

HEALTH INFORMATION AND QUALITY AUTHORITY

ANNUAL FINANCIAL STATEMENTS

FOR

HEALTH INFORMATION AND QUALITY AUTHORITY

YEAR ENDED 31 DECEMBER 2011

HEALTH INFORMATION AND QUALITY AUTHORITY

HEALTH INFORMATION AND QUALITY AUTHORITY

Table of Contents

| | Page Number |
|---|-------------|
| Chairperson's Report..... | 4 |
| Membership and General Information..... | 5-6 |
| Statement of Board Members' Responsibilities..... | 7 |
| Report of Comptroller and Auditor General..... | 8-9 |
| Statement on Internal Financial Control..... | 10-11 |
| Statement of Accounting Policies..... | 12-13 |
| Income and Expenditure Account..... | 14 |
| Capital Income and Expenditure Account..... | 15 |
| Balance Sheet..... | 16 |
| Cashflow Statement..... | 17 |
| Notes to the Financial Statements..... | 18-25 |

HEALTH INFORMATION AND QUALITY AUTHORITY

CHAIRPERSON'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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 2011. 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, travel, 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

Pat McGrath
Chairperson

07 June 2012
Date

HEALTH INFORMATION AND QUALITY AUTHORITY

MEMBERSHIP AND GENERAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011

The following persons were members of the Authority for the year ended 31 December 2011:

| | |
|--------------------------|--|
| Pat McGrath | Chairperson Deputy Chairman of International Development within the PM Group. Until June 2011, was Chief Executive Officer of PM Group. |
| Dolores Quinn | Vice Chairperson Marketing and Communications Manager for the Diagnostics Division of Abbott Laboratories. |
| Angela Kerins | CEO, Rehab Group |
| Prof. Geraldine McCarthy | Recently retired Professor of Nursing, University College Cork |
| Sheila O' Connor | Co-ordinator, Patient Focus |
| Bryan Barry | Assistant General Secretary, Irish Farmers Association |
| Grainne Tuke | Solicitor, Electricity Supply Board |
| Prof. Damien McLoughlin | Professor of Marketing, Director of the Marketing Development Programme and Head of the Marketing subject area at UCD Michael Smurfit Graduate Business School. |
| Philip Caffrey | Former Managing Director of the Contract Distribution Outsourcing Division with United Drug PLC and former Director with Irish Aviation Authority. |
| Prof. Sam McConkey | Head of the Department of International Health and Tropical Medicine at the RCSI and leads the clinical Infectious Disease and Tropical Medicine service at Beaumont Hospital. |
| Prof. Cillian Twomey | Retired consultant physician in geriatric medicine. Current Chairperson of the National Steering Committee of the Hospice Friendly Hospitals Programme. |

Board Resignations and New Appointees

Mr Richard Hannaford deceased October 2011.
No other Board Member changes occurred in 2011

HEALTH INFORMATION AND QUALITY AUTHORITY

MEMBERSHIP AND GENERAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

| | |
|-------------------------|--|
| Address | Unit 1301, City Gate, Mahon, Cork |
| Telephone Number | 021-240 9300 |
| Fax Number | 021-240 9600 |
| Bankers | Ulster Bank 95 Main Street Middleton Co Cork |
| Auditors | Comptroller and Auditor General Treasury Block Lower Yard Dublin Castle Dublin 2 |
| Solicitors | Landwell and Co One Spencer Dock Northwall Quay Dublin 1 |

HEALTH INFORMATION AND QUALITY AUTHORITY

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2011

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 proper 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

Pat McGrath
Chairperson

07 June 2012
Date

Cillian Twomey
Board Member

07 June 2012
Date

HEALTH INFORMATION AND QUALITY AUTHORITY

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL FOR PRESENTATION TO THE HOUSE OF THE OIREACHTAS

I have audited the financial statements of the Health Information and Quality Authority for the year ended 31 December 2011 under the Health Act 2007.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies, the Income and Expenditure Account, the Capital Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland as modified by the directions of the Minister for Health in relation to accounting for superannuation costs.

Responsibilities of the Authority

The Board is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Authority's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and 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.

HEALTH INFORMATION AND QUALITY AUTHORITY

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL FOR PRESENTATION TO THE HOUSE OF THE OIREACHTAS (Continued)

Opinion on the Financial Statements

In compliance with the directions of the Minister for Health, the Authority recognises the costs of superannuation entitlements only as they become payable. The basis of accounting does not comply with Financial Reporting Standard 17 which requires such costs to be recognised in the period the entitlements are earned.

Except for the non-recognition of the Authority's superannuation costs and liabilities which is not in accordance with Financial Reporting Standard 17, the financial statements which have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, give a true and fair view of the state of the Authority's affairs at 31 December 2011 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by Authority. The financial statements are in agreement with the books of account.

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
- my audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, 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
- I find there are other material matters relating to the manner in which public business has been conducted.

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

Andrew Harkness
For and behalf of
Comptroller and Auditor General

13 June 2012

HEALTH INFORMATION AND QUALITY AUTHORITY

STATEMENT ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 DECEMBER 2011

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 the Executive Team and to the Board.
5. Segregation of duties existed between the preparation, authorisation and execution of payments.
6. A risk management process was in existence, with regular monitoring, evaluation and reporting to the Executive Team and to the Audit and Corporate Governance Committee.

HEALTH INFORMATION AND QUALITY AUTHORITY

STATEMENT ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 DECEMBER 2011 (continued)

7. The Board has established an Audit and Corporate Governance Committee, whose primary function is to ensure that the Authority meets its relevant statutory functions and to advise the Board on the robustness and effectiveness of the arrangements and status of the corporate governance, financial and risk management and internal audit of the Authority

8. During the year the Board conducted a review of the effectiveness of the system of internal financial control based on a report produced by the internal auditors and statements of assurance provided by management.

Signed: Pat McGrath
Chairperson

Date: 07 June 2012

HEALTH INFORMATION AND QUALITY AUTHORITY

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2011

1. Accounting Convention

The financial statements are prepared in accordance with historical cost convention and in accordance with the accounting standards laid down by the Minister for Health.

2. Basis of Accounting

The financial statements are prepared on the basis of accrual accounting, in accordance with Generally Accepted Accounting Principles (GAAP)

3. Period of Financial Statements

The financial statements relate to the year ended 31 December 2011.

4. Grant Income (Revenue 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.

5. Capital Grants

Capital grants recognised in the Capital Income and Expenditure Account represent the amounts received from the Department of Health for the period to fund capital projects.

6. Fixed Assets

Tangible Fixed Assets are stated at their historical cost or valuation less depreciation.

a) Fixed assets 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:

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

b) Depreciation is provided 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 | Straight Line |
| • Furniture and Fittings | 20% | Straight Line |
| • Computer Equipment | 33.33% | Straight Line |

c) Depreciation is matched by an equivalent amortisation of the Capital Account

HEALTH INFORMATION AND QUALITY AUTHORITY

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

7. Capitalisation Account

The Capital Account represents the unamortised value of funding applied for the purchase of fixed assets.

8. 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.

9. Research Grants

Expenditure grant cost represents the cost incurred in respect of each research project during the accounting period.

HEALTH INFORMATION AND QUALITY AUTHORITY

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

| | Notes | 01/01/11 to 31/12/11 € | 01/01/10 to 31/12/10 € |
|---|-------|---------------------------------|---------------------------------|
| Income | | | |
| Income | 1 | 8,800,000 | 9,500,000 |
| Annual and Registration Fee Income | 2 | 5,000,529 | 5,019,128 |
| Other Income | 3 | 522,118 | 508,658 |
| Health Technology Assessment International Conference Income | 22 | - | 1,063,468 |
| Total Income | | 14,322,647 | 16,091,254 |
| Expenditure | | | |
| Staff Costs | 4 | 11,091,598 | 11,757,162 |
| Travel and Subsistence | | 517,842 | 526,300 |
| Research Grants | 6 | (6007) | 190,010 |
| Investigations and Professional Fees | 7 | 719,851 | 488,540 |
| Publication Expense | | 49,767 | 96,702 |
| Administration Overhead | 8 | 876,394 | 1,010,096 |
| Establishment Expenses | 9 | 1,585,625 | 1,341,773 |
| Health Technology Assessment International Conference Cost | 22 | - | 908,958 |
| Total Expenditure | | 14,835,070 | 16,319,541 |
| (Deficit) / Surplus for the Year | 15 | (512,423) | (228,287) |
| Opening Surplus – 01 January 2011 | | 783,232 | 1,011,519 |
| Surplus at 31 December 2011 | 15 | 270,809 | 783,232 |

All recognised gains and losses for the Year ended 31 December 2011 with the exception of fixed assets depreciation, which is dealt with through the Capitalisation Account, have been dealt with through the Income and Expenditure Account.

The Statement of Accounting Policies and Notes 1 to 23 form part of these financial statements.

On behalf of the Authority:

Pat McGrath
Signed
Chairperson

07 June 2012
Date

Tracey Cooper
Signed
Chief Executive Officer

07 June 2012
Date

HEALTH INFORMATION AND QUALITY AUTHORITY

CAPITAL INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

| Notes | 01/01/11 to 31/12/11 € | 01/01/10 to 31/12/10 € |
|---|---------------------------------|---------------------------------|
| Income | | |
| Department of Health | 153,618 | 344,891 |
| Amortisation of Capital Fund Account | 216,945 | 428,393 |
| Other Income | - | - |
| Transfer from Revenue Income and Expenditure account | - | - |
| | <u>370,563</u> | <u>773,284</u> |
| Expenditure | | |
| Fixtures and Fittings | 15,671 | 14,268 |
| Computer Equipment | 137,947 | 330,623 |
| Depreciation | 216,945 | 428,393 |
| | <u>370,563</u> | <u>773,284</u> |
| Surplus /(Deficit) for the Year | - | - |
| Opening (deficit)/surplus | - | - |
| Surplus / (Deficit) For Year | <u>-</u> | <u>-</u> |

The Statement of Accounting Policies and Notes 1 to 23 form part of these financial statements.

On Behalf of the Authority

Pat McGrath
Signed
Chairperson

Tracey Cooper
Signed
Chief Executive Officer

07 June 2012
Date

07 June 2012
Date

**BALANCE SHEET
AS AT 31 DECEMBER 2011**

| | Notes | 2011 € | 2010 € |
|---|-------|-------------------------|-------------------------|
| Fixed Assets | | | |
| Tangible Assets | 10 | 2,687,070 | 3,011,502 |
| Current Assets | | | |
| Debtors | 11 | 476,159 | 708,446 |
| Cash at Bank or in Hand | | 536,232 | 2,041,004 |
| | | <u>1,012,391</u> | <u>2,749,450</u> |
| Current Liabilities | | | |
| Creditors falling due within one year | 12 | (741,582) | (1,966,218) |
| Net Current Assets /(Liabilities) | | 270,809 | 783,232 |
| Total Assets Less Current Liabilities | | <u>2,957,879</u> | <u>3,794,734</u> |
| Capital and Reserves | | | |
| Income and Expenditure Account | 15 | 270,809 | 783,232 |
| Capital Income and Expenditure Account (Deficit) / Surplus | | - | - |
| Capitalisation Account | 14 | 2,687,070 | 3,011,502 |
| | | <u>2,957,879</u> | <u>3,794,734</u> |

The Statement of Accounting Policies and Notes 1 to 23 form part of these financial statements.

On Behalf of the Authority

Pat McGrath
Signed
Chairperson

Tracey Cooper
Signed
Chief Executive Officer

07 June 2012
Date

07 June 2012
Date

HEALTH INFORMATION AND QUALITY AUTHORITY

CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

Reconciliation of operating surplus to Net funds inflow from operating activities

| | 01/01/11 to 31/12/11 € | 01/01/10 to 31/12/10 € |
|---|---------------------------------|---------------------------------|
| Operating (Deficit) / Surplus | (512,423) | (228,287) |
| (Increase) / Decrease in Debtors | 232,287 | (409,251) |
| Increase / (Decrease) in Creditors and Accruals | (1,224,636) | 724,890 |
| Net Cash Flow from Operating Activities | <u>(1,504,772)</u> | <u>87,352</u> |
| Cash Flow Statement | | |
| Net Cash Flow from Operating Activities | (1,504,772) | 87,352 |
| Purchase of Fixed Assets | (153,618) | (344,891) |
| Capital Grants Received | 153,618 | 344,891 |
| Increase / (Decrease) in Cash Balances | <u>(1,504,772)</u> | <u>87,352</u> |
| Reconciliation of net cash flow to movement in net funds | | |
| Increase / (Decrease) in Cash in the year | (1,504,772) | 87,352 |
| Net Funds at 01 January 2010 | 2,041,004 | 1,953,652 |
| Net Funds at 31 December 2011 | <u>536,232</u> | <u>2,041,004</u> |

The Statement of Accounting Policies and Notes 1 to 23 form part of these financial statements.

On Behalf of the Authority

Pat McGrath
Signed
Chairperson

Tracey Cooper
Signed
Chief Executive Officer

07 June 2012
Date

07 June 2012
Date

HEALTH INFORMATION AND QUALITY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

| | 01/01/11 to 31/12/11 € | 01/01/10 to 31/12/10 € |
|---|---------------------------------|---------------------------------|
| 1. Income | | |
| Department of Health – Oireachtas Grant | 8,800,000 | 9,500,000 |
| 2. Annual and Registration Fee Income | | |
| Annual Fees | 4,910,229 | 4,844,428 |
| Registration Fees | 90,300 | 174,700 |
| | <u>5,000,529</u> | <u>5,019,128</u> |
| 3. Other Income | | |
| Superannuation Contributions | 504,485 | 496,458 |
| EU Network Grants | (422) | 11,690 |
| Crochane Fellowship Grant | 16,178 | - |
| Miscellaneous Income | 1,877 | 510 |
| Total | <u>522,118</u> | <u>508,658</u> |
| 4. Staff Costs | | |
| Wages and Salaries (Note A) | 9,497,453 | 9,576,839 |
| Agency Staff | 701,505 | 1,302,970 |
| Directors' Fees (Note 19) | 144,088 | 151,776 |
| Social Welfare Costs | 748,552 | 725,577 |
| Total | <u>11,091,598</u> | <u>11,757,162</u> |
| <p>Note A. Pension levy deductions of €656,583 (2010 €706,063) were made from staff salaries and remitted to the Department of Health</p> | | |
| 5. Average Headcount | 2011 | 2010 |
| Social Services Inspectorate | 85 | 87 |
| Healthcare Quality Services | 16 | 18 |
| Health Technology Assessment | 8 | 7 |
| Health Information | 11 | 11 |
| Other Indirect Support Staff | 31 | 24 |
| | <u>151</u> | <u>147</u> |

HEALTH INFORMATION AND QUALITY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

| | 01/01/11 to 31/12/11 € | 01/01/10 to 001/12/10 € |
|--|---------------------------------|----------------------------------|
| 6. Research Grants | | |
| The Haughton Institute | - | - |
| Trinity College Dublin - Department of Gastroenterogology | - | 41,628 |
| Irish College of General Practitioners | (6,004) | 56,822 |
| University of Dublin, Trinity College University College Dublin | - | - |
| Dublin Institute of Technology | (3) | 91,560 |
| Total | <u>(6,007)</u> | <u>190,010</u> |
| 7. Investigations and Professional Fees | | |
| General Consultancy | 199,575 | 117,378 |
| General Legal | 520,276 | 371,162 |
| Total | <u>719,851</u> | <u>488,540</u> |
| 8. Administration Overhead | | |
| Recruitment | 15,438 | 17,683 |
| Staff Training and Development | 162,000 | 163,782 |
| Telephone | 174,085 | 193,281 |
| IT Support and Supplies | 346,455 | 397,123 |
| Audit and Accountancy | 56,021 | 55,420 |
| Statutory Audit | 11,860 | 13,160 |
| Postage and Stationery | 86,640 | 150,278 |
| Media Monitoring | 15,377 | 15,002 |
| Couriers | 3,422 | 5,106 |
| Bad Debt Provision | 5,436 | (3,895) |
| Bank Charges | (340) | 3,156 |
| Total | <u>876,394</u> | <u>1,010,096</u> |

HEALTH INFORMATION AND QUALITY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

| | 01/01/11 to 31/12/11 € | 01/01/10 to 31/12/10 € |
|----------------------------------|---------------------------------|---------------------------------|
| 9. Establishment Expenses | | |
| Rent and Rates | 1,086,687 | 790,941 |
| Building Service Charge | 136,251 | 152,407 |
| Insurance | 63,925 | 78,535 |
| Repairs and Maintenance | 76,839 | 78,479 |
| Meeting Room Hire | 4,426 | 7,790 |
| Catering and Refreshments | 19,916 | 22,015 |
| Light and Heat | 90,689 | 102,402 |
| Cleaning and Refuse | 62,514 | 63,141 |
| Security | 26,741 | 22,711 |
| Record Retention and Storage | 7,333 | 12,597 |
| Health and Safety | 10,304 | 10,755 |
| Total | <u>1,585,625</u> | <u>1,341,773</u> |

HEALTH INFORMATION AND QUALITY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

10. Fixed Assets

| | Leasehold Interest € | Fixtures And Fittings € | Computer Equipment € | Total € |
|--|--------------------------------|--------------------------------------|--------------------------------|------------------|
| Cost or Valuation | | | | |
| Balance at 01 January 2011 | 2,844,380 | 664,812 | 1,429,822 | 4,939,014 |
| Additions | - | 15,671 | 137,947 | 153,618 |
| Disposals | - | (13,185) | (247,920) | (261,105) |
| Asset Reclassification | - | (31,521) | 31,521 | - |
| Cost or Valuation at 31 December 2011 | <u>2,844,380</u> | <u>635,777</u> | <u>1,351,370</u> | <u>4,831,527</u> |
| Accumulated Depreciation | | | | |
| Balance at 01 January 2011 | 518,752 | 445,794 | 962,966 | 1,927,512 |
| Depreciation charge for the period | 131,903 | 84,942 | 261,205 | 478,050 |
| Depreciation on Disposals | - | (13,185) | (247,920) | (261,105) |
| Depreciation on Asset Reclassification | - | (17,138) | 17,138 | - |
| Accumulated Depreciation At 31 December 2011 | <u>650,655</u> | <u>500,413</u> | <u>993,389</u> | <u>2,144,457</u> |
| Net Book Value at 31 December 2011 | <u>2,193,725</u> | <u>135,364</u> | <u>357,981</u> | <u>2,687,070</u> |
| Net Book Value at 31 December 2010 | <u>2,325,628</u> | <u>219,018</u> | <u>466,856</u> | <u>3,011,502</u> |

HEALTH INFORMATION AND QUALITY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

| | | | |
|--|---|---|---|
| | 01/01/11 to 31/12/11 € | 01/01/10 to 31/12/10 € | |
| 11. Debtors | | | |
| Annual Fee Debtors | 27,980 | 11,906 | |
| Prepayment | 357,945 | 336,339 | |
| HTAI Conference | - | 269,450 | |
| Sundry Debtors | 90,234 | 90,751 | |
| | <hr/> 476,159 | <hr/> 708,446 | |
| 12. Creditors (amounts falling due within one year) | | | |
| Creditors | 11,805 | 193,447 | |
| Prepaid Income | 94,420 | 218,142 | |
| Trade Accruals | 316,065 | 1,294,221 | |
| Professional Services | | | |
| Withholding Tax | 38,751 | 2,545 | |
| Payroll Deductions | 280,541 | 257,863 | |
| | <hr/> 741,582 | <hr/> 1,966,218 | |
| 13. Analysis of Changes in In Net Funds | At 01 January 2011 | Cash Flows | At 31 December 2011 |
| Cash in Hand, at bank | <hr/> 2,041,004 | (1,504,772) | <hr/> 536,232 |
| | 01/01/11 to 31/12/11 € | | 01/12/10 to 31/12/10 € |
| 14. Capitalisation Account | | | |
| Opening balance | <hr/> 3,011,502 | | <hr/> 3,095,004 |
| Movement for Period | | | |
| Expenditure from Capital Grant | 153,618 | | 344,891 |
| Disposals | (261,105) | | - |
| Amount amortised in line with Depreciation for the period | (478,050) | | (428,393) |
| Accumulated depreciation on Disposals | 261,105 | | - |
| Balance at 31 December 2011 | <hr/> 2,687,070 | | <hr/> 3,011,502 |

HEALTH INFORMATION AND QUALITY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

| | 01/01/11 to 31/12/11 € | 01/01/10 to 31/12/10 € |
|--------------------------------|---------------------------------|---------------------------------|
| 15. Revenue Reserves | | |
| Opening Surplus / (Deficit) | 783,232 | 1,011,519 |
| (Deficit) / Surplus for Period | (512,423) | (228,287) |
| Retained Surplus | <u>270,809</u> | <u>783,232</u> |
| 16. Capital Commitments | | |
| Capital Expenditure Approved | | |
| Contracted For | 196,122 | - |
| Not Contracted | - | 218,589 |
| | <u>196,122</u> | <u>218,589</u> |

17. Leasehold Commitments

The Authority has a long term lease commitment in respect of the property at 13-15 The Mall, Beacon Court, Bracken Road, Dublin 18. This lease expires on 27 March 2028. There is a break clause option available to the Authority in 2016, which allows the Authority to terminate the current lease. The cost of this lease was €293,000 (€293,000 in 2010), together with building management and service charges of €24,207 (€46,000 in 2010).

The Authority inherited this lease from its predecessor the Irish Health Services Accreditation Board. This property is occupied by CORU (The Health and Social Care Professionals Council), under licence with The Authority, effective from 4 March 2011.

The Authority is currently occupying two premises (City Gate, Mahon Cork and Smithfield Dublin), for which both leases are between the Landlords and the Office of Public Works (OPW). In 2011 the Authority paid rent of €793,687 (€498,213 2010) to OPW for Smithfield. Under the decentralisation programme, no rent is due to OPW on City Gate Mahon Cork.

18. Remuneration of Chief Executive Officer

The Chief Executive Officer received total emoluments of €193,041 (2010 €176,000). The 2011 emoluments include amount of €17,041 relating to underpayment of salary in prior years. She is a member of the Authority's Pension Scheme and her entitlements do not extend beyond the public sector model scheme.

In line with Department of Finance guidelines, the Chief Executive Officer did not receive a performance related bonus in 2011.

HEALTH INFORMATION AND QUALITY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued)

| 19. Board Members' Travel & Subsistence | 01/01/11 to 31/12/11 € | 01/01/10 to 31/12/10 € |
|--|---|---|
| Travel | 2,127 | 4,008 |
| Subsistence | 35 | 352 |
| Other | - | 70 |
| | <u>2,162</u> | <u>4,430</u> |

20. Board Members' Fees

| | | |
|--|----------------|----------------|
| Pat McGrath (Chairperson) | 20,520 | 20,520 |
| Dr. Brian Meade (Board appointment tenure expired on 14 May 2010) | - | 4,450 |
| Dave O'Hora (Board appointment tenure expired on 14 May 2010) | - | 4,450 |
| Dan Byrne (Board appointment tenure expired on 14 May 2010) | - | 4,450 |
| Dolores Quinn | 11,970 | 11,970 |
| Prof. Geraldine McCarthy | 9,975 | 11,970 |
| Grainne Tuke | 11,970 | 11,970 |
| Dr. Ian Callanan | - | 4,450 |
| Dr. Michael Barry (Board appointment tenure expired on 14 May 2010) | - | 4,450 |
| Angela Kerins | 11,970 | 11,970 |
| Bryan Barry | 11,970 | 11,970 |
| Sheila O'Connor | 11,970 | 11,970 |
| Prof. Cillian Twomey (Appointed to Board 15 May 2010) | 11,970 | 7,550 |
| Philip Caffrey (Appointed to Board 15 May 2010) | 11,970 | 7,550 |
| Samuel McConkey | 17,464 | - |
| Prof. Damien McLoughlin (Appointed to Board 15 May 2010) | 9,975 | 7,550 |
| Richard Hannaford (Appointed to Board 15 May 2010): Deceased October 2011 | 9,346 | 7,550 |
| | <u>151,070</u> | <u>144,790</u> |

Fees were paid to Board members at the approved standard rates for the periods involved. The standard annual rate (set by the Department of Finance) 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. The payment listing above includes €6,982 accrued in the 2010 account.

HEALTH INFORMATION AND QUALITY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (Continued).

20. Board Members' Fees (Continued)

Based on approval from Department of Health, Board Member fees were paid to Samuel McConkey, back dated to the date of his board appointment.

Effective from 01 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 were affected by this directive (Prof. Geraldine McCarthy, Samuel McConkey and Prof. Damien McLoughlin).

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 Finance.

22. HTAI Conference

| | 01/01/2011 to 31/12/2011 € | 01/01/2010 to 31/12/2010 € |
|--|-------------------------------------|-------------------------------------|
| Conference Income | | |
| Registration Income | - | 584,280 |
| Gala Dinner and Workshop Income | - | 81,893 |
| Sponsor and Exhibition Income | - | 397,295 |
| Total | <u>-</u> | <u>1,063,468</u> |
| Conference Costs | | |
| Conference Venue Operational Costs | - | 342,398 |
| Catering | - | 101,362 |
| Printing Costs | - | 41,252 |
| Conference Speaker Costs | - | 15,400 |
| Insurance | - | 10,905 |
| Bank Charges | - | 26,350 |
| MCI (Event Organiser) Fees | - | 49,226 |
| MCI (Event Organiser) Staff Costs | - | 42,302 |
| Exhibition Costs | - | 35,468 |
| Reception and Gala Dinner Costs | - | 129,929 |
| HTAI – Contribution from Conference | - | 82,250 |
| Sponsorship Gift towards 2011 Conference | - | 10,000 |
| Temporary Staff | - | 2,855 |
| Travel and Subsistence | - | 2,691 |
| Consultancy | - | 16,570 |
| Total | <u>-</u> | <u>908,958</u> |

23. Approval of Financial Statements

These financial statements were approved by the Board on 7 June 2012.

