



Report of the Principal Auditor
on the Accounts of the
Gibraltar Health Authority
for the financial year ended
31 March 2014



REPORT OF THE PRINCIPAL AUDITOR ON THE ACCOUNTS OF
THE GIBRALTAR HEALTH AUTHORITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

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THE CERTIFICATE OF THE PRINCIPAL AUDITOR TO PARLIAMENT ON THE ACCOUNTS OF THE GIBRALTAR HEALTH AUTHORITY

I certify that I have audited the financial statements of the Gibraltar Health Authority for the financial year ended 31 March 2014 in accordance with the provisions of Section 15(2) of the Medical (Gibraltar Health Authority) Act, 1987. These statements comprise the Receipts and Payments Account, the Capital Account, the Balance Sheet and the related notes. These financial statements have been prepared using the cash receipts and disbursements basis of accounting.

Respective responsibilities of the Gibraltar Health Authority and the Principal Auditor

The Gibraltar Health Authority is responsible for the preparation of the financial statements and for being satisfied that they are properly presented. The Gibraltar Health Authority's policy is to prepare the financial statements on the cash receipts and disbursements basis. On this basis revenue is recognised when received rather than when earned, and expenses are recognised when paid rather than when incurred.

My responsibility is to audit, certify and report on the financial statements in accordance with the provisions of 15(2) and (3) of the Medical (Gibraltar Health Authority) Act, 1987. I conducted my audit of the financial statements in accordance with generally accepted government auditing standards.

Scope of the 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 Gibraltar Health Authority's circumstances and have been consistently applied and adequately disclosed; and the overall presentation of the financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities that govern them.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities that govern them.

Opinion on financial statements

In my opinion, the financial statements properly present the revenue collected and expenses paid by the Gibraltar Health Authority during the financial year ended 31 March 2014 and the assets and liabilities arising from cash transactions as at the end of that period in accordance with the cash receipts and disbursements basis of accounting.

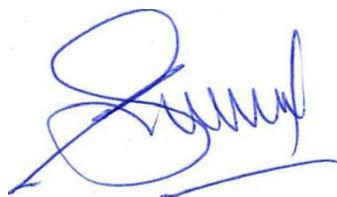
Matters for which I report by exception

I have nothing to report in respect of the following matters, which I report to you if, in my opinion:

- I have not received all of the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of the audit; or
- proper books of account have not been kept by the Gibraltar Health Authority, so far as appears from the examination of those books; or
- the Gibraltar Health Authority has not discharged its financial duties and obligations in accordance with the provisions of the Medical (Gibraltar Health Authority) Act, 1987; or
- the financial statements are not in agreement with the accounting records.

Report

The observations on the financial statements are detailed in my Report.



A R Sacramento
Principal Auditor
Gibraltar Audit Office

14 November 2024

**GIBRALTAR HEALTH AUTHORITY
ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

REPORT

1.1 Recurrent Account - Receipts: Total receipts of the Gibraltar Health Authority (GHA) during the financial year 2013-14 amounting to £94.77m, exceeded the approved budget for the year of £94.51m by £0.26m (0.3%) and increased by £6.73m (7.6%) against the previous year's total of £88.04m.

1.2 The Government of Gibraltar's recurrent contribution to the GHA from revenues received during the year amounted to £50.94m; representing an increase of £4.14m (8.8%) against the approved budget contribution by the Government from revenues received of £46.80m. The variances were:

- Receipts from the Group Practice Medical Scheme during the financial year, amounting to £46.58m, rose by £3.98m (9.3%) compared to the approved budget for the year of £42.60m;
- Other receipts totalling £500k fell short by £45k compared to the approved budget allocation of £545k; and
- Receipts in respect of services provided to the MOD, amounting to £1.20m, exceeded the approved budget of £1.00m by £0.20m.

1.3 The additional contribution received from the Government of Gibraltar during the financial year under review for recurrent expenditure was £39.93m, representing an increase of £70k (0.2%) against the approved budget for the year of £39.86m and a year-on-year increase of £3.42m (9.4%).

2.1 Recurrent Account - Payments: Total recurrent expenditure during the financial year 2013-14 amounting to £94.77m, surpassed the approved budget of £90.51m by £4.26m (4.7%) and increased by £6.73m (7.6%) against the previous year's total recurrent expenditure of £88.04m. The main variances between the approved budget and actual expenditure during the financial year under review are detailed in paragraphs 2.2 to 2.7 below.

2.2 Personal Emoluments - Total expenditure on Personal Emoluments during the financial year amounting to £38.82m, increased by £1.39m (3.7%) compared to the approved budget of £37.43m. The variance was largely accounted for by the GHA as follows:

- There was a substantial increase in Allowances of £763k due to a reduction to the budget submission (£600k); in addition to the further impact on allowances brought about by the introduction of the Agenda for Change Agreement for medical and allied professions and nursing grades;
- Unbudgeted Temporary Assistance payments of £753k arising from the need to provide cover for unfunded approved complement vacancies;

in addition to the cost of an interim CEO cover; as well as consultancy cover.

- An increase in Overtime expenditure of approximately £338k as a result of: the under-budgeting of conditioned and emergency overtime (£222k); discretionary overtime being paid in relation to vacancies not eligible for relief cover or temporary assistance (£88k); and overtime in relation to the ambulance service also having increased (£34k) due to:
 - a demand led increase in transfers to Spain;
 - additional costs of covering vacancies at a premium; and
 - staff being recalled for training on off-days;
- An increase of around £47k on Gratuity payments due to contractual demands; and
- On the other hand, there was a saving of around £508k in relation to Salaries as a result of unfilled vacancies and the resultant over-budgeting of the ambulance service payroll budget.

2.3 Relief Cover and Related Expenditure - Expenditure incurred during the financial year amounting to £1.65m fell short of the approved estimate of £2.00m by £350k. The positive variance was as a result of less cover required than had been estimated for the year for unforeseen annual, maternity, sick, special and unpaid leave absences, termination of contracts and vacant posts.

2.4 Drugs and Pharmaceuticals - An excess in expenditure of £274k against the allocated budget of £3.30m was due to an increase in demand.

2.5 Medical Departments - There was an increase in expenditure of £162k against the approved budget allocation of £2.00m. The overspend was largely related to the laboratory which, as a result of general expenditure cut backs, had their budget decreased but nevertheless required to incur demand-led expenditure in line with their original estimates submission.

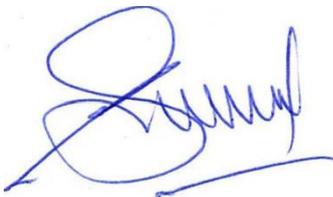
2.6 Sponsored Patients - Total expenditure on Sponsored Patients during the year amounted to £11.47m, representing an increase of £1.97m (20.7%) over the approved budget of £9.50m. The variance was largely due to extra demand than had been anticipated, in addition to unforeseen patient relocations to the United Kingdom. There was also a significant increase in expenditure, amounting to £2.88m (33.5%), compared to the previous year's figure of £8.59m.

2.7 Facilities Management: Maintenance Agreements - A total saving of £510k against the approved budget of £2.20m was largely attributable to unfilled, funded vacancies relating to the Techno-Medical Services provided by the Gibraltar Electrical Authority.

3.1 Capital Account: Capital expenditure during the financial year 2013-14 amounting to £2.21m fell short of the approved estimate of £4.00m by £1.79m (44.8%). A large part of the variance (£550k) was mainly as a direct result of the delay in the procurement process of acquiring a CT Scanner.

The remaining underspend was due to further postponements in capital projects as a result of delays in receiving the approval of funds.

- 4.1 Arrears of Hospital Fees:** Total arrears of hospital fees as at 31 March 2014 stood at £1.19m, a year-on-year increase of £281k. The increase in arrears of revenue primarily relates to a debt owed by one patient who had outstanding hospital fees amounting to £957k (80.4% of the total arrears due to the GHA) as at 31 March 2014. On 5 June 2024, the GHA requested authority from the Financial Secretary to write-off hospital fees arrears deemed irrecoverable in the total sum of £2.47m. These bad debts, accruing from March 2010 to August 2018, consisted of £1.97m in respect of the aforementioned patient; £467k in respect of another patient; and £30k in respect of a third patient. At the close of this report, the Financial Secretary had not yet approved the write-off of these outstanding debts.



A R Sacramento
Principal Auditor
Gibraltar Audit Office

14 November 2024



GHA Financial Statements 2013/14



GIBRALTAR HEALTH AUTHORITY
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

RECURRENT ACCOUNT
RECEIPTS

| | Note | £ | £ | <u>2014</u> £ | <u>2013</u> £ |
|---|------|------------------|-------------------|-------------------|-------------------|
| <u>Contribution from the Government of Gibraltar from Revenues Received:</u> | | | | | |
| Group Practice Medical Scheme | | | 46,582,282 | | 43,421,436 |
| Medical Services to Non-entitled patients | | | 2,650,000 | | 2,650,000 |
| Other Receipts | | | 499,558 | | 577,824 |
| Other Receipts MOD | | | <u>1,204,332</u> | | <u>998,658</u> |
| | | | | 50,936,172 | 47,647,918 |
| Contribution from the Government of Gibraltar | | | | 39,926,000 | 36,507,800 |
| <u>Contribution from the Government of Gibraltar:</u> | | | | | |
| Contribution from the Social Assistance Fund | | | | 3,500,000 | 3,500,000 |
| Contribution from the Statutory Benefits Fund | | | | <u>407,224</u> | <u>387,832</u> |
| | | | | <u>94,769,396</u> | <u>88,043,550</u> |
| <u>PAYMENTS</u> | | | | | |
| <u>Personal Emoluments:</u> | | | | | |
| Salaries | | 27,889,296 | | | 26,156,506 |
| Overtime | | 3,128,153 | | | 2,965,602 |
| Allowances | | 5,662,830 | | | 5,569,761 |
| Gratuities | | 1,385,205 | | | 1,555,929 |
| Temporary Assistance | | <u>752,618</u> | | | <u>719,228</u> |
| | | | 38,818,102 | | <u>36,967,026</u> |
| <u>Wages:</u> | | | | | |
| Basic Wages | | 2,314,699 | | | 2,289,254 |
| Overtime | | 1,133,908 | | | 925,393 |
| Allowances | | <u>53,196</u> | | | <u>44,387</u> |
| | | | 3,501,803 | | <u>3,259,034</u> |
| <u>Other Personnel:</u> | | | | | |
| Relief Cover and Related Expenditure | | 1,649,520 | | | 1,629,235 |
| Visiting Consultants Fees and Expenses, and other Contracted Medical Services | | 791,821 | | | 628,975 |
| Recruitment Contractual Expenses and Accommodation | | <u>719,087</u> | | | <u>801,651</u> |
| | | | 3,160,428 | | <u>3,059,861</u> |
| <u>Employer's Contributions:</u> | | | | | |
| Social Insurance Contributions | | 1,730,784 | | | 1,679,179 |
| Pension Contributions | | <u>912,393</u> | | | <u>642,509</u> |
| | | | 2,643,177 | | <u>2,321,688</u> |
| <u>Other Recurrent Expenditure</u> | | | | | |
| <u>Prescribed Drugs and Pharmaceuticals:</u> | | | | | |
| GPMS Prescriptions | | 11,020,612 | | | 10,074,895 |
| Drugs and Pharmaceuticals | | <u>3,573,722</u> | | | <u>3,475,921</u> |
| | | | 14,594,334 | | <u>13,550,816</u> |
| <u>Equipment and Related Expenses:</u> | | | | | |
| Medical Departments | | 2,161,857 | | | 1,776,726 |
| Medical and Surgical Appliances Expenses | | 1,286,907 | | | 1,222,318 |
| Hardware, Uniforms and Linen | 2 | 368,041 | | | 421,575 |
| Patient Appliances | | <u>224,252</u> | | | <u>251,191</u> |
| | | | 4,041,057 | | <u>3,671,810</u> |
| Dressings, Medical Gases and Tests | 2 | | 1,235,894 | | 1,253,638 |
| Provisions | 2 | | 733,809 | | 711,364 |
| <u>Laundry and Cleaning:</u> | | | | | |
| Laundry Expenses | | 495,429 | | | 502,030 |
| Cleaning Expenses | | <u>234,340</u> | | | <u>252,286</u> |
| | | | 729,769 | | <u>754,316</u> |
| Carried Forward | | | <u>69,458,373</u> | | <u>65,549,553</u> |



GIBRALTAR HEALTH AUTHORITY
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

| | Note | £ | £ | <u>2014</u> £ | <u>2013</u> £ |
|---|-----------------|------------|------------|------------------|------------------|
| <u>PAYMENTS (Cont.)</u> | Brought Forward | | 69,458,373 | | 65,549,553 |
| Motor Vehicle and Fuel Expenses | | | 333,017 | | 286,378 |
| <u>Office Expenses:</u> | | | | | |
| General Expenses | | 86,792 | | | 93,818 |
| Electricity and Water | | 919,107 | | | 828,534 |
| Telephone Service | | 266,916 | | | 239,054 |
| Records, Printing and Stationery | | 85,185 | | | 144,772 |
| | | | 1,358,000 | | 1,306,178 |
| <u>Miscellaneous Expenses:</u> | | | | | |
| Legal Fees | | 269,486 | | | 272,654 |
| Official Travel Abroad | | 18,091 | | | 11,391 |
| School of Health Studies Expenses | | 554,453 | | | 779,260 |
| Insurances and Claims | | 1,215,564 | | | 1,100,504 |
| Sponsored Patients | | 11,474,163 | | | 8,590,078 |
| Dialysis | | 219,891 | | | 235,363 |
| Hospital Rent | | 4,645,276 | | | 4,599,280 |
| Ground Rent and Service Charges | | 23,276 | | | 24,061 |
| Primary Care Centre Rent and Maintenance | | 437,778 | | | 330,835 |
| Information Technology Recurrent Expenses | | 461,910 | | | 469,444 |
| Ambulance Service | | 174,970 | | | 145,275 |
| Fire Brigade Ambulance Service | | - | | | 87,077 |
| Registration Board | | 19,443 | | | 10,531 |
| Repairs and Maintenance | | 171,456 | | | 228,490 |
| Disposal of Clinical Waste | | 1,513,623 | | | 1,346,610 |
| Losses of Public Funds | | - | | | 9 |
| | | | 21,199,380 | | 18,230,862 |
| <u>Facilities Management:</u> | | | | | |
| Maintenance Agreements | | 1,691,648 | | | 1,904,925 |
| Equipment Spares and Specialist Repairs | | 286,395 | | | 321,876 |
| Security | | 223,751 | | | 332,136 |
| Fire Prevention | | 25,978 | | | 49,033 |
| Planted Areas | | 2,090 | | | 2,470 |
| | | | 2,229,862 | | 2,610,440 |
| Ex-Gratia Payments | | | 190,649 | | 60,531 |
| | | | | 94,769,281 | 88,043,942 |
| Net Recurrent Receipts/(Payments) | | | | 115 | (392) |



GIBRALTAR HEALTH AUTHORITY
CAPITAL ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

CAPITAL ACCOUNT

| | Note | £ | <u>2014</u> £ | <u>2013</u> £ |
|---|------|-----------|------------------|------------------|
| <u>RECEIPTS</u> | | | | |
| Contribution from the Government of Gibraltar | | | 2,215,000 | 2,589,200 |
| <u>PAYMENTS</u> | | | | |
| Facilities Management | | 235,559 | | 354,838 |
| Equipment | | 1,431,184 | | 1,728,069 |
| Computerisation | | 353,605 | | 223,814 |
| Capital Works | | 194,133 | | 282,795 |
| | | | <u>2,214,481</u> | <u>2,589,516</u> |
| Net Receipts/(Payments) | | | <u>519</u> | <u>(316)</u> |



GIBRALTAR HEALTH AUTHORITY
BALANCE SHEET AS AT 31 MARCH 2014

ASSETS

| | Note | £ | <u>2014</u> £ | <u>2013</u> £ |
|--|------|---|------------------|------------------|
| <u>Recurrent Account</u> | | | | |
| Amount held by the Government of Gibraltar | | | 731 | 616 |
| <u>Capital Account</u> | | | | |
| Amount held by the Government of Gibraltar | | | 557 | 38 |
| <u>Capital Account - Donations</u> | | | | |
| Amount held by the Government of Gibraltar | | | 1,789 | 1,789 |
| | | | <u>3,077</u> | <u>2,443</u> |

FINANCED BY

Recurrent Account

| | | | | |
|---|--|------------|-----|--------------|
| Account Balance on 1 April 2013 | | 616 | | 1,008 |
| Net Receipts/(Payments) during the year | | <u>115</u> | | <u>(392)</u> |
| Account Balance on 31 March 2014 | | | 731 | 616 |

Capital Account

| | | | | |
|---|--|------------|-----|--------------|
| Account Balance on 1 April 2013 | | 38 | | 354 |
| Net Receipts/(Payments) during the year | | <u>519</u> | | <u>(316)</u> |
| Account Balance on 31 March 2014 | | | 557 | 38 |

Capital Account - Donations

| | | | | |
|---|---|----------|--------------|--------------|
| Account Balance on 1 April 2013 | | 1,789 | | 1,789 |
| Net Receipts/(Payments) during the year | 3 | <u>-</u> | | <u>-</u> |
| Account Balance on 31 March 2014 | | | <u>1,789</u> | <u>1,789</u> |
| | | | <u>3,077</u> | <u>2,443</u> |

K.P. McGee

12/11/24

K McGee
 Director General



GIBRALTAR HEALTH AUTHORITY

Notes to the Accounts for the Year Ended 31 March 2014

(1) **Accounting Policies:**

Basis of preparation of accounts

The Financial Statements of the Gibraltar Health Authority (GHA) are prepared on a cash receipts and disbursements basis of accounting, in line with the standards prescribed for the preparation of the public accounts of Gibraltar.

(2) **Payments on behalf of the Care Agency:**

During the financial year ended 31 March 2014, the GHA incurred non-recoverable expenses on behalf of two Care Agency Elderly Residential Services wards at St Bernard's Hospital, namely John Cochrane Ward and Calpe Ward. The amount of expenditure incurred on behalf of the Care Agency has not been quantified as neither the requisition documents from the GHA Stores, nor the payment transaction information specified the proportion of spend between the GHA wards and the Care Agency wards. As from the financial year 2015-16, the Elderly Residential Services came under the responsibility and control of the GHA.

(3) **Capital Account - Donations:**

Donations received by the GHA for capital requirements prior to the financial year 2010-11 were accounted for through the GHA Capital Account - Donations and were duly reflected as such in the financial statements. As a result of a change in GHA policy in the financial year 2010-11, donations to the GHA for capital expenditure requirements have since been accounted through a Government of Gibraltar deposit account that holds all donations received by the GHA, not just those of a capital nature. Despite the change in policy, a sum of £1,789 remained in the GHA Capital Account - Donations at the end of the financial year 2013-14.

As at 31 March 2014, donations held by the Government of Gibraltar on behalf of the GHA for capital and other requirements amounted to £52,480.