the proportion of those cases that will result in consent and treats these costs as prepayments.

**Tangible Fixed Assets**

Tangible Fixed Assets are stated at cost or valuation less accumulated depreciation. Depreciation is provided on a straight line basis at rates which are estimated to reduce the assets to their realisable values by the end of their expected useful lives as follows:

Leasehold Improvements	Remaining years of the lease	Straight Line
IT Hardware/Software	25.00%	Straight Line
Office Equipment	20.00%	Straight Line
Fixtures and Fittings	12.50%	Straight Line
Office Furniture	12.50%	Straight Line

**Taxation**

The Board is exempt from Income Tax and Corporation Tax under Section 220 of the Taxes Consolidation Act 1997. This exemption does not apply to deposit interest. Where interest receivable is subject to tax (e.g. DIRT) the net receivable amount is credited to the Statement of Income and Expenditure and Retained Revenue Reserves.

**Operating Lease**

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Any lease incentives received are recognised over the life of the lease.

**Receivables**

Known bad debts are written off and specific provision is made for any amount the collection of which is considered doubtful.

## Notes to the Financial Statements for the financial year ended 31 December 2018

### 1. Statement of Accounting Policies (continued)

#### Employee Benefits

##### Short Term Benefits

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

#### Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

#### Impairment of Tangible Fixed Assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

#### Depreciation and Residual Values

The Board have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of IT Hardware/Software, and have concluded that asset lives and residual values are appropriate.

#### Provisions

The Board makes provisions for legal and constructive obligations, which it knows to be outstanding at the period end date. These provisions are generally made based on historical or other pertinent information, adjusted for recent trends where relevant. However, they are estimates of the financial costs of events that may not occur for some years. As a result of this and the level of uncertainty attaching to the final outcomes, the actual out-turn may differ significantly from that estimated.

#### Retirement Benefit Obligation

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds;
- (ii) future compensation levels, future labour market conditions, and
- (iii) health care cost trend rates, the rate of medical cost inflation in the relevant regions.

## Notes to the Financial Statements for the financial year ended 31 December 2018

**1. Statement of Accounting Policies (continued)****Retirement Benefits****Nature of Schemes**

The Board operates a defined benefit pension scheme for its employees. The scheme structure is based on the Public Service Model. The employee scheme was approved by the Minister of Business, Enterprise and Innovation and the Minister for Finance and Public Expenditure and Reform in 2008. The Spouses' and Children's Contributory Pension scheme was approved in 2009.

The Board also operates the Single Public Service Pension Scheme (Single Scheme), which is the defined benefit scheme for pensionable public servants appointed on or after 1 January 2013.

**Scheme Characteristics**

The schemes have a number of specific characteristics:

*Model Scheme:*

- ▶ The Board makes an agreed contribution to the Department of Business, Enterprise and Innovation.
- ▶ The contribution comprises of an employee element along with an employer element. The employer contribution in 2018 was 25% of gross pay, 30% for staff on PRSI Class B and D.
- ▶ There is a commitment from the Department of Business, Enterprise and Innovation with the agreement of the Department of Finance, that the Exchequer will meet the cost of benefits as they fall due.

In substance, the Board considers that the obligation to pay retirement benefit remains with Personal Injuries Assessment Board (PIAB), but that the Exchequer has committed to providing PIAB with sufficient funds to settle any such obligations on PIAB's behalf as they fall due, provided PIAB pays over employees' and the employer's contributions at rates specified. Accordingly, the financial statements recognise both a Retirement Benefit Obligation and a Deferred Exchequer Retirement Benefit Funding receivable.

Single Public Service Pension scheme members' contributions are paid over to the Department of Public Expenditure and Reform (DPER). An employer contribution is also payable to DPER in accordance with DPER Circular 28/2016.

For the purposes of reporting in accordance with Financial Reporting Standard 102, an update of the actuarial review was completed as at 31st December 2018.

*Scheme Liabilities*

Model Scheme and Single Scheme liabilities represented by the present value of future payments earned by PIAB Staff to date are measured on an actuarial basis using the projected unit method. Pension costs reflect benefits earned by PIAB staff in the period and are shown net of employee pension contributions, which are retained by the Department. The amount to be included in the financial statements for the Deferred Exchequer Retirement Benefit Asset amount is estimated at an amount equal to the estimate of the obligation for the pension scheme liabilities.



## Notes to the Financial Statements for the financial year ended 31 December 2018

**1. Statement of Accounting Policies (continued)***Scheme Actuarial Gains or Losses*

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income for the year in which they occur and a corresponding adjustment is recognised to the balance for Deferred Exchequer Retirement Benefit Asset.

Pension costs in the Statement of Income and Expenditure and Retained Revenue Reserves comprise the employer's contribution in respect of the year.

**2(a) Fee Income**

	<b>2018</b>	<b>2017</b>
	€	€
Claimant Fee Income	<b>1,478,938</b>	1,469,023
Respondent Fee Income	<b>10,408,915</b>	10,096,558
Deferred Income in the current year	<b>(2,615,438)</b>	(2,460,308)
Deferred Income – Amount released to income in the year	<b>2,460,308</b>	2,546,766
	<b>11,732,723</b>	11,652,039

**Claimant Fee Income**

Claimant fees are recognised on a cash receipt basis on receipt of an application to register a claim with the PIAB. The current fee is €45 per application as per S.I. No. 41/2011 – Personal Injuries Assessment Board (Fees) (Amendment) Regulations 2011.

**Respondent Fee Income**

The respondent fee income is in respect of the Board dealing with an application (as outlined in the PIAB Act). Respondent fee income is recognised on consent to the PIAB process in the year where the income is earned, service provided. The current fee is €600 as per S.I. No. 523/2012 – Personal Injuries Assessment Board (Fees) (Amendment) Regulations 2012.

**Deferred Income**

Respondent fees paid in advance are treated as deferred income and are reported as a current liability. This income is released to the Statement of Income and Expenditure and Retained Revenue Reserves on delivery of the service.

## Notes to the Financial Statements for the financial year ended 31 December 2018

**2(b) Other Income**

	<b>2018</b>	<b>2017</b>
	€	€
Interest Receivable	<b>10,944</b>	9,338
Insurance claim proceeds	<b>42,500</b>	20,000
Miscellaneous income	<b>5,537</b>	5,446
	<b>58,981</b>	34,784

**3(i) Salaries, Pensions and Related Expenses**

	<b>2018</b>	<b>2017</b>
	€	€
Salaries	<b>4,724,593</b>	4,520,687
Overtime	<b>1,747</b>	4,319
Employer Superannuation Contributions	<b>1,176,092</b>	1,151,797
Refund of SPSPS Employer Superannuation Contributions*	<b>(230,742)</b>	0
Employer PRSI Contributions	<b>449,199</b>	426,527
	<b>6,120,889</b>	6,103,330
Holiday Pay Accrual	<b>13,628</b>	9,883
	<b>6,134,517</b>	6,113,213

\* In the period 2015 to September 2018, PIAB applied an employer deduction percentage rate of 25% in respect of the Single Public Service Pension Scheme. This was amended in quarter four 2018 to reflect the provisions of DPER circular 28/2016 whereby PIAB's employers' contributions are set at three times the rate of the employee contribution. €249,956 (employer €210,312 & employee €39,644) was paid over to the Department of Public Expenditure and Reform (DPER) in 2018, with €230,742 received by the PIAB from DPER prior to year-end in relation to the overpayment for employer deductions.

\*\* €257,259 of Pension Related Deduction (PRD) has been deducted and paid over to the Department of Business, Enterprise and Innovation in 2018, €240,979 was deducted and paid over in 2017.

## Notes to the Financial Statements for the financial year ended 31 December 2018

**3(i) Salaries, Pensions and Related Expenses (continued)**

	<b>2018</b>	<b>2017</b>
	€	€
<b>Staff Numbers</b>		
Average Staff directly employed by the Board	<b>84.3</b>	82.0
Whole time equivalent staff as at December 2018	<b>73.3</b>	77.5
<b>Emoluments of Chief Executive</b>		
Salary	<b>150,933</b>	145,609

The Chief Executive Conor O'Brien is a member of the Single Public Service Pension Scheme (see Note 14) and his pension entitlements are in accordance with the terms of the scheme. The value of retirement benefits earned in the period is not included above.

**Key Management Personnel**

Key management personnel in the Personal Injuries Assessment Board consist of the Director of Operations, Director of Business Support Services, Director of Corporate Affairs and Director of Finance.

The total aggregate salary and short term benefits	<b>443,680</b>	421,321
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The pension entitlements of key management personnel are in accordance with the terms of the Public Service Model Pension Scheme (see Note 14). The value of retirement benefits earned in the period is not included above.

## Notes to the Financial Statements for the financial year ended 31 December 2018

**3(i) Salaries, Pensions and Related Expenses (continued)****Employee Short-Term Benefits Breakdown**

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

Salary Range	Number of employees	
	2018	2017
From – To		
60,000-69,999	2	4
70,000-79,999	6	11
80,000-89,999	15	8
90,000-99,999	2	3
100,000-109,999	3	1
110,000-119,999	2	2
120,000-129,999	0	0
130,000-139,999	0	0
140,000-149,999	0	1
150,000-159,999	1	0
	<b>31</b>	30

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary and overtime allowances, but exclude employer's PRSI.

Employer Pension Contribution	€	€
Single Public Service Pension Scheme	<b>186,167</b>	183,108
Model Scheme	<b>989,925</b>	968,689
	<b>1,176,092</b>	1,151,797

## Notes to the Financial Statements for the financial year ended 31 December 2018

**3(ii) Board Fees and Expenses**

	<b>2018</b>	<b>2017</b>
	€	€
Board Fees	<b>72,390</b>	80,370
<b>By Board Member</b>		
Dermot Divilly – Chairperson	<b>20,520</b>	20,520
Walter Cullen	<b>11,970</b>	11,970
Martin Naughton	<b>11,970</b>	11,970
Margot Slattery	<b>11,970</b>	11,970
John Lynch	<b>6,983</b>	11,970
Dermot Gorman	<b>3,990</b>	11,970
Nuala Jackson	<b>4,987</b>	0
	<b>72,390</b>	80,370

The following Board Members were paid no fees during 2018: Breda Power, Fionnuala O’Loughlin, Tim O’Hanrahan, Dr. Jean O’Sullivan, Colette Crowne and Conor O’Brien due to the application of One Person One Salary principle.

There were no Board related expenses paid during the year.

**4 Claims Processing Expenses**

	<b>2018</b>	<b>2017</b>
	€	€
Outsourced Service Centre Costs	<b>2,336,047</b>	2,502,214
Claim related Medical Fees*	<b>7,214,840</b>	7,879,841
Claim related Other Costs	<b>141,207</b>	135,051
Claim related Costs Reimbursed	<b>(7,356,047)</b>	(8,014,891)
Prepaid Claim Processing Costs in the current year**	<b>(239,465)</b>	(246,117)
Prepaid Claim Processing Costs – released in the year	<b>246,117</b>	232,964
	<b>2,342,699</b>	2,489,062

\* As part of the Board’s process (see Note 2) it retains the services of a range of professional practitioners including general practitioners, consultants, and actuaries. The level of claim processing costs varies per claim. Due to the average timeline of the process there will be claim processing costs incurred in 2019 relating to consents received in 2018, these costs are not provided in the financial statements. These costs and other claim related costs are reimbursed to the Board by the respondent.

\*\* Claim processing costs incurred include a portion of pre-consent costs which are prepaid into 2019. The prepayment is released when the respondent fee is received.

## Notes to the Financial Statements for the financial year ended 31 December 2018

**5 Expenditure**

	<b>2018</b>	<b>2017</b>
<b>Accommodation and Building Costs</b>	<b>€</b>	<b>€</b>
Rent, Rates and Service Charges	<b>315,278</b>	297,007
Cleaning and Security	<b>50,854</b>	58,199
Light and Heat, Maintenance and Other	<b>49,461</b>	45,278
Decanting Costs	<b>0</b>	18,929
	<b>415,593</b>	419,413

	<b>2018</b>	<b>2017</b>
<b>Recruitment, Training and Education Costs</b>	<b>€</b>	<b>€</b>
Training, Education and Other Costs	<b>38,218</b>	49,636
HR Consultancy	<b>8,118</b>	5,314
Advertising, Interviews and Other Recruitment Costs	<b>12,252</b>	9,099
	<b>58,588</b>	64,049

	<b>2018</b>	<b>2017</b>
<b>Information, Research and Communication Costs</b>	<b>€</b>	<b>€</b>
Public Awareness	<b>79,539</b>	99,701
Advertising – Other	<b>30,342</b>	45,824
PR and Communications Consultancy	<b>49,090</b>	55,139
Leaflets/Brochures and Publications	<b>20,174</b>	18,304
	<b>179,145</b>	218,968

	<b>2018</b>	<b>2017</b>
<b>Legal Costs and Professional Fees</b>	<b>€</b>	<b>€</b>
Statistical and other Professional Fees	<b>75,871</b>	105,552
IT Consultancy*	<b>34,778</b>	83,797
Finance Consultancy*	<b>5,629</b>	14,699
Internal Audit	<b>26,174</b>	24,025
Audit	<b>16,500</b>	15,500
General Legal Advices	<b>64,000</b>	55,501
	<b>222,952</b>	299,074

\* Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

## Notes to the Financial Statements for the financial year ended 31 December 2018

**5 Expenditure (continued)**

	<b>2018</b>	<b>2017</b>
	€	€
Consultancy Costs Capitalised	<b>0</b>	33,737
Consultancy Costs Recharged to the Income and Expenditure and Retained Revenue Reserves	<b>40,407</b>	98,496
	<b>40,407</b>	132,233

	<b>2018</b>	<b>2017</b>
	€	€
<b>Judicial Review Costs</b>		
Judicial Review Provision (Note 10)	<b>250,000</b>	271,477
Release of Judicial Review Provision	<b>(215,315)</b>	(179,778)
	<b>34,685</b>	91,699

	<b>2018</b>	<b>2017</b>
	€	€
<b>IT Costs</b>		
IT Licence Fees	<b>193,794</b>	177,146
IT Support and Maintenance	<b>309,177</b>	236,747
Hosting Costs	<b>103,703</b>	47,082
Managed Print Service	<b>22,009</b>	21,972
IT Other Costs	<b>7,967</b>	2,125
IT Security	<b>2,233</b>	37,265
	<b>638,883</b>	522,337

	<b>2018</b>	<b>2017</b>
	€	€
<b>Telecommunication Costs</b>		
Telephone	<b>22,364</b>	25,597
Leased lines	<b>40,962</b>	48,004
Mobile Phone	<b>6,773</b>	6,795
Telephone Maintenance	<b>2,706</b>	2,931
	<b>72,805</b>	83,327

## Notes to the Financial Statements for the financial year ended 31 December 2018

**5 Expenditure (continued)**

	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
<b>General Administration Costs</b>		
Postage	<b>424,516</b>	451,703
Travel and Subsistence Staff – National	<b>14,143</b>	15,233
Travel and Subsistence Staff – International	<b>2,957</b>	0
Office Stationery	<b>29,530</b>	42,680
Insurances	<b>47,576</b>	50,092
Bank Interest and Charges	<b>14,645</b>	13,337
Sundry Costs	<b>4,038</b>	1,786
Entertainment/Hospitality – Staff*	<b>8,455</b>	8,926
Entertainment/Hospitality – Client	<b>1,003</b>	0
Employee Related Expenditure	<b>842</b>	1,435
Prompt Payment Interest	<b>2,592</b>	4,207
Decrease in Provision for Doubtful Debts	<b>(57,609)</b>	(12,886)
Respondent Fee Write Offs	<b>49,200</b>	30,000
Claim Related Fee Write Offs	<b>32,886</b>	41,234
	<b>574,774</b>	647,747

\* Entertainment/Hospitality expenditure includes €5,770 contribution to the PIAB Staff Social Club.



## Notes to the Financial Statements for the financial year ended 31 December 2018

**6 Fixed Assets**

	Leasehold Improvements	IT Hardware /Software	Office Equipment	Fixtures & Fittings	Office Furniture	Total
Cost/Valuation	€	€	€	€	€	€
As at 1 January	605,724	1,571,873	43,126	5,372	54,193	2,280,288
Additions	28,497	146,038	13,585	0	9,454	197,574
Disposals	0	(368,845)	(8,629)	(5,372)	(1,708)	(384,554)
<b>As at 31 December</b>	<b>634,221</b>	<b>1,349,066</b>	<b>48,082</b>	<b>0</b>	<b>61,939</b>	<b>2,093,308</b>

**Accumulated Depreciation**

As at 1 January	60,573	872,886	28,177	4,141	6,433	972,210
Charge	97,983	260,975	8,738	224	7,902	375,822
Disposals	0	(368,818)	(8,628)	(4,365)	(196)	(382,007)
<b>As at 31 December</b>	<b>158,556</b>	<b>765,043</b>	<b>28,287</b>	<b>0</b>	<b>14,139</b>	<b>966,025</b>

**Net Book Value**

<b>As at 31 December 2018</b>	<b>475,665</b>	<b>584,023</b>	<b>19,795</b>	<b>0</b>	<b>47,800</b>	<b>1,127,283</b>
As at 31 December 2017	545,151	698,987	14,949	1,231	47,760	1,308,078

## Notes to the Financial Statements for the financial year ended 31 December 2018

**7(a) Receivables**

	<b>2018</b>	<b>2017</b>
	€	€
Amounts falling due within one year		
Fees Receivable:		
<i>Respondent Fees</i>	<b>958,800</b>	882,000
<i>Claim Related Fees</i>	<b>715,657</b>	791,754
Provision for Doubtful Debts	<b>(112,530)</b>	(170,139)
Interest Receivable	<b>9,683</b>	1,875
Prepayments	<b>428,154</b>	429,987
Other Debtors	<b>124,472</b>	10,772
	<b>2,124,236</b>	1,946,249

The pension cost of the four PIAB pensioners is discharged by the PIAB and reimbursed by the Department of Business, Enterprise and Innovation. The cost in 2018 of €115,338, with €42,233 reimbursed during the year and €73,105 cleared by Department of Business, Enterprise and Innovation post year end.

**7(b) Cash and Cash Equivalents**

	<b>2018</b>	<b>2017</b>
	€	€
Cash at bank and in hand	<b>284,870</b>	1,236,933
Short Term Deposits	<b>19,123,033</b>	17,336,246
	<b>19,407,903</b>	18,573,179

## Notes to the Financial Statements for the financial year ended 31 December 2018

**8 Payables**

	<b>2018</b>	<b>2017</b>
	€	€
<b>Amounts falling due within one year</b>		
Payables	<b>88,673</b>	270,031
Accruals	<b>625,831</b>	456,530
Taxes and Social Welfare	<b>219,841</b>	250,472
Pension Liability*	<b>120,313</b>	123,843
Other Creditors	<b>89,791</b>	61,413
Solicitors Portal – Payments on Account	<b>18,476</b>	0
Deferred Income (Note 9)	<b>2,615,438</b>	2,460,308
	<b>3,778,363</b>	3,622,597

\* Employer and Employee Pension and PRD contributions

**9 Deferred Income**

	<b>2018</b>	<b>2017</b>
	€	€
Opening Balance	<b>2,460,308</b>	2,546,766
Deferred Income provided in the year	<b>2,615,438</b>	2,460,308
Amount released to income in the year	<b>(2,460,308)</b>	(2,546,766)
	<b>2,615,438</b>	2,460,308

Respondent fees paid in advance are treated as deferred income and are reported as a current liability. This income is released to the Statement of Income and Expenditure and Retained Reserves on delivery of the service.

## Notes to the Financial Statements for the financial year ended 31 December 2018

**10 Provision for Liabilities – Judicial Review**

	<b>2018</b>	<b>2017</b>
	€	€
Opening Balance	<b>755,001</b>	764,908
Additional Provision (Note 5)	<b>250,000</b>	271,477
Utilised In Year	<b>(27,386)</b>	(101,606)
Decrease in Provision	<b>(215,315)</b>	(179,778)
Closing Balance	<b>762,300</b>	755,001

Provisions represent a prudent estimate of liabilities that may arise to third parties, in respect of legal actions notified prior to year end. Due to the nature of its operations the Board is involved in various legal actions, principally the judicial review of sections of the Personal Injuries Assessment Board Act 2003.

The provisions are based upon an assessment of the probable costs of defending known actions to the extent that such costs can be reliably estimated. The assumptions made in assessing the appropriate level of provision include the likely outcome of the actions, future trend of legal costs (both our own and third party) and the estimated date the action will be heard. The provision is reviewed on a monthly basis, and as more information becomes available, following which any increase or decrease in the provision required is processed. The Board is satisfied that it has made the best estimate of the appropriate provision in the financial statements for the likely outcome.

**11 Contingent Liability****Legal Actions**

As stated in Note 10 the Board is, from time to time, party to various legal actions. The Board makes full provision for expected legal costs associated with cases notified to it (Note 10). It is probable that a number of additional cases will be notified to the board in the future in relation to decisions made prior to 31 December 2018. It is not possible to estimate the potential financial effect of such claims.

## Notes to the Financial Statements for the financial year ended 31 December 2018

**12 Financial Commitments****Operating leases**

The Board occupies two floors at Grain House, Exchange Hall, Belgard Square North, Tallaght, Dublin 24. The premises are leased by the Office of Public Works (OPW) and the lease costs of €188,554 per annum are borne by the Board under an oral tenancy. The Board operates under a twenty year lease term commencing April 2004. At 31 December 2018 the Board had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	<b>2018</b>	<b>2017</b>
	€	€
Payable within one year	<b>189,304</b>	189,555
Payable within two to five years	<b>754,215</b>	754,965
Payable after five years	<b>47,138</b>	235,692
	<b>990,657</b>	1,180,212

Operating lease payments recognised as an expense were €189,555 (2017: €198,554)

**13 Capital Commitments**

	<b>2018</b>	<b>2017</b>
	€	€
Contracted for (Contract Signed)	<b>72,054</b>	28,497
Not contracted For	<b>0</b>	0
	<b>72,054</b>	28,497

**14 Accounting Treatment for Retirement Benefits**

The Board operates a defined benefit pension scheme for its employees. The scheme structure is based on the Public Service Model. The employee scheme was approved by the Minister of Business, Enterprise and Innovation and the Minister for Finance and Public Expenditure and Reform in 2008. The Spouses' and Children's Contributory Pension Scheme was approved in 2009.

Under the Public Service Pensions (Single Scheme and other provisions) Act 2012, new entrants to the public service on or after 1 January 2013 become members of the Single Public Service Pension Scheme ("Single Scheme").

The scheme has a number of specific characteristics (see note 1. Statement of Accounting Policies)

## Notes to the Financial Statements for the financial year ended 31 December 2018

**14 Accounting Treatment for Retirement Benefits (continued)****Actuarial Valuation**

The Board commissioned an actuarial valuation of accrued liabilities at the reporting date, and the cost of benefits (service cost) accrued during the year. This valuation, which was based on the Projected Unit method, is premised on the following assumptions:

<b>Assumed Annual Rate</b>	<b>2018</b>	<b>2017</b>
Discount rate	<b>2.10%</b>	2.00%
Inflation assumption (Consumer Price Index)	<b>1.70%</b>	1.80%
Salary increases	<b>2.95%</b>	3.05%
State pension increases	<b>2.20%</b>	2.30%
Pensions in payment increases – Model Scheme	<b>2.45%</b>	2.55%
Pensions in payment increases – Single Scheme	<b>1.70%</b>	1.80%

In addition, the following demographic assumptions have been made as at 31 December 2018.

**Life expectancy at age 65**

Male currently aged 45	25.0 years	24.9 years
Male currently aged 65	22.6 years	22.5 years
Female currently aged 45	26.0 years	25.9 years
Female currently aged 65	24.1 years	24.0 years

Based on the above, the present value of liabilities at the reporting date is €27,143,000 [2017: €28,854,000], and the service cost (calculated on the foregoing assumptions) for the year is €1,574,000 [2017: €1,491,000].

**Analysis of total pension costs charged to expenditure**

	<b>2018</b>	<b>2017</b>
	<b>€</b>	<b>€</b>
Total employer contribution	<b>1,176,092</b>	1,151,797
Current service cost	<b>1,574,000</b>	1,491,000
Interest cost	<b>575,000</b>	545,000
Past service cost	<b>187,000</b>	0
Adjustment to deferred exchequer pension funding	<b>(2,336,000)</b>	(2,036,000)
Total charged to Statement of Income and Expenditure and Retained Revenue Reserves	<b>1,176,092</b>	1,151,797

\* The Current Service Cost includes employee contributions totalling €223,366 in 2018 and €208,474 in 2017.

## Notes to the Financial Statements for the financial year ended 31 December 2018

**14 Accounting Treatment for Retirement Benefits (continued)****Movement in net pension liability**

	<b>2018</b>	<b>2017</b>
	€	€
Net pension liability at 1 January	<b>28,854,000</b>	27,317,000
Current service cost	<b>1,574,000</b>	1,491,000
Interest cost	<b>575,000</b>	545,000
Past service cost	<b>187,000</b>	0
Experience (gains) on scheme liabilities	<b>(2,209,000)</b>	(348,000)
Change in assumptions	<b>(1,681,000)</b>	0
Benefits paid during the year	<b>(157,000)</b>	(151,000)
Net Pension Liability at 31 December	<b>27,143,000</b>	28,854,000

**History of scheme liabilities and experience (gains)/losses**

	<b>2018</b>	<b>2017</b>
Change in assumptions underlying the present value of the pension scheme liabilities	<b>(1,681,000)</b>	0
% of liabilities at year end	<b>(6.2%)</b>	0.00%
Experience (gains) on scheme liabilities	<b>(2,209,000)</b>	(348,000)
% of liabilities at year end	<b>(8.1%)</b>	(1.2%)
Scheme liability	<b>27,143,000</b>	28,854,000

**15 Related Party Disclosures**

Please refer to Note 3 for a breakdown of the remuneration and benefits paid to key management. In accordance with the Revised 2016 Code of Practice for the Governance of State Bodies, the Board has in place Codes of Business Conduct for Board Members and Employees. These codes include guidance in relation to the disclosure of interests by Board members and these procedures have been adhered to by the Board during the year covered by these financial statements.

## Notes to the Financial Statements for the financial year ended 31 December 2018

### **16 Legislation Review**

The Personal Injuries Assessment Board (Amendment) Act 2019 was signed into law on the 25th February 2019 and commenced on the 3rd April 2019. This Act contains a new provision which will facilitate the return of monies to the Exchequer. A reserves policy will be developed in 2019 in conjunction with our parent department DBEI (Department of Business Enterprise and Innovation). It is envisaged that the policy will provide for monies to be retained by PIAB for operating, contingency and capital investment purposes with an agreed sum being returned to the Exchequer in 2019.

### **17 Comparative figures**

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results.

### **18 Approval of Financial Statements**

The Financial Statements were approved by the Board on the 29 May 2019.



# Appendix

## Geographical Analysis of Claims

### Breakdown of Awards by Location (based on address of Claimant)

	2018	2018	2017	2017	2016	2016	2015	2015
	No. of Awards	% of Awards	No. of Awards	% of Awards	No. of Awards	% of Awards	No. of Awards	% of Awards
Republic of Ireland	11,858	97.9%	12,353	97.5%	12,658	97.6%	11,440	97.6%
Northern Ireland	149	1.2%	171	1.4%	199	1.5%	168	1.4%
UK (other than Northern Ireland)	70	0.6%	75	0.6%	74	0.6%	88	0.7%
Rest of World	35	0.3%	64	0.5%	35	0.3%	38	0.3%
<b>TOTALS</b>	<b>12,112</b>	<b>100.0%</b>	<b>12,663</b>	<b>100.0%</b>	<b>12,966</b>	<b>100.0%</b>	<b>11,734</b>	<b>100.0%</b>

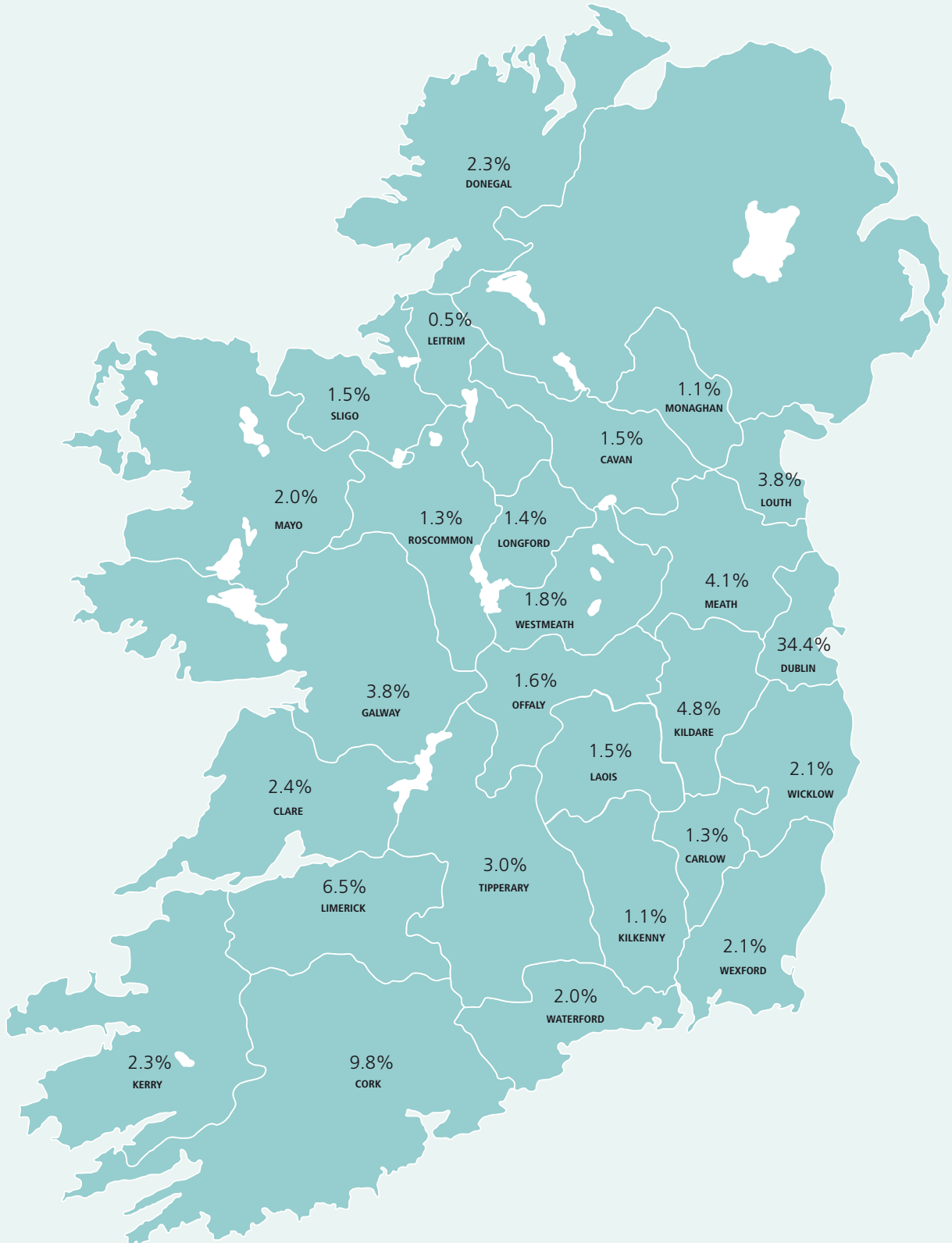
### Breakdown of Award Categories by Location (based on address of Claimant)

	2018	2018	2018	2018	2017	2017	2017	2017	2016	2016	2016	2016
	ML	EL	PL	Total	ML	EL	PL	Total	ML	EL	PL	Total
Republic of Ireland	8,332	1,376	2,150	11,858	8,910	1,196	2,247	12,353	9,318	1,139	2,201	12,658
Northern Ireland	118	10	21	149	138	3	30	171	174	7	18	199
UK (other than Northern Ireland)	55	3	12	70	56	2	17	75	53	1	20	74
Rest of World	24	6	5	35	38	15	11	64	19	11	5	35
<b>TOTALS</b>	<b>8,529</b>	<b>1,395</b>	<b>2,188</b>	<b>12,112</b>	<b>9,142</b>	<b>1,216</b>	<b>2,305</b>	<b>12,663</b>	<b>9,564</b>	<b>1,158</b>	<b>2,244</b>	<b>12,966</b>

### Number of Awards per County



% of Awards per County



**Top 5 Counties by Awards as per head of population 2018**

	<b>% of Awards per County</b>
Longford	1.40%
Limerick	6.50%
Louth	3.80%
Dublin	34.40%
Sligo	1.50%

**Bottom 5 Counties by Awards as per head of population 2018**

	<b>% of Awards per County</b>
Kilkenny	1.10%
Wexford	2.10%
Donegal	2.30%
Galway	3.80%
Wicklow	2.10%

**Highest No. of Overall Awards by County 2017 (based on address of Claimant)**

Dublin	4,077
Cork	1,158
Limerick	768
Kildare	564

**Lowest No. of Overall Awards by County 2018 (based on address of Claimant)**

Leitrim	59
Monaghan	125
Kilkenny	134
Carlow	152

**Highest No. of ML Awards by County (based on address of Claimant)**

Dublin	2,748
Cork	814
Limerick	574
Kildare	392

**Lowest No. of ML Awards by County (based on address of Claimant)**

Leitrim	42
Kilkenny	93
Monaghan	99
Carlow	100

**Highest No. of EL Awards by County (based on address of Claimant)**

Dublin	504
Cork	126
Kildare	80
Meath	68

**Lowest No. of EL Awards by County (based on address of Claimant)**

Sligo	7
Leitrim	9
Longford	10
Monaghan	13

**Highest No. of PL Awards by County (based on address of Claimant)**

Dublin	825
Cork	218
Limerick	130
Kildare	92

**Lowest No. of PL Awards by County (based on address of Claimant)**

Leitrim	8
Monaghan	13
Cavan	17
Kilkenny	25



