

# Annual Financial Statements 2021

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## Background

- Accounts approved by the Board shall be submitted to the Comptroller and Auditor General for audit as soon as practicable and not later than three months after the end of the year (S35 Health Act 2007)
- Annual report shall include.....financial statements (S37.2.f)
  - Annual Report now incorporate financial statements
  - Meets letter and spirit of the Act and Code of Practice for the Governance of State Bodies
  - As previously, challenges around timescales – particularly timeliness of audit report from C&AG

## Standards and Guidance

- FRS 102 The Financial Reporting Standard applicable in the UK and Ireland
- Code of Practice for the Governance of State Bodies (2016)
  - Business and Financial Reporting Requirements
  - A Guide to the Implications for the Annual Financial Statements and the Annual Report

## Approval Process

- Accounts to be reviewed by Audit and Corporate Governance Committee – 9 February 2022
- Accounts to be approved by Board (S35.4 Health Act 2007) – 14 February 2022
- Then sent to Comptroller and Auditor General
- Audit fieldwork commences w/c 14 February
- Seeking C&AG clearance in March

## Statement on Internal Control

- Required by Code
- **Chairperson acknowledges Board's responsibility** for internal control
- Specific areas have to be commented on
- Areas of non compliance have to be referred to
- Report procurement non compliance
  - Cyber security €149k
  - Senior recruitment €55k
  - General recruitment €45k

## **Governance Statement and Board Members' Report**

- Required by Code
- **Sets out Board's responsibilities for governance**
- Describes Board structures and Committees
- For each Board member
  - Attendance
  - Fees
  - Expenses
- Specific items of expenditure

## Accounting Policies

- Accruals accounting, except
  - **Pensions accounted for on a “pay as you go” basis**
  - As is required for Department of Health bodies – but not compliant with Generally Accepted Accounting Principles
- ICT Programme funding – has funded €600k worth of work not resulting in capital assets



- Income
  - Department of Health - €19.3m
    - Full available allocation drawn down
    - 12% increase on 2020 –for increased expenditure
  - Other Department of Health
    - Nursing Homes Expert Panel €2.7m
    - National Screening Advisory Committee €0.29m
  - Annual and Registration Fees €7.1m

# Expenditure

	Annual Change	Commentary
Staff Costs = €23m	+€3.1m +16%	<ul style="list-style-type: none"> <li>•Average head count +33</li> <li>•Pay awards</li> <li>•2021 Pension and lump sums up €550k</li> </ul>
Professional Fees = €1.16m	+€500k +75%	<ul style="list-style-type: none"> <li>•Standards Development €57k –eLearning dev</li> <li>•Estate services €72k – Galway office</li> <li>•Staff survey €23k</li> <li>•Data Protection €17k – outsourced mat leave</li> <li>•Pension support €36k – new services</li> <li>•HR consultancy €56k – L&amp;D €33k, IR €23k</li> <li>•Governance and strategy consultancy €417k               <ul style="list-style-type: none"> <li>- HR Strategy €109k</li> <li>- HR Projects €200k</li> <li>- ICT Strategy €31k</li> <li>- Corporate Plan €36k</li> <li>- Nursing Homes sectoral review €31k</li> </ul> </li> </ul>
Support Costs = €3.4m	+€1.1m +46%	<ul style="list-style-type: none"> <li>• Recruitment €458k – volume + capacity</li> <li>• Training - €594k – delivery of strategy</li> <li>• ICT Support €1.9m + €0.5m – new provider and transition project</li> </ul>

## Expenditure

	Annual Change	Commentary
Support Costs = €2.4m	- €25k - 1%	<ul style="list-style-type: none"> <li>• Staff Training and Development +€102k, increased activity</li> <li>• Decreased ICT Support &amp; Supplies by €73k</li> <li>• Decreased Research Membership/Subscriptions by €54k, see Project Funding</li> <li>• Postage and Stationary -€21k due to decreased office based activity</li> </ul>
Establishment = €2.3m	+ €405k + 21%	<ul style="list-style-type: none"> <li>• Office Repairs and Maintenance up by €319k due to bathroom refurbishment and office painting in Dublin office.</li> <li>• Increase in Rent by €127k due to serviced office space in Cork and additional parking spaces in Dublin</li> <li>• Cleaning up by €39k, primarily due to PPE costs</li> </ul>

## Statement of Financial Position – Balance Sheet

	€	Commentary
Tangible assets	2.9m	<ul style="list-style-type: none"> <li>•Fixed assets owned by HIQA</li> <li>•Changes mainly to ICT equipment</li> </ul>
Receivables (Note 13)	1.2m	<ul style="list-style-type: none"> <li>•What is owed to HIQA</li> <li>•Rents and maintenance paid in advance</li> <li>•Project related receivables</li> <li>•ICT Programmes Grants receivable</li> </ul>
Cash	3.2m	<ul style="list-style-type: none"> <li>•Year end balance</li> <li>•Cash held to cover upcoming payments</li> </ul>
Payables (Note 14)	2.3m	<ul style="list-style-type: none"> <li>•What is owed by HIQA</li> <li>•Fees received early from providers</li> <li>•Costs incurred, bills not received</li> <li>•PAYE and PRSI owed to Revenue</li> <li>•Holidays not taken by staff</li> <li>•Project income received related to 2022 activity</li> </ul>

## Surplus / (Deficit)

- Surplus of €615,257
- No change from what was reported on management accounts

## Next steps

- Submitted to C&AG (subject to Board approval)
- Off site audit by **C&AG's** staff
- Formatting and incorporation in Annual Report
- Full document to be reviewed at March meeting
- Audit Certificate to be issued by C&AG
- Within one month of issue of Audit Certificate accounts to be presented to Minister
- Within two months, Minister to lay copies before each House of the Oireachtas

Thank You