Department of Health, Social Services and Public Safety

Resource Accounts
For the year ended 31 March 2014

Laid before the Northern Ireland Assembly by the Department of Finance and Personnel under section 10(4) of the Government Resources and Accounts Act (Northern Ireland) 2001

4th July 2014

Any enquiries regarding this document should be sent to us at financial.accountingunit@dhsspsni.gov.uk.

This publication is also available on our website at www.dhsspsni.gov.uk.

Contents

Blank page to enable Director's report to start on next page

ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2014

DIRECTORS' REPORT

The Department of Health, Social Services and Public Safety (DHSSPS or the Department) presents its Annual Report and Accounts for the financial year ended 31 March 2014.

MANAGEMENT

The Department is headed by a Minister who is supported by senior officials, the most senior of which is the Permanent Secretary. A Departmental Management Board, comprising the senior official in charge of each executive area, manages the Department.

Minister

Mr E Poots MLA is the Minister responsible for the Department of Health, Social Services and Public Safety, he was appointed on 16 May 2011.

Permanent Head of the Department

Dr. A McCormick has been Permanent Secretary for the Department of Health, Social Services and Public Safety since 1 August 2005.

Management Board

Membership of the Departmental Management Board during 2013-2014 is outlined below:

Dr. A McCormick	(Chair) Permanent Secretary
Mr. J Cole	Deputy Secretary, Health Estates Investment Group (left the Board July 2013)
Mrs. C Daly	Deputy Secretary, Health Care Policy Group
Mr. S Holland	Deputy Secretary, Social Care Policy Group
Mrs. C McArdle	Chief Nursing Officer (seconded to the Department from the South Eastern Health and Social Care Trust from April 2013)
Dr. M McBride	Chief Medical Officer (seconded to the Department from the Belfast Health and Social Care Trust)
Mr. B Smyth	Health Estates Investment Group Representative (October 2013 to March 2014)

Mr. M Spence	Health Estates Investment Group Representative (August 2013 to October 2013)
Mr. H Thompson	Health Estates Investment Group Representative (July 2013 to August 2013)
Mrs. J Thompson	Deputy Secretary, Resources and Performance Management Group
Dr. C King	Independent Non–Executive Director
Mr. M Little	Independent Non–Executive Director

The Chief Pharmaceutical Officer and Chief Dental Officer positions left the Departmental Board from April 2013.

DEPARTMENTAL ACCOUNTING BOUNDARY

These accounts consolidate financial information for those bodies within the Departmental accounting boundary, namely:

- DHSSPS Core Department;
- Health and Social Care Board (HSCB); and
- Public Health Agency (PHA).

Annex A contains a full list of bodies consolidated within the accounts. Annex B contains a list of all the public sector bodies outside the boundary for which the Department had lead policy responsibility during the year.

DEPARTMENTAL REPORTING CYCLE

In line with all NI departments, the DHSSPS reporting cycle commences early in the financial year with the production of the Main Estimates. These establish authority from the Assembly for DHSSPS to incur expenditure up to the limits stipulated. The provisions sought in the 2013-14 estimates were based primarily on the Comprehensive Spending Review (CSR) as set out in the NI Executive's Programme for Government (PfG) 2011-2015, as approved by the NI Assembly in March 2012. The figures in the accounts also reflect any Executive approved changes to the 2013-14 budget, as agreed by the Assembly during 2014. Supplementary Estimates were produced in January 2014 seeking authority for additional resources and/or cash to that previously provided in the Main Estimates for the financial year. Both documents are published and available from Her Majesty's Stationery Office (HMSO).

The Health and Social Care Trusts (HSC) are expected to work to meet those priorities set by the Minister for Health, Social Services and Public Safety. The NI Executives Programme for

Government 2011 -15 and performance against Executive and Ministerial priorities and targets is subject to routine monitoring and reporting to the Departmental Board.

FINANCIAL REVIEW

Overall total expenditure by the Department on all services amounted to £4,282m (£4,343m in 2012-13) against Estimate cover of £4,705 (£4,672m in 2012-13). For detailed review see business review and future development report on pages 7-53. The financial results of the Department are set out on pages 98-159

The financial statements are presented in £ sterling and are rounded in thousands.

Post-Balance Sheet Events

There are no post-balance sheet events that have a material effect on the 2013-14 accounts.

Contingent Liabilities disclosed under Parliamentary reporting requirements

No disclosures for this reporting period.

Payments to Suppliers

The Department is committed to the prompt payment of bills for goods and services and pays its non-HSC trade creditors in accordance with agreed terms and appropriate government accounting guidance, as set out in Managing Public Money NI. Updated late payment legislation **(**the Late Payment of Commercial Debts Regulations 2013) came into force on 16 March 2013. The effect of the new legislation is that a payment is normally regarded as late unless it is made within 30 days after receipt of an undisputed invoice. Contracts agreed before 16 March 2013 are however excluded from the amended provisions and will retain the payment terms agreed at the time the contract was signed**.**

Unless otherwise stated in the contract, payment is due within 30 days of the receipt of goods or services or within 30 days of the presentation of a valid invoice, whichever is later. Monthly reviews conducted to measure how promptly the Core Department pays its bills during the 2013-14 year have found that on average 95.96% were paid on time which represents a marginal improvement of 1.66% on the previous year.

In November 2008, in response to the current economic position, the Minister for Finance and Personnel announced that Northern Ireland Departments would aim to ensure that valid invoices were paid within 10 days. In 2013-14 an average of 86.69% of the Core Department DHSSPS invoices were paid within 10 days, which represents an improvement of 3.03% on the previous year. Performance is regularly reviewed by the Departmental Board and steps have been taken to increase staff awareness of the importance of prompt payment. Moving into the 2014-15 financial year, the Department will build upon the performance achieved in 2013-14.

The following hyperlink provides details of the departments' prompt payment performance during 2013-14 and allows for comparison to be made with other NI Departments.

http://www.accountni.dfpni.gov.uk/index/working-with-suppliers/faqs-3.htm

Pension Liabilities

Past and present employees of the Department are covered by the Principal Civil Service Pension Scheme (PCSPS) (NI). Further details of the scheme can be found within the accounting policy note (Note 3) to the financial statements and within the Remuneration Report.

Related Party Transactions

The Department is the parent of those bodies listed in Annex A. It sponsors those bodies listed in Annex B. All these bodies are regarded as related parties with which the Department has had material transactions during the year. In addition, the Department has had a small number of transactions with other government departments and Central Government bodies. Most of these transactions have been with the Department of Finance and Personnel. Further details can be found at note 20 of the financial statements.

Audit

The accounts and supporting notes relating to the Department's activities for the year ended 31 March 2014 have been audited by the Comptroller and Auditor General. The Certificate and Report of the Comptroller and Auditor General is included on pages 96-97. The notional cost of the audit for the year ended 31 March 2014, which pertained solely to audit services, was £106k; this includes the audit fee for the Superannuation Scheme Resource Account.

Statement on disclosure of audit information

I can confirm that so far as I am aware there is no relevant audit information of which the auditors are unaware and that I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

Authorised for Issue

The accounts were authorised for issue on 01 July 2014 by the Departmental Accounting Officer, Dr. A McCormick.

Dr A McCormick
Accounting Officer
27th June 2014

STRATEGIC REPORT

The following contains a review of the activities of DHSSPS during 2013-14 and provides narrative on planned future developments. The information is set out under the following headings:

- Section 1 – Introduction;
- Section 2 – Performance of the Department;
- Section 3 – HSC, Northern Ireland Ambulance Service (NIAS) and Northern Ireland Fire and Rescue Service (NIFRS) Performance; and
- Section 4 – Resources.

SECTION 1 - INTRODUCTION

The Department of Health Social Services and Public Safety (DHSSPS) has a statutory responsibility to promote an integrated system of Health and Social Care (HSC) designed to secure improvement in:

- The physical and mental health of people in Northern Ireland;
- The prevention, diagnosis and treatment of illness; and
- The social wellbeing of the people in Northern Ireland.

The Department is also responsible for establishing arrangements for the efficient and effective management of the Fire and Rescue Services in Northern Ireland. The Department discharges in its duties both by direct departmental action and through its 17 Arm's Length Bodies (ALBs). A list of ALBs is attached at Annexes A and B.

Strategic Priorities for Health, Social Services and Public Safety

For the overall health, social services and public safety system, the Minister has identified the following key strategic priorities, which include the Department's specific commitments within the NI Executive's Programme for Government 2011-15:

- To improve and protect health and well-being and reduce inequalities, through a focus on prevention, health promotion and earlier intervention;
- To improve the quality of services and outcomes for patients, clients and carers through the provision of safe, resilient and sustainable services;
- To improve the management of long-term conditions in the community, with a view to improving the quality of care provided and reducing the incidence of acute hospital admissions for patients with one or more long term conditions;
- To improve the design, delivery and evaluation of health and social care services through involvement of individuals, communities and the independent sector;
- To improve productivity, by ensuring effective and efficient allocation and utilisation of all available resources in line with priorities; and
- To ensure that the most vulnerable in our society, including children and adults at risk of harm, are looked after effectively across all our services.

The principal service objectives for HSC organisations derive from these strategic priorities and are set out in detail in the Health and Social Care Commissioning Plan Direction. Objectives for the Northern Ireland Fire and Rescue Service are embodied in its agreed business plan.

The Department's Responsibilities

Under the Health and Social Care (Reform) Act (Northern Ireland) 2009 the Department is required to:

- Develop policies;
- Determine priorities;
- Secure and allocate resources;
- Set standards and guidelines;
- Secure the commissioning of relevant programmes and initiatives;
- Monitor and hold to account its ALBs; and
- Promote a whole system approach.

SECTION 2 – PERFORMANCE OF THE DEPARTMENT

Throughout 2013-14, the Department has been engaged in developing, monitoring and implementing a range of health and social care strategies and policies, including:

Transforming Your Care (TYC)

"Transforming Your Care: A Review of Health and Social Care Northern Ireland" was published in December 2011. TYC outlined a future model of care that places emphasis on the individual rather than the institution. This included ensuring that more services were provided in the community and closer to patient homes. TYC is premised upon prevention, earlier interventions, promoting health and well-being. Including more personalised care that is planned and delivered around the needs of the individual and has been tailored as far as possible to suit them. TYC is also about ensuring that the HSC system is resilient and safe, and will deliver the best possible contemporary outcomes and facilitate future requirements, whilst meeting the significant challenges identified in the TYC Review.

A consultation process – "Transforming Your Care: From Vision to Action" – ran from 9 October 2012 to 15 January 2013. The consultation outlined the Minister's proposals for a change in HSC services and set out proposals for changes to the HSC system in order to be able to provide safe, sustainable and accessible care well into the future. The Minister initially briefed the Northern Ireland Assembly in March 2013 on the outcome of the consultation on the proposals contained in Transforming Your Care; Vision to Action and provided further updates on implementation activities throughout 2013-14.

Implementing TYC involves changes to the service delivery model for patients, carers and others involved in the provision and receipt of health and social care services, including:

- **Diversity and proximity of service provision:** this is at the core of TYC with a significant shift from the provision of services in hospitals to provision of services in the community, where it is safe and appropriate to do so. Services will regard "home as the hub of care" and be enabled to ensure that people can be cared for at home.

- **Reconfiguration of services**: Implementation of TYC inspired service changes will provide more services closer to home – for example:

  - Diagnostics within GP practices;
  - Outpatient clinics with joint working between the GP, the Consultant and nurses in a primary care setting; and
  - Long term/chronic condition management (with Connected Health) enabling people to have more self-management and support to manage their condition at home.

- **A change of use for residential care**: The Health and Social Care Board (HSCB) initiated a project "Improving Services for Older People – A New Process for Consulting, Engaging and Implementing Change" to take forward this work. The project is being implemented in three phases (including public consultations) to develop and implement proposals for change to statutory residential care. The public consultation activity of the first phase; production of draft criteria against which statutory residential homes would be assessed by Trusts, was completed on 7 March 2014.

- **A greater role for the voluntary and community sectors:** These sectors can make a significant contribution in terms of their expertise and experience. This contribution requires additional support year-on-year to facilitate better planning, to facilitate building capacity and capability.

- **Establishment of 17 Integrated Care Partnerships (ICP):** Services provided by different parts of the health and social care system require increased integration to improve the quality of experience for patients and clients as well as improving safety and outcomes. The 17 Integrated Care Partnerships have been established to take forward this element of work and the HSCB is co-ordinating the regional administrative support.

The implementation of the service delivery changes outlined in TYC is being taken forward by the HSCB, HSC Trusts and many other organisations on behalf of the Department. The Department retains oversight of the operational delivery of the Transformation Programme. The Minister last updated the NI Assembly on progress in implementing TYC in an Oral statement on the 9 March 2014.

The changes being implemented include; resettlement of people from long stay mental health institutions through Bamford; increasing the use of technology to support people with long term conditions; improvements in existing care pathways proposed by ICPs and ICPs bringing forward proposals for new services to address local needs. Other changes will take more time to plan and deliver safely including further, more local, consultation as required.

The TYC Review highlighted that the transformation process would take between 3 to 5 years to implement and highlighted the need for transitional funding over that period required to safely deliver the transformational changes required. The Department will work with the HSCB to take forward implementation in line with the degree of funding available.

Public Health Strategy - Improving Health and Well Being

The Investing for Health Strategy is the overarching cross-cutting strategy for improving the health and well-being of the population and for tackling health inequalities. A key objective is to reduce inequalities in health between geographical areas and between socio-economic and minority groups. A review of the strategy concluded in 2010 and has informed the development of an updated public health strategic framework - "Fit and Well - Changing Lives", which was published for consultation in July 2012. This framework brings together actions at government level in a reinforcing model to improve health and provide direction for implementation at regional and local level. It adopts a life course approach and is outcomes focused.

Work in 2013-14 has taken account of the consultation responses, the Health Committee recommendations and further cross-departmental and cross-sectoral engagement. Subject to Executive approval, the framework received executive approval during June 2014 and agreed governance/implementation arrangements will also be put in place.

Quality Improvement

A key driver in maintaining and improving the quality of health and social care across Northern Ireland is the Quality 2020 strategy. This strategy is aimed at ensuring progress is maintained on three key elements of quality care: effectiveness; safety; and positive patient experience. The delivery structures for Quality 2020 were established in the summer of 2012 and a revised policy on Personal and Public Involvement has been published. Three key tasks were completed during 2013-14: the Annual Quality Reports for each Trust have now been published and work on Phase Two of this task continues; the Ward Level Review of patient experience and the quality of clinical and social care has been completed and an examination and analysis of the learning has now begun; and the task to secure the recruitment of a suitable Project Manager was also completed and this post has been filled since 1 October 2013. A challenge for future periods is the completion of the remaining tranche of tasks related to Quality 2020, which includes the development of an e-learning platform and more advancement with Professional Leadership Development.

Pharmacy

- **The Pharmaceutical Clinical Effectiveness Programme (PCEP) - Innovation in Medicines Management Programme –** a fundamental aspect of the PCEP, which has delivered efficiencies in excess of £130m from the prescribing budget since 2005, has been the establishment of an Innovation in Medicines Management Programme (the Programme) based on 'Invest to Save' principles. During 2013-14, the Medicines Policy team in Pharmacy Branch led the implementation of the Programme, overseeing eight key projects focused on: procurement; selection of medicines (NI Formulary): pharmacist prescribing; elderly care; mental health; adherence; medicines waste; and

integrated medicines management. During 2013-14, the Programme was successful in its objectives in relation to these projects and a final evaluation is underway.

- **Pharmaceutical Staff Development Work –** the Department has accepted the recommendations of the 2011 Review of the Development Needs of Pharmaceutical Staff in Hospital Practice and good progress has continued to be made in 2013-14 in seeking to have these implemented. In particular, the importance of collaborative and integrated action on training and development in respect of training pre-registration students was noted, along with the continued exploration of skill mix options that would facilitate more effective deployment of staff and the use and recognition of more specialist skills.

- **Community Pharmacy Remuneration –** revised arrangements for the reimbursement of prescription medicines were introduced on 1 April 2011. These revised arrangements guarantee a funding stream from profits realised through the procurement of medicines to community pharmacy contractors as part of an overall fair and reasonable remuneration package. Work continues on verifying the amount of profit available and establishing the costs of providing community pharmacy services in Northern Ireland. Against this background, the HSCB is leading negotiations to develop new contractual arrangements for community pharmacy services in Northern Ireland.

- **Medicines Regulation** – the Medicines Regulatory Group (MRG) continues to discharge the Department's statutory responsibilities in respect of medicines related legislation. During 2013-14, the MRG provided Northern Ireland's professional input to the ongoing UK-wide programme aimed at rebalancing medicines legislation and pharmacy regulation. MRG also provided the professional lead for: the drafting of Pharmacy Professional Indemnity and Accountable Officer legislation; the ongoing work on the Misuse of Drugs Act and Regulations; and a major review of Poisons legislation. MRG has also continued its compliance and enforcement activity in relation to the protection of public health. It was particularly active in the area of international co-operation allied to countering the illegal supply of medicines, with a particular focus on counterfeit medicines and internet medicines sales and was successful in securing a number of prosecutions in this regard.

- **EU collaborative working on medicines management –** During 2013-14, Northern Ireland was involved in the following areas of EU collaborative working, through the participation of pharmacy officials from the Department, HSCB and the Pharmacy and Medicines Management Centre at Northern HSC Trust:

- **European Innovation Partnership – Active and Healthy Ageing (EIP-AHA):** As a partner in the EIP-AHA Group, Northern Ireland has a commitment to deliver a Medicines Adherence Programme (MAP) involving service development and the development of technology to support people to take their medicines as prescribed. The latter was progressed through the launch of a Medicines Optimisation Small Business Research Initiative (SBRI) by the Department and DETI on 3 March 2013. Through commitments to EIP-AHA, Northern Ireland is also a named partner in two new areas of collaborative work relating to polypharmacy and adherence. These collaborations

aim to improve communication through the sharing of best practices and evidence to test medicines management tools relating to polypharmacy and adherence in different environments and facilitate EU-wide approaches to complex health challenges.

- **Horizon 2020:** During 2013-14, Northern Ireland was involved as both lead collaborator and participant in five Horizon 2020 European funding bids working with different mixes of partner countries including Sweden, Scotland, Italy, Netherlands, Spain and Poland. As of May 2014, one bid had succeeded to Stage 2 of the funding process, three were unsuccessful and a decision on another competition is pending.

Minimum Care Standards for Regulated Services

Minimum Care Standards are a key element in the Department's drive to improve the quality of health and social care. These standards provide service users with information on the quality of service they can expect to receive and set a benchmark against which service providers can measure their provision. The Regulation and Quality Improvement Authority (RQIA) and, where appropriate, Trusts, use these standards to assess and report on the quality of services delivered by registered providers.

The Department has published minimum standards for a series of services regulated under Article 38 of the Health & Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003. These include standards for adult day care; residential family centres; nursing homes; nursing agencies; residential care homes; and domiciliary care agencies.

Minimum Standards for Childminding and Day Care for Children Under age 12 were published in July 2012. These standards will be used by Trusts in the registration and inspection of childcare services including childminders; day care; pre-school sessional care; crèches and out of school clubs. Accompanying standards were published for the inspection by RQIA of HSC Trusts in the discharge of these duties.

The Northern Ireland Human Rights Commission (NIHRC) published a report "In Defence of Dignity" on the human rights of older people in nursing homes. The Department led a review of this report which resulted in the decision to fundamentally review minimum standards for nursing homes in the year ahead.

During 2012-13, work commenced on the review of draft standards for children's homes and independent healthcare facilities, which included engagement with service users and providers to ascertain their views. It is anticipated that these standards will be published in October 2013, following public consultation.

The review of standards for nursing homes has begun and consideration is being given to the most effective way of ensuring user involvement in the process. The Department has also committed to supporting the development of standards for fostering agencies in 2013-14.

The publication of standards for children's homes and independent healthcare facilities may lead to additional work associated with implementation. Since the publication of standards for childminding and day care for children under age 12, there has been a significant volume

of correspondence on issues associated with implementation and the Department continues to support the HSCB to ensure a consistent approach.

Guidelines and Audit Implementation Network (GAIN)

GAIN was established in 2007 and operates under a Management Statement and Financial Memorandum setting out its aims, objectives and broad governance structures and processes. GAIN committee members are volunteers largely from the HSC. GAIN relies on the engagement and involvement of clinicians in the most part to carry out its work on developing guidelines and performing a regional audit. Additionally, the Department has commissioned "top-down" projects, whereby GAIN is asked to undertake a task in line with Departmental policy. GAIN also undertakes workstreams involved in the measuring of progress against performance indicators set in Service Frameworks.

GAIN continues to make an important contribution to quality improvement across the HSC sector and also in promoting good practice, through holding promotional and training events.

In 2013-14, GAIN underwent its first quinquennial review. The review examined and evaluated GAIN's organisational performance against its four main functions and the effectiveness of its governance and sponsorship arrangements. In 2014-15 the key findings of the review will be considered and an implementation plan developed to address the recommendations.

National Institute for Health and Care Excellence (NICE)

NICE is a Non Departmental Public Body of the GB Department of Health and is tasked with producing national guidance on good clinical practice and the cost-effective use of NHS resources in England.

On 1 July 2006, the Department established formal links with NICE whereby all Clinical Guidelines and Technology Appraisals published by NICE from that date would be locally reviewed for their applicability to Northern Ireland (NI) and, where appropriate, endorsed here. The Department does not challenge the robustness of the NICE guidance but rather its applicability in the legal and policy context of NI. This arrangement has ensured access to up-to-date, independent, professional, evidence-based guidance on the value of health care interventions.

During 2013-14, the Department completed a review of the process for the endorsement, implementation, monitoring and assurance of NICE Technology Appraisals and Clinical Guidelines, and two new processes, one for Technology Appraisals (HSC (SQSD) 2/13) and one for Clinical Guidelines (HSC (SQSD) 3/13), came into effect from 18 December 2013. A review of the process for the local arrangements for the NICE Interventional Procedures Programme was also completed. The new arrangements (HSC (SQSD) 4/14) came into effect from 4 March 2014. As part of these new arrangements, the Department issued the first bimonthly notification on 7 March 2014. These notifications advise the HSC of the latest Interventional Procedures Guidance published by NICE.

The Department has also signed an agreement of service with NICE to cover the period 1 April 2013 – 31 March 2016. This agreement continues and extends the Department's relationship with NICE. During 2013-14, the Department endorsed a total of 27 technology appraisals and 22 clinical guidelines. The NICE Implementation Facilitator for Northern Ireland continues to engage at a strategic level with key partner organisations in Northern Ireland to support the implementation of NICE products as required by the Department. They also contributed to the RQIA baseline review of the implementation of NICE Clinical Guideline 42: Dementia; it is anticipated that the final report will be published in early 2014-15.

Social Care Institute for Excellence (SCIE)

SCIE is responsible for producing good practice guides on social care. In April 2013, SCIE commenced its role as the Collaborating Centre for Social Care on behalf of the National Institute for Health and Care Excellence (NICE). In this role, it uses NICE's methods and processes to develop social care guidance for NICE, which NICE will use as a basis for producing social care quality standards for England.

The Department sponsors SCIE and a new grant agreement, reflecting changes in England, took effect from 1 April 2013. As part of the agreement, the Department continues to fund a SCIE Practice Development Manager for Northern Ireland (NI). One aspect of their role is to ensure that documents relevant to England are modified to take account of the legal and policy context in NI. The Practice Development Manager is also responsible for the promotion of the effective use of SCIE guidance and for assisting with projects within the NI context.

Two specific NI projects undertaken during 2013-14 were in relation to the Regional Review of the Senior Practitioner and Principle Practitioner Social Work grades, and the Review of the Evidence base on Kinship Care. Work has also commenced on scoping NI-specific projects to be completed over 2014-15 and 2015-16. These will include the evaluation of Family Support Hubs in Northern Ireland and a review of the role and contribution of social work in integrated teams in older people's services.

Tobacco-Related Harm

One of the biggest public health challenges facing Northern Ireland is that of reducing smoking prevalence. While the Department has made significant progress on tobacco control in recent years, largely due to effective partnership working between health and voluntary organisations, smoking remains the single biggest cause of preventable death and illness, killing over 2,300 people here each year.

The Department's 10-year Tobacco Control Strategy for Northern Ireland is founded on the principles of: preventing people taking up smoking; provision of assistance to help smokers to quit; and protecting people from tobacco-related harm. The Tobacco Strategy Implementation Steering Group (TSISG) has been established by the Public Health Agency to take forward an action plan for the strategy. To provide the required focus on the different areas of tobacco control work, a number of workstreams under TSISG have been set up

covering the following areas: research and information; protection and enforcement; services and brief intervention; communication and education; and policy and legislation.

The recent focus of tobacco control legislation has been on preventing youth uptake of smoking by making it more difficult for children and young people to access tobacco products. The Tobacco Retailers Act (Northern Ireland) 2014 was granted Royal Assent in March 2014. It introduces tougher sanctions on retailers for regular underage tobacco product sales, including higher penalties and the possibility of being banned from selling tobacco for a period of time. The 2014 Act also creates an offence of proxy purchasing in relation to tobacco by third parties for children and young people. In February 2014, the Assembly agreed, through a Legislative Consent Motion, to the extension of certain provisions in the Westminster Children and Families Bill to Northern Ireland. The provisions concern the retail packaging of tobacco products and they provide the Secretary of State with regulation-making powers on a UK-wide basis. A final decision on the introduction of such regulations in Northern Ireland will be made during 2014-15.

The Department continues to invest in health promotion messages and in smoking cessation services. However, for the first time in four years, the number of smokers setting a quit date in 2013-14 was less than in the previous year (by 17%). This has been attributed, in part, to the increased use of electronic cigarettes, resulting in smokers turning away from more traditional methods of quitting smoking and also to fewer public information campaigns being run throughout the period.

Suicide Prevention

The original "Protect Life" suicide prevention strategy was revised and updated in June 2012 and set a new aim to "reduce the differential in the suicide rate between deprived and non-deprived areas". The strategy covered the period to March 2014 and placed an emphasis on the marked differential in suicide rates between deprived and non-deprived areas, particularly for males in the 15 to 45 age group, whilst maintaining the original strategy's long term goal of reducing suicide rates in Northern Ireland.

A wide range of suicide prevention services are now in place, including: the Lifeline 24/7 crisis response helpline; delivery of awareness raising public information campaigns; regional and local training programmes; and the development of community-based suicide prevention initiatives. New initiatives have been developed during 2013-14, including: the use of sporting clubs to promote emotional health and wellbeing; the development of rural programmes; and the launch of the Flourish! initiative for churches in suicide prevention.

During 2013-14, the Department held a regional conference and extensive pre-consultation engagement workshops to obtain views on the implementation and impact of Protect Life and to inform the development of a new strategic direction. As a result of these actions, it is anticipated that the new strategy will cover three themes: early intervention; frontline intervention; and postvention. The early intervention section will include emotional health and wellbeing. This will ensure a holistic approach to suicide prevention, building resilience in the early years and extending throughout the life course. The Department intends to issue a consultation and final version of the next Suicide Prevention Strategy during 2014-15.

Breastfeeding

Breastfeeding is a fundamental public health issue because it promotes health, prevents disease and helps contribute to reducing health inequalities. Breastfeeding is accepted by the Department (and the World Health Organisation) as the optimal method for infant feeding. It provides the foundation for a healthy start in life and prevents disease in the short and long-term for both babies and their mothers. However, breastfeeding rates in Northern Ireland are the lowest in the UK; and those women here who choose to breastfeed their children, tend to do so for a shorter duration than their counterparts in GB.

In June 2013, the Department published "Breastfeeding – A Great Start: A Strategy for Northern Ireland 2013-2023". The Strategy aims to protect, promote, support and normalise breastfeeding in Northern Ireland over the next ten years. The challenge is to encourage more parents to choose breastfeeding for their children and to ensure that they are supported in their choice. Implementation of the strategy is being driven forward by a multi-agency Steering Group led by the Public Health Agency. Work strands included support for breastfeeding in Health and Social Care settings, the workplace and the community.

In 2014-15, the Department plans to develop and consult on policy proposals to introduce legislation to support and protect breastfeeding infants and their mothers in public places. It is anticipated that the legislative process to introduce the Bill will commence during the next Assembly mandate.

Bowel Cancer Screening

The Bowel Cancer Screening programme was announced in April 2010 and implementation has been rolled out across Northern Ireland on a phased basis. As of January 2012, bowel screening was in place across all Health and Social Care Trusts and from April 2012 it was extended to those up to the age of 71. Bowel cancer screening is the third cancer based screening programme in Northern Ireland, following breast cancer and cervical cancer screening. It is the first cancer screening programme in Northern Ireland to include men. Since the beginning of the programme, uptake of the Bowel Cancer Screening Programme has been approximately 48%, and has increased slightly during public awareness campaigns. The Department considers this to be an important area of focus, in that context the current Commissioning Plan Direction required the HSC to "extend the bowel cancer screening programme to invite, 50% of all eligible men and women aged 60-71 for screening during the period 2013-14. The plan also set a screening uptake target of at least 55% of those invited and will have in place all the arrangements necessary to extend bowel cancer screening to everyone aged 60-74 from April 2014".

Alcohol and Drug Misuse

The "New Strategic Direction for Alcohol and Drugs Phase 2" was published in January 2012 and aims to prevent and address the harm related to alcohol and drug misuse through: Prevention and Education, Early Identification and Brief Interventions, Harm Reduction, and Treatment and Support. The first annual report was published in 2013 and showed good progress in relation to: the ongoing development of the alcohol and drug services commissioning framework; consultation on configuration of tier 4 services; the continued

commitment to the primary care brief intervention programme; and the development of a prescription drug misuse action plan.

Areas of focus for 2014-15 include: the completion of research on the impact of minimum unit pricing for alcohol; finalisation of the alcohol and drug services commissioning framework and procurement of new services; and implementation of the prescription drug misuse action plan.

Obesity Prevention

The Framework for Preventing and Addressing Overweight and Obesity in Northern Ireland, known as "A Fitter Future for All", stresses the importance of eating a healthy diet in conjunction with greater participation in physical activity to prevent and address obesity.

A large number of the outcomes within 'A Fitter Future for All' are being taken forward by the Public Health Agency and other Government Departments. Good progress in their implementation was noted in 2013-14, including: the development and roll out of Active Schools Travel and the 'Choose to Live Better' public information campaign; the joint launch of the Food in Schools policy; an action plan for Active Travel in Northern Ireland; the launch of Front of Pack labelling; and the development of a commercial weight loss pilot.

Challenges for 2014-15 include: ensuring all departments consider the health implications of their policies, principally in relation to addressing the obesogenic environment, and continuing to raise public awareness of the benefits of physical activity and a healthy diet.

Primary Care

- **EU Directive –** The EU Cross Border Healthcare Directive was successfully transposed in December 2013. The main objectives of the Directive are:

  - Clarifying patients' rights as defined by the Court of Justice and improving legal certainty with regard to accessing cross-border healthcare (not only for patients, but also for Member States and their national health and social security systems);
  - Facilitating access to and reimbursement of safe and high-quality cross-border healthcare; and
  - Promoting cooperation between Member States.

  A National Contact Point has been established within the HSCB to facilitate access to information for NI patients seeking treatment elsewhere in the EU (as well as EU patients wishing to access services in NI). The implementation of the Directive is particularly relevant in NI, as it is much more convenient for patients from NI and the Republic of Ireland (ROI) to travel back and forth between the jurisdictions for the purposes of health care treatment than in other parts of the UK or indeed many other EU countries.

  Due to the land-border with the ROI, NI has adopted a different approach to that taken in the other UK countries in relation to patients' access to primary care, as follows:

- EU Directive patients may receive general medical services with a GP on an adhoc basis and will be charged a fee for doing so;
- Dental services should be provided to Directive patients on the basis of being an occasional patient. This means incoming patients can receive adhoc dental care from NI dentists and will be charged the present rate for each dental service as outlined the Statement of Dental Remuneration (SDR) document; and
- In respect of prescriptions, EU Directive patients who purchase general medical services with a GP practice in NI will be issued with private scripts.

The Department will continue to work with the HSCB and the HSC Trusts during 2014-15 in the development of any relevant guidance, as a well as continuing to monitor the impact of the EU Directive on the provision of services in NI.

- **Eyecare Services –** In early 2013, the HSCB and PHA established the Departmental Eyecare Partnership (DEP) Project Board, engaging key stakeholders involved in the commissioning and delivery of eyecare services across all sectors. In mid-2013, a thematic analysis of the 12 objectives identified by the DEP was undertaken, resulting in the establishment of five task groups in relation to workforce and legislative issues, integrated models/pathways, regional measurement, a regional acute eye pathway and the promotion of eye health. Each task group has an established and active membership with stakeholders from service users, HSC organisations, primary and secondary care eyecare services, academic/training sector and the voluntary sector. All task groups have agreed terms of reference and outcome measures.

  To assist in the delivery of DEP's objectives, the HSCB has recruited a project manager to ensure that there is full integration and cross-linkage of the five task groups and that there is optimal stakeholder engagement.

Secondary Care

Secondary Care primarily includes those services which are delivered in hospitals covering acute, scheduled and unscheduled services (such as emergency care). The Department's strategic priority for these services is to improve the quality of services and outcomes for patients, clients and carers through the provision of safe, resilient and sustainable services. These services are commissioned by the Health and Social Care Board and delivered by Northern Ireland's five Health and Social Care Trusts. Patients requiring specialist treatment can be transferred to specialist units in Great Britain and further afield if the treatment is not available locally.

The main challenge faced by secondary care during the year was the **pressures on Emergency Departments (EDs)** which resulted in excessive waiting times and in some instances a poor service being experienced by patients. Although good progress was made in reducing the number of people waiting more than 12 hours to be admitted to hospital or discharged from EDs, in January 2014 the Minister commissioned the Regulation and Quality Improvement Authority (RQIA) to undertake a major review of unscheduled care services so that the public can have confidence in the services being provided in EDs. The RQIA is due to report to the Department by the summer of 2014, setting out its recommendations for improvement.

In November 2013, the Department launched a major consultation on the **review of paediatric healthcare services** provided within hospitals and in the community across Northern Ireland. This was followed in January 2014 by a consultation document setting out recommendations to further improve palliative and end of life care for these vulnerable children. Following consideration of the responses received from the public consultation, the Department will produce a final strategy for paediatric healthcare services in summer 2014, covering the period to 2024.

In December 2013, the Health Minister and his counterpart in the Republic of Ireland announced that a team of three international clinicians would carry out an independent assessment of current and future needs for cardiology and cardiac surgery for congenital heart disease in the Republic of Ireland and Northern Ireland. The assessment will address the needs of children and adults in relation to congenital cardiac surgery on the whole island. It is due to be completed by the summer of 2014.

In April 2013, the Department announced that Northern Ireland had seen an 81.8% increase in deceased **organ donors** over the last five years. This was followed in July 2013 by the Minister launching a new strategy designed to build on this success. 'Taking Organ Transplantation to 2020 – a UK Strategy' was developed by NHS Blood and Transplant (NHSBT) in conjunction with all four UK Health Administrations and sets the agenda for increasing organ donation rates to world class standards over the next seven years. In February 2014, the Minister announced the findings of a major survey of public attitudes towards organ donation in Northern Ireland which have informed a public information campaign, also launched in February by the Public Health Agency (PHA), aimed at encouraging people to let their family know if they wish to donate their organs at the end of life. The aim is to increase public awareness of organ donation and the number of donors. Following this campaign, the PHA will conduct a second public attitudes survey into organ donation later in 2014. The results of that survey will provide valuable information to inform the decision on what further action might be required, including whether there is a need to move forward with statutory measures, in relation to organ donation policy.

In June 2013, the new **Emergency Department (ED) was opened at Antrim Area Hospital**. The ED cost approximately £9.2million, offers state of the art emergency facilities and has been built to facilitate up to 90,000 attendances per year and is over twice the size of the previous department. Also in June, the first sod was cut at the new £232million capital development at the Ulster Hospital, Dundonald, marking the commencement of construction of the new ward and acute services blocks.

From September 2013, 75% of the population of Northern Ireland has benefitted from access to the **Percutaneous Coronary Intervention (PCI) service** that will benefit patients suffering the most severe form of heart attack. The introduction of this new service is a commitment in the NI Executive's Programme for Government and will be fully available throughout Northern Ireland by summer 2014.

During 2013-14, further progress was made towards finalising the Full Business Case (FBC), Memorandum of Understanding (MoU) and Service Level Agreement (SLA) for the **Altnagelvin Radiotherapy Unit**, which is due to open in 2016 subject to approval of the

FBC. The MoU and the SLA are designed to make provision for patients from the Republic of Ireland to use the services provided by the Unit.

In November 2013, the Department endorsed the publication of the **UK Strategy for Rare Diseases** and announced that it would produce an Implementation Plan for Northern Ireland containing proposals to further improve services for these patients. There are between 5,000 and 8,000 rare diseases. Each one affects less than 0.1% of the UK's population, but together they affect the lives of three million people.

Oral Health Services

Since the Oral Health Strategy for Northern Ireland was published in 2007, the Department has continued to promote evidence-based programmes to improve the oral health of children in Northern Ireland and reduce health inequalities. These measures include:

- Fluoride toothpaste schemes for young children in the most deprived areas;
- Enhanced capitation payments through the General Dental Services (GDS) for children from deprived areas to enable dentists to provide preventive care;
- A preventive Fissure Sealant scheme in the GDS; and
- Focusing the work of the Community Dental Service (CDS) on high priority areas such as providing care for children from socially disadvantaged areas and using evidence-based oral health improvement programmes.

Since the implementation of these measures, there has been a significant improvement in the oral health of the child population in NI, as shown by a reduction of approximately 30% in the number of extractions under general anaesthetic provided by the CDS and the number of fillings provided in the GDS. It is hoped that local data from the 2013 Child Dental Health Survey will confirm these findings (dental examinations fieldwork has been completed – 1,050 in primary schools and 1,033 in secondary schools - exceeding the target of 2,000).

The Department is currently supporting a large clinical research trial (the Northern Ireland Caries – Prevention in Practice or NIC-PIP trial) which is investigating the effectiveness and cost-effectiveness of using fluoride varnish and fluoride toothpastes, in a primary care setting, to prevent decay in young children. This three year research trial commenced in 2012 and will follow 1,200 children in 22 practices to see if they develop dental caries or not. This is the first time such a study has been undertaken in Western Europe. The trial is now more than half way through and the preliminary results are expected in autumn 2015.

The Department continues to negotiate with the British Dental Association (Northern Ireland) on the development of new dental contract models. The Department has worked closely with the HSCB to enable an Oral Surgery model to be piloted in specialist practices in 2013, and is awaiting the final evaluation report. The Department is also currently working with the HSCB to run a capitation-based General Dental Services pilot in a number of practices, commencing later in 2014. It is hoped to secure the involvement of researchers from Manchester University in this pilot (pending outcome of grant applications), which would enable a robust academic evaluation to be available and would assist the continued development of contract models.

Nursing, Midwifery and Allied Health Professions (AHPs)

- **Education and Training:** This remains a high priority for AHPs, nursing and midwifery professions as it is essential to underpin the delivery of evidence based high quality care. Education and Training is also fundamental to the successful delivery of Departmental strategies including Quality 2020, Transforming Your Care and the updated Public Health Strategy. As such the review and development of education commissioning continues to be taken forward through professional education strategy and commissioning groups.

- **Support for ward sisters/charge nurses and team leaders:** Following the successful launch of a range of resources aimed at strengthening and supporting both the leadership and management role of ward sisters and charge nurses, work has been completed to develop this for use by nurses working in team leader roles within the community.

- **Central Nursing and Midwifery Advisory Committee (CNMAC):** Work has been taken forward to review progress on the implementation of the Northern Ireland Strategy for Nursing and Midwifery. This will be used to inform the work plan of the committee whose purpose is to provide advice to both the Minister and Chief Nursing Officer. CNMAC aims to work within a Shared Governance Model and to further this, four sub committees have been formed: Workforce and Education, Safety Quality and Experience, ICT and Research and Development. Shared Governance commits CNMAC to involving a range of nurses, midwives and support staff from clinical areas and upwards into the decision making process. This will shift the more traditional hierarchal way of making decisions to the sharing of power in the decision making process.

- **Re-establishment of the Central Advisory Committee of Allied Health Professions (CACAHPs):** It is anticipated that the CACAHPS will be re-established during the summer of 2014, when Terms of Reference and membership will be reviewed in line to include the 12 AHP professions representatives, as detailed in the AHP strategy.

- **Delivering Care: Nurse Staffing in Northern Ireland:** Work is currently underway to develop a workforce planning framework for nursing and midwifery. The rationale for this work lies in the need for consistent, robust, workforce planning and decision making to support the reform and modernisation agenda. The workforce planning framework is a tool to provide consistency in care delivery across various settings and support the workforce planning decisions that are already in place. Work on General and Specialist Medicine and Surgery has been completed and the HSCB and HSC Trusts are in the process of implementing the framework within the relevant areas. Further work is now underway for Emergency Departments, community nursing and health visiting. It is anticipated that this will eventually be extended to all areas of practice.

- **Recording Care:** A regional record keeping project taken forward in collaboration with the Northern Ireland Practice and Education Council (NIPEC), has progressed the development of a range of resources to improve practice across midwifery and nursing

practice. In addition, a record for use within the acute sector, which has been successfully piloted is ready to be developed into an E nursing record. NIPEC is taking forward work on completing the administration of this project to turn this work into an electronic record. If funding plans are successful, this will ensure that nursing information sits alongside other electronic tools, such as the electronic care record, with the aim of improving how information is shared and reducing duplication.

- **Patient/Client Experience Standards:** There is now recognition that the patient experience is a reliable indicator of the quality of care received by patients/clients. A programme of work to continue to develop the methodology to support the implementation and monitoring of the patient/client experience standards remains ongoing in collaboration with the Public Health Agency and the Northern Ireland Practice and Education Council (NIPEC). The provision of compassionate, dignified and high quality care delivered across all services will continue to be measured through this work and where deficits are identified, actions will be implemented to address any deficiency.

- **Key Performance Indicators (KPIs):** The regional project to develop Key Performance Indicators for Nursing is being undertaken in collaboration with the PHA and Northern Ireland Practice and Education Council. A range of Indicators have been identified to measure and demonstrate improvements in quality and safety outcomes for people who use health care. The prevention and management of 'Falls' and 'Pressure Ulcers' have already been identified as a priority for inclusion in the Departmental suite of Indicators of Performance. Baseline data on occurrence is being collated with the aim of setting realistic targets for improvement in performance in these key areas. Work is now commencing on looking at key indicators around nursing workforce such as absence, vacancy and level of funded posts which will be linked to the implementation of Delivering Care.

- **Introduction of the Family Nurse Partnership Programme to Northern Ireland:** The Family Nurse Partnership model is an intensive preventive programme for vulnerable, first time young parents that begins in early pregnancy and ends when the child reaches 2 years of age. Three sites have now been successfully introduced to Northern Ireland in the Western, Belfast and Southern Trusts. The Programme is detailed as a milestone within the Departmental Business Plan and as a target for 2014-15 within the Commissioning Plan Direction.

- **Midwife Led Units:** In addition to the continued success of the free standing Midwife Led Units at Downpatrick and Lagan Valley Hospital, another unit at the Mater Hospital site within the Belfast Trust opened at the end of April 2013. Since then, over 140 babies have been born at the unit.

- **Regional Bereavement Care pathway following pregnancy loss, stillbirth or neonatal death:** The Department is currently working with NIPEC, other HSC organisations and lay representatives to undertake a significant review of the current regional care plan. In addition to revised guidance regional care pathways, a regional training programme will be developed for health professionals to go alongside the launch, which is scheduled for the Autumn 2014.

- **Learning Disability Nursing:** 'Strengthening the Commitment', the report of the UK Modernising Learning Disabilities Nursing Review commissioned by the four Chief Nursing Officers to consider, review and shape the future of the Learning Disability Nursing Profession, was launched in April 2012. During 2013-14, an action plan for Northern Ireland has been developed and will be launched for implementation during the summer of 2014.

- Direct referral to **Physiotherapy Services** – Work is ongoing with the PHA to undertake a pilot in the South Eastern HSC Trust, and pending results of that exercise, there are plans to roll it out regionally to all physiotherapy service by March 2015.

- **AHP prescribing:** During 2013-14, existing legislation was amended to underpin the introduction of Independent Prescribing for Physiotherapists and Podiatrists. The Department now plans to amend and develop existing guidance, with corresponding training commissioned to facilitate the introduction of this initiative across NI in 2014-15.

Mental Health, Disability and Adult Social Care

- The Department is progressing appropriate policy and legislation to improve outcomes for people living with disabilities, including mental health, learning and physical disability, and sensory impairment. In addition, it manages policy relating to the care of older people, primarily from a social care perspective. It also has responsibility for policy in relation to domestic and sexual violence, working in collaboration with the Department of Justice.

- During the previous financial year, the Department published an Action Plan 2012-15 as part of **Delivering the Bamford Vision**. This Plan took account of progress on the previous 2009-11 Plan, lessons learnt and evidence of best practice. The Action Plan 2012-15 is being implemented, and is monitored bi-annually by an Inter Departmental Senior Officials Group and by the Ministerial Group for Mental Health and Learning Disability.

- The implementation of "**Child and Adolescent Mental Health Services: A Service Model**", which sets out a regional stepped care model of the delivery of Child and Adolescent Mental Health Services (CAMHs) was led by the HSCB and the HSC Trusts during 2013-14. The approach focuses on the promotion of consistency and expansion of CAMHS services to support early intervention and collaborative working across health and social care, community and voluntary, education and youth justice sectors. This represents a revision to a multi disciplinary approach to the facilitation of CAMHS to the target population.

- In terms of **Resettlement,** progress continues to integrate long-stay patients from mental health and learning disability hospitals into the community. The aim is to ensure that people who do not require to be in hospital for either assessment or treatment can live in the community with appropriate care and support. While considerable challenges remain in this area, work is ongoing to complete the resettlement of the target group by the end of March 2015 and to reduce delayed discharges from hospitals.

- The Department leads, on behalf of the NI Executive, on the production of a **Mental Capacity Bill** for introduction to the Assembly in early 2015. This Bill will introduce a new statutory framework governing all decision making in relation to the care, treatment or personal welfare of a person aged 16 or over who lacks capacity to make a specific decision for themselves. The Mental Health (NI) Order 1986 will therefore be revoked by the Bill when enacted, in respect of persons aged 16 and over. The Department of Justice leads on applying this framework to those subject to the criminal justice system. Additionally, it is proposed that a separate project to consider the issue of emerging capacity in children, in relation to health and welfare (including justice related) issues should be taken forward in the next Assembly mandate, in the context of a wider Children (NI) Order 1995 review. Pending the outcome of that review, the Mental Health Order will be retained as a temporary measure for under 16s who require compulsory assessment/treatment of mental disorder. That Order will be amended to strengthen the protections it already contains, drawing where appropriate on those available in the draft Bill for children aged 16 and over subject to the same intervention. Stakeholders have been fully engaged in this work but maintain the position that the draft Bill should apply to under 16s. A related project, to provide for a Code of Practice, subordinate legislation and training, is also under way.

- As required by the Autism Act (Northern Ireland) 2011, the Department led on the development of a cross-Departmental **Autism Strategy (2013-2020)** and Action Plan (2013-2016) during 2013-14, which was approved by the Executive in November 2013 and launched for publication in January 2014. The Strategy and initial Action Plan, which resulted from cross-sectoral collaborative working involving all twelve government departments, the community and voluntary sector and most importantly people with autism, their families and carers, aims to improve access to services and support for people with autism, their families and carers throughout their lives and raise awareness about autism.

- A new **Regional Sexual Assault and Referral Centre** (SARC) was completed in 2012-13 and a staged opening of this new facility commenced in May 2013 with PSNI referrals and opened to third party and self-referrals in September 2013. This facility called "the Rowan" is located on, but separate from, the Antrim Area Hospital site. This centre is part of the Programme for Government commitment to improve outcomes for children and adults who are victims of sexual violence.

- Work commenced in the previous financial year on development of a new **Cross Departmental joint domestic and sexual violence and abuse strategy**, which was launched for public consultation in January 2014. The Strategy is being developed in collaboration with the Department of Justice and includes input from other government departments and those community and voluntary sectors that work with and represent victims of both domestic and sexual violence. The aim of the Strategy is to stop domestic and sexual violence and where that is not possible provide support and advice for victims and hold perpetrators to account. The consultation ended in April 2014. Work on the consultation report and the completion of the revised Strategy will be taken forward during 2014-15.

- **Physical and Sensory Disability:** The Department's Physical and Sensory Disability Strategy and Action Plan 2012-15 was published in February 2012 and is currently being implemented by the HSCB in partnership with other Government Departments, HSC Trusts, representatives from the voluntary and community sector and service users. The Strategy and Action Plan aim to improve outcomes, services and support for people in NI who have a physical, communication and/or sensory disability.

- **Reform of Adult Care and Support:** The Department is currently taking forward a three-stage process of reform to establish the future direction and funding of care and support in Northern Ireland. Stage 1 is a six month consultation on the discussion document "Who Cares? The Future of Adult Care and Support in NI", which concluded in March 2013. It focused on raising awareness of how the current system of care and support works, highlighting issues relating to the future of care and support, and building consensus on the need to change the system. A consultation report analysing the responses and summarising the comments made was published in August 2013.

  The Department is currently taking forward the second stage of the reform process, which will see the development of proposals for reform, taking into consideration the issues raised during the stage 1 consultation. These proposals will extend to both changes to the type of support that should be available and how those services are funded.

- **Adult Safeguarding:** Work continues on developing an overarching policy framework for adult safeguarding in Northern Ireland in collaboration with the Department of Justice. This will provide guidance to all those working with adults at risk from harm or abuse, whether in the public, private, statutory or voluntary sector, on roles and responsibilities in relation to adult safeguarding. It will provide an overarching framework for adult protection services, and give guidance on the process to be followed once a referral is received. The Department intends to publish the finalised policy by December 2014 following a public consultation.

Family and Children's Policy

- **Safeguarding Legislation:** The Department continues to implement The Safeguarding Vulnerable Groups (Northern Ireland) Order 2007, which makes provision for Enhanced Disclosure Certificates with Barred List Checks to be carried out on those people seeking to engage in certain paid or voluntary work with children and/or adults known as 'regulated activity'.

  In March 2014, the Department of Justice introduced a filtering scheme, allowing old and minor convictions and criminal information to be filtered from all Standard or Enhanced Disclosure Certificates. This scheme implemented recommendations made by Ms S Mason, the Independent Advisor for Criminality Information in England and Wales in her report "A Managed Approach" published in August 2011.

  The Department is also working closely with the Department of Justice ahead of the introduction of the AccessNI update service in 2015, which will allow disclosure certificates to be portable, removing the need to re-apply for each position held. It will

also allow employers to check online if an applicant's disclosure certificate is up to date. Part of this preparation involves introducing revised definitions of "working with children" and "working with adults", and the Department is liaising closely with colleagues in GB to progress legislative changes ahead of 2015.

- **Looked After Children:** The Department continues to support the development of initiatives from the Care Matters in Northern Ireland Strategy (2007), which seeks to achieve improvements in the life chances and outcomes of children in care. A range of initiatives have been developed, in conjunction with other Departments and the voluntary sector, which aim to improve support to vulnerable families, give a greater voice to young people in care, improve the educational attainment and employment prospects of care-experienced young people and support for young people leaving care. In 2012, the Department published Minimum Kinship Care Standards; Minimum Standards for Leaving Care Services; and Minimum Standards for Young Adult Supported Accommodation Projects in Northern Ireland. The Department is currently involved in drafting Foster Placement and Agencies Regulations, which will subject independent fostering agencies in Northern Ireland to a system of regulation and inspection by the Regulation and Quality Improvement Authority for the first time. Work on the development of a strategic statement for Looked After Children is also underway.

- **Adoption:** Work is continuing to implement many of the proposals outlined in the Department's adoption strategy, Adopting the Future (2006), which seeks to modernise the framework for adoption. The Department is continuing its work in relation to the development of new adoption legislation for Northern Ireland. Executive approval to the drafting of a Bill was obtained in January 2013 and the Department is aiming to publish the draft Adoption and Children Bill for consultation in July 2014, with a view to introducing the Bill in the Assembly in early 2015. Ongoing consultation continues in order to secure agreement to those policy proposals that are cross-cutting with other Departments.

- **Child Protection:** In recognition of the need for a comprehensive, co-ordinated and consistent approach to safeguarding and promoting the welfare of children and young people, the independent Safeguarding Board for Northern Ireland (SBNI) was established in September 2012. The SBNI is a multi-disciplinary, inter-agency body and is the main statutory mechanism for agreeing how members co-operate to deliver safeguarding within Northern Ireland, and for ensuring the effectiveness of what they do to safeguard and promote the welfare of children, which includes sexual abuse.

  The Department is currently revising existing children's safeguarding policy guidance to ensure that it is reflective of changes in legislation, guidance, policies and procedures and changes in service delivery structures since it was published in 2003. It is intended that the revised guidance will provide the overarching policy framework for all relevant Departments, their agencies and other key stakeholders in respect of working together to safeguard children in Northern Ireland. The publication of the children's safeguarding policy guidance is included as a milestone in one of the Programme for Government commitments owned by the Department. It is the Department's intention that this policy

will be issued for a full public consultation during 2014 with the aim of finalising it by March 2015.

It is the Department's intention that Departmental Guidance on 'Safeguarding Children and Young People: Sexual Activity' will be consulted on and published by December 2014. The guidance is intended to assist the HSCB, the PHA and HSC Trusts to safeguard children and young people who may be at risk of significant harm as a result of sexual activity, irrespective of gender or sexual orientation. It should also help to inform the policy and practice guidance of those who have contractual agreements with the HSCB, the PHA or HSC Trusts, as well as that of other public bodies, agencies and practitioners who work with children and young people. The guidance will emphasise the need for early identification of risk of harm linked to engagement in sexual activity by children and young people, the provision of effective protection and/or adequate support where it is required.

Prison Healthcare

Responsibility for healthcare services in NI Prisons transferred to Health and Social Care in April 2008. The decision to transfer responsibility was taken on the back of a similar process in England and Wales, concerns over the professional isolation of services in prisons and a recognition that services were not being delivered to the standard experienced by the wider community.

The Owers Report on Prison Reform (2011), contained a series of recommendations for the reform of prisons in Northern Ireland, ten of which specifically relate to prisoner healthcare. A Prison Reform Oversight Group chaired by the Minister for Justice was established to oversee the implementation process.

In terms of governance, there are quarterly, joint strategic meetings between the Northern Ireland Prison Service (NIPS) and the South Eastern Trust (SET), the Health and Social Care Board and the Public Health Agency and the Department. An operational Board meets bi monthly to discuss operational issues. The Department also attends a monthly Prison Health Service meeting which includes HSCB commissioners and NIPS representatives and SET meets monthly with each of the Governors of the three prisons to discuss issues in a local health forum. Governance arrangements through SET structures facilitate a two-way flow of information down to operational level and back up to the Strategic Board as appropriate.

A Scoping Document to guide the development of a joint Healthcare and Criminal Justice Strategy was signed off by both Ministers on 3rd September 2013 and a Strategy Steering Group was set up and meets on a regular basis. A workshop was held on 20th January 2014 to consolidate understanding of existing health and social care provision for this population and produce a comprehensive picture of gaps in provision and to begin to identify strategic priorities. A stakeholder engagement event on offender healthcare was held on 10th March as a key mechanism to engage with a wide range of stakeholders and interested parties as part of the pre-consultation phase of the work. The overall plan anticipates a joint draft strategy document and action plan for public consultation in June 2014 with a final strategy being produced by March 2015.

A range of other developments have taken place in pursuance of the Owers recommendations, including:

- A system of annual health needs assessments has been introduced in the SET to capture the health needs of prisoners;
- All healthcare staff have been transferred to the SET, are part of the governance structure and are being managed in line with SET policies and procedures;
- A dataset specifically on substance misuse has been agreed between the SET and the PHA and information will be captured within the overall Health Needs Assessment;
- A clinical audit for benzodiazepines has been completed, a baseline has been established and an action plan is being implemented by the SET; and
- The SET has developed a process whereby the key worker in any complex case will initiate and co-ordinate a discharge.

The major focus in this area for 2014-15 will be the continued development of a draft joint healthcare criminal justice strategy for public consultation in the summer of 2014, with a final strategy anticipated to be in place by March 2015.

eHealth

A key objective during the year has been the development of international networks with a view to promoting collaboration, sharing of best practice and the creation of partnerships with other regions. The aim has been to facilitate learning from others' areas of best practice in the sphere of health and social care; to share our own expertise; and to position Northern Ireland to maximise future EU funding opportunities such as those arising from Horizon 2020.

The Department and the HSC have been active participants in the European Innovation Partnership on Active and Health Ageing (EIP-AHA), to establish Northern Ireland's standing in Europe in delivering integrated health and social care services. The EIP-AHA has been established by the European Commission in recognition of the challenges facing all European countries in terms of demographic change and ageing. Its aim is to identify and remove existing barriers to innovation across the health and care delivery chain, through inter-disciplinary and cross-sector approaches. The overall aim of the Partnership is to increase by two the average number of healthy life years in the EU by 2020.

Along with the HSC the Department has been working alongside other European regions in a number of Action Groups associated with the EIP-AHA across a range of areas including falls prevention, medicines adherence, integrated care, and telemonitoring. In July 2013 the Department was awarded 3 Star EIP-AHA Reference Site status; one of 13 Reference Site regions across Europe to achieve the top level of achievement awarded, with the Integrated Medicines Management project (see above) recognised as an example of 3 star good practice. Building on this, in November 2013 and with the agreement of the European Commission, the Department established the EIP-AHA Reference Site Collaborative Network (RSCN). The RSCN is aimed at maximising the potential for learning and sharing expertise between the Reference Sites which will inform better policy and strategy development and improve service delivery, developing evidence bases to support alternative models of care delivery including the use of technology solutions, informing European Commission EIP Reference Site policy, and facilitating the formation of partnerships to respond to EU funding calls.

As well as partnership with EU regions, the Department has benefited from working with health leaders in the USA. The Minister has signed a Memorandum of Understanding with the Health Department of New York State committing to a programme of collaborative work between the two regions in the field of eHealth innovation.

Emergency Preparedness and Response

The Department has a responsibility to provide advice and guidance on health and social care related matters to the emergency preparedness structures within Northern Ireland. In 2013-14, the Department contributed to the following key initiatives:

- In response to severe weather events, for a time this Department led the multi-agency response to the spring blizzard at the end of March 2013. It was also on stand-by, with plans well advanced by HSC organisations and NIFRS, to respond to a potential coastal flooding incident in January 2014.

- As part of the preparedness for major events during 2013, the Department engaged in a number of project structures with HSC colleagues and other multi-agency partners to ensure appropriate and proportionate planning arrangements were in place. This included provision of health and social care advice as a component of preparations for the World Police & Fire Games and for visitors attending the All Ireland Fleadh Cheoil and the UK City of Culture events. The Department also issued advice on national infrastructure preparedness for HSC organisations, which included finalised guidance on the establishment of Mass Prophylaxis Centres and decontamination of self-presenters at hospitals.

- As part of preparation for the G8 Summit in Fermanagh in June 2013, the Department established emergency preparedness project structures within the HSC and NIFRS (across a range of workstreams). The CMO represented the Department at the NI Executive Steering Group overseeing the planning and contributed to the Gateway Review of the project. The Department, HSC and NIFRS delivered an onsite Model of Care for the provision of medical care and fire/rescue services as well as maintaining regular services for the local community with minimal disruption.

- Planning was also undertaken for a number of key events in 2014-15, including the Giro d'Italia and Commonwealth Games Queen's Baton Route during May 2014, to ensure that HSC services operated as required during these major event periods.

Oversight of Arm's Length Bodies

During 2013-14, the Department has continued to develop and embed governance processes to strengthen its oversight of its Arm's Length Bodies (ALBs).

Following the implementation of the new business planning arrangements for ALBs in 2012-13, which required the inclusion of Departmental objectives and targets, the Department has developed and implemented arrangements to monitor the progress of ALBs against objectives and targets. This was a significant step in strengthening the existing arrangements for holding ALBs to account for performance, and the information collected from the monitoring

exercises is used to inform the agenda of the Accountability Officer (Permanent Secretary) sponsored twice yearly accountability meetings with Chief Executives and Chairs of each ALB. A report on ALB performance is now presented to the Departmental Board on a bi-annual basis and the report highlights trends and common themes in performance across all 17 ALBs.

The Board governance self assessment tool introduced by the Department in 2012-13 to enable ALB Boards to assess their strengths and weaknesses and identify gaps in guidance and training or other support they may need to discharge their roles and responsibilities was further developed by the Department in 2013-14 has been completed by all ALBs for the second time.

SECTION 3 – HSC, NIAS AND NIFRS PERFORMANCE

3.1 HSC Performance

There were 40 elements comprising the 28 standards and targets set out in the Commissioning Plan Direction for 2013-14. Progress has been made across a number of areas, including 4 and 12 Hour A&E Standards, Episodes of CDiff infections, NICE approved specialist drug therapies, Delivery of Telecare Monitored Patient Days and completion of Care Need Assessments.

However, notable areas where performance in 2013-14 has not been strong are: Elective Care Waiting Times, Cancer Care Services, Inpatient treatment for hip fractures, referral to commencement of AHP treatment and Admissions and Discharges from a hospital setting.

Unscheduled Care Standards

From April 2013, 95% of patients attending any Type 1, 2 or 3 A&E Department are either treated and discharged home, or admitted, within 4 hours of their arrival in the department; and no patient attending any emergency department should wait longer than 12 hours.

4 Hour Performance:-

- *In Type 1 EDs in March 2014, 70.5% of patients attending were either treated and discharged home, or admitted, within 4 hours of their arrival. This compares to 66.5% in March 2013;*
- *In Type 2 EDs in March 2014, 87.0% of patients attending were either treated and discharged home, or admitted, within 4 hours of their arrival. This compares to 82.9% in March 2013; and*
- *In Type 3 EDs in March 2013, 100.0% of patients attending were either treated and discharged home, or admitted, within 4 hours of their arrival. Same as in March 2013.*

12 Hour Performance:-

- *In Type 1 EDs during March 2014, 410 patients attending waited longer than 12 hours before being either treated and discharged home, or admitted. This compares to1,017 patients waiting longer than 12 hours during March 2013;*
- *In Type 2 departments in March 2014, no patients attending waited longer than 12 hours before being either treated and discharged home, or admitted. This compares to 56 patients waiting longer than 12 hours during March 2013; and*
- *In Type 3 departments in March 2014, no patients attending waited longer than 12 hours before being either treated and discharged home, or admitted. This is the same level of performance as March 2013.*

Healthcare Acquired infections (C Diff) Target

By March 2014, secure a further reduction of 23% in C Diff infection and MRSA bloodstream infection compared to 2012-13:

- *During 2013-14, there were 62 MRSA episodes, 16 more than the target for this period; and*

- *During 2013-14, there were 301 C-diff episodes, 14 fewer than the target number of episodes for this period.*

Specialist Drugs Standards

From April 2013, no patient should wait longer than 3 months to commence NICE approved specialist therapies for rheumatoid arthritis, psoriatic arthritis or ankylosing spondylitis

- *Data for March 2014 shows that no patients were waiting longer than three months for specialist therapies for rheumatoid arthritis, psoriatic arthritis or ankylosing spondylitis.*

From April 2013, no patient should wait longer than 9 months to commence NICE approved specialist therapies for psoriasis, decreasing to 3 months by September 2013.

- *Data for March 2014 reports that 15 patients were waiting to commence specialist drug therapy for psoriasis, with none waiting more than three months.*

Provision of remote Telemonitoring services Target

By March 2014, deliver 720,000 Telecare Monitored Patient Days (equivalent to approximately 2,100 patients) including those provided through the Telemonitoring NI contract.

- *At the end of March 2014, a total of 780,090 Telecare Monitored Patient Days had been delivered through the provision of the Telemonitoring NI contract. This exceeded the end of year target by 8%.*

Care Management Assessments Standard

From April 2013, people with continuing care needs wait no longer than 5 weeks for assessment to be completed and have the main components of their care needs met within a further 8 weeks.

- *At the 31st March 14, 99% of people with continuing care needs had their assessment completed within five weeks and 100% had the main components of their care needs met within a further eight weeks.*

Outpatients Standards

From April 2013, at least 70% of patients wait no longer than nine weeks for their first outpatient appointment, increasing to 80% by March 2014.

- *At the end of March 2014, 39,768 (31.3% of the total waiting) patients were waiting more than nine weeks for their first outpatient appointment.*

From April 2013, no patient will be waiting longer than 18 weeks, decreasing to 15 weeks by March 2014 for their first outpatient appointment.

- *The number of patients waiting more than 15 weeks for their first outpatient appointment at the end of March 2014 was 19,173(15.1% of the total number waiting).*

Diagnostic Standard

From April 2013, no patient waits longer than nine weeks for a diagnostic test.

- *During March 2014, 90.6% (10,133) of urgent tests were reported on within 2 days.*

Inpatients Standards

From April 2013, at least 70% of inpatients and daycases are treated within 13 weeks, increasing to 80% by March 2014.

- *At the end of March 2014, 16,356 (33.1% of the total number waiting) patients were waiting more than 13 weeks.*

From April 2013, no patient will be waiting longer than 30 weeks, decreasing to 26 weeks by March 2014.

- *There were 4,312 patients waiting longer than 26 weeks at the 31st March 2014 for inpatient / daycase treatment.*

Cancer Services Standard

From April 2013, ensure that 95% of patients urgently referred with a suspected cancer begin their first definitive treatment within 62 days.

- *Provisional data for March 2014 indicates that 78.4% (214) of patients were treated within 62 days of an urgent referral for suspect cancer being received.*

Hip Fractures Standard

From April 2013, 95% of patients, where clinically appropriate, wait no longer than 48 hours for inpatient treatment for hip fractures.

- *During March 2014, 87.4% of patients, where clinically appropriate, waited no longer than 48 hours for inpatient treatment.*

Commencement of AHP Treatment Standard

From April 2013, no patient waits longer than nine weeks from referral to commencement of AHP treatment.

- *At the end of March 2014, 4,319 patients had been waiting longer than nine weeks from referral to commence AHP treatment. This represented a 1% decrease from the previous month (4,366) but was five times higher than in April 2013 (860).*

Admissions and Discharges Standards

From April 2013, ensure that 99% of all learning and disability and mental health discharges take place within 7 days of the patient being assessed as medically fit for discharge, with no discharge taking more than 28 days.

- *During March 2014, 95.5% of mental health inpatients were discharged within 7 days of being assessed medically fit for discharge;*

- *During March 2014, 87.5% of learning disability patients were discharged within 7 days of being assessed medically fit for discharge; and*

- *During March 2014, 10 of the 425 mental health and 2 of the 16 learning disability patients discharged waited longer than 28 to be discharged.*

From April 2013, 90% of complex discharges from an acute hospital take place within 48 hours.

- *During March 2014, 79.1% of complex discharges took place within 48 hours.*

From April 2013, no complex discharge from an acute hospital takes more than 7 days.

- *During March 2014, 102 discharges took longer than the agreed 7 days.*

From April 2013, all non-complex discharges from an acute hospital take place within 6 hours.

- *During March 2014, 95.5% of non-complex discharges took place within 48 hours.*

Performance Management going into 2014-15

*The priorities and targets detailed in the Commissioning Plan Direction for 2014-15 are comp*lemented by a number of indicators of performance set out in a separate *Indicators of Performance Direction* for 2014-15.

An annual *Indicators of Performance Direction was introduced* to ensure the Health and Social Care sector has a core set of indicators in place, based on common definitions across the sector, which enable us to track trends and performance. The HSCB, PHA and Trusts monitor the trends in performance against indicators, taking early and appropriate action to address any variations in unit costs or performance or deteriorating trends in order to ensure achievement of the Ministerial targets.

HSCB implements a comprehensive framework for performance management and service improvement which monitors performance against relevant objectives, targets and standards and provides appropriate assurance to the Department and the Minister about their

achievement. Poor performance will be addressed promptly and effectively through intervention and, where necessary, the application of sanctions. An integral part of these arrangements will be the identification and promulgation of best practice to promote consistent service improvement across the HSC.

In addition to formal twice yearly accountability and assurance meetings the Department holds monthly performance meetings with the HSCB during which HSCB is asked to provide detailed explanations for under performance and actions it is taking or proposing to address this.

3.2 Northern Ireland Ambulance Service (NIAS) Performance

NIAS has worked hard over the year to improve its response to Category A life-threatening 999 Emergency Calls. Regrettably, NIAS has not been able to regain previous high levels of performance. During 2013-14, due to the pressures on the unscheduled healthcare system in general and ambulance services in particular, NIAS was able only respond to 67.6% of all Category A calls within 8 minutes (compared to 68.3% in 2012-13).

As in previous years, NIAS responded to more 999 Emergency Calls within 8 minutes. An additional 535 patients received ambulance response within 8 minutes in 2013-14, a 1.5% increase on the previous year. This is set against an overall 2.8% increase in demand for response to Category A calls.

In addition to the increase in activity, Emergency Department congestion is still resulting in ambulance response capacity being impacted. Despite improvement in ambulance turnaround times this year, turnaround times for ambulances at hospitals, and longer journey times as patients are diverted past the nearest hospital are presenting significant issues in relation to Category A performance.

NIAS is working with the whole of the healthcare system to resolve these complex issues to ensure that ambulances are available to provide more timely response and transportation for patients in the community, rather than being delayed at hospital or on their way to hospital. A key initiative in this regard is the appointment of Hospital Ambulance Liaison Officers at RVH, Ulster, Craigavon and Antrim Emergency Departments to assist with patient flow and reduce ambulance turnaround times. This development has been particularly well-received at hospital level and strengthens the interface between ambulance and hospital services.
NIAS continues to make a significant contribution to the ongoing management of acute service change, particularly in relation to emergency department closures both temporary and permanent.

During 2013-14, NIAS completed the development of a Community Resuscitation Strategy for Northern Ireland. This Ministerial initiative offers significant potential to increase effective intervention by the whole community in the provision of early cardiopulmonary resuscitation (CPR) and defibrillation to increase survival rates for out-of-hospital cardiac arrests.

3.3 Northern Ireland Fire & Rescue Service (NIFRS) Performance

During 2013-14, NIFRS received a total of 36,328 emergency calls for help to its Regional Control Centre, which represented a 1.3% reduction in calls received compared to the previous year. Fire crews responded to a total 24,049 emergency incidents across Northern Ireland, representing a 1.1% reduction in mobilisations in year compared with the previous year. NIFRS has a hoax call reduction strategy in place and as a result, the number of hoax calls has been reducing year on year. In 2013-14, the number of hoax calls reduced by a further 2.9% to 1,901 (compared to 1,957 in 2012-13).

Attacks on firefighters decreased by 33.7% in 2013-14, representing 60 less attacks on firefighters than 2012-13. However, one attack is one too many and NIFRS continues to work with the community, with the aim of ensuring that there are no attacks on firefighters.

Fire crews rescued 182 people from major fires during 2013-14. The number of accidental dwelling fires during 2013-14 increased by 10.7% (898) when compared to the previous year. During 2013-14, Firefighters carried out 9,590 free home fire safety checks, fitted 5,725 smoke alarms and distributed 158,542 fire safety leaflets right across Northern Ireland - targeting and prioritising the most vulnerable people in our community. NIFRS will continue to target and monitor those most at risk from fire through ongoing education and media campaigns.

Fatalities in accidental house fires have been steadily declining over the last few years. Unfortunately eight people in Northern Ireland lost their lives in accidental house fires during 2013-14, which is three fewer than in 2012-13.

Over the past year, there has been a 9% increase in the number of secondary fires (grass, rubbish, wildland, etc) attended by NIFRS: 5,429 in 2013-14 compared to 4,978 in 2012-13. This increase is mainly due to the high level of gorse fires as a result of the prolonged dry spell and high temperatures during the summer of 2013. However, NIFRS has reduced this figure by over 41% over the past 5 years, which is an outcome of its community engagement and public awareness campaigns about the consequences of deliberate fire setting.
Fire crews attended 706 road traffic collisions (RTCs), an 8.8% increase in RTCs attended compared to the previous year. In 2013, 56 people tragically lost their lives on Northern Ireland's roads compared to 48 in 2012. With its road safety partners in the Department of the Environment (DOE) Road Safety and the Police and Ambulance Services, NIFRS worked hard to encourage road users to drive responsibly and to 'Share the Road to Zero' (a campaign aimed towards zero road deaths in Northern Ireland in the year ahead).

Halloween night is traditionally one of the busiest nights of the year for NIFRS. On 31 October 2013, 166 calls were received and 124 incidents attended across Northern Ireland. This is the lowest figure recorded since 1989 and represents a decrease of 7% on incidents attended in the previous year. NIFRS continued to work closely with partner agencies in Health, Police and Justice to raise awareness of the dangers and increase understanding of the legislation around fireworks and sparklers in the run up to Halloween 2013. Six people attended Emergency Departments in 2013 with a firework-related injury, which is eight less than in 2012.

During 2013-14, NIFRS issued two Enforcement Notices and five Prohibition Notices to those premises which repeatedly failed to comply with the required fire safety standards and in the most serious cases of failure to comply, exercised its power as the enforcing agency and carried out prosecutions.

Throughout 2013-14, NIFRS participated in numerous live multi- agency emergency training exercises to help to test operational response, procedures and resilience in various emergency scenarios and to validate procedures for working with other partner agencies to enhance firefighter and public safety.

In May 2013, 22 new trainee firefighters graduated following the successful completion of an intensive 18 week trainee firefighter course. An additional 27 trainees commenced Whole time Firefighter Training in January 2014 and are expected to graduate in May 2014.

In February 2013, NIFRS launched a major recruitment drive for Retained (on call) Firefighters in 37 Fire Stations across Northern Ireland. A high profile marketing and recruitment outreach campaign resulted in a total of 1,649 applications being received for the 77 vacancies. Following the selection process, 65 Retained appointments were confirmed in October 2013.

The World Police and Fire Games (WPFG) were held in Belfast and at venues across Northern Ireland from 1–10 August 2013. After six years of preparation, the third largest international multi-sport event in the world was hailed as the 'best and friendliest Games ever' by the WPFG President. NIFRS had 312 competitors, both serving and retired officers who participated in the Games winning 31 Gold, 75 Silver and 55 Bronze medals for Team NI helping secure 8th place in the overall medal table.

During 2013-14, NIFRS continued to work with Employers for Disability Northern Ireland (EfDNI) in supporting employees and service users with disabilities. A number of employees participated in the 'WorkHear' Programme facilitated by EfDNI and Action on Hearing Loss. This training involved deaf awareness and sign language skills. NIFRS can now accommodate work experience placements for adults with hearing impairments.

NIFRS continued to progress its Capital Investment Programme and progressed work on the new Community Fire Station for Omagh which is due to be completed in 2014. Work has also commenced with the development of a business case to replace two of NIFRS Service Logistics Support Centres. Throughout 2013-14, NIFRS remained committed to the development of the Northern Ireland Community Safety College for the provision of education and training for operational and support staff alongside colleagues in the Police and Prison Services. During 2013-14, over £2.9m was invested in the NIFRS fleet – nine new Fire Appliances, 21 rapid response vehicles, 13 ancillary vehicles and nine Off Road Vehicles were purchased. NIFRS also invested in specialist fire fighting and rescue equipment and in upgrading its ICT infrastructure.

3.4 Future Performance

Key targets for future performance will be a matter for agreement with the Minister for Health, Social Services and Public Safety. They will be focussed on ensuring achievement of strategic objectives in line with available resources.

SECTION 4 – RESOURCES

4.1 Risks and Uncertainties

The Departmental Board is committed to maintaining a sound system of internal governance including comprehensive and effective risk management systems. The Department works within a comprehensive framework for business planning, risk management and assurance. The Department maintains a Departmental Risk Register to record, monitor and report on the management of risk, and the Departmental Board receives formal quarterly reports on the status of Departmental risks, with individual risks considered on an exception basis where necessary.

Twelve principal risks have been identified in relation to the successful discharge of the Department's statutory obligations. These risks reflect the possible high level threats to which the Department must respond in terms of its own business and the agenda it sets for its Arms Length Bodies. The risk descriptions set out below:

- That the potential impact of poor population health and wellbeing on the demand for health and social care services may be exacerbated by an ineffective contribution by the Department to the cross-government priority on improving health and wellbeing in terms of policy, legislation and standards;
- That the commissioning and delivery of good quality health and social care services may be jeopardised by ineffective policy, legislation and standards for clinical and social care governance;
- That the quality of health and social care services may be adversely affected because patients, clients, carers and communities are not appropriately involved in their design, delivery and evaluation;
- That appropriate standards of probity and governance are not maintained because of ineffective internal control and sponsorship of Arms Length Bodies;
- That the Department's statutory responsibilities for Looked After Children, vulnerable adults and children and young people in NI may not be adequately discharged because of inadequate policy, legislation standards, guidance and resourcing;
- That available resources are not sufficient to deliver the strategic objectives for health, social care and public safety and the necessary quality and productivity improvements may not be delivered because of ineffective planning, prioritization and deployment of resources;
- That the necessary quality and productivity improvements for health and social care services may not be delivered because of a lack of innovation;
- That the Department's response to those emergencies for which it is the Lead Government Department may not be adequate to manage the emergency and maintain essential health and social care services;
- That the health and social care workforce may not meet the future requirements of changing service profiles and patient and client needs;
- That core services may not be safe and effective because buildings, equipment, vehicles and ICT are not maintained, refurbished or replaced in line with prevailing standards;
- That the Department's procurement arrangements may not be carried out in line with EU and national law resulting in legal challenge and/or failure to deliver best value for money; and

- That the benefits of the Business Services Transformation Programme, including savings, may not be realized with an adverse impact on patients, clients and services.

4.2 Corporate Governance

The Code of Good Practice on Corporate Governance in Central Government requires the Department to report on its approach to corporate governance and in particular on the role and operation of the Departmental Board.

Board Membership

In 2013-14, the Departmental Board had nine members; including two Independent Board Members (one post was vacant from September 2012 to February 2014). Board Members are listed within the Directors' Report on pages 3 and 4. Executive membership of the Departmental Board is restricted to holders of those posts in acting or actual capacity. Senior management posts are filled in line with and according to NI Civil Service processes and procedures.

Meetings

The Departmental Board meets monthly. Within the overall policies and priorities established by the Minister, the remit of the Board is to:

- Set the Department's standards and values;
- Agree the Department's strategic aims and objectives as set out in the Corporate Business Plan;
- Oversee sound financial management and corporate governance of the Department in the context of the Corporate Business Plan;
- Oversee the allocation and monitoring of the Department's financial and human resources to achieve aims and objectives set out in the Corporate Business Plan;
- Monitor and manage the Department towards the achievement of agreed performance objectives as set out in the Corporate Business Plan;
- Scrutinise the governance and performance of ALBs; and
- Set the Department's 'risk appetite' and ensure appropriate risk management procedures are in place.

Independent Membership

The Departmental Board has two Independent Non Executive Board Members (IBMs). Dr C King was appointed on 25 September 2010 and her appointment will run to September 2016 taking Dr King to the end of her second and final term. The other IBM post was vacant until February 2014, when it was filled by Mr M Little following the outcome of an NICS-wide IBM appointment process.

The IBMs, like all Board members, are fully aware of the need to declare any personal or business interests which may, or may be supposed to, influence their judgement in performing their functions.

Performance

A review of the Departmental Board was carried out in 2013-14 and a report was provided to Board members in February 2014, which included an evaluation of the implementation of the last Board Review in 2010-11. The review took the form of a self-assessment diagnostic questionnaire that gathered evidence under the headings of leadership, strategy and delivery. An overall assessment was made on the level of achievement of best practice and a comparison was made with the 2010-11 findings, with individual responses analysed and the combined comparative report presented for consideration by the Board as a whole.

Departmental Audit and Risk Assurance Committee (DARAC)

The DARAC is a Committee of the Departmental Board, established to support and advise the Board and the Accounting Officer on issues of internal control, governance and assurance. The Committee consists of four members - the Department's two Independent Board Members, (one as Chair), and two external members. These two external audit committee members are employees of other public sector organisations. The Committee met four times in 2013-2014, and the Chair formally reported to the Departmental Board after each meeting.

A review of DARAC took place in 2013-14 and the Terms of Reference were amended accordingly. One of the key changes following the review was an amendment to the title of the Committee from Departmental Audit and Risk Committee (DARC) to Departmental Audit and Risk Assurance Committee (DARAC), re-affirming its non-executive assurance role. This is in line with the updated HMT Audit and Risk Assurance Committee Handbook.

The composition of the Committee is entirely independent of the Department's senior management team. Under its terms of reference, the Committee gives detailed and explicit attention to, and advises the Board and the Accounting Officer on:

- Internal control i.e. the quality of risk management, corporate governance and internal control within the Department;
- Cross-boundary issues affecting the Accounting Officer e.g. in respect of the adequacy of the accountability and assurance arrangements linking him to the Accounting Officers in subordinate bodies; and
- Systems for responding to recommendations made by authoritative external bodies e.g. PAC, the NIAO, and the RQIA.

Each year DARAC conducts a self-assessment against the guidelines issued by the National Audit Office. The findings of the self-assessment are presented to DARAC for action as appropriate. As noted in the 2012-13 Annual Report, the 2013-14 self-assessment will now take place as the second Independent Board Member is now in post.

Relationships with Arm's Length Bodies (ALBs)

The Department has 17 ALBs which collectively comprise the health, social care and public safety system in Northern Ireland.

The Department's stewardship arrangements for its ALBs are reinforced through biannual oversight and liaison meetings which take place between Departmental and ALB representatives. These meetings cover performance against targets; finance issues; policy issues; and corporate governance issues.

The Department's relationships with its ALBs is explained in Annex A and B on pages 160 and 164.

The Department's Legislative Programme

During the Assembly Session for 2012-13, the Department introduced the Registration of Tobacco Retailers Bill**.** The Department progressed this Bill through the Assembly process in 2013-14 and the Tobacco Retailers Bill received Royal Assent in March 2014. The Department also introduced the Health and Social Care (Amendment) Bill during the 2013-14 Assembly Session. This Bill received Royal Assent in April 2014.

The Department intends to introduce a further six Bills during the 2014-15 Assembly Session: Adoption and Children; Mental Capacity (Health, Welfare and Finance); Amendment to Health (Miscellaneous Provisions) Act (NI) 2008; Food Hygiene Rating Bill, Amendment to the Health and Personal Social Services Act (NI) 2001 and Health and Social Care (Processing of Service User Information) Bill.

4.3 Environment and Sustainability

A key activity of the Department in 2013-14 was to continue to progress the strategy on sustainable development aimed at ensuring that all capital development and estates and facilities management functions are undertaken to comply with best practice guidance on sustainability and to meet Departmental responsibilities in relation to estate and facilities management issues associated with the Northern Ireland Sustainable Development Strategy, the Climate Change Act and the Carbon Reduction Commitment. Key initiatives in this area were:

- Continued application of the Health Estates Investment Group (HEIG) Sustainable Development Design Brief to capital projects, including the achievement of Departmental Policy in respect to Building Research Establishment Environmental Assessment Method excellent rating for all new capital development projects;
- The continued application in 2013-14 of a regional initiative for capital investment in carbon emission reduction measures as part of the Capital Investment Programme;
- Continued Departmental participation in the Carbon Reduction Commitment as agreed by the NI Executive;
- Continued Departmental participation in a range of working groups, including the Stormont Estate Transport Working Group; the Health and Climate Change Regional Group, the Inter-Departmental Sustainable Development Group, the Cross Departmental Working Group on Climate Change and the Sustainable Development Champions Group;
- Contribution to the Northern Ireland Climate Change Adaptation Plan; and
- OFMDFM produces a draft method for Departments reporting on key objectives of the Northern Ireland Sustainable Development Implementation Plan, (NISDIP) which includes a key priority area of ensuring the existence of a policy environment which

supports the overall advancement of sustainable development in and beyond Government. The Department's ALBs were required to provide details on how they support the Departmental commitments in the NISDIP, using the OFMDFM draft method, in the 2013-14 reporting requirements.

In 2014-15, the Department will continue to identify the need to develop, disseminate and oversee the implementation of policies and standards relating to sustainable development and operations on the Health, Social Care and Public Safety Estates.

The Department will continue to monitor the position to determine what action is required in this area.

Asset Management

A key requirement for the Department in 2013-14 was to implement the actions contained in the Executive approved Asset Management Strategy, which is aimed at reducing the net cost of service delivery through the efficient use of public assets and to promote effective asset management processes that unlock value. Key initiatives in this area included:

- Continued application of Departmental asset management related policy and guidance;
- Completion of the Department's annual Property Asset Management Plan; and
- Completion of the Department's annual State of the Estate report.

Since the implementation of these initiatives, asset management processes have improved. For example, there has been a reduction in the number of underperforming property assets, and the Department's annual disposal target for the HSC has been delivered (circa £1m) and associated revenue savings achieved.

4.4 Employee and Community Matters

Health and Safety

The Department discharges its responsibilities under the Health and Safety at Work (NI) Order 1978 and other relevant legislation, and works to ensure the health, safety and welfare of its employees. All staff are kept up-to-date with the latest developments in health and safety standards, and compliance with these standards is assessed through an ongoing audit programme. Three health and safety audits were carried out in 2013-14. Annual refresher training was delivered to the Department's first aiders in October 2013. Four staff had an accident at work during 2013-14, which was the same amount as the previous year. There were approximately 18 specialist assessments carried out during 2013-14, including: ergonomic assessments; temperature, humidity, CO^2 levels; and lighting surveys.

Training and Development

In line with its Learning and Development Strategy and Plan, the Department provided a wide range of development opportunities for staff during 2013-14. With regard to formal training courses, a total of 1,226 days training were undertaken by staff - this comprised 662 days external training and 564 days provided by the Centre for Applied Learning. In addition,

opportunities provided in-house included National Vocational Qualifications in Business and Administration and Microsoft Office Specialist IT programmes.

Other development opportunities available to staff included an inter-Departmental Mentoring Programme with four other NICS Departments (DCAL, DETI, DFP and OFMDFM) and a series of eight seminars and visits designed to improve understanding and knowledge of the broader work of the Department. A range of interchange opportunities were also taken up by staff. The Department continues to offer opportunities for staff to participate in volunteering challenges which benefit the local community. Assistance was granted to six staff to pursue academic qualifications which are relevant to business needs.

Equality and Human Rights

The Department has continued to build on previous work to meet its statutory obligations as set out under section 75 of the Northern Ireland Act 1998 and on maintaining and protecting human rights in accordance with the Human Rights Act 1998.

Implementation of the Department's new Equality Scheme has been completed. Actions during 2013-14 included the issuing of quarterly reports to consultees make them aware of the outcome of completed equality screenings and current and planned consultations; the inclusion of completed equality screenings and Equality Impact Assessments (EQIAs) on the Department's website; a consultation exercise on the outcomes of all equality screenings completed in 2012-13; and, the submission of an annual progress report for 2012-13 to the Equality Commission.

The Department also remains committed to the fulfilment of the two disability duties, set out in Section 49A of the Disability Discrimination Act (DDA) 1995 and has continued to implement the actions set out in its Disability Action Plan. In accordance with a commitment in the Plan the Department has carried out a 5 year review and this will be used to inform the development of a new plan for the period 2015-19.

Ethnic diversity in the population

The Department, working with Health and Social Care representatives, has developed guidance on Health and Social Care ethnic monitoring. This incorporates the Guidance for Monitoring Racial Equality issued by the Office of the First Minister and Deputy First Minister in 2011 and facilitates linkages with the 2011 Census.

The guidance has been issued to the Health and Social Care Board, which is leading a project to improve ethnic monitoring on Health and Social Care systems. During 2013-14, work commenced on the roll out of ethnic monitoring on the following systems: the Child Health System; the Community Systems - Social Services Client Administration and Retrieval Environment, and Regional Sure Start Database; and the Hospital Systems – Patient administration System (inpatients), A&E systems and Northern Ireland Maternity System.

Workplace Health Improvement Programme (WHIP)

The Department recognises that improving the health of a workforce is good for both the individuals and the employer. To that end, all staff have access to a comprehensive range of health improvement initiatives during working hours. An action plan is developed each year with an aim to maintain and improve the health of Departmental staff by providing information, advice and practical programmes to help staff adopt a healthier lifestyle and to promote and encourage wider participation in healthier lifestyle and activities.

Examples of the wide range of initiatives include cardiac risk assessments, smoking cessation and weightwatcher programmes, information on the benefits of healthy nutrition and exercise, and walking programmes where staff are given free pedometers to record information. The impact of these interventions is positive. In the last two NICS surveys, staff within DHSSPS have consistently shown a higher awareness of good health practices and in many categories show lower poor-health practices than the rest of the NICS e.g. only 15% of DHSSPS staff smoke compared to 20% in the rest of the NICS and 24.5% in the national average.

Staff

The Department directly employs some 570 (WTE) staff as at 31 March 2014. The NI Fire and Rescue Service employs some 2,235 people and around 65,500 people work in the Health and Social Care sector (excluding 'bank/as and when required' staff, career breaks and Board members).

The Department is committed to supporting the development and management of its staff so that they can effectively contribute to the achievement of Departmental and personal objectives.

The table below shows estimated absence figures for 2013-14 and also for 2012-13 for comparison purposes based on whole time equivalent (WTE) staff numbers. This shows an increase of 94 days lost to the Department and an increase of 0.5 average working days lost per person. An action plan aimed at reducing absence levels was agreed during the year and is currently being implemented.

Financial Year	Average Total number of staff	Total days lost	Average working days lost per person	Absence rate
2013-14	570 WTE	5,062	9.3	4.2%
2012-13	589 WTE	4,968	8.8	4.0%

The following tables detail the breakdown of staff gender within DHSSPS, this analysis is on headcount:

Staff Gender Breakdown within DHSSPS 2013-14 all grades	
Female	344
Male	304

Staff Gender Breakdown within DHSSPS 2013-14 Senior Management (excl. Board Members)	
Female	13
Male	12

Staff Gender Breakdown within DHSSPS 2013-14 Board Members incl. Independant Board Members	
Female	5
Male	4

Equal Opportunities / Disabled Persons

The Department follows the NI Civil Service Equal Opportunity Policy which states that all eligible persons shall have equal opportunity for employment and advancement on the basis of their ability, qualifications and aptitude for the work. The policy aims to foster a culture which encourages every member of staff to develop his or her potential and which rewards achievement.

The Department aims to provide access to the full range of recruitment and career opportunities for all people with disabilities, to establish working conditions which encourage the full participation of disabled people and seek to ensure the retention of existing staff that are affected by disability through rehabilitation, training and reassignment. The Disability Liaison Officer, and the Department's HR Business Partners, work closely with individuals and their line managers to identify and implement appropriate reasonable adjustments.

Employee Involvement

The Department recognises the value of involving staff to assist them in meeting their aspirations and strengthen the organisation's performance. The Department is committed to achieving and maintaining effective communications and ensuring an open and transparent culture. Team briefings for all staff take place on a monthly basis and managers are encouraged to fully involve staff in business planning.

All staff have access to welfare services, Carecall and to Trade Union membership; the Department uses the established Whitley process of staff consultation and meets regularly with Trade Unions on matters of interest. The Whitley Council and Committees provide an agreed forum for discussion which is attended by both employer and trade union representatives. In this way, staff views are represented and information for employees is promulgated.

Off Payroll Engagements

The table below represents the number of staff employed by the Department through off payroll mechanisms as at 1 April 2013. The table also highlights subsequent movements during the financial year to March 2014.

	Number of Staff
Off Payroll staff as at 1 April 2013	11
Changes from 1 April 2013 to 31 March 2014:	**Number of Staff**
Transferred to Payroll	0
New Engagements	3
Assignment Completed	8
Assignment Continuing	6

4.5 Complaints

The Department is committed to providing the highest standard of service to all its customers and aims to get things right first time. The Department did not receive any complaints during 2013-14. If a complaint against the Department is received, any lessons will be shared with other Directors to increase awareness and improve the standard of service.

If members of the public are not entirely satisfied with any aspect of the Department's service, they are advised to inform the Department and the matter will be addressed as quickly as possible. The Department operates an informal and formal process as follows:

- **Informal Procedure –** The Department's aim is to resolve any complaint quickly and any matter of concern should be brought to the attention of the Departmental official with whom members of the public have been interacting with at the earliest opportunity. However, if they are still dissatisfied after this approach, a formal complaint in writing should be submitted.

- **Formal Procedure -** Full details of any complaint should be submitted in writing. The Department will arrange for the complaint to be investigated and aim to provide a full written reply within 20 working days of receipt. If a full reply cannot be given within this timescale, details will be advised as appropriate.

If these steps do not provide a suitable response to the initial complaint the following procedures apply:

- **Formal Procedures – follow up process –** Any follow up to initial complaints should be in writing to the Department's Complaints Officer, providing full details of any complaint and reasons for continuing dissatisfaction. The Complaints Officer will review the matter and respond within 20 working days of receiving the complaint.

- **Subsequent Actions –** Members of the public also have the right to follow up issues through the NI Ombudsman, with the internal procedures not representing a substitute for your right to complain to the Ombudsman's Office.

4.6 Current (Revenue) Expenditure

2013-14 Performance

The net resource outturn for the year is £4,282m, which is within the voted total Estimate cover by some £422m (9.8%). An analysis of the net resource outturn is as follows;

	£'000
Grant in Aid to HSC Bodies	3,718,467
Family Health Service & Commissioning	785,649
Income (Health Service contributions £467m)	(520,876)
Training, Bursaries and further education	35,859
Staff Costs	70,330
Non Cash	14,450
Other direct expenditure	178,435
Total	**4,282,314**

A detailed analysis of Net Resource Outturn against Estimate by function can be found at Note SoAS2 to the accounts on page 101.

The Department's Resource Accounts for 2013-14 have expended more resources than was authorised by the Assembly against Request for Resources B (RfR B) of the Spring Supplementary Estimates (SSEs). This occurred as the grant-in-aid estimate included by the Department in the SSEs for NIFRS was exceeded by £1.161m and there was a further small over spend against the Departmental managed Public Safety budget (£8k).

In overall terms, the Department did not overspend against its total resources authorised in the 2013-14 SSEs, as an under spend within RfR A more than compensated for this overspend. However, as resources are ring-fenced within each section of the Estimates, an under spend in one area cannot be used to offset an over spend in another area. An excess vote against RfR B has therefore been incurred for2013-14.

A summary of variances between Net Resource Outturn and Estimate is contained in the following table:

Variances against Estimate

	Variance £'000	Explanation
A1. Policy Development, Hospital, Community Health and Personal Social Services	75,471	Attributable to a change in the split of resources between direct HSCB and Trust expenditure from when the SSE's were written. SSE's were informed from the December monitoring budget position. The split of resources by the HSCB between direct expenditure and Trust expenditure moved from the time the December monitoring budget was set and the year end.
A2. Family Health Service - General Medical Services	(960)	Due to an increase in General Medical Services outturn for the year from the forecast position used to write the SSE's. This is a demand led service.
A4.Family Health Service – Dental Services	(484)	Due to an increase in General Dental Services outturn for the year from the forecast position used to write the SSE's. This is a demand led service.
A7. Training and Further Education	1,678	Due to a reallocation of resources between direct departmental spend and allocations to arms length bodies for the year from the forecast position used to write the SSE's.
A8. Grants to Voluntary bodies	(4,938)	Due to an increase in grants paid to voluntary bodies from the forecast position used to write the SSE's.
A10. Annually Managed Expenditure	1,804	Movement in provisions lower than forecast position used to prepare the SSE's.
A11. Health and Social Care Trusts	331,982	Due to a reduction in the actual cash drawn down by the Trusts for the year from the forecast position included in the SSE's.
A13.Business Services Organisation	852	Due to a reduction in the actual cash drawn down by the BSO for the year from the forecast position included in the SSE's.
A23. Notional charges	627	Actual notional charges lower than forecast included in SSE's.
B2. Northern Ireland Fire and Rescue Service	(1,161)	Actual cash draw down for the year greater than forecast position primarily due to NIFRS pension cash requirements and provision payments

Further analysis can be found on pages 101 and 102.

The financial year 2013-14 has been a significantly challenging year for the Department. The HSC Trusts reported deficits throughout the year of £13.9m on revenue allocations of £3.424bn, which were attributable to increases in service cost pressures and slippages in their savings plans. In addition, there was also an unprecedented increase in the level of clinical negligence settlements, as the courts accelerated the process of dealing with a backlog of open cases.

Throughout 2013-14, the Department sought to manage these pressures by working closely with all parts of the DHSSPS system in order to secure further opportunities to close the funding gap. In particular, the Trusts were tasked by the Department to develop a range of contingency plan proposals across a broad range of activities. There has also been considerable and ongoing engagement between the Department and senior management at the HSCB and Trusts in order to ensure that all available savings opportunities were identified.

In addition to the contingency measures at the Trusts, all aspects of the Department's budget were examined in order to secure available savings opportunities. The Department has also engaged extensively with the Minister and key stakeholders across the HSC and with DFP in seeking to resolve the financial challenges. The Department fully participated in the Executive's In-Year Monitoring Round processes and was successful in securing additional in-year funding, which was used to mitigate the above pressures.

Despite these measures, the Department reported at Provisional Outturn an overspend of £13m against the cash element of the 2013-14 Resource DEL budget control total – this was partially offset by a small underspend on non-cash budgets to give a net overspend of £11.7m. Whilst the majority of the Department's ALBs were successful in securing financial breakeven, four of the HSC Trusts (South Eastern, Southern, Northern and Western) reported overspends against their allocated Revenue Resource Limit.

Future Financing Implications of Current Economic Climate

For 2014-15, the costs of health and social care continue to increase in Northern Ireland and across the UK, reflecting demography pressures and the opportunities provided by new drugs and treatments. In that context, a considerable financial challenge remains for DHSSPS, with some £160m of additional resources estimated to be required in order to secure financial breakeven, assuming that the fundamental policies underpinning the HSC system are continued. Financial deficits are projected in the five main HSC Trusts due to front line service pressures in a range of areas such as unscheduled care, elective care, nursing levels, specialist services, mental health, learning disability and childcare.

The scale of the financial challenge facing the health and social care system would indicate that the Executive will either have to choose to make a number of material changes in fundamental policy in respect of HSC services and/or provide significant additional resources to DHSSPS. In addition, the level of all financial risks to both current and capital expenditure plans will be kept under continual review in order to ensure that plans are amended as necessary to best manage these risks.

4.7 HSC Capital Investment

The current capital budget over the four year period 2011-12 to 2014-15 amounts to £1,034.5m, of which £505.9 m is available for 2013-14 and 2014-15. In line with Departmental policy, the current investment programme focuses on the enhancement of primary and community care facilities, which will support the implementation of Transforming Your Care by:

- Providing more treatment and care closer to where people live and work;
- Major upgrading of acute services to facilitate more effective hospital services;
- Estate upgrading to address key infrastructural risks;
- Investment in mental health and learning disability facilities; and
- Investment in emergency services, ICT and technology.

The following projects were completed in 2013-14:

- Gransha Mental Health Crisis Unit;
- Antrim A&E and 24 Bed Ward;
- Sexual Assault Referral Centre;
- New Endoscopy Unit at Altnagelvin;
- Craigavon Area Hospital Low Voltage Project;
- Enabling works to Ulster Hospital Phase B; and
- Old See House.

The following projects remain ongoing as at 31 March 2014:

- Generic ward block Ulster Phase B;
- Banbridge Health & Care Centre;
- CAH Replacement of Theatres 1 - 4;
- Bluestone Extension;
- South Tyrone Hospital Remedial Works;
- Craigavon Area Hospital High Voltage Electrical Infrastructure;
- Craigavon Area Hospital Mechanical Infrastructure;
- Craigavon Area Hospital Replacement MRI;
- Ballymena Health & Care Centre;
- Ballee Childrens Home;
- Antrim Area Hospital Neo-Natal;
- NHSCT Adult Orthodontics;
- Construction of New Critical Building at RGH;
- RGH Maternity New Build - in design/enabling work on site;
- Mental Health Inpatient Unit – in design;
- Children's MRI Scanner– in design;
- RGH Catheter Labs– in design;
- Duke of Connaught– design team appointment / briefing;
- RGH Children's Hospital– design team appointment / briefing;
- Omagh Hospital;

- Altnagelvin Radiotherapy;
- Altnagelvin 5.1 – North Block Ward Accommodation/Treatment Wing; Refurbishment;
- Replacement of Omagh Fire Station;
- Ballymena Ambulance Station – at tender stage; and
- Enniskillen Ambulance Station –design team appointment / briefing.

In addition, investment was provided for the following key areas:

- £8.2m investment in the Northern Ireland Fire and Rescue Service, including investment in fleet, equipment, mobile data system and estate;
- £3.8m investment in the Northern Ireland Ambulance Service including fleet, estate and equipment; and
- £35.2m investment in information technology.

The level of all financial risks to capital expenditure plans will be kept under continuing review in order to ensure that plans are amended as necessary to best manage these risks.

EU structural funds

After negotiations with the Department for Enterprise, Trade and Investment, the Department secured a commitment of up to £12.5m in EU funding, to be matched by a further £12.5m from the Department's capital programme. This EU funding has been directed towards the following schemes:

- Carbon Emissions Reduction Initiative (CERI) schemes to reduce the Health estates carbon footprint and reduce energy bills;
- ICT Infrastructure specifically aimed at new telephone systems and broadband networks;
- Research and Development equipment to progress important medical research;
- Promoting Energy Efficiency which is converting to more efficient energy saving boilers; and
- Urban Clean Transport to purchase vehicles that comply with EU Emissions.

Deeds of Safeguard

The Department is a party to the Deed of Safeguard for the following PFI/PPP agreements;

- Altnagelvin Laboratories and Pharmacy (April 2005) (Altnagelvin is now within the Western HSC Trust);
- The Royal Group of Hospitals Managed Equipment Service (December 2005) (RGH is now within the Belfast HSC Trust); and
- South Western Hospital at Enniskillen (Western HSC Trust).

Under the terms of the Deed of Safeguard, the Department will, in the event of Trust insolvency or inability to meet its obligations, excluding succession by another body, is obliged to fulfil the Trust's obligations under the agreement. This falls to be measured following the requirements of IAS 39 and has been measured at zero.

4.8 Reconciliation of Resource Expenditure between Budgets, Estimates and Accounts

	2013-14	2012-13
	£'000	£'000
Net Resource Requirement	**4,282,314**	**4,340,199**
Adjustments to exclude:		
Consolidated Fund Extra Receipts (CFER's)	(30)	(1,312)
Net Operating Cost	**4,282,284**	**4,338,887**
Adjustments to remove:		
Capital Grant	(5,200)	
Voted income outside the budget	467,111	485,606
Grants in Aid payable to NDPBs	(3,707,941)	(3,769,905)
Adjustments to include:		
Resource Consumption of NDPBs	3,650,112	3,593,847
Total Budget Outturn	**4,686,366**	**4,648,435**
of which		
Departmental Expenditure Limits (DEL)	4,646,488	4,489,465
Annually Managed Expenditure (AME)	39,878	158,970

Dr A McCormick
Accounting Officer
27th June 2014

REMUNERATION REPORT

1. Remuneration Policy

The remuneration of senior civil servants is set by the Minister for Finance and Personnel. The Minister approved a restructured SCS pay settlement broadly in line with the Senior Salaries Review Board report, which he commissioned in 2010 and approved during September 2012. The commitment to a Pay and Grading Review for SCS was the second phase of the equal pay settlement approved by the Executive.

2. Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org

Details of the two Non-Executive members of the Board employment contracts are as follows;

- Dr C King was appointed an Independent Non-Executive Director from 25 September 2010, initially for a period 3 years to 24 September 2013, which has been extended to September 2016. Non Executive members of the Board cannot be retained for a period exceeding 6 years.

- Mr M Little was appointed an Independent Non-Executive Director during February 2014 for an initial period of 3 years.

3. Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the Ministers and most senior management of the department.

Remuneration (audited)

Ministers	2013-14				2012-13			
	Salary	Benefits in kind	Pension Benefits**	Total	Salary	Benefits in kind	Pension Benefits**	Total
	£	(to nearest £100)	(to nearest £1000)	(to nearest £1000)	£	(to nearest £100)	(to nearest £1000)	(to nearest £1000)
Mr E Poots	38,000	-	22,000	60,000	37,801	-	13,000	51,000

***The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.*

Officials	2013-14				2012-13			
	Salary	Benefits in kind	Pension Benefits**	Total	Salary	Benefits in kind	Pension Benefits**	Total
	Salary £000	(to nearest £100)	(to nearest £1000)	£000	Salary £000	(to nearest £100)	(to nearest £1000)	£000
Dr A McCormick Permanent Secretary	115 to 120	-	25,000	140 to 145	110 to 115	-	68,000	180 to 185
Mr J Cole Deputy Secretary, Health Estates Investment Group (left the Board July 2013)	30 to 35 (90 to 95 WTE)	-	(47,000)	(15 to 20)	90 to 95	-	11,000	100 to 105
Mrs C Daly Deputy Secretary, Healthcare Policy Group	80 to 85	-	6,000	85 to 90	80 to 85	-	65,000	145 - 150
Mr S Holland Deputy Secretary, Social Care Policy Group	80 to 85	-	18,000	100 to 105	80 to 85	-	66,000	150 to 155
Mrs C McArdle Chief Nursing Officer (joined the Board April 2013) Note 2	85 to 90	-	67,000	150 to 155	N/A	-	N/A	N/A
Dr M McBride Chief Medical Officer Note 1	205 to 210	-	21,000	225 to 230	205 to 210	-	(4,000)	200 to 205
Mr B Smyth Health Estates Investment Group Representative (October 2013 to March 2014) Note 3	60 to 65	-	3,000	65 to 70	N/A	-	N/A	N/A

Remuneration (audited) continued

Officials	2013-14				2012-13			
	Salary Salary £000	Benefits in kind (to nearest £100)	Pension Benefits** (to nearest £1000)	Total £000	Salary Salary £000	Benefits in kind (to nearest £100)	Pension Benefits** (to nearest £1000)	Total £000
Mr M Spence Health Estates Investment Group Representative (August 2013 to October 2013) Note 3	60 to 65	-	(8,000)	55 to 60	N/A	-	N/A	N/A
Mr H Thompson Health Estates Investment Group Representative (July 2013 to August 2013) Note 3	60 to 65	-	(5,000)	55 to 60	N/A	-	N/A	N/A
Mrs J Thompson Deputy Secretary, Resources and Performance Management Group	95 to 100	-	72,000	165 to 170	95 to 100	-	65,000	160 to 165
Dr C King Independent Non-Executive Board Member Note 4	10 to 15	-	-	10 to 15	10 to 15	-	-	10 to 15
Mr M Little Independent Non-Executive Board Member Note 5	0 to 5	-	-	0 to 5	N/A	-	-	N/A

***The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.*

Ratio of Highest Paid Director to Median Staff Salary (audited)

	2013-14	2012-13
Band of Highest Paid Director's Total Remuneration (£000)	205 to 210	205 to 210
Median Total Remuneration	£28,789	£28,433
Ratio	**7.2**	**7.3**

Notes to the above table of senior management remuneration

1) Dr M McBride is seconded to the Department from the Belfast HSC Trust and took up his post on 11 September 2006.

2) Mrs C McArdle is seconded to the Department from the South Eastern Trust and took up her post April 2013.

3) Each of Mr B Smyth, Mr M Spence and Mr H Thompson served as part of the senior management team during 2013-14 following the retirement of Mr J Cole.

4) Dr C King was appointed as an Independent Non-Executive Director on 25 September 2010. Dr King is not an employee of the Department and her remuneration is non-pensionable.

5) Mr M Little was appointed as an Independent Non-Executive Director during February 2014. Mr M Little is not an employee of the Department and his remuneration is non-pensionable.

4. Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

The Department of Health, Social Services and Public Safety was under the direction and control of NI Assembly Minister Mr. E Poots during the financial year. His salary and allowances were paid by the Northern Ireland Assembly and have been included as a notional cost in this resource account. These amounts do not include costs relating to the Minister's role as MLA which are disclosed elsewhere.

5. Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. There were no benefits in kind to Board members during 2013-14.

6. Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. There were no bonus payments to Board members in 2013-14.

7. Ministers Pension Benefits (audited)

Ministers	Accrued pension at age 65 as at 31/3/14	Real increase in pension at age 65	CETV at 31/3/14	CETV at 31/03/13	Real increase in CETV*
	£'000	£'000	£'000	£'000	£'000
Mr E Poots	5 to 10	0 to 2.5	73	54	12

** The Real Increase in CETV compares the actual CETV at the end of the period with what the CETV would have been at the end of the period had the member not accrued any pension in the year. The CETV would have increased during the year due to the member being a year older, and due to the annual pension increase, but these are not included in the "Real Increase" figure. Also, the member's own contributions are deducted, to give the Real Increase funded by the employer.*

8. Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2012 (AMPS). The scheme is made under s48 of the Northern Ireland Act 1998. As Ministers will be Members of the Legislative Assembly they may also accrue an MLA's pension under the AMPS (details of which are not included in this report). The pension arrangements for Ministers provide benefits on a "contribution factor" basis which takes account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as a Member for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate ($1/50^{th}$ or $1/40^{th}$) multiplied by the cumulative contribution factors and the relevant final salary as a Member.

Benefits for Ministers are payable at the same time as MLA's benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Ministers pay contributions of either 7% or 12.5% of their Ministerial salary, depending on the accrual rate. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. This is currently 21.6% of the Ministerial salary.

The accrued pension quoted is the pension the Minister is entitled to receive when they reach 65 or immediately on ceasing to be an active member of the scheme if they are already 65.

9. The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values)

(Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

10. The real increase in the value of the CETV

This is the increase in accrued pension due to the Department's contributions to the AMPS, and excludes increases due to inflation and contributions paid by the Minister and is calculated using common market valuation factors for the start and end of the period.

11. Board Members Pension Benefits (Audited)

Officials	Accrued pension at age 60 as at 31/3/14 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/14	CETV at 31/3/13	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Dr A McCormick *Permanent Secretary*	55 to 60 and lump sum 100 to 105	0 to 2.5 and lump sum (0 to 2.5)	1,135	1,045	20
Mr J Cole *Deputy Secretary, Health Estates Investment Group (left the Board July 2013)*	40 to 45 and lump sum 170 to 175	(2.5 to 5) and lump sum 40 to 42.5	956	967	(21)
Mrs C Daly *Deputy Secretary, Health Care Policy Group*	35 to 40 and lump sum 105 to 110	0 to 2.5 and lump sum 0 to 2.5	741	691	5
Mr S Holland *Deputy Secretary, Social Care Policy Group*	10 to 15 and lump sum 0	0 to 2.5 and lump sum 0	199	171	12
Dr M McBride *Chief Medical Officer*	65 to 70 and lump sum 195 to 200	0 to 2.5 and lump sum 5 to 7.5	1,234	1,146	34
Mrs C McArdle *Chief Nursing Officer (joined the Board April 2013)*	20 to 25 and lump sum 70 to 75	2.5 to 5 and lump sum 10 to 12.5	374	306	53
Mr B Smyth *Health Estates Investment Group Representative (October 2013 to March 2014)*	25 to 30 and lump sum 75 to 80	0 to 2.5 and lump sum 0 to 2.5	515	503	2
Mr M Spence *Health Estates Investment Group Representative (August 2013 to October 2013)*	25 to 30 and lump sum 75 to 80	0 to 2.5 and lump sum 0 to 2.5	560	539	(2)
Mr H Thompson *Health Estates Investment Group Representative (July 2013 to August 2014)*	20 to 25 and lump sum 60 to 65	0 to 2.5 and lump sum 0 to 2.5	456	447	2
Mrs J Thompson *Deputy Secretary, Resources and Performance Management Group*	25 to 30 and lump sum 0	2.5 to 5 and lump sum 0	381	311	44

Non Executive members pension details

Dr C King and Mr M Little who served during the year as non-executive members of the Board are not employees of the Department and their remuneration is non-pensionable.

12. Employer Contributions to Partnership payment account.

There were no employer contributions to Partnership payment accounts.

13. Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. From April 2011 pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Consumer Prices Index (CPI). Prior to 2011, pensions were increased in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with increases in the CPI. For 2014, public service pensions will be increased by 2.7% for pensions which began before 8 April 2013. Pensions which began after 8 April 2013 will be increased proportionately.

Employee contributions are determined by the level of pensionable earnings. The employee contribution rates for the 2014-15 year are as follows:

Members of **classic**:

Annual pensionable earnings (full-time equivalent basis)	2014 contribution rate before tax relief
Up to £15,000	1.50%
£15,001-£21,000	3.00%
£21,001-£30,000	4.48%
£30,001-£50,000	5.27%
£50,001-£60,000	6.06%
Over £60,000	6.85%

Members of **premium, nuvos** and **classic plus**:

Annual pensionable earnings (full-time equivalent basis)	2014 contribution rate before tax relief
Up to £15,000	3.50%
£15,001-£21,000	5.00%
£21,001-£30,000	6.48%
£30,001-£50,000	7.27%
£50,001-£60,000	8.06%
Over £60,000	8.85%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic, premium**, and **classic plus** and 65 for members of **nuvos**. Further details about the CSP arrangements can be found at the website www.dfpni.gov.uk/civilservicepensions-ni

14. Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

15. Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

16. Compensation for loss of office

None of the Board members received compensation for loss of office in 2013-14.

The DHSSPS is the sponsoring Department for the Northern Ireland Fire and Rescue Service (NIFRS). In this sponsoring role, the Department made a settlement payment of £120,000 to a former employee of NIFRS.

Dr A McCormick
Accounting Officer
27th June 2014

STATEMENT OF PRINCIPAL ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (NI) 2001, the Department of Finance and Personnel has directed the Department of Health, Social Services and Public Safety to prepare, for each financial year, consolidated Resource Accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department, Health and Social Care Board and the Public Health Agency during the year.

The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Department and the Departmental Group, and of its net resource outturn, resources applied to objectives, changes in taxpayer's equity and cash flows for the financial year.
In preparing the accounts the Principal Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular, to:

- ensure that the Department has in place appropriate and reliable systems and procedures to carry out the consolidation process;

- observe the Accounts Direction issued by the Department of Finance and Personnel, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;

- make judgements and estimates on a reasonable basis, including those judgements involved in consolidating the accounting information provided by the Health and Social Care Board and Public Health Agency;

- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and

- prepare the accounts on a going-concern basis.

The Department of Finance and Personnel has appointed the Permanent Head of the Department as the Accounting Officer of the Department of Health, Social Services and Public Safety.

The Accounting Officer of the department has also appointed the Chief Executives of its sponsored non-departmental and other arms length public bodies as Accounting Officers of those bodies. The Accounting Officer of the department is responsible for ensuring that appropriate systems and controls are in place to ensure that any grants that the department makes to its sponsored bodies are applied for the purposes intended and that such expenditure and the other income and expenditure of the sponsored bodies are properly accounted for, for the purposes of consolidation within the resource accounts. Under their terms of appointment, the Accounting Officers of the sponsored bodies are accountable for the use, including the regularity and propriety, of the grants received and the other income and expenditure of the sponsored bodies.

The responsibilities of an Accounting Officer, including the responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets are set out in the Accounting Officers' Memorandum issued by the Department of Finance and Personnel and published in Managing Public Money Northern Ireland.

GOVERNANCE STATEMENT

Introduction

This statement is given in respect of the Departmental Resource Accounts for 2013-14. It outlines the Department's governance framework for directing and controlling its functions and how assurance is provided to support me in my role as Accounting Officer for the Department of Health, Social Services and Public Safety. As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the Department's policies, aims and objectives. I also have responsibility for safeguarding the public funds and Departmental assets in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

The following statement, whilst primarily focusing on the Department, incorporates issues within its Arm's Length Bodies (ALBs) which deliver services directly to the public. The ALBs use their own governance structures developed in line with MPMNI, Departmental and other requirements and guidance. Each ALB publishes its own individual governance statement within their published annual report and accounts. ALB Boards have corporate responsibility for ensuring that their respective organisations fulfil their statutory responsibilities, aims and objectives set by the Department/Minister, including promoting the efficient, economic and effective use of staff and other resources.

As Principal Accounting Officer, I have a duty to satisfy myself that all ALBs have adequate governance systems and procedures in place to promote the effective, efficient conduct of their business and to safeguard financial propriety and regularity.

Corporate governance in central government departments: Code of Good Practice 2013

The Department applies the principles of good practice in the Code and continues to further strengthen its governance arrangements. The Department does this by undertaking continuous assessment of its compliance in line with the Corporate Governance Code.

Governance Framework

In my role as Accounting Officer, I function with the support of the Departmental Board (the Board). This includes highlighting to the Board specific business implications or risks and, where appropriate, the measures that could be employed to manage these risks or implications. I am also required to combine my Accounting Officer role with my responsibilities to the Minister, which includes providing advice on the allocation of Departmental resources and the setting of appropriate financial and non-financial performance targets for ALBs.

Departmental Board

The Departmental Board (the Board) represents the collective and strategic leadership within the Department, in conjunction with the experience and contribution of two Independent Board Members. The Board supports me as Accounting Officer in directing the

business of the Department as effectively as possible to achieve the objectives and priorities set by the Minister. The Board has a key role in overseeing the sound financial management and corporate governance of the Department and closely monitors the Department's progress in the achievement of key objectives and priorities set out in the Departmental Business Plan, including Programme for Government commitments.

The Board also ensures that appropriate risk management procedures are in place within the Department, it also scrutinises the governance and performance of ALBs based on an assurance and accountability framework.

The strategic aims, policies and strategies for the Department are set by the Minister. The role of the Departmental Board is to support me, as the Accounting Officer, in establishing the necessary governance and assurance mechanisms to ensure effective and efficient delivery of the Minister's priorities and other statutory functions of the Department. In line with best practice, the operational procedures of the Departmental Board are kept under continuous review and a more detailed evaluation is conducted every two years. A review of the Departmental Board was conducted in 2013-14 (see details below).

Executive Board Members 2013-14	
Dr A McCormick	Permanent Secretary
Dr M McBride	Chief Medical Officer
Mrs J Thompson	Deputy Secretary, Resources and Performance Management Group and Senior Finance Director
Mrs C Daly	Deputy Secretary, Health Care Policy Group
Mr S Holland	Deputy Secretary, Social Care Policy Group
Mrs C McArdle	Chief Nursing Officer (joined the Board April 2013)
Mr J Cole	Deputy Secretary, Health Estates Investment Group (left the Board July 2013)
Mr B Smyth	Health Estates Investment Group Representative (October 2013 to March 2014)
Mr M Spence	Health Estates Investment Group Representative (August 2013 to October 2013)
Mr H Thompson	Health Estates Investment Group Representative (July 2013 to August 2013)
Independent Board Members 2013-14	
Dr C King	Independent Board Member
Mr M Little	Joined the Board February 2014

Independent Board Members (IBMs) provide support, guidance and challenge to the Departmental Board. The Department had one IBM with the remaining post being vacant for the majority of 2013-14, with the positioned IBM chairing the Departmental Audit and Risk Assurance Committee. The vacant IBM position was filled in February 2014. As Accounting Officer, I have regular meetings with the IBMs and carry out annual performance assessments.

Board Performance

A review of the Departmental Board was carried out in 2013-14 and a report was provided to Board members in February 2014, which included an evaluation of the implementation of the last Board Review in 2010-11. The review took the form of a self-assessment diagnostic questionnaire that gathered evidence under the headings of leadership, strategy and delivery. An overall assessment was made on the level of achievement of best practice and a comparison was made with the 2010-11 findings, with individual responses analysed and the combined comparative report presented for consideration by the Board as a whole. The outcome is still under review.

Management Information

The Board reviews regular reports from Directorates to challenge performance against Departmental targets. These reports have been the subject of considerable refinement over recent years and are continually revised to allow them to identify and respond to emerging challenges.

In June 2012, the Board agreed a new Framework for Business Planning, Risk Management and Assurance. The Framework provides a clear and common understanding of business planning, risk management and assurance processes in the Department, along with associated guidance. The Framework has been rolled out over the past year and will continue to be refined as the implementation and embedding process progresses.

The performance of ALBs has been subject to a process of continual review. The requirements of ALB Governance within the Department have evolved to ensure that the accountability review process is more balanced in terms of governance and performance. Submission and acceptability of Board level information and reports is subject to challenge. The Board has recently asked for specific improvements to the ALB performance reporting regime, also the monthly Board report has been subject to a continuous programme of development and improvement throughout 2013-14.

Quality of Information

The Board receives a range of management information about matters such as Finance, Human Resources, the Departmental Business Plan, the Departmental Risk Register, Governance and Performance of ALBs, to assist it in discharging its role. Regular formal reviews of the operation of the Board include the quality of information provided to it. During 2013-14 this was also reviewed in the context of the '2013 Code of Good Practice for Corporate Governance in Central Government Departments'. In addition, Board members, collectively and individually, keep the quality of reported information under continuous review and seek enhancements as necessary to support the Board and its committees.

Departmental Audit and Risk Assurance Committee (DARAC)

DARAC Members 2013-14	
Dr C King	IBM and Chair of DARAC
Mr M Little	IBM and DARAC Member (joined February 2014)
Mrs J Pyper	Chief Executive Utility Regulator
Mr T Connolly	Finance Director Department of Education

The Departmental Audit and Risk Assurance Committee (DARAC) is a Committee of the Departmental Board and meets four times per year. The Committee comprises four members, each of whom is independent of Departmental management.

The DARAC gives detailed attention to internal governance issues, including the quality of risk management and corporate governance within the Department, as well as cross-boundary issues affecting my role as the Accounting Officer. For example, in respect of the adequacy of the arrangements by which I hold ALB Accounting Officers to account for the performance and governance of their organisations. Systems for responding to recommendations made by authoritative external bodies, including the Public Accounts Committee (PAC), NI Audit Office (NIAO), and the Regulation and Quality Improvement Authority (RQIA), are also examined. The DARAC advises the Board and me as Accounting Officer on its conclusions and recommendations with regard to identified governance weaknesses.

A review of DARAC took place in 2013-14 and the Terms of Reference were amended accordingly. One of the key changes following the review was an amendment to the title of the Committee from Departmental Audit and Risk Committee (DARC) to Departmental Audit and Risk Assurance Committee (DARAC), re-affirming its non-executive assurance role. This is in line with the updated Her Majesty's Treasury (HMT) Audit and Risk Assurance Committee Handbook.

Each year, the DARAC conducts a self-assessment against the guidelines issued by the National Audit Office. The findings of the self-assessment are presented to DARAC for action as appropriate. As noted in the 2012-13 Governance Statement, the self-assessment for 2013-14 will now take place, as the second Independent Board Member is now in post.

DARAC - Responsibilities and Performance

In line with best practice set out in the HMT Audit and Risk Assurance Committee Handbook, the Chair of DARAC sets an agreed core programme of work for each of its quarterly meetings, which includes:

- Scrutiny of the Departmental accounts;
- Consideration of internal audit strategy;
- Review of internal and external audit findings; and
- Monitoring of residual audit recommendations.

The Department provides regular reports to DARAC on risk management and assurance in the Department and accountability and assurance for its ALBs. In addition, DARAC considers and comments on individual issues of internal governance and their implications for wider governance arrangements.

The DARAC has considered the Departmental Resource Accounts for 2013-14 and on the basis of evidence presented, recommended the accounts to the Departmental Accounting Officer for approval.

Top Management Group

As Accounting Officer, I am supported by my Top Management Group which comprises the Executive Board Members. It provides a weekly forum for the consideration and endorsement of corporate business and handling of emerging issues.

Strategic Planning Group

In my role as Accounting Officer and Chief Executive of the Health and Social Care Sector (HSC), I chair a quarterly Strategic Planning Group that is tasked with ensuring that the transformation of health and social care in Northern Ireland is delivered within a planned and managed strategic integrated framework and within the budget available. Membership of the Strategic Planning Group includes the Chief Executives of the Health and Social Care Board (HSCB), Public Health Agency (PHA) and Business Services Organisation (BSO).

The Strategic Planning Group contributes to the development and implementation of a strategic commissioning agenda for Health and Social Care in Northern Ireland. It facilitates greater coherence in setting and communicating strategic priorities and provides a forum for early identification of emerging issues of significant public, political and media interest.

Departmental Framework for Business Planning, Risk Management and Assurance

Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and Ministerial priorities are properly reflected in the management of business at all levels within the Department.

In June 2012, the Board agreed a new Framework for Business Planning, Risk Management and Assurance. The Framework provides a clear and common understanding of business planning, risk management and assurance processes in the Department, along with associated guidance.

Business Planning

In establishing its strategic objectives, the Department takes its lead from the statutory framework governing the functions of the Department and the specific priorities set by the Minister and the Executive, including those outlined in the Programme for Government. The Departmental Business Plan also takes account of the governance arrangements that the Department must put in place for the proper discharge of its responsibilities as a Government

Department and public authority e.g. financial probity, equality, human rights etc. Within a budget period, the existing Departmental Business Plan is rolled forward into a new fiscal year. For a new budget period, a substantive recasting of the plan is required.

The Departmental Board is the custodian of the Departmental Business Plan's affordability and deliverability, with progress against the Departmental Business Plan a standing agenda item for such meetings. This includes formal quarterly written reports in Red, Amber or Green format against each of the milestones in the fiscal year.

It is the responsibility of Executive Board Members to ensure that the Directorates under their control have appropriate plans in place. It is essential that linkages between plans at Departmental and Directorate level are clearly stated. Similarly, there must be a clear connection at all levels between objectives and associated risks. This is evidenced through the risk management, business planning and assurance processes operated within the Department.

Risk Management

Risk management is an organisation-wide responsibility. In the Department, there are two key levels at which the risk management process is formally documented:

- The Departmental Risk Register focuses on the principal risks to the Department's delivery of its statutory responsibilities and strategic objectives; and
- Directorate risk registers focus primarily on the risks to the achievement of Directorate objectives.

Directorate business plans must be directly linked to the delivery of the Departmental Business Plan. Similarly there must be a clear connection at all levels between objectives and associated risks. Formal processes exist to escalate objectives and associated risks from directorate to departmental level subject to the approval of the Departmental Board.

The Departmental Risk Register is reviewed at the beginning of the financial year to update all risks, controls and actions which are maintained in conjunction with the Departmental Business Plan. It is therefore subject to the same Departmental Board reporting arrangements.

Executive Board Members are responsible for ensuring that the directorates under their control have a business plan and fully-linked risk register. I require bi-annual formal written assurances from Executive Board Members and Directors about the proper operation of business planning and risk management within their business areas. Where a risk identified at directorate level becomes unmanageable within the directorate's resources, or where it threatens to impact on Departmental objectives or across directorates, it must be escalated to the Departmental Board and considered for inclusion on the Departmental Risk Register.

The system of internal governance is designed to help manage risk rather than to eliminate it and controls must at all times be commensurate with the nature of the risk. 'Risk appetite' is a common understanding of risk tolerance and the need for escalation across the organisation.

A set of risk assessment criteria have been developed, agreed and applied by those departmental officials involved in the risk assessment process.

The system of internal governance is based on an on-going process to identify and prioritise the risks to the discharge of the Department's statutory responsibilities including the delivery of its strategic objectives. The system also determines the controls and analyses the risks in terms of their impact and likelihood of realisation in conjunction with the controls.

The system of internal governance has been in place in the Department for the year ending 31 March 2014 and up to the date of approval of the Annual Report and Accounts. This accords with Department of Finance and Personnel guidance.

The system of internal governance entails monitoring and reporting on: a) the delivery of Ministerial/Departmental Policy; b) the use of resources (including financial, human, estate and information); c) compliance with statutory requirements; d) statistical and other performance monitoring reports; e) the content of external and internal audit reports; f) serious adverse incident reporting; g) RQIA and other reports prepared by Inspectorial/ Regulatory/Licensing bodies; h) inquiry reports; i) compliance with standards and guidance; j) the discharge of statutory functions; k) corporate governance and, l) business planning arrangements. These are with respect to both the Department itself and its Arm's Length Bodies (ALBs).

The Department operates a robust risk monitoring and management process with respect to internal operations, which are reported within the Information Risk section below.

Additionally, risk monitoring and management processes within the ALBs are monitored by the Department though separate processes, as highlighted in Governance and Accountability within DHSSPS Arm's Length Bodies section below.

Information Risk

Safeguarding the Department's information is a critical aspect of supporting the Department in the delivery of its objectives. Central to achieving this is the effective management of information risk. The arrangements in place to manage this risk include:

- The Assistant Departmental Security Officer (ADSO) regularly reviews Departmental information to ensure that it is appropriately protected;
- A Senior Information Risk Owner (SIRO) and Information Asset Owners (IAOs) are in place to reduce the risk to personal information within the Department;
- Regular reviews and updates of the personal information asset register; and
- IAOs are aware of their responsibilities to ensure that information is securely stored, access-controlled and disposed of appropriately.

Regular mandatory awareness training is delivered to all Departmental staff, providing them with an up-to-date understanding of Information Governance issues and risks.

Restrictions exist to protect access to and disposal of electronic and paper records and the Department has an Information and Records Management Policy Statement underpinning its

records management arrangements. Appropriate guidance, central controls and a disposal schedule process all govern the retention and disposal of Departmental Records.

The Department had no data loss-related incidents in 2013-14.

Governance and Accountability within DHSSPS Arm's Length Bodies

Governance and Accountability can be considered under the following headings:

- ALB Assurance and Accountability;
- Departmental Assurance;
- Controls Assurance Standards;
- Statutory Duty of Quality; and
- Service Frameworks.

ALB Assurance and Accountability

The Department achieves its corporate objectives through direct Departmental action and through its 17 Arm's Length Bodies. The Chief Executives of ALBs (as ALB Accounting Officers) are directly accountable to me (Permanent Secretary of the Department) as Principal Accounting Officer. ALBs through their Boards are held to account for the delivery of their prescribed functions, Ministerial/Departmental priorities and compliance with other statutory responsibilities.

The Department gains assurance about probity in the use of public funds and governance application in the wider sector through an assurance and accountability framework coupled with associated guidance. The framework applies to the 16 Health and Social Care Bodies and to the Northern Ireland Fire and Rescue Service. The guidance and arrangements described within the Assurance and Accountability Framework Document have been developed to meet the responsibilities placed on the Department, under Managing Public Money NI (MPMNI), for the sponsorship of ALBs operating under the control of DHSSPS.

The Framework enables the Department and Minister to be assured that each of the ALBs is delivering on the Programme for Government, Ministerial and statutory responsibilities and Department policy and strategy. In so doing, the Department is also able to give substantive assurances that public funds allocated to its ALBs are being used to deliver the intended objectives.

The Framework details the roles and responsibilities of all Department staff including Executive Board Members and sponsor branches, in addition to informing the format and structure of the biannual accountability meetings with Chairs and Chief Executives of the ALBs. Through its sponsor branches, the Department engages directly with each body, commensurate with the level of risk the body poses to the Department. ALB risks can either be escalated in the Department, through the ALB accountability review meetings undertaken by the sponsors, or highlighted to the Department through the other formal and informal interactions that the sponsors, Executive Board Members and professional staff maintain with ALBs.

Following the implementation of the new business planning arrangements for ALBs in 2012-13, which required the inclusion of Departmental objectives and targets, the Department has developed and implemented arrangements to monitor the progress of ALBs against objectives and targets. This was a significant step in strengthening the existing arrangements for holding ALBs to account for performance. The information collected from the monitoring exercises is used to inform the agenda of the mid-year and end-of-year accountability meetings with Chief Executives and Chairs of each ALB. A report on ALB performance is also presented to the Departmental Board on a bi-annual basis, which highlights trends and common themes in performance across all 17 ALBs.

The bi annual accountability meetings with each ALB are structured to cover all relevant governance issues affecting the organisations and provide an accountability mechanism to support this Governance Statement.

All of the Chief Executives of the Department's 17 ALBs compile a Governance Statement for their Accounts, which have been reviewed on my behalf.

During 2013-14, all of the Chief Executives of the Department's 17 ALBs submitted mid-year assurance statements. These statements supplement the year end Governance Statements by providing in-year assurance on the continuing robustness of each organisation's system of internal governance, including the identification of internal governance matters that have arisen, which were used to inform the Department's programme of accountability meetings with the ALBs.

Departmental assurance

The Department receives much of its assurance through an on-going process of monitoring of each ALB's Corporate Governance, Use of Resources and the Delivery and Quality of Services. In addition to regular monitoring information derived primarily from management information systems, the Department periodically tests the assurance provided by ALBs by initiating external reviews, audits, inquiries, ad-hoc and self-assessment exercises which are designed to sample aspects of the governance arrangements and performance of each ALBs.

This monitoring is based on assessing the operation and performance of ALBs against standards, guidance and targets; statutory and licensing requirements and Departmental policy and strategy. Three important examples of these are Controls Assurance Standards; the statutory Duty of Quality and Service Frameworks.

Controls Assurance Standards (CAS)

Controls Assurance Standards are a central feature of the HSC-wide system of corporate governance and these also apply to the Northern Ireland Fire and Rescue Service (NIFRS). The standards as a whole cover key areas of organisational risk in the HSC and provide a mechanism for Accounting Officers to demonstrate that they are managing risks in order to meet their objectives and to protect users, staff, the public and other stakeholders against risk of all kinds.

For 2013-14, the compliance level for the three core standards of Governance, Risk Management and Financial Management, together with 18 other standards, has been set at 'substantive' for all ALBs. The Information Governance CAS, previously Records Management, has been extensively reviewed and updated resulting in a revised compliance rate of 'Moderate' for 2013-14. Substantive compliance within the core standards is particularly important as an underpinning of the individual governance statements. Whilst overall, the ALBs performed well against the 2013-14 standards, one of the Department's smaller ALBs achieved moderate compliance in a number of CASs, including Governance; Human Resources and Information Communication Technology. In response to this, an improvement program has been implemented to ensure that compliance is achieved with all standards across the whole organisation. Whilst other opportunities for improvement were also noted across ALBs, these were not related to any particular individual criterion. All such matters will be followed up by policy leads through the formal accountability processes.

Statutory Duty of Quality

The HPSS (Quality, Improvement and Regulation) (NI) Order 2003 places a statutory duty of quality on those organisations for which RQIA has lead responsibility (including HSC organisations).

The RQIA provides independent assurance to the Minister, via the Department, by conducting a rolling programme of planned clinical and social care governance and thematic reviews across a range of subject areas in HSC organisations. The reviews are conducted as part of RQIA's on-going independent assessment of quality, safety and availability of HSC services or may be commissioned by the Department.

The Department has developed a set of 'Quality Standards for Health and Social Care' which are used as a benchmark for the RQIA in its role in inspecting, assessing and publicly reporting on the quality and accessibility of health and social services in Northern Ireland and in making recommendations for improvements to ensure services are up to standard.

Care standards for regulated services across the statutory, voluntary and private sectors have also been developed by the Department. These standards focus on the safety, dignity, wellbeing and quality of life of service users. They are designed to address unacceptable variations in the standards of treatment, care, service provision and to raise the quality of services within the HSC. They are used by RQIA, alongside the requirements stipulated within regulations in making decisions on the regulation of establishments and agencies.

Service Frameworks

The Department is in the process of developing a set of Service Frameworks which set out, at a high level, the type of service that patients and users should expect in addition to outlining Northern Ireland standards and supporting actions - linked to recognised good practice guidance. The Frameworks promote and secure better integration of service delivery along the whole pathway of care from prevention of disease/ill health, diagnosis/treatment, rehabilitation and on to end of life care. These Frameworks are used by HSC organisations in planning and delivering services. Frameworks are being developed for key areas of health and social care.

The Department has completed the following Frameworks:

- Cardiovascular Health and Well-being;
- Respiratory Health and Well-being;
- Cancer Prevention, Treatment and Care;
- Mental Health and Well-being; and,
- Learning Disability.

Central Arm's Length Bodies Governance Unit

Throughout 2013-14, the Central Arm's Length Bodies Governance Unit (CAGU) has been taking forward a programme of work to strengthen the Department's oversight of each of its Arm's Length Bodies (ALBs).

A component of this work has been the continued application of the Department's Assurance and Accountability Framework. The framework, which was developed during 2012-13, applies to the 16 Health and Social Care Bodies and to the Northern Ireland Fire and Rescue Service. The intention of the Framework is to build on and strengthen the arrangements which already exist, in order to ensure that a consistent approach is adopted across the Department regarding the sponsorship of ALBs. A building block of the Framework includes a uniform approach to the format and structure of the Accounting Officer (Permanent Secretary) sponsored bi-annual accountability meetings with Chief Executives and Chairs of each ALB. The agendas for these meetings reflect the roles which Chairs and their Boards discharge and are uniformly structured for all ALB accountability meetings.

Following the implementation of the new business planning arrangements for ALBs in 2012-13, which required having a Business Plan approved and in place by 1 April of the year to which it relates. In addition to the inclusion of Departmental objectives and targets in ALB Business Plans, the Department has developed and implemented arrangements to monitor the progress of ALBs against objectives and targets. This was a significant step in strengthening the existing arrangements for holding ALBs to account for performance. The information collected from the monitoring exercises is used to inform the agenda of the Accounting Officer (Permanent Secretary) sponsored twice yearly accountability meetings with Chief Executives and Chairs of each ALB. A report on ALB performance is now presented to the Departmental Board on a bi-annual basis and the report highlights trends and common themes in performance across all 17 ALBs.

The Board Governance Self Assessment Tool was introduced by the Department in 2012-13 and further developed by the Department during 2013-14 to enable ALB Boards to assess their strengths and weaknesses. It also assists to identify guidance, training or other support they may need to discharge their roles and responsibilities. The tool has been completed by all ALBs for the second time and has enabled them to develop action plans to address potential weaknesses in their governance arrangements.

Sources of Independent Assurance

The Department obtains independent assurance from the following sources:

- Departmental Internal Audit Group;
- Northern Ireland Audit Office;
- Business Services Organisation Internal Audit; and
- Northern Ireland Fire and Rescue Service (NIFRS) Internal Audit.

Departmental Internal Audit Group (IAG)

The Department's IAG reports directly to the Accounting Officer and provides reports to the Departmental Audit and Risk Assurance Committee. It therefore plays a crucial role in the review of the effectiveness of risk management, controls and governance by:

- Focusing audit activity on the key business risks;
- Being available to guide managers and staff through improvements in internal controls;
- Auditing the application of risk management and control as part of Internal Audit reviews of key systems and processes; and
- Providing advice to management on internal governance implications of proposed and emerging changes.

The Department's IAG operates in accordance with Public Sector Internal Audit Standards. The annual audit plan is derived from an analysis of the Departmental Risk Register. The remit of the IAG includes an assessment of internal financial controls and the wider internal environment which affects the achievement of Departmental objectives. IAG submits regular reports to management and the DARAC, which include the Head of Internal Audit's (HIA) independent opinion on the adequacy and effectiveness of the Department's system of internal control, together with recommendations for improvement.

The HIA has provided satisfactory assurance on the management of risk, control and governance for the period 1 April 2013 to 31 March 2014.

Substantial or satisfactory assurance was recorded for all but three audits carried out during the year. A review of grants to voluntary bodies was given limited assurance on the basis that letters of offer issued were deemed to be inadequate and also due to a lack of evidence that objectives were being monitored effectively. The review of Corporate Business Continuity Planning was also given limited assurance due to most Divisions using outdated templates which omit important information and a lack of testing of plans. The Nursing Directorate review was attributed limited assurance because of a weakness in financial/budget monitoring and a file containing personal sensitive data relating to an individual had inadequate access control.

Internal Audit will follow up on recommendations from all audits and report to the DARAC on a quarterly basis.

Northern Ireland Audit Office

The NIAO provides reasonable assurance that an organisation's financial statements give a true and fair view, have been prepared in accordance with the relevant accounting standards and are in accordance with the guidance issued by relevant authorities. The results of the NIAO's financial audit work are reported to the Northern Ireland Assembly.

The NIAO also seeks to promote better value for money though highlighting and demonstrating ways in which improvements could be made to realise financial savings or reduce costs; safeguard against the risk of fraud, irregularity and impropriety; attain improvements in service provision; support and enhance management, administrative and organisational processes.

During 2013-14, the NIAO did not issue any reports that directly related to the Department or the HSC sector. However, a number of reports were issued in relation to wider NICS issues, including Sickness Absence in the Northern Ireland Public Sector; Account NI: A Review of Public Sector Financial Shared Service Centre; Financial Reporting and Auditing 2013; and Safer Births: using information to improve quality. Whilst no major or significant issues specific to DHSSPS were highlighted in these reports, the Department will act as appropriate on any recommendations relevant to it.

A representative of the Northern Ireland Audit Office (NIAO) attends Departmental Audit and Risk Assurance Committee meetings at which corporate governance and risk management matters are considered.

Business Services Organisation (BSO) Internal Audit and NIFRS Internal Audit

BSO Internal Audit is a centralised service which provides professional assurance in relation to internal audit and specialist advice and guidance to Boards within HSC organisations and Departmental ALBs. Throughout 2013-14, NIFRS operated its own independent Internal Audit function. However, from April 2014, this service will be provided by the BSO's Internal Audit Team under the terms of an agreed Service Level Agreement. The Department reviews the mid and end-year Head of Internal Audit's (HIA) independent opinion, on the adequacy and effectiveness of each of the ALBs' system of internal control, together with recommendations for improvement.

Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal governance. My review of the effectiveness of the system of internal governance is informed by the work of the Department's IAG and the Executive Board Members within the Department, who have responsibility for the development and maintenance of the internal framework. I also consider the comments made by the NIAO in its management letter and other reports. I have been advised by the Departmental Board and the Audit & Risk Assurance Committee on the implications of my review of the effectiveness of the system of internal control, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Internal Governance Divergences

Prior Year Issues

A number of governance matters arising in previous years have now been addressed and no longer represent reportable governance issues for the Department. These include:

Business Services Organisation

The Business Services Organisation (BSO) provides a broad range of regional business support functions and specialist professional services to the Department's ALBs. As the BSO operates on the authority of the HSC Reform Act 2009 (the Reform Act), it is important that such services, and their recipients, should correspond with it. The Department therefore undertook to progress a draft Bill to amend the Reform Act which would give the BSO the legal cover to provide support services to the Department and to all of the Department's ALBs and would also enable the Department to direct the BSO to exercise any new functions of the Department with respect to the administration of health and social care. The draft Bill was introduced and progressed through the Assembly during autumn 2013 and spring 2014 and the Health and Social Care (Amendment) Act (Northern Ireland) 2014 received Royal Assent in April 2014.

NI Fire and Rescue Service – Investigations into Whistle-blowing allegations and Whole Time recruitment campaign

NIFRS has established an Organisational Improvement Committee (OIC) to provide an oversight and challenge role for implementation of the recommendations emanating from the investigation reports into the whole-time recruitment campaign and whistle blowing allegations that were published by the Minister in October 2012 and April 2013. These reports were the subject of a PAC Hearing on 24 April 2013. The final PAC report was published on 16 October 2013 and contained 11 recommendations. DFP accepted responsibility for four of the recommendations, with the remainder falling to the Department and NIFRS.

The OIC meets on a monthly basis and includes a Departmental representative and will remain in place until all the recommendations from the above reports have been implemented. The Department's Internal Audit provides a validation review of those recommendations reported as completed by NIFRS. As at 31 March 2014, 80 of the 109 recommendations from 5 separate reviews had been validated as completed and progress on implementation of the remaining recommendations is continuing. In terms of the PAC's recommendations, the Memorandum of Reply was published in the Assembly 8 January 2014. One recommendation relating to the potential implementation of sanctions was not accepted, due to the staff involved having left the organisation. Two have been implemented and progress continues on the remaining four. Progress is reported as a standing item on quarterly Departmental Assurance and Accountability meetings.

In light of the good progress made by NIFRS in relation to these matters and the ongoing scrutiny by the Department and OIC, they are no longer considered to be significant control divergences for the Department.

NI Fire and Rescue Service – Bonus Payments

The Department has worked with NIFRS and the Department of Finance and Personnel in 2013-14 to regularise a number of bonus payments made to four Principal Uniformed Directors in 2011-12, but which did not receive the required Departmental approval nor were they included in the appropriate pay remit. Formal notification was received from DFP on 25 June 2013 confirming retrospective approval to regularise the award of the bonus payments to these officers.

Procurement – BSO Management of Contracts

The Business Services Organisation's financial statements for 2011-12 were qualified by the Northern Ireland Audit Office on the basis that HSC organisations had incurred expenditure on PaLS contracts which were potentially in breach of the Public Contract Regulations (2006). In response to this, the BSO initiated a full Recovery Plan process in 2012-13 to address the issues concerned. As a result, the BSO's financial statements for 2012-13 received an unqualified opinion from its external auditors. During 2013-14, the BSO largely completed its Recovery Plan of potentially irregular contracts, with the exception of a small number of contracts, the tender processes for which are currently subject to legal challenge. Once these legal challenges have been concluded, it will be possible for BSO to conclude its Recovery Plan. In light of this progress, the DHSSPS Procurement Oversight Group (POG) concluded its oversight role in November 2013. Notwithstanding this, the BSO has established a Procurement Project Group under the chairmanship of the BSO Chief Executive to take forward further ongoing work in this area, including enhanced training for procurement staff, workforce planning for PaLS, monitoring/information systems and governance arrangements.

Food Labelling

During the final quarter of 2012-13, suppliers to the BSO identified issues with a number of fresh and frozen meat products provided through sector level contracts to HSC. Subsequent tests indicated the presence of horse, pig and sheep meat in a small number of products. The BSO implemented an action plan to segregate and return affected produce which had been delivered to the Trusts and suspended further deliveries of the product lines identified as contaminated. Additional measures, such as random DNA testing/analysis and microbiological testing have been implemented with suppliers of the fresh beef products to ensure corrective actions have been undertaken and the results of these have been satisfactory. In addition, assurances were sought before supply re-commenced to HSC organisations. The BSO continues to work with HSC Trusts, Environmental Health and other bodies to ensure the safety of products in the food chain.

NIBTS

The Department became aware of a potential governance issue within the Northern Ireland Blood Transfusion Service (NIBTS) during 2012-13. This matter related to corporate non-operational staff with responsibility for statutory medical oversight and other aspects of NIBTS responsibilities. The Department held a meeting with senior NIBTS management in March 2014, at which arrangements were confirmed which will ensure that the leadership and

governance arrangements at NIBTS are robust going forward. This therefore no longer represents a reportable governance issue for the Department.

A number of the governance matters arising in prior years are still considered to represent internal governance divergences for 2013-14. These include:

Financial Performance

2013-14

At the start of 2013-14, HSC Trusts were reporting a relatively small overall deficit of some £7m in their Trust Delivery Plans, a level that was not considered unreasonable in light of previous years and given the scale of the overall HSC budget. However, during the summer of 2013, the Trusts began to report significant deficits (initially £30m, but subsequently rising to some £62m), which were attributable to increases in cost pressures and slippages in Trusts' savings plans. The most significant additional pressures facing the Trusts were in the areas of Domiciliary Care, Acute Services, Emergency Departments and Children's Services. In addition, there was also an unprecedented increase in the level of clinical negligence settlements in 2013-14 as the courts accelerated the process of dealing with a backlog of open cases. There were also a greater proportion of high value cases settled in 2013-14 compared to previous years.

Throughout 2013-14, the Department sought to manage these pressures by working closely with all parts of the DHSSPS system in order to secure further opportunities to close the funding gap. In particular, the Trusts were tasked by the Department to develop a range of contingency plan proposals across a broad range of activities, aimed at closing the funding gap. As a result of these proposals, the Minister approved a number of contingency measures which were considered to have a limited impact on patient care; including recruitment and overtime moratoriums and constraining other non-essential, non-patient related expenditure (e.g. travel). There has also been considerable and ongoing engagement between the Department and senior management at the HSCB and Trusts in order to ensure that all available opportunities for savings were identified.

In addition to the contingency measures at the Trusts, all aspects of the Department's budget were examined in order to secure available savings opportunities. This process was wide-ranging and included: imposing budget reductions across the Department's Arms Length Bodies; exerting downward pressure and constraining expenditure within the Department's centrally managed programme budgets; imposing strict control on Departmental vacancies in order to manage the Department's Running Costs; identifying the potential for a managed slippage of services, without impacting on patient and client care; and seeking to maximise the benefits available from regional opportunities, particularly within Family Health Services.

The Department has also engaged extensively with the Minister and key stakeholders across the HSC and with DFP in seeking to resolve the financial challenges. In addition, the Department fully participated in the Executive's In-Year Monitoring processes and was successful in securing some £55m of additional non-recurrent revenue funding in 2013-14. I also wrote to the DFP Permanent Secretary on 7 March 2014 to advise him of the anticipated overspend and actions the Department and the HSC have undertaken to address it.

Despite these measures, the Department reported at Provisional Outturn, overspend of £13m against the cash element of the 2013-14 Resource Departmental Expenditure Limit budget control total. This was partially offset by a small underspend on the non-cash budgets, to give a net overspend of £11.7m. Whilst the majority of the Department's ALBs were successful in securing financial breakeven, four of the HSC Trusts (South Eastern, Southern, Northern and Western) reported overspends against their allocated Revenue Resource Limit.

2014-15

For 2014-15, a considerable financial challenge remains for DHSSPS, with some £160m of additional resources estimated to be required in order to secure financial breakeven, assuming that the fundamental policies underpinning the HSC system are continued. Financial deficits are projected in the five main HSC Trusts due to front line service pressures in a range of areas such as unscheduled care, elective care, nursing levels, specialist services, mental health, learning disability and childcare.

This financial gap remains despite an increase of some £90m provided by the Executive for 2014-15 and the projected achievement of savings of £170m. These savings are in addition to the £490m of savings delivered in the three years from 2011-12 to 2013-14, with considerable improvements in performance across a number of key indicators, such as length of stay and day case rates. However, the costs of health and social care continue to increase in Northern Ireland and across the UK, reflecting demography pressures and the opportunities provided by new drugs and treatments.

The scale of the financial challenge facing the health and social care system would indicate that the Executive will either have to choose to make a number of material changes in fundamental policy in respect of HSC services (in relation to access to services, pay, or charging for services) and/or provide significant additional resources to DHSSPS. In addition, the level of all financial risks to both current and capital expenditure plans will be kept under continual review in order to ensure that plans are amended as necessary to best manage these risks. I have also written to the DFP Permanent Secretary in April and June 2014 to advise him of the significant financial challenges facing the Department in 2014-15. The financial position will be kept under close scrutiny as we progress through the 2014-15 In-Year Monitoring Rounds.

Implementation of Transforming Your Care (TYC)

The Minister initially briefed the Northern Ireland Assembly in March 2013 on the outcome of the consultation on the proposals contained in Transforming Your Care; Vision to Action and provided further updates on TYC implementation activities to the NI Assembly throughout 2013-14.

Departmental discussions were held on the reporting requirements of Departmental policy and service leads to provide overview of implementation activity and the provision of informed advice to the Departmental Accounting Officer. It was agreed that existing Departmental Business Planning arrangements, normal policy interactions with the HSCB and use of the normal accountability arrangements would fulfil the overview requirements.

In light of his concerns about the HSC trusts' process for the proposed closure of statutory residential homes, including their engagement with individuals and families, the Minister announced in March 2013 that the process would be centralised at a regional level. In response, the HSC initiated a project "Improving Services for Older People – A New Process for Consulting, Engaging and Implementing Change" to take forward this work. The project is being implemented in three stages (including public consultations) to develop and implement proposals for change to statutory residential care. The public consultation activity of the first phase, production of draft criteria against which statutory residential homes would be assessed by Trusts, was completed in March 2014 and is currently under consideration.

The TYC report highlighted that £70m of transitional funding will be required over the 2012-13 – 2014-15 period in order to deliver the transformational changes required. However, for 2013-14, the Department was not successful in obtaining all the required level of funding through the Monitoring Rounds. The Department was successful in obtaining transitional funding to secure the use of external implementation support to provide skilled resources and expertise to complement the existing HSC internal resources associated with TYC.

The Department continues to review options to mitigate the risk of not securing 2014-15 transitional funding and the HSCB has been reviewing planning assumptions to manage tasks within the funding available.

Childcare: Unallocated Cases

Unallocated cases increased from 240 at the end of March 2013 to 347 at the end of March 2014. The increase in unallocated cases is a correlation of the overall increase in the number of referrals to HSC Trusts throughout 2013-14. HSC Trusts reported that there were no unallocated cases of a child protection nature at the end of March 2014. Factors which have contributed to the increased number of referrals to HSC Trusts include articles pertaining to high profile individuals in the media, access to help lines and increased public awareness.

Whilst the Department continued to monitor this on a monthly basis, the continued existence of a waiting list of cases requiring assignment to a social worker within the child and family intervention teams still has the potential to pose a risk to children, including the potential to compromise the ability of Trusts to discharge their statutory responsibilities. The primary means of minimising this risk is to screen cases to ensure that any child protection risk is immediately addressed, resulting in no cases of a child protection nature being outstanding at the end of the period. The continued roll out of Family Support Hubs will afford greater opportunity for appropriate signposting to support services for all families at an early stage.

The number of unallocated cases continues to represent a significant control issue at a local level, which remains unacceptably high within the context of significant growing demand for child and family services. In that context, the Department, through the Children's Service Improvement Board, has applied significant effort to this area by agreeing and applying a methodology for reducing the number of outstanding cases with individual HSC Trusts, including ensuring that improvement plans are in place with individual HSC Trusts.

Historic Abuse of Children and Vulnerable Adults: Retrospective Sampling

During 2008-09, at the request of the Department, the HSC Trusts conducted a sampling exercise across adults' and children's files from all Mental Health (MH) and Learning Disability (LD) hospitals across Northern Ireland (covering the period 1985-2005). The aim of this exercise was to seek an assurance that appropriate procedures were in place to prevent abuse of children and vulnerable adults, and that any such incidents of abuse identified were dealt with properly and effectively. When the professional advisers and policy colleagues examined how this exercise had been carried out, they concluded that Trusts' approaches and coverage had been inconsistent in many ways, and therefore the Department could not have confidence in the outcomes.

At the request of the Chief Social Services Officer, a Strategic Management Group (SMG) co-chaired by the HSCB and the PSNI, was established in March 2012. The remit of the SMG was to review the 2008-09 exercise and identify concerns or issues arising from the reports into Lissue and Forster Green Hospitals and from the wider review of MH and LD hospitals, and consider the action taken at the time. All cases in which abuse was suspected would be referred to PSNI for criminal investigation. The SMG was asked initially to focus on Lissue and Forster Green.

The final SMG report into the review of the retrospective sampling exercise was received by the Department on 17 December 2013. With the exception of one case, the SMG report provided assurance to the Department that, where incidents of alleged abuse were noted in the retrospective sampling reports, that: any issues or concerns in relation to individuals who were able to be identified through the files have been actioned appropriately; any criminal concerns or issues have been referred to the PSNI; and any Human Resources and regulatory issues have been taken forward by the appropriate Trust or employer.

Departmental officials met with the relevant HSCB officials on 10 March 2014 to discuss the content of the SMG report and the way forward. Further clarification and assurance has been sought from the HSCB on a number of issues, together with confirmation that any concerns identified which were outside the scope of this exercise are being handled properly (including that any patients identified who may pose a risk to others are being managed and cared for appropriately).

Regional Oral Medicine Service

On 7 February 2011, the then Minister announced an Independent Dental Inquiry into the recall of 117 patients attending the regional oral medicine service at the Belfast Trust. The Inquiry, under the chairmanship of Mr Brian Fee QC, reported to Minister in June 2011, making 45 recommendations. On 22 July 2013 the Minister published the Inquiry's report and the DHSSPS'Action Plan in Response to the Dental Hospital Inquiry'. The Department is currently monitoring the implementation of the Action Plan, in conjunction with the Health and Social Care Board, Public Health Agency, Belfast Health and Social Care Trust and the Queen's University Belfast. Good progress has been made to date and the Minister has asked the RQIA to review the implementation of those recommendations related to patient safety and governance. The RQIA's report is expected during the summer of 2014.

The consultation on the Review of Consultant-led Hospital Dental Services has closed and the Secondary Care Directorate expects to be publishing the consultation report during 2014. The publication has been delayed due to resource constraints within the Department. The Review makes 10 recommendations including proposed new models for the provision of high quality and sustainable Consultant-led Hospital Dental Services, to meet the needs of the population across Northern Ireland.

Elective Care

Demand for elective care has continued to increase across a number of key areas. Whilst the majority of patients are being seen within the expected waiting times, the Minister's targets were not fully met during 2013/14. On a regional basis, the target that no patient should be waiting longer than 18 weeks (reducing to 15 weeks by March 2014) for outpatients and 30 weeks (reducing to 26 weeks by March 2014) for inpatient or day case treatment was not met for the quarter ended 31 March 2014. At the end of March 2014, 19,173 patients were waiting longer than 15 weeks for outpatient services and 4,312 patients were waiting longer than 26 weeks for inpatient/day cases.

The HSCB continues to monitor demand and capacity in all elective specialties and has provided additional funding to HSC Trusts during 2013-14 to undertake additional activity – both in-house and in the independent sector. In parallel, the HSCB is making targeted recurrent investments to expand health service capacity to meet demand. There will however, be a small number of specialties, where the waiting times will be longer than the Ministerial maximum waiting time targets and these have been escalated with HSC Trusts to ensure all actions are taken to ensure timely treatment of patients.

The HSCB continues to monitor demand and capacity in all elective specialties and has provided additional funding to HSC Trusts during 2013-14 to undertake additional activity – both in-house and in the independent sector. The Department continues to look to the HSC Board to work with the HSC Trusts to deliver on these targets. The Board is committed to expanding health service capacity within Northern Ireland to ensure that all patients have timely access to safe and high quality elective care services. In the interim, Trusts are continuing to undertake additional activity to ensure waiting times for elective care services improve in 2014/15. This is likely to be challenging, especially if referrals for assessment and treatment of the scale experienced during 2013/14 continue to rise.

Unscheduled Care

The position on Trust performance against the targets and standards for Emergency Departments (EDs) remains a major cause for concern, with a continued incidence of breaches of the 12 hour standard at a number of sites, and all Trusts falling well short of the expectation that 95% of patients should be either discharged or admitted within 4 hours of arrival at an ED.

The Department, through the Northern Ireland Medical and Dental Training Agency, is required to submit a supervisory report to the General Medical Council in relation to training and supervision of junior doctors. Across the UK, a number of general themes have been identified in relation to medical training and supervision. These themes are impacting on the

overall provision of appropriately trained and available staff within specific functions within the healthcare sector.

The difficulties of supply have resulted in localised recruitment difficulties affecting middle grade doctors for EDs, resulting in capacity/performance issues which have continued during 2013-14 evidenced through pressures on waiting times in Emergency Departments. There have been particular difficulties in the Royal Victoria Hospital, resulting in the Belfast HSC Trust declaring a major incident on 8 January 2014, and in the Lagan Valley and Downe hospitals where a shortage of middle grade doctors resulted in the temporary closure of the Emergency Departments at the weekends in both hospitals from January. The Downe Hospital operates a minor injuries unit during the weekend. The underlying problems across all Trusts on this issue has given rise to some concern about the quality of service and the patient experience. A&E performance remains an area of serious concern and the HSCB is working with the HSC Trusts to address this as a top priority.

The HSCB has introduced new arrangements to take forward the work started by the Improvement Action Group (IAG) in April 2012 in relation to unscheduled care performance. The focus by the IAG on reducing the number of patients waiting more than 12 hours in Emergency Departments before discharge or admission has improved matters, with the number of 12 hour breaches reducing from 5,161 in 2012-13 to 2,998 in 2013-14.

Following the diffculties faced by the Belfast Trust in January 2014, the Minister commissioned the RQIA to carry out a review of unscheduled care at the Belfast Trust, with learning from this to be applied regionally. The initial Inspection carried out in February 2014 gave rise to a number of concerns and the Minister required the Belfast Trust to develop an action plan to address these. The Minister expects to receive the RQIA's full report during the summer of 2014. This will complement work currently being undertaken by the College of Emergency Medicine and the Royal College of Nursing to bring forward proposals to improve the delivery of emergency care as requested by the Minister.

Performance within the Northern HSC Trust

On 10 December 2012, the Minister announced to the Assembly the appointment of a Turnaround and Support Team (TAST) to the Northern HSC Trust, in light of concerns about sustained poor performance in relation to waiting times in the Trust's Emergency Departments. The overall remit of the TAST was to work alongside the support already being provided by the Health and Social Care Board and the Public Health Agency, to provide an assessment of the changes required to improve performance and to support the management of the Trust in the delivery of services.

The TAST was asked to take forward the work in two phases, with Phase 1 focusing on the analysis of the challenges facing the Trust and its ability to deliver on services commissioned; and Phase 2 focusing on turnaround and support based on the findings of Phase 1. In light of the emerging findings of the TAST in Phase 1, the Minister announced the appointment of two Senior Directors on a temporary secondment to the Trust in May 2013 i.e. a Senior Director of Turnaround to lead the Improvement Programme at Antrim and Causeway hospitals and the related community services and a Senior Director of Corporate Management to oversee the remaining Service Directorates and the corporate management functions.

Among the issues highlighted by the TAS Team were indications of possible under-reporting of Serious Adverse Incidents. The TAST's report was received in June 2013 and identified a wide range of issues that needed to be addressed in order to deliver improvement at the Trust.

Throughout 2013-14, with the continued support of the external TAST, the Trust began the process of implementing Phase 1 of the Improvement Plan, covering operational delivery of services at Antrim Hospital; operational delivery of services at Causeway Hospital; and maximising Primary and Community Care and Older People's Services. Operational plans for both Antrim and Causeway hospitals were completed in June 2013.

The turnaround process has now entered the second phase of implementation, with a concentrated focus on driving forward improvement. That work has included ensuring a culture of openness and transparency and sharing of information to foster effective learning, not just within the Trust but more widely across the entire HSC system. This is being secured through new and improving relationships within the Trust and with key stakeholders such as the GPs in the Northern Area.

In February 2014, the Trust identified 20 cases where the quality of care it provided and/or its previous response to cases where things went wrong, fell below the standard expected of the Trust – this confirmed the issue that had been identified by the TAST. These instances were across a number of specialties including: obstetrics and gynaecology; imaging; and the Emergency Departments. In a number of instances, these cases involved shortcomings in the reporting, investigation and learning from the Serious Adverse Incidents identified which dated back to 2008.

The Trust has put in place measures to improve the quality and frequency of reporting and it is of note that level of reporting of Serious Adverse Incidents by the Trust has increased significantly in the last year. The Trust is taking forward further work to address variable performance across the Trust in terms of learning from adverse incidents in order to ensure and improve patient safety.

Paediatric Congenital Cardiac Surgery (PCCS)

The PCCS service provided on a regional basis by the Belfast HSC Trust continued to be vulnerable during 2013-14. This was due to the low activity levels when compared with the required standards for this speciality. In 2012, the Minister tasked the HSCB to review the PCCS service and to make recommendations on its future delivery for the population of Northern Ireland.

In April 2013, the HSCB endorsed the recommendation of the PCCS working group that children's heart surgery should in future be primarily commissioned from Our Lady's Children's Hospital in Dublin and submitted this to the Minister for consideration. As this would mean the ending of surgery in Belfast, the Minister wanted to be fully assured that there is no feasible available option to retain surgery in Belfast before taking a final decision. In that context, the Minister has worked closely with his counterpart in the Republic of Ireland, Dr James Reilly TD, to establish whether it would be possible to create the conditions to allow a fuller assessment to be made of possible options for the delivery of cardiology and cardiac surgery for congenital heart disease on the island of Ireland. A team of three

international clinicians was therefore commissioned jointly by the two Health Ministers to carry out an independent assessment and make recommendations on a potential all-island model that would meet the requirements of both jurisdictions. The Ministers expect to receive the team's report during the summer of 2014. Decisions can then be made on the optimal service provision which it is intended will be implemented for these services as soon as possible.

Pending a final decision on the long-term delivery of the service, interim arrangements have been introduced by the Belfast Trust, which involves Service Level Agreements with Our Lady's Children's Hospital, Dublin, to provide a limited surgical service in Belfast and the transfer of emergency patients from Northern Ireland to Dublin. Arrangements are also in place with children's heart centres in England for children to be transferred for elective procedures.

Mental Health and Learning Disability: Resettlement from Long Term Institutional Care to Community Settings

During 2013-14, the Department has noted progress against the resettlement targets relating to long–stay Mental Health and Learning Disability patients. In respect of Primary Target List (PTL) long-stay patients, a cumulative figure of 116 Learning Disability patients were reported as resettled as at 31 March 2014 against the cumulative two-year (2012-13 and 2013-14) target of 113 patients. In respect of PTL Mental Health Patients, a cumulative figure of 56 patients were reported resettled as at 31 March 2014 against the cumulative two year (2012-13 and 2013-14) target of 60 patients.

The HSCB co-chairs a Steering Group with the Northern Ireland Housing Executive, which continues to oversee the resettlement process and the range of performance management arrangements in place to monitor progress. HSC Trusts have also submitted action plans detailing the number of resettlements to be completed in the period 2014-15. The action plans introduced by the Trusts and overseen by the HSCB have assisted progress toward achievement of these targets. However, there remain challenges in supporting the remaining long-stay patients into the community, particularly as a number of patients remaining have complex conditions.

Notwithstanding this, and subject to the caveat regarding funding (see below), the HSCB is confident that plans being implemented should ensure achievement of the target that all long-stay Mental Health and Learning Disability patients are resettled by 31 March 2015. In light of the significant financial challenges facing the Department, the level of resettlement that can be undertaken in 2014-15 will be determined by the amount of available funding.

Community Pharmacy

During 2011-12, Community Pharmacy Northern Ireland (CPNI) applied to the High Court of Justice in Northern Ireland for a Judicial Review relating to community pharmacy remuneration in respect of the 2011-12 financial year. Whilst the Court found in favour of CPNI, the Department lodged an appeal against the ruling and was scheduled at the High Court during December 2012. Prior to the case being heard, the various contributors reached agreement on a resolution methodology. The agreement specified that all parties would work

collaboratively in the development and maintenance of arrangements with respect to the Community Pharmacy Contract and Drug Tariff.

Throughout 2013-14, work has progressed across a number of areas: the ongoing margin survey has commenced, with a final position reached in respect of the 2011-12 financial year, whilst Stage 1 of the Needs Assessment process is nearing completion. In addition, the Cost of Service Investigation (COSI) is being taken forward on a collaborative basis with CPNI but has yet to formally commence.

This will continue to represent an issue until such times as all investigations are complete and negotiations finalised to ensure fair and reasonable remuneration levels established for community pharmacy contractors in Northern Ireland.

Business Services Transformation Project

The Business Services Transformation Project (BSTP) represents a business critical administrative and shared services project being implemented within the Health and Social Care sector (HSC). During 2013-14, the implementation of two new business systems, Finance, Procurement and Logistics (FPL) and Human Resources, Payroll and Travel (HRPTS), was completed across all HSC organisations. During the FPL system implementation, a number of technical and operational issues were encountered, which resulted in the postponement of subsequent implementation phases until corrective action had been implemented. The issues encountered were resolved and the system rolled out to all HSC ALBs prior to commencement of the HSC Shared Service Centre implementation phase.

The HRPTS system has been implemented within HSC Organisations on a devolved basis, with all 70,000 employees now being paid through the new payroll system. During March and April and May 2014, a number of issues have arisen relating to payments and deductions to HSC staff, particularly in relation to enhancements (overtime, travel & subsistence etc) rather than basic pay, incorrect NIC deductions and the application of incorrect tax codes by HMRC. A range of immediate corrective measures have been implemented to minimise the impact on staff, including additional pay cycles, the use of emergency payments for hardship cases, implementation of software fixes and engagement with HMRC.

There is a robust management and governance structure underpinning the BSTP project, allowing issues identified to be resolved in a timely manner. In addition, a range of continuous improvement measures have been introduced to both stabilise and enhance services to the HSC. This will include the consideration of moving all staff to monthly payroll cycles to improve efficiency and also reduce the opportunity for errors.

The project continues to be robustly managed in order to maintain progress in this important area to facilitate the centralisation of geographically dispersed teams to join the Shared Service Centre facility. This will be undertaken on a managed basis with the timing of the transition of other Trusts to the shared services centre is being kept under review.

Procurement – Legislation

The Late Payment of Commercial Debt Regulations 2013 came into force on the 16 March 2013 and requires the Department and all its ALBs to pay suppliers within 30 calendar days of receipt of an undisputed invoice. Failure to do so will result in fines being levied. Whilst the Regulations do not apply to contracts made before the 16 March 2013, the Department and its ALBs must ensure that they have effective procedures around the prompt payment of invoices. Whilst the Department is not aware of any significant level of claims in relation to this issue since the new Regulations came into place, these regulations require careful and ongoing attention to ensure that any risks are mitigated during 2014-15.

Procurement – Whistleblowing

The Department has played an oversight role into the ongoing investigations regarding the instances of poor procurement and contract management that were identified though Whistleblowing procedures in the Estates department of the Northern HSC Trust during 2012-13. Investigations into these matters have now concluded and a joint report from the BSO's Internal Audit Team and the Department's Health Estates Investment Group Policy and Procurement Compliance Unit, was issued in January 2014. The report made 72 recommendations, all of which have been accepted by the Trust's management. At this stage, the majority of these have been implemented. A further review is also currently in progress, which is investigating the root causes of the lack of control over procurement and contract management. This review is being conducted by an independent expert and is due to be completed during the summer of 2014.

I am concerned that the issues of poor procurement practice which were highlighted by the Northern Trust Whistleblowers were not dealt with when I first sought reassurances from the Department's Arms Length Bodies in July 2011 (following previous procurement governance issues). I have had to seek fresh assurances of compliance with essential elements of good practice from all ALBs and the Department will continue to apply a high level of vigilance to this area, which will be kept under review.

Data Centres

During 2011-12 and 2012-13, the BSO advised the Department of increasing numbers of service interruptions and resilience issues with the Data Centre (Electronic records and software storage facility) and network provision to the HSC. This was discussed as a component of the Departmental Governance arrangements. Subsequent actions taken in response to these incidents included an overarching network review by Gartner, a technology research and advisory company. The external review highlighted a number of areas for improvement, including some strategic recommendations for data-centres and technology alignment.

The BSO has undertaken a number of technological upgrades to the HSC Data Centres during 2013-14 as an interim measure to minimise immediate risks to the operational capabilities, including a rationalisation of the firmware, upgrades of the server virtualisation software and a new backup infrastructure. These measures are to facilitate the longer term strategy of joining the Shared Public Data Centre project, which is planned to be available from October

2015. This issue will continue to represent a governance issue for the Deptartment and HSC until a final solution has been implemented.

New Issues for 2013-14

The following sets out significant new governance issues identified by the Department for disclosure in this Statement. These include:

Openness, Transparency, Safety and Quality

The report of the Mid Staffordshire NHS Foundation Trust Public Inquiry, chaired by Robert Francis QC (the Francis Report) was published in February 2013. As part of its response to the Francis Report, the UK government commissioned a number of reports into specific aspects of the NHS. These included the July 2013 Keogh Report into the quality of care and treatment provided by 14 hospital trusts in England; and the Berwick Report, which made recommendations for the NHS, its regulators and the government for building a robust nationwide system for patient safety rooted in a culture of transparency, openness and continual learning with patients firmly at its heart.

In January 2014, the UK government published its detailed response to the Francis Report and issued a public consultation on proposals to introduce a statutory duty of candour in England. The proposals issued for consultation, if adopted, will mean that the Care Bill will place a specific duty on the government to include a Duty of Candour on providers registered with the Care and Quality Commission.

The developments in the rest of the UK, combined with recent high profile concerns about the quality of some HSC services and openness and transparency within the HSC, have a significant impact on public confidence in the quality of health and social care services being delivered in Northern Ireland. The issues set out above around ED performance, especially in the Belfast Trust, and the concern about the approach to handling Serious Adverse Incidents in the Northern Trust are key aspects of this wider issue around organisational culture and behaviour.

The Inquiry into Hyponatraemia-related Deaths (IHRD) was established under the Health and Personal Social Services (Northern Ireland) Order 1972, by virtue of the powers conferred on the Department by Article 54 and Schedule 8 and it has continued pursuant to the Inquiries Act 2005. The Inquiry was established in November 2004 against the background of concern and publicity about the treatment in local hospitals of three children who had died in circumstances where hyponatraemia had caused or was a major factor in their deaths. The investigation of the deaths of a further two children were included into the Inquiry's work in 2005. The Inquiry completed its public hearings during 2013-14 and the Chair, Mr Justice O'Hara, is planning to issue his final report to the Department during the autumn of 2014.

Any recommendations within this report will be considered and taken forward as appropriate by the Department.

The Department is currently finalising its assessment of the implications for Northern Ireland of the Francis Report, related other evidence from the NHS in GB, and the report of the

IHRD. This is being developed on the basis of the strategic objectives and goals of the 10-year Strategy for Health and Social Care (Quality 2020). In addition, and in a statement to the Assembly on 8 April 2014, the Minister announced his intention to commission a further piece of work to examine the HSC in its entirety in respect of its: openness and transparency; appetite for enquiry and learning; and approach to redress and making amends. This work will be led by former Chief Medical Officer for England, Sir Liam Donaldson, and is expected to report by December 2014. The work will focus on the effectiveness of arrangements within HSC Trusts, the Health and Social Care Board and Public Health Agency in ensuring the highest possible quality of care provision.

Oral and Maxillofacial Surgery Service in WHSCT

An emerging issue became apparent when an Early Alert was raised by WHSCT on 28 April 2014 regarding a number of delayed patients at the Oral and Maxillofacial Surgery service and that three SAIs had been raised with the HSCB regarding delayed cancer diagnoses. The HSCB was asked by the Department to assess the delivery of the service and the management of the current situation to ensure patient safety. The HSCB has worked with WHSCT to establish that appropriate plans are in place to manage the current situation and prioritise patients as the backlog is cleared. The HSCB is also setting up a team with the relevant expertise to consider the medium and long term plans for the future delivery of the service. The findings from the investigations of the individual SAIs, and HSCB assessment thereof, will have to be considered in due course, as will the wider matter of how effectively the lessons learnt from the Departmental Dental Hospital Inquiry Action Plan were enacted in HSC organisations.

Historical Institutional Abuse Inquiry (HIAI)

The HIAI was established in 2012 with the purpose of investigating 'whether there was institutional abuse in residential institutions which had responsibility for the care, health and welfare of children under 18 between 1922 and 1995, and to decide if there were systemic failings by those institutions or the state in their duties towards those children'.

The HIAI served the Department with a Section 9 Notice in March 2013. This Notice required the Department to provide a series of documents relevant to the work of the HIAI. In light of the complexity of this task, the Department engaged a panel of experts to undertake an examination of DHSSPS files and to make decisions about the relevance of documents to the HIAI. The Department continues to provide relevant documentation to the HIAI, including Departmental statements and responses to questions raised by Counsel to the HIAI.

The HIAI began its public hearing stage on 13 January 2014. The HIAI is likely to generate additional demands on the Department during the course of the public hearings. This has required the appointment of a legal team, as the Department has been and will continue to be asked to provide evidence and read evidence from other sources. This will include general evidence on the social and legislative context in which institutions operated over time, as well as evidence in relation to inspections of specific institutions for which the Department had responsibility in the past. The public hearings are due to end in June 2015.

The HIAI represents the most appropriate vehicle for further investigation into those children's cases that have been identified through the Department's Retrospective Sampling exercise (noted above). In that context, all relevant documentation has been passed to the HIAI team. However, the way forward in respect of vulnerable adults still represents a challenge to the Department, as there is no equivalent HIAI process to deal with this group. The HSCB and Department are therefore currently working together to develop a range of options for the way forward.

Child Sexual Exploitation

In September 2013, representatives of a number of agencies and organisations attended a Ministerial Summit on the theme of Child Sexual Exploitation in Northern Ireland. At this summit, the Police Service of Northern Ireland outlined its 'Operation Owl' – an investigation of allegations of child sexual exploitation in Northern Ireland which had resulted in a number of adults being interviewed and some having been arrested on related charges. On 25 September 2013, the Minister made a statement to the Assembly in which he outlined a range of actions that had been taken by the Department to strengthen the protection of children and young people in Northern Ireland. The Minister also announced that an independent expert-led inquiry into child sexual exploitation in Northern Ireland was being commissioned jointly with the Ministers for Justice and Education. The Inquiry is focusing on both children and young people living at home, in the community and those living in care. In addition to the Inquiry, the Minister has also directed the Safeguarding Board Northern Ireland to carry out a thematic review of the cases that triggered the PSNI investigation. Both the Review and the Inquiry are due to report by the end of 2014.

Safeguarding Client Monies

During 2013-14, the Regulation and Quality Improvement Authority (RQIA) undertook a review into the Oversight of Service users Finances in Residential and Supported Living Settings, as part of its Three Year Review Programme (2012-15). This review placed emphasis on the organisational governance arrangements in place in HSC Trusts relating to the management of the finances of service users/residents in residential and supported living settings.

The RQIA made seven recommendations regarding the controls and processes that should be in place to safeguard residents' finances. The primary areas of concern related to individual residents financial governance and approval arrangements including powers of appointees. Financial controls and record keeping relating to the retention of individual's bank account balances was noted as a point requiring review and consideration. The transparency of charging for transport schemes was found to be of some concern with emphasis on approvals and levels of charging applied for individual journeys.

The Department will work with the HSC Trusts and other statutory authorities as appropriate to address the issues identified in the RQIA report.

Protection of Vulnerable Adults

In partnership with the DOJ, DHSSPS is taking forward the development of an Adult Safeguarding Policy aimed at improving safeguarding of adults at risk of harm from abuse, exploitation or neglect.

The policy will stipulate a number of objectives ranging from the prevention of adult abuse through implementation of good preventative safeguarding arrangements, to effective protection responses when adult abuse occurs or is suspected. It will emphasise that preventative safeguarding is a responsibility of individuals, agencies and wider society, and that protection responses will be led by social services and the police with the support of other agencies and organisations within the wider healthcare sector.

The draft policy will be subject to public consultation in October 2014 with subsequent publication of the final policy once responses are considered. The consultation will include seeking views on a range of legislative proposals to underpin the policy similar to those introduced by other UK jurisdictions.

Senior Executive Staff Appointments

Whilst not directly impacting on the 2013-14 financial year, a number of changes are due to take place during the early part of 2014-15 at a senior executive level within the Department, HSCB and the Belfast and Northern Trusts. A range of measures have been put in place to ensure that the transition takes place in a controlled manner and to minimise the impact across the HSC system. The risk associated with these changes will also be mitigated through the support provided by the remaining Board Members and senior executive colleagues within the respective organisations.

Excess Vote

The Department's Resource Accounts for 2013-14 have expended more resources than was authorised by the Assembly against one ring-fenced area of the Spring Supplementary Estimates (SSEs). This occurred as the grant-in-aid estimate included by the Department in the SSEs for one of its Arm's Length Bodies was exceeded by £1.161m and there was a further small overspend against the Departmental managed Public Safety budget (£8k). However, in overall terms, the Department did not overspend against its total resources authorised in the 2013-14 SSEs, as an under spend against another ring-fenced area more than compensated for this overspend. However, as resources are ring-fenced within each section of the Estimates, an under spend in one area cannot be used to offset an over spend in another area. Consequently, an Excess Vote has been incurred by the Department and as a result of this breach; NIAO has provided a qualified regularity opinion. The Department is taking all necessary steps to ensure that there is no recurrence of this issue.

Ministerial Directions

A Ministerial Direction was made in July 2013 to facilitate the provision of capital funding to two specific community and voluntary organisations – Mencap (£2.5m) and the NI Hospice (£2.7m). The necessity for the direction arose because the Minister wanted to support and

develop the voluntary sector as envisaged by 'Transforming Your Care' and to enable it to respond to emerging service requirements. The Ministerial Direction was issued to the Department on 5 July 2013, and formal approval was received from the Department of Finance and Personnel on 23 July 2013.

During 2013-14, no other Ministerial Directions were sought or given.

Conclusion

DHSSPS has a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI. The system operates on a principle of devolved authority and the accountability framework structure across the Department's operating base.

Further to considering the accountability framework within the Department, including its ALBs, and in conjunction with assurances given to me by the DARAC, I am content that the Department has operated a sound system of internal governance during the period 2013-14.

Dr A McCormick
Accounting Officer
27th June 2014

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

I certify that I have audited the financial statements of the Department of Health, Social Services and Public Safety and its Group for the year ended 31 March 2014 under the Government Resources and Accounts Act (Northern Ireland) 2001. These comprise the Consolidated Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity and the related notes. I have also audited the Statement of Assembly Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 Group's and Department of Health, Social Services and Public Safety's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. 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 Statement of Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for Qualified Opinion on Regularity arising from breach of an Assembly control total

In 2013-14 the Department of Health, Social Services and Public Safety expended more resources than the Assembly had authorised in Request for Resource B (RfR B). In doing so, the Department breached the Assembly's control over its expenditure and has therefore incurred an "excess" vote caused by the net resource outturn being exceeded. The net resource outturn for RfR B of £88,220,000 was £1,169,000 in excess of the £87,051,000 authorised by the Assembly.

Qualified Opinion on Regularity

In my opinion, except for the £1,169,000 excess vote, in all material respects:

- the Statement of Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2014 and shows that those totals have not been exceeded, and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Group's and the Department's affairs as at 31 March 2014 and of its net operating cost, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance and Personnel directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Finance and Personnel directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on 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:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

My detailed observations are included in my Report attached to these financial statements.

KJ Donnelly

KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

July 2014

Statement of Assembly Supply

Summary of Resource Outturn 2013-14

		2013-14							2012-13
		Estimate			Outturn				Outturn
	Note	Gross Expenditure £000	Accruing Resources £000	Net Total £000	Gross Expenditure £000	Accruing Resources £000	Net Total £000	Net Total Outturn compared with Estimate: saving/ (excess) £000	Total £000
Request for Resources									
Request for Resources A	SoAS 2	5,139,728	522,224	4,617,504	4,714,970	520,876	4,194,094	423,410	4,260,824
Request for Resources B	SoAS 2	87,051	-	87,051	88,220	-	88,220	(1,169)	79,375
Total resources	SoAS 3	**5,226,779**	**522,224**	**4,704,555**	**4,803,190**	**520,876**	**4,282,314**	**422,241**	4,340,199
Non-Operating Cost Accruing Resources							**(60)**		

Request for Resources A
Providing high quality health and social care services and promoting good health and well being.

Request for Resources B
Creating a safer environment for the community by providing an effective fire fighting, rescue and fire safety service.

The Department has incurred an Excess of £1,169k because expenditure in RfR B is above the amount provided for in the Estimate. The Department will seek Assembly approval by way of an Excess Vote in the next Budget Act. Explanations of variances between Estimate and outturn are given in Note SoAS 2 and in the Management Commentary.

Net Cash Requirement 2013-14

		2013-14			2012-13
	Note	Estimate	Outturn	Net Total Outturn compared with Estimate: saving/ (excess)	Outturn
		£000	£000	£000	£000
Net Cash Requirement	**SoAS 4**	**4,771,644**	**4,328,750**	**442,894**	4,324,116

Summary of income payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

		Forecast 2013-14		Outturn 2013-14	
	Note	Income	Receipts	Income	Receipts
		£000	£000	£000	£000
Total	**SoAS 5**	**-**	**-**	**110**	**110**

Explanations of variances between Estimate and outturn are given in SoAS 2 and in the Annual Report.

The notes on pages 113 to 159 form part of these accounts.

Notes to the Departmental Resource Accounts (Statement of Assembly Supply)

SoAS1. Statement of Accounting Policies

The Statement of Assembly Supply and supporting notes have been prepared in accordance with the 2013-14 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel. The Statement of Assembly Supply accounting policies contained in the FReM are consistent with those set out in the 2013-14 Consolidated Budgeting Guidance and Supply Estimates in Northern Ireland Guidance Manual.

SoAS1.1 Accounting convention

The Statement of Assembly Supply and related notes are presented consistently with Treasury budget control and Supply Estimates in Northern Ireland. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93), which is prepared under the auspices of the United Nations.

The budgeting system and the consequential presentation of Supply Estimates and the Statement of Assembly Supply and related notes have different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Assembly authority, in support of the Government's fiscal framework. The system provides incentives to departments to manage spending well so as to provide high quality public services that offer value for money to the taxpayer.

The Government's objectives for fiscal policy are set out in the Charter for Budget Responsibility. These are to:

- ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider government policy; and
- support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

SoAS1.2 PFI

The Department, HSC Board and PHA had no PFI transactions during the year.

SoAS1.3 Service Concession Arrangements

The Department, HSC Board and PHA have no arrangements that are required to be accounted for in accordance with IFRIC 12 where the body controls the use of the asset and the residual interest in the asset at the end of the arrangement.

SoAS1.3 Prior Period Adjustments (PPAs)

There were no material prior period adjustments.

SoAS 2. Analysis of net resource outturn by function

	2013-14									2012-13
	Outturn						Estimate			
	Admin	Other Current	Grants	Gross Resource Expenditure	Accruing Resources	Net Total	Net Total	Net total outturn compared with Estimate	Net total outturn compared with Estimate, adjusted for virements	Prior year outturn
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Request for Resources A: Departmental expenditure in DEL										
1.Hospital and Community Health Care Services	24,374	199,380	65	223,819	(31,307)	192,512	267,983	75,471	68,676	177,685
2. Family Health Service - General Medical Services	375	234,109	-	234,484	-	234,484	233,524	(960)	1	222,007
3. Family Health Service - Pharmaceutical Services	185	424,751	-	424,936	-	424,936	441,770	16,834	16,834	458,754
4. Family Health Service - Dental Services	91	124,055	-	124,146	(20,107)	104,039	103,555	(484)	-	101,389
5. Family Health Service - Ophthalmic Services	91	22,099	-	22,190	-	22,190	21,777	(413)	-	21,745
6. Other Centrally Financed Services	2,651	6,867	-	9,518	-	9,518	10,108	590	590	10,921
7. Training and Further Education	1,812	32,834	1,213	35,859	(3)	35,856	37,534	1,678	1,676	37,695
8. Grants to Voluntary bodies	240	-	11,491	11,731	-	11,731	6,793	(4,938)	1	6,264
9. EU Community Initiatives	-	-	3,131	3,131	(2,348)	783	1,193	410	410	1,220
Special Initiatives	-	-	-	-	-	-	-	-	-	-
Social Protection Fund	-	-	-	-	-	-	-	-	-	-
Annually Managed Expenditure (AME)	-	-	-	-	-		-		-	-
10.Hospital and Community Health Care Services	-	4,836	-	4,836	-	4,836	6,640	1,804	1,804	17,329
Non-budget	-	-	-	-	-	-	-		-	-
11. Health and Social Care Trusts	-	-	3,534,841	3,534,841	-	3,534,841	3,866,823	331,982	331,232	3,564,753

SoAS 2. Analysis of net resource outturn by function (cont'd)

	2013-14									2012-13
	Outturn						Estimate			
	Admin	Other Current	Grants	Gross Resource Expenditure	Accruing Resources	Net Total	Net Total	Net total outturn compared with Estimate	Net total outturn compared with Estimate, adjusted for virements	Prior year outturn
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Health and Social Care Trusts - Childcare Strategy Fund	-	-	-	-	-	-	-	-	-	-
12. Health Service Contributions	-	-	-	-	(467,111)	(467,111)	(467,112)	(1)	(1)	(485,000)
13. Business Service Organisation	-	-	45,000	45,000	-	45,000	45,852	852	852	87,970
Business Service Organisation - Social Protection Fund	-	-	-	-	-	-	-	-	-	-
14. NI Blood Transfusion Service	-	-	310	310	-	310	403	93	93	234
15. NI Guardian ad Litem Agency	-	-	4,020	4,020	-	4,020	4,183	163	163	4,331
16. NI Medical and Dental Training Agency	-	-	14,600	14,600	-	14,600	14,000	(600)	-	14,175
17. Northern Ireland Practice and Education Council	-	-	1,147	1,147	-	1,147	1,283	136	136	1,291
18. NI Social Care Council	-	-	3,150	3,150	-	3,150	3,000	(150)	-	2,685
19. Patient Client Council	-	-	1,781	1,781	-	1,781	1,825	44	44	1,789
20. Regulation and Quality Improvement Authority	-	-	7,675	7,675	-	7,675	7,947	272	272	5,761
21. Food Safety Promotion Board	-	-	2,091	2,091	-	2,091	2,091	-	-	1,949
22. Institute of Public Health in Ireland	-	-	332	332	-	332	332	-	-	332
23. Notional charges	5,373	-	-	5,373	-	5,373	6,000	627	627	5,545
Total Request for Resources A	**35,192**	**1,048,931**	**3,630,847**	**4,714,970**	**(520,876)**	**4,194,094**	**4,617,504**	**423,410**	**423,410**	**4,260,824**
Request for Resources B: Departmental Expenditure in										
1. Fire Services	174	426	-	600	-	600	592	(8)	(8)	285
Non-budget										
2. Northern Ireland Fire and Rescue Service	-	-	87,620	87,620	-	87,620	86,459	(1,161)	(1,161)	79,090
Total Request for Resources B	**174**	**426**	**87,620**	**88,220**	**-**	**88,220**	**87,051**	**(1,169)**	**(1,169)**	**79,375**
Resource Outturn	**35,366**	**1,049,357**	**3,718,467**	**4,803,190**	**(520,876)**	**4,282,314**	**4,704,555**	**422,241**	**422,241**	**4,340,199**

Detailed explanations of the variances are also given in the Annual Report.

Explanation of variation between Estimate and Outturn (note SoAS 2)

	Variance £'000	Explanation
A1 .Policy, Development, Hospital, Community Health and Personal Social Services	75,471	Attributable to a change in the split of resources between direct HSCB and Trust expenditure from when the SSE's were written. SSE's were informed from the December monitoring budget position. The split of resources by the HSCB between direct expenditure and Trust expenditure moved from the time the December monitoring budget was set and the year end.
A2. Family Health Service - General Medical Services	(960)	Due to an increase in General Medical Services outturn for the year from the forecast position used to write the SSE's. This is a demand led service.
A4.Family Health Service – Dental Services	(484)	Due to an increase in General Dental Services outturn for the year from the forecast position used to write the SSE's. This is a demand led service.
A7. Training and Further Education	1,678	Due to a reallocation of resources between direct departmental spend and allocations to arms length bodies for the year from the forecast position used to write the SSE's.
A8. Grants to Voluntary bodies	(4,938)	Due to an increase in grants paid to voluntary bodies from the forecast position used to write the SSE's.
A10. Annually Managed Expenditure	1,804	Movement in provisions lower than forecast position used to prepare the SSE's.
A11. Health and Social Care Trusts	331,982	Due to a reduction in the actual cash drawn down by the Trusts for the year from the forecast position included in the SSE's.
A13.Business Services Organisation	852	Due to a reduction in the actual cash drawn down by the BSO for the year from the forecast position included in the SSE's.
A23. Notional charges	627	Actual notional charges lower than forecast included in SSE's.
B2. Northern Ireland Fire and Rescue Service	(1,161)	Actual cash draw down for the year greater than forecast position primarily due to NIFRS pension cash requirements and provision payments

SoAS 3. Reconciliation of outturn to net operating cost and against Administration Budget

SoAS 3.1 Reconciliation of net resource outturn to net operating cost

	Note	2013-14			2012-13
		Outturn	Supply Estimate	Outturn compared with Estimate	Outturn
		£000	£000	£000	£000
Net resource outturn	SoAS 2	4,282,314	4,704,555	422,241	4,340,199
Changes in accounting policy		-	-	-	-
Other Adjustments		-	-	-	-
Non-supply income (CFERs)	SoAS 5	(30)	-	30	(1,312)
Non-supply income (Other)		-	-	-	-
EU Receivables written off		-	-	-	-
Non-supply expenditure		-	-	-	-
Net operating Cost		**4,282,284**	**4,704,555**	**422,271**	4,338,887

SoAS 3.2 Outturn against final Administration Budget

	2013-14		2012-13
	Budget	Outturn	Outturn
	£000	£000	£000
Gross Administration Budget	31,910	29,993	29,722
Income allowable against the Administration Budget	(1,262)	(276)	(279)
Net outturn against final Administration Budget	**30,648**	**29,717**	29,443

SoAS 4. Reconciliation of net resource outturn to net cash requirement

	Note	2013-14		
		Estimate	Outturn	Net total outturn compared with estimate: saving/(excess)
		£000	£000	£000
Resource Outturn	SoAS 2	4,704,555	4,282,314	422,241
Capital				
Acquisition of property, plant and equipment	7	18,595	4,073	14,522
Acquisition of intangibles	8	-	491	(491)
Non-Operating Accruing resources				
Proceeds of property, plant and equipment disposals		-	60	(60)
Proceeds of intangible disposals		-	-	-
Accruals Adjustments				
Depreciation	3,4,5,6	(5,781)	(2,887)	(2,894)
Amortisation		-	(447)	447
Loss on disposal of property, plant and equipment		-	(60)	60
Provision provided for in year	17	(5,296)	(3,986)	(1,310)
Permanent diminution in value		-	(1,658)	1,658
Other non-cash items		(6,000)	(5,461)	(539)
Changes in working capital other than cash	SoAS 4.1	50,000	41,872	8,128
Changes in payables falling due after more than one year	16	-	-	-
Use of provision	17	15,571	14,439	1,132
Excess cash receipts surrenderable to the Consolidated Fund	SoAS 5	-	-	-
Net cash requirement		**4,771,644**	**4,328,750**	**442,894**

SoAS 4.1 Changes in Working Capital other than Cash

	Note	2013-14	2012-13
		£000	£000
(Increase)/Decrease in Inventories	13	1	6
(Increase)/Decrease in Trade Receivables	15	8,174	22,428
(Decrease)/Increase in Trade Payables (adjusted for bank overdraft)	16	(48,092)	(22,716)
Movement in CFERs included in trade receivables	15	(109)	(53)
Movement in amounts due from the Consolidated Fund in respect of supply	15	(267)	267
Movement in HSC Superannuation Scheme Payable/Receivable	15,16	-	0
Movement in Payables for amounts issued from the Consolidated Fund for supply but not spent at year end	16	(1,578)	1,732
Movement in Payables for Consolidated Fund Extra receipts due to be paid to the Consolidated Fund:		-	-
received	16	(110)	(504)
receivable	16	109	53
Total changes in working capital other than cash		**(41,872)**	1,213

Explanation of variation between Estimate and Outturn (net cash requirement)

Item	Variance £'000	Explanation
Acquisition of fixed assets	14,522	Attributable to reallocation of capital expenditure to sponsored bodies after the Estimate was prepared.
Acquisition of intangibles	(491)	Attributable to reallocation of capital expenditure to sponsored bodies after the Estimate was prepared.
Proceeds of property, plant and equipment disposals	(60)	Proceeds from disposals higher than expected
Depreciation	(2,894)	Lower than forecast movements in provisions
Amortisation	447	Higher than forecast amortisation charge
Provision provided for in year	(1,310)	Lower than forecast movements in provisions
Permanent diminution in value	1,658	Higher than forecast impairment charge
Other non-cash items	(539)	Lower than forecast notional costs
Changes in working capital other than cash	8,128	Movement in working capital lower than expected
Use of provision	1,132	Lower utilisation of provisions than was estimated

SoAS 5. Analysis of Income Payable to the Consolidated Fund

In addition to accruing resources, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Note	Forecast 2013-14		Outturn 2013-14	
		Income	Receipts	Income	Receipts
		£000	£000	£000	£000
Operating income and receipts - excess Accruing Resources		-	-	-	-
Other operating income and receipts not classified as Accruing Resources		-	-	30	30
EU Receivables written off		-	-	-	-
		-	-	30	30
Non-Operating income & receipts - excess Accruing Resources	SoAS 7	-	-	80	80
Other amounts collectable on behalf of the Consolidated Fund		-	-	-	-
Excess cash surrenderable to the Consolidated Fund	SoAS 4	-	-	-	-
Total income payable to the Consolidated Fund		**-**	**-**	**110**	**110**

NB excess income is determined on a Request for Resource basis and it is not simply the difference between total income and the income approved by the Assembly.

SoAS 6. Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to Consolidated Fund

	Note	2013-14	2012-13
		£000	£000
Operating income	6	521,001	536,714
Income netted off in gross sub head grossed up in Statement of Comprehensive Net Expenditure		-	(25)
Adjustments for transactions between RfRs		-	-
Gross income		521,001	536,689
Non-supply income (other than CFER's)		-	-
Changes in accounting policy		-	-
Other Adjustments		(95)	-
Income authorised as Accruing Resources		(520,876)	(535,377)
Operating income payable to the Consolidated Fund	SoAS 5	30	1,312

SoAS 7. Non-operating income - Excess Accruing Resources

	2013-14	2012-13
	£000	£000
Principal repayments of voted loans	-	-
Proceeds on disposal of property, plant & equipment	80	662
Proceeds on disposal of intangibles	-	-
Other (analysed as appropriate)	-	-
Non operating income - excess accruing resources	**80**	662

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2014

		2013-14			2013-14			2012-13	
		Core Department			Consolidated			Core Department	Consolidated
		Staff Costs	Other Costs	Income	Staff Costs	Other Costs	Income	Total	Total
	Note	£000	£000	£000	£000	£000	£000	£000	£000
Administration costs									
Staff costs	3	27,327			27,327			27,259	27,259
Other administration costs	4		8,039			8,039		8,008	8,008
Operating income	6			(297)			(297)	(282)	(282)
Programme costs									
Request for Resources A									
Staff costs	3	485			43,003			556	39,947
Programme costs	5		3,676,914			4,636,870		3,745,521	4,721,188
Income	6			(469,588)			(520,704)	(489,454)	(536,432)
Request for Resources B									
Staff costs	3	-			-			-	-
Programme costs	5		88,046			88,046		79,199	79,199
Income	6			-			-	-	-
Totals		**27,812**	**3,772,999**	**(469,885)**	**70,330**	**4,732,955**	**(521,001)**	3,370,807	4,338,887
Net operating cost for the year ended 31 March 2014	SoAS 3			**3,330,926**			**4,282,284**	3,370,807	4,338,887
Other Comprehensive Expenditure									
Items that will not be reclassified to net operating costs:									
Net (gain)/loss on revaluation of Property, Plant and Equipment	7			(303)			(343)	3,372	4,354
Net (gain)/loss on revaluation of Intangibles				-			-	(1)	(1)
Items that may subsequently be reclassified to net operating costs:									
Net (gain)/loss on revaluation of available for sales financial assets				-			-	-	-
Total Comprehensive Expenditure for the year ended 31 March 2014				**3,330,623**			**4,281,941**	3,374,178	4,343,240

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which include changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

The notes on pages 113 to 159 form part of these accounts.

Consolidated Statement of Financial Position as at 31 March 2014

	Note	31 March 2014		31 March 2013	
		Core Department	Consolidated	Core Department	Consolidated
		£000	£000	£000	£000
Non-current assets:					
Property, plant and equipment	7	61,215	77,010	61,257	77,364
Intangible assets	8	-	1,132	14	918
Financial Assets	12	2,009,000	2,009,000	2,009,000	2,009,000
Non Current trade and other receivables	15	-	-	-	-
Other non current assets	15	-	-	-	-
Total non-current assets		**2,070,215**	**2,087,142**	2,070,271	2,087,282
Current Assets					
Assets classified as held for sale	7.4	6,920	6,920	7,015	7,015
Inventories	13	-	-	-	1
Current Trade and other receivables	15	21,328	28,799	26,723	37,337
Other current assets	15	981	1,397	967	1,033
Financial assets	12	-	-	-	-
Cash and Cash Equivalents	14	-	3,619	-	4,128
Total current assets		**29,229**	**40,735**	34,705	49,514
Total assets		**2,099,444**	**2,127,877**	2,104,976	2,136,796
Current liabilities					
Current Trade and other payables	16	12,480	166,659	17,789	217,251
Other Current liabilities	16	-	-	-	-
Provisions	17	118	6,662	100	14,651
Financial Liabilities	12	-	-	-	-
Total current liabilities		**12,598**	**173,321**	17,889	231,902
Non-current assets plus/less net current assets/liabilities		**2,086,846**	**1,954,556**	2,087,087	1,904,894
Non-current liabilities					
Provisions	17	293	38,015	174	40,479
Other Non Current liabilities	16	-	-	-	-
Financial Liabilities	12	-	-	-	-
Total non-current liabilities		**293**	**38,015**	174	40,479
Assets less liabilities		**2,086,553**	**1,916,541**	2,086,913	1,864,415
Taxpayers' equity					
General Fund		2,059,527	1,882,583	2,059,972	1,830,583
Revaluation Reserve		27,026	33,957	26,941	33,832
Total taxpayers' equity		**2,086,553**	**1,916,540**	2,086,913	1,864,415

This statement presents the financial position of the Department of Health, Social Services and Public Safety. It comprises three main components: Assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

The notes on pages 113 to 159 form part of these accounts.

Dr A McCormick
Accounting Officer
27th June 2014

Consolidated Statement of Cash Flows for the year ended 31 March 2014

	Note	2013-14 £000	2012-13 £000
Cash flows from operating activities			
Net Operating Cost		(4,282,284)	(4,338,887)
Adjustments for non cash transactions	3,4,5,6	14,499	25,989
(Increase)/decrease in trade & other receivables	15	8,174	22,428
less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure			
Supply amounts due from the consolidated fund	15	-	267
Movements in receivables relating to the sale of property, plant & equipment	15	-	-
Movements in receivables relating to the sale of intangibles	15	-	-
Movements in receivables relating to PFI and other service concession arrangement contracts	15	-	-
(Increase)/Decrease in Inventories	13	1	6
(Decrease)/Increase in trade & other payables (adjusted for bank overdraft)	16	(48,092)	(22,716)
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure			
Movements in payables relating to the purchase of property, plant & equipment	16	(68)	337
Movements in payables relating to purchase of intangibles	16	(192)	-
Movements in payables relating to finance leases	16	-	-
Movements in payables relating to PFI and other service concession arrangement contracts	16	-	-
Supply amounts due to the consolidated fund	16	(1,578)	1,732
Movements in payables relating to CFER items	16	(110)	(451)
Use of provisions	17	(14,439)	(8,389)
Impairment of investments	12	-	-
Net Cash outflow from operating activities		**(4,324,089)**	(4,319,684)
Cash flows from investing activities			
Purchase of property, plant & equipment	7,16	(4,005)	(3,050)
Purchase of intangible assets	8,16	(299)	(17)
Proceeds of disposal of property, plant and equipment		61	624
Proceeds of disposal of intangibles		-	-
Loans to other bodies	12	-	-
(Repayments) from other bodies	12	-	-
Net cash outflow from investing activities		**(4,243)**	(2,443)
Cash flows from financing activities			
From Consolidated Fund (Supply) - current year	CSCTE	4,330,590	4,322,117
From Consolidated Fund (Supply) - prior year	CSCTE	(267)	-
Capital element of payments in respect of finance leases and on-balance sheet (SoFP) PFI and other service concession arrangement contracts		-	-
Net financing		**4,330,323**	4,322,117
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund.		**1,991**	(10)
Receipts due to the Consolidated Fund which are outside the scope of the Department's activities		-	-
Payments of amounts due to the Consolidated Fund		-	(1,523)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund.		**1,991**	(1,533)
Cash and cash equivalents at the beginning of the period	14	**1,601**	3,134
Cash and cash equivalents at the end of the period	14	**3,592**	1,601

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Department during the reporting period. The statement shows how the Department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the Department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Departments' future public service delivery. Cash flows arising from financing activities include Assembly Supply and other cash flows, including borrowing.

The notes on pages 113 to 159 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2014

	Note	General Fund	Revaluation Reserve	Total Reserves
		£000	£000	£000
Balances at 31 March 2012		1,840,717	41,483	1,882,200
Changes in accounting policy		-	-	-
Other Adjustments		-	-	-
Restated balances at 1 April 2012		1,840,717	41,483	1,882,200
Changes in taxpayers' equity for 2012-13				
Net assembly funding - drawdown for current year		4,322,117	-	4,322,117
Net assembly funding - drawdown for prior year		-	-	-
Net assembly funding - deemed		1,732	-	1,732
Supply (payable)/receivable adjustment		267	-	267
Excess Vote- Prior Year		-	-	-
CFERs repayable to Consolidated Fund		(1,974)	-	(1,974)
Comprehensive Expenditure for the Year		(4,338,887)	(4,353)	(4,343,240)
Non-Cash Adjustments:				
Non-cash charges - auditor's remuneration	4,5	180	-	180
Non-cash charges - other	4,5	5,440	-	5,440
Movements in Reserves:				
Transfer of asset ownership		(2,307)	-	(2,307)
Release of reserves to operating cost statement		-	-	-
Transfers between reserves		3,298	(3,298)	-
Adjustment for Transfer of function		-	-	-
Balances at 31 March 2013		1,830,583	33,832	1,864,415
Changes in taxpayers' equity for 2013-14				
Net assembly funding - drawdown for current year		4,330,590	-	4,330,590
Net assembly funding - drawdown for prior year		(267)	-	(267)
Settlement of prior year trade payable/(trade receivable)		-	-	-
Net assembly funding - deemed		-	-	-
Supply (payable)/receivable adjustment		(1,578)	-	(1,578)
Excess Vote - Prior Year		-	-	-
CFERs repayable to Consolidated Fund		(110)	-	(110)
Comprehensive Expenditure for the Year		(4,282,284)	343	(4,281,941)
Non-Cash Adjustments:				
Non-cash charges - auditor's remuneration	4,5	194	-	194
Non-cash charges - other	4,5	5,268	-	5,268
Movements in Reserves:				
Additions		-	-	-
Recognised in Statement of Comprehensive Expenditure		-	-	-
Receipt of donated assets	7,8	-	-	-
Transfer of asset ownership		(31)	-	(31)
Release of reserves to operating cost statement		-	-	-
Transfers between reserves		218	(218)	-
Adjustment for Transfer of function		-	-	-
Balances at 31 March 2014		**1,882,583**	**33,957**	**1,916,540**

This statement shows the movement in the year on the different reserves held by the Department of Health, Social Services and Public Safety, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). Financing and the balance from the provision of services are recorded here. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. Other earmarked reserves are shown separately where there are statutory restrictions of their use.

The notes on pages 113 to 159 form part of these accounts.

Core Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2014

	Note	General Fund	Revaluation Reserve	Total Reserves
		£000	£000	£000
Balances at 31 March 2012		2,090,390	33,610	2,124,000
Changes in accounting policy		-	-	-
Other Adjustments		-	-	-
Restated balances at 1 April 2012		2,090,390	33,610	2,124,000
Changes in taxpayers' equity for 2012-13				
Net assembly funding - drawdown for current year		3,333,828	-	3,333,828
Net assembly funding - drawdown for prior year		-	-	-
Settlement of prior year trade payable/(trade receivable)		-	-	-
Net assembly funding - deemed		1,732	-	1,732
Supply (payable)/receivable adjustment		267	-	267
Excess Vote - Prior Year		-	-	-
CFERs repayable to Consolidated Fund		(1,974)	-	(1,974)
Comprehensive Expenditure for the Year		(3,370,807)	(3,371)	(3,374,178)
Non-Cash Adjustments:				
Non-cash charges - auditor's remuneration	4,5	105	-	105
Non-cash charges - other	4,5	5,440	-	5,440
Movements in Reserves:				
Additions		-	-	-
Recognised in Statement of Comprehensive Expenditure		-	-	-
Receipt of donated assets	7,8	-	-	-
Transfer of asset ownership		(2,307)	-	(2,307)
Release of reserves to operating cost statement		-	-	-
Transfers between reserves		3,298	(3,298)	-
Balances at 31 March 2013		2,059,972	26,941	2,086,913
Changes in taxpayers' equity for 2013-14				
Net assembly funding - drawdown for current year		3,326,875	-	3,326,875
Net assembly funding - drawdown for prior year		(267)	-	(267)
Settlement of prior year trade payable/(trade receivable)		-	-	
Net assembly funding - deemed		-	-	-
Supply (payable)/receivable adjustment		(1,578)	-	(1,578)
Excess Vote - Prior Year		-	-	-
CFERs repayable to Consolidated Fund		(110)	-	(110)
Comprehensive Expenditure for the Year		(3,330,926)	303	(3,330,623)
Non-Cash Adjustments:				
Non-cash charges - auditor's remuneration	4,5	106	-	106
Non-cash charges - other	3,4	5,268	-	5,268
Movements in Reserves:				
Additions		-	-	-
Recognised in Statement of Comprehensive Expenditure		-	-	-
Receipt of donated assets	7,8	-	-	-
Transfer of asset ownership		(31)	-	(31)
Release of reserves to operating cost statement		-	-	-
Transfers between reserves		218	(218)	-
Adjustment for Transfer of function		-	-	-
Balances at 31 March 2014		**2,059,527**	**27,026**	**2,086,553**

This statement shows the movement in the year on the different reserves held by the Department of Health, Social Services and Public Safety, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). Financing and the balance from the provision of services are recorded here. The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure.

Other earmarked reserves are shown separately where there are statutory restrictions of their use.

The notes on pages 113 to 159 form part of these accounts.

Notes to the Departmental Resource Accounts

1. Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2013-14 Government Financial Reporting Manual (FReM) issued by the Department of Finance and Personnel. The accounting policies contained in FReM follow International Financial Reporting Standards (IFRS) to the extent that it is meaningful and appropriate to the public sector.

Where FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Department for the purpose of giving a true and fair view has been selected. The Department's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The FReM requires the following primary statements;
- Statement of Assembly Supply;
- Statement of Comprehensive Net Expenditure;
- Statement of Financial Position;
- Consolidated Statement of Cash Flows;
- Consolidated Statement of Changes in Taxpayers Equity; and
- Core Statement of Changes in Taxpayers Equity.

The Statement of Assembly Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement. The Consolidated Statement of Changes in Taxpayer's Equity and supporting notes analyses movement in the General Fund and Revaluation Reserve.

1.1. Accounting Convention

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and liabilities.

1.2. Currency and Rounding

These accounts are presented in £ sterling and rounded in thousands.

1.3. Basis of Consolidation

These accounts (and accounting policies) comprise a consolidation of the Core Department, the Health and Social Care (HSC) Board and the Public Health Agency (PHA). Transactions between entities included in the consolidation are eliminated.

1.4. Health and Social Care Board & Public Health Agency

The accounts of the HSC Board and Public Health Agency have been prepared in accordance with the accounting standards and policies directed by the Department of Health, Social Services and Public Safety (the Department) as being relevant to Health and Social Care (HSC) bodies in Northern Ireland.

The accounting policies adopted follow International Financial Reporting Standards (IFRS) to the extent that it is meaningful to HSC bodies in Northern Ireland, and, where possible, are selected in accordance with the principles set out in International Accounting Standard (IAS) 8 "Accounting Policies" as the most appropriate for giving a true and fair view in this context.

1.5. Property, Plant and Equipment and Intangibles

Property, plant and equipment assets comprise Land, Buildings, Dwellings, Transport and Equipment, Plant & Machinery, Information Technology, Furniture & Fittings, and Assets under construction. (There are currently no assets under construction).

Recognition

Property, Plant and Equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to the business;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £1,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new unit, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment and intangible non-current assets are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition. Items classified as "under construction" are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred.

Emergency planning stockpiles are included within plant and machinery and are capitalised in accordance with FREM.

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately for the rest of the business or which arise for contractual or other legal rights. Intangible assets are considered to have a finite life. Intangible assets includes any of the following held – software, licences, trademarks, websites, development expenditure, Patents, Goodwill and intangible assets under construction. Intangible non-current assets in use within the Department, Board and PHA comprise software and websites. Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible non-current asset. There is no difference between the requirements for (a) intangible assets that are acquired externally and (b) internally generated intangible non-current assets, whether they arise from development activities or other types of activities.

The capitalisation threshold for intangible assets is the same as for tangible assets.

Valuation

All Property, Plant and Equipment and Intangible non-current assets are carried at fair value.

Fair value for property is estimated as the latest professional valuation revised annually by reference to indices supplied by Land and Property Services.

Fair value for Plant, Equipment and Intangibles is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS), except for assets under construction which are carried at cost. This year, indices at the end of December 2012 were used.

Land and buildings are carried at the last professional valuation, in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice in so far as these are consistent with the specific needs of the HSC.

A formal revaluation of the Retained Estate and the HSC Estate was last carried out as at 31 January 2010, by Land and Property Services of Upper Queen's Street, Belfast, with the next review due by 31 January 2015.

Properties are valued on the basis of open market value for existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost. Properties surplus to requirements are valued on the basis of open market value less any material directly attributable selling costs.

1.6. Depreciation

Property, plant and equipment and intangible non-current assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Depreciation is charged in the month of acquisition.

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and not in use are not depreciated. Capital expenditure on leasehold improvements is depreciated over the shorter of the life of the asset or the remaining term of the lease.

Depreciation is charged on short life assets (up to 5 years) based on the historic cost without indexation being applied.

Depreciable assets normally have useful lives in the following ranges:

Asset Type	Asset Life
Freehold Buildings – Core	25 – 60 years
Freehold Buildings – HSC Board	15 – 80 years
Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Software /Licences	3 – 10 years
Other Equipment	3 – 15 years

The majority of furniture and fittings are rented from the Department of Finance and Personnel and have not been capitalised. Instead this forms part of the notional accommodation costs included in the Statement of Comprehensive Net Expenditure.

Most of the buildings used by the core Department are part of the government estate. As rents are not paid for these properties, notional accommodation costs are based on a capital charge for the properties. These costs have been charged to the Statement of Comprehensive Net Expenditure.

The overall useful life of the Department's buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on these assets at the same rate as if separate components had been identified and depreciated at different rates.

1.7. Subsequent Expenditure

Where subsequent expenditure enhances an asset beyond its original specification the directly attributable cost is capitalised. Where subsequent expenditure which meets the definition of capital restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

The overall useful life of buildings takes account of the fact that different components of those buildings have different useful lives. This ensures that depreciation is charged on those assets at the same rate as if separate components had been identified and depreciated at different rates.

1.8. Impairments

At each reporting period end, the Department checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount.

If there has been an impairment loss due to price change, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the Statement of Comprehensive Net Expenditure.

DFP/HM Treasury has directed that economic impairments be treated in a different way from that shown in IAS 36 for 2010-11 and future periods. As a result where the loss arises from an economic impairment the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and there is a corresponding movement from the revaluation reserve to the Statement of Comprehensive Net Expenditure reserve up to the amount of the economic impairment which is in the Revaluation Reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.9. Profit/Loss on sale of non current Assets

The profit from sale of land which is a non depreciating asset is recognised within Income. The profit from sale of any depreciating assets is shown as a reduction in the expense within the Statement of Comprehensive Net Expenditure The loss from sale of land or loss from the sale of any depreciating assets is show as an increased expense.

1.10. Non Current Assets Held for Sale

The Department classifies a non-current asset as held for sale where its value is expected to be realised principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that its sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset through appropriate marketing at a reasonable price and the sale is considered likely to be concluded within one year. Non-current assets held for sale are valued on the basis of open market value where one is available or at carrying amount if an open market value is not available less any material directly attributable selling costs.

1.11. Stockpile Goods

The Department has acquired equipment and stock for use in the event of a national emergency.

These stocks consist mainly of drugs and protective clothing and are regarded as the minimum levels necessary to provide an emergency response. In accordance with FReM, these minimum levels are treated as Property, Plant and Equipment (PPE). The goods are recorded at the lower of cost price and net realisable value. It is considered that depreciation is not applicable for the majority of emergency stock items held. An Impairment charge is recognised for any stockpile goods which are disposed of e.g. because they are past their 'use by' date. The Department also considers that due to the unique nature of stockpile goods it is inappropriate to apply a capitalisation threshold. The Emergency Planning Branch of the Department is responsible for managing these items.

1.12. Investments

The only Interest Bearing Debt (IBD) remaining in Trusts is held by the Northern Ireland Ambulance Service as the IBD in the legacy Trusts was cancelled and replaced by Public Dividend Capital (PDC) when the new Trusts were established on 1 April 2007. The IBD held by the NIAS has no fixed repayment terms and the Trust is not required to make a dividend payment in respect of Public Dividend Capital.

PDC has no fixed repayment terms and Trusts are not required to make a dividend payment in respect of Public Dividend Capital.

The PDC of the Trusts is held in the name of the Secretary of State. These bodies are managed independently from the Department and their accounts are not consolidated with those of the Department.

The Department's investment in these bodies is shown in the Statement of Financial Position at historical cost.

1.13. Inventories and Work in Progress

Within the Core Department and PHA, inventories consist only of consumable items and are therefore expensed in the year of purchase.

In the accounts of the HSC Board, inventories are included exclusive of VAT. Inventories are valued at the lower of cost and Net Realisable Value (NRV).

1.14. Research and Development

Research and Development expenditure is expensed in the year it is incurred in accordance with IAS 38.

1.15. Operating Income

Operating income is income which relates directly to the operating activities of the business. It comprises principally, fees and charges or income generated from managing its affairs (rents, investments etc), on a full cost basis. It includes both income classified as accruing resources and income due to the Consolidated Fund which in accordance with FREM is treated as operating income. Receipts under the EU Peace and Reconciliation Programme or

other EU initiatives are also treated as operating income. Revenue is stated net of VAT. Operating income is split between Administration Income and Programme Income within the Statement of Comprehensive Net Expenditure.

1.16. Leases

Department, HSC Board and PHA as lessee

Where substantially all the benefits of control of a leased asset are borne by the business, it is recognised as a finance lease and the asset is recorded as property, plant and equipment, with a corresponding liability to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding.

Where a lease is for land and buildings, the land and building components are separated where the amounts are material. Leased land is treated as an operating lease. Leased buildings are assessed as to whether they are operating or finance leases. The Department does not currently hold any finance leases.

Other leases are regarded as operating leases and the rentals are charged to the Consolidated Statement of Comprehensive Net Expenditure on a straight-line basis over the term of the lease.

Department HSC Board and PHA as a lessor

The Department leases a number of land and building assets to voluntary bodies for which it receives small sums of money know as peppercorn rent. These land and buildings assets are included within the Department's Property, Plant and Equipment asset register.

1.17. Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Department, HSC Board and PHA has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

Financial assets

Financial assets are recognised on the Statement of Financial Position when the Department becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value and subsequently on an amortised cost basis.

Financial assets are classified into the following categories:

- financial assets at fair value through Statement of Comprehensive Net Expenditure;
- held to maturity investments;
- available for sale financial assets; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Department becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Financial liabilities are initially recognised at fair value.

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets and liabilities and held at fair value. The Department, HSC Board and PHA do not have any embedded derivatives.

Financial Risk Management

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the manner in which they are funded, financial instruments play a more limited role in creating risk than would apply to a non public sector body of a similar size, therefore the Department, HSCB and PHA are not exposed to the degree of financial risk faced by business entities. There are limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing its activities. Therefore the Department, HSC Board and PHA are exposed to limited credit, liquidity or market risk.

Currency Risk

The Department, HSC Board and PHA are principally domestic organisations with the great majority of transactions, assets and liabilities being in the UK and sterling based. There is therefore low exposure to currency rate fluctuations.

Interest Rate Risk

The Department, HSC Board and PHA have limited powers to borrow or invest and therefore there is low exposure to interest rate fluctuations.

Credit and Liquidity risk

As the Department, HSC Board and PHA are funded largely with government funding there is low exposure to credit risk and to significant liquidity risks.

1.18. Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.19. Grants Payable

Grants payable are recorded as expenditure in the period that the underlying event or activity giving entitlement to the grant occurs.

1.20. Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation where this can be determined. Where the effect of the time value of money is significant the estimated risk-adjusted cash flows are discounted using the Treasury Discount Rate.

At 31 March 2014 the Treasury Discount rate for use in General Provisions were

years 1 – 5	minus 1.9% (negative real rate)
years 6 – 10	minus 0.65% (negative real rate)
years 11 – 20	plus 2.2%

The Department has also disclosed the carrying amount at the beginning and end of the period, additional provisions made, amounts used during the period, unused amounts reversed during the period and changes in the discounted amount arising from the passage of time and effect of any change in the discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

The Department no longer reflects the HSC Trust clinical negligence provision as a core provision, rather the cash funding issued to HSC Trusts in respect of clinical negligence is accounted for as grant in aid.

1.21. Contingent Assets / Liabilities

Under IAS 37 the Department discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the

control of the Department, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department, HSC Board or PHA. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department is required to disclose for Parliament/Assembly reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote but which have been reported to Parliament/Assembly in accordance with the requirements of Managing Public Money Northern Ireland.

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament/Assembly separately noted. Contingent liabilities that are not required to be disclosed under IAS 37 are stated at the amounts reported to Parliament/Assembly.

1.22. Change to Estimation Technique

There were no changes to estimation techniques during the year.

1.23. Value Added Tax

Most of the activities of the Department, HSC Board and PHA are outside the scope of VAT and in general output tax does not apply. Input VAT on purchases is generally recoverable.

1.24. Third Party Assets

The Department, HSC Board and PHA had no third party assets during the year.

1.25. Losses and Special Payments

Losses and special payments are items that the Assembly would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the

way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the government bodies not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

1.26. Administration and Programme Expenditure

The Consolidated Statement of Comprehensive Net Expenditure is analysed between administration and programme revenue and expenditure. The classification of expenditure and revenue as administration or as programme follows the definition of administration costs as set out in Managing Public Money Northern Ireland (MPMNI), issued by the Department of Finance and Personnel.

Administration costs reflect the costs of running the Core Department and associated operating income. Revenue is analysed in the notes between that which is allowed to be offset against gross administrative costs in determining the outturn against the administrative cost limit, and that revenue which is not.

Core programme costs reflect non-administration costs and mainly consist of expenditure in health and social services. This includes payments of capital and current grants and other disbursements by the Department.

The costs of the HSC Board and Public Health Agency which are consolidated into the Departmental account are both treated as programme costs.

1.27. Employee Benefits including pensions

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end.

Past and present employees of the Department are covered by the Principal Civil Service Pension Scheme (PCSPS) (NI). The defined benefit schemes are unfunded and are non-contributory except in respect of dependant's benefits. The Department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the Department recognizes the contributions payable during the year.

The HSC Board and PHA participate in the HSC Superannuation Scheme, which is administered by the Department. Under this defined benefit scheme both the HSC Board and the PHA employees pay specified percentages of pay into the scheme and the liability to pay

benefit falls to the Department.

The cost of early retirements are met by and charged to the SoCNE at the time a commitment is made to fund the early retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 31 March 2008 full valuation reviewed by an interim valuation in 2010 has been used in the 2013-14 accounts.

1.28. Transfer of Functions to Other Departments

The accounting treatment for transfers of function is in accordance with the merger accounting principles set out in the FReM. The Department, HSC Board or PHA did not have any transfers of function during 2013-14**.**

1.29. Changes in Accounting Policy

There were no changes in Accounting Policy during 2013-14.

1.30. Reserves

Statement of Comprehensive Net Expenditure

Accumulated taxpayer funding movements are accounted within the Statement of Comprehensive Net Expenditure Reserve.

Revaluation Reserve

The Revaluation Reserve reflects the unrealised balance of cumulative indexation and revaluation adjustments.

1.31. Standards Issued by IASB not included in 2013-14 FReM

Under IAS 8 there is a requirement to disclose those standards issued but not yet adopted.

The IASB have issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards are effective from January 2013, with EU adoption from 1 January 2014.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A review of the NI financial process is currently under discussion with the Executive, which will bring NI departments under the same adaptation. Should this go ahead, the impact on departments is expected to focus around the disclosure requirements under IFRS 12. The impact on the consolidation boundary of NDPB's and trading funds will be

subject to review, in particular, where control could be determined to exist due to exposure to variable returns (IFRS 10), and where joint arrangements need reassessing.

2. Statement of Operating Costs by Operating Segment.

The Operating segments are:

The following are separate identifiable units of business which have their own set of activities which contribute to the Department's objectives. The funding for all reportable segments is shown in the table below. No material transactions occurred between the segments.

	2013-14		
	Gross Expenditure	Income	Net Expenditure
Funded Bodies			
Health & Social Care Board	938,869	(50,308)	888,561
Public Health Agency	60,717	(808)	59,909
Business Services Organisation	45,000	-	45,000
Patient Client Council	1,781	-	1,781
NI Practice & Education Council for Nursing & Midwifery	1,147	-	1,147
NI Social Care Council	3,150	-	3,150
Regulation & Quality Improvement Authority	7,675	-	7,675
NI Medical & Dental Training Agency	14,600	-	14,600
NI Guardian ad Litem Agency	4,020	-	4,020
NI Fire & Rescue Service	87,620	-	87,620
Health and Social Care Trusts	3,534,841	-	3,534,841
Centrally Managed			
Administration	35,253	(297)	34,956
Programme	63,620	(469,588)	(405,968)
Depreciation / Impairments	4,992	-	4,992
Total	**4,803,285**	**(521,001)**	**4,282,284**

NI Blood Transfusion Service expenditure is included within Centrally Managed Programme Expenditure.

2. Statement of Operating Costs by Operating Segment (cont'd)

	2012-13		
	Gross Expenditure	Income	Net Expenditure
Funded Bodies			
Health & Social Care Board	960,451	(46,389)	914,062
Public Health Agency	51,755	(589)	51,166
Business Services Organisation	87,970	-	87,970
Patient Client Council	1,789	-	1,789
NI Practice & Education Council for Nursing & Midwifery	1,291	-	1,291
NI Social Care Council	2,685	-	2,685
Regulation & Quality Improvement Authority	5,761	-	5,761
NI Medical & Dental Training Agency	14,175	-	14,175
NI Guardian ad Litem Agency	4,331	-	4,331
NI Fire & Rescue Service	79,090	-	79,090
Health and Social Care Trusts	3,564,753	-	3,564,753
Centrally Managed			
Administration	35,145	(282)	34,863
Programme	61,551	(489,454)	(427,903)
Depreciation / Impairments	4,854	-	4,854
Total	4,875,601	(536,714)	4,338,887

The operating segments in this note are those reported to the Department of Health and Social Services Departmental Board for financial management purposes. The operating segments are:

2. Statement of Operating Costs by Operating Segment

Health and Social Care Board (HSCB)
The HSCB is responsible for commissioning the provision of health and social care, monitoring health and social care performance and ensuring the best possible use of the resources of the health and social care system.

Public Health Agency (PHA)
The PHA is responsible for improvements in health and social well-being , health protection and service development.

Business Services Organisation (BSO)
The BSO is responsible for the provision of a range of business support and specialist professional services to other health and social care bodies.

Patient Client Council (PCC)
The PCC is responsible for ensuring a strong patient and client voice at both regional and local level, and strengthening public involvement in decisions about health and social care services.

NI Practice and Education Council for Nursing and Midwifery (NIPEC)
NIPEC provides advice and guidance on best practice and matters relating to nursing and midwifery.

NI Social Care Council (NISCC)
NISCC registers and regulates the social care workforce, setting and monitoring the standards for professional social work training and promoting training within the broader social care workforce.

Regulation and Quality Improvement Authority (RQIA)
The RQIA registers and inspects a wide range of HSC services and has a role in assuring the quality of services provided by a number of HSC bodies.

NI Medical and Dental Training Agency (NIMDTA)
NIMDTA ensures that doctors and dentists are effectively trained to provide the highest standards of patient care and to fund, manage and support postgraduate medical and dental education.

NI Guardian ad Litem Agency (NIGALA)
NIGALA is responsible for maintaining a register of Guardians ad Litem who are independent officers of the Court experienced in working with children and families.

NI Fire and Rescue Service (NIFRS)
NIFRS is responsible for delivering Fire and Rescue Services.

Health and Social Care Trusts
The six HSC Trusts are responsible for providing goods and services for the purpose of health and social care work and, with the exception of the Ambulance Service Trust, are also responsible for exercising on behalf of the Health and Social Care Board certain statutory functions.
The Ambulance Service Trust provides emergency response to patients with sudden illness and injury and non-emergency patient care and transportation.

2.1 Reconciliation between Operating Segments and CSoFP

	2013-14		
	Total assets	**Total liabilities**	**Net assets less liabilities**
Funded Bodies			
Health & Social Care Board	27,397	(189,747)	(162,350)
Public Health Agency	1,823	(9,486)	(7,663)
Business Services Organisation	-	-	-
Patient Client Council	-	-	-
NI Practice & Education Council for Nursing & Midwifery	-	-	-
NI Social Care Council	-	-	-
Regulation & Quality Improvement Authority	-	-	-
NI Medical & Dental Training Agency	-	-	-
NI Guardian ad Litem Agency	-	-	-
NI Fire & Rescue Service	-	-	-
Health and Social Care Trusts	-	-	-
Centrally Managed	2,098,656	(12,103)	2,086,553
Total	**2,127,876**	**(211,336)**	**1,916,540**

	2012-13		
	Total assets	**Total liabilities**	**Net assets less liabilities**
Funded Bodies			
Health & Social Care Board	30,961	(244,736)	(213,775)
Public Health Agency	1,470	(10,193)	(8,723)
Business Services Organisation	-	-	-
Patient Client Council	-	-	-
NI Practice & Education Council for Nursing & Midwifery	-	-	-
NI Social Care Council	-	-	-
Regulation & Quality Improvement Authority	-	-	-
NI Medical & Dental Training Agency	-	-	-
NI Guardian ad Litem Agency	-	-	-
NI Fire & Rescue Service	-	-	-
Health and Social Care Trusts	-	-	-
Centrally Managed	2,104,365	(17,452)	2,086,913
Total	2,136,796	(272,381)	1,864,415

3. Staff numbers and related costs

Staff costs comprise:

	2013-14				2012-13
	Permanently employed staff	Others	Ministers	Total	Total
	£000	£000	£000	£000	£000
Wages and salaries	52,324	4,537	38	56,899	54,278
Social security costs	4,533	382	4	4,919	4,599
Other pension costs	7,914	590	8	8,512	8,329
Subtotal	**64,771**	**5,509**	**50**	**70,330**	67,206
Less recoveries iro outward secondments	(276)	(756)	-	(1,032)	(774)
Total net costs*	**64,495**	**4,753**	**50**	**69,298**	66,432
Of which: **Core Department**	**25,050**	**2,712**	**50**	**27,812**	27,815
Less recoveries iro outward secondments	(276)	-	-	(276)	(279)
Net Core Department	**24,774**	**2,712**	**50**	**27,536**	27,536

* No staff costs have been charged to capital. Permanently employed staff include the cost of the Department's Special Adviser, who was paid within the pay band £ 58,452 - £91,809 during 2013-14 (2012-13: £57,873 - £90,900)

Net Staff costs

	2013-14	2012-13
	£000	£000
Of which:		
Core Department		
Administration	27,051	26,980
Programme	485	556
Total	**27,536**	27,536
Agencies		
Administration	-	-
Programme	41,762	38,896
Total	**41,762**	38,896
Consolidated		
Administration	27,051	26,980
Programme	42,247	39,452
Total net costs	**69,298**	66,432

The figures in the Statement of Comprehensive Net Expenditure (SCNE) consist of gross staff costs.
Amounts recovered in respect of secondments are seperately disclosed in the SCNE.
The above costs are gross staff costs netted off against secondee income.

'The Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)] is an unfunded multi-employer defined benefit scheme but DHSSPS is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2010 and details of this valuation are available in the PCSPS(NI) resource accounts.

For 2013-14, employers' contributions of £3.9m were payable to the PCSPS(NI) (2012-13: £4.1m) at one of four rates in the range 18% to 25% of pensionable pay, (2012-13: 18% to 25%) based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. However, HM Treasury has instructed the scheme to cease further work on the March 2010 valuation. A new valuation scheme, based on data as at 31 March 2012, is currently being undertaken by the Actuary to review employer contribution rates for the introduction of a new career average earning scheme from April 2015. From 2013-14, the rates will remain in the range 18% to 25%. The contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. There were no employer's contributions in 2013-14 (2012-13: £nil).

Contributions due to the partnership pension providers at the balance sheet date were £nil. Contributions prepaid at that date were also £nil.

Six persons (2012-13: five persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £15k (2012-13 : £6k).

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the Department as well as other bodies included within the consolidated Departmental Resource Accounts.

	2013-14 Number				2012-13 Number
Departmental Strategic Objective	**Permanently employed staff**	**Others**	**Ministers**	**Total**	**Total**
Health & Social Care Board	499	56	-	555	488
Public Health Agency	299	30	-	329	312
Business Services Organisation	-	-	-	-	-
Patient Client Council	-	-	-	-	-
NI Practice & Education Council for Nursing & Midwifery	-	-	-	-	-
NI Social Care Council	-	-	-	-	-
Regulation & Quality Improvement Authority	-	-	-	-	-
NI Medical & Dental Training Agency	-	-	-	-	-
NI Guardian ad Litem Agency	-	-	-	-	-
NI Fire & Rescue Service	-	-	-	-	-
Health and Social Care Trusts	-	-	-	-	-
Administration	565	61	-	626	628
Programme	5	6	-	11	9
less staff engaged on capital projects	-	-	-	-	-
less outward seconded staff	(15)	-	-	(15)	(13)
Total	**1,353**	**153**	**-**	**1,506**	1,424
Of which:					
Core Department	565	67	-	**632**	632
Agencies	788	86	-	**874**	792

Core Staff numbers include 67 Whole Time Equivalent (WTE) staff seconded in to the Department and 5 (WTE) staff seconded out from the Department to other bodies.

3.1 Reporting of Civil Service and other compensation schemes - exit packages

	Core Department						Consolidated					
	*Number of compulsory redundancies		*Number of other departures agreed		Total number of exit packages by cost band		*Number of compulsory redundancies		*Number of other departures agreed		Total number of exit packages by cost band	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<£10,000	-	-	2	-	2	-	-	-	2	-	2	-
£10,001 - £25,000	-	-	1	2	1	2	-	-	1	2	1	2
£25,001 - £50,000	-	-	-	-	-	-	-	-	-	1	-	1
£50,001 - £100,000	-	-	-	1	-	1	-	-	-	1	-	1
£100,001- £150,000	-	-	-	-	-	-	-	-	-	-	-	-
£150,001- £200,000	-	-	-	-	-	-	-	-	-	-	-	-
£200,001- £250,000	-	-	-	-	-	-	-	-	-	-	-	-
£250,001- £300,000	-	-	-	-	-	-	-	-	-	-	-	-
£300,001- £350,000	-	-	-	-	-	-	-	-	-	-	-	-
£350,001- £400,000	-	-	-	-	-	-	-	-	-	-	-	-
Total number of exit packages by type	-	-	3	3	3	3	-	-	3	4	3	4
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total resource cost	-	-	35	106	35	106	-	-	35	131	35	131

The table above shows Redundancy and other departure costs in respect of the Core Department in 2013-14: 3 cases totalling £35k (2012-13 3 cases totalling £106k); the HSCB had nil cases in 2013-14 (2012-13 1 case totalling £25k); and the PHA, nil cases in 2013-14 (2012-13 nil cases).

Core Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Similarly, HSCB and PHA costs have been paid in accordance with the provisions of the HSC Pension Scheme Regulations.

Exit costs can be accounted for in full in the year of departure. Where the Department has agreed early retirements or other agreed departures, the additional costs are met by the employing authority and not by the pension schemes. Ill-health retirement costs met by the pension schemes are not included in the table.

4. Other Administration Costs

	Note	2013-14		2012-13	
		Core Department	Consolidated	Core Department	Consolidated
		£000	£000	£000	£000
Rentals under operating leases		19	19	40	40
Interest charges		-	-	-	-
PFI and other service concession arrangements service charges		-	-	-	-
Research and development expenditure		-	-	-	-
Staff related costs		687	687	674	674
Accommodation Costs		24	24	6	6
Office Services		683	683	769	769
Contracted Services		476	476	516	516
Professional Costs		551	551	310	310
Other Admin Expenditure		263	263	162	162
		2,703	**2,703**	2,477	2,477
Non-Cash Items					
Depreciation		13	13	21	21
Amortisation		-	-	15	15
Profit on disposal of property, plant and equipment		-	-	-	-
Loss on disposal of property, plant and equipment		-	-	-	-
Profit on disposal of intangibles		-	-	-	-
Loss on disposal of intangibles		-	-	-	-
Auditors' remuneration and expenses*		106	106	105	105
Provision provided for in year	17	-	-	-	-
Borrowing costs (unwinding of discount) on provisions	17	-	-	-	-
Permanent diminution in value		-	-	-	-
Accommodation costs		2,773	2,773	2,798	2,798
Other indirect charges and services		2,444	2,444	2,592	2,592
Total Non-Cash Items		**5,336**	**5,336**	5,531	5,531
Total		**8,039**	**8,039**	8,008	8,008

* During the year, the Department purchased no non-audit services from its auditor (NIAO).

5. Programme Costs

	Note	2013-14		2012-13	
		Core Department	Consolidated	Core Department	Consolidated
		£000	£000	£000	£000
Request for Resources A					
Rentals under operating leases		928	1,057	1,208	1,375
Interest charges		-	-	-	-
Research and development expenditure		258	6,646	26	4,860
EU Grants		3,131	3,131	4,878	4,878
Other Grants and Disbursements		3,670,093	4,616,923	3,737,510	4,689,650
		3,674,410	**4,627,757**	3,743,622	4,700,763
Non Cash Items					
Depreciation		279	2,874	596	3,060
Amortisation		13	447	14	498
Profit on disposal of property, plant and equipment		-	-	-	-
Loss on disposal of property, plant and equipment		36	60	29	203
Profit on disposal of intangibles		-	-	-	-
Loss on disposal of intangibles		-	-	-	-
Auditors' remuneration and expenses		-	88	-	75
Other indirect charges and services		-	-	-	-
Provision provided for in year	17	518	3,752	-	14,148
Borrowing costs (unwinding of discount) on provisions	17	-	234	-	1,181
Permanent diminution in value		1,658	1,658	1,260	1,260
Total Non-Cash Items		**2,504**	**9,113**	1,899	20,425
Total for Request for Resources A		**3,676,914**	**4,636,870**	3,745,521	4,721,188
Request for Resources B					
NI Fire & Rescue Service		88,046	88,046	79,199	79,199
Total for Request for Resources B		**88,046**	**88,046**	79,199	79,199
Total		**3,764,960**	**4,724,916**	3,824,720	4,800,387

6. Income

An analysis of income recorded in the **Core Department** Statement of Comprehensive Net Expenditure is as follows:

Core Department	2013-14			2012-13
	Request for Resources A	Request for Resources B	Total	Total
	£000	£000	£000	£000
Administration income:				
Fees and charges to external customers	-	-	-	-
Fees and charges to other departments	276	-	276	279
Central administration and miscellaneous services	21	-	21	3
Profit on disposal of non-depreciable property, plant and equipment	-	-	-	-
Total administration income	**297**	**-**	**297**	282
Programme income:				
Fees and charges to external customers	-	-	-	-
EU Income	2,348	-	2,348	3,659
Miscellaneous Grants and Disbursements	-	-	-	-
Health & Social Services Grants and Disbursements	467,240	-	467,240	485,770
Family Health Services receipts	-	-	-	-
Profit on disposal of non-depreciable property, plant and equipment	-	-	-	25
Total programme income	**469,588**	**-**	**469,588**	489,454
Total	**469,885**	**-**	**469,885**	489,736

Health & Social Services Grants and Disbursements include National Insurance contributions received of 2013-14 £467m. (2012-13: £486m)

The basis of the calculation used by the HMRC to finalise the Health Service element of National Insurance Contributions (NIC) was reviewed as part of the National Insurance Fund audit for the period 2011-12. This review identified a potential overpayment of £9m to DHSSPS during the period 2000-2012 and an adjustment was made to the 2013-14 NIC disbursement.

EU Income has decreased due to the Interreg IV Program coming to a close.

6. Income

An analysis of income recorded in the **Consolidated Department** Statement of Comprehensive Net Expenditure is as follows:

Consolidated	2013-14			2012-13
	Request for Resources A	Request for Resources B	Total	Total
	£000	£000	£000	£000
Administration income:				
Fees and charges to external customers	-	-	-	-
Fees and charges to other departments	276	-	276	279
Central administration and miscellaneous services	21	-	21	3
Profit on disposal of non-depreciable property, plant and equipment	-	-	-	-
Total administration income	**297**	**-**	**297**	282
Programme income:				
Fees and charges to external customers	-	-	-	-
EU Income	2,348	-	2,348	3,659
Miscellaneous Grants and Disbursements	25,426	-	25,426	23,212
Health & Social Services Grants and Disbursements	472,731	-	472,731	490,243
Family Health Services receipts	20,199	-	20,199	19,293
Profit on disposal of non-depreciable property, plant and equipment	-	-	-	25
Total programme income	**520,704**	**-**	**520,704**	536,432
Total	**521,001**	**-**	**521,001**	536,714

Miscellaneous Grants & Disbursements includes income from Department of Education payable to HSCB for Surestart and Early Years (2013-14: £25,116k, 2012-13: £22,499k).

6.1 Fees and charges information

The following information is required for fees and charges purposes, not for IFRS 8 purposes

Core	2013-14			2012-13		
	Income	Full cost	Surplus/ (deficit)	Income	Full cost	Surplus/ (deficit)
	£000	£000	£000	£000	£000	£000
Seconded officer recovery	276	276	-	279	279	-
Other	-	-	-	-	-	-
Total	**276**	**276**	**-**	279	279	-

Consolidated	2013-14			2012-13		
	Income	Full cost	Surplus/ (deficit)	Income	Full cost	Surplus/ (deficit)
	£000	£000	£000	£000	£000	£000
Seconded officer recovery	1,032	1,032	-	774	774	-
Other	-	-	-	-	-	-
Total	**1,032**	**1,032**	**-**	774	774	-

7. Property, plant and equipment 2013-14

7.1 Consolidated Property, plant and equipment 2013-14

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 01 April 2013	40,769	11,332	349	17,320	19,799	18	268	89,855
Restatement of Opening Balance	-	-	-	-	-	-	-	-
Opening balances at 01 April 2013	40,769	11,332	349	17,320	19,799	18	268	89,855
Additions	-	175	-	2,262	1,636	-	-	4,073
Donations / Government grant / Lottery funding	-	-	-	-	-	-	-	-
Disposals	-	-	-	(266)	-	-	-	(266)
Transfers	-	(37)	-	(171)	-	-	-	(208)
Impairments transferred to Revaluation Reserve	-	-	-	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	4	-	-	(1,661)	-	-	(1,657)
Reclassifications	-	-	-	-	-	-	-	-
Indexation	-	394	30	-	28	-	2	454
Revaluations	-	-	-	-	-	-	-	-
At 31 March 2014	**40,769**	**11,868**	**379**	**19,145**	**19,802**	**18**	**270**	**92,251**
Depreciation								
At 01 April 2013	-	1,759	35	10,305	194	7	191	12,491
Charged in year	-	499	12	2,351	9	4	12	2,887
Disposals	-	-	-	(242)	-	-	-	(242)
Transfers	-	(5)	-	-	-	-	-	(5)
Impairments transferred to Revaluation Reserve	-	-	-	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Indexation	-	101	4	-	6	-	-	111
Revaluations	-	-	-	-	-	-	-	-
At 31 March 2014	**-**	**2,354**	**51**	**12,414**	**209**	**11**	**203**	**15,242**
Carrying amount at 31 March 2014	**40,769**	**9,514**	**328**	**6,731**	**19,593**	**7**	**67**	**77,009**
Carrying amount at 31 March 2013	40,769	9,573	314	7,015	19,605	11	77	77,364
Asset financing:								
Owned	40,769	9,514	329	6,731	19,593	8	67	77,011
Finance leased	-	-	-	-	-	-	-	-
On-balance sheet (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-
Carrying amount at 31 March 2014	**40,769**	**9,514**	**329**	**6,731**	**19,593**	**8**	**67**	**77,011**

7.2 Consolidated Property, plant and equipment 2012-13

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 01 April 2012	47,665	17,648	362	18,350	18,217	18	484	102,744
Additions	-	65	-	1,903	675	-	70	2,713
Disposals	-	-	-	(2,932)	(47)	-	(292)	(3,271)
Transfers	(1,300)	(170)	-	-	(6)	-	-	(1,476)
Impairments transferred to Revaluation Reserve	(304)	(724)	-	-	-	-	-	(1,028)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	(482)	(3)	-	-	(31)	-	-	(516)
Reclassifications	(576)	(5,342)	-	(1)	-	-	-	(5,919)
Indexation	(3,752)	(143)	(13)	-	3	-	6	(3,899)
Revaluations	(482)	-	-	-	989	-	-	507
At 31 March 2013	40,769	11,332	349	17,320	19,799	18	268	89,855
Depreciation								
At 01 April 2012	-	1,578	24	10,827	208	3	470	13,110
Charged in year	-	806	12	2,235	17	4	7	3,081
Disposals	-	-	-	(2,757)	(29)	-	(292)	(3,078)
Transfers	-	(17)	-	-	(3)	-	-	(20)
Impairments transferred to Revaluation Reserve	-	(46)	-	-	-	-	-	(46)
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	(1)	-	-	-	-	-	(1)
Reclassifications	-	(536)	-	-	-	-	-	(536)
Indexation	-	(26)	(1)	-	1	-	6	(20)
Revaluations	-	-	-	-	-	-	-	-
At 31 March 2013	-	1,759	35	10,305	194	7	191	12,491
Carrying amount at 31 March 2013	40,769	9,573	314	7,015	19,605	11	77	77,364
Carrying amount at 31 March 2012	47,665	16,070	338	7,523	18,008	15	14	89,633
Asset financing:								
Owned	40,769	9,573	314	7,015	19,605	11	77	77,364
Finance leased	-	-	-	-	-	-	-	-
Carrying amount at 31 March 2013	40,769	9,573	314	7,015	19,605	11	77	77,364
Asset financing:								
Owned	47,665	16,070	338	7,523	18,008	15	14	89,633
Finance leased	-	-	-	-	-	-	-	-
On-balance sheet (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-
Carrying amount at 01 April 2012	47,665	16,070	338	7,523	18,008	15	14	89,633

7.3 Analysis of property, plant and equipment

The carrying amount of property, plant and equipment comprises:

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Core Department at 31 March 2014	38,047	3,239	328	-	19,593	8	-	61,215
Public Health Agency at 31 March 2014	-	-	-	393	-	-	67	460
Health & Social Care Board at 31 March 2014	2,722	6,274	-	6,338	-	-	-	15,334
	40,769	**9,513**	**328**	**6,731**	**19,593**	**8**	**67**	**77,009**
Core Department at 31 March 2013	38,047	3,280	314	-	19,605	12	-	61,258
Public Health Agency at 31 March 2013	-	-	-	303	-	-	74	377
Health & Social Care Board at 31 March 2013	2,722	6,293	-	6,712	-	-	3	15,730
	40,769	9,573	314	7,015	19,605	12	77	77,365
Core Department at 31 March 2012	44,639	8,942	338	-	18,009	15	-	71,943
Public Health Agency at 31 March 2012	-	-	-	274	(1)	-	8	281
Health & Social Care Board at 31 March	3,026	7,128	-	7,249	-	-	6	17,409
	47,665	16,070	338	7,523	18,008	15	14	89,633

Land and Buildings were valued at 31 January 2010 by the Land and Property Services (LPS) in accordance with the Royal Institute of Chartered Surveyors' Statement of Asset Valuation Practice. During the year, land and buildings to be sold were revalued prior to sale. Other tangible assets were revalued using appropriate indices.

No Core Department Land and Buildings were transferred into Assets Held for sale during 2013-14 (2012-13: £6,255k).

7.4 Assets Classified as Held for Sale

	Land		Buildings		Total	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
	£000	£000	£000	£000	£000	£000
Opening Balance at 1 April	1,852	2,562	5,163	1,283	7,015	3,845
Transfer in from Non Current Assets	-	1,449	-	4,806	-	6,255
Transfer out to Non Current Assets	-	(1,128)	-	(593)	-	(1,721)
Disposals of Carrying Value	(20)	(486)	(75)	(133)	(95)	(619)
Impairments	-	(545)	-	(200)	-	(745)
Closing Balance at 31 March	**1,832**	1,852	**5,088**	5,163	**6,920**	7,015

Non-current assets held for sale comprise non-current assets that are held for resale rather than for continuing use within the business. The carrying value represents estimated sales proceeds.

At 31 March 2014, there were 16 land and buildings assets, (2012-13: 18) held by Core Department which were classified as held for resale with a fair value of £6,920k (2012-13: £7,015k). These properties had been revalued up to fair value.

8. Intangible Assets

8.1 Consolidated Intangible Assets 2013-14

	Information Technology	Software Licences	Development expenditure	Total
	£000	£000	£000	£000
Cost or Valuation				
At 01 April 2013	3,270	1,404	45	4,719
Additions	374	117	-	491
Disposals	-	-	-	-
Transfers	139	32	-	171
Indexation	-	-	-	-
Impairments transferred to Revaluation Reserve	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-
Revaluations	-	-	-	-
At 31 March 2014	**3,783**	**1,553**	**44**	**5,381**
Amortisation				
At 01 April 2013	2,887	884	30	3,801
Charged in year	266	168	13	447
Disposals	-	-	-	-
Transfers	-	1	-	1
Backlog depreciation	-	-	-	-
Impairments transferred to Revaluation Reserve	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-
Revaluations	-	-	-	-
At 31 March 2014	**3,153**	**1,053**	**44**	**4,249**
Carrying amount at 31 March 2014	**630**	**502**	**-**	**1,132**
Carrying amount at 31 March 2013	383	521	14	918
Asset financing:				
Owned	630	502	-	1,132
Finance leased	-	-	-	-
Carrying amount at 31 March 2014	**630**	**502**	**-**	**1,132**

8. Intangible Assets

8.2 Consolidated Intangible Assets 2012-13

	Information Technology	Software Licences	Development expenditure	Total
	£000	£000	£000	£000
Cost or Valuation				
At 01 April 2012	3,625	1,418	60	5,103
Additions	10	7	-	17
Disposals	(365)	(22)	(17)	(404)
Transfers	-	1	-	1
Indexation	-	-	2	2
Impairments transferred to Revaluation Reserve	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-
Revaluations	-	-	-	-
At 31 March 2013	3,270	1,404	45	4,719
Amortisation				
At 01 April 2012	2,929	730	32	3,691
Charged in year	324	175	14	513
Disposals	(366)	(21)	(17)	(404)
Transfers	-	-	-	-
Backlog depreciation	-	-	1	1
Impairments transferred to Revaluation Reserve	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-
Revaluations	-	-	-	-
At 31 March 2013	2,887	884	30	3,801
Carrying amount at 31 March 2013	383	520	15	918
Carrying amount at 31 March 2012	696	688	28	1,412
Asset financing:				
Owned	383	520	15	918
Finance leased	-	-	-	-
Carrying amount at 31 March 2013	383	520	15	918
Asset financing:				
Owned	696	688	28	1,412
Finance leased	-	-	-	-
Carrying amount at 31 March 2012	696	688	28	1,412

8.3 Analysis of intangible assets

The carrying amount of intangible assets comprises:

	Information Technology	Software Licences	Websites	Development expenditure	Total
	£000	£000	£000	£000	£000
Core Department at 31 March 2014	-	-	-	-	-
Public Health Agency at 31 March 2014	48	12	-	-	60
Health & Social Care Board at 31 March 2014	582	490	-	-	1,072
	630	502	-	-	1,132
Core Department at 31 March 2013	-	(1)	-	15	14
Public Health Agency at 31 March 2013	-	1	-	-	1
Health & Social Care Board at 31 March 2013	383	520	-	-	903
	383	520	-	15	918

9. Impairments

	2013-14	2012-13
	£000	£000
Impairment charged to Statement of Comprehensive Net Expenditure within Net Expenditure	1,658	1,260
Impairment charged to Statement of Comprehensive Net Expenditure as Other Comprehensive Expenditure.	-	982
Total Impairment	1,658	2,242

Property, Plant, Equipment and Intangible assets were revalued using appropriate indices.
The impairment charge in 2013-14 is due soley to the recycling of stockpile goods.
Last years figure relates to a fall in rural and urban land values of 10%.

10. Capital and Other Commitments

10.1 Capital commitments

The Core Department has a capital commitment to spend £337,000 in 2014-15.
The Core Department, HSC Board and Public Health Agency have no other Capital Commitments.

10.2 Commitments under leases

10.2.1 Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	31 March 2014		31 March 2013	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Land				
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	-	**-**	-
Buildings				
Not later than one year	1,153	1,282	1,337	1,504
Later than one year and not later than five years	1,321	1,599	1,660	2,052
Later than five years	-	-	30	30
	2,474	2,881	**3,027**	3,586
Other				
Not later than one year	10	10	20	20
Later than one year and not later than five years	7	7	19	19
Later than five years	-	-	-	-
	17	17	**39**	39

10.2.2 Finance Leases

The Department, HSC Board and PHA have no finance leases.

10.3 Commitments under PFI contracts and other service concession arrangements

The Department, HSC Board and PHA do not have any commitments under PFI contracts, or other service concession arrangements.

10.4 Other Financial commitments

This note discloses commitments to future expenditure, not otherwise disclosed elsewhere in the financial statements. Included within other financial commitments are non cancellable contracts and purchase orders which commit the Department to revenue expenditure in a future period. Commitments to expenditure under other forms of agreement such as Memorandums of Understanding may be considered as commitments if they, in exceptional circumstances, effectively commit the Department to the expenditure as it would be reputationally or politically damaging for the Department to withdraw from the agreement. Any future funding within the Department's accounting boundary does not represent a financial commitment.

At 31 March 2014 the Department has entered into various contracts to manage and maintain its Health countermeasures stockpile which, if delivered according to the terms of those contracts would result in financial commitments as shown in the table below having to be met in future years. These contracts provide help in meeting emergency situations which may arise such as a National Pandemic flu outbreak. There are no major financial commitments outside of these contracts.

The amounts committed are analysed by the period during which the commitment expires are as follows.

	2013-14		2012-13	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Not Later than one year	1,062	1,062	1,660	1,660
Later than one year and not later than five years	2,125	2,125	2,247	2,247
Later than five years	-	-	-	
Total	**3,187**	**3,187**	**3,907**	**3,907**

11. Financial Instruments

As the cash requirements of the Department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

12. Investments in other public sector bodies

	31 March 2014			31 March 2013		
	Investments	Assets	Liabilities	Investments	Assets	Liabilities
	£000	£000	£000	£000	£000	£000
Balance at 1 April	2,009,000	-	-	2,009,000	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Repayments and redemptions	-	-	-	-	-	-
Interest capitalised	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Impairments	-	-	-	-	-	-
Balance at 31 March	**2,009,000**	-	-	2,009,000	-	-

The above investments are held by the Core Department and represent the Department's investment in the 6 Health and Social Care Trusts.

13. Inventories

	31 March 2014		31 March 2013	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Inventories	-	-	-	1

14. Cash and cash equivalents

	2013-14		2012-13	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Balance at 1 April	(2,527)	1,601	(479)	3,134
Net change in cash and cash equivalent balances	2,500	1,991	(2,048)	(1,533)
Balance at 31 March	**(27)**	**3,592**	(2,527)	1,601

	2013-14		2012-13	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
The following balances at 31 March are held at:				
Government Banking Service	-	-	-	-
Commercial banks and cash in hand	(27)	3,592	(2,527)	1,601
Short term investments	-	-	-	-
Balance at 31 March	**(27)**	**3,592**	(2,527)	1,601

The consolidated 'Cash and Cash Equivalent' balance in the Statement of Financial Position reflects the HSCB and PHA bank balances of £ 3,619k (2012-13: £4,128k). As the Core bank balance at 31 March 2014 was overdrawn by £27k, (2012-13: £2,527k) this has been reflected in Trade Payables in the Statement of Financial Position.

15. Trade receivables and other current assets

	2013-14		2012-13	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Amounts falling due within one year:				
VAT	535	1,281	552	1,450
Trade receivables	195	6,581	412	8,473
Other receivables	20,598	20,937	25,492	27,147
Amounts due from the Consolidated Fund in respect of supply	-	-	267	267
Current Trade and Other Receivables	**21,328**	**28,799**	26,723	37,337
Deposits and advances	-	-	-	-
Prepayments and accrued income	981	1,397	967	1,033
Other Current Assets	**981**	**1,397**	967	1,033
Amounts falling due after more than one year:				
Trade receivables	-	-	-	-
Other receivables	-	-	-	-
Non Current Trade and Other Receivables	**-**	**-**	-	-
Deposits and advances	-	-	-	-
Prepayments and accrued income	-	-	-	-
Other Non Current Assets	**-**	**-**	-	-
Total amounts falling due within one year	**22,309**	**30,196**	27,690	38,370
Total amounts falling due after more than one year	**-**	**-**	-	-
Total Receivables and Other Assets	**22,309**	**30,196**	27,690	38,370
Included within Other Receivables is that which will be due to the Consolidated fund once the debts are collected	**27**	**27**	136	136

15.1 Intra-Government Balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013-14	2012-13	2013-14	2012-13
	£000	£000	£000	£000
Balances with other central government bodies	19,054	21,234	-	-
Balances with local authorities	1,732	2,329	-	-
Balances with NHS Trusts	736	508	-	-
Balances with public corporations and trading funds	1	4	-	-
Sub total: intra-government balances	**21,523**	24,075	**-**	-
Balances with bodies external to government	8,673	14,295	-	-
Total Trade Receivables and Other Current Assets at 31 March	**30,196**	38,370	**-**	-

16. Trade payables and other current liabilities

	2013-14		2012-13	
	Core Department	Consolidated	Core Department	Consolidated
	£000	£000	£000	£000
Amounts falling due within one year:				
Bank overdraft	27	27	2,527	2,527
VAT	-	-	-	-
Other taxation and social security	3	947	25	873
Trade revenue payables	311	50,881	442	55,721
Trade capital payables	-	1,151	-	891
Other payables	7	15,274	6	14,925
Government grants payable	2,438	2,438	7,218	7,218
Accruals and deferred income	6,073	92,320	5,529	133,054
Clinical Negligence	-	-	-	-
Amounts issued from the Consolidated Fund for supply but not spent at year end	1,578	1,578	-	-
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:				
received	2,016	2,016	1,906	1,906
receivable	27	27	136	136
Current Trade and Other Payables	**12,480**	**166,659**	17,789	217,251
Total Payables falling due within one year	**12,480**	**166,659**	17,789	217,251
Total Payables falling due after more than one year	-	-	-	-
Total Trade Payables and Other Current Liabilities	**12,480**	**166,659**	17,789	217,251

16.1 Intra-Government Balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013-14	2012-13	2013-14	2012-13
	£000	£000	£000	£000
Balances with other central government bodies	11,322	12,317	-	-
Balances with local authorities	142	39	-	-
Balances with NHS Trusts	21,144	9,940	-	-
Balances with public corporations and trading funds	1	74	-	-
Sub total: intra-government balances	**32,609**	22,370	-	-
Balances with bodies external to government	134,050	194,881	-	-
Total Trade Payables and Other Liabilities at 31 March	**166,659**	217,251	-	-

17. Provisions for Liabilities and Charges

17.1 Core Provisions for liabilities and charges 2013-14

Core	Early departure costs	Clinical Negligence	Equal Pay Claim	Other	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2013	-	-	-	274	274
Provided in the year	-	-	-	518	518
Provisions not required written back	-	-	-	-	-
Provisions utilised in the year	-	-	-	(381)	(381)
Borrowing costs (unwinding of discounts)	-	-	-	-	-
As at 31 March 2014	**-**	**-**	**-**	**411**	**411**

Analysis of expected timing of discounted flows

Core	Early departure costs	Clinical Negligence	Equal Pay Claim	Other	Total
	£000	£000	£000	£000	£000
Not later than one year	-	-	-	118	118
Later than one year and not later than five years	-	-	-	131	131
Later than five years	-	-	-	162	162
As at 31 March 2014	**-**	**-**	**-**	**411**	**411**

17.2 Core Provisions for liabilities and charges 2012-13

Core	Early departure costs	Clinical Negligence	Equal Pay Claim	Other	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2012	-	-	-	527	527
Provided in the year	-	-	-	-	-
Provisions not required written back	-	-	-	-	-
Provisions utilised in the year	-	-	-	(253)	(253)
Borrowing costs (unwinding of discounts)	-	-	-	-	-
Balance at 31 March 2013	-	-	-	274	274

Analysis of expected timing of discounted flows

Core	Early departure costs	Clinical Negligence	Equal Pay Claim	Other	Total
	£000	£000	£000	£000	£000
Not later than one year	-	-	-	100	100
Later than one year and not later than five years	-	-	-	174	174
Later than five years	-	-	-	-	-
As at 31 March 2013	**-**	**-**	**-**	**274**	**274**

17.3 Consolidated Provisions for liabilities and charges 2013-14

Consolidated	Early departure costs	Clinical Negligence	Equal Pay Claim	Other	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2013	17,584	28,491	-	9,055	55,130
Provided in the year	341	6,904	-	979	8,224
Provisions not required written back	(468)	(3,982)	-	(22)	(4,472)
Provisions utilised in the year	(1,170)	(12,353)	-	(916)	(14,439)
Borrowing costs (unwinding of discounts)	434	(403)	-	203	234
As at 31 March 2014	**16,721**	**18,657**	**-**	**9,299**	**44,677**

Analysis of expected timing of discounted flows

Consolidated	Early departure costs	Clinical Negligence	Equal Pay Claim	Other	Total
	£000	£000	£000	£000	£000
Not later than one year	1,192	4,787	-	683	6,662
Later than one year and not later than five years	4,985	5,386	-	1,870	12,241
Later than five years	10,544	8,484	-	6,746	25,774
As at 31 March 2014	**16,721**	**18,657**	**-**	**9,299**	**44,677**

17.4 Consolidated Provisions for liabilities and charges 2012-13

Consolidated	Early departure costs	Clinical Negligence	Equal Pay Claim	Other	Total
	£000	£000	£000	£000	£000
Balance at 1 April 2012	15,340	25,359	-	7,491	48,190
Provided in the year	3,283	10,135	-	2,261	15,679
Provisions not required written back	(312)	(1,122)	-	(97)	(1,531)
Provisions utilised in the year	(1,156)	(6,439)	-	(794)	(8,389)
Borrowing costs (unwinding of discounts)	429	558	-	194	1,181
Balance at 31 March 2013	17,584	28,491	-	9,055	55,130

Analysis of expected timing of discounted flows

Consolidated	Early departure costs	Clinical Negligence	Equal Pay Claim	Other	Total
	£000	£000	£000	£000	£000
Not later than one year	1,121	12,865	-	665	14,651
Later than one year and not later than five years	4,806	10,978	-	2,452	18,236
Later than five years	11,657	4,648	-	5,938	22,243
As at 31 March 2013	**17,584**	**28,491**	**-**	**9,055**	**55,130**

Early Departure Costs

The Department meets the additional costs of benefits beyond the normal Principal Civil Service Pension Scheme (PCSPS) and benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The provision in respect of the HSCB and PHA which is reflected within the consolidated position represents payments made by HSCB and PHA beyond the Health & Social Care Pension Scheme (HSCPS.) At 31 March 2014 the provision for the Core Department has been fully utilised and the provision for HSCB and PHA is £16.7m (2012-13 £17.6m).

Clinical Negligence

Provision is made for HSCB clinical negligence claims only where it is more probable that a settlement will be required. Contingent liabilities for clinical negligence are given in Note 18. The DHSSPS accounts show the clinical negligence provision for the HSCB because the HSCB is within the DHSSPS accounting boundary and fully consolidated into the DHSSPS accounts, whereas the HSC Trusts are outside the accounting boundary and HSC Trust expenditure is reflected as Grant in Aid.

Other -Legal

There are no material legal claims against the Department in 2013-14, however £9k has been provided in respect of legal fees for an asbestos claim. The material limit is set at £100k.

The Department has provided for a lifetime personal injury award of £215k. The full amount of this provision is shared jointly with the Department for Social Development.

Other - Hepatitis C Compensation Scheme

This provision was set up in 2004 when in 2003 the Secretary of State for Health and Health Ministers of the Devolved Administrations announced that a UK-wide scheme would be set up to make ex-gratia payments to certain persons who had been infected with the hepatitis C virus by blood products received through NHS treatment. This became known as the Skipton Fund. Provision was made for first and second stage lump sum payments and also from March 2011 for the additional financial measures introduced across the UK following a DH(L)-led expert team review for patients infected with contaminated blood. The Skipton Fund took forward an exercise in 2013-14 to write to the doctors of the people eligible for the £25,000 stage 2 'top-up' payment who have yet to come forward to claim it and have been non-contactable from the details they have on file. This has resulted in a number of people coming forward from Northern Ireland to claim under the scheme and as a result the provision needed to be increased in January 2014.

18. Contingent liabilities

The Department, HSC Board and PHA have the following contingent liabilities.

Outstanding Grant Letters of Offer

The Department administers grant funding to a number of voluntary and community bodies. At the 31 March 2014 the Department had issued a number of Letters of Offer where the conditions for payment were not yet satisfied. The amounts due to be paid on satisfactory completion of the terms of condition amount to Nil (2012-13 £234,000). This has been reflected as a contingent liability under IAS 37.

Special European Union Programme Branch (SEUPB) Funding

It was discovered by SEUPB that approximately £40k of EU funding spent on capital items by project groups which DHSSPS supports may not have met EU rules. The purchases were made from a NHS Supply Chain National Framework covering the four home countries during 2011-12 but the SEUPB auditor has not yet been able to confirm that the contract meets EU rules. The matter is being investigated. There is a contingent liability of approximately £40k as EU funding may have to be repaid. It is not possible to determine what the likelihood is of a payment being made until the matter is fully investigated.

Clinical Negligence Claims

The HSC Board has contingent liabilities of £0.8m (2012-13: £1.45m) representing clinical negligence incidents. Other clinical negligence claims could arise in the future due to incidents which have already occurred. The expenditure which may arise from these claims cannot be determined as yet. In addition to the above contingent liability, the provision for HSC Board clinical negligence is given in note 17.

Contingent liabilities held by the HSC Trusts, in respect of clinical negligence incidents, is £11.5m (2012-13 £11.1m).

Employment Matters

The Department is considering a judgement and the potential for any financial implications it may have. The department considers that the obligation cannot be regarded as probable and that a reliable estimate cannot be made, at this point in time, of the potential liability. This is as a result of the complexities associated including establishing clearly the extent to which claims may be made and the size of any resulting payments. Consequently, the department does not consider that it is appropriate to make a provision under the criteria set out in IAS 37

Other

The HSC Board has a contingent liability of £3k (2012-13: £3k) in respect of claims which may be payable under the Employer's responsibility to maintain a safe work environment. These would normally be covered by Employers Liability Insurance, but as the Department, Board and PHA carry their own Insurance risks the payments are made from existing funding.

18.1 Financial Guarantees, Indemnities and Letter of Comfort

The Department has entered into the following quantifiable guarantees, indemnities or provided letters of comfort.

Guarantees

- Altnagelvin Laboratories and Pharmacy - April 2005 (Altnagelvin is now within the Western HSC Trust).
- The Royal Group of Hospitals managed equipment service - December 2005 (RGH is now within the Belfast HSC Trust)
- South Western Hospital at Enniskillen (within Western HSC Trust) – May 2009

There were no new Guarantees, Indemnities or Letters of comfort issued during 2013-14.

Under the terms of the Deeds of Safeguard the Department will in the event of Trust insolvency or inability to meet its obligations, excluding succession by another body, be obliged to fulfil the Trust's obligations under the agreement. This is not a contingent liability within the meaning of IAS 37 since the likelihood of a transfer of economic benefit in settlement is too remote. This falls to be measured under the requirements of IAS 39 and has been measured at zero.

Public Inquiry panel membership

It is normal practice for a Department commissioning a public enquiry to provide to each member of the Inquiry panel an indemnity whereby the panel member, if he or she has acted honestly and in good faith, will not have to meet out of his or her personal resources any personal civil liability incurred in the execution or purported execution of his or her functions as a member of the inquiry panel, save where the panel member has acted recklessly.

An indemnity was provided to each individual member of the Hyponatraemia-Related Deaths Inquiry Team in January 2005. It is expected this Inquiry will conclude by the end of the 2013 - 14 calendar year.

It is believed that the possibility of any payments being made under these indemnities are remote and the potential liability has been assessed as zero.

19. Losses and Special Payments

19.1 Losses Statement for Core Department, HSC Board and PHA

Each year, significant amounts of waivers and remissions of National Insurance contributions are written off. Most are reported in the NI Fund account but, a small proportion is attributed to the health programme and reported in the Resource Accounts. The figure for 2013-14 (referred to as administrative write-offs) was £2,771k based on data for 2012-13 (2012-13: £2,992k).

19.2 Losses Statement for Core Department, HSC Board and PHA (Continued)

	2013-14				2012-13			
	Core Department		Consolidated		Core Department		Consolidated	
	No. of cases	£000	No. of cases	£000	No. of cases	£000	No. of cases	£000
Cash losses - Theft, fraud etc.	-	-	2	-	-	-	-	-
Claims abandoned - Waived or abandoned claims	-	-	2	9	-	-	-	-
Administrative write-offs* Bad debts	-	2,711	-	2,711	-	2,992	3	2,995
Fruitless payments -								
• Late Payments of commercial debt.	20	3	21	3	53	6	53	6
• Other fruitless payments.	-	-	-	-	-	-	-	-
• Constructive losses	-	-	-	-	-	-	-	-
Store losses	-	-	1	-	-	-	-	-
Special Payments -								
Compensation payments -								
• Clinical negligence	-	-	7	10,492	-	-	19	5,958
• Public liability	-	-	-	-	-	-	-	-
• Employers liability	6	198	6	198	4	40	4	40
Ex Gratia Payments	-	-	-	-	-	-	-	-
Total*	**26**	**2,912**	**39**	**13,413**	**57**	**3,038**	**79**	**8,999**

*Excludes the number of cases of NI Fund Losses (Administrative write off). NAO made a recommendation for HMRC to work to ensure consistency between the contribution losses figures reported in the NI White Paper Accounts and the HMRC Trust Statement. As a result, the method of collection and calculation of the losses figures has been changed, so that case numbers are now no longer available for reporting.

19.3 Special Payments made by Core Department, HSC Board and PHA

	2013-14				2012-13			
	Core Department		Consolidated		Core Department		Consolidated	
	No of cases	£000	No of cases	£000	No of cases	£000	No of cases	£000
Details of cases over £250,000								
Birth complications			5	8,228			2	5,087
Delay in diagnosis and treatment for heart condition			2	2,264			1	375
Cases below £250,000			12	623			17	499
Total of all cases			19	11,115			20	5,961

20. Related-party transactions

The Department of Health, Social Services and Public Safety is the parent of Health and Social Services bodies, listed at Annex A and sponsors those bodies listed at Annex B. These bodies are regarded as related parties with which the Department has had various material transactions during the year. In addition, the Department has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with the Department of Finance and Personnel.

Dr A McCormick (Permanent Secretary) was a member of European Connected Healthcare Alliance during 2013-14 and payments of approximately £17k were made by DHSSPS to the European Connected Healthcare Alliance.

Mr S Holland (Deputy Secretary, Social Care Policy Group) who serves on the Departmental Board is a director of Northern Ireland Cooperation Overseas (NICO) a not-for-profit company, which is a wholly owned subsidiary of Invest NI. Mr Holland supported NICOs involvement in twinning projects undertaken on behalf of the Foreign and Commonwealth Office in EU Candidate Countries and other ENPI countries. There was no cost to the Department as Mr Holland carried out this work in his own time. There was some cost to the

Department in the hosting of Study Tours from these countries to Northern Ireland but this cost was minimal. There were no payments made by DHSSPS to NICO for 2013-14.

There were no other board members, key managers or other related parties who have undertaken any material transactions with the Department during the year.

21. Third-party assets

The Department has no third party assets.

22. Events after the Reporting Period

There are no post balance sheet events affecting these accounts.

Date of authorisation for issue

The Accounting Officer has authorised the issue of these financial statements on 01 July 2014.

ANNEX A

BODIES WITHIN THE DEPARTMENTAL BOUNDARY

The accounts of the following bodies have been consolidated in the group accounts of the Department:

- Health and Social Care Board; and
- Public Health Agency.

Health and Social Care (HSC) Bodies- General
A framework document is currently the subject of consultation within the HSC. It sets out the main priorities and objectives of each health and social care body. Each HSC body also has an individual management statement and financial memorandum (MSFM). This sets out the arrangements for operations, financing, accountability and control of the body and the conditions under which government funds are provided to it. HSC bodies are furthermore subject to the principles of the guidance in *Managing Public Money Northern Ireland* and circulars issued by the Department. Further details on the individual health and social care bodies are given below.

The Health and Social Care Board (HSCB)

The **Health and Social Care (HSC) Board**, as agent of the Department, commissions health and personal social services for the Northern Ireland population from a range of providers, including HSC Trusts and voluntary and private sector bodies.

The Board was established by the Health and Social Care (Reform) Act (Northern Ireland) 2009. In addition to statute, it is governed by the strategic documents mentioned above, standing orders, standing financial instructions, circulars from the Department and the need to seek approval for any expenditure which exceeds certain limits set by the Department.

The Health and Social Care Board has a Board of Directors including Executives and Non-Executives. The Chief Executive is appointed by the Department as Accounting Officer and is personally accountable to the Departmental Accounting Officer (DAO) and through the DAO to the NI Assembly and Parliament for the stewardship of resources supplied to the Board. It also holds the budget for five Local Commissioning Groups, (LCGs), which, in collaboration with the Public Health Agency, provide information on the health and wellbeing needs for their local area and feed into an overall commissioning plan for the region.

The Board submits the commissioning plan, known as a Health and Wellbeing Investment Plan (HWIP), to the Department containing a draft financial plan, Priorities for Action, investment proposals and reform and modernisation proposals. In addition, the HSC Board reports monthly to the Department on financial performance, quarterly on progress against Priorities for Action targets and annually on actual and planned spend on programmes of care and key services. These in turn feed into the Department's Estimates process, informing bids for resources.

The Public Health Agency (PHA)

The Public Health Agency has a health improvement, health promotion and health protection role. This entails developing and providing or securing provision of programmes and initiatives designed to improve the Northern Ireland population's health and wellbeing and to reduce health inequalities. The Agency also has a role in the prevention and control of communicable disease and other dangers to health and wellbeing, including those arising out of environmental or public health grounds or arising out of emergencies.

The Agency liaises with the HSC Board and the Local Commissioning Groups in devising the commissioning plan for health and wellbeing services in Northern Ireland and to this end it may engage in or commission research, obtain and analyse data, provide laboratory and other technical and clinical services and provide training, information, advice and assistance as appropriate.

The Safeguarding Board for Northern Ireland (SBNI)

A Regional Safeguarding Board for NI (SBNI) was established on 17 September 2012 under the Safeguarding Board (Northern Ireland) Act 2011 (The Act) by the Department as an unincorporated statutory body. It is sponsored by the Department.

The SBNI is a multi-disciplinary interagency body and its objective is to coordinate and ensure the effectiveness of activities undertaken by its members to safeguard and promote the welfare of children in Northern Ireland. The SBNI has a range of functions which it must undertake including:

i. developing policies and procedures for safeguarding and promoting the welfare of children in Northern Ireland;
ii. promoting an awareness of the need to safeguard and promote the welfare of children;
iii. keeping under review the effectiveness of what is done by members to safeguard and promote the welfare of children;
iv. undertaking case management reviews without discretion in such circumstances as may be prescribed;
v. reviewing such information as may be prescribed in relation to deaths of children in NI;
vi. advising the Regional Health and Social Care Board and Local Commissioning Groups in relation to safeguarding and promoting the welfare of children:
    i) as soon as reasonably practicable after receipt of a request for advice; and
    ii) on such other occasions as the Safeguarding Board thinks appropriate.
vii. promote communication between the Board and children and young persons; and
viii. including arrangements for consultation and discussion in relation to safeguarding and promoting the welfare of children.

The SBNI Chair is independent of the SBNI member agencies and has a clear line of accountability through the Minister for Health, Social Services and Public Safety to the Northern Ireland Assembly. The Chair leads the SBNI in meeting its objective of coordinating and ensuring the effectiveness of activities undertaken by each person or body represented on the Board for the purposes of safeguarding and promoting the welfare of children in Northern Ireland.

The Act places a statutory duty of cooperation amongst member agencies involved with children and families. This will broaden approaches to safeguarding children by promoting a wider child welfare agenda. The SBNI (and Safeguarding Panels) will draw core membership from key statutory and voluntary agencies, which provide safeguarding services to children and their families.

The PHA will act as corporate host to the SBNI, discharging functions primarily relating to regulations made under section 1(5)(c)**1** of the 2011 SBNI Act. The PHA is accountable to the Department for the discharge of its corporate host obligations to SBNI but is not accountable for how the SBNI discharges its statutory objective, functions and duties.

The PHA as corporate host, will either provide or secure the necessary corporate governance structures, accommodation, financial management, IT, HR, Legal and Equality services, necessary to meet the staffing, accommodation and expenses needs of the SBNI. This will enable the SBNI to effectively function within the resources made available to it by the Department.

The PHA acting as corporate host, will be consulted in advance of any proposed change to SBNI operational requirements and the SBNI will secure from the Department such approvals and additional resources as may be necessary to implement these requirements.

The Department will exercise oversight of the SBNI on an ongoing basis throughout the year. SBNI must provide regular performance reports and documentation demonstrating progress against Departmental priorities and provide assurance as to the ongoing effectiveness of their systems. This will include twice yearly Department Accounting Officer sponsored assurance and accountability meetings between the Department and the SBNI Chair which will be timed and conducted in line with the arrangements for the equivalent meetings with DHSSPS sponsored Arms Length Bodies (ALBs).

Non-Executive Non-Departmental Public Bodies

These small bodies have specialist functions with either few or no permanent staff. They are classed as inside the boundary as any expenditure is managed by sponsor branches within the Department.

- Clinical and Excellence Awards Committee – this committee has a complement of 9 members drawn from medical and lay backgrounds and the chair is publicly appointed. It meets two to three times a year to score self-nominations from medical and dental consultants for centrally funded awards. The members' expenses and secretariat are provided by the Department's Pay and Employment Unit.

- Poisons Board- this body was set up in 1976 to advise the Department on substances to be treated as non-medical poisons and matters concerning their sale, supply and storage. The Board is currently in abeyance, but its existence in principle allows the Department access to expert advice. Membership would be drawn from environmental health officers and pharmaceutical and medical representatives in the event of an adverse poisoning incident

1 Section 1(5) of the Safeguarding Board (NI) Act 2011 states "Regulations may make provision as to – (c) the staff, premises, and expenses of the Safeguarding Board (including provision as to which person or body provides the staff, premises or expenses)

necessitating the Board to convene.

- Tribunal under Schedule 11 to the HPSS (NI) Order 1972 – This tribunal meets on an ad hoc basis upon request of the Health and Social Care Board to the Department to consider requests to remove family practitioners from public service because of fraud or improper conduct. The Chair and Chief Executive are appointed by the Lord Chief Justice. The tribunal has not met for the past eighteen years as there have been no such requests and there are currently no staff or members.

ANNEX B

BODIES OUTSIDE THE BOUNDARY

DHSSPS has operational relationships with a number of bodies outside the Departmental boundary for which the Minister has some degree of responsibility.

These include 6 Health and Social Care Trusts, 3 Health and Social Care Agencies, 2 recently established health and social care bodies, 4 NDPBs and 2 North- South bodies.

Health and Social Care Trusts

- Northern HSC Trust
- Southern HSC Trust
- Belfast HSC Trust
- South Eastern HSC Trust
- Western HSC Trust
- Northern Ireland Ambulance Service HSC Trust

The Health and Social Care Trusts are the main providers of health and social care services and work within the commissioning arrangements agreed with the HSC Board. They have responsibility for the management of staff and services of hospitals and other health and social care establishments. Although managerially independent, Trusts are accountable to the Minister. There are 6 Trusts in Northern Ireland. One Trust, the NI Ambulance Service HSC Trust, provides ambulance services for the whole of Northern Ireland.

Trust Chief Executives are appointed as Accounting Officers by the DHSSPS Accounting Officer and each Trust has a Board of Directors with both Executive and Non-Executive members. The Board operates subject to standing financial instructions, standing orders, delegated limits set by the Department and financial guidance issued by the Department as well as the principles of the guidance in *Managing Public Money Northern Ireland*. Their reporting relationships and the respective responsibilities of each trust and the Department are summarised in individual MSFMs.

Trusts are required to meet certain financial targets which are enshrined in legislation. The Trusts prepare Delivery Plans (TDPs) which report on priorities for action, resource utilization, reform, modernization and efficiency. These are submitted to the Department and the Trusts report quarterly on TDP performance.

The Trusts also submit monthly monitoring returns to the HSC Board which provide an overall assessment of their financial position at the end of each month detailing actual and planned spend and a forecast of their position to the end of the year. The HSC Board then sends a return to the Department which summarises the trusts' financial positions and also includes individual trust tables covering non-cash, provisions and capital spend.. This information assists the Department in assessing its performance in achieving its objectives, planning for future healthcare services and bidding for resources.

Health and Social Care Agencies and Other HSC Bodies

- **Northern Ireland Blood Transfusion Service** (Special Agency) - supplies blood and blood products and related clinical services to all hospitals and clinical units.
- **Northern Ireland Guardian ad Litem Agency** (Special Agency) - establishes and maintains a panel of guardians who are appointed by the courts to safeguard the interests of children in proceedings specified under the Children (NI) Order 1995 and the Adoption (NI) Order 1987.
- **Northern Ireland Medical and Dental Training Agency** - oversees the postgraduate education and training of doctors and dentists. It is also responsible for the development and delivery of vocational training and continuing medical education for General Practitioners and General Dental Practitioners.
- **Business Services Organisation** - established under the Health and Social Care (Reform) Act (Northern Ireland) 2009, as a shared services organisation to provide or secure provision of a range of services in the most economic, efficient and effective way possible. It provides a wide range of support services to other health and social care bodies, including financial, personnel, legal, information technology, procurement, internal audit and fraud prevention services. The other HSC bodies are charged for these services.
- **Patient Client Council** - established under the Health and Social Care (Reform) Act (Northern Ireland) 2009, this body has the role of representing the interests of the public, promoting involvement of the public, providing assistance to individuals making a complaint about a health and social care body and promoting the provision of advice and information to the public about the design, commissioning and delivery of health and social care.

The bodies' relationships with the Department are governed through an individual Management Statement and Financial Memorandum (MSFM) and circulars issued by the Department. The MSFM is a relationship document which sets out management (including board composition), reporting and monitoring arrangements, delegated limits and the respective responsibilities of each body and the Department through its particular nominated sponsoring team. The sponsor team, a branch within the Department, has responsibility for liaison on budgetary and performance matters and is the main point of contact for each body in obtaining approval for its corporate and business plans, securing resources and in resolving any issues with the Department.

Performance of each body is monitored quarterly by the department. Financial monitoring returns are submitted monthly. In addition, regular (at least biannual) review meetings are held between the bodies and their sponsor team to discuss financial and performance issues and progress against the objectives set out in their 3 year corporate plan, as augmented by their annual business plan.

The Chief Executive of each body is designated as an Accounting Officer by the Departmental Accounting Officer. The Accounting Officer is personally accountable to the Departmental Accounting Officer (DAO) and through the DAO to the NI Assembly and Parliament for the stewardship of resources supplied.

Executive Non-Departmental Public Bodies

- **Regulation and Quality Improvement Authority (RQIA) -** has two main functions: inspection of the services provided by the HSC system in Northern Ireland and regulation of specified health and social care services provided by the HSC and independent sector. This includes, since dissolution of the Mental Health Commission for Northern Ireland under the Health and Social Care (Reform) Act (Northern Ireland) 2009, the duty of keeping under review the care and treatment of persons suffering from mental disorder.

- **Northern Ireland Social Care Council** - is responsible for developing, promoting and regulating social work and social care education and training. It is also responsible for regulating the social care workforce.

- **Northern Ireland Practice and Education Council for Nursing and Midwifery** - seeks to support the best performance of nurses and midwives in all contexts, through developing their practice and enhancing their education.

- **Northern Ireland Fire and Rescue Service** - is responsible for providing regional fire and rescue services efficiently mobilized to emergencies and for keeping the public safe from fires and other dangers. It is charged with extinguishing fires while saving lives, protecting the environment and property and responding effectively to all emergency situations in Northern Ireland including road traffic collisions, collapsed buildings and specialist rescues.

These bodies are chiefly funded by grant-in-aid, which is a provision voted by the Assembly and recorded as a grant in the Department's resource accounts. The Department remains answerable for the general manner in which a NDPB discharges its functions and the bodies therefore operate within guidelines issued by the Department.

Accountability arrangements are generally similar to those for agencies. Governing guidelines for NDPBs are principally contained within a management statement and financial memorandum issued by the Department. In addition, NDPBs are subject to the rules in *Managing Public Money Northern Ireland*, relevant Departmental circulars and guidance issued by the Department of Finance and Personnel. Each NDPB has a Board of Directors with both executive and non-executive members and the Chief Executive is appointed as the Accounting Officer for the organisation by the Departmental Accounting Officer.

Each NDPB has a sponsor branch to which corporate medium-term plans and annual business plans are submitted for approval. Progress meetings are held during the year and expenditure is monitored monthly.

Bodies with North-South Responsibilities

The Department has relationships with 2 bodies that have North-South responsibilities: The Institute of Public Health in Ireland (IPHI) and the Food Safety Promotion Board (now known as *Safefood*).

Institute of Public Health in Ireland (IPHI)

The IPHI is a charitable limited company and is funded by both the Department, which meets one third of its costs and the Department of Health and Children in the Republic of Ireland (RoI), which funds the other two thirds expenditure. As the RoI is the main funder, the accounts of the Institute are audited by its Comptroller and Auditor General. The Department is represented on the IPHI Board of Directors and also on its finance sub-committee, both of which meet regularly during the year.

Safefood (Food Safety Promotion Board)

Safefood was established under the Good Friday Agreement and is funded 30% by the Department and 70% by the RoI Department of Health and Children. It is therefore required to prepare a corporate plan on a triannual basis for the North South Ministerial Council, which is augmented by an annual business plan. These are also approved by the respective departmental ministers. The Department's relationship with the body is set out in a financial memorandum and, as for NDPBs, a sponsor branch (the Health Protection Team) liaises with the body throughout the year on progress against financial and performance targets.

Report of the Comptroller and Auditor General to the Northern Ireland Assembly

Department of Health, Social Services and Public Safety Resource Account 2013-14

EXCESS VOTE – Request for Resources B

Introduction

1. The Department of Health, Social Services and Public Safety (the Department) is responsible for providing high quality health and social care services and promoting good health and well being (Request for Resources A) and for creating a safer environment for the community by providing an effective fire fighting, rescue and fire safety environment (Request for Resources B). In 2013-14 the Department spent approximately £4.3 billion in total.

2. Under the Government Resources and Accounts Act (Northern Ireland) 2001, I am required to examine, certify and report on the Department's financial statements. I am also required to satisfy myself that in all material respects the expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and the financial transactions conform to the authorities which govern them.

Excess Vote

3. The Assembly authorises and sets limits on public expenditure in the annual Budget Acts on two bases, resources and cash. In 2013-14 the Department of Health, Social Services and Public Safety spent more than its estimated net resource limit for providing an effective fire fighting, rescue and fire safety environment resulting in an excess vote of £1,169,099.34 (1.3 per cent) in Request for Resources B. As the Department has breached the limit for net resource outturn for I have qualified my regularity opinion on the Department's 2013-14 Resource Account in this respect. There was no breach of the cash based limit authorised by the Assembly.

4. I asked the Department to explain how this excess vote arose. The Department told me that the excess vote arose as the grant in aid estimate included by the Department in the Spring Supplementary Estimates for one of its Arm's Length Bodies did not include cover for pension and provision payments, which meant that there was insufficient Estimate cover to meet the required payment obligations

Actions proposed to be taken by the Department

5. The Department has told me that it will seek approval, by way of an excess vote for £1,169,099.34 from the Assembly in the next Budget Act and that the Department is in the process of developing all necessary steps to ensure that there is no recurrence of this issue. This includes additional and strengthened cash control procedures to monitor the levels of cash drawdown each month against forecasted amounts. Any significant variances at ALB level will be investigated on a monthly basis and appropriate remedial action will be taken.

K J Donnelly

K J Donnelly

Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

1 July 2014

ISBN.....