



Annual report and accounts 2022 - 2023



Southern Health
and Social Care Trust

Quality Care - for you, with you



Working together



Excellence



Openness & Honesty



Compassion

Annual Report and Accounts
For year ended 31 March 2023

Laid before the Northern Ireland Assembly under Article 90(5) of the
Health and Personal Social Services (NI) Order 1972 (as amended by
the Audit and Accountability Order 2003)
by the Department of Health

on

4 July 2023

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COMMENTS



If you have any comments about this report or would like extra copies please telephone 028 3756 3983.

DIFFERENT FORMATS



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Contents	Pages
1. Performance Report	
Performance Overview	1-4
Trust Purpose and Activities.....	5-8
2. Performance Analysis	
Southern Health and Social Care Trust Year in Highlights	10-19
Priorities 2022-23.....	20-28
Financial Performance.....	29-37
Research and Development.....	37-38
Sustainability Report.....	39-43
3. Accountability Report	
Overview	
Overview.....	45
Corporate Governance Report	
Directors' Report	46-52
Non-Executive Directors' report.....	53-54
Statement of Accounting Officer Responsibilities	55
Governance Statement	56-94
Remuneration and Staff Report	
Remuneration Report	95-102
Staff Report	103-115
Accountability and Audit Report	
Compliance with Regularity of Expenditure	116
Rural Needs.....	116
Statement of Losses and Special Payments.....	117-118
Audit Certificate.....	119-123
4. Financial Statements	
Consolidated Annual Accounts	
Foreword	125
Statement of Comprehensive Net Expenditure.....	126
Statement of Financial Position	127
Statement of Changes in Taxpayers' Equity.....	128
Statement of Cash Flows	129
Notes to the Accounts	130-179
Accounts of Monies held on behalf of Patients and Residents	
Statement of Trust Responsibilities	181
Audit Certificate	182-185
Statement of Account of Monies Held	186

1

Performance Report

Performance Overview

The purpose of the performance overview is to provide a brief summary of the Trust, its aims and risks to the achievement of its objectives. It also provides an overview of the Trust's performance over the past year.

Message from the Chair

Welcome to our Annual Report 2022-23.

I never cease to be impressed by the unwavering dedication of our staff right across adult and children's services, caring for people in hospitals, community facilities and even in their own homes.

It has been another tremendously busy year across all our services. Delivering health and social care has never been more challenging as we manage increasing demand for services despite significant gaps in our workforce.

We recognise the difficulties for service users and families waiting on services and greatly appreciate continued understanding and support as our staff do their very best in sometimes very difficult circumstances.

I would also like to thank all Trust Board members and the Senior Leadership Team for their continued leadership and very genuine commitment to improving health and social care for local people. Having reviewed our management structures, as you will read in the Directors' Report (pages 46-52) we have introduced some new Directorate roles to our Senior Leadership Team, to better respond to changing demands.

User engagement remains a key focus for Trust Board. During the year, the Trust Board re-instated its 'Young People's Pledge' which had been halted due to the COVID-19 Pandemic. We were delighted to recommence this dialogue with young people and reinvigorate the 'Young People's Pledge' which is informed by the experience of young people. If you would like to share your experience of services within the Trust Board, we would really value that.

For the year ahead there will be changes within our corporate and operational governance to make improvements in how we work. In our continued commitment to openness and transparency our Trust Board meetings will be streamed live, recorded and stored online.

Every year, we receive considerable support through donations from the local community, service users and families. With the current cost of living challenges and such a difficult financial climate, we are absolutely overwhelmed to have received £262,000 in voluntary donations. Thanks to such generosity we have been able to buy additional equipment and comforts to enhance quality of care and patient and service



user experience right across our services. Our sincere thanks to everyone for their kindness.

Finally, on behalf of Trust Board, I would like to thank all of our community and voluntary partners, elected representatives, other statutory partners and Health and Social Care organisations who have worked with us collectively over the past year.

We look forward to your ongoing support as we continue to address the challenges and improve the health and wellbeing of those we are here to serve.

A handwritten signature in black ink, appearing to read 'Eileen Mullan', written over a horizontal line.

Eileen Mullan, MBE, Chair

Message from the Chief Executive

This year, 2023, we are celebrating 75 years of the NHS.

The NHS is a dynamic organisation continuing to develop in line with best practice and constantly striving for excellence. Our consultations on Emergency General Surgery and Inpatient Dementia Services undertaken this year, aim to modernise these services to meet best practice and safety guidance and ensure that patients receive the best standard of care.



As you will read in our 'Year in Highlights' (pages 10-19) Southern Trust staff have continued to innovate and improve the care they offer for local people over the past year right across all of our services - medicine and unscheduled care, surgical and clinical services, mental health and disability, adult community and children and young people's services.

As a caring centred organisation, staff are our most valuable asset. This year we launched 'Our People 2022-25' a framework to help us deliver our vision for care and to create a great place to work, where we are all engaged, feel valued and work well together.

We are also very proud that once again, staff across many professions have been recognised for their expertise and dedication, receiving best practice awards and showcasing their work at conferences locally, nationally and internationally.

We are committed to continually reviewing and improving our services and learning lessons. This year we initiated a review with the Royal College of Pathology on cervical screening services and have been participating in the independent public Urology Services Inquiry.

Investment in workforce education and development has been another key priority. Medical students at Daisy Hill now have access to the latest training facilities with the opening of a new Medical Education Centre at the hospital; eleven senior nurses and midwives were shortlisted for Practice Supervisor Awards from Queens University Belfast; and we continue to offer a wide range of student placement and training opportunities across a wide range of disciplines.

The completion of the new CT scanning suite at Craigavon Hospital, the relocation of the Day Clinical Centre to South Tyrone, new Physiotherapy Outpatients Department at St Luke's and the £9million investment to upgrade the electrical infrastructure at Daisy Hill, are just some of the very welcome investments across our sites this year. Huge thanks to our planning, estates, IT, support services and all of those other teams

who work so creatively with limited space and resources to help clinical teams to develop their services.

At the end of March, we were delighted to confirm the purchase of Monaghan Row from Newry Mourne and Down District Council and also to buy the site at Abbey Way, Newry to progress the development of the proposed Newry Community Treatment and Care Centre. Both of these developments offer great potential to free up space on the very busy Daisy Hill site, to allow us to further develop and expand acute services at the hospital.

We are also delighted to be part of some very exciting new regional developments. Plans are progressing to develop a regional overnight stay centre for elective surgery patients at Daisy Hill Hospital, whilst South Tyrone Hospital is one of two new Rapid Diagnosis Centres in Northern Ireland to help reduce the time for cancer diagnosis and improve patient outcomes.

Despite our best efforts to improve services where we can, this year we have experienced huge demand, ongoing workforce and financial pressures and the challenge of rebuilding our services as we emerge from the pandemic. We want to develop community services further to help prevent hospital admission and reduce length of stay where possible. We want to help more people to live independently for longer at home and we want to reduce the unacceptable waiting times for outpatient appointments and planned procedures.



Dr Maria O'Kane, Chief Executive

Trust Purpose and Activities

The Southern Health and Social Care Trust (the Southern HSC Trust) is an integrated health and social care Trust with an annual revenue budget of £1,008m employing 16,111 (12,768 whole time equivalent) staff and managing an estate worth £354m.

The Southern HSC Trust provides health and social care services to the Armagh, Banbridge and Craigavon; Mid-Ulster; and Newry, Mourne and Down council areas.

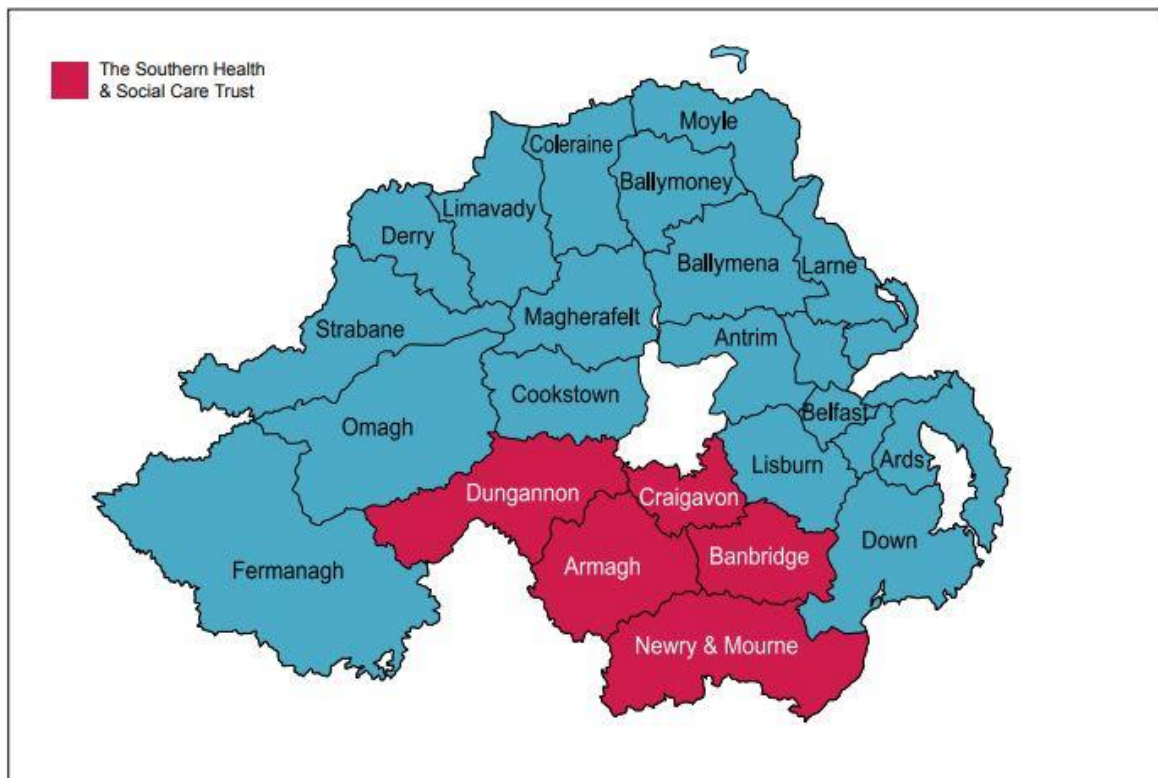


Figure 1: Map of the Southern Health and Social Care Trust

We serve a population of approximately 388,700.

The services we provide include a wide range of hospital, community and primary care services. Main in-patient acute hospital services are located at Craigavon Area Hospital and Daisy Hill Hospital. Working in collaboration with GPs and other agencies, staff deliver locally based services in Southern HSC Trust premises, in people's own homes and in the community. The Southern HSC Trust purchases some services including domiciliary, residential and nursing care from independent and community/independent sector agencies.

Organisation Structure

The Southern HSC Trust is managed by way of a directorate structure, each led by a Director, providing an integrated healthcare service for the resident population. The Directors along with Non-Executive Directors, Chair and Chief Executive form the Trust Board which coordinates the activities of the Southern HSC Trust.

An additional Director role was appointed during the year, resulting in the split of Acute Services Directorate into two separate Directorates to better respond to changing demands. These two Directorates are known as Medicine and Unscheduled Care and Surgery and Clinical Services.

Older People Services was also reconfigured during the year and is now known as Adult Community Services. The Directorate structure for the Trust is as follows:




The Southern HSC Trust Vision is to deliver, safe, high quality care that is co-produced and co-designed in partnership with service users and staff who deliver our services.

This vision is underpinned by the Southern HSC Trust's values which shape what we do and how we do it. The Southern HSC Trust is committed to its values in all our interactions with others including colleagues, patients, carers, and service users.

Our Southern HSC Trust core values are:

Working Together



We work together for the best outcome for people we care for and support. We work across Health and Social Care and with other external organisations and agencies, recognising that leadership is the responsibility of all.

Excellence



We commit to being the best we can be in our work, aiming to improve and develop services to achieve positive changes. We deliver safe, high-quality, compassionate care and support.

Openness & Honesty



We are open and honest with each other and act with integrity and candour.

Compassion



We are sensitive caring, respectful and understanding towards those we care for and support and our colleagues. We listen carefully to others to better understand and take action to help them and ourselves.

Our Objectives are:

- Promoting safe high quality care;
- Supporting people to live long, healthy, active lives;
- Improving our services;
- Making the best use of our resources;
- Being a great place to work – supporting, developing and valuing our staff; and
- Working in partnership.

What we achieved in 2022-23

The Performance Analysis on pages 10 to 43 provides a detailed overview of performance in the year, however in summary, the performance against key targets was:

- **Commissioning Plan Direction Targets** - of the 65 of the Objectives and Goals for Improvement (OGIs), applicable to the Southern HSC Trust, 63% (41) were assessed by the Trust as either Green or Amber i.e. achieved or partially achieved at 31 March 2023.
- **Service Delivery Plan Indicators** - of the 59 individual service plan indicators, 39% were assessed as Red at March 23, meaning the Trust activity for these areas is below an accepted tolerance from the service baseline position from 2019-20.
- **Financial Targets** - the statutory financial targets to be met are:-
 - Breakeven on income and expenditure
 - Maintain capital expenditure within the agreed Capital Resource Limit

These targets were achieved at 31 March 2023.

The key performance challenges remain broadly unchanged in 2022-23 and continue to reflect the risks related to Access to Services, Workforce, Estates & Infrastructure (including Ward infrastructure), Management of infection prevention and control (IPC) and Finance.

Many prevailing challenges have intensified during the last two years of pandemic pressures, resulting in further deterioration in performance reflected in delayed access to service, with service users waiting longer than is acceptable for a range of services.

Specific challenges relating to capacity beyond demand and availability of workforce, including industrial action, has remained the most significant in 2022-23.

It is anticipated that these challenges will continue into 2023-24 due to the ongoing workforce challenges, infrastructure and environment conditions and the ongoing financial context.

2

Performance Analysis

Southern Health and Social Care Trust Year in Highlights 2022-23

Despite increasing demand, ongoing workforce and financial pressures and the challenges of rebuilding our services following the pandemic, in 2022-23 our staff have continued to innovate, develop and improve the care they provide for local people.

Celebrating the achievements of young people



In April we celebrated the successes of young people who are looked after away from home in partnership with The Fostering Network. It was our first Looked After Children's awards ceremony in over two years due to the pandemic. Over 100 young people in foster and residential care were nominated by their social workers and received awards for a wide range of achievements including education, sports, music and bravery.

Birth at home

Mums-to-be from across the Southern area who want to birth their baby at home can now be supported by our new team.

The new 'Birth at Home' team works with community colleagues to support women who opt to have their baby in their own surroundings.

The service was officially launched at a Waterbirth conference hosted by the Trust in May. Waterbirth is available to support women with pain relief during labour at both Daisy Hill and Craigavon Area hospitals and by the Birth at Home team.



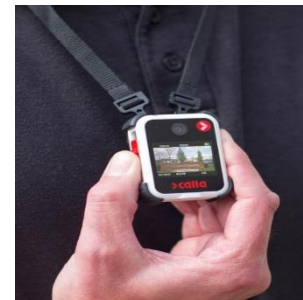
Medical imaging



We introduced a new Digital Pathology solution that benefits patients, staff, and regional services. The Northern Ireland Digital Pathology project, which has been implemented by the Business Services Organisation, helps busy radiologists and pathologists respond to the increasing demands being placed on services. Digital Pathology revolutionises and transforms this service by introducing a digital image.

Body worn cameras

In a bid to reduce violence and aggression against staff, our security team has trialled body worn cameras at Craigavon Area and Daisy Hill hospitals. We want to support a culture where violence and aggression in health and social care is totally unacceptable and our amazing, dedicated staff always feel safe at work. The introduction of body worn cameras aims to act as a deterrent, to reduce and prevent abuse against patients, staff and visitors.



Walled garden



A Walled Garden developed in partnership with the Parent/Carer group 'Acorns for Autism' was opened in Armagh. Based at The Oaks on our Longstone Hospital site, the garden includes a secure play area with climbing frame, slide and a basket swing, along with picnic tables and a shaded canopy space for families of children and young people with Autism to enjoy. Acorns for Autism were integral to the success of the garden, fundraising for the venture over a number of years.

Gynae Rapid Access Clinic

A new service was piloted to help reduce waiting times and improve the quality of life for women with a specialist gynae need. The Gynae Rapid Access Clinic East (GRACE) provides a one stop clinic offering assessment, investigations and management for patients. The service provides personalised compassionate care delivered by an expert team of dedicated gynae nursing and specialist nursing cover alongside consultant clinics.



10 Years of i-CAMHS

In September, our Infant Mental Health Team, i-CAMHS marked ten years of service.

i-CAMHS was originally set up as part of the Trust's Child and Adolescent Mental Health Service, as the first in Northern Ireland to directly provide intensive specialist support to children under three years old and their parents or primary care givers.



Over the past decade, the team have continually developed their service, researching and promoting the importance of parent infant relationships in the early years and participating in a number of local, regional and national initiatives to improve infant and parental mental health.

Family Nurse Partnership



In October, we also celebrated 10 years of our successful Family Nurse Partnership Programme. The team marked the occasion at a Halloween themed graduation event for their latest group of children to complete the programme. Staff from a range of support organisations were on hand with information for families, along with previous participants who shared their stories.

Since 2012, 400 young mums in our area have benefitted from Family Nurse Partnership.

Welcoming International Nurses

We welcomed 133 new international nurses to join our team in late 2022. The new recruits, mostly from India and Zimbabwe, took up permanent posts across Craigavon, Daisy Hill, Lurgan and South Tyrone hospitals. They completed a new 12 week induction programme, specifically organised by our International Nurse Recruitment Team, to welcome and support the nurses and ensure a smooth transition into Northern Ireland health and social care.



Acute care at home



Since it was set up, our 'Acute Care at Home' service has prevented over 10,000 hospital admissions and supported earlier discharge for more than 1500 people. As the first Consultant Geriatrician led service of its kind in Northern Ireland, the team aims to respond to referrals from GPs, Northern Ireland Ambulance service and local hospitals within just a few hours.

Day Clinical Centre

The Day Clinical Centre relocated to its new purpose built location on E Floor at South Tyrone Hospital. The aim of the Day Clinical Centre is to prevent unnecessary hospital patient admissions and a range of procedures are available including blood and iron transfusions, intravenous biologic treatments and venesections in addition to a range of other treatments.



Steps to Wellness

In February we celebrated one year of our Steps to Wellness programme which was developed in partnership with East London Foundation Trust, to provide greater education and treatment for people experiencing common mental health problems. Staff have adapted brilliantly to this new approach which aims to give patients quicker access to treatment and reduce waiting times for secondary care mental health support.



The team are delighted to have helped 1,354 people through this new approach, running 45 group sessions on a range of conditions including Perinatal Low Mood, Anxiety/Worry, Depression, Social anxiety, Panic, OCD, and Living Well with Long Term Conditions. Feedback from service users has been very positive and the team look forward to developing their service further.

Night time dialysis



Daisy Hill is the first hospital in Northern Ireland and on the island of Ireland to take part in a research trial aimed at improving the quality of life for adults with kidney disease. Our Renal Unit is participating in the Nightlife study; a clinical trial assessing if overnight dialysis, performed three times a week in a hospital improves the quality of life of people with kidney failure compared to those who have shorter dialysis sessions during the day.

MND-SMART

The Trust is the first site in Northern Ireland to open as a centre for the UK-wide MND-SMART clinical trial. MND-SMART is an innovative Motor Neuron Disease clinical drugs trial which is now available to participants at Craigavon Hospital.

MND-SMART is testing how effective different drugs are at slowing down the disease and improving survival. The trial is led by the Euan



MacDonald Centre for Motor Neuron Disease Research at the University of Edinburgh. It is funded by the Euan MacDonald Centre, MND Scotland and the My Name's Dottie Foundation.

Safe Wards

The team at our Bluestone inpatient mental health unit have been working hard with patients to introduce the 'Safe Wards' model this year.

Safe Wards aims to reduce conflict including verbal and physical abuse, aggression, absconding, self-harm and suicide, which are known to be more common in an inpatient mental health environment.



The multidisciplinary team have working together to develop a more therapeutic environment to help reduce conflict and containment rates. Through a range of creative new measures like outdoor spaces, a new outdoor gym, outings, music, art and pet therapy, they are promoting a calming atmosphere to promote psychological safety and support recovery.

Our People

Our people are our greatest asset, and we are committed to making the Southern HSC Trust the best possible place to work.

“Our People 2022 to 2025 – A framework for transforming our workplace....transforming our care”.



Our People Framework was approved by Trust Board in September 2022 and the formal launch took place in October 2022.

Our People Framework sets out what our people can expect from our formal leaders and from each other. It was influenced by national, regional and local priorities and by listening to our people through our staff surveys, big coffee conversations and COVID-19 lessons learned listening events. It is informed by what our people have told us - what is important to them, what works well and how we can get better together. Our ambition, put simply, is to 'create a great place to work', a workplace where we are engaged, feel valued and work well together.



Developed by our people, our HSC values support how we deliver our purpose and our vision. Our HSC values of **compassion, openness and honesty, working together** and **excellence** and their associated behaviours guide us all and define the way we work. Our values are at the heart of our people priorities and guide our thinking and actions to help create a positive workplace culture.

COVID-19 has presented one of the most unexpected and difficult challenges imaginable. The pandemic has affected us all in different ways both professionally and personally.

Now more than ever we recognise how important it is to focus on Our People and so our People Priorities of **Wellbeing, Belonging** and **Growing** will help enable us to create a great place to work, a workplace where we are engaged, feel valued and work well together.

In this first year of Our People Framework we have delivered the following:-

Wellbeing

We developed and launched, in September 2022, Our Workplace Health & Wellbeing Framework for 2022–25 which focuses on 3 priority pillars of integrated wellbeing:-

- Healthy Workplaces – supporting you;
- Healthy Relationships – staying connected; and
- Healthy Body and Mind – being you.



We developed a Health & Wellbeing Framework Year 1 Action Plan – 92% of the actions are either complete or nearing completion. 8% of the actions have been deferred to 2023-24 due to budget constraints or vacancies.

Belonging

The Trust continues to work on developing a culture whereby our people feel connected, cared for, respected and valued for the work that they do, and recognised for the contribution they make.



Initiatives in 2022-23 focusing on this have included:

Senior Leadership Team Visibility Plan

Restrictions introduced during COVID-19 and the move to using online collaboration tools such as Zoom and MS Teams had led to reduced visibility of our Senior Leadership Team (SLT). We developed our [SLT Visibility Plan](#) to support the 'rebuild' and 'stabilising' messaging associated within our Corporate Plan for 2022-23 and to communicate our vision, ambition, values and culture of the Trust, to explain where we are headed and how our people can help us get there.

We introduced 'Chat with the Chief' each week which has been positive.

Leadership Walks recommenced in autumn 2022, with Directors visiting teams across the organisation.

Recognition and Appreciation

Recognition and appreciation is undertaken via both formal and informal channels. A number of campaigns and resources have been developed and promoted across the Trust such as:-

- #ThankYouThursday feedback cards have been printed and issued to members of our Senior Leadership Team to write a hand written note of appreciation to individual employees.
- #ThankYouThursday a free Tea/Coffee campaign ongoing for all employees across the Trust on a Thursday.
- Ongoing promotion and use of GREATix, a system for our people to use to recognise when a colleague has done a great job.
- External awards and achievements are regularly celebrated in our Employee Newsletter 'Southern-i'.



Growing

We are supporting and developing our people so they can be the best they can be and fulfil their potential.



Your Appraisal Conversation

As at 31st March 2023, 29% of our Agenda for Change workforce have a completed appraisal. In order to improve the quality of the conversation, the sense of connection and how the individual contributes to the organisation, as well as improving levels of completion, our new Appraisal Policy and supporting 'Your Appraisal' form and guidance was finalised and approved for implementation in January 2023. Each of the four parts of the conversation are linked to one of our 4 HSC Values, reinforcing their significance in everything we do.

‘Inspire, Attract, Recruit’ – Our Resourcing Strategy

As a Trust we want to ensure we are attracting and growing our workforce for the future. We are moving forward with our ‘Inspire, Attract, Recruit’ strategy to ensure a focus on building and growing our HSC workforce, post pandemic. We are doing this through engagement with local schools / colleges, employers and Councils to promote our opportunities and inspire people to work in health and social care.



Southern Regional Job Fair – February 2023 – Armagh and Dungannon

Creating a Great Place to Work Initiative



The Trust recognise that an engaged, happy workforce who feel valued and work well together in a team, has a positive impact on the safe, high quality, compassionate care and support we provide to our patients and service users.

Therefore the Trust wants to ensure that our people are provided with an environment and opportunities that recognises the value that each individual brings, and to encourage our people to make choices to enable them to feel well, be healthy and happy at work. We want to work together with our people to create a great place to work and through a variety of listening events we created the “**Creating a Great Place to Work**” initiative. In creating a great place to work, the Trust want to invest in our people, recognise and encourage leaders at all levels and provide opportunities to develop collective leadership capability. Across the year a number of sessions were delivered under the three strands of:-



The sessions were focused on areas such as health and wellbeing, relationships and behaviours.

Work on all of the initiatives outlined above and many others will continue as we move forward into 2023-24 under our People Framework.

PERFORMANCE ANALYSIS 2022-23

Priorities 2022-23

Delivering Health and Social Care has never been more challenging and in 2022-23 we continued to manage increasing demand for services despite gaps in our capacity and in our workforce.

HSC Planning and Performance arrangements are subject to change with the introduction of the new Integrated Care (ICS) model. Regional work on the new planning and performance arrangements is being led by the Department of Health (DOH) and as part of this, the Southern Area has been identified as a pilot Area Integrated Partnership Board and work will commence to mobilise this in 2023-24.

Ministerial targets set out in the 2019-20 Commissioning Plan Direction (CPD) which identify a range of Objectives and Goals for improvement (OGIs) continued to be rolled forward into 2022-23.

Priorities identified by the Department of Health in 2021-22 relating to rebuilding our core services after the impact of the pandemic have been revised and formalised in 2022-23. Service Delivery Plans (SDPs) which seek to see Trusts improve activity to a level equivalent to the pre-pandemic period in the main, typically 2019-20, were introduced on 1 July 2022.

In 2022-23 the Trust identified 3 corporate priorities to guide the actions of each of our Directors and Trust teams; these actions were underpinned by “Our People 2022-2025”, our new enabling framework to help us deliver our vision for care and equip us to be ready for future changes and challenges. These are:

- Stabilising, Rebuilding and Growing
- Improvement access to planned services for our patients
- Supporting unplanned, urgent and emergency services

How we assess our performance

Performance against the areas below is reported monthly via our Corporate Scorecard, Service Delivery Plans and Performance Report for the Trust Board, and published on the Southern HSC Trust website at www.southerntrust.hscni.net.

Performance issues are presented quarterly at the Southern HSC Trust Performance Committee (a sub-committee of the Trust Board).

- Commissioning Plan Directives 2019-20 - existing objectives and goals for improvement; and

➤ Service Delivery Plans – 2022- 23.

Performance against our internal corporate priorities is reported at year end to our Trust Board.

Factors impacting Performance 2022-23

The key performance challenges remain broadly unchanged and continue to reflect the risks related to Access to Services, Workforce, Estates & Infrastructure (including Ward infrastructure), Management of infection prevention and control (IPC) and Finance, identified on the Trust Corporate Risk Register and reported to our Trust Board.

Many prevailing challenges have intensified during the last two years of pandemic pressures, resulting in further deterioration in performance reflected in delayed access to service, with service users waiting longer than is acceptable for a range of services.

Specific challenges relating to capacity beyond demand and availability of workforce, including industrial action, remains the most significant in 2022-23.

The Trust's corporate plan for 2022-23 acknowledges these challenges, reflected in its ongoing focus and priorities to seek to improve access to elective and unscheduled services this year.

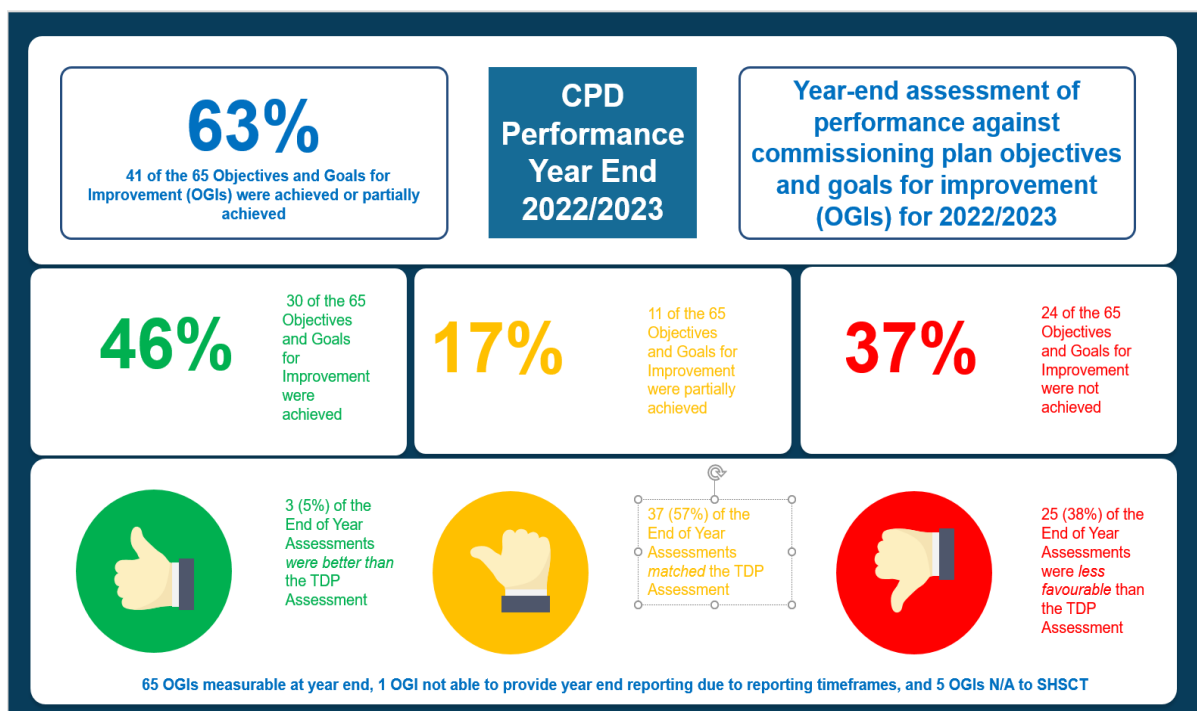
It is anticipated that these challenges will continue into 2023-24 due to the ongoing workforce challenges, infrastructure and environment conditions and the ongoing financial context.

How we performed in 2022-23

Commissioning Plan Direction Targets

For 2022-23, there are 71 Objectives and Goals for Improvement (OGIs), with 65 of these applicable to the Southern HSC Trust. Whilst achievability of OGIs was not re-assessed in 2022-23, the Southern HSC Trust continues to note the assessment of achievability made for each OGI in the 2019-20 Trust Delivery Plan.

Of the 65 OGIs applicable to the Southern HSC Trust, 63% (41 out of 65) were assessed by the Trust as either Green or Amber i.e. achieved or partially achieved at year-end.



Service Delivery Plan Indicators

From 1 July 2022, there have been 59 individual service delivery plan indicators which are summarised by the Strategic Planning and Performance Group (SPPG) of the DoH into 14 service delivery plan areas. These indicators stipulate an expected level of activity for each area on a monthly basis, identified using the service baseline position from 2019-20 period as a key factor.

A variance of 5% has been applied when comparing actual performance with expected performance, with the variance assessed in line with the following RAG assessment as detailed below.

Key:

Red	less than minus 5%
Amber	between minus 5% and minus 0.1%
Green	between 0% and 5%
Blue	greater than 5 %

SPPG apply an overall RAG rating for individual Trusts based on the percentage of metrics recorded as red. The table below reflects the March 2023 position for the Southern HSC Trust position, with 39% recorded as red.

- 14 service delivery plan areas containing 59 individual service metrics/outcomes of which 54 are assessable (awaiting assessment for Biologics and Disease Modifying, Adult Short Breaks, SSKIN and MUST) against regionally agreed targets from SPPG as detailed in Appendix 1.



Summary of Key Performance 2022-23

A themed summary of 2022-23 performance is provided below which reflects the key risks highlighted routinely to our Performance Committee during the year.

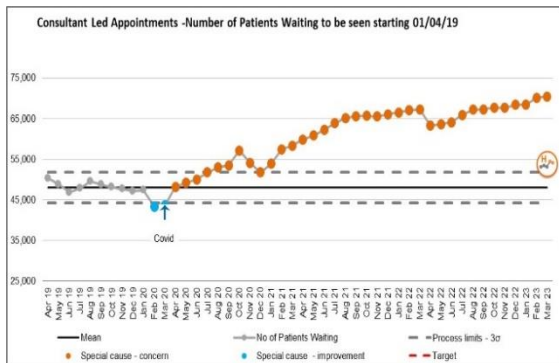
- **Access to Elective and Cancer service** with increased routine wait times as those with 'Red Flag' (suspected cancer) continue to be prioritised;
- **Emergency Department** Overcrowding and waits for inpatient admission;
- **Access to Social Work workforce** with capacity directed to most critical services, impact on wider social care provision;
- **Fragility of Social Care sector** impacting hospital discharge and community care; and
- **Mental Health and Disability** general over occupancy of adult inpatient wards, which is reflected regionally.

Elective Services

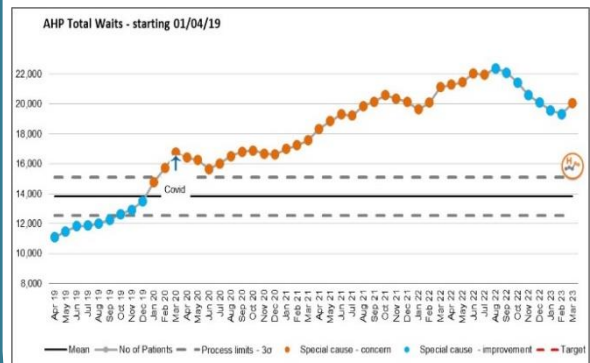
In 2022-23, the Southern HSC Trust has been challenged to achieve the performance targets previously set for waiting times for elective services, this has been largely due to increased demand and workforce retention and resourcing pressures.

For the majority of elective target areas, including first outpatient assessment, diagnostic tests, inpatient and day case surgery and allied health professional referrals, the number of patients waiting increased and the length of waiting time for patients extended, resulting in unacceptably long wait times for many. The graphs below reflect the trend in the increasing volume of waits in these areas.

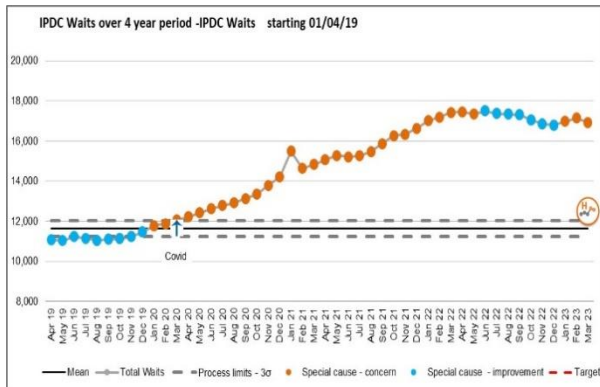
Consultant-Led Outpatient Waiting Lists: Trend in volume of waits



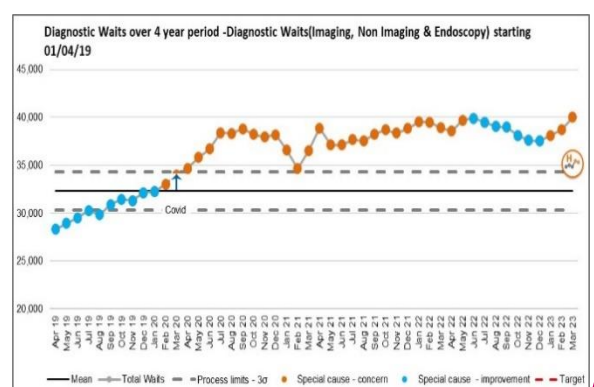
Allied Health Professional (AHP) Waiting Lists: Trend in Volume of waits



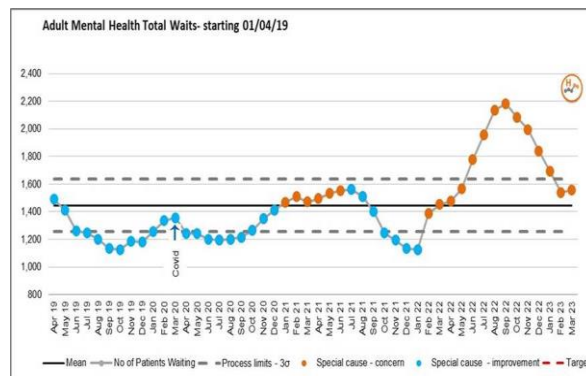
Inpatient and Daycase Waiting Lists: Trend in volume of waits



Diagnostic Tests – Waiting Lists: Trend in volume of waits



Adult Mental Health Outpatients Waiting Lists



Cancer Services

The impact on routine waits has been previously noted; however more significant is the impact on the wait times for urgent and red flag (suspected cancer) services, including outpatient, diagnostics and treatment.

The table below indicates a reduced level of performance against the 3 cancer pathway targets over the last 5 years. This position is reflected across Health & Social Care in NI.

	14 Day Target - 100%		31 Day Target - 98%		62 Day Target - 95%	
	SHSCT Performance	Regional Performance	SHSCT Performance	Regional Performance	SHSCT Performance	Regional Performance
2018/19	99.4%	92.0%	99.5%	94.0%	74.4%	63%
2019/20	99.9%	86.0%	98.2%	93.0%	65.5%	51%
2020/21	67.7%	71.0%	92.4%	93.0%	57.1%	53%
2021/22	37% (April 21- March 22 Position)	54% (Jan 2022)	85.8% (Jan 2022)	90% (Jan 2022)	49.4% (Jan 2022)	47% (Jan 2022)
2022/23	56.3% (April 22 - Mar 23 Position)	18.5% (Mar 23 Position)	85.5% (April 22 - Mar 23 Position)	81.1% (Mar 23 Position)	41.6% (April 22 - Mar 23 Position)	46.6% (Mar 23 Position)

The number of people who are actively waiting on our cancer pathways has increased by approximately 4%. In March 2022 there were 4,973 patients being actively tracked through our pathways, compared to 5,200 in March 2023.

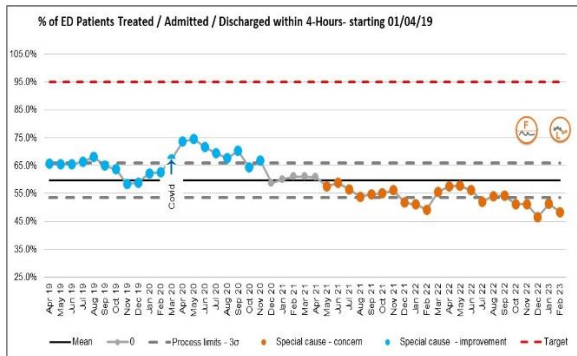
The number of patients who have attended and been diagnosed with Cancer has increased by 6%. (2,681 confirmed cases during 22-23 compared to 2,523 in 21-22).

Unscheduled Care

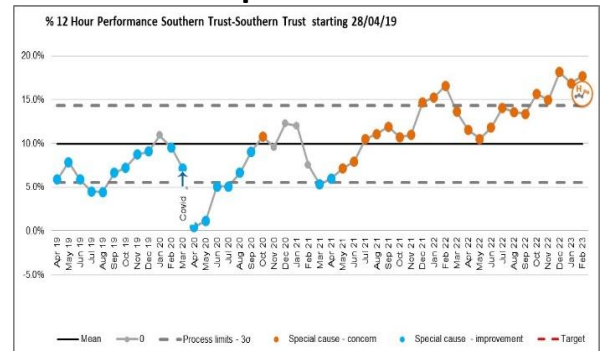
In 2022-23 the Southern HSC Trust has again been unable to achieve the performance targets previously set for the management of waits in Emergency Departments and flow to discharge through our hospital system due to the following reasons:

- Overcrowding in the Emergency Department has impacted on the ability to treat, admit and/or discharge patients within 4 hours.
- Challenges with patient flow, insufficient bed capacity and the ability to discharge patients from hospital beds has impacted on the volumes of patients admitted or discharged within 12 hours.

Patients Admitted or Discharged within 4 Hours –Emergency Department



Patients Admitted or Discharged within 12Hours –Emergency Department



Patient flow through our hospital systems continues to be challenged and is more complex associated with a higher acuity of patients and increased length of stay. This associated with challenges faced in timely discharge, contributes to reduced bed capacity and system wide pressures.

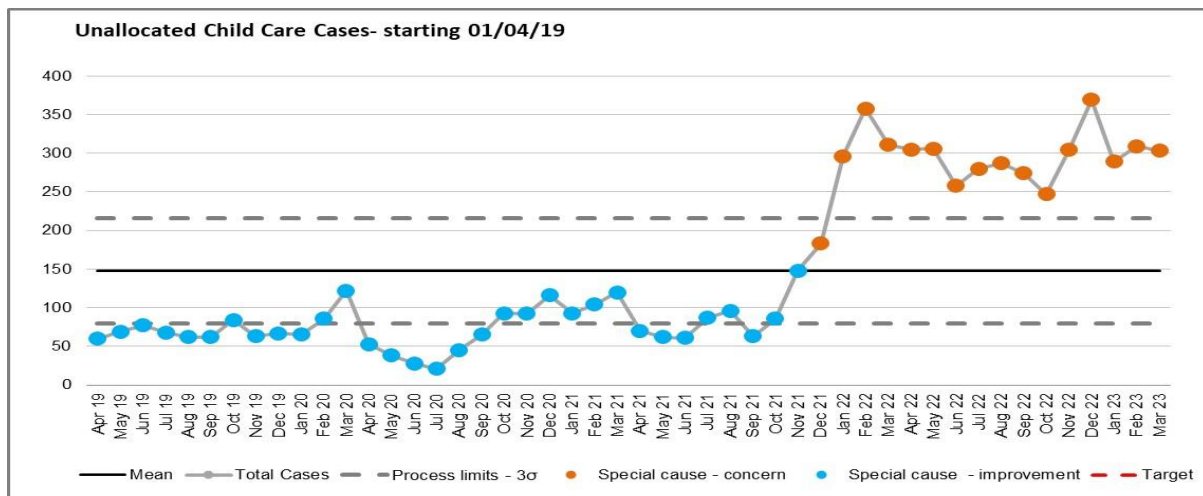
The Southern HSC Trust has continued to develop the unscheduled care service in line with the 10 key recommendations from the regional ‘No More Silos’ emergency care action plan.

Children’s Services

Workforce issues impacting on social work staff (including maternity and sickness absence) within the current workforce coupled with an inability to recruit the number of social work staff required to fill permanent vacancies, is impacting on child and family services.

The complex nature of child protection work, the increase in the Looked After Children population, and the general demand for services in conjunction with workforce challenges, has resulted in an increased number of Unallocated family support referrals. Statutory functions in respect of Child Protection and Looked After Children case episodes have been prioritized and continued to receive a social work service.

Unallocated Child Care Cases

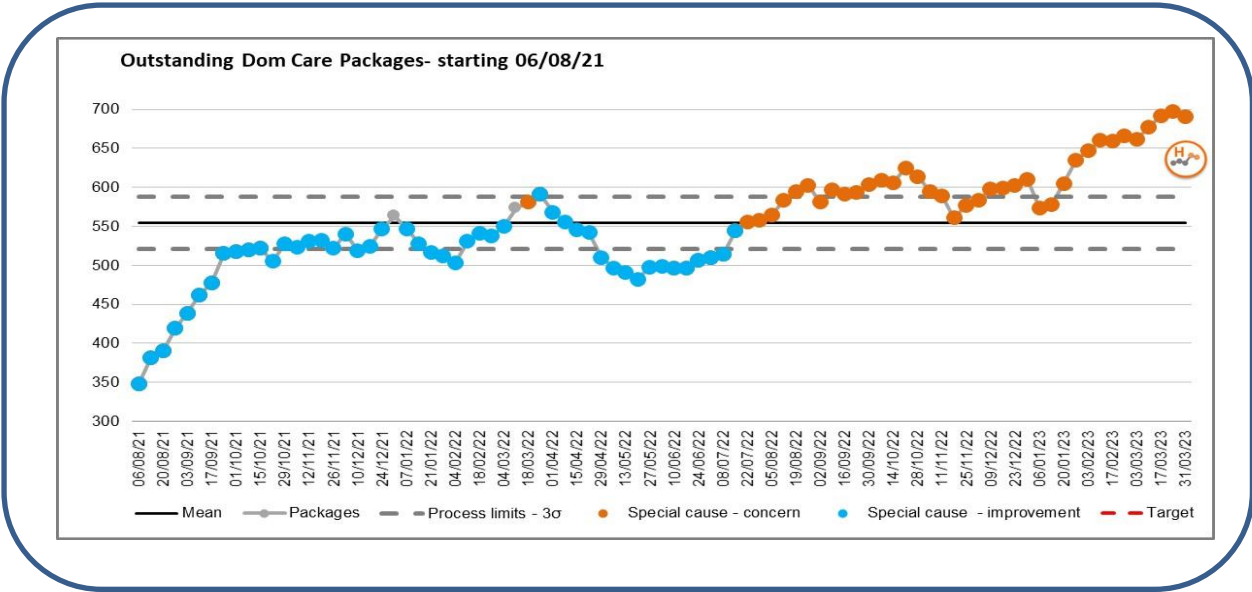


Mental Health Services

The inability to recruit Psychiatrists of Old Age impacted on the ability to sustain inpatient Memory Services on a stand-alone site. An interim contingency arrangement of the co-location of Gillis Ward to Willows Ward, Bluestone Unit, CAH, has been in place from 4th May 2022 to ensure safe and effective care. This interim contingency arrangement has reduced the net complement of inpatient memory/dementia beds, inpatient psychiatry of old age beds and inpatient general adult psychiatry beds. The impact of this bed reduction has seen inpatient Mental Health Services continue to be operating at over 100% occupancy. The consultation on the proposed future service model to create a specialist inpatient dementia unit within the Bluestone Mental Health unit on the Craigavon Area Hospital site was recommended by Trust Board on 30th March 2023 following a 3 month consultation on the future of inpatient dementia services from the 3rd October 2022 to the 23rd December 2022. The specialist inpatient dementia unit will be created within the Bluestone Mental Health Unit either via the use of existing space or through the extension of the existing facility.

Social Care Sector

Demand for domiciliary care packages continues for both those still resident in the community and those discharging from hospital. The delay in accessing a domiciliary care package can impact on quality of life, hospital discharge and the inability to step up care in the community to prevent hospital admission. The chart below reflects the ongoing demand for domiciliary care that cannot be met, resulting in a high level of unallocated cases.



FINANCIAL PERFORMANCE 2022-23

Financial Position

As predicted at the outset of the financial year, 2022-23 has been yet another challenging year for the entire Health & Social Care System with continued pressures directly associated with our need for an ongoing response to COVID-19.

Cash releasing efficiency targets were set in 2022-23 with the Southern HSC Trust being tasked with achieving a Medicines optimisation target of £1.065m, £7.843m in General Savings Targets and £2.507m in Agency Targets.

Notwithstanding the enormity of the challenge the Southern HSC Trust has achieved financial balance in 2022-23.

This is against a backdrop of a number of significant pressures during the year. This break-even achievement has only been made possible through additional funding being made available for the COVID-19 pressures and baseline deficits, and associated expenditure reductions. The Southern HSC Trust has worked hard to balance high quality, safe patient care together with increasing demands for our services.

Financial Environment

The Southern HSC Trust's approach to financial planning for any financial year commences as early as possible during the preceding year. The aim is to ensure financial break-even with less income in real terms and at the same time securing delivery of the modernisation and reform agenda. Planned expenditure is considered on a Programme of Care basis and includes a detailed review of both existing baselines and incremental changes applicable to the financial year in question.

The Southern HSC Trust's Financial Strategy is built upon using all of our resources wisely to meet the health and social care needs of the residents of the Southern Area. We continually aim to identify all available opportunities in seeking to manage a challenging financial position, whilst also securing delivery of reform and transformation and achieve efficiencies. Resources are prioritised to deliver the Southern HSC Trust's strategic objectives, with the aim of improving the health and social well-being of, and reducing the health inequalities between, those for whom we provide, or may provide, health and social care.

Financial Targets

The Southern HSC Trust is required to operate within revenue and capital budgets delegated to it by the Department of Health (DoH) via the Strategic Planning and Performance Group (SPPG)).

The statutory financial targets to be met are:-

- Breakeven on income and expenditure
- Maintain capital expenditure within the agreed Capital Resource Limit

These targets have been achieved through the successful implementation of the Southern HSC Trust's financial strategy for the year and the continued efficient use of resources coupled with the achievement of in-year savings plans along with the provision of deficit support funding provided by the Department of Health.

Financial Governance

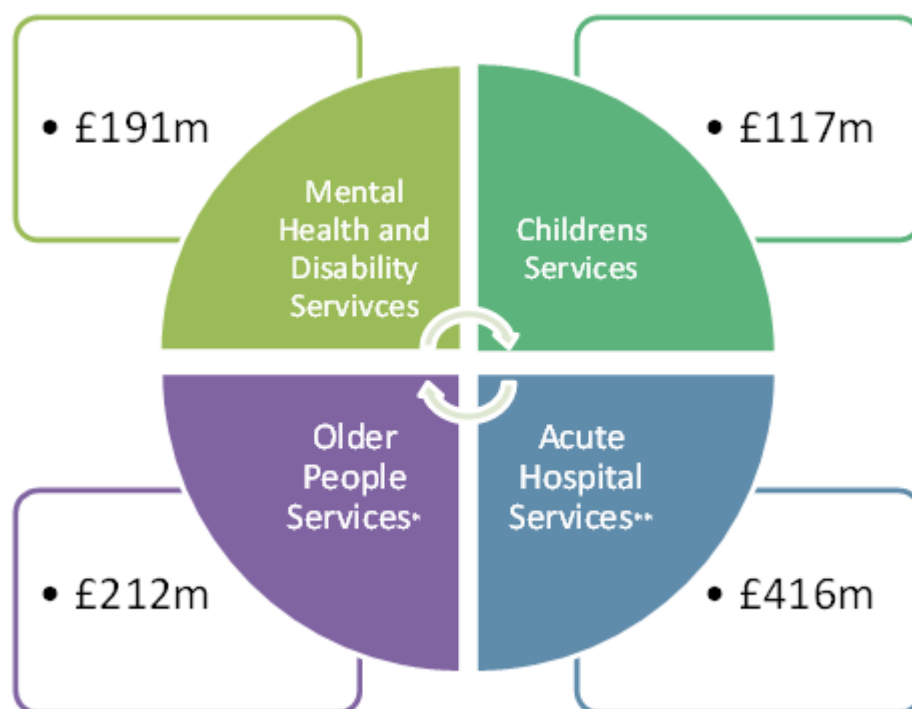
At the beginning of each financial year, the Southern HSC Trust prepares a detailed financial strategy which is approved by Trust Board. This strategy forms the basis of how our budgets are to be allocated across all Directorates. Financial performance is monitored and reviewed monthly with all Directors and detailed financial reports and year-end forecasts are produced monthly for both Trust Board and the Southern HSC Trust's Senior Leadership Team.

Income and Expenditure in 2022-23

The Southern HSC Trust receives the vast majority of its income, 95%, from the DoH, through SPPG and Public Health Agency (PHA). In addition the Southern HSC Trust is provided with a funding allocation for medical education. The largest single remaining funding stream is the income received from clients in residential and nursing homes.

The Southern HSC Trust's total revenue expenditure in year was £972m. The chart below demonstrates how the majority of this was invested across a range of services during 2022-23.

Southern HSC Trust Investment Breakdown by Directorate



**Older People Services now known as Adult Community Services*

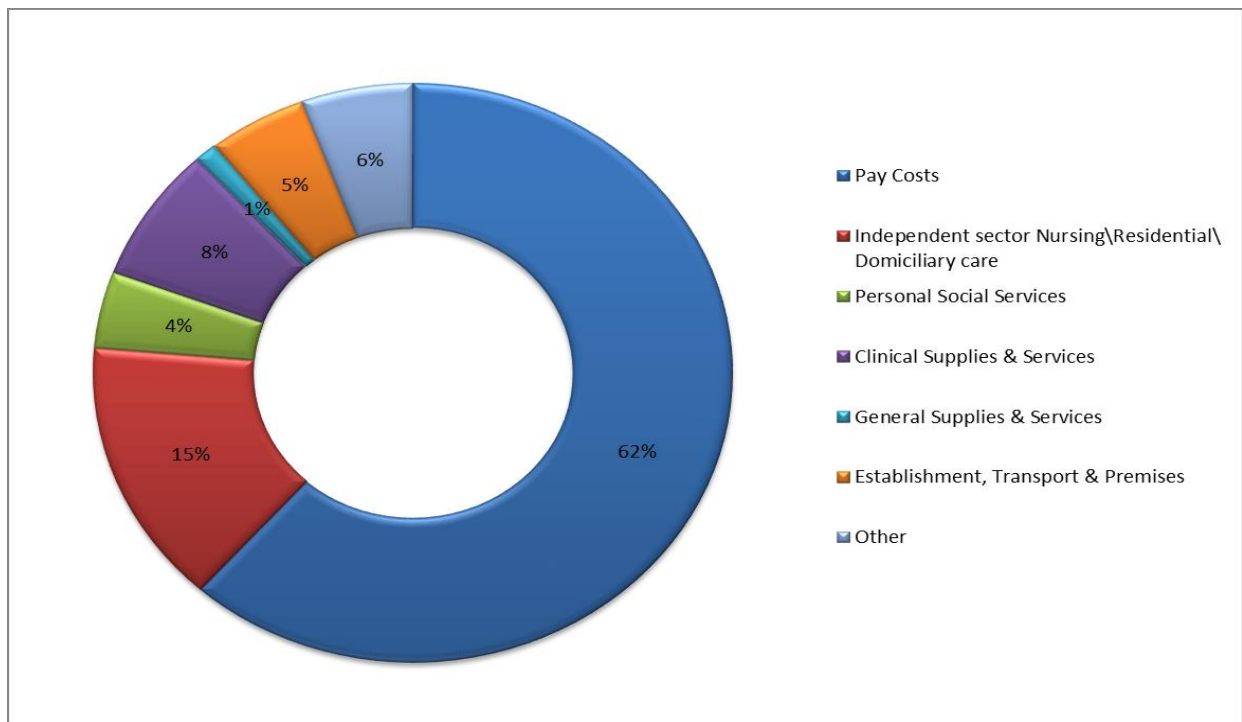
*** Acute Hospital Services covers both Medicine and Unscheduled Care and Surgery and Clinical Services.*

In addition there are a range of supporting directorates which cost £36m in 2022-23.

Our staff costs are consistently the largest component of expenditure accounting for 62% of operating expenses. In 2022-23 we spent a total of £1,008m, £621m on pay costs with the balance of £387m on non-pay.

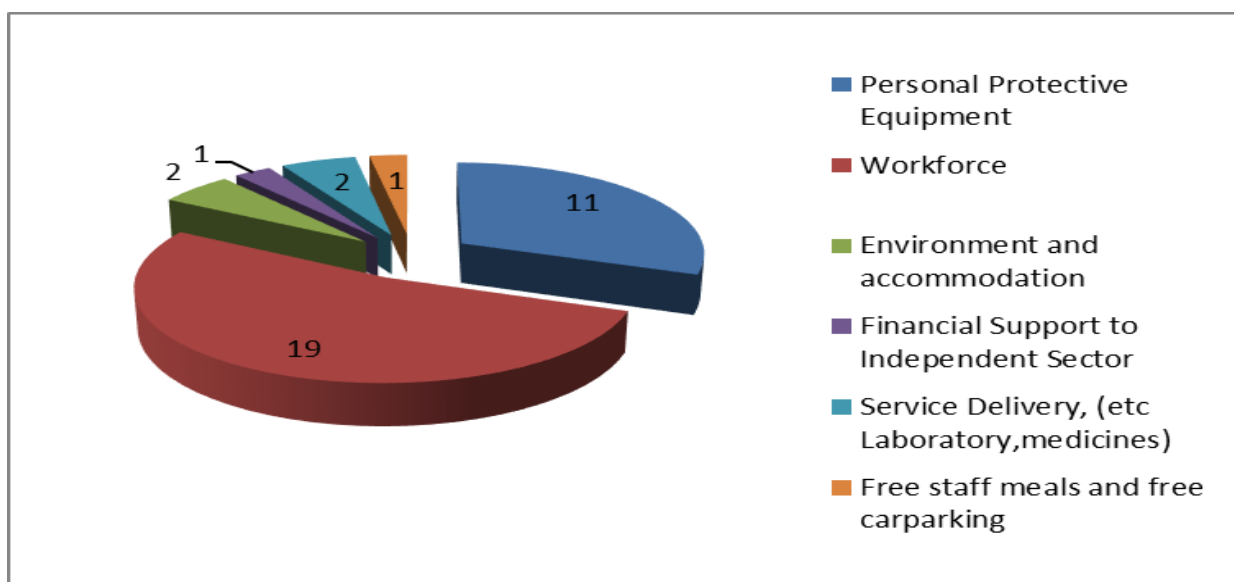
Within the pay costs total the Trust spent £116m on doctors and dentists, £217m on nurses and midwives and £105m on social work/social care and domiciliary staff. Significant spend on non-pay cost includes £87m for clinical and general supplies, such as drugs and medical equipment, and £149m for residential, nursing and domiciliary care delivered by other organisations on the Trust's behalf.

The chart below summarises the split of our total expenditure during 2022-23:



Included within our total expenditure was the cost of our response to COVID-19. In total we spent £35m (as compared to £64m in 2021-22), with the most significant elements of this expenditure highlighted below, of which £11m was spent on the provision of PPE. This expenditure received full funding support from DoH.

Split of COVID-19 expenditure in 2022-23



Expenditure remained within the Revenue Resource Limit (RRL) of £923.6m by £33k.

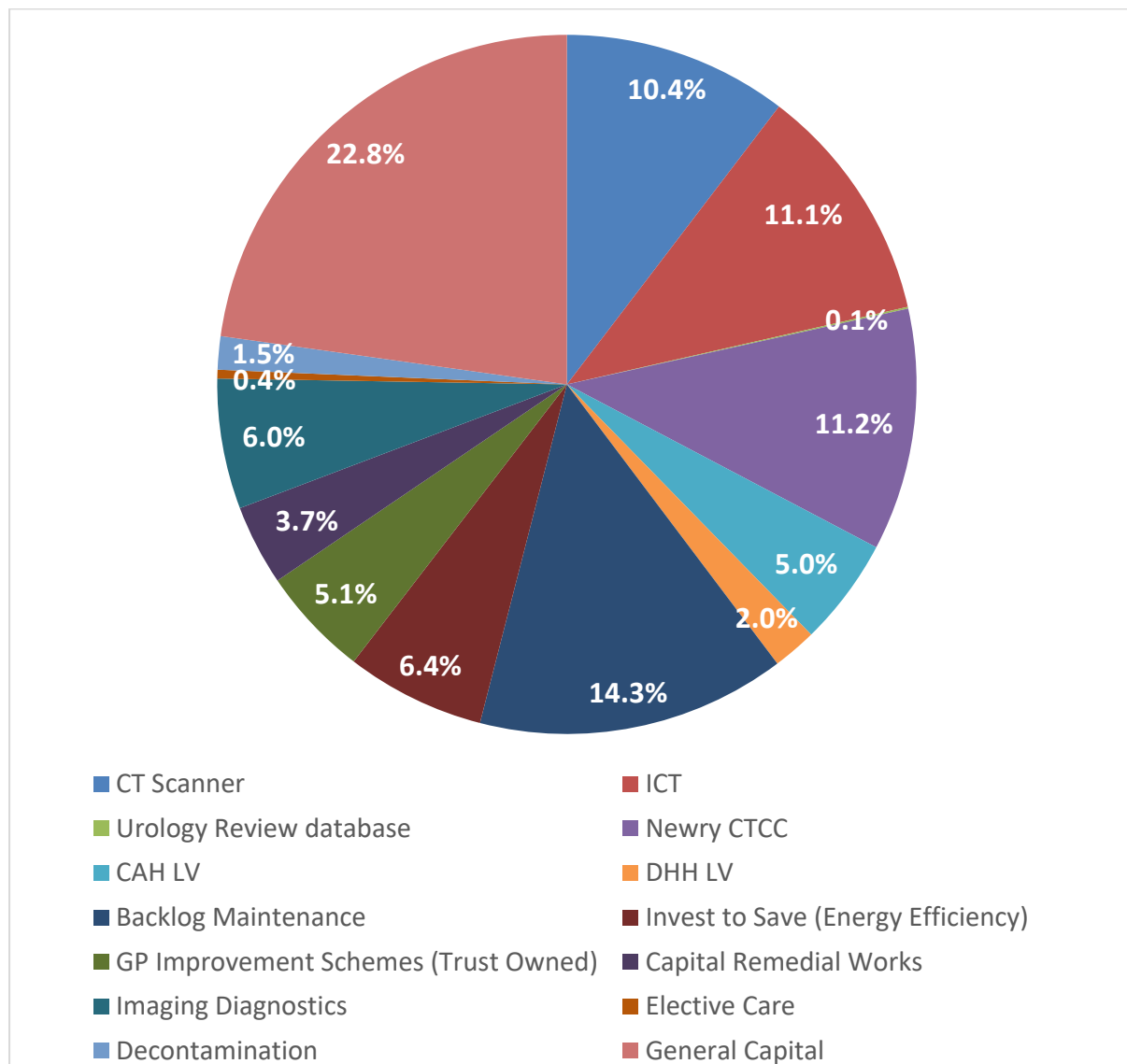
Capital Investment

The Southern HSC Trust receives an annual capital allocation to help support the expenditure required to develop and maintain the infrastructure required to provide the facilities necessary for the provision of services to all our patients and clients.

The Southern HSC Trust had a capital allocation of £40.2m, for 2022-23, including £5.4m for Information Technology, £2.6m for Invest to Save projects, £4.2m for an additional CT scanner on Craigavon Site and £8.2m for general capital requirements. The Southern HSC Trust also secured additional capital investment to support a range of backlog maintenance schemes and remedial works.

The Chart below summarises how we invested our capital resource during 2022-23.

Southern HSC Trust Capital Investment 2022-23



The table below analyses the Capital spend over expenditure type:



The Southern HSC Trust was successful in investing in full its Capital Resource Limit except for a small underspend of £1k (0.01%).

Going Concern

The financial outlook for 2023-24 is challenging. Southern HSC Trust is beginning the 2023-24 financial year with a substantial underlying funding gap.

Extensive budget planning work to support the 2023-24 position is ongoing between the Southern HSC Trust, SPPG and DoH. As a Trust we must ensure that our limited resources are used to maintain safe services and to achieve the best outcome for our population. It also means that we must continue to embrace and pursue the transformation and efficiency agenda to safeguard vital services for the future.

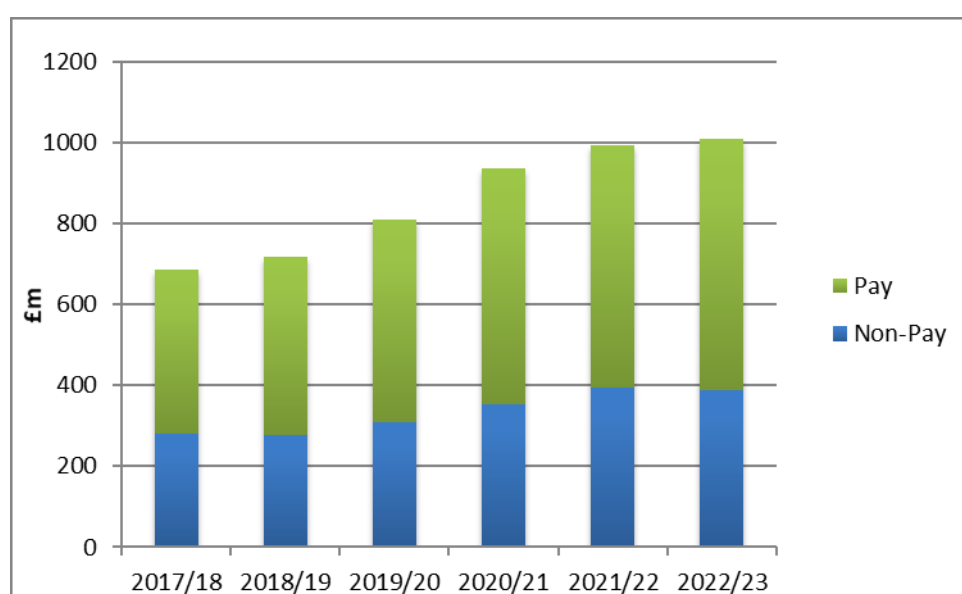
There is no doubt that 2023-24 will be yet another exceptionally difficult year for the Southern HSC Trust and the entire Health and Social Care System as a whole, particularly as the budget allocation provided has resulted in a significant funding gap. The Department of Health and its Arm's Length Bodies are currently working on the development of further savings measures to bridge the gap. However, it is clear that, if the Department of Health does not receive significant additional funding, the implementation of high impact savings will be required, with adverse consequences for an already highly pressurised health and social care system which would be very damaging for service delivery.

Long term Expenditure Trends and Plans

Revenue

The 2023-24 financial position for the NI Public Sector is very challenging. Across the HSC Sector significant challenges continue to be faced and are expected to intensify. The Southern HSC Trust is constrained by the level of funding available to the Health Sector by the NI Assembly. The Department of Health has indicated that HSC Organisations will be expected to manage cost pressures through improved efficiency savings.

The table below shows revenue expenditure, broken down by pay and non-pay categories, incurred by the Southern HSC Trust from 2017-18 to 2022-23.



Measures will be implemented to drive down high Agency costs and discretionary spending in 2023-24 in order to remain within a much reduced budget allocation.

Capital

The amount of capital investment afforded to the Southern HSC Trust is directly influenced by the overall economic environment. As part of a 10 year review of capital priorities, the Southern HSC Trust has identified a need for investment in excess of some £1 billion. This includes redevelopment of Craigavon Area Hospital together with much needed infrastructure in particular for Primary Care and Social Care, backlog maintenance and diagnostic equipment requirements.

It is difficult to envisage a situation where the Southern HSC Trust will receive the level of investment it requires to deliver a modern and fully equipped estate given the financial constraints across the NI Executive, however the Southern HSC Trust will continue to ensure that funding is utilised in a manner that provides stability for its core services for the coming years.

Compliance with Prompt Payment Policy

The Southern HSC Trust's objective is to pay 95% of invoices within 30 days of receipt of an undisputed invoice. This year the Trust has seen an increase of 9.5% in the number of bills paid compared to prior year. The Southern HSC Trust can report that it fell below its target this year paying 93.47% of invoices within 30 days, compared to 95.24% in 2021-22. The compliance rate for the current year was impacted by a regional system outage for 11 days in August due to a cyber-security attack against our system supplier.

We continue to work closely with Business Services Organisation (BSO) Shared Services Centre to ensure that all efforts are made to maintain prompt payment compliance in the future.

Public Sector Payment Policy – Measure of Compliance

The Department requires that Trusts pay their non HSC trade payables in accordance with applicable terms and appropriate Government Accounting guidance. The Southern HSC Trust's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is:

	2023 Number	2023 Value £000s	2022 Number	2022 Value £000s
Total bills paid	339,639	485,194	310,265	449,689
Total bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms	317,477	447,680	295,496	421,216
% of bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms	93.47%	92.27%	95.24%	93.67%
Total bills paid within 10 day target	230,558	334,072	240,410	338,604
% of bills paid within 10 day target	67.88%	68.85%	77.49%	75.30%

The Late Payment of Commercial Debts Regulations 2013

	£
Amount of compensation paid for payment(s) being late	78
Amount of interest paid for payment(s) being late	-
Total	78

The late payment legislation (Late Payment of Commercial Debts Regulations 2013) came into force on 16 March 2013. The effect of the legislation is that a payment is normally regarded as late unless it is made within 30 days after receipt of an undisputed invoice.

During the current year, the Trust incurred charges of £78 in respect of late payment of commercial debt invoices. This comprised payments to one supplier. This charge is reflected in the Statement of Losses and Special payments in the Annual Report on pages 117-118.

Donations and Fundraising

Charitable donations help us to improve the quality of care we provide to our patients and clients across the Trust. During 2022-23, the Trust received donations, income and legacies totalling £262k. The donated income is received mainly from former patients, clients and their relatives in recognition of the Trust's work and expended on activities, in accordance with the Trust's Charitable Trust Funds procedures.

Examples of improvements the Trust Funds have supported financially during 2022-23 as a result of donations and legacies received include:

- ❖ Staff specialist training – including frontal endoscopic sinus surgery, palliative care, sight impairment, respiratory care, Drugs Misuse – this is staff education over and above that which would normally be provided from public funds;
- ❖ Outdoor gym equipment for the Bluestone Unit;
- ❖ Innovative participation in POPS (Peri-operative care of Older People undergoing Surgery) Network to improve outcomes by integrating geriatricians into the care pathway;
- ❖ Outdoor Therapy Area at Child Development Clinic Lurgan;
- ❖ Re development of the Dromalane Gate Lodge as a CYPs facility.

If you would like to make a donation to the Trust to help us continue to enhance the experiences of patients and clients in our care, please email us at Donations.Account@southerntrust.hscni.net.

Research and Development

During the last year, whilst COVID-19 was continuing to have an impact on Research and Development in the Trust, it has been clear this was minimal as there has been a steady increase to research in various other specialties.

Recruitment and follow up to the following priority COVID-19 studies was phenomenal with a steady number of participants recruited:-

- RECOVERY (Respiratory);
- GenOMICC (Critical Care);

- SIREN (Healthcare staff) – This study was highly important due to the involvement of Trust staff and completed in March 2023; and
- HEAL COVID-19 (Respiratory).

Craigavon Area Hospital and Daisy Hill Hospital have been sites for several key national and international clinical trials. Collaborative research has been on-going throughout the Trust with universities both locally and nationally. As well as the direct benefits of providing new treatments or interventions and increasing the quality of care provided for patients and clients, research motivates staff to identify service improvements. During the past year, it was pleasing that research commenced in relation to Motor Neurone disease and also encouraging that research was carried out by a variety of specialties including Social Work, Nursing, Midwifery and Allied Health Professions staff. There has been a commitment to support all staff undertaking research as part of their academic studies.

Research studies carried out within the Trust have driven improvements in care, allowing patients access to new treatments and interventions as a result of involvement in a range of on-going national and international studies.

Southern HSC Trust patients have had access to next-generation Cardiology stents and numerous Clinical Trials and researchers have published papers in peer reviewed journals or presented posters and papers at a variety of conferences locally, nationally and further afield.

A various number of specialties and staff have undertaken research studies within the Southern HSC Trust. These studies vary from local single site studies to larger multi-trust research studies of which some will be national studies and some international Studies. *A full list of studies can be provided in detail on request.*

SUSTAINABILITY REPORT

For the Southern HSC Trust sustainability means working within the available environmental and social resources to protect and improve health, now and for future generations. In practice this requires us to reduce our carbon footprint, minimise waste and pollution, make the best use of scarce resources and build resilience to a changing climate, while providing uninterrupted healthcare and wellbeing services to the local community.

Carbon and the road to Net Zero poses a significant challenge to the Trust which has been solidified by the introduction of The NI Climate Change Bill (2021) which has established a 1990 baseline for the context of future carbon reduction targets to deliver Net Zero by 2050. This has been noted in the Trust's Governance statement on page 93.

The Trust aims to promote a proactive approach to environmental management to maximise benefits and minimise risks to service users, staff, visitors, contractors and others through responsible management.

The following details achievements in 2022-23 demonstrating continual improvement in environmental sustainability.

Estates, Assets and Utilities

The Trust is currently facing ever increasing energy and water prices in which maintaining the status quo will guarantee cost increases. The wholesale market has seen significant impact on prices from the war in Ukraine and restraints on Liquefied Natural Gas (LNG) supplies.

Embracing the core principles of energy and water management is an imperative to ensure the Trust see a reduction in costs.

Aside from the financial benefits, good energy and water management within the Trust will also contribute to the reduction of greenhouse gas emissions and enhancing the implementation of the Trust Sustainability Strategy and future Carbon Reduction Plans.

The following tables illustrate our current position regarding utilities and waste management.

Utilities Consumption	2022-23	2021-22	Movement
Electricity (kWh)	22,630	24,407	-7%
Heating & Natural Gas (kWh)	68,205	68,479	-0.4% , there has been a significant decrease in Nat Gas due to underutilisation of CAH CHP and loss of the DHH CHP. Optimisations made with our BMS has also contributed to a reduced heating load.
Heating & Oil (kWh)	14,621	11,768	+24% , Oil usage has increased over the past year. Within the department, we have actively moved away from Fuel oil where possible facilitating efficiency allowing us lower consumption and reduce carbon, however due to favourable market conditions heating oil has been more cost effective over certain months resulting in an increase in usage.
Water (m3)	349,982	317,921	+10% , increased hand washing has contributed to the baseline consumption at most of our sites however we are aware of the aging infrastructure of cast iron pipes which most likely will be leaking substantially. Especially within 22-23 we have had a rapid increase in large leaks on sites like Lurgan Hospital & Craigavon Hospital.
LPG (kWh)	1,159	737	+57% , the Trust is making good progress driving down LPG usage due to added telemetry and monitoring by the Energy Team. We have identified over usage on both the Lurgan and Craigavon Site via the BMS which has shown an increase in consumption. The migration from standard LPG to 100% Bio LPG can deliver upwards of a 40% reduction in tCO ₂ e.

Responsible Waste Management

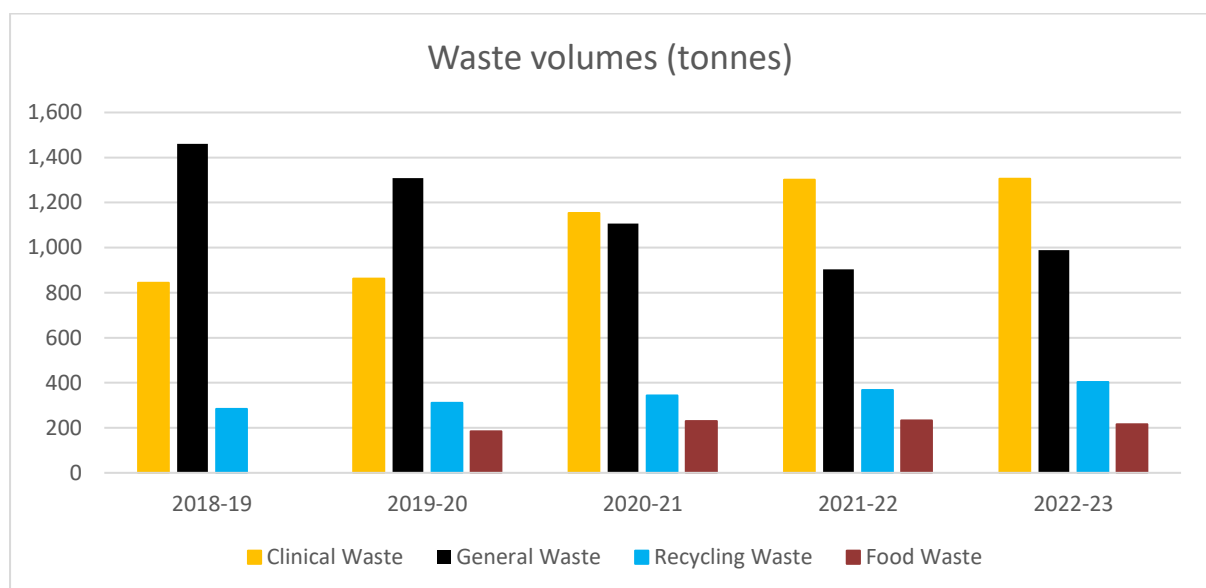
Waste is segregated at collection points into waste streams to comply with statutory requirements, recycling and reduced costs.

The Southern HSC Trust in 2022-23 generated 1,392 tonnes of domestic waste and 1,306 tonnes of clinical waste.

The Trust is committed to reducing waste volumes and has set out a number of reduction targets;

- Reduce overall waste tonnage by 1% per annum
- Reduce clinical waste tonnage by 1% per annum
- Reduce general waste tonnage by 1% per annum
- Reduce food waste tonnage by 1% per annum
- Increase recycling tonnage by 1% per annum

The Trust has not met all of these targets in 2022-23 as demonstrated in the graph below:



The continuing use of Personal Protective Equipment (PPE) has impacted on clinical waste volumes. Staff have been reminded of the need to segregate waste.

The Trust achieved a recycling rate of 4.2% of cardboard and 8.6% of Mixed Dry Recyclables. Overall, a recycling rate of 12.8%.

30% of the domestic waste is recycled (therefore the Trust overall recycled 42.8% of general waste. The remaining 70% of domestic waste is recovered going as a Refuse Derived Fuel (RDF) to cement kilns or provide energy from waste plants.

In 2022-23, 216.79 tonnes of food waste was collected across the Trust, which is a reduction on prior year. Food waste generated in the catering services department is collected and treated using anaerobic digestion which generates biogas which is used in contractors' vehicles and electricity for their premises.

Building and Services Infrastructure Improvements

Other improvement projects undertaken during 2022-23 have included:

Daisy Hill Hospital CHP (Combined Heating & Power)

The installation of a new 750KVA CHP (Combined Heating & Power) unit at Daisy Hill Hospital.

CHP systems offer considerable environmental benefits when compared with purchased electricity and thermal energy produced on site. By capturing and utilizing heat that would otherwise be wasted from the production of electricity, CHP systems require less fuel to produce the same amount of energy. With less fuel being combusted, there will be kWh savings and carbon savings.

AMR (Automatic Meter Reading)

The installation of an AMR (Automatic Meter Reading) system will provide effective measurement of consumption across the main utilities at frequent intervals (half-hourly is standard). The consumption data is analysed within a software package to provide a complete picture of each building's consumption and identify areas for energy and carbon savings across the 3 main utilities.

Building Insulation & Energy Efficiencies

This project involves the installation of cavity wall insulation and roof insulation across 9 Southern HSC Trust facilities. These facilities are being specifically targeted due to their usage profile which will provide maximum energy savings for the Trust.

Travel and Transport

Staff travel has reduced due to staff working from home. The investment in IT facilities, telecommunication and virtual meetings has meant travel between sites has reduced. Estates have also installed a number of electric charging points across the Trust.

Development of Green Spaces and Biodiversity

The Trust has enhanced the Estate working with their grounds maintenance contractor to plant native trees and staff have been encouraged to enjoy Green Spaces on or near our facilities for exercise, rest, relaxation and recovery.



The Day Opportunities Group developed a sunflower field at the Bannvale site. Also, a number of bulb planting projects were completed by service users across the Trust Estate.

Going forward

The 5 year strategy and action plan has been developed to build on the work already achieved and to provide a more holistic approach to sustainability (Years 1 and 2 now completed). Subject to identified funding, there will be continuing focus on green spaces, biodiversity, sustainable procurement, carbon reduction (decarbonisation) and transport. Specific actions include improved automatic monitoring of heating systems, the development and implementation of strategies for thermal comfort in facilities, electric vehicle charging, PV Installations, green spaces and biodiversity and identifying sustainability improvements in our procurement processes. All of these will have a positive impact towards the Trust achieving its Carbon reduction targets as well as making financial savings in the longer term.

On behalf of the Southern HSC Trust, I approve the Performance Report encompassing the following sections:

- Performance Report
- Performance analysis

Signed:

Dr Maria O'Kane
Accounting Officer

Date: 22 June 2023

3

Accountability Report

Overview

The purpose of the Accountability Report is to meet key accountability requirements to the Northern Ireland Assembly. The report contains three sections: the Corporate Governance Report, the Remuneration and Staff Report and the Accountability and Audit Report.

The purpose of the Corporate Governance Report is to explain the composition and organisation of the Southern HSC Trust's governance structures and how these support the achievement of the Trust's objectives.

The Remuneration and Staff Report sets out the Southern HSC Trust's remuneration policy for directors, reports on how that policy has been implemented and sets out the amounts awarded to directors. In addition, the report provides details on overall staff numbers, composition and associated costs.

The Accountability and Audit Report brings together some key financial accountability documents within the annual accounts. This report includes a statement of compliance with regularity of expenditure guidance, a statement of losses and special payments recognised in the year and the external auditor's certificate and audit opinion on the financial statements.

Corporate Governance Report

Directors' Report

The Board of Directors during the year was as follows:



Eileen Mullan, MBE

Chair

Chair of Trust Board

Tel: 028 3756 0142

Eileen.Mullan@southerntrust.hscni.net

Executive Directors



Dr Maria O'Kane

Chief Executive (From 1st May 2022)
Interim Accounting Officer (Until 30th April 2022)
Medical Director (Until 1st May 2022)

Tel: 028 3756 0143

Maria.O'Kane@southerntrust.hscni.net



Catherine Teggart

Director of Finance, Procurement and Estates

Tel: 028 3756 0131

Catherine.Teggart@southerntrust.hscni.net



Colm McCafferty

Interim Director of Children and Young People's Services/Executive
Director for Social Work

Tel: 028 3839 8347

Colm.McCafferty@southerntrust.hscni.net



Heather Trouton

Executive Director of Nursing, Midwifery, AHP's and Functional Support Services

Tel: 028 3756 1324

Heather.Trouton@southerntrust.hscni.net



Dr Stephen Austin

Medical Director (From 7th November 2022)

Tel: 028 3756 2287

Stephen.Austin@southerntrust.hscni.net



Dr Damian Scullion

Interim Medical Director

(5th September – 6th November 2022)



Dr Damian Gormley

Interim Medical Director

(4th July - 4th September 2022)



Dr Aisling Diamond

Interim Medical Director

(2nd May – 3rd July 2022)

Directors



Jan McGall

Director of Mental Health & Disability Services

Tel: 028 3883 3222

Jan.McGall@southerntrust.hscni.net



Lesley Leeman

Interim Director of Performance and Reform

Tel: 028 3756 0123

Lesley.Leeman@southerntrust.hscni.net



Vivienne Toal

Director of Human Resources and Organisational Development

Tel: 028 3756 0125

Vivienne.Toal@southerntrust.hscni.net



Cathrine Reid

Director of Surgery & Clinical Services (From 8th March 2023)
Interim Director of Surgery and Elective Care, Integrated Maternity
and Women's Health, Cancer and Clinical Services (1st January
2023 – 7th March 2023)

Interim Director of Medicine and Unscheduled Care (1st August 2022
- 31st December 2022)

Tel: 028 3756 1336

Cathrine.Reid@southerntrust.hscni.net



Trudy Reid

Director of Medicine and Unscheduled Care (From 1st January 2023)
Interim Director of Surgery and Elective Care, Cancer and Clinical
Services and Integrated Maternity and Women's Health. (1st August
2022 - 31st December 2022)

Tel: 028 3756 1335

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Melanie McClements

Director of Acute Services

(Until 31st July 2022)

Non-Executive Directors



Pauline Leeson, CBE

(Chair of the Performance Committee)



Hilary McCartan

(Chair of Audit Committee)



Geraldine Donaghy

(Chair of the Endowments and Gifts Committee)



Martin McDonald, MBE

(Chair of Governance Committee)



John Wilkinson, OBE

(Chair of the Patient & Client Experience Committee)

A declaration of Board members' interests has been completed and is available on the Trust's website www.southerntrust.hscni.net. The Trust is required to disclose details of transactions with individuals who are regarded as related parties consistent with the requirements of IAS 24 – Related Party Transactions and this can be found at Note 19 to the Financial Statements.

Audit

The Chief Executive and Directors of the Southern HSC Trust have responsibility for the preparation of the annual report and accounts. The accounts and supporting notes relating to the Southern HSC Trust's activities for the year ended 31 March 2023 have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting Manual (FReM). They have been audited by the Northern Ireland Audit Office who appointed ASM Chartered Accountants to carry out the detailed audit work to support the report of the Comptroller and Auditor General which is included on pages 119 to 123.

The Chief Executive and each Director has taken all the steps that he/she ought to have taken as Chief Executive/Director to make him/her aware of any relevant audit information and to establish that the Southern HSC Trust's auditor is aware of that information. So far as the Chief Executive and each Director is aware, there is no relevant audit information of which the Southern HSC Trust's auditor is unaware.

The notional cost of the audit of the accounts for the year ended 31 March 2023 which pertained solely to the audit of the accounts is £74k, made up as follows, public funds £67k and Trust Funds £7k. An additional amount of £1,744 was paid to the Audit Office in respect of the work carried out on the National Fraud Initiative. This is reflected within miscellaneous expenditure within Note 3 Operating Expenses in the accounts.

Information Governance

The Southern HSC Trust works with the Information Commissioners Office (ICO) to resolve any complaints received by them into how the Southern HSC Trust handles data. In 2022-23 there were 2 data breach incidents reported to the ICO. Details of how the Trust manages information risk is detailed in the Governance statement on pages 66 to 67.

Complaints Management

The Trust are committed to providing safe, high quality, patient-centred treatments and services. Service User Feedback is of the utmost importance to the Trust to inform service improvement and as such, all complaints, comments, suggestions, enquiries and compliments are encouraged. These will be received positively, sympathetically and investigated promptly to obtain resolution and avoid recurrence where a system failure has been identified.

In order to continually improve service delivery, the Trust encourage service users, family and carers to participate in providing feedback about their experiences of the care and treatment received. The Trust acknowledges that on occasion, things can go wrong and / or service delivery does not meet service user expectations. Service users, relatives and carers will be offered to provide feedback about their experiences

through completion of the “We Value Your Views” leaflet, discussing with staff or through contact with the Service User Feedback Team.

Complaints received are reviewed in an open, transparent, just culture manner, using learning identified to improve services and the experience of people using our services.

Within the Trust it is the responsibility of all staff to utilise the information and trends from their complaints to ensure learning and development takes place at a service and individual level. Information in relation to Complaints management is shared with the Trust Senior Leadership Team and Governance Committee.

The number of complaints received for the financial year 2022-23 was 904 (2021-22: 721).

Further information on the monitoring of complaints is contained in the Service User Feedback Annual Report, which is published on the Trust’s website. The Trust Complaints Team can be contacted at serviceuserfeedback@southerntrust.hscni.net or Tel: 028 375 64600.

Non-Executive Directors' Report



As Non-Executive Directors, our role is to provide support, challenge and be an independent voice, at corporate level, across all the work of the Southern HSC Trust.

The Non-Executive complement on the Trust Board during 2022-23 has been running with five out of the prescribed seven members.

Eileen Mullan, MBE (Chair)

Trust Board

Trust Board is made up of Non-Executive Directors and Executive Directors who work collectively on the common goal of the health and wellbeing of the population across the Southern HSC Trust who we are here to serve. There have been new Director appointments to the Trust Board during 2022-23 and, as Non-Executive Directors, we welcome this strengthening and building of the Trust Board team.

Trust Board meetings continued to be held both virtually and face to face throughout 2022-23. Seven formal public meetings were held when key aspects of Board business were considered under the themes of strategy, accountability and culture. Looking ahead, future developments will include live streaming on social media of all our Trust Board meetings.

User engagement remains a key focus for Trust Board. During the year, the Trust Board re-instated its 'Young People's Pledge' which had been halted due to the COVID-19 Pandemic. We were delighted to recommence this dialogue with young people and reinvigorate the 'Young People's Pledge' which is informed by the experience of young people.

Workshops

The Board held three informal workshops during the year to allow focused time on the following:

- Financial Planning 2023-24
- Inquiry into the Hyponatraemia Related Deaths recommendations
- Whistleblowing training

We also held a facilitated Board Development Day when a plan of change was agreed for new and improved corporate and clinical and social care governance structures.

Committees

Trust Board is supported by six Committees all of which are chaired by a Non-Executive Director. We had a change of Committee Chair during 2022-23 with Mr Martin McDonald taking over as Chair of the Governance Committee.

Full information on membership and roles of Southern HSC Trust Board Committees can be found in the Governance Statement.

Each Committee Chair presents a report to Trust Board to provide feedback on the work of their respective Committee and raise any issues of concern. The Non-Executive Director's commitment to their role is evident in their reports, recommendations and assurances from their respective Committees to Trust Board.

Looking Ahead

We recognise the significant challenges that face Health and Social Care and the hunger there is for change. We look forward to the Southern HSC Trust playing its part in the region to support the population in receiving the right care at the right time and in the right place.

Non-Executive Directors look forward to working with our Executive colleagues, partners and stakeholders in playing our part in the health and social care agenda in the year ahead.



Eileen Mullan, MBE

Chair

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Department of Health has directed the Southern Health and Social Care Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Southern Health and Social Care Trust and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the financial statements, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the Accounts Direction issued by the Department of Health, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in FReM have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on a going concern basis, unless it is inappropriate to presume that the HSC body will continue in operation; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Permanent Secretary of the Department of Health as Principal Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Dr Maria O'Kane of the Southern Health and Social Care Trust as the Accounting Officer for the Southern Health and Social Care Trust. The responsibilities of an Accounting Officer, including responsibility for the regularity and propriety of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the Southern Health and Social Care Trust for which the Accounting Officer is responsible, are set out in Managing Public Money Northern Ireland (MPMNI) published by the Department of Finance.

As the Accounting Officer, 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 Trust's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance Statement for the Year ended 31 March 2023

1. Introduction/Scope of Responsibility

The Board of the Southern HSC Trust (the Trust) is accountable for internal control in the Trust. As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisation's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health (DoH).

In delivering these responsibilities, I am accountable for the Trust's performance to the Department of Health (DoH) via the Strategic Planning and Performance Group (SPPG), formerly the Health and Social Care Board (HSCB), and report through extant performance management arrangements including those actions put in place to respond to and subsequently to recover/rebuild from COVID-19 pandemic surge(s).

Formal performance management meetings at a senior level with the SPPG are in place and supported by a range of programme specific performance management arrangements for activities within each operational directorate.

The Trust's internal performance management framework has been updated and Directorate level weekly performance meetings are in place to tackle key issues including service delivery and unscheduled care.

In order to improve and assure the quality, safety, satisfaction, effectiveness and efficiency of services, the Trust works in partnership with the SPPG, Public Health Agency (PHA), other Trusts, Co-operation and Working Together (CAWT) and other public sector partners, including elected representatives, local councils, the voluntary and community sector, universities, regulators, trade unions and the public. A range of processes are in place to facilitate and enable this partnership working, a few examples are:

- meetings with Trust, SPPG, Local Commissioning Group (LCG) and PHA senior teams collectively and on issue specific basis;
- monthly meetings between Trust Chief Executives and SPPG/Department of Health;
- regional and local Programme Boards to work together to implement specific aims including delivering better value;
- engagement with local GPs through locality forums and senior Trust attendance at Local Medical Committee (LMC) services development committee and specific local GP engagement as part of the Trust's established "SLT Bronze" bi-weekly meetings in response to ongoing infection prevention and control arrangements;

- forums such as the regional children’s service planning project board that include HSC partners, community/voluntary sector and other statutory agencies such as Education;
- promoting health and wellbeing processes involving a range of partners in the voluntary and community sector focussed on ensuring effective collaboration to address the specific and individual needs of local communities e.g. Daisy Hill Pathfinder;
- monthly meetings between the Trust, universities and regulators to improve teaching, training and clinical care;
- quarterly formal meetings with the Chair, Chief and each of the five main political parties , together with regular and ongoing contact through political requests for information;
- monthly meetings with the Encompass Steering Group and feeder groups; bimonthly meetings with CAWT;
- alternate weekly meetings in relation to the integrated care system and formation of the Area Integrated Partnership Boards
- Senior Leadership and partnership working with councils in support of local Community Plans and emergent development of integrated care system model testing in the Southern Trust area; and
- with patients and carers through the management of standards of patient care, patient feedback through the Care Opinion platform and patient fora and the implementation of the Trusts Working Together Strategy;
- frequent communication with the Urology Services Inquiry and Southern Trust Staff in relation to servicing the ongoing Statutory Public Inquiry; and
- regular developmental contact between the Trust and MerseyCare in supporting the development of culture and senior leaders within the Trust.

With respect to the Trust’s inter-relationship with the DoH, the framework within which the Trust is required to operate is currently defined and agreed in the Management Statement (MS) and Financial Memorandum (FM). The framework covers the operations, financing, accountability and control of the Non-Departmental Public Body (NDPB) and the conditions under which any government funds are provided to the body. This is due to be replaced with a ‘Partnership Agreement,’ likely to be in place in 2023-24.

2. Compliance with Corporate Governance Best Practice

The Trust applies the principles of good practice in Corporate Governance and remains committed to ensuring that its governance systems and arrangements are co-ordinated and effective. Work continues on embedding the new and improved structures and processes for corporate and clinical and social care governance across the Trust.

To ensure compliance with Corporate Governance best practice, the Trust has in place various measures which include the following:

Standing Orders, Scheme of Delegation and Standing Financial Instructions

The Standing Orders, Scheme of Delegation and Standing Financial Instructions are key governance documents for the Trust and are in place to provide the regulatory framework for the business conduct of the Trust and define its ways of working. In line with good governance, the Standing Orders, Scheme of Delegation and Standing Financial Instructions are constantly kept under review. An updated Scheme of Delegation was approved by Trust Board in March 2023.

Register of Interests

Registers of Interests for Board members and staff are in place and updated annually and where relevant, throughout the year. The Register of Interests for Board Members is publicly available on the Trust website.

Self-Assessment

In line with good governance best practice, the Trust Board completes the Board Governance Self-Assessment Tool on an annual basis. The completed tool in respect of the 2021-22 financial year was approved by Trust Board in September 2022 and provided assurance in relation to various leading indicators of Board governance. As part of this process, some areas of development were identified which have been implemented in 2022-23, led by the Chair. One action remains outstanding in relation to the recruitment exercise for two Trust Non-Executive Director vacancies led by the Public Appointments Unit.

Governance Framework

The Trust's governance framework sets out the arrangements for how the organisation is directed and controlled (incorporating behaviours, values, systems and processes) and how its responsibilities are discharged. It enables the setting of corporate objectives, the efficient deployment of resources towards the delivery of these priorities and monitoring of organisational performance. This governance framework is designed to manage risk to a reasonable level as determined by risk appetites, rather than eliminate all risk, to achieve policies, aims and objectives. Therefore, it can only provide reasonable, not absolute, assurance of effectiveness. The Trust is currently undergoing a period of change in its governance arrangements. These changes are as a result of the review of governance structures in 2019 and also some of the learning from public inquiries. Full implementation of these changes is expected in 2023-24.

In my role as Accounting Officer, I am supported by the Trust Board. The Board exercises strategic control over the organisation through a system of corporate governance which includes the following:

- Schedule of matters reserved for Board members at Trust Board meetings;
- Management Statement and Financial Memorandum;
- Standing orders including powers reserved to the Board and powers delegated to its Committees and standing financial instructions (as referred to above);
- Audit Committee;
- Governance Committee;
- Endowments and Gifts Committee;
- Remuneration Committee;
- Patient and Client Experience Committee; and
- Performance Committee.

Committee structures are in place to reflect an integrated approach and to support the Trust Board. The following describes in more detail the role of the Trust Board, its Committee structure and attendance during the reporting period.

The Trust Board

The Trust Board currently comprises a Non-Executive Chair, five Non-Executive Directors, a Chief Executive and four Executive Directors. Six members of the Senior Leadership Team also attend Trust Board meetings.

The Trust Board is the corporate decision-making body. It has corporate responsibility for ensuring that the organisation fulfils the aims and objectives set by the Department/Minister and for promoting the efficient, economic and effective use of staff and other resources. It has a key role in overseeing sound financial management and corporate governance of the Trust.

In the 2022-23 year, the Trust Board continued to meet regularly in public, both virtually and face to face. Seven formal Board meetings were held and, in accordance with Standing Orders, were quorate for each meeting.

Throughout the year, the agenda for the Board meetings was reviewed to ensure that the Board considered:

- Patient stories to provide the Board with feedback on patients' experience
- User engagement with the re-establishment of the Young People's Pledge.

During the reporting period, there were changes with regard to the Executive (Voting) and (Non-Voting) Director membership of the Board (see Directors' report on pages 46-50). The table below also reflects these changes as well as members' attendance. Board membership was stabilised during 2022-23 with the introduction of one

additional Director role arising out of the split of the Acute Services Directorate into two separate Directorates to better respond to changing demands. During the year, permanent recruitment to positions previously filled through interim arrangements took place for all but one of the Director positions. The Executive Director of Social Work / Director of Children & Young People's Services remains the only interim role not permanently recruited to. During 2022-23, three Board workshops were held on key strategic and development issues as well as providing the opportunity for Board members to receive updates on and address the learning from e.g. 'Inquiry into Hyponatraemia Related Deaths'. A facilitated Board Development Day was held to agree a new, improved corporate and clinical and social care governance structure.

Name of Board Member	Attendance
Non-Executive	
Ms E Mullan, Chair	7/7
Ms G Donaghy	7/7
Mrs P Leeson	6/7
Mrs H McCartan	6/7
Mr M McDonald	7/7
Mr J Wilkinson	6/7
Executive Director (Voting)	
Dr M O'Kane - Chief Executive	7/7
Dr S Austin – Medical Director	3/3
Dr D Scullion – Interim Medical Director (until 6 th November 2022)	0/2
Dr D Gormley – Interim Medical Director (until 4 th September 2022)	0/0
Dr A Diamond – Interim Medical Director (until 3 rd July 2022)	2/2
Mr C McCafferty, Interim Director of Children and Young People's Service / Executive Director of Social Work	7/7
Ms C Teggart, Director of Finance, Procurement and Estates	7/7
Mrs H Trouton, Director of Nursing, Midwifery, AHPs and Functional Support Services	6/7
Director (Non-Voting)	
Mr B Beattie, Director Adult Community Services	7/7
Mrs L Leeman, Interim Director of Performance and Reform	6/7
Mrs M McClements, Director of Acute Services	2/2
Mrs T Reid, Director of Medicine and Unscheduled Care	4/5
Mrs C Reid, Director of Surgery and Clinical Services	5/5
Ms J McGall, Director of Mental Health and Disability Services	6/7
Mrs V Toal, Director of Human Resources and Organisational Development	6/7

The Changes in Director appointments during the year are fully described in the Directors' Report on pages 46 to 50.

The Board Committee structure

All Trust Board Committees are chaired by a Non-Executive Director and operate under clear terms of reference and lines of reporting and accountability which are reviewed and agreed by the Trust Board on an annual basis. These Committees review, scrutinise and challenge the information they receive in order to assure the Board that Trust processes are delivering outcomes to the required standards. Minutes of the Committees are presented at Trust Board meetings in a timely manner and each

Committee Chair presents a report to Trust Board to provide feedback on the work of their respective Committee and raise any issues of concern. Attendance records of each Committee are maintained and for 2022-23 were as follows:

Committee	Number of meetings	% Attendance
Audit	5	100
Governance	4	92
Endowments & Gifts	4	96
Remuneration	2	100
Patient and Client Experience	4	75*
Performance	4	95

**It should be noted that the PCEC membership differs from other Trust Board Committees, as it is constituted to include representation from PPI Panel Members. Over the 2022-23 reporting period, as we came out of the Covid pandemic and the endeavours of the Panel to protect themselves, there has been a higher level of PPI Panel member absence than in previous years, impacting on the overall attendance at meetings.*

The functions of each Committee are outlined below.

Audit Committee

The Audit Committee supports the Trust Board and my role as Accounting Officer with regard to our responsibilities for issues of risk, internal control and governance and provides associated assurance through a process of constructive challenge. The Audit Committee operates in accordance with the Audit Risk and Assurance Committee Handbook (NI) 2018. The Committee comprises three Non-Executive Directors (including the Committee Chair) who are independent of Trust management. The Accounting Officer is in attendance as well as the Executive Director of Finance.

In carrying out its work, the Committee used the findings of Internal Audit, External Audit, assurance functions, financial reporting and Value for Money activities. It approved the External Audit Strategy, the Internal Audit programme of work and reviewed progress on implementing internal and external audit recommendations. It considered reports from Internal Audit at each meeting and overall accepted the findings and recommendations of Internal Audit in its reports for 2022-23. Fraud is a standing item on the Committee's agenda and there is on-going reporting to the Committee in respect of compliance with relevant Departmental directions/circulars.

The Chair of the Audit Committee provides the Board with an Annual Report on the work of the Audit Committee. The Audit Committee completed the 2021-22 National Audit Office self-assessment checklist in June 2022 and the results demonstrated that

the Audit Committee is operating effectively and complying with Audit Committee best practice. There were no issues raised. The Committee will complete the NAO Audit and Risk Assurance Committee Effectiveness Tool (May 2022) for the 2022-23 year on 15th June 2023. The committee sat 5 times during the year.

Governance Committee

The role of the Governance Committee is to provide assurance to the Board on all aspects of the governance agenda across the Trust (except internal financial control). The Committee comprises all Non-Executive Directors who are independent of Trust management. The Accounting Officer, members of the Senior Leadership Team, the Director of Pharmacy and the Assistant Director of Clinical and Social Care Governance are in attendance at all meetings.

The Committee has an active role in providing assurance to the Board on the management of risk across the Trust. Members scrutinised and approved the Corporate Risk Register at each of its meetings.

The Chair of the Governance Committee provides the Board with an Annual Report on the work of the Committee. This includes an evaluation of the performance of the Committee during the year and there were no issues raised. The committee sat 4 times during the year.

It is expected the work of this committee will be impacted in 2023-24 by the new and improved structures and processes for corporate and clinical and social care governance being introduced across the Trust currently.

Endowments and Gifts Committee

The Endowments and Gifts Committee is responsible for providing assurance to the Board on all aspects of the stewardship and management of funds donated or bequeathed to the Trust.

The membership of the Endowments and Gifts Committee comprises three Non-Executive Directors (including the Committee Chair), the Director of Medicine and Unscheduled Care, the Director of Surgery and Clinical Services and the Director of Human Resources and Organisational Development. The Director of Finance is in attendance.

At each meeting, the Committee monitored the use and rationalisation of funds and sought assurance that funds were not unduly or unnecessarily accumulated. The Committee continued to actively promote the use of Trust Funds and reviewed expenditure plans by Fund managers.

The Chair of the Endowments and Gifts Committee provides the Board with an Annual Report on the work of the Committee. This includes an evaluation of the performance

of the Committee during the year and there were no issues raised. The Committee sat 4 times during the year.

Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee makes recommendations to the Trust Board on all aspects of remuneration and terms and conditions of employment of the Chief Executive and other senior executives. The Committee sat 4 times during the year.

Details of the work of this committee are described within the Remuneration Report at page 95.

Patient and Client Experience Committee

The Patient and Client Committee provides assurance to the Trust Board that the Trust's services, systems and processes provide effective measures of patient, service user and carer experience and involvement. The Committee provides corporate oversight to matters relating to Personal and Public Involvement (PPI) and the patient and client experience and ensures strong linkages between PPI, patient and client experience, Quality Improvement and Compliments and Complaints with a view to identifying opportunities to deliver on-going improvements.

Membership comprises 3 Non-Executive Directors (including the Committee Chair) and 3 members of the PPI Panel.

The Committee continues to oversee the implementation of an Action Plan in respect of the 'Working Together' Strategy to ensure the achievement of collaborative direction for experience, involvement and improvement.

The Chair of the Patient and Client Experience Committee provides the Board with an Annual Report on the work of the Committee. This includes an evaluation of the performance of the Committee during the year and there were no issues raised. The Committee sat 4 times during the year.

Performance Committee

The Performance Committee is responsible for overseeing the delivery of planned results by monitoring performance against objectives and ensuring corrective actions are taken when necessary within agreed timelines.

This Committee has an established work programme of integrated reporting to facilitate comprehensive review and drill down into the issues that impact on performance and take a broader view than is offered by extant Commissioning Plan Direction reporting targets alone. At each meeting, the Committee considers both internal and external reports outlining the Trust's performance against a range of indicators. External reports discussed by the Committee included bespoke reports produced by the NHS Benchmarking Network covering a range of service areas,

highlighting the Trust's position against that of its peers e.g. 'Adult and Older People Mental Health', 'Children and Young People Mental Health' and 'Managing Frailty in Acute Settings'.

The membership of the Performance Committee currently comprises 5 Non-Executive Directors (including the Committee Chair).

The Chair of the Performance Committee provides the Board with an Annual Report on the work of the Committee. This includes an evaluation of the performance of the Committee. The committee sat 4 times during the year.

3. Business Planning and Risk Management

As Accounting Officer, I ensure that the Trust manages risk at all levels in the organisation. 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 organisation.

Business Planning

The following section provides an overview of the Trust's Business Planning process and considers how objectives are identified, managed and reviewed.

The Corporate Plan provides a wider view of the Trust's strategic objectives and priorities are set corporately. Each Directorate aligns their agreed actions to the corporate plan and linkages between plans at Corporate and Directorate level are clearly stated, with a clear understanding and connection at Directorate, Team and individual level.

The Trust secured DoH agreement to develop a one year Corporate Plan for 2022-23; this plan provided a bridging position from our last five year Corporate Plan which had been extended throughout the pandemic period. The intention will be to align our next longer term plan with the Executive's mandate, including new agreed outcomes for our population that will be further developed as we move forward into more integrated care systems.

In the absence of a Ministerial Commissioning Plan for 2022-23, extant targets were rolled forward. Trust Delivery Plans were not required by the SPPG in response, however Service Delivery Plans were established to which the Trust has responded. It is the responsibility of Directors and their teams to be aware of the targets relevant to their area, Ministerial and statutory, to ensure that issues which may impact upon their delivery are highlighted at Divisional and Directorate Team meetings or staff supervision throughout the year in line with the Trust's performance management framework. Details of performance for 2022-23 are in the Performance Analysis from page 9.

This is evidenced through the business planning and risk management processes in the Trust which ensures that our statutory objectives are met.

The Trust's performance management framework defines arrangements for monitoring and review of performance at operational and corporate level. During 2022-23, the Trust's Performance Management Framework was updated.

The Senior Leadership Team and Performance Committee monitor progress against achievement of targets and objectives.

Risk Management

Risk management is an organisation-wide responsibility. Governance structures highlight that responsibility for the management of risk which lies within operational directorates and their corresponding governance arrangements, with the corporate overview role being provided by the Medical Director, as the Executive Director with delegated responsibility for risk management. The Trust has an Interim Risk Management Strategy for 2019-2022. This will ensure that the Trust manages all risks using a systematic and consistent approach.

Risk Registers are maintained at Divisional, Directorate and Corporate levels to record all forms of risk including clinical, operational and financial risks. There are currently 7 key risk domains on the Corporate Risk Register. As at 31st March 2023, there are 34 identified risks, of which 4 are assessed as Extreme, 22 High, 7 Medium and 1 Low. During the year, new corporate risks were added in relation to overcrowding in Emergency Departments and Wards, shortages and vacancies across the Health Visiting Service and Urology Services. Each risk is underpinned and informed by risk triggers overseen at an operational level within Divisions and Directorates. Exposure to risks will be kept to a level deemed acceptable by the Trust Board. The Trust will not accept risks that materially impact on patient safety. The Trust has a greater appetite to take considered risks in terms of their impact on organisational issues.

The Interim Risk Management Strategy describes the ongoing processes in place to identify and prioritise the risks to the achievement of the organisation's objectives and the systems that are in place for the identification, analysis, control and review of risks. The Interim Risk Management Strategy also sets out the risk appetite of the organisation which is expressed by a series of boundaries, authorised by the Executive Team, giving clear guidance on the limits of risk and at what level in the organisation these can be managed. Delegated limits are defined for acceptance of risk, dependent up on the level of risk, i.e., Low, Medium, High or Extreme.

The Trust Board held a Risk Management Seminar in 2021-22 which provided members with training on Risk Management and the assurance that sound risk management practices were instilled throughout the Trust. The Trust Board held a Board workshop on Risk Appetite in May 2023 to further develop the Risk

Management Strategy of the Trust, however more work is required. An internal audit of risk management arrangements in 2022-23 provided satisfactory assurance, however there are a number of areas to be addressed by management, including risk management training, updating the risk management strategy and the Board Assurance Framework.

Handling and managing risk is a combined 'top down' and 'bottom up' approach. The Corporate Risk Register works 'bottom up' and the Senior Leadership Team act as the filter for risk issues from Directorate Risk Registers for entry of the most significant risks onto the Corporate Risk Register. During the year, a new streamlined Corporate Risk Register was developed by the Senior Leadership Team and approved by the Governance Committee in September 2022. This new format more clearly maps risk, controls and assurance.

All staff are responsible for managing risks within the scope of their role and responsibilities as employees of the Trust. To support staff through the risk management process, specialist guidance and support has been available along with access to policies and procedures.

There is a structured process in place for incident reporting, analysis and the investigation of serious incidents. The Trust continues to strengthen risk management, including adverse incident reporting and investigation, complaints handling and learning from events which do not go as planned, together with recognising and learning from excellence and audit.

4. Information Risk

Safeguarding the information held by the Trust, is a critical aspect of supporting the Trust in the delivery of its objectives. Effective management of information risk is a key aspect of this.

A Trust Information Governance Framework is in place to manage risk and provide assurance. Trust Personal Data Guardians (Medical Director, Executive Director of Social Work and the Director of Human Resources and Organisational Development as the Personal Data Guardian for Staff Information) to approve data sharing, and a Senior Information Risk Owner (SIRO) (Director of Performance and Reform) with overall responsibility for managing information risk across the Trust is in place. Designated Information Asset Owners (IAOs) are in place across the Trust to reduce the risk to personal information and provide an annual review of risk and assurance.

An Information Governance Committee is in place, reporting via the Trust's Digital Governance Committee to the Trust's Organisational Governance Steering Group and Governance Committee. A regular programme of review by Internal Audit is in place with the last report in March 2021 providing a satisfactory level of assurance. Further audit is planned during 2023-24.

Trust reporting includes:

- Report on use of personal data forwarded to SIRO and Governance Committee annually
- Compliance reporting to Governance Committee including Freedom of Information, Subject Access Reports, Complaints to the Information Commissioners Office, Information governance incidents and any Information breaches. In 2022-23 the Trust reported 2 data breaches to the Information Commissioner's Office (ICO).
- Annual review of risks and assurance from IAOs. In 2022, IAOs identified and documented 335 risks associated with personal/personal sensitive information of which 19 risks were assessed as high risk. The Information Governance Team work with IAOs to recognise and control hazards, and support mitigation of the impact of risks and increase awareness among staff.

An information sharing register is in place which records the details of all episodes of sharing of Trust data with other bodies; Data Protection Impact Assessments are carried out which include the identification of risks associated with a project or new data processing activities. The Trust continues to implement measures to comply with the UK General Data Protection Regulations (GDPR) and the Data Protection Act 2018.

The IG team support staff in understanding and management of risk and provide support and advice. As at 31 December 2022, 81% of Trust staff were trained in Information Governance.

The Trust is committed to ensuring the security of information held in electronic form is in accordance with its ICT security Policy. The Trust is aware of the heightened international risk of Cyber Security. The Corporate Risk Register includes a high level Cyber Security risk which was added to the register in 2017-18. Further detail on this is included on page 89.

5. Fraud

The Trust takes a zero tolerance approach to fraud in order to protect and support key public services. We have put in place an Anti-Fraud & Anti Bribery Policy and Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the organisation. The Trust's Fraud Liaison Officer promotes fraud awareness, coordinates investigations in conjunction with the BSO Counter Fraud and Probity Services team and provides advice to personnel on fraud prevention, detection and reporting arrangements. Awareness training is delivered, targeted at staff with line management and delegated financial authority responsibilities, in support of the Anti-Fraud & Anti Bribery Policy and Response Plan, which are kept under review and updated as appropriate or every 3 years.

In 2022-23, there were 19 cases of suspected fraud reported by the Trust. All identified actual, suspected and potential frauds are reported to the Audit Committee as a standing agenda item. 13 (68%) of the 2022-23 reported cases involve staff pay and allowances claims. There have been a further 2 cases identified during 2022-23 of agency workers submitting potentially fraudulent timesheets for payment by the Trust, these are under investigation by Counter Fraud and are referred to the PSNI when the evidence has been collated.

The Trust continues to apply the Regional HSC Framework on 'Your Right to Raise a Concern – Whistleblowing' along with the accompanying Trust Policy and Procedure. Our 'See something, Say something' campaign demonstrates our commitment to developing a culture where staff feel able and empowered to raise concerns.

6. Public Stakeholder

The Trust recognises that the involvement of service users, carers and other stakeholders in the identification and management of risk is fundamental to its Personal and Public Involvement (PPI), Patient Client Experience (PCE) and Quality Improvement strategic agenda and operational plans.

The Trust remains committed to ensuring that the statutory duty for Personal and Public Involvement (PPI) is embedded into all aspects of its business. A Non-Executive Director chairs the Patient Client Experience Committee, a sub-committee of Trust Board.

The Director of Adult Community Services is the lead Director for PPI and has responsibility for the development of the Trust's PPI corporate action plan and application of practice across the Trust.

Over the past year, the PPI Staff Team has refreshed the PPI Framework for the Trust. This has included a review of the supporting mechanisms, structures and processes that the Trust has in place both to strengthen how it appropriately connects service users and carers to opportunities for involvement, and to support those who choose to become involved with our services.

The framework has been co-produced with 27 service users and carers including PPI Panel members. Some of the new mechanisms and approaches are being trialled through the implementation of the Working Together strategy.

The Trust's PPI team supported the PPI panel and other service user and carer representatives with the following activity in 2022-23.

Public & Personal Involvement (PPI) Panel

The PPI Panel members have supported the PPI User Involvement Team in the delivery of training to service users, carers and Trust staff over the past year. They, in addition to other service user and carer representatives, continue to work as

individuals supporting a range of high level User Involvement activities across the Trust and regionally.

Some examples of panel member involvement in 2022-23 include:

- Urology Inquiry;
- COVID-19 SAI;
- User Involvement Framework 2022-25;
- Leadership training;
- Regional Health & Social Care PPI Involvement Forum;
- Consultations regarding Dementia Services and Emergency General surgery;
- Clinical and Social Care Governance; and
- The Working Together strategy implementation including development of Care Experience Hubs.

Further information on the Trust's involvement, patient client experience and quality improvement structures, processes and resources to support staff and service users and carers is available at:

<https://southerntrust.hscni.net/involving-you/personal-and-public-involvement/>

Combined PPI, Patient Client Experience, Quality Improvement and Corporate Governance strategy

In line with the Commissioning Plan Objectives and Goals for Improvement (OGI), the Trust has developed a 'Working Together' Strategy and Action Plan through an extended process of engagement and co-production with service users and carers.

This strategy has adopted an innovative approach by setting out an integrated plan for improvement, bringing together the disciplines of Personal and Public Involvement and Co-production, Patient and Client Experience, Quality Improvement and Safety.

Under this Working Together strategy and supporting Action Plan, our PPI governance and monitoring arrangements are being further enhanced, with direct reporting mechanisms into the Patient Client Experience Committee and to Trust Board.

We have established Care Experience Hubs within the operational Directorates, with strong service user and carer representation. These Hubs will have responsibility for developing and reporting on Directorate improvement plans, using data from patient and carer feedback (e.g. Care Opinion), complaints, safety data and clinical governance to set the Directorate priorities.

The membership of each hub will include a User Involvement Ambassador. These new roles have been co-created with experienced PPI panel members to act as involvement champions within the Hubs and to actively support new User Involvement

representatives as we continue to grow our community of involvement across the organisation.

7. Assurance

The Board Assurance Framework is a statutory requirement for the Trust and is an integral part of the Trust's governance arrangements. It describes the relationship between corporate objectives, identified potential risks to their achievement and the key controls through which these risks will be managed, as well as the sources of assurance surrounding the effectiveness of these controls.

The Board Assurance Framework sits alongside the Corporate Risk Register and performance reporting to provide structured assurance about how risks are effectively managed to deliver agreed objectives. Where risks are outside the Trust's ability to solely manage, these are escalated to the Trust Board and beyond. The in-year work on the Corporate Risk Register, together with the review of the corporate and clinical and social care governance structures will inform the next version of the Board Assurance Framework due to be presented to Trust Board in June 2023.

In 2022-23, the Trust undertook a review of the internal process in place for managing Controls Assurance and a report was presented to the Senior Leadership Team. This identified that the current process was no longer fit for purpose and recommended that the new corporate and clinical and social care governance structures will have the ability for the Trust to provide assurance going forward. Ongoing implementation of action plans continued during the year based on the previous year's self assessments and outstanding actions were presented to the Senior Leadership Team on 25th April 2023.

8. Sources of Independent Assurance

The Trust obtains Independent Assurance from the following sources:

- Internal Audit;
- Northern Ireland Audit Office (NIAO);
- Regulation and Quality Improvement Authority (RQIA);
- Benchmarking;
- Medicines and Healthcare Products Regulatory Agency (MHRA);
- Human Tissue Authority (HTA);and
- General Medical Council (GMC), General Dental Council (GDC), NI Medical and Dental Training Agency (NIMDTA) and various Royal Colleges.

Internal Audit

The Trust utilises an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the body is exposed and annual audit plans are based on this analysis.

In 2022-23 Internal Audit reviewed the following systems:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
FINANCE AUDITS	
Payments to Staff (focusing on Laboratory Services)	LIMITED: Trust Wide Payments to Staff Processes UNACCEPTABLE: Payments to Staff In Laboratory Services
Non Pay Expenditure – Mental Health & Disability Services	SATISFACTORY: Non-Pay Expenditure in MHD Directorate (with exception of the listed Limited areas) and Retained Finance LIMITED: Off-Contract Expenditure in MHD Directorate on Nursing Agency and Domiciliary Care provision
Charitable Trust Funds	SATISFACTORY (with exception of below) LIMITED: Mandeville Unit Fund
Patients Private Property management in Acute and Mental Health inpatient wards and Central Finance	LIMITED
Client Monies in Independent Sector (Residential Homes & Adult Supported Living Facilities in Independent Sector)	SATISFACTORY: 5 of 8 Homes LIMITED: 1 of 8 Homes UNACCEPTABLE: 2 of 8 Homes (1 of these homes was re-audited later in the year, when it was under new management and Satisfactory assurance was provided)
General Ledger	SATISFACTORY
Management of Estates Works Projects	LIMITED
Audits of Processes at 2 Domiciliary Care Providers	LIMITED: 1 of 2 Domiciliary Care Providers SATISFACTORY: 1 of 2 Domiciliary Care Providers
CORPORATE RISK BASED AUDITS	
Point of Care Testing (POCT) Device Management in ED	LIMITED
Discharge Process (Medical Wards at Craigavon and Daisy Hill Hospitals & Lurgan and South Tyrone Non-Acute Hospitals)	LIMITED
Mandatory and Profession Specific Training	LIMITED

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
Looked After Children under 14 and 14 Plus services (Trust Safeguarding / Statutory Responsibilities)	SATISFACTORY
IT Audit Cyber Security	PART LIMITED PART SATISFACTORY
GOVERNANCE AUDITS	
Risk Management	SATISFACTORY
Operation of Assurance Framework (specifically in respect of Board Committees and reporting in relation to Health and Safety, Information Governance, Learning from Experience, Patient Client Experience and Procurement)	SATISFACTORY
Claims Management	SATISFACTORY
Medicines Management	SATISFACTORY
Case / Care Management (within the Adult Community Services and Mental Health and Disability Directorates)	LIMITED

Consultancy/Non Assurance Assignments

A number of other assignments were undertaken during the year which included:

- Advisory Review of Trust's Contract Management Governance and Assurance Function
- Advisory Review of Management of Nursing Shifts and Off Contract Agency Usage
- Ongoing refresh of Trust Governance structures

These assignments identified quite significant areas of focus for the Trust going forward.

Follow Up Work

At year end, Internal Audit followed up in respect of the implementation of previous Priority One and Two Internal Audit recommendations agreed in Internal Audit reports. 98% of these recommendations were fully or partially implemented at the year-end. Of the 2% of recommendations not implemented, there were no priority one recommendations.

In addition, there are 7 outstanding regional IT recommendations dating from 2018-19, that are the responsibility of Digital Health and Care Northern Ireland (DHCNI) in the Department of Health to implement. The risk to Cyber Security which the recommendations seek to address remains with the HSC.

The Trust continues to closely and regularly monitor the status of outstanding internal audit recommendations by the Trust Internal Audit Forum and Audit Committee.

Shared Services Audits

As the Trust is a customer of BSO Shared Services, the following audit reports have been shared with the Trust for information. The recommendations in these reports are the responsibility of BSO Governance and Audit Committee to take forward.

Shared Service Audit	Assurance
Payroll Shared Service	<p>Satisfactory: Elementary PSC processes – specifically current overpayment administration, regular pre-closedown checks, manual timesheet management, pay awards, industrial action, sickness absence payments, new starts, protections, and file access</p> <p>Limited: SAP / HMRC Real Time Information (RTI) Reconciliation, Historic Sickness Absence, Net & Historic Overpayments Backlog, and Agenda for Change 13.9 and 14.4 (previously reported as holiday pay)</p>
Accounts Payable Shared Service	Satisfactory
Business Services Team	Satisfactory
Recruitment Shared Service	Limited

The Payroll Shared Service audit reflects a similar position to 2021-22 audit outcomes and is included in more detail on pages 89-90.

The Recruitment Shared Service also received limited assurance. The eRecruit system functionality is not sufficient to meet the needs of RSSC or their customers without the multiple additional processes, controls and workarounds that are in place to facilitate the recruitment process. The system deficiencies also hinder RSSC's ability to efficiently manage and monitor recruitments and to respond to some customer queries. RSSC have had an extremely challenging 12 months, during which customer confidence in the service has been impacted. Staffing challenges in the RSSC and a difficult implementation of a further ICT system created a significant backlog in Pre-Employment Checks (PECs). This led to a crisis response team being established in RSSC and a Task and Finish group established by BSO SLT to address this. BSO SLT have commissioned a separate Independent Review of RSSC capacity, structure, processes and communications. These challenges with recruitment are also referenced on pages 83 - 84.

Overall Opinion for 2022-23

In her Annual Report, the Head of Internal Audit provides **satisfactory** assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control.

While the Trust has received overall satisfactory assurance, it is important to note that Unacceptable assurance has been provided in respect of Payments to Staff in Laboratories and the management of client monies in two homes and Limited assurance has been provided in a considerable proportion of audit areas during the current financial year. The Head of Internal Audit expects prompt management action to address the significant issues raised in the Unacceptable and Limited assurance reports in 2022-23 and highlights that implementation of significant recommendations in Limited/Unacceptable assurance audit reports will be a particular focus for Internal Audit in 2023-24.

It is also noted that some of the advisory work conducted by Internal Audit during the year further highlighted issues requiring corrective and/or further action, specifically, management of Critical Shift Payments and Off-Contract agency usage. Advice was also provided on the ongoing refresh of the Trust's governance framework.

Details of the significant issues identified within the limited and unacceptable assurance reports provided to the Trust are noted below. Management have agreed appropriate timescales for all of these issues to be addressed going forward.

Payments to Staff: Limited assurance has been provided due to significant weaknesses in the Staff in Post (SIP) validation process. An unacceptable assurance has been provided for payments for Laboratory Services due to the application of local arrangements and payments not being made in accordance with Agenda for Change terms and conditions.

Non Pay Expenditure (in Mental Health and Disability Directorate): Limited assurance was provided in the area of expenditure on nursing agencies and domiciliary care where there were examples of competitively procured contracts or direct award contracts not being in place.

Domiciliary Care Providers – One Independent Sector Provider: Limited assurance has been given for one provider audited on the basis that variances, some significant, were identified between actual care times delivered when compared to commissioned and invoiced time.

Discharge Process: Limited assurance has been provided on the basis of excessive delays for both complex and non-complex discharges being potentially avoidable and a lack of evidence of specific action plans to address this.

Charitable Trust Funds: Limited assurance was provided only in respect the Mandeville unit fund. The part funding of a new building and associated ground works split between the Mandeville unit fund and public monies with a lack of documented formal rationale and supporting documentation was queried.

Patients' Private Property: Limited assurance has been provided due to a lack of evidence that a review of service user finances is occurring as part of the annual care review, large numbers of PPP accounts still being held for discharged/deceased clients, and a re-instatement of Trust PPP procedures across all wards is required following the changed practices during the pandemic.

Cyber Security: Part limited assurance was provided as there was one significant issue.

Mandatory and Profession Specific Training: Limited assurance has been provided due to low attendance at some of the Corporate Mandatory Training(CMT) courses, lack of compliance reporting of CMT to Trust Board/sub-committee of Trust Board, CMT not being reviewed to ensure the list of courses remain appropriate and a lack of profession specific training for nursing staff roles.

Point of Care Testing (POCT): Limited assurance was provided on the basis that there is limited corporate oversight for POCT and there are gaps in reporting and monitoring of devices.

Case/Care Management: Limited assurance was provided due to outstanding service user annual reviews and a lack of monitoring of these by the Mental Health and Disability Directorate. In addition, in some cases there was no care plan available and no key workers allocated to service users in receipt of a case management service.

Management of Estates Works Projects: Limited assurance was provided as post COVID-19, projects were procured and commenced before a business case was appropriately approved, there were significant delays in investigating and concluding on whistleblowing concerns raised in relation to estates works projects and the Trust's Terms Service Short Contract (TSSC) has been routinely utilised for minor building works projects in excess of the TSSC maximum value.

Management of Client Monies in Independent Sector: A breach of the minimum standard 14 for Nursing Homes was highlighted in 1 provider giving rise to limited assurance and there were significant findings in two other care homes where there were incomplete records and reconciliations which resulted in unacceptable assurance. One of these homes was subsequently re-audited in 2022-23 and the issues leading to unacceptable assurance had been addressed. The other 2 providers will be subject to re-audit in 2023-24 and have/will be subject to performance management arrangements under their contract with the Trust.

Northern Ireland Audit Office (External auditor)

NIAO provides assurance to the NI Assembly as the statutory external auditor to the Trust. The external auditor undertakes an independent examination of the annual

financial statements in accordance with auditing standards issued by the Auditing Practices Board.

In addition, the external auditor will provide a Report to Those Charged with Governance which brings to the attention of the Accounting Officer, audit findings and any control weaknesses identified during the course of the external audit. The external auditor reports all of these findings to the Audit Committee. In the course of the external audit for 2022-23, the external auditor has brought to the attention of management no Priority One issues.

If the Northern Ireland Audit Office conducts a Health Sector Value for Money study this is presented to the Audit Committee but there were none presented in 2022-23.

Regulation and Quality Improvement Authority (RQIA)

The RQIA provides independent assurance by conducting a rolling programme of planned clinical and social care governance and thematic reviews across a range of services provided by the Trust or those commissioned from third party providers.

The Trust has a system to track and monitor RQIA thematic reviews and inspections and the Trust's responses. Directors are responsible for progressing actions to ensure recommendations within their remit are achieved within their Directorates.

With regard to Independent Sector Care Home provision, the Trust has established quarterly RQIA and Trust interface meetings which is an opportunity to review and discuss, inspection reports and serious concerns raised by both RQIA and senior Trust representatives to ensure the appropriate supports are in place. In addition, the Trust is currently engaging with RQIA to agree the Terms of Reference for a similar forum for Trust contracted Domiciliary Care providers.

Benchmarking

The Trust continues to participate in external benchmarking of hospital based data against a UK peer group of like hospitals. Peer analysis reports are presented to both Governance and Performance Committees.

The Trust has also expanded its external benchmarking outside hospital services via the NHS Benchmarking Network, the in-house benchmarking service of the NHS. The Network undertakes a series of Benchmarking Projects each year, covering a range of service areas. During 2022-23, the Trust participated in 'Adult and Older People Mental Health', 'Children and Young People Mental Health' and 'Managing Frailty in Acute Settings' benchmarking projects.

Some of the key findings against regional peers are:

Adult and Older People Mental Health

- high adult acute admissions and beds per 100,000 population
- high bed occupancy compared to regional peers.
- shorter length of stay, and
- community caseload per 100,000 resident population is 55% higher than peers.

Children and Young People Mental Health

- lower waiting list (1st appointment) at 31st March 2022 per 100,000 population,
- higher number of patients on caseload per 100,000 population,
- lower percentage of contacts delivered non-face to face (phone or digitally)
- higher cost per contact

Managing Frailty (Northern Ireland)

- most common clinical space for frailty screening is within care of older people wards.
- 33% of participants (in Northern Ireland) regularly undertake frailty screening in ED,
- 20% of Trusts in Northern Ireland have an acute frailty service compared to 81% in the UK
- 8% of patients over 65 were discharged on the same day they arrived in hospital compared to 16% across the UK.

The NHS Benchmarking Network produce bespoke reports outlining our performance against a range of indicators, highlighting our position against that of our peers. These reports form the basis of any Directorate Action Plan subsequently developed.

Medicines and Healthcare Products Regulatory Agency (MHRA)

MHRA inspects the Special Manufacturing License held by Craigavon Area Hospital Pharmacy Department. They operate a risk based inspection programme with the last inspection of the licence being held on 6 May 2021. On the basis of the inspection, and subsequent correspondence, the MHRA has confirmed that operations are in general compliance with the Guide to Good Manufacturing Practice as laid down in the Commission Directive 2003/94/EC.

Human Tissue Authority (HTA)

The HTA is a regulatory body set up in 2005 following events that revealed a culture in hospitals of removing and retaining human organs and tissue without consent. The HTA regulates organisations that remove, store and use human tissue for various purposes. The HTA builds on the confidence people have in regulation by ensuring

that human tissue and organs are used safely and ethically, and with proper consent. The Trust complies with the requirements necessary to hold an HTA license.

9. Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal governance. My review of the effectiveness of the Trust's system of internal governance is informed by the work of the internal auditors, the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Senior Leadership Team, Trust Board, Head of Internal Audit, Audit Committee and Governance Committee. I have referred to the Annual Report from the Head of Internal Audit which details the assurance levels provided from reports in 2022-23 and also the Trust's implementation of accepted internal audit recommendations. A plan to address weaknesses and ensure continuous improvement to the system is in place.

10. Internal Governance Divergences

Prior Year Issues – Closed

Nosocomial COVID-19 Level 3 Serious Adverse Incident

Between 16th August and 6th October 2020, the Trust experienced nosocomial outbreaks of COVID-19 in three separate inpatient locations. The outbreaks affected 29 patients, with 15 of these patients sadly dying following the outbreak.

A Level 3 Serious Adverse Incident review was conducted by an independent chairperson and panel.

The Final report was shared with families in August 2022 and recommendations of the review report are being taken forward.

Waiting List Initiative Payments

The one outstanding audit recommendation from the audit of this area in 2018-19 regarding the update of job plans has now been closed with a re-audit of this area in 2023-24.

Progress on Prior Year Issues which continue to be considered as control issues

A number of governance matters arising in prior years are still considered to represent internal governance divergences for 2022-23. These are as follows:

Contract & Procurement Management

- **Social Care Procurement**

In order to minimise the risk of non-compliance with the Public Contract Regulations 2015, all DoH ALBs continue to extend Centre of Procurement Excellence (CoPE) cover for social and health care services in the Light Touch Regime, provided by the Social Care Procurement Unit (SCPU) of BSO. The Regional Social Care Procurement Board, of which the Trust is a member, was reformed in 2022-23 and has defined priorities for procurement within the current regional limited capacity. This is recognised as a priority at Regional Procurement Board.

Capacity is not available to meet all procurement priorities. As such, the management of contract awards, where there is no regional capacity to procure, is agreed with the SCPU on an individual case-by-case basis by the Trust. This includes the Trust undertaking procurement exercises under the influence of the SCPU, where the award of contract is considered operationally critical, is new or where it is required to support strategic change. It may also include the use of a 'direct award of contract' approach until capacity is available regionally to address the full requirements of the plan.

Arrangements for the procurement of social care services, where the value is below the defined financial threshold at the time, remain the responsibility of the Trust and were formalised in 2022 by the Trust Procurement Board to guide the process, prioritisation and delivery of local social care awards. As procurement resources are limited, the approach to procurement and award of contracts will be reasonable and proportionate in relation to the value of a contract and the identified risk.

- **General Contract Management**

Compliance with best practice in contract management continues to be a priority for the Trust, outlined in the Sourcing Toolkit – Contract Management, previously known as PGN 01/12, and efforts to reach compliance continue.

A number of contract 'hubs' are in place to support specific functions, including Estates, IT and social care contracts, capacity for contract management in operational and corporate Directorates remains challenging. The Trust has aligned resources to undertake a contract management baseline assessment of practice and this project will be concluded in 2023-24.

The Contract Management Steering Group and Contract Managers Forum as part of the Trust's contract management governance structure continues to provide oversight and assurance on the robustness of operational management controls and enhance same.

Future progress and management of this area will continue to be subject to availability of resources.

Future progress and management of this area will continue to be subject to availability of resources.

Trust Estate Risks

The age, condition and nature of the estate continues to pose potential risks that are exacerbated by limited capital investment in major renewal and replacement projects. The estimated investment required to address immediate backlog maintenance liabilities is £127m, based on an independent assessment completed in December 2021.

In 2022-23 the Trust carried out maintenance schemes to the value of £5.7m and completed capital projects costing £22m which made vital and necessary improvements to our Estate.

In the absence of the planned redevelopment of CAH site, the current 10-year draft capital plan identifies funding in 2023-24 to commence an interim ward block scheme at CAH, which will assist with ward pressures along with continued investment in resilience of low voltage electrical systems at CAH and DHH. The Trust continues to seek to bid for capital funding when available to address risks as identified.

During 2022-23 continued significant pressures were also experienced on the revenue servicing and maintenance budgets which will result in the further prioritisation of maintenance/servicing, thus increasing potential risks to the safety of medical equipment, deterioration of the environmental condition of the Estate and also increased backlog maintenance deficits.

Clinical and Social Care Risks

- **Elective Care**

The Trust's ability to achieve elective access targets, including cancer pathways, is compromised and radical reform in the way elective care is delivered regionally, alongside sustained and substantial investment, will be required to return elective care waits to an acceptable standard. The Trust continues to participate in regional work to establish solutions in line with the regional reform actions established in the Minister's Elective Care Framework.

The Trust's focus remains on prioritising the provision of safe services to red flag (confirmed and suspected cancer) and time sensitive conditions. The Trust continues to work with regional colleagues to ensure surgical capacity is targeted to those most in need via the Regional Prioritisation Oversight Group (RPOG) with similar considerations in place for diagnostics areas (imaging and scopes) to facilitate the allocation of additional capacity to those with the greatest demand. Continued reliance on additional regional and independent sector capacity is anticipated for the foreseeable future.

Whilst longer term capacity and investment is required to return elective access times to acceptable levels, the Trust is committed to utilising all initiatives to return elective activity to pre-Covid levels and to maximise all opportunities. Such opportunities include the Regional Elective Orthopaedic Recovery with the designation of Craigavon Area Hospital as one of the three NI Orthopaedic Hubs; along with the designation of Daisy Hill Hospital as one of the Elective Overnight Stay Centres. The Trust has developed an overarching Elective Recovery Steering Board and both the Orthopaedic Recovery and Overnight Stay Centre sit within this structure. Whilst these programmes are aimed at elective in-patient / day case activity a work programme, locally within the Trust, is being undertaken in relation to Out-Patient Modernisation. The Working Groups for the in-patient / day case programmes have developed implementation plans demonstrating the actions being undertaken and requiring to be undertaken in the short; medium; and long-term. A Working Group is currently being established corporately to focus on out-patient modernisation with utilisation of quality improvement assistance.

In driving forward with the recovery of elective in-patient / day case activity the Trust has ring fenced the elective beds to avoid cancellation of elective activity due to unscheduled bed pressures.

Whilst the designation of CAH as an Orthopaedic Hub and DHH as an Elective Overnight Stay Centre is welcomed, this has not brought an increase in capacity or funding and the competing priorities of red flag referrals assessment and surgical treatments versus routine long waiting patients for both out-patient assessment and surgical intervention continue.

Elective capacity challenges also impact upon planned treatments for repeat procedures and for reviews following assessment. The Trust's ability to manage planned and review assessments within clinically indicated timescales has become more challenging.

In line with the level of funding available from the SPPG, the Trust continues to source additional capacity both through in-house additionality and also within the independent sector. In the absence of an agreed purchasing arrangement and resources to support this, the utilisation of the independent sector capacity continues to be managed through a direct award contract (DAC) arrangement.

- **Unscheduled Care (Surgery and Clinical Services)**

In February 2022, the Trust had to implement contingency arrangements for the Emergency General Surgery Service on the DHH site. This contingency arrangement meant that any patient requiring admission for an emergency general surgery treatment was transferred from DHH ED to CAH with direct admission to the Surgical Ward.

In line with statutory obligations, the Trust undertook a Public Consultation exercise on the future of Emergency General Surgery Services with the consultation period ending on 21 April 2023. The outcome of the consultation will be presented to Trust Board in June 2023.

- **Unscheduled Care (Medicine and Unscheduled Care)**

The ongoing demand for unscheduled care remains extremely challenging, evidenced by the number of inpatients waiting in the Emergency Department (ED) beyond 12 hours and the ongoing poor performance against the 4 hour and 12 hour targets.

While COVID-19 numbers have reduced, there is still some additional pressure associated with our response to COVID-19 outbreaks which has a direct impact on our bed capacity. The Trust is also not back to pre-Covid levels of activity and this is contributing to the increased waits.

Significant nosocomial works have now been completed in the Emergency Department including, mechanical ventilation, additional toilet and shower facilities and single cubicles. This has improved the environment for patients and staff.

As part of our ongoing new service development, the Trust has opened a 6 cubicle ambulance area which has improved our ability to offload patients in a timely manner. The medical ambulatory units are in place and we are currently recruiting to further enhance these services to include Medicine, nursing and AHPs.

Ongoing bed pressures have impacted the ability to deliver consistent flow which is contributing to exit block in the Emergency Department. A number of proactive initiatives are being taken forward to optimise the patients' clinical journey and allow us to re-profile the beds.

A dedicated work programme has commenced with multi-disciplinary teams in each area to implement the SAFER bundle. This is clinically led, manager supported and data driven, focusing on reducing lengths of stay by an average of 0.8 days.

Workforce issues continue to be a challenge across unscheduled care with a high reliance on Locum and Nursing Agency provision. As part of the workforce stabilization project Medicine and Unscheduled Care (MUSC) Directorate have made significant improvement in recruiting nursing staff against vacancies which will lead to a reduction in flexible spend.

Medical staffing remains an ongoing challenge, and the ability to attract and retain Consultant Physicians, has impacted in year on the ability to deliver safe general medical services over two acute hospital sites. The Trust has developed an action plan to address the challenges within medical staffing at both Consultant and Middle grade level. Specific challenges on Daisy Hill Hospital site are detailed further on page 94.

As part of the modernisation and efficiency work streams MUSC Directorate are reviewing current models of care.

- **Recruitment**

There has been continued progress in 2022-23 in terms of our ability to attract staffing across all disciplines to improve on the workforce deficits, however, staffing challenges remain across various job families.

During 2022-23, the Trust's Resourcing Department re-started work to progress the Trust's 'Inspire, Attract, Recruit' Resourcing Strategy. The Trust's Resourcing Team attended a number of school, college and employer events during the latter half of 2022. These events offer opportunities for the Trust to engage with young school age people, school leavers and individuals seeking employment to ensure the Trust and HSC roles are promoted. In addition, the Resourcing Team has been working on a range of advertising proposals to make use of Trust space in hospitals, community facilities and Trust vehicles as advertising space for Trust jobs, and will be seeking to bring forward these proposals to implementation stage in 2023-24.

The HSC Workforce Appeal set up by the Department of Health ended on 31 October 2022. The Appeal was very successful in supporting the Trust urgently recruit health and social care professionals, administrative and support staff on a temporary basis in response to COVID-19 surges, the mass vaccination roll out and support to care homes. In total, the Trust recruited in excess of 1,250 staff from the Appeal.

In February 2023, the Trust began engagement of a resourcing company on a short term (90 day) contract to avail of the expertise and technological resourcing platforms to assist with specific challenging recruitment projects. These include specific campaigns to support resourcing of administrative staff and health care support staff. As part of the contract, the Trust are planning 3 'one stop' recruitment days to recruit domiciliary care workers across all Trust localities. These events occurred in April and May 2023.

In recognition of the high level of nursing vacancies across Acute and Non Acute, the Trust's Resourcing team has also worked with the Nursing Governance team and senior managers across the Trust to ensure workforce stabilisation on all wards within the Trust. A specific focus has been on safe staffing to ensure appropriate levels of nursing staff are available and vacancy gaps recruited while also reducing, with the aim of ultimately removing, off contract agency usage. A Regional Agency reduction Group was set up to address Off-Contract Agency spend and to procure a new contracted Agency. This work is ongoing and a new Agency contract was awarded in April 2023, with a phased implementation commencing in May 2023. The Trust established a Nurse Utilisation Group to analyse and review Agency usage and to improve productivity. Recruitment of International nurses has been a key part of this

work. From April 22 to March 23, 168 international nurses have been recruited into the Trust and have been supported and mentored by Practice Education staff.

The Trust has ongoing vacancies in medical staff in substantive doctors on all acute sites. Consultant vacancies exist across a number of acute specialties in the Trust due to lack of availability of training consultants in Northern Ireland and the UK. In particular, there are workforce shortages in the specialties of psychiatry, haematology, gastroenterology, obstetrics, and critical care medicine. These vacancies have the potential to impact on the ability of the Trust to provide a comprehensive service for the respective patient groups. To address the capacity to provide care for patients in these specialties, the Trust is continuing to do all it can to maximise international recruitment. In addition, the Trust continues to develop its Staff and Associate Specialist workforce and is also working to develop new Specialist posts under the SAS contract (including two new Specialist posts in Orthogeriatrics and Acute Care at Home). New posts have also been explored by the Trust, with the recent appointment of ten new Physician Associates. The Trust has also ongoing vacancies in medical staff in training grade doctors from Foundation doctor to Registrar level. The Trust is working with NIMDTA to optimize trainee allocation to the Trust across all specialties.

The Medical Recruitment team and clinical managers across the Trust have worked to address ongoing challenges with medical staff shortages. Measures have included attendance at job fairs, enhanced recruitment campaigns, extensive media campaigns, including video advertisement. Recruitment within the dementia and psychiatry services were particularly challenging and the Trust continues to strive to attract staff to these areas. The Trust continues to work with our international and contracted recruitment agencies where necessary. The Trust is also contributing to Departmental medical workforce programmes to develop medium to long term solutions.

Since October 2022, the Trust has been working closely with BSO Recruitment Shared Services Centre on their roll-out of a new technological solution for pre-employment checks to enhance the applicant experience and reduce overall 'time to fill' for vacancies. Initial implementation was problematic and significant work has been ongoing since October 2022 to ensure the Trust and wider HSC can realise the benefits of the new system going forward.

Lastly, during 2022-23, a regional focus has been on a review of the HSC recruitment model and a regional Programme Board was established at the end of March 2023 to take forward the recommendations identified in the HSCNI Recruitment Review Report, in order to deliver a recruitment model that is fit for purpose across HSC.

- **Domiciliary Care**

The historical issues and risks in relation to this sector such as procurement, regional model of care, capacity and domiciliary care billing have remained in 2022-23 however the DOH/ SPPG is currently establishing a number of regional collaborative forums. These will meet monthly and are due to commence April 2023. One of the Task and Finish groups as part of the collaborative forum will focus on agreeing and commissioning a new model of domiciliary care for HSCNI. The Trust will continue to seek its own pre-tender lead in anticipation of a regional Domiciliary Care model being agreed.

Locally, the Domiciliary Care Oversight Group has continued to meet monthly. It is an opportunity to review performance and progress against a number of recommendations across a number of sources e.g. Internal Audit reports, Performance Notices, RQIA reports, Safeguarding investigations, Complaints and Incidents.

Over recent years the Trust has commissioned Internal Audit to conduct audits of a number of independent domiciliary care providers. Going forward in 2023-24, the Internal Audit focus is to be re-aligned to the Trust's Monitoring programme of independent sector domiciliary care providers with a view to enhancing the current Trust Monitoring officers' role. The revised Trust Monitoring programme will ensure the findings of the Monitoring Officers are responded to and appropriately actioned by relevant commissioning teams.

The Trust is in the final stages of completing a business case to implement a Live Monitoring solution across the in-house Domiciliary Care service, in the first instance, with a view to seeing this embedded across in-house and independent sector providers in due course. The implementation of a Live Monitoring system, is regarded as a key enabler to support the delivery of a high quality service. This will also ensure that the Trust makes best use of the existing domiciliary care capacity, freeing-up capacity to deal with some of the unmet need in this service area, which currently equates to approximately 670 service users on a waiting list for a domiciliary package of care. To deliver this level of care would require additional capacity in the system to deliver approximately 6,000 hours input per week at a cost of approximately £7million per year. This is beyond our current commissioned levels of domiciliary care.

- **Report on Inquiry into Hyponatraemia-related Deaths**

The Trust's Oversight Group, co-chaired by the Executive Medical Director and the Executive Director of Nursing continues to progress work in 2022-23, focusing attention on those recommendations which were previously considered partially implemented. A number of recommendations have not been able to be advanced as they are dependent on regional action. The DOH have updated their IHRD plan and have visited the Trust to discuss same. The work has been divided into three phases,

phase 1 actions which are largely complete, Phase 2a actions which are being progressed at present and Phase 2b which have been mainstreamed into the relevant area of expertise within the DOH for implementation. Progress will be monitored by a Departmental group.

- **Trust Contribution to Home Truths Report from the Commissioner for Older People Northern Ireland (COPNI) on Dunmurry Manor Care Home**

In September 2022, the Department convened a new HSC Care Homes Working group, which will oversee the implementation of both the fifty-nine COPNI Home Truths recommendations and the recommendations from the six CPEA reports which have now been released. The HSC Care Home working group met once in November 2022 and agreed a Terms of reference which will not only progress with the implementation of recommendations from both the COPNI Home Truths and CPEA reports, but it will review and embed learning from the COVID-19 experience. The Trust has senior representation on the Working Group and they will continue to actively participate when new dates are agreed.

- **EU Exit**

In the absence of any further changes to the NI Protocol, the statutory instrument titled the Human Medicines (Amendment) (Supply to Northern Ireland) Regulations 2021 remains in place. It established the Northern Ireland MHRA Authorised Route (NIMAR). NIMAR provides a route for the lawful supply of Prescription Only Medicines that are unlicensed in NI, where no licensed alternative is available.

The continuing disruption and uncertainty of the NI market, means the pharmacy department has continued to see a significant increase in shortages and increased workload to manage shortages and ensure patient care is unaffected throughout 2022-23. At this stage, the impact of the Windsor Framework remains unclear.

- **Urology Public Inquiry**

Health Minister Robin Swann ordered a statutory public inquiry in relation to serious concerns about the clinical practice of a urology consultant who retired from the Southern HSC Trust in 2020 after being employed for 28 years.

The announcement of this Public Inquiry in November 2020 was following the identification of potential patient safety concerns related to delays of treatment of surgery patients who were under the care of the consultant urologist while employed by the Trust.

The Statutory Public Inquiry has continued during 2022-23. The Trust's response to the Public Inquiry continues via 3 distinct work streams.

1. Public Inquiry Response Group

- The Trust continues to support the work of the Urology Services Inquiry. Having largely focused on evidence gathering through the Section 21 process during 2022, the USI is currently engaged mainly in public hearings, with witnesses, primarily from the Trust, giving evidence in person. There continue to be information requests for the Trust and we are working alongside our DLS colleagues to respond to the requests in a timely manner.
- Public hearings in the period January to April have focused on the implementation of the Maintaining High Professional Standards process. Hearings scheduled between April and June will look at systems and processes with 22 witnesses requested to attend over the next three months. These are primarily former and current Trust staff.
- The Trust continues to work along with operational teams to minimise any service impact caused by staff preparing and attending the hearings, and to support all staff who are involved in the process.
- The Trust is also considering contingency plans for the autumn hearing schedule, in the event that this involves clinical staff from the Urology Team. This includes liaison with the SPPG to reduce potential service impact, and to maintain services as far as is possible.

The Trust has established an External Reference Group, with a number of independent representatives to review learning from the Inquiry and how this can be embedded in the business of the Trust as part of a quality improvement process.

2. Urology Lookback Review

A Urology Lookback Review is ongoing to ensure patients under a named urologist have received / are receiving the care and treatment they required and if not, remedy care where possible.

In June 2022, following a review of the then Trust Urology Lookback Review process, a new project management approach aligned to the Regional Guidance for Implementing a Lookback Review Process (July 2021) was agreed by the Senior Leadership Team and implemented in the Trust.

The new project management structure includes a Urology Lookback Steering Group, chaired by a Trust Director with experience of undertaking a Lookback Review exercise. This group includes senior staff from SPPG and PHA as well as Trust senior

managers working in services essential to the completion of the Lookback. In addition an operational subgroup and a Lay Reference group have both been established.

The chair of the Steering Group reports on the progress of the Lookback Review to the Senior Leadership Team and provides a monthly update to Trust Board. The Chief Executive and other senior colleagues, report on all aspects of the Lookback to the Department of Health's "Urology Assurance Group" chaired by the Permanent Secretary.

During the year, the Urology Lookback Review has been subject to two separate RQIA reviews. The first was an invited review pertaining to the Trust's Structured Clinical Record Review process which is being used to elicit learning from the Lookback Review. RQIA made 18 recommendations, 16 of which have been fully implemented. Two remain in progress. The second RQIA review is focused on the Lookback process itself. A report on the findings of this review has not yet been received in the Trust.

The progress cohort 1 of the Lookback Review has been slow due to pressure on individual members of the clinical review team and competing demands for their time. However in-year good progress has been made and cohort 1 is now nearing completion. The outcomes of the Lookback Exercise indicate that an extension to lookback may be required beyond the original time frame. This is currently under consideration by the Urology Assurance Group and if required, will progress in 2023-24. On the assumption this will be the case, planning for the extension to the Lookback is now underway.

3. Public Inquiry Quality Assurance Learning Steering Group

Following the publication of 'The Report of the Independent Neurology Inquiry' in June 2022, the Quality Assurance and Learning Steering Group was created.

The purpose of the Quality Assurance and Learning programme is to ensure there is an effective quality assurance process regarding professional and operational governance of the clinical teams across the Trust including urology services. In addition, the Quality Assurance and Learning programme will address the application of learning to all clinical services (not confined to urology) as appropriate and ensure implementation of recommendations from other pertinent investigations / reviews external to the Southern Trust.

In March 2023, due to overlap in scope of the Learning from Experience Forum and the Quality Assurance Learning Steering Group, the two groups were amalgamated to provide assurance via a coordinated and structured system within the Trust in which learning from various sources across the Trust will be triangulated and coordinated.

The sources of learning informing the Learning from Experience Forum will include the following areas via Quality Assurance Subgroups feeding into the Forum:

1. Learning from previous and current NI Inquiries and any relevant UK Inquiry;

2. Urology related learning;
3. National Learning (Standards and Guidelines, National Institute for Health and Care Excellence (NICE), National Audits, National Confidential Enquiry into Patient Outcome and Death (NCEPOD), Safety Learning Letters, National Patients Safety Agency (NPSA) Alerts, Letters from Chief Medical Officer (CMO), Chief Nursing Officer (CNO) and Chief Pharmaceutical Officer (CPO);
4. Internal Trust learning (Morbidity and Mortality (M&M), Clinical Audit, Clinical Pathway review, Innovative Development);
5. Service reviews (Royal College, RQIA, Service Peer Reviews, Internal Audit, Service and Lookback Reviews); and
6. Service Feedback with information from complaints, incidents, litigation, and coronial affairs, professional regulation and Patient / user feedback.

Flowing from this, the Learning from Experience Forum (via Quality Assurance Subgroups) will be seeking assurance that systems are in place to implement learning and to provide evidence that this learning is in place.

IT Risks

- **Cyber Security**

The risks associated with cyber threats remain high, however the Digital Services Division continues to maintain robust cyber security through its continued focus on technical security measures, governance and compliance, in line with the Regional Cyber Security Programme Board. The Network & Information Systems Regulation (NIS) Cyber Assessment Framework (CAF) Stage 1 return was completed in January 2023 and a programme of work has been identified and will be agreed for the early months of 2023-24 and across the financial year, in particular to review and test business continuity plans for preparedness to respond to a cyber-incident. A local focus on the challenging area of Cyber Awareness Training uptake is also planned to ensure continual progress in this area. The Trust is continuing to review its corporate risk to take account of these developments.

Financial Risks

- **Performance of BSO Payroll Shared Services Centre**

The potential risk associated with the managed service provided for the HR, Payroll, Travel and Subsistence System (HRPTS) for Health and Social Care NI was resolved, with a new provider in place from 6th July 2022.

The BSO Payroll Shared Services Centre (PSSC) continues to receive part Satisfactory and part Limited assurance in 2022-23. There are two significant issues impacting the assurance which relate to: two areas of the Payroll Quality Improvement Plan (PQIP) still having significant work outstanding; and secondly the authority of the

PQIP Board to decide not to recover potential historic overpayments arising from sickness absence payments. Unfortunately, due to a number of competing priorities and staffing issues within PSSC, work to address internal audit recommendations and the Payroll Quality Improvement Plan (PQIP) is not progressing at the pace hoped. This will continue to be monitored via a number of HSCNI regional fora.

The Trust will also continue to monitor progress at Audit Committee.

- **Budget Position and Financial Outlook**

As part of the usual financial planning process the Trust presented a financial strategy and plan in response to the budget announced for 2022-23.

This plan clearly identified the Trust's opening deficit of £55.5m to which new inescapable pressures and savings targets were added together with potential non-recurrent easements. Throughout the financial year the Trust worked on a collaborative basis with SPPG and the DoH to secure additional allocation via Monitoring Rounds and to identify internal non-recurrent savings measures and cost containment measures.

As the financial year progressed, the deficit was addressed through additional funding from DoH and the Trust achieved in-year savings. These savings were largely attributable to unplanned expenditure gains as a result of COVID-19, confirmation and allocation of indicative allocations and realisation of in-year savings plans. The Trust achieved its forecasted break-even position in 2022-23.

The Trust continues to have considerable underlying recurrent funding pressures, which, coupled with further in-year emergent pressures will undoubtedly result in significant budgetary challenges continuing into 2023-24 before any impact of the regional HSC sector financial position on the Trust is considered.

The 2023-24 financial position for the NI Public Sector is very challenging. Across the HSC Sector significant challenges continue to be faced and are expected to intensify. The Northern Ireland Budget Act 2023 was passed by Parliament and received Royal Assent on 8 February 2023 which authorised the cash and use of resources for all departments and other bodies for the full 2022-23 year, and also included a Vote on Account for the early months of the 2023-24 financial year. This will be followed by a further Budget Bill which the Secretary of State will bring to Parliament in due course, following the 2023-24 Northern Ireland Budget which he set in his Written Ministerial Statement on 27 April 2023.

The Written Ministerial Statement has enabled the Department of Health to issue opening allocations for 2023-24 which will enable essential services to continue. However, despite plans to deliver significant efficiencies, the budget allocation provided has resulted in a significant funding gap. The Department of Health and its

Arm's Length Bodies are currently working on the development of further savings measures to bridge the gap. However, it is clear that, if the Department of Health does not receive significant additional funding, the implementation of high impact savings will be required, with adverse consequences for an already highly pressurised health and social care system which would be very damaging for service delivery.

Extensive budget planning work to support the Trust 2023-24 financial plan is ongoing between the Trust, SPPG and the Department of Health.

The financial focus in 2023-24 will be on rebuilding robust financial control and improving service productivity and efficiency to help contain and reduce costs and improve financial discipline across the Trust.

The risk to achieving break-even in 2023-24 is included in the Trust Corporate Risk register.

New Control Issues in 2022-23

There are 6 significant internal control divergences which have been identified in 2022-23.

- **Cervical Screening**

The Trust has identified a potential risk in terms of the quality of the screening of cervical smear tests undertaken in the cytology lab. With support from the Public Health Agency, which is responsible for the Northern Ireland Cervical Screening Programme, the Trust has commissioned RCPATH (Consulting) to undertake a risk assessment of the situation to inform the course of action to be taken. RCPATH (Consulting) are expected to provide a report to the Trust by mid-May 2023.

As of the end of March 7,941 smears were unreported, with an average waiting time of 17 weeks (target is 4 weeks). As a result of the service performance issues, two screeners are no longer screening. Locum staff have been difficult to recruit and those engaged have not remained long enough to significantly reduce the backlog. Performance of screeners is being monitored. The backlog has introduced a risk of delayed diagnosis and additional anxiety for patients as they await results. Co-testing of samples for HPV has been subsequently introduced to mitigate risk.

- **Industrial Action**

Since December 2022, ongoing industrial action relating to pay, safe staffing and mileage has disrupted many of the Trust's services. This is HSC wide action, consisting of both Action Short of Strike and Strike. On days of strike, services to patients and services used have been severely disrupted resulting in cancellation of surgery, outpatient appointments, closures of day centres, and limited cover for many of our services, including District Nursing and Domiciliary Care services. The industrial action remains ongoing into 2023-24.

- **Granville Manor**

RQIA carried out an unannounced inspection of Granville Manor in September 2022 and serious concerns were identified during the inspection regarding a lack of robust governance arrangements and managerial oversight in relation to staff training, staff appraisals and the management of potential risks to patients which could arise from these deficits. In addition, review of governance records also highlighted that monthly quality monitoring reports were ineffective in driving the required improvements. An action plan was provided by the Trust confirming how deficits would be managed in a sustained manner. Subsequently, a further unannounced inspection took place on 6 January 2023. Whilst there were improvements noted in relation to the governance and management arrangements, further improvements are required to ensure that the ethos of supported living is embedded into practice. The Trust has an ongoing action plan to improve the quality and safety of care provided at Granville Manor.

- **Inpatient Dementia Services**

Dementia services are provided by three locality community teams and a 17-bedded inpatient assessment and treatment unit, Gillis Ward Armagh. Psychiatry of Old Age Services are provided within the Support and Recovery Service, across three locality community teams and are supported by the 16-bedded Willows Ward, Bluestone Site, Craigavon Area Hospital. Significant staffing recruitment and retention challenges in relation to Consultant Psychiatrists of Old Age emerged during 2022-23. At 1st April 2022, there was 1WTE permanent Consultant in Psychiatry of Old Age in place for all the services detailed above. Two posts were vacant and although Locum cover was in place, this was confirmed only until end-June 2022. One post was vacant due to maternity cover until at least autumn 2022. Regionally, there is a lack of available, suitably trained and experienced workforce for permanent recruitment. There is also a lack of available, suitably trained and experienced locum staff.

The Trust held patient safety concerns as there was no aligned / available Consultant Psychiatry cover for the 17-bedded Gillis dementia assessment and treatment unit. Gillis is a stand-alone unit on the St. Luke's site, looking after a vulnerable patient group who have a dementia diagnosis, often in addition to multiple comorbidities and significant behavioural challenges. Current service provision was unsustainable and there was therefore a need to instigate an interim change in service delivery to ensure safe and effective care. To this end, in May 2022, Gillis Ward was relocated from St Luke's Hospital, Armagh to co-locate with Willows Ward, Bluestone Inpatient Unit, Craigavon Area Hospital. This interim contingency arrangement was approved by Trust Board, who also approved a public consultation for the future of inpatient dementia assessment and treatment in the Southern Trust. The public consultation concluded in December 2022, with the final recommendation of the creation of a bespoke dementia inpatient assessment and treatment unit on the Bluestone Unit, also accepted by Trust Board. This is currently under consideration by SPPG.

- **Carbon Reduction Targets**

Significant funding is required to continue to mitigate the high energy costs and move the Trust forward to meet carbon and its sustainability targets. Carbon and the road to Net Zero poses a significant challenge to the Trust which has been solidified by the introduction of The NI Climate Change Bill (2021) which has established a 1990 baseline for the context of future carbon reduction targets to deliver Net Zero by 2050.

- **Medical Staffing Issues at Daisy Hill Hospital**

Recruiting and retaining medical staff has been a major issue in the Trust in recent years. The pressures have now escalated in Daisy Hill Hospital with increasing reliance on medical locum cover and a number of consultant medical staff have ended their tenure at the hospital. As a consequence, this has put services such as respiratory and gastrointestinal (GI) inpatient medical provision at risk.

In addition, as there are insufficient substantive stroke consultants at Daisy Hill, the decision has been taken on patient safety grounds to divert all acute stroke patients to Craigavon Area Hospital from 31 May.

In order to minimise the impact of this situation, the Trust's Senior Leadership Team has met with other Trusts, Department of Health, Northern Ireland Ambulance Service and the Northern Ireland Medical and Dental Training Agency to seek regional support.

Work is on-going to seek a regionally agreed interim plan, with the support of the Trust's medical team. This has been shared with all staff and a Chief Operating Officer for the Daisy Hill site appointed. Ensuring patient safety, supporting staff, maintaining a Type 1 24/7 Emergency Department at Daisy Hill and providing alternatives to hospital admission close to home remain the absolute priorities for the Trust. This initial focus aims to stabilise staffing for the summer months in anticipation of a more permanent solution.

The Trust has also engaged Nuffield Trust to review acute medicine locally across its hospitals and will be using their recommendations to address the challenges and to support the development of services into the future.

12. Conclusion

The Trust 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 (MPMNI).

As outlined above, the internal audit review of control systems has resulted in a number of limited and unacceptable assurance opinions in the Trust. A number of priority one issues have been raised with management and extensively examined by the Audit Committee. The findings of these reports and others such as those issued

by RQIA will be incorporated into action plans aimed to address the weaknesses/gaps in control processes.

Having considered the accountability framework within the Trust and the range of assurances provided to me, I am content that the Trust has operated a sound system of internal control, risk management and corporate governance during the year 2022-23 however, I note there are a number of significant areas requiring action in 2023-24.

REMUNERATION AND STAFF REPORT FOR THE YEAR ENDED 31 MARCH 2023

Remuneration Report

Scope of the report

The Remuneration report summaries the remuneration policy of the Southern HSC Trust and particularly its application in connection with senior executives. The report also describes how the Trust applied the principles of good corporate governance in relation to senior executives remuneration in accordance with HSS (SM) 3/2001 issued by the Department of Health (NI).

Membership of the Remuneration and Terms of Service Committee

The Remuneration and Terms of Service Committee oversee remuneration and other terms and conditions of Executive Directors.

The Remuneration and Terms of Service Committee of the Southern HSC Trust includes the Trust's Chair and two Non-Executive Directors of the Trust.

The Committee is supported by the Trust's Chief Executive and the Director of Human Resources & Organisational Development.

The terms of reference of the Committee are based on Circular HSS (PDD) 8/94 Section B.

Policy on the Remuneration of the Chief Executive and Directors

The Policy on Remuneration of the Trust's Senior Executives for current and future financial years is the application of terms and conditions of employment as provided and determined by the Department of Health.

Fees and allowances paid to the Chair and other Non-Executive Directors are as prescribed by the Department of Health.

For the purposes of this report the pay policy refers to Senior Executives, defined as Chief Executive, Executive Director and Functional Director and is based on the guidance issued by the Department of Health on job evaluation, grades, rate for the job, pay progression, pay ranges and contracts.

Trust Board

The Trust Board determines the strategic and operational corporate objectives for the Trust for the year ahead. This takes into consideration the parameters established by the Department of Health and to incorporate the objectives within the Service or Trust Delivery plans.

Performance Objectives

Performance objectives are linked to Trust service delivery and development plans. Performance objectives are clear and measurable.

Performance Evaluation

Pay progression is determined by an annual assessment of performance. It is the responsibility of the Remuneration and Terms of Service Committee to monitor and evaluate the performance of the Chief Executive ensuring that any discretionary awards in terms of performance related pay are justifiable in light of the Trust's overall performance.

The Chief Executive is responsible for the assessment of performance of the Senior Executives based on the attainment of individual objectives established at the outset of the year. The Chief Executive is also responsible for the submission of recommendations to the Remuneration and Terms of Service Committee for its annual review of salaries which are conducted in accordance with the relevant circulars issued by the Department of Health.

The evaluation of performance is based on evidence of achievement of service and task objectives relating pay to performance. This process is completed in accordance with Paragraph 14 of the Departmental Circular detailed within Circular HSS (SN) 1/2003. The individual performance review bands are as follows:

- Fully acceptable
- Incomplete
- Unsatisfactory

The Remuneration and Terms of Service Committee is fully conversant with organisational performance via regular reports to Trust Board. The levels of performance pay applied by the Remuneration and Terms of Service Committee are prescribed by Department of Health. The Department of Health has not to date issued any pay circular in respect of pay progression based on performance for Senior Executives in the period 1 April 2022 to 31 March 2023. The pay awards for 2020-21 and 2021-22 also remained outstanding at 31 March 2023.

Temporary / Interim Cover

- **Mr Colm McCafferty**, who has been in the role of Interim Director of Children and Young People's Services for all of 2022-23 to backfill the substantive position of Director of Children and Young People's Services following the retirement of Mr Paul Morgan on 30 September 2021.
- **Mrs Lesley Leeman**, who has been in the role of Interim Director of Performance and Reform for all of 2022-23 to backfill the substantive position of Director of Performance and Reform following the resignation of Mrs Aldrina Magwood who left the Trust on 28 February 2022.

New Appointments

- **Dr Maria O'Kane**, was formally appointed as Chief Executive on 1 May 2022.
- **Mrs Trudy Reid**, commenced the role of Interim Director of Surgery & Elective Care, Maternity & Women's Health and Cancer & Clinical Services on 1 August 2022 following the retirement of Mrs Melanie McClements on 31 August 2022. Mrs Reid was subsequently appointed to the role of Director of Medicine & Unscheduled Care Services on 1 January 2023.
- **Mrs Cathrine Reid**, commenced the role of Interim Director of Medicine & Unscheduled Care Services on 1 August 2022 following the retirement of Mrs Melanie McClements on 31 August 2022. On 1 January 2023, Mrs Reid transferred to the role of Interim Director of Surgery & Elective Care, Maternity & Women's Health and Cancer & Clinical Services. Mrs Reid has since been appointed permanently to the role of Director of Surgery & Clinical Services on 8 March 2023.
- **Mr Brian Beattie**, who previously provided cover on an interim basis, was appointed to the role of Director of Adult Community Services on 1 October 2022.
- **Dr Stephen Austin**, commenced the role of Medical Director on 7 November 2022.

Service contracts

All Senior Executives in the year 2022-23, except the Chief Executive (appointed 1 May 2022) and the Medical Director (appointed 7 November 2022), were employed on the Department of Health (NI) Senior Executive Contract.

The contractual provisions applied are those detailed and contained within Circulars HSS (SM) 2/2001, for those Senior Executives appointed prior to December 2008, and HSS(SM) 3/2008 for those Senior Executives appointed in the Trust since December 2008.

The Chief Executive and Medical Director were employed under a contract issued in accordance with the HSC Medical Consultant Terms and Conditions of Service (Northern Ireland) 2004.

A three month notice period is to be provided by either party except in the event of summary dismissal. There is nothing to prevent either party waiving the right to notice or from accepting payment in lieu of notice.

As far as all Senior Executives are concerned, the provisions for compensation for early termination of contract are in accordance with the appropriate Departmental guidance. No compensation for loss of office was paid in 2022-23.

'Salary' includes gross salary; on-call and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on payments made by the Trust.

Senior Employees' Remuneration (Audited)

The salary and the value of any taxable benefits in kind of the most senior members of the Trust were as follows:

Name	2022-23				2021-22			
	Salary £000	Benefits in Kind (Rounded to nearest £100)	Pensions benefit (Rounded to nearest £1,000)	Total £000	Salary £000	Benefits in Kind (Rounded to nearest £100)	Pensions benefit (Rounded to nearest £1,000)	Total £000
Non-Executive Members								
Ms E Mullan (Chair)	30-35	-	-	30-35	30-35	300	-	30-35
Mrs H McCartan	5-10	-	-	5-10	5-10	-	-	5-10
Mr J Wilkinson	5-10	-	-	5-10	5-10	-	-	5-10
Ms G Donaghy	5-10	-	-	5-10	5-10	-	-	5-10
Mr M McDonald	5-10	-	-	5-10	5-10	-	-	5-10
Mrs P Leeson	5-10	-	-	5-10	5-10	-	-	5-10
Executive Members								
Mr S Devlin - Chief Executive (To 13th February 2022)	N/A	N/A	N/A	N/A	90-95 (FYE 105-110)	100	20 (FYE 23)	115-120 (FYE 130-135)
Dr M O'Kane - Chief Executive	200-205	-	252	450-455	205-210	-	45	250-255
Mr P Morgan - Director of Children & Young People's Services (To 30th September 2021)	N/A	N/A	N/A	N/A	45-50 (FYE 90-95)	-	2 (FYE 3)	45-50 (FYE 90-95)
Ms H O'Neill - Director of Finance, Procurement & Estates (To 4th July 2021)	N/A	N/A	N/A	N/A	20-25 (FYE 85-90)	-	4 (FYE 17)	25-30 (FYE 100-105)
Mrs H Trouton - Executive Director of Nursing, Midwifery, AHP's and Functional Support Services	80-85	200	12	95-100	80-85	-	28	105-110
Ms C Teggart - Director of Finance, Procurement & Estates	75-80	-	18	95-100	40-45 (FYE 70-75)	-	11 (FYE 19)	50-55 (FYE 90-95)
Mr Colm McCafferty - Interim Director of Children & Young People's Services /Executive Director for Social Work	85-90	100	15	100-105	40-45 (FYE 80-85)	100	27 (FYE 51)	70-75 (FYE 130-135)
Dr S Austin - Medical Director	80-85 (FYE 205-210)	-	4 (FYE 14)	85-90 (FYE 220-225)	N/A	N/A	N/A	N/A
Dr D Scullion - Interim Medical Director (To 6th November 2022)	30-35 (FYE 200-205)	-	-	30-35 (FYE 200-205)	N/A	N/A	N/A	N/A
Dr D Gormley - Interim Medical Director (To 4th September 2022)	25-30 (FYE 170-175)	-	-	25-30 (FYE 170-175)	N/A	N/A	N/A	N/A
Dr A Diamond - Interim Medical Director (To 3rd July 2022)	20-25 (FYE 135-140)	-	7 (FYE 42)	25-30 (FYE 175-180)	N/A	N/A	N/A	N/A
Other Members								
Mrs V Toal - Director of Human Resources and Organisational Development	85-90	100	10	95-100	70-75	-	24	90-95
Mrs M McClements - Director of Acute Services (To 31 July 2022)	40-45 (FYE 105-110)	100	3 (FYE 8)	45-50 (FYE 110-115)	75-80	100	8	85-90
Mr B Beattie - Director of Adult Community Services	80-85	100	19	100-105	80-85	-	8	85-90
Mrs J McGall - Director of Mental Health & Disability Services	75-80	200	35	110-115	0-5 (FYE 65-70)	-	2 (FYE 52)	5-10 (FYE 120-125)
Mrs L Leeman - Interim Director of Performance and Reform	80-85	-	54	135-140	0-5 (FYE 75-80)	-	2 (FYE 42)	5-10 (FYE 120-125)
Mrs A Magwood - Director of Performance and Reform (To 28th February 2022)	N/A	N/A	N/A	N/A	70-75 (FYE 80-85)	-	28 (FYE 30)	100-105 (FYE 110-115)
Mr B McNeany - Director of Mental Health & Disability Services (To 14th May 2021)	N/A	N/A	N/A	N/A	10-15 (FYE 80-85)	-	24 (FYE 189)	30-35 (FYE 270-275)
Mrs C Reid - Director of Surgery & Clinical Services	50-55 (FYE 80-85)	-	11 (FYE 16)	60-65 (FYE 95-100)	N/A	N/A	N/A	N/A
Mrs T Reid - Director of Medicine and Unscheduled Care	55-60 (FYE 80-85)	-	37 (FYE 56)	90-95 (FYE 140-145)	N/A	N/A	N/A	N/A

FYE is used as an abbreviation for Full Year Equivalent.

The changes in Director appointments during the year are fully described in the Directors' Report on pages 46 to 50.

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 and any increase or decrease due to a transfer of pension rights.

An accrual has been made in the financial statements to reflect monies that may become due for pay awards for the three years up to 31 March 2023. This is not included in the senior employee remuneration tables.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Trust and treated by HM Revenue and Customs as a taxable emolument. The benefits in kind listed above relate to the profit element of mileage expenses.

Fair Pay Disclosures (Audited)

The Trust is required to disclose a range of fair pay disclosures, including the relationship between the remuneration of the highest paid Director in their organisation and the median remuneration of the organisation's workforce, excluding the highest paid Director. The table below outlines this relationship:

	2022-23	2021-22
Band of Highest Paid Director's Total Remuneration (£000s)	205-210	205-210
% Change from Previous Year	0.00%	2.47%
25th Percentile Remuneration	26,039	£23,982
25th Percentile Pay Ratio	7.97	8.65
Median Remuneration	33,891	£32,657
Median Pay Ratio	6.12	6.35
Mean Remuneration	38,826	£37,867
% Change from Previous Year	2.53%	6.33%
75th Percentile Remuneration	44,146	£43,787
75th Percentile Pay Ratio	4.70	4.74
Range of Staff Remuneration (normalised for standard hours)	£20,270 - £277,500	£18,546 - £267,500

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The median reflects the aggregation of earnings where staff have more than one post within the Trust. The calculations exclude agency staff.

The Trust average pay (mean remuneration) of £38,826 has increased by 2.53% when compared to that in 2021-22 (at a value of £37,867). This increase is mainly due to application of Pay Award uplifts in respect of 2022-23.

The banded remuneration of the highest paid Director in 2022-23 was £205,000 - £210,000 (2021-22: £205,000 - £210,000). This is 6.12 (2021-22: 6.35) times the median remuneration of the workforce, which was £33,891 (2021-22: £32,657).

In 2022-23 9 employees (2021-22: 4) received remuneration in excess of the highest paid director. All of these employees were clinicians.

Pensions of Senior Management (Audited)

The pension entitlements of the most senior members of the Trust were as follows:

Name	2022-23				
	Real increase in pension and related lump sum at age 60 £000s	Total accrued pension at age 60 and related lump sum £000s	CETV at 31/03/22 £000s	CETV at 31/03/23 £000s	Real increase in CETV £000s
Executive Members					
Dr M O'Kane - Chief Executive	12.5-15 plus 27.5-30 lump sum	80-85 plus 205-210 lump sum	1,494	1,841	209
Mrs H Trouton - Executive Director of Nursing, Midwifery, AHP's and Functional Support Services	0-2.5	25-30 plus 50-55 lump sum	539	572	5
Ms C Teggart - Director of Finance, Procurement & Estates	0-2.5	0-5	9	25	5
Mr Colm McCafferty - Interim Director of Children & Young People's Services /Executive Director for Social Work	0-2.5 plus 0-2.5 lump sum	25-30 plus 45-50 lump sum	461	504	5
Dr S Austin - Medical Director	0-2.5	0-5	-	14	14
Dr D Scullion - Interim Medical Director	Note 1	Note 1	Note 1	Note 1	Note 1
Dr D Gomley - Interim Medical Director	Note 1	Note 1	Note 1	Note 1	Note 1
Dr A Diamond - Interim Medical Director	2.5-5 plus 2.5-5 lump sum	50-55 plus 105-110 lump sum	925	1,020	8
Other Members					
Mrs V Toal - Director of Human Resources and Organisational Development	0-2.5	25-30 plus 40-45 lump sum	394	407	2
Mrs M McClements - Director of Acute Services (To 31 July 2022)	0-2.5	40-45 plus 115-120 lump sum	922	953	4
Mr B Beattie - Director of Adult Community Services	0-2.5	35-40 plus 105-110 lump sum	881	898	11
Mrs J McGall - Director of Mental Health & Disability Services	0-2.5 plus 2.5-5 lump sum	20-25 plus 30-35 lump sum	232	272	6
Mrs L Leeman - Interim Director of Performance and Reform	2.5-5 plus 5-7.5 lump sum	40-45 plus 90-95 lump sum	777	878	36
Mrs C Reid - Director of Surgery & Clinical Services	0-2.5 plus 0-2.5 lump sum	40-45 plus 85-90 lump sum	712	769	7
Mrs T Reid - Director of Medicine and Unscheduled Care	2.5-5 plus 5-7.5 lump sum	35-40 plus 85-90 lump sum	699	796	36

Note 1: Received non-pensionable allowance for interim cover arrangement

The changes in Director appointments during the year are fully described in the Directors' Report on pages 46 to 50. FYE is used as an abbreviation for Full Year Equivalent.

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

The current career average pension scheme does not have a provision for lump sum payment on retirement. Employees who are part of this scheme will not have an accrued lump sum entitlement.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital 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 the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HSC pension scheme. 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 within the guidelines prescribed by the Institute and Faculty of Actuaries, and using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff Report

The Trust employs 16,111 staff (12,768 whole time equivalent). This figure includes staff with more than one job position.

Staff costs comprise (Audited):

	2023		2022	
Staff costs comprise:	Permanently employed staff £000s	Others £000s	Total £000s	Total £000s
Wages and salaries	409,347	83,263	492,610	480,648
Social security costs	40,326	1,734	42,060	37,287
Other pension costs	84,898	1,990	86,888	80,466
Sub-Total	534,571	86,987	621,558	598,401
Less Capitalised staff costs	(586)	-	(586)	(471)
Total staff costs reported in Statement of Comprehensive Expenditure	533,985	86,987	620,972	597,930
Less recoveries in respect of outward secondments			(1,763)	(917)
Total net costs			619,209	597,013
Total staff costs reported in the statement of comprehensive expenditure of which:			£000s	£000s
Southern HSC Trust			620,972	597,930
Charitable Trust Funds			-	-
Total			620,972	597,930

Staff Costs exclude £586k charged to capital projects during the year (2021-22: £471k).

Staff Costs include £859k associated with Research & Development Projects (2021-22: £1,076k).

Pension Liabilities

The Trust participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the Department of Health. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

Pension benefits are administered by BSO HSC Pension Service. Two schemes are in operation, HSC Pension Scheme and the HSC Pension Scheme 2015. There are

two sections to the HSC Pension Scheme (1995 and 2008), a final salary scheme, which was closed with effect from 1 April 2015 except for some members entitled to continue in this Scheme through 'Protection' arrangements. On 1 April 2015 a new HSC Pension Scheme was introduced. This new scheme covers all former members of the 1995/2008 Scheme not eligible to continue in that Scheme as well as new HSC employees on or after 1 April 2015. The 2015 Scheme is a Career Average Revalued Earnings (CARE) scheme.

Discrimination identified by the courts in the way that the 2015 pension reforms were introduced must be removed by the DoH. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the different HSC Pension Schemes i.e. 1995 Section, 2008 Section and 2015 Scheme and is not the monetary benefits received. This is known as the 'McCloud Remedy' and will impact many aspects of the HSC Pension Schemes including the scheme valuation outcomes. Further information on this will be included in the HSC Pension Scheme accounts.

Following a public consultation, the DoH introduced changes to the amount members pay towards their HSC pension. The changes include the pensionable pay ranges used to decide how much members contribute to their pension and the percentage of members' pay to be a member of the scheme. The latter change means the amount payable will be based on a member's actual annual rate of pay, rather than their whole-time equivalent. For part-time staff, their contribution rate will now be based on how they are paid, instead of how much they would earn if they worked full-time.

The changes are being implemented in two stages; stage 1 started on 1 November 2022 with further changes planned in 2023.

The table below sets out the member contribution rates that apply in both the HSC Pension Scheme and the HSC Pension Scheme 2015 from 1 April 2022 – 31 October 2022.

Tier	Full –Time Pensionable Pay used to determine contribution rate	Contribution rate (before tax relief) (gross)
1	Up to £15,431.99	5.0%
2	£15,432.00 to £21,477.99	5.6%
3	£21,478.00 to £26,823.99	7.1%
4	£26,824.00 to £47,845.99	9.3%
5	£47,846.00 to £70,630.99	12.5%
6	£70,631.00 to £111,376.99	13.5%
7	£111,377.00 and over	14.5%

The following table sets out member contribution rates that apply to both HSC Pension Schemes from 1 November 2022.

Tier	Full –Time Pensionable Pay used to determine contribution rate	Contribution rate (before tax relief) (gross)
1	Up to £13,246	5.1%
2	£13,247 to £16,831	5.7%
3	£16,832 to £22,878	6.1%
4	£22,879 to £23,948	6.8%
5	£23,949 to £28,223	7.7%
6	£28,224 to £29,179	8.8%
7	£29,180 to £43,805	9.8%
8	£43,806 to £49,245	10%
9	£49,246 to £56,163	11.6%
10	£56,164 to £72,030	12.5%
11	£72,031 and above	13.5%

For 2022-23, employers' contributions of £84.9m were payable to the HSC Pension Scheme (2021-22 £80.4m) at 22.5% of pensionable pay.

A NEST (National Employment Saving Trust) Scheme is also in operation for employees who are not eligible to the HSC Pension Scheme and the HSC Pension Scheme 2015, with a member contribution rate of 5% in 2022-23. For 2022-23, employers' contributions of £44k (2021-22: £48k) were payable to NEST at 3% of pensionable pay.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be 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 scheme valuation data provided for the 2020 actuarial valuation that is currently underway will be used in the 2022-23 accounts. Financial assumptions are updated to reflect recent financial conditions. Demographic assumptions are updated to reflect an analysis of experience that is being carried out as part of the 2020 valuation. Whilst the 2016 valuation remains the most recently completed valuation, the 2020 valuation is sufficiently progressed to use for setting the demographics assumptions.

During 2022-23, there were 11 (2021-22:12) early retirements from the Trust, agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £34k (2021-22: £29k). These costs are borne by the HSC Pension Scheme.

From 1 April 2014, final pay controls were introduced for all members of the 1995 Scheme. If a member receives an increase in pensionable pay in any of the three years prior to them retiring, or transferring out of the scheme, that is more than a specified amount, the employer is liable for a final pay control charge in the year the individual retires or transfers out. In 2022-23, the Trust has accrued £231k in relation to additional pension liabilities (2021-22: £3k).

Reporting of Early Retirement and Other Compensation Scheme – exit packages (Audited)

There were no early retirements or compensation exit packages agreed in 2022-23 (2021-22: £3k). Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill-health retirement costs are met by the pension scheme.

Trust Management Costs (Audited)

	2023	Restated
	£000s	2022
		£000s
Trust management costs	30,204	29,092
Income:		
RRL	923,595	877,665
Income	47,407	42,921
Total Income	971,002	920,586
% of total income	3.11%	3.16%

The above information is based on the Audit Commission’s definition “M2” Trust Management costs as detailed in HSS (THR) 2/99. A review of the trend of Trust Management costs show that whilst the Trust’s total income base has increased in the last three consecutive years, management costs have remained fairly consistent.

	2023	Restated	Restated
	£000	2022	2021
		£000	£000
Trust Management Costs	30,204	29,092	27,519
Total Income	971,002	920,586	897,213
% of Total Income	3.11%	3.16%	3.07%

Staff Benefits

The Trust provides staff with a number of taxable benefits availed of via salary sacrifice schemes such as, Cycle to Work Scheme and Private Car Lease Scheme. These schemes are open to all staff meeting the HMRC eligibility criteria.

Average Number of Persons Employed (Audited)

The average number of paid whole time equivalent persons employed during the year was as follows:

	2023		2022	
	Permanently employed staff No.	Others No.	Total No.	Total No.
Medical and dental	577	401	978	926
Nursing and midwifery	4,062	368	4,430	4,279
Professions allied to medicine	1,536	36	1,572	1,550
Ancillaries	780	148	928	926
Administrative & clerical	2,033	24	2,057	2,000
Estates & Maintenance	131	1	132	133
Social services	1,678	24	1,702	1,630
Domiciliary/Homecare Workers	991	-	991	1,001
Total average number of persons employed	11,788	1,002	12,790	12,445
Less average staff number relating to capitalised staff costs	(8)	-	(8)	(4)
Less average staff number in respect of outward secondments	(14)	-	(14)	(18)
Total net average number of persons employed	11,766	1,002	12,768	12,423
Of which:				
Southern HSC Trust			12,768	
Charitable Trust Fund			-	
			12,768	

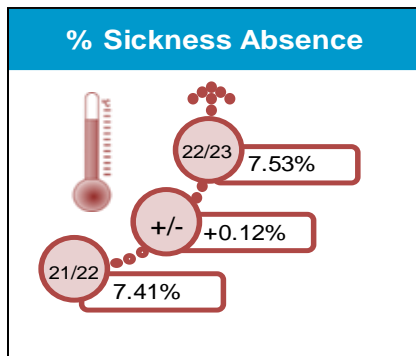
Note: From 2019-20 Medical & Dental Staff in Training have been transferring from direct employment by the Trust to the Northern Ireland Medical & Dental Training Agency (NIMDTA) on a phased basis.

"Medical & Dental: Others" includes approx. 233 WTE Doctors in Training recharged by NIMDTA (2021-22: 167 WTE). Southern HSC Trust retains funding for these employees.

Workforce Capacity

Staff Absence

During 2022-23 the Trust continued to see staff and services impacted due to **increased absenteeism levels**. Sickness absence levels have continued to rise from a pre-pandemic level of 5.39% in 2019-20 to 7.53% as at end of March 2023.



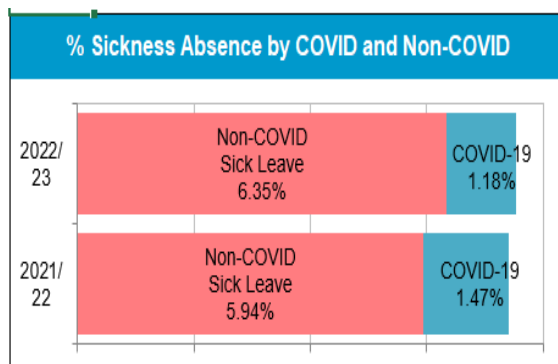
↑ up from **5.39%** 2019/2020 (pre-pandemic)

↑ up from **6.78%** 2020/ 2021

↑ up from **7.41%** 2021/ 2022

↑ The current cumulative absence figure is **7.53%** as at end of March 2022-23

Non-COVID-19 sickness absence remains higher than COVID-19 sickness absence. During 2022-23 there has been a reduction in COVID-19 absence from the 21-22 peak of 1.47% to 1.18% of total absence. However it has yet to reduce to levels experienced during the first year of the pandemic in 2020-21.



Cumulative Sickness Absence 2019/20
5.39%
Non COVID-19 - 5.34%
COVID-19 - 0.05%

Cumulative Sickness Absence 2020/21
6.78%
Non COVID-19 - 5.78%
COVID-19 - 1.00%

Cumulative Sickness Absence 2021/22
7.41%
Non COVID-19 - 5.94%
COVID-19 - 1.47%

Cumulative Sickness Absence 2022/23
7.53%
Non COVID-19 - 6.35%
COVID-19 - 1.18%

Staff Turnover

Staff turnover for permanently employed staff in the Trust is shown below.

Contract Type	2023 % Turnover	2022 % Turnover
Permanent*	8.61%	8.94%

*The figures above are based on Leavers from the Trust and do not include Internal Transfers.

Off Payroll Engagements

The Trust is required to disclose the details of off-payroll engagements which cost more than £245 per day that were in place during the year.

The Trust did not engage Off Payroll Staff Resources in 2022-23 (2021-22: £nil).

Consultancy

Consultancy includes staff who provide objective advice relating to strategy, structure, management or operations of an organisation and may include the identification of options with recommendations.

The Trust incurred consultancy expenditure of £94k in 2022-23 (£nil: 2021-22).

Staff Engagement

Building on the feedback from the regional staff survey, the Trust continued to engage with our workforce via a variety of pulse surveys e.g. HWB Surveys, Flexible Working Survey, Physical Activity Survey, etc. alongside a range of meetings, networks and forums. Feedback from our people has continued to consistently highlight the importance of health and wellbeing, behaviours and relationships and how collective compassionate leadership and team based working can support our workforce to feel cared for, supported and valued.

All of this feedback informed the development of 'Our People Framework' which was formally launched in October 2022 and outlines our three people priorities – **WELLBEING**, **BELONGING** and **GROWING**. It includes what we will focus on over the three years 2022-25 in order to continue to care for, engage, retain and recruit colleagues. It responds specifically to the strategic ambitions relating to our culture and valuing our people. It focuses on how we must all continue to look after each other and foster a culture of inclusion and belonging, as well as actions to grow our workforce, train our people, and work together differently to deliver care to our patients and service users. It recognises the need to deal decisively, consistently and quickly with behaviours inconsistent with our values and, just as importantly, it highlights that your health and wellbeing needs to be at the heart of all we do. Our People Framework will enable us to deliver our vision of care, achieve our objectives and be ready for future changes and challenges. It will serve as a living, breathing commitment to value and support our people and will provide a route map towards a thriving organisation, where we all work together and '**Create a Great Place to Work**'.

Staff Policies and Other Employee Matters

Launched in 2022, the Trust's People Framework sets out our People Priorities of **Wellbeing, Belonging** and **Growing**. Examples of how we have achieved this during 2022-23 include:

Our People Framework - Wellbeing

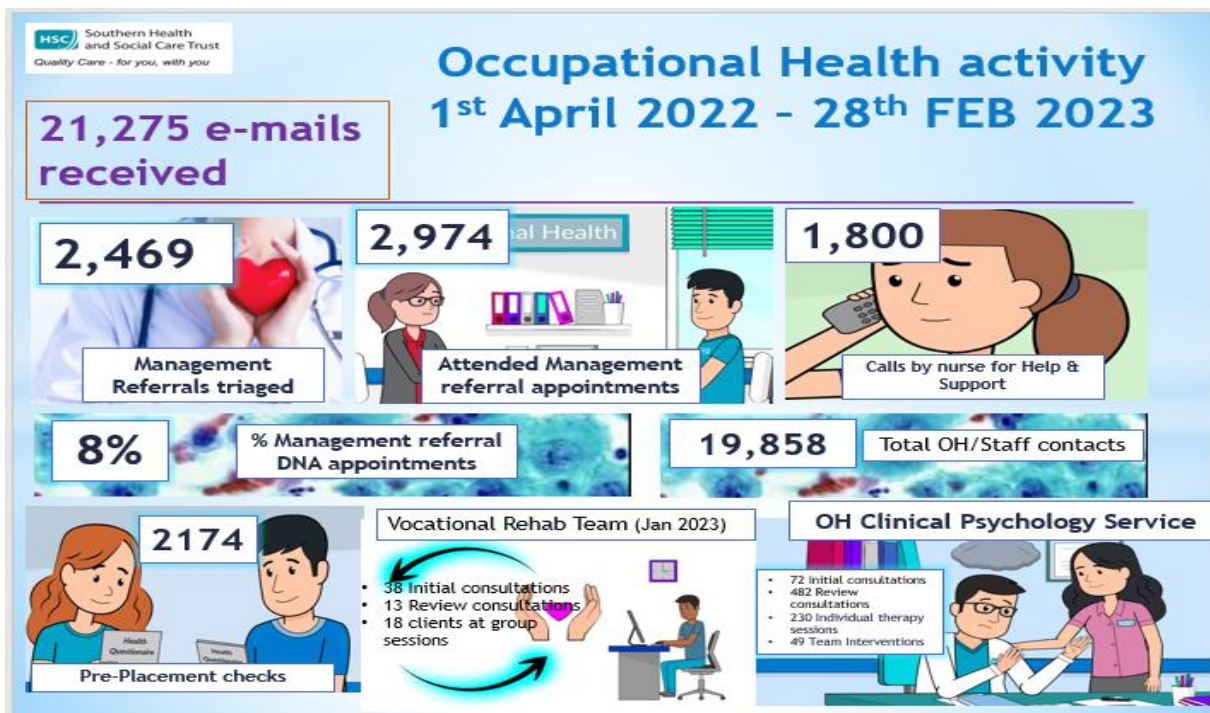
Occupational Health & Wellbeing Service (OHWS)

Over the past year our Occupational Health & Wellbeing Service continues to implement our strategic vision and plan for the provision of an accessible and holistic service, focusing on prevention, protection and improved employee wellbeing as well as fitness for work.



The evolving service is made up of an expanding multidisciplinary team including Specialist Occupational Health Nurses, Doctors, Technicians, Specialist Occupational Therapists, Clinical Psychologists, Cognitive Behavioural Therapists, Physiotherapists and Administrative personnel.

Activities include management referrals, pre-employment screening, immunisations, referral to physiotherapy, management of blood borne virus exposures, referrals to clinical psychology, employee post COVID-19 vocational rehabilitation programme and contributing to employee health & wellbeing and team initiatives. The associated activity levels for 1st April 2022 – 28th February 2023 are summarised in the graphic overleaf.



Menopause in the Workplace

Our 'Walk & Talk' menopause event in May 2022 gave employees the opportunity to take some time to meet up, connect with colleagues and take a short walk, get some fresh air and talk all things menopause. A total of 44 employees met across the Trust at Banbridge, Brownlow, John Mitchell Place, Portadown and St. Luke's Hospital, Armagh and refreshments and goody bags were provided.



A cohort of 52 employees (various bands and roles) from across the Trust attended Menopause Champion Training during September and October 2022, jointly delivered by Business in the Community and the Promoting Wellbeing Team to learn more about the menopause, its impact, signs and symptoms, how to manage symptoms and to hear about the range of supports available to help employees.

Financial Health Zone

A new Financial Health Zone was introduced on UMatter and in partnership with Money and Pension Services (MaPS) a series of sessions were offered to employees including:-

- Introduction to Money Helper virtual workshop.
- Pension Awareness Workshop in support of Pensions Awareness Week – MaPS and HSC Pensions.
- Your Financial Wellbeing virtual workshop with MaPS, Gam Care and Christians against Poverty.
- The Menopause and your Pension virtual workshop.

Flexible Working



It is widely accepted that flexibility at work is key to attracting, retaining and supporting our skilled and valued workforce and assisting in the delivery of high quality services across Health and Social Care into the future.

During 2022-23 we implemented the HSC Flexible Working Framework along with supporting resources. This included briefing communications, awareness training and resources for managers and information on flexible working options for employees.

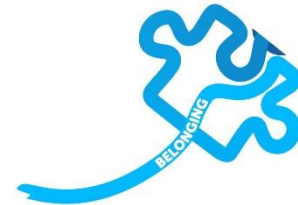
We also completed in 2022 our Future of Work survey to hear the views of our workforce on hybrid working. The survey results, alongside the Northern Ireland Executive's updated guidance on homeworking, informed the introduction of our

Interim Hybrid Working guidance in September 2022. The guidance sets out the areas of consideration that managers and employees should discuss in order to balance office and home working and how to put in place working arrangements that best meet organisational needs.

Our People Framework – Belonging

Equality, Diversity & Inclusion

It is our aim to help create and support a culture that is inclusive at all levels and help create a sense of belonging, in line with the Trust's Vision, Values and Priorities. We strive to ensure the Trust is a **'great place to work'** that promotes positive attitudes to diversity, both in relation to employees and service users. We wish to ensure that equality, diversity and inclusion are embedded across our organisation and that our employment practices are fair, flexible and enabling so that each employee can reach their full potential.



Some key highlights during the 2022-23 year include:-

- We developed a user friendly guide on “Updating your employment equality data” for employees which identifies how we use that data and how employees can easily keep their information up-to-date. The guide is now available for employees on SharePoint and highlighted a various training sessions.
- A comprehensive programme of training is provided both by the Trust and also in partnership with a range of organisations such as Rainbow, BDA and Employers for Disability NI.
- Equality, Good Relations and Human Rights e-learning programme for all employees is available on the regional HSC learning platform.

Ramadan - 2nd April to 1st May 2022

Traditionally Ramadan is a time for communal prayer, spiritual reflection, meals with extended family and friends to break daily fasts, concluding with the community celebration of Eid-ul-Fitr. As a Trust, we have a diverse workforce and it is important that we consider our Muslim colleagues during this time, who may be observing religious customs such as fasting, to ensure they remain properly supported and safe at work.



Diversity and Inclusion



Let's get **visible** - **Belfast PRIDE** week took place from 22nd July to 31st July 2022. During this time, we wanted to show support for our LGBTQ+ workforce and service users. Whilst we continue to make progress, we know that there is much more to do to

improve the LGBTQ+ community's experience of our services.

As part of a number of events, we organised Gender Identity training for employees and publicised a podcast message on social media by our Trust Chairperson Eileen Mullan.

Employee Networks

As part of this commitment to diversity and inclusion, we established an Employee Support Network **REaCH** (Race, Ethnicity and Cultural Heritage) to support our ethnic minorities' colleagues in 2021. The network continues to grow and develop, with new members and allies coming together on a regular basis virtually. In October 2022, we held our first face to face sessions in CAH and DHH.



Friday 19th November 2022 marked **International Men's Day** (IMD) which is celebrated worldwide and recognises the positive value men bring to the world, their families and communities. With 15% of Southern Trust workforce male, we took the opportunity to raise awareness of IMD and to highlight just how important it is to look after your health and wellbeing – both your mental and physical health. In support of IMD some of our male colleagues took the time to highlight the importance of looking after their own health and wellbeing and offered a snapshot of how they practised self-care.

International Day of Persons with Disabilities (IDPD) on 3rd December 2022.

We organised a number of events. On Friday 2nd December 2022, we held a Disability Awareness Session for Managers with a focus on the Reasonable Adjustments.



International
Day of
**Persons with
Disabilities**
3 DECEMBER

Staff Composition by Gender

The following table provides an analysis of the number of employed staff as at 31 March 2023 by gender:

	Directors		Non-Executive Directors		Senior Staff		Other Staff		Trust Total	
	Number	%	Number	%	Number	%	Number	%	Number	%
Female	8	73	4	67	37	66	13,643	85	13,692	85
Male	3	27	2	33	19	34	2,395	15	2,419	15
Total	11		6		56		16,038		16,111	

Senior staff is defined as Assistant Director Band 8c / Tier 3 and above but excluding Directors

Our People Framework - Growing

We are supporting and developing our people so they can be the best they can be and fulfil their potential.



Vocational Workforce Development

As a Trust we want to ensure we have the right workforce, with the right skills, in the right place, at the right time to ensure consistent delivery of safe, high quality services. We continue to deliver Regulated Qualification Framework (RQF) Qualifications to employees throughout the Trust to meet the needs of the service.

Following the introduction of the Department of Health (DoH) Induction and Development Standards for Nursing Assistants (2018) we have appointed 3 full-time permanent assessors, 2 full-time temporary assessors and 1 part-time administrator to ensure all new and existing Nursing Assistants are supported each year to complete their qualifications. Providing this training and development to our Nursing Assistants will help support the Nursing workforce to deliver high quality care and provide adequate skill mix. This will have a positive impact on service improvement as well as patient safety and experience and meet the DOH standards.

Inspiring Leaders Initiative



The Trust understands the importance of identifying future Senior Leaders who will replace individuals when they move on, or retire. Our “Inspiring Leaders” Succession Planning initiative aimed at band 7 Middle Managers to support them get ready to apply for a senior role within the next 12-18 months. This initiative aimed to develop

the skills and behaviours required to work at a more senior level via a supportive and engaging learning environment.

The “Inspiring Leaders” initiative ensures participants have:-

- access to the right opportunities, exposure, stretch and development to reach their potential;
- a bespoke leadership development plan outlining areas for development; and
- support and commitment from their Line Manager to complete the initiative.

Guidance has also been developed on holding ‘Talent Talks’ and has been piloted within each service directorate during March 2023. A number of places have been accessed by Trust employees on a range of regional Succession Planning programmes. An overarching Trust Succession Planning pathway has been developed. The Trust was invited to deliver a session in March 2023 on our approach to Succession Planning as part of the Post Graduate Diploma in Health & Social Care.

Support and Development for Teams

We want to support teams to work better together, creating a culture in which employees work together well in a team, recognise their role and value the contribution of all team members. Tailored organisational development interventions to support and respond to the needs of Directorate teams was available throughout 2022-23, as it is recognised a team based working approach in healthcare particularly increases the wellbeing of team members.



Digital Transformation

There are a number of significant regional projects e.g. Equip, Encompass and Learning Management System (LearnHSCNI), etc. currently ongoing. For example, LearnHSCNI is a modern and engaging Learning Management System which will provide easy access to a wide range of training on one platform. This will be accessible via the internet on any device, along with access via mobile apps for employees who are not desk based. This new system will provide greater control and clarity over learning status and the journey for our workforce.

Accountability and Audit Report

Compliance with regularity of expenditure guidance

The Trust Management Statement (MS) and the Financial Memorandum (FM) which exists between the DoH and the Trust, outlines the framework in which the Trust will operate and details certain aspects of financial provisions which the Trust will observe.

The discharge of the responsibilities within the MS/FM is supported by the Standing Financial Instructions (SFIs) of the Trust. The SFIs are then further supported by finance policies and detailed financial procedures which must be kept up to date with DoH circulars as appropriate.

This overall framework is designed to ensure that the Trust has assurance that the income and expenditure recorded in its financial statements have been applied to the purposes as intended by the NI Assembly and the financial transactions recorded in the financial statements of the Trust conform to the authorities who govern them.

Both Internal Audit and External Audit provide an independent assessment of the Trust's adherence to this framework of financial governance and control, with the External Auditor providing an annual opinion on regularity within the certified financial statements of the Trust.

The Trust Management Statement (MS) and the Financial Memorandum (FM) is due to be replaced with a 'Partnership Agreement,' likely to be in 2023-24.

The Trust maintains a Gifts and Hospitality Register and there were no gifts made over the limits prescribed in Managing Public Money NI.

Rural Needs Act 2016

As outlined in the Rural Needs Act 2016, the Trust has a legal duty to ensure due regard is paid to the consideration of the social and economic needs of service users in rural areas when designing and delivering our services. The Trust has implemented systems to ensure adherence to the requirements of this Act. As per correspondence received from Department of Agriculture, Environment & Rural Affairs, the Trust is preparing for reporting of information for the year 2022-23 in June 2023.

Statement of Losses and Special Payments recognised in the year (Audited)

Losses and special payments are items of expenditure that the NI Assembly would not have contemplated when it agreed funding to the Trust. They are subject to special controls and procedures and require specific approval in accordance with limits set by the Department of Health. The limit delegated to the Trust, for approval of losses, differs depending on the type of loss but all losses and special payments, irrespective of value, require approval by the Trust Board. Losses over a particular threshold require approval by the DoH.

Losses and special payments are reported to the Audit Committee for review and to Trust Board for approval annually. They are audited as part of the audit of the Annual Accounts.

Losses and Special Payments (Audited)

Losses statement	2022-23	2021-22
Total number of losses	80,575	95,383
Total value of losses (£'000)	509	1,128

Individual losses over £250,000	2022-23	2021-22
	£'000	£'000
Cash losses	0	0
Claims abandoned	0	0
Administrative write-offs	0	0
Fruitless payment	0	0
Stores losses	0	0

Special payments	2022-23	Restated ** 2021-22
Total number of special payments	107	101
Total value of special payments (£'000)	9,432	5,465

Individual special payments over £250,000	2022-23	2021-22
	£'000	£'000
Compensation payments		
- Clinical Negligence	6,833	2,134
- Public Liability	0	0
- Employers Liability	399	0
- Employment Law	0	0
- Other	0	0
Ex-gratia payments	0	0
Extra contractual	0	0
Special severance payments	0	0

** Note 21-22 figures have been restated to reflect Employment Law category within Special Payments.

Statement of Losses and Special Payments recognised in the year (continued)

Pharmacy Stock items includes the write off of expired, damaged and discontinued pharmacy stock to the value of £351k. Within this total £209k relates to expired stock and is in line with regional KPI.

Included in the number of individual special payments over £250,000 were 3 Clinical Negligence cases and 1 Employers Liability case (21-22: 3 Clinical Negligence payments). Employers Liability payments increased on last year with two payments greater than £100k and the remaining less than £100k.

Special Payments (Audited)

There were no other special payments or gifts made during the year.

Other Payments, Gifts and Estimates (Audited)

There were no other payments or gifts made during the year.

Fees and Charges (Audited)

The Southern HSC Trust does not have material income generated from fees and charges.

Long Term Expenditure

Details of long term expenditure plans are included on page 35 of the Performance Report.

Remote Contingent Liabilities (Audited)

In addition to Contingent Liabilities reported within the meaning of IAS37, (included in the Annual Accounts Note 18), the Trust also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of Contingent Liability. There are no remote contingent liabilities of which the Trust is aware.

On behalf of the Southern HSC Trust, I approve the Accountability Report encompassing the following sections:

- Governance Report
- Remuneration and Staff Report
- Accountability and Audit Report

Signed 

Dr Maria O'Kane

Accounting Officer

Date: 22 June 2023

SOUTHERN HEALTH AND SOCIAL CARE TRUST – PUBLIC FUNDS

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

Opinion on financial statements

I certify that I have audited the financial statements of the Southern Health and Social Care Trust for the year ended 31 March 2023 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise: the Group and Parent Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the group's and of Southern Health and Social Care Trust's affairs as at 31 March 2023 and of the group's and the Southern Health and Social Care Trust's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects 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 opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Southern Health and Social Care Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded Southern Health and Social Care Trust's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Southern Health and Social Care Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Southern Health and Social Care Trust is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Trust and the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Trust and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended; and
- the information given in the Performance Report and Accountability 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

In the light of the knowledge and understanding of the Southern Health and Social Care Trust and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. 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 parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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 the Department of Finance's guidance.

Responsibilities of the Trust and Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Trust and the Accounting Officer are responsible for

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remunerations and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Southern Health and Social Care Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Southern Health and Social Care Trust will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that

includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Southern Health and Social Care Trust through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder;
- making enquires of management and those charged with governance on Southern Health and Social Care Trust's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Southern Health and Social Care Trust's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;

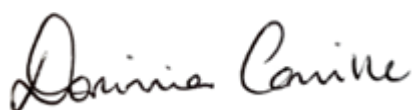
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am 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.

Report

I have no observations to make on these financial statements.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
3 July 2023

4

Financial Statements

Annual Accounts for the Year Ended 31 March 2023

FOREWORD

These accounts for the year ended 31 March 2023 have been prepared in accordance with Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health.

CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2023

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure. Non-cash RRL funding was removed in 2022-23 so non cash expenditure is now adjusted for to derive performance against RRL funding in year.

	NOTE	Trust £000s	2023 CTF £000s	Consolidated £000s	Trust £000s	2022 Restated* CTF £000s	Consolidated £000s
Income							
Revenue from contracts with customers	4.1	43,908	-	43,908	39,517	-	39,517
Other operating income	4.2	3,499	262	3,761	3,404	215	3,619
Total Operating Income		47,407	262	47,669	42,921	215	43,136
Expenditure							
Staff costs	3	(620,972)	-	(620,972)	(597,930)	-	(597,930)
Purchase of goods and services	3	(246,437)	-	(246,437)	(231,466)	-	(231,466)
Depreciation, amortisation and impairment charges	3	(26,437)	-	(26,437)	(22,614)	-	(22,614)
Provision expense	3	(9,141)	-	(9,141)	(47,789)	-	(47,789)
Other expenditures	3	(104,106)	(762)	(104,868)	(92,620)	(604)	(93,224)
Total Operating Expenditure		(1,007,093)	(762)	(1,007,855)	(992,419)	(604)	(993,023)
Net Operating Expenditure		(959,686)	(500)	(960,186)	(949,498)	(389)	(949,887)
Finance income	4.2	-	177	177	-	149	149
Finance expense	3	(1)	-	(1)	-	-	-
Net Expenditure for the year		(959,687)	(323)	(960,010)	(949,498)	(240)	(949,738)
Adjustment to net expenditure for non-cash items	21.1	36,125	-	36,125	71,865	-	71,865
Net expenditure funded from RRL		(923,562)	(323)	(923,885)	(877,633)	(240)	(877,874)
Revenue Resource Limit (RRL)	21.1	923,595	-	923,595	877,665	-	877,665
Add back charitable trust fund net expenditure		-	323	323	-	240	240
Surplus against RRL		33	-	33	32	-	32
OTHER COMPREHENSIVE EXPENDITURE							
Items that will not be reclassified to net operating costs:							
Net gain on revaluation of property, plant and equipment	5.1/ 5.2/ 9	21,651	-	21,651	11,697	-	11,697
Net (loss) / gain on revaluation of charitable assets	7	-	(391)	(391)	-	279	279
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2023		(938,036)	(714)	(938,750)	(937,801)	39	(937,762)

*2022 figures have been restated following the implementation of the Review of Financial Process – see note 21.1
The notes on pages 130 to 179 form part of these accounts.


CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2023

This statement presents the financial position of Southern HSC Trust. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	NOTE	2023		2022	
		Trust £000s	Consolidated £000s	Trust £000s	Consolidated £000s
Non Current Assets					
Property, plant and equipment	5.1/5.2	393,899	393,899	358,342	358,342
Intangible assets	6.1/6.2	11,644	11,644	12,059	12,059
Financial assets	7.0	-	5,082	-	5,473
Trade and other receivables	12.0	1,998	1,998	1,861	1,861
Total Non Current Assets		407,541	412,623	372,262	377,735
Current Assets					
Inventories	10.0	6,959	6,959	7,871	7,871
Trade and other receivables	12.0	22,254	22,105	18,594	18,660
Other current assets	12.0	4,995	4,995	3,916	3,916
Cash and cash equivalents	11.0	2,811	4,381	2,530	4,117
Total Current Assets		37,019	38,440	32,911	34,564
Total Assets		444,560	451,063	405,173	412,299
Current Liabilities					
Trade and other payables	13.1	(123,079)	(123,206)	(135,075)	(135,111)
Other liabilities	16.2	(31)	(31)	-	-
Provisions	14.0	(58,143)	(58,143)	(44,093)	(44,093)
Total Current Liabilities		(181,253)	(181,380)	(179,168)	(179,204)
Total Assets Less Current Liabilities		263,307	269,683	226,005	233,095
Non Current Liabilities					
Provisions	14.0	(62,667)	(62,667)	(77,088)	(77,088)
Other payables	16.2	(8)	(8)	-	-
Total Non Current Liabilities		(62,675)	(62,675)	(77,088)	(77,088)
Total Assets less Total Liabilities		200,632	207,008	148,917	156,007
Taxpayers' Equity and Other Reserves					
Revaluation reserve		117,739	117,739	96,162	96,162
SoCNE reserve		82,893	82,893	52,755	52,755
Other reserves – charitable trust fund		-	6,376	-	7,090
Total Equity		200,632	207,008	148,917	156,007

The notes on pages 130 to 179 form part of these accounts.

The financial statements on pages 126 to 179 were approved by the board on 22 June 2023 and were signed on its behalf by:

Signed: 

(Chair)

Date: 22 June 2023

Signed: 

(Chief Executive)

Date: 22 June 2023

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 MARCH 2023

This statement shows the movement in the year on the different reserves held by Southern HSC Trust, analysed into the SoCNE Reserve (i.e. those reserves that reflect a contribution from the DoH). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The SoCNE Reserve represents the total assets less liabilities of the Southern HSC Trust, to the extent that the total is not represented by other reserves and financing items.

	NOTE	SoCNE Reserve £000s	Revaluation Reserve £000s	Charitable Fund £000s	Total £000s
Balance at 1 April 2021		69,760	84,521	7,051	161,332
Changes in Taxpayers Equity 2021-22					
Grant from DoH		932,372	-	-	932,372
Transfers between reserves		56	(56)	-	-
(Comprehensive net expenditure for the year)		(949,498)	11,697	39	(937,762)
Non-cash charges - auditors remuneration	3	65	-	-	65
Balance at 31 March 2022		52,755	96,162	7,090	156,007
Changes in Taxpayers Equity 2022-23					
Grant from DoH		989,684	-	-	989,684
Transfers between reserves		74	(74)	-	-
(Comprehensive net expenditure for the year)		(959,687)	21,651	(714)	(938,750)
Non-cash charges - auditors remuneration	3	67	-	-	67
Balance at 31 March 2023		82,893	117,739	6,376	207,008

The notes on pages 130 to 179 form part of these accounts.

CONSOLIDATED STATEMENT OF CASHFLOW for the year ended 31 MARCH 2023

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Southern HSC Trust during the reporting period. The statement shows how the Southern HSC Trust 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 Southern HSC Trust. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the Southern HSC Trust future public service delivery.

	NOTE	2023 £000s	2022 £000s
Cash flows from operating activities			
Net expenditure after interest		(960,010)	(949,738)
Adjustments for non-cash costs		35,527	70,340
(Increase) in trade and other receivables	12	(4,661)	(628)
(Increase) / Decrease in inventories	10	912	(113)
(Decrease) in trade payables	13	(11,866)	(6,843)
Movements in receivables relating to the sale of property, plant and equipment		-	(19)
Movements in payables relating to the purchase of property, plant and equipment		(2,451)	(6,649)
Movements in payables relating to the purchase of intangibles		164	7,446
Movements in payables relating to finance leases		(39)	-
Use of provisions	14	(9,512)	(5,547)
Net cash outflow from operating activities		(951,936)	(891,751)
Cash flows from investing activities			
Purchase of property, plant & equipment	5	(34,210)	(29,176)
Purchase of intangible assets	6	(3,358)	(9,910)
Proceeds of disposal of property, plant & equipment		115	146
Purchase of investment Fund	7	-	(1,500)
Net cash outflow from investing activities		(37,453)	(40,440)
Cash flows from financing activities			
Grant in aid		989,684	932,372
Cap element of payments – finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		(31)	-
Net financing		989,653	932,372
Net increase in cash & cash equivalents in the period	11	264	181
Cash & cash equivalents at the beginning of the period	11	4,117	3,936
Cash & cash equivalents at the end of the period	11	4,381	4,117

The notes on pages 130 to 179 form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

STATEMENT OF ACCOUNTING POLICIES

1. Authority

These financial statements have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance's Financial Reporting Manual (FReM) and in accordance with the requirements of Article 90(2) (a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Southern HSC Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Southern HSC Trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

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. This includes donated assets.

1.2 Property, Plant and Equipment

Property, plant and equipment assets comprise Land, Buildings, Dwellings, Transport Equipment, Plant & Machinery, Information Technology, Furniture & Fittings, and Assets under Construction. This includes donated assets.

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 Southern HSC Trust;
- 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 a 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 initial equipping costs and setting up costs of new buildings, 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 building, ward or unit, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment 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.

Valuation

All Property, Plant and Equipment are carried at fair value.

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

Fair value for Plant and Equipment 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, less any impairment loss.

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS.

The last valuation was carried out on 31 January 2020 by Land and Property Services (LPS) with the next review due by 31 January 2025.

Fair values are determined as follows:

- Land and non-specialised buildings – open market value for existing use;
- Specialised buildings – depreciated replacement cost; *and*
- Properties surplus to requirements – the lower of open market value less any material directly attributable selling costs, or book value at date of moving to non-current assets.

Modern Equivalent Asset

Department of Finance (DoF) has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. Land and Property Services (LPS) have included this requirement within the latest valuation.

Assets Under Construction (AUC)

Assets 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. They are carried at cost, less any impairment loss. Assets under construction are revalued and depreciation commences when they are brought into use.

Short Life Assets

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

Where estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

Revaluation Reserve

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure.

1.3 Depreciation

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 which meet the definition of “non-current assets held for sale” are also not depreciated.

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and similarly, amortisation is applied to intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over the

lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which the Southern HSC Trust expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used:

Asset Type	Asset Life
Freehold Buildings	25 – 69 years
Leasehold property	Remaining period of lease
IT assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

1.4 Impairment loss

If there has been an impairment loss due to a general change in prices, 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 expenditure within the Statement of Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure 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 firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.5 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 the Southern HSC Trust's 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.

1.6 Intangible assets

Intangible assets includes any of the following held - software, licences, trademarks, websites, development expenditure, Patents, Goodwill and intangible assets under construction. 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. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; *and*
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Southern HSC Trust's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Southern HSC Trust; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

The amount recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date of commencement of the intangible asset, until it is complete and ready for use.

Intangible assets acquired separately are initially recognised at fair value.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated replacement cost has been used as fair value.

1.7 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered 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 the 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 measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses.

Assets classified as held for sale are not depreciated.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount. The profit from sale of land which is a non-depreciating asset is recognised within income. The profit from sale of a depreciating asset is shown as a reduced expense. The loss from sale of land or from any depreciating assets is shown within operating expenses. On disposal, the balance for the asset on the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure reserve.

Property, plant or equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value and are included exclusive of VAT. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.9 Income

Income is classified between Revenue from Contracts and Other Operating Income as assessed necessary in line with organisational activity, under the requirements of IFRS 15 and as applicable to the public sector. Judgement is exercised in order to determine whether the five essential criteria within the scope of IFRS 15 are met in order to define income as a contract.

Income relates directly to the activities of the Southern HSC Trust and is recognised on an accruals basis when, and to the extent that a performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Where the criteria to determine whether a contract is in existence is not met, income is classified as Other Operating Income within the Statement of Comprehensive Net Expenditure and is recognised when the right to receive payment is established.

Income is stated net of VAT.

1.10 Grant in aid

Funding received from other entities, including the Department of Health (DoH) and Health and Social Care Board, are accounted for as grant in aid and are reflected through the Statement of Comprehensive Net Expenditure Reserve.

1.11 Investments

The Southern HSC Trust Charitable Trust Fund investments have been consolidated.

1.12 Research and Development expenditure

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

Following the introduction of the 2010 European System of Accounts (ESA10), and the change in budgeting treatment (from the revenue budget to the capital budget) of R&D expenditure, additional disclosures are included in the notes to the accounts. This treatment was implemented from 2016-17.

1.13 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.

1.14 Leases

Under IFRS 16 Leased Assets which the Southern HSC Trust has use/control over and which it does not necessarily legally own are to be recognised as a "Right-Of-Use" (ROU) asset. There are only two exceptions:

- short term assets – with a life of up to one year, and
- low value assets – with a value equal to or below the Southern HSC Trust threshold limit which is currently £5,000.

Short term leases

Short term leases are defined as having a lease term of 12 months or less. Any lease with a purchase option cannot qualify as a short term lease. The lessee must not exercise an option to extend the lease beyond 12 months. No liability should be recognised in respect of short-term leases, and neither should the underlying asset be capitalised.

Examples of short term leases are software leases, specialised equipment, hire cars and some property leases.

Low value assets

An asset is considered “low value” if its value, when new, is less than the capitalisation threshold. The application of the exemption is independent of considerations of materiality. The low value assessment is performed on the underlying asset, which is the value of that underlying asset when new.

Examples of low value assets are, tablet and personal computers, small items of office furniture and telephones.

Separating lease and service components

Some contracts may contain both a lease element and a service element. DoH bodies can, at their own discretion, choose to combine lease and non-lease components of contracts, and account for the entire contract as a lease. If a contract contains both lease and service components IFRS 16 provides guidance on how to separate those components. If a lessee separates lease and service components, it should capitalise amounts related to the lease components and expense elements relating to the service elements. However, IFRS 16 also provides an option for lessees to combine lease and service components and account for them as a single lease.

The Southern HSC Trust as lessee

The ROU asset lease liability will initially be measured at the present value of the unavoidable future lease payments. The future lease payments should include any amounts for:

- Indexation;
- amounts payable for residual value;
- purchase price options;

- payment of penalties for terminating the lease;
- any initial direct costs; and
- costs relating to restoration of the asset at the end of the lease.

The lease liability is discounted using the rate implicit in the lease.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Southern HSC Trust surplus/deficit.

The difference between the carrying amount and the lease liability on transition is recognised as an adjustment to tax-payers equity. After transition the difference is recognised as income in accordance with IAS 20.

Subsequent measurement

After the commencement date (the date that the lessor makes the underlying asset available for use by the lessee) a lessee shall measure the liability by;

- Increasing the carrying amount to reflect interest;
- Reducing the carrying amount to reflect lease payments made; and
- Re-measuring the carrying amount to reflect any reassessments or lease modifications, or to reflect revised in substance fixed lease payments.

There is a need to reassess the lease liability in the future if there is:

- A change in lease term;
- change in assessment of purchase option;
- change in amounts expected to be payable under a residual value guarantee; or
- change in future payments resulting from change in index or rate.

Subsequent measurement of the ROU asset is measured in same way as other property, plant and equipment. Asset valuations should be measured at either 'fair value' or 'current value in existing use'.

Depreciation

Assets under a finance lease or ROU lease are depreciated over the shorter of the lease term and its useful life, unless there is a reasonable certainty the lessee will obtain ownership of the asset by the end of the lease term in which case it should be depreciated over its useful life.

The depreciation policy is that for other depreciable assets that are owned by the entity.

Leased assets under construction must also be depreciated.

The Southern HSC Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Southern Trust HSC Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Southern Trust HSC Trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.15 Private Finance Initiative (PFI) transactions

The Southern HSC Trust has no PFI transactions during the current or prior year.

1.16 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 Southern HSC Trust 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 Southern HSC Trust 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 de-recognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value. IFRS 9 requires consideration of the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the Southern HSC Trust's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured

on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument, where judged necessary.

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 Southern HSC Trust 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.

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 relationships with HSC Commissioners, and 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 Southern HSC Trust is 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 Southern HSC Trust is exposed to limited credit, liquidity or market risk.

Currency risk

The Southern HSC Trust is principally a domestic organisation 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 Southern HSC Trust has limited powers to borrow or invest and therefore there is low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Southern HSC Trust's income comes from contracts with other public sector bodies, there is low exposure to credit risk.

Liquidity risk

Since the Southern HSC Trust receives the majority of its funding through its principal Commissioner which is voted through the Assembly, there is low exposure to significant liquidity risks.

1.17 Provisions

In accordance with IAS 37, provisions are recognised when the Southern HSC Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Southern HSC Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using the relevant discount rates provided by HM Treasury.

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.

HM Treasury, under Public Expenditure System (PES) issued a combined nominal and inflation rate table to incorporate the two elements as included within circular HSC (F) 38-2022.

Rate	Time period	Real rate
Nominal	Short term (0 – 5 years)	3.27%
	Medium term (5 – 10 years)	3.20%
	Long term (10 - 40 years)	3.51%
	Very long term (40+ years)	3.00%
Inflationary	Year 1	7.4%
	Year 2	0.6%
	Into perpetuity	2.0%

The discount rate to be applied to employee early departure obligations is 1.70% for 2022-23.

When calculating any future loss elements included within personal injury claims, a discount rate is applied by courts to a lump-sum award of damages for future financial loss, to take account of the return that can be earned from investment. The rate is currently -1.5% as set (with effect from 22 March 2022) by the Government Actuary under the Damages Act 1996 as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022.

1.18 Contingent liabilities/assets

In addition to contingent liabilities disclosed in accordance with IAS 37, the Southern HSC Trust discloses for Assembly reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to the 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 the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly.

Under IAS 37, the Southern HSC Trust 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 Southern HSC Trust, 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 Southern HSC Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.19 Employee benefits

Short-term employee benefits

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. The cost has been estimated using the responses to a survey across Southern HSC Trust managers to ascertain estimated annual leave balances to be carried forward as at 31 March 2023. The Working Time (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020 came into operation on 24 April 2020 and allowed those workers who are unable to take annual leave as a result of the pandemic to carry over postponed leave into the next two leave years, 2021-22 and 2022-23. The unused annual leave balances at 31 March 2021 and 31 March 2022 were significantly higher than in previous years. As staff were able to use their annual leave during 2022-23, the level of untaken leave has reduced as at 31 March 2023. Untaken flexi leave is estimated to be immaterial to the Southern HSC Trust and has not been included.

Retirement benefit costs

The Southern HSC Trust participates in the HSC Pension Scheme. Under this multi-employer defined benefit scheme both the Southern HSC Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. The Southern HSC Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

The costs of early retirements are met by the Southern HSC Trust and charged to the Statement of Comprehensive Net Expenditure at the time the Southern HSC Trust commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required with sufficient regularity that the amounts recognised in the financial statements do not differ materially from those determined at the reporting period date. This has been interpreted in the FReM to mean that the period between formal actuarial valuations shall be 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 scheme valuation data provided for the 2020 actuarial valuation that is currently underway will be used in the 2022-23 HSC Pension Scheme accounts. Financial assumptions are updated to reflect recent financial conditions. Demographic assumptions are updated to reflect an analysis of experience that is being carried out as part of the 2020 valuation. Whilst the 2016 valuation remains the most recently completed valuation, the 2020 valuation is sufficiently progressed to use for setting the demographics assumptions.

A NEST (National Employment Saving Trust) Scheme is also in operation for employees who are not eligible to the HSC Pension Scheme and the HSC Pension Scheme 2015, with a member contribution rate of 5% in 2022-23.

1.20 Value Added Tax

Where output VAT is charged or input VAT is recoverable, the amounts are stated net of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

1.21 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Southern HSC Trust has no beneficial interest in them. Details of third party assets are given in Note 20 to the accounts.

1.22 Government Grants

The note to the financial statements distinguishes between grants from UK government entities and grants from the European Union.

1.23 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 HSC Trusts 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.

1.24 Charitable Trust Account Consolidation

HSC Trusts are required to consolidate the accounts of controlled charitable organisations and funds held on trust into their financial statements. As a result the financial performance and funds have been consolidated. The Southern HSC Trust has accounted for these transfers using merger accounting as required by the FReM.

It is important to note, however, the distinction between public funding and the other monies donated by private individuals still exists.

As far as possible, donated funds have been used by the Southern HSC Trust as intended by the benefactor. It is for the Endowments and Gifts Committee within the Trust to manage the internal disbursements. The committee ensures that charitable donations received by the Southern HSC Trust are appropriately managed, invested, expended and controlled, in a manner that is, as far as possible, consistent with the purposes for which they were given and with the Southern HSC Trust's Standing Financial Instructions, Departmental guidance and legislation. All such funds are allocated to the area specified by the benefactor and are not used for any other purpose than that intended by the benefactor.

1.25 Accounting standards that have been issued but have not yet been adopted

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

The International Accounting Standards Board have issued the following new standards but which are either not yet effective or adopted. Under IAS 8 there is a requirement to disclose these standards together with an assessment of their initial impact on application.

IFRS 17 Insurance Contracts:

IFRS 17 Insurance Contracts will replace IFRS 4 Insurance Contracts and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025.

Management currently assess that there will be minimal impact on application to the Southern HSC Trust's consolidated financial statements.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

<u>Directorate</u>	2023			2022		
	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s
Children's Services	86,407	30,030	116,437	80,020	26,966	106,986
Acute Hospital Services	302,269	114,087	416,356	279,346	109,479	388,825
Older People's Services	117,222	94,362	211,584	107,605	84,242	191,847
Mental Health and Disability Services	96,933	93,926	190,859	92,941	88,247	181,188
Supporting Directorates	18,141	18,190	36,331	38,018	15,215	53,233
Expenditure for Reportable Segments net of Non Cash Expenditure	620,972	350,595	971,567	597,930	324,149	922,079
Non Cash Expenditure			35,527			70,340
Total Expenditure per Net Expenditure Account			1,007,094			992,419
Income Per Net Expenditure Account			47,407			42,921
Net Expenditure			959,687			949,498
Adjustment to Net Expenditure pr Note 21.1			(36,125)			(71,865)
Net Expenditure funded from RRL			923,562			877,633
Revenue Resource Limit			923,595			877,665
Surplus against RRL			33			32

The Southern HSC Trust is managed by way of a directorate structure, each led by a Director, providing an integrated healthcare service for the resident population. The Directors along with Non-Executive Directors, Chair and Chief Executive form the Trust Board which coordinates the activities of the Southern HSC Trust and is considered to be the Chief Operating Decision Maker. The information disclosed in this statement does not reflect budgetary performance and is based solely on expenditure information provided from the accounting system used to prepare the accounts.

Service costs are allocated to each of the individual Directorates based on similarity of the nature of the service provided.

In 2022-23, the Southern HSC Trust has continued to face significant pressures as a result of the COVID-19 pandemic. This has been allocated to each of the individual Directorates based on an analysis of the category of COVID-19 spend and the Directorate within which the spend, in the main, has been incurred.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 2 (continued) ANALYSIS OF NET EXPENDITURE BY SEGMENT

As noted in the Governance statement on pages 59-60, an additional Director role was appointed during the year, resulting in the split of Acute Services Directorate into two separate Directorates to better respond to changing demands. These two Directorates are known as Medicine and Unscheduled Care and Surgery and Clinical Services.

Older People Services was also reconfigured during the year and is now known as Adult Community Services.

The associated impact of these changes on the organisational structure is on-going and therefore Trust Board reporting during the year remained on the same basis as previous years.

Changes in reporting will be implemented in full in 2023-24.

Children and Young People Services

- Includes all health services provided for children and adolescents
- Paediatric wards and special care baby units located in Acute facilities
- Disability services including respite, CAMHS, Children Community nursing of complex needs, Dental services and Allied Health Services
- Corporate Parenting
- Family support, Early Years, Health visiting and school nursing are included together with all Sure Start Projects
- Social Services Training Unit

Acute Directorate

- Cancer and Clinical Services (includes Laboratory & Radiology Services)
- Surgery and Elective Care
- Medicines and Unscheduled Care
- Integrated Maternity and Women's Health
- Functional Support Services (includes all hotel services, health records, laundry and decontamination services)
- Pharmacy

These services are delivered at the Acute Hospital Sites at Craigavon Area Hospital and Daisy Hill Hospital. Services including outreach clinics, day procedure services and diagnostic services are also delivered on South Tyrone Hospital Site, Lurgan Hospital Site and at Banbridge Health and Care Centre, Kilkeel and Crossmaglen Health Centres and Armagh Community Hospital.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 2 (continued) ANALYSIS OF NET EXPENDITURE BY SEGMENT

Older People and Primary Care Services

- Domiciliary care, residential and nursing care and dementia support
- Acute Care at Home – providing an invaluable service for our elderly population and supporting their care at home rather than in an acute setting
- District nursing and allied health professionals supporting the elderly population
- Specialist services such as family planning, continence and GP out of hours and minor injuries units and all aspects of supporting people in the community
- Partnership working with Voluntary and community organisations incorporating grant aid payments and community support

Directorate of Mental Health and Disability Services

- Provides a range of hospital and community services, including social services, community nursing, home treatment, crisis response, Allied Health Professionals and specialist teams
- Acute Mental Health Services and services for Learning Disability patients are provided at the Bluestone Unit, Craigavon
- Nursing & residential home, domiciliary, respite and day care services as well as support to tenants who reside in supporting people accommodation
- Trust Transport services

Supporting Directorates

- Office of the Chief Executive, including Trustwide Communication Team
- Finance, Procurement & Estates Directorate
- Human Resource Directorate, (including Occupational Health)
- Performance & Reform (IT, Corporate Planning and Performance Improvement)
- Medical Directorate (Governance Patient/Client Safety, Medical Management, Clinical Audit and Emergency Planning)
- Nursing, Midwifery and AHPs
- Research & Development expenditure

The information provided above, which is provided on a Directorate basis, is the same basis on which information is provided monthly to the Trust Board for decision making purposes. The key performance objectives being measured are the targets to remain within RRL and CRL.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 3 Operating Expenses

	2023			2022		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Operating Expenses are as follows:-						
Wages and salaries	492,024	-	492,024	480,177	-	480,177
Social security costs	42,060	-	42,060	37,287	-	37,287
Other pension costs	86,888	-	86,888	80,466	-	80,466
Purchase of care from non-HPSS bodies	149,109	-	149,109	133,532	-	133,532
Personal social services	43,354	-	43,354	40,887	-	40,887
Recharges from other HSC organisations	3,410	-	3,410	2,222	-	2,222
Supplies and services - Clinical	75,226	-	75,226	72,065	-	72,065
Supplies and services - General	11,428	-	11,428	17,389	-	17,389
Establishment	11,626	-	11,626	10,538	-	10,538
Transport	4,581	-	4,581	3,429	-	3,429
Premises	34,186	-	34,186	29,379	-	29,379
Bad debts	228	-	228	746	-	746
Rentals under operating leases	2,569	-	2,569	1,652	-	1,652
Interest charges	1	-	1	-	-	-
Research and Development expenditure	74	-	74	124	-	124
BSO services	6,440	-	6,440	5,917	-	5,917
Training	1,641	-	1,641	1,509	-	1,509
Professional fees	824	-	824	341	-	341
Patients travelling expenses	101	-	101	80	-	80
Other charitable expenditure	-	762	762	-	604	604
Miscellaneous expenditure	5,797	-	5,797	4,339	-	4,339

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 3 Operating Expenses (continued)

	2023			2022		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Non-cash items						
Depreciation	24,005	-	24,005	21,698	-	21,698
Amortisation	3,609	-	3,609	3,235	-	3,235
Impairments	(1,177)	-	(1,177)	(2,319)	-	(2,319)
(Profit) on disposal of property, plant & equipment (excluding profit on land)	(118)	-	(118)	(128)	-	(128)
Provisions provided for in year	9,152	-	9,152	47,816	-	47,816
Cost of borrowing of provisions (unwinding of discount on provisions)	(11)	-	(11)	(27)	-	(27)
Auditors remuneration	67	7	74	65	6	71
Add back of notional charitable expenditure	-	(7)	(7)	-	(6)	(6)
Total	1,007,094	762	1,007,856	992,419	604	993,023

The Southern HSC Trust paid the Northern Ireland Audit Office £1,744 in respect of the National Fraud Initiative exercise for 2022-23 (2021-22: £Nil).

Further detailed analysis of staff costs is located in the Staff Report on page 102 within the Accountability Report.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 4 INCOME

	2023			2022		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
4.1 Revenue from contracts with Customers						
GB/Republic of Ireland Health Authorities	526	-	526	460	-	460
HSC Trusts	116	-	116	44	-	44
Non-HSC:- Private patients	201	-	201	159	-	159
Non-HSC:- Other	1,312	-	1,312	1,017	-	1,017
Clients contributions	34,294	-	34,294	32,150	-	32,150
CAWT Income	582	-	582	567	-	567
Seconded Staff	1,763	-	1,763	917	-	917
Revenue from non-patient services	5,114	-	5,114	4,203	-	4,203
Total	43,908	-	43,908	39,517	-	39,517
4.2 Other Operating Income						
Other income from non-patient services	3,020	-	3,020	2,314	-	2,314
Charitable and other contributions to expenditure by core trust	25	-	25	10	-	10
Donations / Government grant / Lottery funding for non-current assets	92	-	92	566	-	566
Charitable Income received by charitable trust fund	-	262	262	-	215	215
Finance Income	-	177	177	-	149	149
Research & Development	362	-	362	514	-	514
Research & Development income released	-	-	-	-	-	-
Total	3,499	439	3,938	3,404	364	3,768
TOTAL INCOME	47,407	439	47,846	42,921	364	43,285

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5.1 Consolidated Property, Plant & Equipment Year Ended 31 March 2023

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2022	35,121	296,141	13,687	3,030	65,659	8,861	21,749	1,346	445,594
Opening Balance Adjustment IFRS16	-	69	-	-	-	-	-	-	69
Re-Stated Opening Balance	35,121	296,210	13,687	3,030	65,659	8,861	21,749	1,346	445,663
Indexation	-	21,488	1,124	-	7,929	485	-	15	31,041
Additions	2,780	19,104	-	9,116	2,843	414	2,263	49	36,569
Donations / Government grant / Lottery funding	-	50	-	42	-	-	-	-	92
Reclassifications	-	5,407	(984)	(5,698)	1,281	-	(18)	12	0
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	34	(1)	(1)	(734)	(134)	9	2	(825)
Impairment charged to the SoCNE	-	(1,870)	-	-	(179)	-	-	-	(2,049)
Impairment charged to the revaluation reserve	-	(472)	-	-	(361)	-	-	-	(833)
Reversal of impairments	-	3,329	11	-	20	-	-	-	3,360
Disposals	-	-	-	-	(463)	(621)	(280)	-	(1,364)
At 31 March 2023	37,901	343,280	13,837	6,489	75,995	9,005	23,723	1,424	511,654
Depreciation									
At 1 April 2022	-	24,357	964	-	46,078	6,028	8,715	1,110	87,252
Indexation	-	2,427	107	-	5,998	341	-	12	8,885
Reclassifications	-	59	(59)	-	-	-	-	-	0
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	32	-	-	(732)	(142)	6	-	(836)
Impairment charged to the SoCNE	-	(110)	-	-	(148)	-	-	-	(258)
Impairment charged to the revaluation reserve	-	(28)	-	-	(300)	-	-	-	(328)
Reversal of impairments (indexation)	-	376	1	-	15	-	-	-	392
Disposals	-	-	-	-	(456)	(621)	(280)	-	(1,357)
Provided during the year	-	12,914	456	-	5,602	635	4,343	55	24,005
At 31 March 2023	-	40,027	1,469	-	56,057	6,241	12,784	1,177	117,755
Carrying Amount									
At 31 March 2023	37,901	303,253	12,368	6,489	19,938	2,764	10,939	247	393,899
At 31 March 2022	35,121	271,784	12,723	3,030	19,581	2,833	13,034	236	358,342
Asset financing									
Owned	37,901	303,214	12,368	6,489	19,938	2,764	10,939	247	393,860
Leased	-	39	-	-	-	-	-	-	39
Carrying Amount									
At 31 March 2023	37,901	303,253	12,368	6,489	19,938	2,764	10,939	247	393,899

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5.1 (Continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2023

	£000s
Of which:	
Trust	393,899
Charitable Trust Funds	-

Any fall in value through negative indexation or revaluation is shown as an impairment.

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £30k (2021-22: £Nil).

The fair value of assets funded from the following sources during the year was:

	2023	2022
	£000s	£000s
Donations	92	566

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS. The last asset revaluation was carried out on 31 January 2020. LPS have confirmed that, provided the relevant indexation categories supplied for the effective period 1 April 2022 to 31 March 2023 have been appropriately applied to the corresponding relevant asset classifications, as at 31 March 2023, then the restated 31 January 2020 land and building valuation figures remain appropriate at 31 March 2023.

LPS have advised that since the last revaluation exercise was undertaken, the risks to the client's land and building portfolio as a result of ongoing impact of the COVID-19 pandemic have lessened considerably. However, new global fiscal, economic and political factors have come to the fore, including persistently high inflation, rising interest rates, the cost of living and energy cost crises, increasing material costs, the implications from the mini budget and the ongoing Russia-Ukraine conflict. All have the potential to negatively impact on the local property market. However, at the present time, most sectors across the Northern Ireland property market are experiencing

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5.1 (Continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2023

sufficient levels of transactional activity on which to base opinion, and this is reflected in the latest indexation figures provided for the period 2022-23. For the time being, the levels of subjectivity required to assess value have reduced and the requirement to declare Material Uncertainty within any of the client asset classifications has abated. Whilst the need for an asset revaluation prior to the next scheduled date in January 2025 cannot be ruled out, under current market conditions, it is not currently required.

See Accounting Policy note 1.2 for more details of valuation of Property, Plant & Equipment.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5.2 Consolidated Property, Plant & Equipment Year Ended 31 March 2022

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2021	35,121	261,271	12,954	404	58,128	8,238	26,148	1,242	403,506
Indexation	-	10,871	627	-	3,752	241	-	29	15,520
Additions	-	21,229	67	2,626	4,107	1,100	6,056	74	35,259
Donations / Government grant / Lottery funding	-	231	-	-	335	-	-	-	566
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	(87)	-	-	(354)	(4)	(1)	-	(446)
Impairment charged to the revaluation reserve	-	(6)	-	-	(230)	(3)	-	-	(239)
Reversal of impairments (indexation)	-	2,632	39	-	16	-	-	1	2,688
Disposals	-	-	-	-	(95)	(711)	(10,454)	-	(11,260)
At 31 March 2022	35,121	296,141	13,687	3,030	65,659	8,861	21,749	1,346	445,594
Depreciation									
At 1 April 2021	-	12,170	493	-	38,798	5,999	14,802	1,045	73,307
Indexation	-	840	39	-	2,693	175	-	25	3,772
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	(5)	-	-	(286)	(3)	-	-	(294)
Impairment charged to the revaluation reserve	-	-	-	-	(186)	(2)	-	-	(188)
Reversal of impairments (indexation)	-	203	2	-	11	-	-	1	217
Disposals	-	-	-	-	(95)	(711)	(10,454)	-	(11,260)
Provided during the year	-	11,149	430	-	5,143	570	4,367	39	21,698
At 31 March 2022	-	24,357	964	0	46,078	6,028	8,715	1,110	87,252
Carrying Amount									
At 31 March 2022	35,121	271,784	12,723	3,030	19,581	2,833	13,034	236	358,342
At 31 March 2021	35,121	249,101	12,461	404	19,330	2,239	11,346	197	330,199
Asset financing									
Owned	35,121	271,784	12,723	3,030	19,581	2,833	13,034	236	358,342
Carrying Amount									
At 31 March 2022	35,121	271,784	12,723	3,030	19,581	2,833	13,034	236	358,342
Asset financing									
Owned	35,121	249,101	12,461	404	19,330	2,239	11,346	197	330,199
Carrying Amount									
At 31 March 2021	35,121	249,101	12,461	404	19,330	2,239	11,346	197	330,199
Carrying amount comprises:									
Southern HSC Trust at 31 March 2022	35,121	271,784	12,723	3,030	19,581	2,833	13,034	236	358,342
Southern HSC trust charitable trust fund at 31 March 2022	-	-	-	-	-	-	-	-	-
	35,121	271,784	12,723	3,030	19,581	2,833	13,034	236	358,342
Southern HSC Trust at 31 March 2021	35,121	249,101	12,461	404	19,330	2,239	11,346	197	330,199
Southern HSC trust charitable trust fund at 31 March 2021	-	-	-	-	-	-	-	-	-
	35,121	249,101	12,461	404	19,330	2,239	11,346	197	330,199

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 6.1 Consolidated Intangible Assets Year Ended 31 March 2023

	Software Licenses	Other	Total
	£000s	£000s	£000s
Cost or Valuation			
At 1 April 2022	17,798	-	17,798
Additions	3,194	-	3,194
Disposals	(80)	-	(80)
	20,912	-	20,912
At 31 March 2023			
Amortisation			
At 1 April 2022	5,739	-	5,739
Disposals	(80)	-	(80)
Provided during the year	3,609	-	3,609
	9,268	-	9,268
At 31 March 2023			
Carrying Amount			
At 31 March 2023	11,644	-	11,644
At 31 March 2022	12,059	-	12,059
Asset financing			
Owned	11,644	-	11,644
Carrying Amount			
At 31 March 2023	11,644	-	11,644

There were no assets funded by Donations/Government Grant or Lottery Funding during the year (2021-22: £nil).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 6.2 Consolidated Intangible Assets Year Ended 31 March 2022

	Software Licenses	Other	Total
	£000s	£000s	£000s
Cost or Valuation			
At 1 April 2021	16,710	-	16,710
Additions	2,465	-	2,465
Disposals	(1,377)	-	(1,377)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	17,798	-	17,798
Amortisation			
At 1 April 2021	3,881	-	3,881
Disposals	(1,377)	-	(1,377)
Provided during the year	3,235	-	3,235
	<hr/>	<hr/>	<hr/>
At 31 March 2022	5,739	-	5,739
Carrying Amount			
At 31 March 2022	12,059	-	12,059
At 31 March 2021	12,829	-	12,829
Asset financing			
Owned	12,059	-	12,059
Carrying Amount			
At 31 March 2022	12,059	-	12,059

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 7 FINANCIAL INSTRUMENTS

As the cash requirements of the Southern HSC Trust are met through Grant-in-Aid provided by the DoH, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with the Southern HSC Trust's expected purchase and usage requirements and the Southern HSC Trust is therefore exposed to little credit, liquidity or market risk.

	2023			2022		
	Non-Current Assets	Assets	Liabilities	Non-Current Assets	Assets	Liabilities
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April	5,473	-	-	3,694	-	-
Additions	-	-	-	1,500	-	-
Revaluations	(391)	-	-	279	-	-
Balance at 31 March	5,082	-	-	5,473	-	-
Trust	-	-	-	-	-	-
Charitable Trust Fund	5,082	-	-	5,473	-	-
	5,082	-	-	5,473	-	-

NOTE 8 MARKET VALUE OF INVESTMENTS

NOTE 8.1 Market value of investments as at 31 March 2023

	Held in UK £000s	Held outside UK £000s	2023 Total £000s	2022 Total £000s
Investments in a Common Deposit Fund or Investment Fund	5,082	-	5,082	5,473
Total market value of Fixed asset investments	5,082	-	5,082	5,473

NOTE 8.2 Analysis of expected timing of discounted flows

	2023			Restated 2022		
	Non-Current Assets £000s	Assets £000s	Liabilities £000s	Non-Current Assets £000s	Assets £000s	Liabilities £000s
Not Later than one year	5,082	-	-	5,473	-	-
Later than one year and not later than five years	-	-	-	-	-	-
	5,082	-	-	5,473	-	-

Investments

The Northern Ireland Central Investment Fund for Charities (NICIFC) continues to hold funds invested on behalf of the Southern HSC Trust Charitable Trust Funds. The net market value of funds invested with the NICIFC at 31 March 2023 was £5,082k.

The investments saw a loss of £391k in 2022-23 compared to a gain of £279k in the prior year.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 9 IMPAIRMENTS

	2023		
	Property, Plant & Equipment £000s	Intangibles £000s	Total £000s
Impairments charged to Statement of Comprehensive Net Expenditure	(1,177)	-	(1,177)
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	505	-	505
Total value of impairments for the period	(672)	-	(672)
	2022		
	Property, Plant & Equipment	Intangibles	Total
Impairments (credited) to Statement of Comprehensive Net Expenditure	(2,319)	-	(2,319)
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	51	-	51
Total value of impairments for the period	(2,268)	-	(2,268)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 10 INVENTORIES

Classification	2023			2022		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Pharmacy supplies	4,371	-	4,371	4,301	-	4,301
Building & engineering supplies	173	-	173	186	-	186
Fuel	289	-	289	321	-	321
Community care appliances	333	-	333	407	-	407
Laboratory materials	733	-	733	675	-	675
Laundry	80	-	80	72	-	72
Other	980	-	980	1,909	-	1,909
Total	6,959	-	6,959	7,871	-	7,871

Other includes stock of £537k (2022: £1,509k) for personal protective equipment due to the COVID-19 pandemic.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 11 CASH AND CASH EQUIVALENTS

	2023			2022		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Balance at 1st April	2,530	1,587	4,117	3,502	434	3,936
Net change in cash and cash equivalents	281	(17)	264	(972)	1,153	181
Balance at 31st March	2,811	1,570	4,381	2,530	1,587	4,117

The following balances at 31 March were held at

	2023			2022		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Commercial banks and cash in hand	2,811	1,570	4,381	2,530	1,587	4,117
Balance at 31st March	2,811	1,570	4,381	2,530	1,587	4,117

NOTE 11.1 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	2022 £000s	Opening Balance Adjustment £000s	Restated 2022 £000s	Cash Flows £000s	Other Changes £000s	2023 £000s
Lease Liabilities	-	69	69	(31)	1	39
Total Liabilities from Financing activities	-	69	69	(31)	1	39

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS

	Trust £000s	CTF £000s	2023 Consolidation Adjustments £000s	Consolidated £000s	Trust £000s	CTF £000s	2022 Consolidation Adjustments £000s	Consolidated £000s
Amounts falling due within one year								
Trade receivables	12,120	-	-	12,120	10,186	-	-	10,186
VAT receivable	8,263	-	-	8,263	7,280	-	-	7,280
Other receivables - not relating to fixed assets	1,871	76	(225)	1,722	1,128	84	(18)	1,194
Trade and other receivables	22,254	76	(225)	22,105	18,594	84	(18)	18,660
Prepayments	4,995	-	-	4,995	3,916	-	-	3,916
Other current assets	4,995	-	-	4,995	3,916	-	-	3,916
Amounts falling due after more than one year								
Trade receivables	1,998	-	-	1,998	1,861	-	-	1,861
Trade and other receivables	1,998	-	-	1,998	1,861	-	-	1,861
TOTAL TRADE AND OTHER RECEIVABLES	24,252	76	(225)	24,103	20,455	84	(18)	20,521
TOTAL OTHER CURRENT ASSETS	4,995	-	-	4,995	3,916	-	-	3,916
TOTAL RECEIVABLES, FINANCIAL AND OTHER ASSETS	29,247	76	(225)	29,098	24,371	84	(18)	24,437

The balances are net of a provision for bad debts of £5,464k (2022: £5,430k).

The Southern HSC Trust did not have any intangible current assets at 31 March 2023 or at 31 March 2022.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 13 TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES

	2023				2022			
	Trust £000s	CTF £000s	Consolidation Adjustments £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidation Adjustments £000s	Consolidated £000s
Amounts falling due within one year								
Other taxation and social security	32,936	-	-	32,936	20,047	-	-	20,047
Trade capital payables - property, plant and equipment	18,590	-	-	18,590	16,139	-	-	16,139
Trade capital payables – intangibles	627	-	-	627	791	-	-	791
Trade revenue payables	21,881	-	-	21,881	23,170	-	-	23,170
Payroll payables	20,912	-	-	20,912	53,838	-	-	53,838
Clinical negligence payables	5,785	-	-	5,785	4,129	-	-	4,129
BSO payables	1,399	-	-	1,399	2,163	-	-	2,163
Other payables	4,066	352	(225)	4,193	1,149	54	(18)	1,185
Accruals	16,883	-	-	16,883	13,649	-	-	13,649
Current trade and other payables	123,079	352	(225)	123,206	135,075	54	(18)	135,111
Current part of lease liabilities	31	-	-	31	-	-	-	-
Other Current Liabilities	31	-	-	31	-	-	-	-
Total Payables falling due within one year	123,110	352	(225)	123,237	135,075	54	(18)	135,111
Amounts falling due after more than one year								
Lease liabilities	8	-	-	8	-	-	-	-
Total non current other payables	8	-	-	8	-	-	-	-
TOTAL TRADE PAYABLES, FINANCIAL AND OTHER LIABILITES	123,118	352	(225)	123,245	135,075	54	(18)	135,111

In 21-22 payroll payables included £15.9m accrual in respect of holiday pay, this has now been classified to provisions for 22-23

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2023

	Pensions relating to other staff	Clinical negligence	Other	2023 Total
	£000s	£000s	£000s	£000s
Balance at 1 April 2022	47	118,000	3,134	121,181
Provided in year	-	24,607	21,960	46,567
(Provisions not required written back)	(18)	(36,475)	(922)	(37,415)
(Provisions utilised in the year)	(1)	(8,485)	(1,026)	(9,512)
Cost of borrowing (unwinding of discount)	(1)	23	(33)	(11)
At 31 March 2023	27	97,670	23,113	120,810

Provisions have been made for 6 types of potential liability: Clinical Negligence, Employer's and Occupier's Liability, Early Retirement, Injury Benefit, Employment Law and Holiday Pay. The provision for Early Retirement and Injury Benefit relates to the future liabilities for the Southern HSC Trust based on information provided by the HSC Pension Branch.

For Clinical Negligence, Employer's and Occupier's claims and Employment Law the Southern HSC Trust has estimated an appropriate level of provision based on professional legal advice. Clinical Negligence includes a number of Periodic Payment Orders where payments may be made on a yearly basis throughout the life of the claimant. In these circumstances professional advisors are engaged to estimate the life expectancy and provision required on an individual case by case basis.

For Holiday Pay the Trust has estimated an appropriate level of provision on the basis of the duration of the claims and the application of a regionally agreed estimated payment percentage of the total expenditure incurred on affected allowances. The total is estimated as £20.855m for Southern HSC Trust. This has been reclassified as a provision from the 21-22 accounts when it was classified under payroll payables at £15.9m, being the estimated value at 31 March 2022.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2023

Clinical Negligence Change in Discount Rate

A discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case, to take account of the return that can be earned from investment. The rate is currently -1.5% as set (with effect from 22 March 2022) by the Government Actuary under the Damages Act 1996 as amended by the Damages (Return on Investment) Act (Northern Ireland) 2022.

A review of Clinical Negligence cases was undertaken in 2021-22 to assess the impact on cases that have not yet settled in order to establish the increase in liability. Where appropriate this change in discount rate has been included in the provisions estimates for the small number of cases which have not been re costed by DLS during 2022-23.

Holiday Pay Liability

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. The PSNI appealed the CoA judgment to the Supreme Court and while the hearing concluded on 15 December 2022, the date has not yet been set for the hand down of the judgement.

The HSC working group considering resolution of the liability has indicated that any interim solution is likely to be at least 4 years away as it will require system change. In light of industrial action, there is also no indication of when Trade Unions discussions re settlement of the historic liability can be conducted and in the absence of a Minister, agreeing a settlement may also be delayed.

As a result of this the level of uncertainty around the timing of the liability has increased and it has been treated as a provision at 31 March 2023. The best estimate of the value of the liability is based on the position in the NHS in England, Scotland and Wales.

Comprehensive Net Expenditure Account charges	2023 £000s	2022 £000s
Arising during the year	46,567	49,160
Reversed unused	(37,415)	(1,344)
Cost of borrowing (unwinding of discount)	(11)	(27)
Total charge within Operating expenses	9,141	47,789

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2023

Analysis of expected timing of discounted flows

	Pensions relating to other staff	Clinical negligence	Other	2023 Total
	£000s	£000s	£000s	£000s
Not later than one year	1	57,356	786	58,143
Later than one year and not later than five years	5	13,835	21,230	35,070
Later than five years	21	26,479	1,097	27,597
At 31 March 2023	27	97,670	23,113	120,810

NOTE 14 PROVISIONS FOR LIABILITIES AND CHARGES – 2022

	Pensions relating to other staff	Clinical negligence	Other	2022 Total
	£000s	£000s	£000s	£000s
Balance at 1 April 2021	185	75,605	3,149	78,939
Provided in year	-	48,761	399	49,160
(Provisions not required written back)	(135)	(1,016)	(193)	(1,344)
(Provisions utilised in the year)	(1)	(5,349)	(197)	(5,547)
Cost of borrowing (unwinding of discount)	(2)	(1)	(24)	(27)
At 31 March 2022	47	118,000	3,134	121,181

In 2021-22, there was a capitalisation of remaining premature retirement costs with HSC Pensions, thus discharging most of the Southern HSC Trust's liability for these cases going forward.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 14 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2022

Analysis of expected timing of discounted flows

	Pensions relating to other staff	Clinical negligence	Other	2022 Total
	£000s	£000s	£000s	£000s
Not later than one year	1	43,414	678	44,093
Later than one year and not later than five years	5	15,394	330	15,729
Later than five years	41	59,192	2,126	61,359
At 31 March 2022	47	118,000	3,134	121,181

NOTE 15 CAPITAL AND OTHER COMMITMENTS

	2023 £000s	2022 £000s
Contracted commitments at 31 March not otherwise included in these financial statements		
Property, Plant & Equipment	1,348	5,033
	1,348	5,033

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 16 COMMITMENTS UNDER LEASES

Note 16.1 Quantitative disclosures around right-of-use assets

	Land £000s	Buildings £000s	Information Technology (IT) £000s	2023 Plant and Machinery (Equipment) £000s	Furniture and Fittings £000s	Total £000s
Right of Use Assets						
As at 1 April 2022	-	69	-	-	-	69
Depreciation	-	(30)	-	-	-	(30)
As at 31 March 2023	-	39	-	-	-	39
Interest charged on IFRS 16 Leases	-	1	-	-	-	1

Note 16.2 Quantitative disclosures around lease liabilities

Maturity analysis

	2023 £000s
Buildings	
Not later than one year	31
Later than one year and not later than five years	8
Total Value of obligations	39
Current portion	31
Non-Current portion	8

Note 16.3 Quantitative Disclosures around elements in the Statement of Comprehensive Net Expenditure

	2023 £000s
Other lease payments	-
Sub-leasing income	-
Expense related to short-term leases	1,162
Expense related to low-value asset leases (excluding short-term leases)	1,407
Total	2,569

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 16 (continued) COMMITMENTS UNDER LEASES

Note 16.4 Quantitative disclosures around cash outflow for leases

	2023 £000s
Total cash outflow for lease	31

IFRS16 was implemented within the Trust with effect from 1 April 2022. There are therefore no 2021-22 comparatives reported in this the first year of implementation.

Note 16.5 Operating Leases

Total future minimum lease income under operating leases are given in the table below for each of the following periods.

Obligations under operating leases issued by the Southern HSC Trust comprise

	2023 £000s	2022 £000s
Land and Buildings		
Not later than 1 year	278	213
Later than 1 year and not later than 5 years	576	247
Later than 5 years	1,097	317
	<u>1,951</u>	<u>777</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 17 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS

Note 17.1 PFI and other service concession arrangement schemes deemed to be off-balance sheet (SoFP)

The Southern HSC Trust has no off balance sheet (SoFP) PFI and other service concession arrangement schemes.

Note 17.2 'Service' element of PFI and other service concession arrangement schemes deemed to be on-balance sheet (SoFP)

The Southern HSC Trust has no on balance sheet (SoFP) PFI and other service concession arrangements schemes.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 18 CONTINGENT LIABILITIES

Material contingent liabilities are noted in the table below, where there is a 50% or less probability that a payment will be required to settle any possible obligations. The amounts or timing of any outflow will depend on the merits of each case.

Contingent Liabilities

	2023 £000s	2022 £000s
Clinical Negligence	1,202	1,297
Employers' Liability	132	99
Public Liability	15	22
Other	27	29
Total	1,376	1,447

Employment Issues

The Southern HSC Trust is aware of a number of legal cases which may arise in respect of the HMRC Widening Access Training Scheme. The Southern HSC Trust is working closely with the Tribunal to ascertain the impact which these cases may have but are not in a position at this stage to quantify the liability (if any) and will keep the outcomes of these cases under close review.

Employment Tribunals

HSC Trusts are aware of employment tribunal cases being lodged by Trade Unions on behalf of a number of their members. A single test case is underway. However, based on information received to date it has not been possible to establish whether the HSC has a liability in this regard, or if so, what any quantum would be. This matter will be kept under close review as the case progresses during 2023-24.

Clinical Excellence

This scheme recognised the contribution of consultants who show commitment to achieving the delivery of high quality care to patients and to the continuous improvement of Health and Social Care. There were 12 levels of award, lower awards (steps 1-8) were made by local (employer) committees, and higher awards were recommended by the Northern Ireland Clinical Excellence Awards Committee (NICEAC). Self-nomination was, however, the only method of application within the scheme. After consultations, the Department of Health (DoH) decided that from the 2013-2014 awards round and onwards, no new clinical excellence awards (higher or

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 18 (continued) CONTINGENT LIABILITIES

lower) would be made to medical and dental consultants. This decision has been subject to legal challenge.

An agreement has been reached through mediation for the design and implementation of a future scheme. The Department is continuing to work on this in conjunction with the BMA. Any scheme will require Ministerial approval and a period of public consultation prior to introduction. Whilst the current litigation has been paused, it has not been withdrawn, and therefore the legal case has continued to be treated as a contingent liability at 31 March 2023. At this stage, it is not possible to determine the amount and timing of the financial impact, if any.

Statutory Public Inquiry

The Statutory Independent Public Inquiry into Urology Services in the Southern HSC Trust is currently ongoing. There may be a possible future liability for potential claims from patients in relation to their care and treatment. There are presently 14 urology claims against the Southern Trust. The potential for liability is currently unclear and any financial impact unquantifiable at present.

Holiday Pay Liability

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. The PSNI appealed the CoA judgment to the Supreme Court and while the hearing concluded on 15 December 2022, the date has not yet been set for the hand down of the judgement. A provision has been calculated by HSC management for the liability at 31 March 2023, based on the position in the NHS in England, Scotland and Wales, and is included in these accounts. However, the extent to which the liability may exceed this amount remains uncertain as the calculation will rely on the outstanding Supreme Court judgement and will have to be agreed with Trade Unions. The potential additional financial effect of this is unquantifiable at present.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 18.1 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within Trusts in creating risk than would apply to a non-public sector body of a similar size, therefore Trusts are not exposed to the degree of financial risk faced by business entities. Trusts have 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 the Trusts in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

The Southern HSC Trust has not entered into any quantifiable guarantees, indemnities or provided letters of comfort, at either 31 March 2023 or 31 March 2022.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 19 RELATED PARTY TRANSACTIONS

The Southern HSC Trust is an Arm's length body of the DoH and as such the Department is a related party with which the Southern HSC Trust has had various material transactions during the year.

- Funding – Revenue Resource Limit of £923,595k (2022: £877,665k restated)

During the year, none of the board members, members of key management or other related parties has undertaken any material transactions with the Southern HSC Trust, apart from the transactions with the Department noted.

Interests in the following organisations were declared by Non-Executive, Executive and other Directors and recorded on the Southern HSC Trust Register of Interests. Where an interest is disclosed, the related party is not involved directly in the award of a contract with the related organisation.

The interests declared and the value of the related party transactions was as follows:

Mrs Pauline Leeson, Chief Executive of Children in Northern Ireland. The value of transactions between related parties was: Southern HSC Trust paid £102,758 (2021-22: £64,411) in respect of a Development Officer Post which supports the Locality Planning Groups linked to the Southern HSC Trust Outcomes. Balance outstanding at year end was £6,000 (2021-22: £nil).

Mrs Pauline Leeson is also an independent member of the NIHE Board. The value of transactions between related parties was: Southern HSC Trust paid £9,262 (2021-22: £19,024) in respect of rent and for employees' Court Order deductions. Balance outstanding at year end was £363 (2021-22: £nil). Southern HSC Trust received income of £1,665,257 (2021-22: £1,481,994) in respect of Supported Living Schemes.

Mrs Pauline Leeson was not involved in the procurement of either of these contracts.

The Southern HSC Trust Charitable Trust Funds have made revenue and capital payments to the Southern HSC Trust where the Trustees are also members of the Southern HSC Trust Board. In 2022-23, the Southern HSC Trust Charitable Trust Funds paid £147,298 (2021-22: £378,996) to the Southern HSC Trust and owed £226,005 (2021-22: £18,802) to the Southern HSC Trust as at 31 March 2023. The Southern HSC Trust Charitable Trust Funds received £Nil (2021-22: £9,790) from the Southern HSC Trust during 2022-23 and was owed £1,361 (2021-22: £1,361) from the Southern HSC Trust.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 20 THIRD PARTY ASSETS

The Southern HSC Trust held £11,380k cash at bank, cash in hand and investments at 31 March 2023 (31 March 2022: £11,095k) which relates to monies held by the Southern HSC Trust on behalf of patients. This has been excluded from the cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by the Southern HSC Trust at pages 180-186.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 21 FINANCIAL PERFORMANCE TARGETS

NOTE 21.1 Revenue Resource Limit

The Southern HSC Trust is given a Revenue Resource Limit (RRL) which it is not permitted to overspend.

The Revenue Resource Limit (RRL) for the Southern HSC Trust is calculated as follows:

	2023	Restated
	Total	2022
	£000s	Total
		£000s
DoH (SPPG)	905,978	860,386
DoH (Other)	8,681	8,281
Other - SUMDE & NIMDTA	8,936	8,998
Total	923,595	877,665
Revenue Resource Limit Expenditure		
Net Expenditure per SoCNE	959,687	949,498
Adjustments		
Research and Development under ESA10	(571)	(686)
Depreciation/Amortisation	(27,615)	(24,933)
Impairments	1,177	2,319
Notional Charges	(67)	(65)
Movements in Provisions	(9,141)	(47,789)
PPE Stock Adjustment	-	(1,405)
Income received re Donations / Government Grant / Lottery Funding for non-Current Assets	92	566
Profit on disposal of assets *	-	128
Total Adjustments	(36,125)	(71,865)
Net Expenditure Funded from RRL	923,562	877,633
Surplus against RRL	33	32
Break Even cumulative position(opening)	(1,680)	(1,712)
Break Even cumulative position (closing)	(1,647)	(1,680)

* As a result of non-cash adjustments, Profit/Loss on disposal of assets is excluded from Note 21.1 from 2022-23, however, has been included within 2021-22 as a one off adjustment.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 21 (continued) FINANCIAL PERFORMANCE TARGETS

The Southern HSC Trust is required to ensure that it breaks even on an annual basis by containing its net expenditure to within 0.25% of RRL limits.

Materiality Test:	2023	Restated
	%	2022
		%
Break Even in year position as % of RRL	0.00%	0.00%
Break Even cumulative position as % of RRL	(0.18)%	(0.19)%

Following implementation of the Review of Financial Process, the format of Note 21.1 has changed as the Department of Health has introduced budget control limits for depreciation, impairments, and provisions, which an Arm's Length Body cannot exceed. The Southern HSC Trust has remained within the budget control limit for 2022-23. From 2022-23 onwards, the materiality threshold limit excludes non-cash RRL.

NOTE 21.2 Capital Resource Limit

The Southern HSC Trust is given a Capital Resource Limit (CRL) which it is not permitted to overspend.

	2023	2022
	Total	Total
	£000s	£000s
Gross capital expenditure	39,763	37,724
Prepayment for Capital Scheme	424	-
Release of Prior Year Prepayment for Capital Scheme (Receipts from sales of fixed assets up to NBV)	-	-
	(7)	-
Net capital expenditure	<u>40,180</u>	<u>37,724</u>
Capital Resource Limit	40,752	38,506
Adjustment for Research and Development under ESA10	(571)	(686)
(Underspend) against CRL	<u>(1)</u>	<u>(96)</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023
NOTE 22 POST BALANCE SHEET EVENTS

There are no post balance sheet events having a material impact on the financial statements.

AUTHORISATION FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 03 July 2023.

**ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS**

YEAR ENDED 31 MARCH 2023

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2023

STATEMENT OF TRUST'S RESPONSIBILITIES IN RELATION TO PATIENTS/RESIDENTS MONIES

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, the Trust is required to prepare and submit accounts in such form as the Department may direct.

The Trust is also required to maintain proper and distinct accounting records and is responsible for safeguarding the monies held on behalf of patients/residents and for taking reasonable steps to prevent and detect fraud and other irregularities.

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2023

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

Opinion on account

I certify that I have audited Southern Health and Social Care Trust's account of monies held on behalf of patients and residents for the year ended 31 March 2023 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

In my opinion the account:

- properly presents the receipts and payments of the monies held on behalf of the patients and residents of Southern Health and Social Care Trust for the year ended 31 March 2023 and balances held at that date; and
- the account has been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the financial transactions recorded in the account statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the account section of this certificate. My staff and I are independent of Southern Health and Social Care Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Revised Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that Southern Health and Social Care Trust's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Southern

Health and Social Care Trust 's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

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; or
- the account is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the Trust for the account

As explained more fully in the Statement of Trust's Responsibilities in relation to patients'/residents' monies, the Trust is responsible for:

- the preparation of the account in accordance with the applicable financial reporting framework and for being satisfied that they properly present the receipts and payments of the monies held on behalf of the patients and residents;
- such internal controls as the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- assessing the Southern Health and Social Care Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trust anticipates that the services provided by Southern Health and Social Care Trust will not continue to be provided in the future.

Auditor's responsibilities for the audit of the account

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Southern Health and Social Care Trust through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended;
- making enquires of management and those charged with governance on Southern Health and Social Care Trust's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Southern Health and Social Care Trust's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud.
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial transactions recorded in the account conform to the authorities which govern them.

Report

I have no observations to make on this account.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU
3 July 2023

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2023

Previous Year	<u>RECEIPTS</u>		
£	Balance at 1 April 2022	£	£
8,600,628	1. Investments (at cost)	8,603,597	
2,150,560	2. Cash at Bank	2,488,821	
6,466	3. Cash in Hand	2,994	11,095,412
<u>10,757,654</u>			
3,375,964	Amounts Received in the Year	3,831,161	
2,969	Interest Received	16,402	
			<u>3,847,563</u>
<u>14,136,587</u>	TOTAL		<u>14,942,975</u>

<u>PAYMENTS</u>			
3,041,175	Amounts paid to or on Behalf of Patients/Residents		3,562,618
	Balance at 31 March 2023		
8,603,597	1. Investments (at Cost)	9,120,688	
2,488,821	2. Cash in Bank	2,256,272	
2,994	3. Cash in Hand	3,397	
<u>11,095,412</u>			11,380,357
<u>14,136,587</u>	TOTAL		<u>14,942,975</u>

Cost Price £	Schedule of investments held at 31 March 2023	Nominal Value £	Cost Price £
8,603,597	Bank of Ireland	9,120,688	9,120,688

I certify that the above account has been compiled from and is in accordance with the accounts and financial records maintained by the Southern HSC Trust.

Director of Finance: *Catherine Teggart*

Date: 22 June 2023

I certify that the above account has been submitted to and duly approved by the Board.

Chief Executive: *MORAN*

Date: 22 June 2023