

Health Information and Quality Authority

ANNUAL FINANCIAL STATEMENTS
FOR
HEALTH INFORMATION AND QUALITY AUTHORITY
YEAR ENDED 31 DECEMBER 2015

Health Information and Quality Authority

Health Information and Quality Authority

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Health Information and Quality Authority

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CHAIRPERSON'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

Given the timescales set in the Health Act 2007 the Authority has published an Annual Report which is a separate and distinct document from this set of Annual Financial Statements.

In the Annual Report the Authority has addressed the requirements set out in Section 37 of the Health Act 2007. The Annual Report describes the performance of the Authority's functions during 2015. The Annual Report can be downloaded from the Authority's website www.hiqa.ie or requested from the Authority's head office at Unit 1301, City Gate, Mahon, Cork.

As required under Section 13.1 of the Code of Practice for the Governance of State Bodies I report the following matters to the Minister for Health.

I confirm that there were no commercially significant developments affecting the Authority during the year, including the establishment of subsidiaries or joint ventures and share acquisitions.

I affirm that all appropriate procedures for financial reporting, internal audit, procurement and asset disposals are being carried out.

A full statement on the system of internal financial control is set out separately in these Annual Financial Statements.

I affirm that Codes of Business Conduct for Directors and Employees have been put in place and are adhered to.

I affirm that Government policy on the pay of the Chief Executive Officer and all other Authority employees are being complied with.

I affirm that Government guidelines on the payment of Directors' fees are being complied with.

There are no significant post balance sheet events to report.

I confirm that the Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector, suitably modified for the circumstances of the Authority, are being complied with.

I certify that Government travel policy requirements are being complied with in all respects.

I confirm that the Code of Practice for the Governance of State Bodies has been adopted and it is being complied with.

As required by Section 19.2 of the Code I confirm that the Authority has complied with its obligations under taxation law


Brian McEnery
Chairperson

6 JULY 2016
Date

Health Information and Quality Authority

MEMBERSHIP AND GENERAL INFORMATION

Brian McEnery	<p>Chairperson</p> <p>Partner in BDO Accountants and Business Advisors. Member, ACCA Global Council.</p>
Sheila O'Malley	<p>Former Chief Nursing Officer, Department of Health. Former President of An Bord Altranais agus Cnáimhseachais na hÉireann/Nursing and Midwifery Board of Ireland</p>
David Molony	<p>A GP and Occupational physician, founding member of Mallow Primary Healthcare Centre (MPHC), a trainer in the South West Vocational Training Scheme, senior adjunct lecture to GEMS Medical School in University of Limerick and a member of the national GP Committee of the Irish Medical Organisation.</p>
Una Geary	<p>Consultant in Emergency Medicine at St James's Hospital in Dublin. Honorary lecturer in the School of Medicine, University of Dublin Trinity College.</p>
Anne Carrigy	<p>Former National Lead of Acute Hospital Services, HSE. Former President of An Bord Altranais agus Cnáimhseachais na hÉireann/Nursing and Midwifery Board of Ireland.</p>
Bairbre O'Neill	<p>Barrister, practising in the area of civil litigation, with a particular emphasis on commercial litigation and judicial review.</p>
Mary Fennessy	<p>Formerly, head social worker Lucena Child and Adolescent Mental Health Services. Board Member and Commissioner of the Commission to Inquire into Child Abuse. Chairperson of Mountjoy Prison Visiting Committee and Health Committee Member of the Pharmaceutical Society of Ireland. Serves on a Committee of the Health and Social Care Professionals Council regulatory body CORU.</p>
Judith Foley	<p>Acting Chief Education Officer, Education Department of An Bord Altranais agus Cnáimhseachais na hÉireann/Nursing and Midwifery Board of Ireland.</p>

Health Information and Quality Authority

MEMBERSHIP AND GENERAL INFORMATION (continued)

Stephen O'Flaherty	Appointed 29 July 2015 Qualified accountant with the Association of Chartered Certified Accountants working with AIB Business Banking.
Paula Kilbane	Appointed 29 July 2015 Formerly CEO of Eastern Health and Social Services Board in Northern Ireland and Director of Public Health of the Southern Health Board Northern Ireland. Currently a director of a number of boards in the private, public and charitable sectors.
Martin Sisk	Appointed 29 July 2015 Solicitor. Independent Non-Executive Director of the Interim Board of the Office of Government Procurement. Director of the Irish League of Credit Unions.
Molly Buckley	Appointed 29 July 2015 Public health nurse. Vice-Chairperson of the Irish Council for Social Housing and a director and chairperson of a number of national and international social inclusion organisations and projects.

Health Information and Quality Authority

MEMBERSHIP AND GENERAL INFORMATION (Continued)

Board Resignations and New Appointees

The term of appointment expired for the following Board members on 14 May 2015

Grainne Tuke
Cillian Twomey
Philip Caffrey
Sam McConkey

The following members were appointed to the Board on 29 July 2015

Stephen O'Flaherty
Paula Kilbane
Martin Sisk
Molly Buckley

Health Information and Quality Authority

MEMBERSHIP AND GENERAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2015

Address	Unit 1301, City Gate, Mahon, Cork
Telephone Number	021-240 9300
Fax Number	021-240 9600
Bankers	Ulster Bank 95 Main Street Midleton Co Cork
Auditors	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1
Solicitors	Beauchamps Riverside Two Sir John Rogerson's Quay Dublin 2 Mason Hayes & Curran South Bank House Barrow Street, Dublin 4

Health Information and Quality Authority

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2015

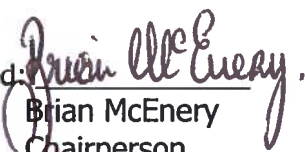
Under the terms of the Health Act 2007 which established the Health Information and Quality Authority, the Board acknowledges its responsibility to prepare financial statements for the year which give a true and fair view of the state of affairs of the Authority and its income and expenditure for the year.

In preparing those statements the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Disclose and explain any material departures from applicable accounting standards, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to do so.

The Board is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time the financial position of the Authority and which enable the Board to ensure that the financial statements complied with the relevant Act and with the accounting standards laid down by the Minister for Health. The Board is also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

On behalf of the Board

Signed: 
Brian McEnery
Chairperson

6 JULY 2016
Date

Signed: 
Board Member

6 JULY 2016
Date



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Health Information and Quality Authority

I have audited the financial statements of the Health Information and Quality Authority for the year ended 31 December 2015 under the Health Act 2007. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of capital income and expenditure, the statement of financial position, the statement of cash flows, and the related notes. The financial statements have been prepared in the form prescribed under Section 35 of the Health Act 2000, and in accordance with generally accepted accounting practice as modified by the directions of the Minister for Health.

Responsibilities of the Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Authority's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Authority's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In compliance with the directions of the Minister for Health, the Authority accounts for the costs of superannuation entitlements only as they become payable. This basis of accounting does not comply with Financial Reporting Standard 102 which requires such costs to be recognised in the year the entitlements are earned.

In my opinion, except for the accounting treatment of the Authority's superannuation costs and liabilities, the financial statements, have been properly prepared in accordance with generally accepted accounting practice in Ireland and give a true and fair view of the state of the Authority's affairs at 31 December 2015 and of its income and expenditure for 2015.

In my opinion, the accounting records of the Authority were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

Matters on which I report by exception

I report by exception if I have not received all the information and explanations I required for my audit, or if I find

- any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Authority's annual report is not consistent with the related financial statements or with the knowledge acquired by me in the course of performing the audit, or

- the statement on internal financial control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

A handwritten signature in black ink that reads "Seamus McCarthy." The signature is written in a cursive, flowing style.

Seamus McCarthy
Comptroller and Auditor General
13 July 2016

Health Information and Quality Authority

STATEMENT ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 DECEMBER 2015

Responsibilities for the System of Internal Financial Control

On behalf of the Authority I acknowledge that we are ultimately responsible for the system of internal financial control, for reviewing its effectiveness and ensuring it is maintained and operated.

The system is designed to provide reasonable and not absolute assurances that assets were safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely period.

Management took steps to ensure that there was an effective system of financial control in place. This included implementing a system of internal control based on regular information on expenditure being supplied to management, administrative procedures including segregation of duties and a system of delegation of responsibility.

Key Control Procedures:

The following is a description of the key procedures, which had been put in place by the management and were designed to provide effective internal financial controls:

1. An annual estimate of the organisation's financial requirements was provided to the Department of Health.
2. Reports were provided to the Department which compared actual and estimated expenditure.
3. All expenditure by the organisation was recorded in the general ledger of the accounting system. Monthly expenditure reports were prepared by the finance department.
4. The finance department prepared monthly statements of expenditure which compared actual with estimated expenditure. These were regularly reported to Management and to the Board.
5. Segregation of duties existed between the preparation, authorisation and execution of payments.
6. Grant income was drawn down from the Department of Health based on mature liabilities and cash requirements. Each claim was supported by detailed documentation, which was reviewed and approved by Department of Health officials before cash was transferred to the Authority's bank account.
7. Annual fee income was generated tri-annually for relevant designated centres. Total fee income was analytically reviewed and reconciled each billing cycle by Finance to information contained within the Authority's Regulatory Management System, contributing towards ensuring the accuracy and completeness of annual fee income.

Health Information and Quality Authority

STATEMENT ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 DECEMBER 2015 (continued).

8. Debt collection of annual fee income was actively managed by Finance through the use of key management reports, regulatory management reviews and formal debt collection process, which contributes towards the timely collection of outstanding annual fee debt.
9. The finance department, in conjunction with the business, prepared an annual budget and a revised forecast, thus maintaining tight correlation between actual versus budget/forecast comparisons, enhancing financial budgetary control performance.
10. A risk management process was in existence, with regular monitoring, evaluation and reporting to senior management and to the Audit and Corporate Governance Committee.
11. The Board has established an Audit and Corporate Governance Committee, whose primary function is to assist the Board in its assessment of the effectiveness of the systems established by Management of the Authority by reviewing the comprehensiveness and reliability of internal controls and assurances on governance, risk management, the control environment and the accuracy and completeness of the financial statements.
12. During the year the Board conducted a review of the effectiveness of the system of internal financial control based on a number of reports produced by the internal auditors and statements of assurance provided by management.

Signed:


Brian McEnery
Chairperson

Date

6 JULY 2016


Health Information and Quality Authority

STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES FOR THE YEAR ENDED 31 DECEMBER 2015

		2015	2014
	Notes	€	€
Income			
Department of Health (Vote 38, subhead E1)		10,700,000	9,400,000
Annual and Registration Fees	2	6,762,728	6,906,615
Other Income	3	523,831	540,789
		<u>17,986,559</u>	<u>16,847,404</u>
Expenditure			
Staff Costs	4	13,211,064	12,820,863
Travel and Subsistence		764,539	673,402
Professional Fees	8	665,366	432,668
Publication Expenses		29,620	31,463
Support Costs	9	1,107,505	1,144,647
Establishment Expenses	10	2,364,802	1,834,975
		<u>18,142,896</u>	<u>16,938,018</u>
Surplus/(Deficit) for the Year	6	(156,337)	(90, 614)
Surplus as at 1 January		<u>477,793</u>	<u>568,407</u>
Surplus at 31 December		<u>321,456</u>	<u>477,793</u>

The Statement of Cash Flows and Notes 1 to 24 form part of these financial statements.

On behalf of the Authority:

Signed: 
Brian McEnery
Chairperson

Signed: 
Phelim Quinn
Chief Executive Officer

Date: 6 JULY 2016

Date: 6 JULY 2016

Health Information and Quality Authority

STATEMENT OF CAPITAL INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015	2014
		€	€
Income			
Department of Health (Vote 38, subhead H)		315,136	319,942
Amortisation of Capital Fund Account		486,116	426,370
		<u>801,252</u>	<u>746,312</u>
Expenditure			
Leasehold Interest	11	38,004	-
Fixtures and Fittings	11	-	24,530
Computer Equipment	11	277,132	295,412
Depreciation	11	<u>486,116</u>	<u>426,370</u>
		<u>801,252</u>	<u>746,312</u>
Surplus /(Deficit) for the Year		-	-
Opening (deficit)/surplus		-	-
Surplus / (Deficit) For Year		<u>-</u>	<u>-</u>

The Statement of Cash Flows and Notes 1 to 24 form part of these financial statements.

On behalf of the Authority

Signed: 
Brian McEnery
Chairperson

Signed: 
Phelim Quinn
Chief Executive Officer

Date: 6 JULY 2016

Date: 6 JULY 2016

HEALTH INFORMATION AND QUALITY AUTHORITY

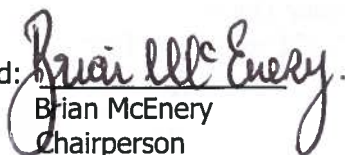
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Notes	2015 €	2014 €
Fixed Assets			
Tangible Assets	11	2,439,293	2,610,273
Current Assets			
Debtors	12	597,135	647,059
Cash at Bank or in Hand	14	830,635	741,825
		<u>1,427,770</u>	<u>1,388,884</u>
Less Current Liabilities			
Creditors falling due within one year	13	<u>(1,106,314)</u>	<u>(911,091)</u>
Net Current Assets /(Liabilities)		321,456	477,793
Total Assets Less Current Liabilities		<u>2,760,749</u>	<u>3,088,066</u>
Capital and Reserves			
Revenue Reserves		321,456	477,793
Capital Account	15	2,439,293	2,610,273
		<u>2,760,749</u>	<u>3,088,066</u>

The Statement of Cash Flows and Notes 1 to 24 form part of these financial statements.

On behalf of the Authority

Signed:


Brian McEnery
Chairperson

Signed:


Phelim Quinn
Chief Executive Officer

Date:

6 JULY 2016

Date:

6 - JULY 2016

Health Information and Quality Authority

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

Reconciliation of operating surplus to Net funds inflow from operating activities

	2015 €	2014 €
Operating (Deficit) / Surplus	(156,337)	(90,614)
Interest Received	(1,003)	(2,094)
Decrease in Debtors	49,924	232,614
Increase in Creditors and Accruals	195,223	74,873
Net Cash Flow from Operating Activities	<u>87,807</u>	<u>214,779</u>
Cash Flows from Investing Activities		
Net Cash Flow from Operating Activities	87,807	214,779
Interest Received	1,003	2,094
Purchase of Fixed Assets	315,136	(319,942)
Capital Grants Received/Receivable	(315,136)	319,942
Increase in Cash Balances	<u>88,810</u>	<u>216,873</u>
Reconciliation of net cash flow to movement in net funds		
Increase in Cash in the year	88,810	216,873
Net Funds at 1 January	741,825	524,952
Net Funds at 31 December	<u>830,635</u>	<u>741,825</u>

On behalf of the Authority

Signed: 
Brian McEnery
Chairperson

Signed: 
Phelim Quinn
Chief Executive Officer

Date: 6 - JULY 2016

Date: 6 - JULY 2016

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting Policies

The basis of accounting and significant accounting policies adopted by the Health Information and Quality Authority are set out below. They have all been applied consistently throughout the year and for the preceding year.

(a) General Information

The Health Information and Quality Authority (HIQA) was set up under the Health Act 2007, with its head office at Unit 1301, City Gate, Mahon, Cork.

HIQA was established to drive high quality and safe care for people using our health and social care services in Ireland. HIQA's role is to develop standards, inspect and review health and social care services, and support informed decisions on how services are delivered.

HIQA aims to safeguard people and improve the safety and quality of health and social care services across its full range of functions.

HIQA's mandate extends across a specified range of public, private and voluntary sector services. Reporting to the Minister for Health and the Minister for Children and Youth Affairs, HIQA has statutory responsibility for:

- **Setting Standards for Health and Social Services** – Developing person-centred standards, based on evidence and best international practice, for health and social care services in Ireland.
- **Regulation** – Registering and inspecting designated centres.
- **Monitoring Children's Services** – Monitoring and inspecting children's social services.
- **Monitoring Healthcare Safety and Quality** – Monitoring the safety and quality of health services and investigating as necessary serious concerns about the health and welfare of people who use these services.
- **Health Technology Assessment** – Providing advice that enables the best outcome for people who use our health service and the best use of resources by evaluating the clinical effectiveness and cost-effectiveness of drugs, equipment, surgical and diagnostic techniques, and health promotion and protection activities.
- **Health Information** – Advising on the efficient and secure collection and sharing of health information, setting standards, evaluating information resources and publishing information about the delivery and performance of Ireland's health and social care services.

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

(b) Statement of Compliance

The financial statements of HIQA for the year ended 31 December 2015 have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland. These are HIQA's first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014. The prior year financial statements were re-stated for material adjustments on adoption of FRS 102 in the current year. The result of adoption can be seen in Note 6.

(c) Basis of Preparation

The financial statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for Health with the concurrence of the Minister for Public Expenditure and Reform, in accordance with Section 35 of the Health Act 2007.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to HIQA's financial statements.

(d) Income

(i) Oireachtas Grants

The amount brought to account represents the actual grants received in the accounting period.

Grant Income applied for capital purposes resulting in additions to fixed assets is capitalised in the Capital Account.

(ii) Annual Fee Income

Annual Fees from providers of Designated Centres for Older Persons are recognised tri-annually in accordance with Statutory Instrument 245 of 2009, Health Act 2007 (Registration of Designated Centres for Older People) Regulations 2009 and Statutory Instrument 493 of 2013, Health Act 2007(Registration of Designated Centres for Older People) (Amendment) Regulations 2013.

Annual Fees from providers of Designated Centres for Persons with Disabilities are recognised tri-annually in accordance with Statutory Instrument 366 of 2013, Health Act 2007 (Registration of Designated Centres for Persons (Children and Adults) with Disabilities) Regulation 2013.

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

(iii) Application to Register/Vary Fees

Application to Register or Vary fees are recognised on receipt of relevant fee, in accordance with Statutory Instrument 245 of 2009, Health Act 2007 (Registration of Designated Centres for Older People) Regulations 2009 and Statutory Instrument 366 of 2013, Health Act 2007 (Registration of Designated Centres for Persons (Children and Adults) with Disabilities) Regulation 2013.

(iv) Other Grants

Other grants, such as EU project funded grants are recognised on an accruals basis.

(e) Employee – 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.

(f) Receivables

Receivable are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision and is established when there is objective evidence the Health Information and Quality Authority will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue reserves.

Annual Fee debt is only written off on the basis of Management assessment of the probability of non collection and the cost of collection versus the debt outstanding. All amounts for debt written off are recognised in the Statement of Income and Expenditure.

(g) 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. Expenditure is recognised on a straight line basis over the lease period.

(h) Capital Funding

The fixed assets of the Authority are funded from a combination of capital grants and allocations from current revenue. Funding sourced from grants is transferred to a capital account which is amortised in line with the depreciation of the related assets.

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

(i) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates estimated to write off the cost less estimated residual value of each asset on a straight line basis over their estimated useful lives, as follows:

- | | |
|--------------------------|-------------------|
| • Leasehold Interest | Life of the Lease |
| • Furniture and Fittings | 20% |
| • Computer Equipment | 33.33% |

Asset acquisitions, regardless of the source of funds, are capitalised with the exception of assets funded from revenue (Non-Capital) grants with a value below the following threshold:

- | | | |
|-----|------------------------------------|--------------------|
| i. | Equipment / Furniture and Fittings | - Less than €3,809 |
| ii. | Computer / ICT Equipment | - Less than €1,270 |

Depreciation is matched on a straight line basis at rates which are calculated to write off assets, adjusted for estimated residual value, over their expected useful lives as follows:

- | | | |
|---|------------------------|---------------|
| • | Leasehold Interest | Life of lease |
| • | Furniture and Fittings | 20% |
| • | Computer Equipment | 33.33% |

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

(j) Superannuation

In accordance with Section 27 of the Health Act 2007 the Health Information and Quality Authority has drafted a superannuation scheme in line with the Department of Finance model Superannuation Scheme. Pending approval by the Department of Health, the scheme is being operated on an administrative basis.

The scheme is a defined benefit superannuation scheme for employees. No provision has been made in respect of benefits payable. Contributions from employees who are members of the scheme are credited to the income and expenditure account when received. Pension payments under the scheme are charged to the income and expenditure account when paid. By direction of the Minister for Health no provision has been made in respect of benefits payable in future years.

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

(k) Single Public Service Pension Scheme

All new entrants into the public sector with effect from 01 January 2013 are members of the Single Public Service Pension Scheme, where all employee pension deductions are paid over to a central account for the benefit of the Exchequer.

(l) 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 Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. The following judgement has had the most significant effect on amounts recognised in the financial statements:

Depreciation and Residual Values

The Authority has reviewed the asset lives and associated residual values of all fixed assets, and in particular, the useful economic life and residual values of fixtures and fittings and have concluded that assets lives and residual values are appropriate.

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

	2015 €	2014 €
2. Annual and Registration Fee Income		
Annual Fees	6,440,228	6,499,215
Registration Fees	<u>322,500</u>	<u>407,400</u>
	<u>6,762,728</u>	<u>6,906,615</u>

	2015 €	2014 €
3. Other Income		
Superannuation Contributions	484,407	495,511
EU Network Grants	38,291	40,097
Interest Received	1,003	2,094
Miscellaneous Income	<u>130</u>	<u>3,087</u>
Total	<u>523,831</u>	<u>540,789</u>

4. Staff Costs		
Wages and Salaries	10,739,558	10,794,399
Agency Staff	1,391,934	981,976
Holiday Pay Accrual (Note 5)	41,308	56,941
Board Members' Fees (Note 20)	114,316	105,277
Employers' Pay Related Social Insurance	<u>923,948</u>	<u>882,270</u>
Total	<u>13,211,064</u>	<u>12,820,863</u>

Pension levy deductions of €684,000 (2014 €693,695) were made from staff salaries and remitted to the Department of Health.

5. Employee Benefits	2015 Number	2014 Number
€ 60,000 - € 70,000	34	34
€ 70,001 - € 80,000	22	24
€ 80,001 - € 90,000	6	8
€ 90,001 - €100,000	5	7
€100,001 - €110,000	2	1
€110,001 - €120,000	0	0
€120,001 - €130,000	0	0
€130,001 - €140,000	1	2
€140,001 - €150,000	1	0

Total employer pension contributions paid during the year was nil (2014 nil)

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

6. Transition to FRS 102

Reconciliation of Capital and reserves	As at 01 Jan 2014 €'000	As at 31 Dec 2014 €'000
Capital and Reserves (as previously stated)	3,458,685	3,318,584
Holiday Pay Accrual (note A)	(173,577)	(230,518)
Capital and Reserves (as re-stated)	<u>3,285,108</u>	<u>3,088,066</u>

Reconciliation of Deficit for the Year	Year ended 31 Dec 2014
Deficit for the year (as previously stated)	(33,673)
Holiday Pay Accrual (note A)	(56,941)
Deficit for the year (as re-stated)	<u>(90,614)</u>

Adjusting Items:

Note A: Holiday Pay accrual

The Authority had previously not accrued for holiday pay earned by employees but not availed of at the reporting date. Under FRS102, the financial statements must recognise such accruals

The impact of this change is an increase of €173,577 in payables at the transition date and €230,518 at 31 December 2014. The surplus is reduced by €173,577 in the year- ended 31 December 2013 and the deficit in the year-ended 31 December 2014 is increased by €56,941.

	2015	2014
7. Average Headcount		
Regulation	137	121
Safety and Quality Improvement	7	8
Health Technology Assessment	9	9
Health Information	10	10
Support Staff	23	25
	<u>186</u>	<u>173</u>

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

	2015	2014
	€	€
8. Professional Fees		
Statutory Investigations and Reviews	27,891	113,912
Other Consultancy	425,343	164,648
Legal	212,132	154,108
Total	<u>665,366</u>	<u>432,668</u>
9. Support Costs		
Recruitment	104,174	165,747
Staff Training and Development	198,530	222,677
Telephone	113,912	117,718
IT Support and Supplies	503,064	447,730
Internal Audit and Accountancy	64,042	48,186
Statutory Audit	11,400	11,400
Postage and Stationery	77,213	97,873
Media Monitoring	12,560	12,805
Couriers	6,492	7,364
Bad Debt Write Off / Provision	10,970	7,923
Prompt Payment interest and charges	1,453	940
Bank Charges	3,695	4,284
Total	<u>1,107,505</u>	<u>1,144,647</u>
	2015	2014
	€	€
10. Establishment Expenses		
Rent	1,595,277	1,448,600
Building Service Charge (Note A)	22,097	(36,646)
Insurance	7,884	15,224
Repairs and Maintenance (Note 18)	378,082	41,590
Meeting Room Hire	8,310	15,334
Catering and Refreshments	36,627	40,994
Light and Heat	124,780	117,646
Cleaning and Refuse	68,875	67,131
Security	105,094	105,810
Record Retention and Storage	3,822	2,700
Health and Safety	13,954	16,592
Total	<u>2,364,802</u>	<u>1,834,975</u>

Note A – In 2014, a credit note to the value of €112,881 was issued to the Authority by the Office of Public Works related to overcharges in earlier years.

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

11. Fixed Assets

	Leasehold Interest €	Fixtures And Fittings €	Computer Equipment €	Total €
Cost or Valuation				
Balance at 1 January 2015	3,052,327	818,854	1,916,188	5,787,369
Additions	38,004	-	277,132	315,136
Disposals	-	-	(101,421)	(101,421)
Cost or Valuation at 31 December 2015	<u>3,090,331</u>	<u>818,854</u>	<u>2,091,899</u>	<u>6,001,084</u>
Accumulated Depreciation				
Balance at 1 January 2015	1,062,657	658,089	1,456,350	3,177,096
Depreciation charge for the period	147,380	47,242	291,494	486,116
Depreciation on Disposals	-	-	(101,421)	(101,421)
Accumulated Depreciation At 31 December 2015	<u>1,210,037</u>	<u>705,331</u>	<u>1,646,423</u>	<u>3,561,791</u>
Net Book Value at 31 December 2015	<u>1,880,294</u>	<u>113,523</u>	<u>445,476</u>	<u>2,439,293</u>
Net Book Value at 31 December 2014	<u>1,989,670</u>	<u>160,765</u>	<u>459,838</u>	<u>2,610,273</u>

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

	2015 €	2014 €
12. Debtors		
Annual Fee Debtors	2	53,365
Prepayments	519,943	511,962
Sundry Debtors	77,190	81,732
	<u>597,135</u>	<u>647,059</u>

13. Creditors (amounts falling due within one year)

Creditors	80,486	124,117
Prepaid Income	34,176	9,210
Trade Accruals	379,520	233,274
Payroll Deductions	340,306	313,972
Holiday Pay Accrual	271,826	230,518
	<u>1,106,314</u>	<u>911,091</u>

14. Analysis of Changes in In Net Funds

	At 01 January 2015 €	Cash Flows €	At 31 December 2015 €
Cash in Hand, at bank	<u>741,825</u>	<u>88,810</u>	<u>830,635</u>

	2015 €	2014 €
15. Capital Account		
Opening balance at 01 January	<u>2,610,273</u>	<u>2,716,701</u>
<u>Movement for Period</u>		
Expenditure from Capital Grant	315,136	319,942
Disposals	(101,421)	(95,316)
Amount amortised in line with Depreciation for the period	(486,116)	(426,370)
Accumulated depreciation on Disposals	101,421	95,316
Balance at 31 December 2015	<u>2,439,293</u>	<u>2,610,273</u>

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

16. Capital Commitments

Contracted For	24,430	8,525
	<u>24,430</u>	<u>8,525</u>

17. Leasehold Commitments

The Authority had a long term lease commitment in respect of the property at 13-15 The Mall, Beacon Court, Bracken Road, Dublin 18. This lease was taken on from the Irish Health Services Accreditation Board on the establishment of the Authority in 2007. The lease was due to expire on 27 March 2028. However, in 2015 the Authority exercised the break clause which allowed the Authority to terminate the lease. Under the lease termination agreement, an additional six months' rent of €146,500 along with building restoration costs of €350,000 was paid to the Landlord. The Authority vacated and handed up possession of the premises to the landlord on 31 January 2016. All costs related to terminating the lease have been recognised in the 2015 financial statements. The annual cost of this lease in 2015 was €293,000 (€293,000 in 2014), together with building management and service charges of €15,734 (€17,085 in 2014).

At 31 December 2015, the Authority had the following future minimum lease payments for each of the following periods:

	2015 €	2014 €
Payable within 1 year	70,039	293,000
Payable within 2 to 5 years	-	1,172,000
Payable after 5 years	-	2,490,500
	<u>70,039</u>	<u>3,955,500</u>

The Authority is currently occupying two leased premises (City Gate, Mahon Cork and Smithfield Dublin). In both cases the lease agreement is between the Landlord and the Office of Public Works.

The lease in respect of City Gate Mahon Cork was entered into in 2008 for 20 years and one month term. The annual rent payable is €370,420. As a result of agreements entered into as part of the decentralisation programme, this rent is paid by The Office of Public Works and is not recouped from the Authority.

The lease in relation to Smithfield Dublin was entered into 2008 year for 20 year term. The annual rent payable is €1,155,752.

In early 2016, the Authority has committed to occupy additional premises in Galway, for which the OPW holds the lease. No rent was paid on these premises for 2015. The annual rent for these premises is expected to be €13,750.

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

18. Remuneration of Chief Executive Officer

Phelim Quinn, the Authority's Chief Executive Officer, is on an annual salary of €143,535. In 2014 he received total emoluments of €132,491. €13,065 of this related to his position as Chief Executive Officer and €119,426 related to his previous role as Director of Regulation (see Note 23). He is a member of the Authority's Pension Scheme and his entitlements do not extend beyond the public sector model scheme.

In line with Department of Public Expenditure and Reform guidelines, the Chief Executive Officer did not receive a performance related award in 2015.

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

19. Board Members' Travel and Subsistence	2015	2014
	€	€
The following Board Members were reimbursed during the year for travel, subsistence and other expenses, incurred in carrying out their duties as Board Members.		
Brian McEnery	1,369	2,250
Una Geary	46	17
Anne Carrigy	439	319
Judith Foley	309	233
Molly Buckley	1,290	-
Sheila O'Malley	156	326
Martin Sisk	371	-
Paula Kilbane	92	-
David Molony	-	932
Mo Flynn	-	33
Grainne Tuke	102	555
Cillian Twomey	529	-
Samuel McConkey	159	478
Total	<u>4,862</u>	<u>5,143</u>

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

20. Board Members' Fees	2015 €	2014 €
Brian McEnery (Chairperson – Appointed 15 May 2013)	20,520	20,520
Sheila O'Malley	11,970	11,970
David Molony	11,970	11,970
Anne Carrigy	11,970	11,970
Bairbre O'Neill (Appointed 31 March 2014)	11,970	9,023
Mary Fennessy (Appointed 07 April 2014; Entitled to Fees from 27 November 2014)	11,970	1,136
Martin Sisk (Appointed 29 July 2015)	5,126	-
Stephen O'Flaherty (Appointed 29 July 2015)	5,126	-
Molly Buckley (Appointed 29 July 2015)	5,126	-
Paula Kilbane (Appointed 29 July 2015)	5,125	-
Grainne Tuke (Tenure expired 14 May 2015)	4,481	11,970
Cillian Twomey (Tenure expired 14 May 2015)	4,481	11,970
Philip Caffrey (Tenure expired 14 May 2015)	4,481	11,970
Darragh O'Loughlin (Resigned 7 February 2014)	-	1,228
Linda O'Shea Farren (Resigned 18 February 2014)	-	1,550
	114,316	105,277

Fees were paid to Board members at the approved standard rates for the periods involved. The standard annual rate (set by the Department of Public Expenditure and Reform) for the Chairperson from 1 January 2010 onwards is €20,520. The standard annual rate for a Board member from 1 January 2010 onwards is €11,970.

Since 1 November 2011, Board Member fees ceased to be paid to all public sector remunerated members, based on the "One Salary One Person Principle" directive, issued by the Department of Public Expenditure and Reform. Three of the Authority's board members, during the year were affected by this directive (Sam McConkey, Una Geary and Judith Foley). Mary Fennessy ceased to be in public service employment on 27 November 2014 and was entitled to fees from that date.

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

21. Board Members' Interests

Transactions are made, from time to time, with bodies with which members are connected whether through employment or otherwise. The Authority has procedures for dealing with conflicts of interest, in accordance with guidelines issued by the Department of Public Expenditure and Reform.

22. Executive Directors' Reimbursed Expenses

The following Executive Directors were reimbursed for travel, subsistence and other expenses, incurred in carrying out their duties as Senior Managers of The Authority.

	2015 €	2014 €
Phelim Quinn - Chief Executive Officer	4,524	7,094
Tracey Cooper - Chief Executive Officer (Resigned on 30 May 2014)	-	944
Jane Grimson – Director of Health Information, Deputy Chief Executive Officer and Acting Chief Executive Officer (Retired 30 September 2014)	-	2,830
Máirín Ryan – Director of Health Technology Assessment and Acting Deputy Chief Executive Officer	5,501	3,683
Marie Kehoe- O'Sullivan –Director of Safety and Quality Improvement	4,162	8,832
Mary Dunnion – Director of Regulation – appointed 06 October 2015	7,252	6,846
Rachel Flynn – Director of Health Information – Appointed 02 September 2015	6,665	6,004
Sean Angland – Acting Chief Operations Officer – Appointed 24 June 2015	4,818	3,095
Total	32,922	39,328

Health Information and Quality Authority

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued).

23. Authority's Executive Directors' Salaries	2015 €	2014 €
Phelim Quinn - Chief Executive Officer (Note A)	143,535	132,491
Tracey Cooper- Former Chief Executive Officer (Resigned on 30 May 2014)	-	70,395
Máirín Ryan – Director of Health Technology Assessment and Acting Deputy Chief Executive Officer (Note B)	100,475	89,617
Jane Grimson – Director of Health Information and Deputy Chief Executive Officer (Retired from Public Sector on 30 September 2014)	-	91,004
Marie Kehoe-O'Sullivan – Director of Safety and Quality Improvement	131,385	131,385
Rachel Flynn – Director of Health Information – (Note C)	92,202	71,758
Mary Dunnion – Director of Regulation (Note D)	104,718	94,600
Sean Angland – Acting Chief Operations Officer (Note E)	97,194	95,570

Note A Phelim Quinn was appointed the Authority's Chief Executive Officer on 27 November 2014 on an annual salary of €143,535 (See Note 18). Prior to this appointment, Phelim operated as Director of Regulation and was on an annual salary of €131,385.

Note B Máirín Ryan, Director of Health Technology Assessment worked 3 days every week with the Authority until September 2014. From 06 October 2014 she moved to 3.5 days per week. Her full time equivalent salary is €143,535.

Note C Rachel Flynn was appointed Director of Health Information from 02 September 2015, on an annual salary of €133,089. Prior to this appointment, Rachel operated as Health Information Manager and was on an annual salary of €71,746.

Note D Mary Dunnion was appointed Director of Regulation from 06 October 2015, on an annual salary of €133,089. Prior to this appointment, Mary operated as Deputy Director of Regulation and was on an annual salary of €95,834.

Note E Sean Angland was appointed Acting Chief Operations Officer on 24 June 2015. Previously, Sean operated as Head of Corporate Services. He did not receive any additional salary on his appointment to Acting Chief Operations Officer.

24. Approval of Financial Statements

These financial statements were approved by the Board on 06 July 2016.