



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	£	£	2014 £	2013 £
Contribution from the Government of Gibraltar from Revenues Received:					
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		1,204,332			998,658
			50,936,172		47,647,918
Contribution from the Government of Gibraltar			39,926,000		36,507,800
Contribution from the Government of Gibraltar:					
Contribution from the Social Assistance Fund			3,500,000		3,500,000
Contribution from the Statutory Benefits Fund			407,224		387,832
			94,769,396		88,043,550

**PAYMENTS**

Personal Emoluments:					
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	752,618				719,228
		38,818,102			36,967,026
Wages:					
Basic Wages	2,314,699				2,289,254
Overtime	1,133,908				925,393
Allowances	53,196				44,387
		3,501,803			3,259,034
Other Personnel:					
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	719,087				801,651
		3,160,428			3,059,861
Employer's Contributions:					
Social Insurance Contributions	1,730,784				1,679,179
Pension Contributions	912,393				642,509
		2,643,177			2,321,688
Other Recurrent Expenditure					
Prescribed Drugs and Pharmaceuticals:					
GPMS Prescriptions	11,020,612				10,074,895
Drugs and Pharmaceuticals	3,573,722				3,475,921
		14,594,334			13,550,816
Equipment and Related Expenses:					
Medical Departments	2,161,857				1,776,726
Medical and Surgical Appliances Expenses	1,286,907				1,222,318
Hardware, Uniforms and Linen	368,041	2			421,575
Patient Appliances	224,252				251,191
		4,041,057			3,671,810
Dressings, Medical Gases and Tests		1,235,894	2		1,253,638
Provisions		733,809	2		711,364
Laundry and Cleaning:					
Laundry Expenses	495,429				502,030
Cleaning Expenses	234,340				252,286
		729,769			754,316
Carried Forward		69,458,373			65,549,553



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

	Note	£	£	<u>2014</u> £	<u>2013</u> £
<b><u>PAYMENTS (Cont.)</u></b>					
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> £
<b><u>RECEIPTS</u></b>				
Contribution from the Government of Gibraltar			2,215,000	2,589,200
<b><u>PAYMENTS</u></b>				
Facilities Management		235,559		354,838
Equipment		1,431,184		1,728,069
Computerisation		353,605		223,814
Capital Works		194,133		282,795
			2,214,481	2,589,516
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> £
<b><u>Recurrent Account</u></b>				
Amount held by the Government of Gibraltar			731	616
<b><u>Capital Account</u></b>				
Amount held by the Government of Gibraltar			557	38
<b><u>Capital Account - Donations</u></b>				
Amount held by the Government of Gibraltar			1,789	1,789
			<u>3,077</u>	<u>2,443</u>

**FINANCED BY**

**Recurrent Account**

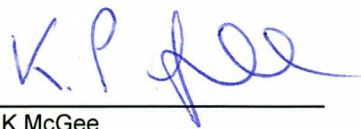
Account Balance on 1 April 2013		616		1,008
Net Receipts/(Payments) during the year		<u>115</u>		<u>(392)</u>
<b>Account Balance on 31 March 2014</b>			731	616

**Capital Account**

Account Balance on 1 April 2013		38		354
Net Receipts/(Payments) during the year		<u>519</u>		<u>(316)</u>
<b>Account Balance on 31 March 2014</b>			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>
<b>Account Balance on 31 March 2014</b>			<u>1,789</u>	<u>1,789</u>
			<u>3,077</u>	<u>2,443</u>



K McGee  
 Director General

12/11/24



## **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.