

Vote 40 Health Service Executive

Introduction

As Accounting Officer for Vote 40, I am required each year to prepare the Appropriation Account for the Vote, and to submit the Account to the Comptroller and Auditor General for audit.

In accordance with this requirement, I have prepared the attached account of the amount expended in the year ended 31 December 2011 for the salaries and expenses of the Health Service Executive and certain other services administered by the Executive, including miscellaneous grants.

The expenditure outturn is compared with the sums granted by Dáil Éireann under the Appropriation Act 2011, including the amount that could be used as appropriations-in-aid of expenditure for the year.

The Statement of Accounting Policies and Principles and notes 1 to 6 form part of the Account.

Transfer of Functions

The transfer of the Community Welfare Service from the HSE to the Department of Social Protection was completed on 1st October 2011 with the transfer of 1,020 staff.

Statement of Accounting Policies and Principles

The standard accounting policies and principles for the production of Appropriation Accounts have been applied in the preparation of the account except for the following:

Preparation of the Appropriation Account from the Annual Financial Statements (AFS)

Section 36 (2) of the Health Act, 2004 requires the HSE to prepare annual financial statements (AFS) in such form as the Minister for Health and Children may direct and Section 36 (3) requires that these accounts be prepared in accordance with accounting standards specified by the Minister. The AFS are prepared on an income and expenditure basis. All income relating to the period is recognised, whether actually received or not and all expenditure relating to the period, both actual and accrued, is charged. The balance of the account shows the excess of income over expenditure or vice versa.

The Appropriation Account is prepared on a receipts and payments basis and recognises cash received and paid during the period of account. It is a non-cumulative account and any amount underspent at year-end is surrendered to the Exchequer.

The charge to the HSE Vote comprises expenditure recorded on an area basis and expenditure relating to nationally administered programmes. The area-based expenditure is produced for areas that predated the HSE and derived from legacy systems operated in those areas. The Executive's financial systems are designed to produce accrual-based accounts and the cash based figures required for Vote accounting relies on substantial reconciliations to the accrual figures. These are derived from the AFS by eliminating non cash items and analysing all asset and liability accounts to identify all suspense account balances. The key to the process is that both sets of accounts are ultimately prepared from the same source transactions. The summary reconciliation of the vote outturn to the AFS is included in Note 1.1 to the Appropriation Account.

Ultimately, while this process produces an overall outturn that equates to the Vote outlay of the Executive in the year, the charge to some individual subheads includes apportionments.

Expenditure on Long Term Residential Care

The Nursing Homes Support Bill was enacted on 1 July 2009 and the Nursing Homes Support Scheme (NHSS) commenced on 27 October 2009. The scheme provides eligible people with financial support towards the cost of their long term residential care and involves a co-payment arrangement between the person and the State. The scheme applies to people accessing long term residential care from 27 October 2009 onwards and replaces the subvention scheme which had been in existence since 1993. Subhead B.12 is designed to account for all expenditure on long term residential care which comprises the following four elements:

subventions paid in respect of residents in private nursing homes, who were resident prior to the introduction of the NHSS and who have opted not to transfer to the NHSS scheme

contract bed payments paid in respect of residents in private nursing homes, who were resident prior to the introduction of the NHSS and who have opted not to transfer to the NHSS scheme

payments to private nursing homes in respect of residents who are in the NHSS

a percentage of the gross expenditure of public residential care units.

The first three elements are charged directly to the subhead. The fourth element is based on a cost allocation model developed by the HSE, which in summary, apportions the costs of its long-stay units on the basis of beds allocated to different care groups.

Other Apportionments

In addition to Subhead B.12 certain expenditure currently administered centrally (e.g. national contracts paid by HSE Corporate) is funded by the area based subheads and accordingly the related expenditure is apportioned to area based subheads on an estimated basis.

Statement of Capital Assets

Tangible fixed assets comprise land, buildings, work in progress, equipment and motor vehicles. Tangible fixed asset additions since 1 January 2005 are stated at historic cost less accumulated depreciation. The carrying values of tangible fixed assets taken over from predecessor bodies by the HSE are included in the opening balance sheet on establishment day, 1 January 2005, at their original cost/valuation. The related aggregate depreciation account balance was also included in the opening balance sheet.

Depreciation is calculated to write-off the original cost/valuation of each tangible fixed asset over its useful economic life on a straight line basis at the following rates.

Land: land is not depreciated.

Buildings: depreciated at 2.5% per annum.

Modular buildings (i.e. prefabricated buildings): depreciated at 10% per annum.

Work in progress: no depreciation.

Equipment - computers and ICT systems: depreciated at 33.33% per annum.

Equipment - other: depreciated at 10% per annum.

Motor vehicles: depreciated at 20% per annum.

Statement of Capital Assets under Development

A separate statement has not been completed as capital assets under development are included as work in progress in the Statement of Capital Assets.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is the estimated proceeds of sales less costs to be incurred in the sale of stock.

Matured Liabilities

Matured liabilities are invoices paid in January 2012 which fell due for payment before 31 December 2011.

Statement on Internal Financial Control

Along with the account, I have submitted a statement in the standard format on the system of internal financial control that operates in the Health Service Executive.

Tony O'Brien
Accounting Officer
Health Service Executive
13 September 2012

Certificate of the Comptroller and Auditor General

I have audited the Appropriation Account of Vote 40: Health Service Executive for 2011 under Section 3 of the Comptroller and Auditor General (Amendment) Act 1993. The Account has been prepared in accordance with the Statement of Accounting Policies and Principles. The duties of the Accounting Officer and of the Comptroller and Auditor General in relation to the Appropriation Accounts, and the basis of the audit opinion, are set out in Part 1 to this volume.

I have obtained all the information and explanations I considered necessary for the purposes of my audit. In my opinion, proper books of account have been kept by the Health Service Executive. The Appropriation Account is in agreement with the books of account.

In my opinion, the Appropriation Account properly presents the receipts and expenditure of the Vote for the year ended 31 December 2011.

Seamus McCarthy
Comptroller and Auditor General
13 September 2012

Vote 40 Health Service Executive Appropriation Account 2011

Service		2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000	€000
HSE Administration				
A.1	Salaries, wages and allowances and other administration expenses of Corporate HSE	63,993	64,088	71,700
A.2	Value for money and policy reviews	389	389	400
HSE Regions and Other Health Agencies				
B.1	HSE - Dublin Mid Leinster Region			
	<i>Original</i>	1,505,727		
	<i>Supplementary</i>	<u>13,000</u>	1,518,727	1,478,521
B.2	HSE - Dublin North East Region			
	<i>Original</i>	1,366,763		
	<i>Supplementary</i>	<u>14,000</u>	1,380,763	1,400,962
B.3	HSE - South Region			
	<i>Original</i>	2,137,534		
	<i>Supplementary</i>	<u>11,000</u>	2,148,534	2,148,796
B.4	HSE - West Region			
	<i>Original</i>	2,352,724		
	<i>Supplementary</i>	<u>10,000</u>	2,362,724	2,483,008
B.5	Grants in respect of certain other health bodies including voluntary and joint board hospitals	2,240,587	2,240,038	2,567,531
Other Services				
B.6	HSE - medical card services and community schemes			
	<i>Original</i>	2,419,539		
	<i>Supplementary</i>	<u>100,000</u>	2,519,539	2,728,989
B.7	Health agencies and other similar organisations (part funded by National Lottery)	7,513	3,623	4,797

		2011 Estimate provision	2011 Outturn	2010 Outturn
Other Services (continued)	€000	€000	€000	€000
B.8 Hospital, in-patient, out-patient and counselling services for persons who have contracted Hepatitis C from the use of immunoglobulin anti-D and the provision of services under the Health (Amendment) Act 1996		14,458	14,461	15,182
B.9 Economic and Social Disadvantaged and Disability (Dormant Accounts Funded)		1,500	1,242	6,119
B.10 Payment to a special account established under Section 13 of the Health (Repayment Scheme) Act 2006		12,000	10,500	20,000
B.11 Payment to a special account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 - Insurance Scheme		1,500	1,310	856
B.12 Long term residential care		1,026,000	1,055,429	959,024
B.13 Service developments and innovative service delivery projects		71,010	60,810	57,679
B.14 Payments to the State Claims Agency		96,000	81,204	79,300
Capital Services				
C.1 Building, equipping and furnishing of health facilities and of higher education facilities in respect of the pre-registration nursing degree programme, including payments in respect of property rental, lease costs, etc		334,711	298,397	321,094
C.2 Building, equipping and furnishing of health facilities (part funded by National Lottery)		2,539	2,539	2,539
C.3 Information systems and related services for health agencies		125,000	101,545	106,689
C.4 Building and equipping mental health and other health facilities (funded from the disposal of surplus assets)		15,000	16,191	24,735

		2011 Estimate provision	2011 Outturn	2010 Outturn
	€000	€000	€000	€000
Gross expenditure				
	<i>Original</i> 13,794,487			
	<i>Supplementary</i> <u>148,000</u>	13,942,487	13,902,830	14,477,921
Deduct:				
D. Appropriations-in-aid		<u>1,482,047</u>	<u>1,458,171</u>	<u>3,523,317</u>
Net expenditure				
	<i>Original</i> 12,312,440			
	<i>Supplementary</i> <u>148,000</u>	<u>12,460,440</u>	<u>12,444,659</u>	<u>10,954,604</u>
Surplus to be surrendered			<u>€15,780,712</u>	<u>€168,977,062</u>

Notes to the Appropriation Account

1 Operating Cost Statement 2011

	2011	2010
€000	€000	€000
Expenditure on HSE corporate administration	64,477	72,100
Expenditure on services and programmes	13,838,353	14,405,821
Gross expenditure	<u>13,902,830</u>	<u>14,477,921</u>
Deduct		
Appropriations-in-aid	1,458,171	3,523,317
Net expenditure	<u>12,444,659</u>	<u>10,954,604</u>
Changes in capital assets		
Purchases cash	(176,129)	
Depreciation	170,690	
Disposals cash	6,857	
Gain on disposals	<u>(1,027)</u>	(131,289)
Changes in net current assets		
Decrease in closing accruals	(139,595)	(144,811)
Decrease in stock	6,566	18,520
Direct expenditure	<u>12,312,021</u>	<u>10,697,024</u>

1.1 Reconciliation of operating cost to expenditure recognised in the Annual Financial Statements

Operating cost	12,312,021	10,697,024
Expenditure met from other income	1,587,385	3,615,806
Capital expenditure charged to income and expenditure account	176,129	338,666
Depreciation	(170,690)	(195,067)
(Loss) / gain on disposals	1,027	(8,794)
Expenditure per Income and Expenditure Accounts	13,905,872	14,447,635
Revenue expenditure per revenue income and expenditure account	13,588,194	14,077,269
Capital expenditure per capital income and expenditure account	317,678	370,366
Expenditure per Income and Expenditure Accounts	13,905,872	14,447,635

Analysed as follows:

Revenue pay and pensions

Clinical	2,891,917	2,891,568
Non-clinical	937,604	984,792
Other client/patient services	655,083	650,878
Superannuation	567,184	617,563
Sub-total pay and pensions	5,051,788	5,144,801

Revenue non-pay

Clinical	829,711	904,442
Patient transport and ambulance services	56,033	56,662
Primary care and medical card schemes	2,831,471	2,980,609
Other client/patient services	65,357	75,639
Grants to outside agencies	3,449,704	3,647,081
Housekeeping	227,815	227,190
Office and administration expenses	378,441	415,783
Long stay charges repaid to patients	9,397	20,962
Hepatitis C insurance scheme	980	560
Other operating expenses	45,679	44,543
Payments to State Claims Agency under the clinical indemnity scheme	81,204	79,283
Nursing home support scheme (Fair Deal)	560,614	479,714
Sub-total non pay	8,536,406	8,932,468

Capital expenditure

Capital grants to outside agencies	132,755	130,164
Capital expenditure on HSE projects	184,923	240,202
Sub-total capital	317,678	370,366

Total expenditure per income and expenditure accounts	13,905,872	14,447,635
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2 Balance Sheet as at 31 December 2011

	Note	2011 €000	2010 €000
Capital Assets	2.1	5,266,194	5,274,663
Financial assets		3	3
		<u>5,266,197</u>	<u>5,274,666</u>
Current Assets			
Bank and cash	2.2	28,350	21,451
PMG balance		103,513	105,668
Stocks	2.3	121,521	128,087
Debtors and prepayments		229,792	169,996
Cash advance to Adelaide and Meath Hospital		23,760	—
Other debit balances	2.4	55,788	67,775
Total Current Assets		<u>562,724</u>	<u>492,977</u>
Less Current Liabilities			
Creditors		150,448	164,670
Accrued expenses		1,250,602	1,289,321
Deferred income		9,634	6,253
Other credit balances	2.5	171,919	176,917
Net liability to the Exchequer	2.6	15,731	17,977
Total Current Liabilities		<u>1,598,334</u>	<u>1,655,138</u>
Net Current Assets		(1,035,610)	(1,162,161)
Net Assets		<u>4,230,587</u>	<u>4,112,505</u>
Represented by:			
State funding account		<u>4,230,587</u>	<u>4,112,505</u>

2.1 Statement of Capital Assets

	Land	Buildings	Work-in Progress	Equipment	Vehicles	Totals
	€000	€000	€000	€000	€000	€000
Gross assets						
Cost or valuation at 1 January 2011	2,028,693	3,217,958	399,120	1,147,811	93,589	6,887,171
Transfers	10	240,713	(260,954)	13,538	6,693	—
Additions	1,318	12,305	116,385	45,105	1,016	176,129
Disposals	(8,188)	(2,362)	(678)	(19,259)	(10,340)	(40,827)
Cost or valuation at 31 December 2011	<u>2,021,833</u>	<u>3,468,614</u>	<u>253,873</u>	<u>1,187,195</u>	<u>90,958</u>	<u>7,022,473</u>
Accumulated depreciation						
Opening balance at 1 January 2011	—	685,750	—	848,151	78,607	1,612,508
Depreciation for the year	—	88,821	—	74,261	7,608	170,690
Depreciation on disposals	—	(572)	—	(17,813)	(8,534)	(26,919)
Cumulative depreciation at 31 December 2011	<u>—</u>	<u>773,999</u>	<u>—</u>	<u>904,599</u>	<u>77,681</u>	<u>1,756,279</u>
Net assets at 31 December 2011	<u>2,021,833</u>	<u>2,694,615</u>	<u>253,873</u>	<u>282,596</u>	<u>13,277</u>	<u>5,266,194</u>
Net assets at 31 December 2010	<u>2,028,693</u>	<u>2,532,208</u>	<u>399,120</u>	<u>299,660</u>	<u>14,982</u>	<u>5,274,663</u>

2.2 Bank and Cash

	2011	2010
	€000	€000
at 31 December		
Officers imprest/petty cash	652	570
Commercial bank account balances	27,698	20,881
	<u>28,350</u>	<u>21,451</u>

2.3 Stocks

	2011	2010
	€000	€000
at 31 December		
Medical, dental and surgical supplies	32,610	34,050
Laboratory supplies	6,193	6,478
Pharmacy supplies	17,974	19,361
High tech pharmacy stocks	32,403	30,926
Pharmacy dispensing stocks	1,716	2,001
Blood and blood products	1,300	1,408
Vaccine stocks	17,601	21,655
Household services	8,881	9,217
Stationery and office supplies	2,275	2,387
Sundries	568	604
	<u>121,521</u>	<u>128,087</u>

2.4 Other Debit Balances

	2011	2010
at 31 December	€000	€000
Payroll Overpayments	4,441	4,855
Advances to Pharmacists	470	11,926
Secondments	2,902	2,692
Payroll Technical Adjustment	33,720	36,092
National Treatment Purchase Fund	1,565	1,309
Local Authorities	4,582	4,935
SWA debtors	—	(1)
Prepayments suspense	—	15
Other debtors suspense	8,108	5,952
	<u>55,788</u>	<u>67,775</u>

2.5 Other Credit Balances

	2011	2010
at 31 December	€000	€000
Amounts due to the state		
Income Tax	70,838	57,967
Pay Related Social Insurance	43,081	49,913
Professional Services Withholding Tax	19,671	20,746
Value Added Tax	4,600	4,788
Payroll deductions and other credit balances	18,500	31,467
Special income and expenditure balances	15,229	11,849
Advance from VHI	—	187
	<u>171,919</u>	<u>176,917</u>

2.6 Net Liability to the Exchequer

	2011	2010
at 31 December	€000	€000
Surplus appropriations to be surrendered	15,781	168,977
Exchequer grant undrawn	(50)	(151,000)
Net liability to the Exchequer	<u>15,731</u>	<u>17,977</u>

Represented by:**Debtors**

Net PMG position and cash	131,862	127,119
Other debtors suspense	55,788	67,775
	<u>187,650</u>	<u>194,894</u>

Creditors

Due to State	(138,190)	(133,414)
Special income and expenditure balances	(15,229)	(11,849)
Payroll deductions and other balances	(18,500)	(31,654)
	<u>(171,919)</u>	<u>(176,917)</u>
	<u>15,731</u>	<u>17,977</u>

2.7 Commitments	2011	2010
at 31 December	€000	€000
Global commitments		
Commitments likely to arise in subsequent years for:		
Procurement subheads	205,204	238,346
Operating leases	38,012	32,573
Finance leases	37,993	40,310

Legally enforceable capital commitments	Cumulative spend to 31 December 2011	To be paid in subsequent years	Total
	€m	€m	€m
Hospital Services			
Mater Campus Development	144.36	43.00	187.36
Mid West Regional Hospital - Critical Care Block	17.60	14.00	31.60
Ennis General Hospital - Phase 1	6.40	0.78	7.18
Letterkenny General Hospital - Medical Ward Block	18.44	2.82	21.26
CUH - Cardiac Renal	62.89	4.75	67.64
Integrated Patient Management System (IPMS)	28.57	0.19	28.76
National Paediatric Hospital Development Board	28.77	10.50	39.27
St. Vincent's University Hospital	2.63	27.11	29.74
National Integrated Medical Imaging System (NIMIS)	12.92	16.50	29.42
National Cancer Control - Project technical support for National Plan for Radiation Oncology (NPRO) Phase 2, Phase 1 facilities at St. James's & Beaumont hospitals	71.65	1.00	72.65
Waterford Regional Hospital	5.55	8.59	14.14
Connolly Hospital, Blanchardstown - Surgical Block	18.62	0.25	18.87
Our Lady of Lourdes Hospital, Drogheda - Extension & Refurbishment of A & E	30.85	0.17	31.02
Total	449.25	129.66	578.91

Legally Enforceable Capital Commitments	Cumulative spend to 31 December 2011 €m	To be paid in subsequent years €m	Total €m
Community Services			
Cashel, Phase 2	12.76	0.31	13.07
Clonmel Mental Health Unit	6.60	1.00	7.60
Grangegorman Development	4.37	16.90	21.27
Community Health Unit, Navan	11.98	0.39	12.37
Cherry Orchard	7.32	1.00	8.32
Mental Health Services & Primary Care Centre - Ballyfermot	10.43	1.17	11.60
St. Loman's Hospital - Community Redevelopment	11.12	0.25	11.37
Inchicore Primary Care Centre	20.57	0.15	20.72
St. Mary's Hospital, Mullingar - CNU	12.48	1.89	14.37
St Anne's Child & Adolescent Psychiatric Unit	7.53	0.13	7.66
Total	105.16	23.19	128.35

2.8 Matured Liabilities

The total amount of matured liabilities undischarged at 31 December 2011 was €25.3m.

3 Variations in Expenditure

An explanation is provided below in the case of each expenditure subhead where the outturn varied from the amount provided by more than €100,000, and by more than 5%.

Sub-head	Less/(more) than provided	Explanation
	€000	
B.7.	3,890	National Lottery grants are not paid until the conditions of the grant are fulfilled. Approved grants unpaid at 31 December 2011 amounted to €1m.
B.9.	258	Expenditure is dependent on the timing of claims received from Pobal and on the level of grant decommitments. No further payments to Pobal are anticipated.
B.10	1,500	Repayments to applicants were less than anticipated.
B.11	190	There is a timing difference between expenditure incurred by the HSE in respect of the Insurance Scheme and the related payments to the Special Account.
B.13.	10,200	Expenditure on some service developments (National Cancer Control Programme, Children and Family Services) did not commence until the second half of 2011.
B.14.	14,796	Expenditure is dependent on the timing and value of claims received from the State Claims Agency.
C.1.	36,314	Capital expenditure on construction projects was tightly managed in the latter half of 2011 in order to ensure that the HSE achieved a breakeven position. A number of major construction projects were cashed less than projected including the National Paediatric Hospital, the Mater Adult Hospital, NIMIS and the Critical Care Block, Limerick. Construction allocations were managed in a consolidated manner to ensure that construction subhead expenditure was within the overall allocation available.
C.3.	23,455	The surplus under this subhead resulted from delays in progressing projects due to shortfall in the business capacity to resource project implementation together with public procurement process requirements which can result in a time lag between approval and commencement of implementation.
C.4.	(1,191)	Capital expenditure on mental health projects exceeded the allocation by €1.19m, however this was compensated for by an underspend in C.1/C.2. Construction allocations were managed in a consolidated manner to ensure that construction subhead expenditure was within the overall allocation available.

4 Receipts

4.1	Appropriations-in-aid	2011 Estimated €000	2011 Realised €000	2010 Realised €000
1.	Receipts from health contributions	—	—	2,017,657
2.	Recovery of cost of health services provided under regulations of the European Community	220,000	270,000	320,000
3.	Receipts from certain excise duties on tobacco products	167,605	167,605	167,605
4.	Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund	5,000	1,300	3,788
5.	Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund	8,000	1,300	9,194
6.	Statutory charges in public hospitals, long-stay charges and charges for maintenance in private and semi-private accommodation in public hospitals	376,000	331,501	312,601
7.	Economic and social disadvantaged and disability (Dormant Accounts Funded)	1,500	1,242	6,119
8.	Superannuation	199,986	197,874	203,279
9.	Miscellaneous receipts	151,800	119,694	115,961
10.	Receipts from the disposal of mental health and other health facilities.	15,000	6,812	3,586
11.	Receipts from pension-related deduction on public service remuneration	337,156	360,843	363,527
Total		1,482,047	1,458,171	3,523,317

Explanation of significant variations

An explanation is provided below in the case of each heading where the outturn varied from the amount estimated by more than €100,000, and by more than 5%.

Heading	Less/(more) than estimated €000	Explanation
2.	(50,000)	The timing of receipts is based on the progress of discussions between the Department of Health and the UK Department of Health.
4.	3,700	Changes in the scheme relating to the extent of treatments covered by the scheme has resulted in lower receipts from the Social Insurance Fund.
5.	6,700	Changes in the scheme relating to the extent of treatments covered by the scheme has resulted in lower receipts from the Social Insurance Fund.
6.	44,499	The accelerated cash receipt target set out in the estimate provision was not achieved.
7.	258	Dormant Accounts scheme is winding down. No further funds are expected to be paid to Pobal.
9.	32,106	Miscellaneous receipts were less than anticipated.
10.	8,188	Sales in the sum of €12m were agreed in 2011. The HSE received €6.8m from the agreed sales and the balance will be realised in 2012. The shortfall in sales had an impact on capacity to spend the full C.1/C.2 and C.4 allocation.
11.	(23,687)	Receipts from the pension related deduction were higher than estimated.

4.2 Reconciliation of Annual Financial Statements' Income to Appropriations-in-aid

	Revenue €000	Capital €000	Total €000
Total per annual financial statements	13,686,620	345,424	14,032,044
Less Exchequer grants	(12,111,829)	(332,830)	(12,444,659)
Total Other Income per Annual Financial Statements	1,574,791	12,594	1,587,385
Less income credited to suspense			
Department of Health			(21,592)
Department of Children and Youth Affairs			(1,205)
Health Research Board			(1,333)
Other State sources			(523)
Agency services			(8,545)
Other payroll deductions			(9,626)
NTPF receipts / non cash receipts			(7,945)
Capital receipts from other State sources			(5,658)
Less movements in working capital			
Difference between patient cash receipts and maintenance income			(33,819)
Movement in other non-Vote debtors			(38,968)
Appropriations-in-aid			1,458,171

5 Employee Numbers and Pay

	2011	2010
Number of staff at year end (whole time equivalents)	67,722	70,789
	2011	2010
Summary analysis of pay and pension costs	€000	€000
Basic pay	3,550,680	3,574,545
Allowances	122,392	124,009
Overtime	169,857	177,079
Night duty	74,181	73,054
Weekends	182,372	189,795
On-call	49,873	55,353
Arrears	15,430	21,629
Employer PRSI	319,819	311,773
Superannuation	567,184	617,564
Total pay	5,051,788	5,144,801

HSE Pay costs and numbers above relate to HSE employees only. The above figures are disclosed on an income and expenditure basis.

5.1 Allowances and Overtime Payments¹

	Number of recipients ²	Recipients of €10,000 or more	Maximum individual payment ³ 2011 €	Maximum individual payment 2010 €
Allowances	41,834	1,130	143,238	186,004
Overtime	24,183	5,153	153,250	135,100
Night duty	33,800	181	20,025	19,763
Weekends	51,503	695	16,819	30,684
On-call	7,228	1,512	110,624	111,675
Other ⁴	12,080	110	89,770	104,460

¹ Payments relate to HSE employees only.

² Certain individuals received extra remuneration in more than one category.

³ The maximum individual allowance and overtime payments may include amounts paid in 2011 in respect of previous years.

⁴ Other includes sessional payments accounted for as payroll costs.

5.2 Performance and Merit Payments

Arrears of performance related pay paid in 2011 was €2,008.

Gratuities (excluding pension lump sums) paid in 2011 amounted to €4.9m (€1.8m in 2010).

5.3 Other Remuneration Arrangements

Payments to retired staff for services in 2011 amounted to €11.6m (€14.6m in 2010) and relates to salary and interviewer payments to retired HSE staff (excludes payments to agency staff).

Payments of €0.6m were made in 2011 arising from Labour Relations Commission/Rights Commissioners awards.

The cost of severance awards paid in 2011 totalled €0.1m.

6 Miscellaneous

6.1 National Lottery Funding

A total of €3.623m was paid to the HSE areas. The recipients of the funding, and the amounts paid, are summarised below. A list is available on the HSE website (www.hse.ie).

	2011	2010
	€000	€000
Block allocations to HSE Regions		
Dublin Mid Leinster Region	929	1,497
Dublin North East Region	580	1,176
South Region	1,044	1,045
West Region	1,070	1,079
Total	3,623	4,797

6.2 Write-offs

During 2011, the HSE wrote off bad debts amounting to €12.1m and increased the provision for bad debts by €1.5m as follows:

	Debts Movement in	
	Written Off	Provision
	€m	€m
Private charges	4.7	4.3
In-patient charges	2.1	(0.2)
Emergency department charges	2.2	(0.8)
Road traffic accidents	2.0	(3.3)
Long-stay	0.3	1.4
Non-patient related debts	0.8	0.1
Total	12.1	1.5

The HSE wrote off stock amounting to €7.9m for out of date vaccines (Pandemrix), originally purchased for use against the H1N1 virus.

6.3 Legal Fees and Compensation

There were a total of 917 outstanding claims against the HSE with HSE Insurers at the end of 2011.

There were a total of 2,691 outstanding claims against the HSE with the State Claims Agency at 31 December 2011.

The HSE paid a further €0.9m in respect of various claims brought against it and settled in 2011 which were not covered under insurance.

The HSE had 39 outstanding claims for compensation at 31 December 2011 which are not covered by the HSE insurance policy.

Other ex-gratia payments made during 2011 amounted to €0.06m and other miscellaneous payments amounted to €0.9m.

Up to 31 December 2009 the HSE was insured against employers liability and public liability risks up to an indemnity limit, under both retro-rated and flat-rated bases. Under the retro-rated basis, the final premium is not determined until the end of the coverage period and is based on the HSE's loss experience for that same period. The retro-rated adjustment payable by the HSE is subject to maximum and minimum limits. At 31 December 2011 it was not possible to accurately quantify the liability, if any, which may arise as a result of future retro-rating. The maximum liabilities for retro-rated claims still outstanding, based on agreed levels of each insurable risk is €4,699 and €2,394,662 for employers liability and public liability respectively. All insurance premiums from 1 January 2001 have been paid on a flat basis only and no retro-rating applies to cover from this date forward.

Since 1 July 2009 the HSE is funded for claims processed by the State Claims Agency under the terms of the Clinical Indemnity Scheme. From 1 January 2010 the National Treasury Management Agency (Delegation of Functions) Order 2009 extended the State indemnity to personal injury and third party property damage claims against the HSE. Awards paid to claimants under the terms of the scheme are accounted for on a pay-as-you-go basis. At 31 December 2011, the estimated liability incurred to that date under the Clinical Indemnity Scheme and State indemnity was €866m.

6.4 Prompt Payment of Account Interest

Prompt Payment Interest paid by the HSE in 2011 was €0.3m (€0.3m in 2010).

6.5 Contingent Liabilities

Pharmacists lodged a claim with the HSE for loss of retail mark up on products dispensed under the terms of the over 70 medical card, products which would otherwise have been subject to higher margin where full eligibility did not exist. The claim is in the amount of €100 million, over and above the amount of €30 million currently paid per annum. The Irish Pharmaceutical Union (IPU) indicated that they will engage in non-binding mediation but may pursue the HSE through the courts if they are dissatisfied with the outcome. The matter of universal entitlement to a medical card for persons aged 70 years and over was removed by the Minister for Health in 2009. The Department of Health have confirmed that the HSE has applied the policy as set out and intended over the period during which automatic eligibility was in place for persons aged 70 years and over.

The HSE is involved in a number of claims involving legal proceedings which may generate liabilities, depending on the outcome of the litigation. The HSE has insurance cover for public and employer liability, fire and specific all risk claims. In most cases such insurance would be sufficient to cover all costs, but this cannot be certain.

6.6 Other

The HSE paid €5.2m in respect of insurance premia in 2011 (€7.4m in 2010) and this is reflected in the outturn for Subhead A.1 and B.1 to B.4.