

Quality Care - for you, with you



Clean hands save lives.



ANNUAL REPORT AND ACCOUNTS 2018-19



Southern Health And Social Care Trust

Annual Report and Accounts

For year ended 31 March 2019

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

3 July 2019

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COMMENTS

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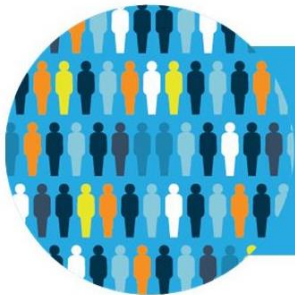
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1

Performance Report



Population 380,312

NISRA Area Profile Report, April 2019



Staff 13,141



5,691 Births



**ED Attendances
147,829**



**South Tyrone Minor Injuries Unit
37,436**

**GP OUT
OF HOURS**



**GPOOH received
80,693 calls**

Performance Overview

Message from Our Chair and Chief Executive



Mr Shane Devlin
Chief Executive

In his first full year as Chief Executive, Shane has really enjoyed getting out and about, far and wide across the organisation to meet staff and learn more about the amazing work they do.



Mrs Roberta Brownlee
Chair

Roberta was honoured to receive an MBE in the New Year's Honours list and would like to thank all of those who have supported her charity work and all the staff she has worked with across health and social care over the years.

This year we marked the 70th birthday of the NHS as a great opportunity to pay tribute to our 14,000 employees who go above and beyond every day for local people.

Whilst we all recognise the ongoing challenges we face in health and social care, this was an opportunity to reflect on all that we have achieved and to recognise the dedication and compassion of staff, past and present.

In May we were very proud that our acute hospital network (Craigavon Area and Daisy Hill) – was the only one in Northern Ireland to be recognised as one of the UK's top hospitals for 2018.

We have also welcomed a number of new faces to our Senior Management Team this year, who alongside their colleagues, are committed to working regionally to address ongoing issues like staffing, waiting times, pressures on unscheduled care, and to lead our organisation through this exciting period of transformation.

There are around 380,312 people living in the Southern Trust area – and every one of these will at some time throughout the year need our help, whether for

themselves, or a family member, in a hospital or community setting or even in their own home.

Throughout this report you will read about the dedication of our staff to their patients and clients, how they strive to continually improve their services and in many cases excel in delivering high, quality care on a local, regional and national basis.

Our workforce is indeed our best asset and we look forward to celebrating their achievements at our annual Staff Excellence Awards in June.

Whilst in health and social care we now expect to be busy all year round – we worked hard throughout the autumn in preparation for another busy winter. This involved securing additional acute beds, minimising need to cancel planned surgery, development of the Older People's Assessment Unit and Acute Care at Home service to prevent admissions and working with domiciliary care and residential homes to improve the discharge process.

As anticipated, the winter months were a particular challenge, but with these plans in place and of course staff as always going that extra mile, we were able to make sure that patients and clients continued to receive the best possible care.

The opening of the new £1million Direct Assessment Unit at Daisy Hill in February and the completion of the £1million Ambulatory Care Unit at Craigavon later this year are welcome developments to help improve unscheduled care services and alleviate some of these pressures on our Acute hospitals.

Complementing our Emergency Departments, these units will help reduce overnight stays for those who do not immediately need an inpatient admission and free up beds for the sickest patients.

Also in terms of investment and modernisation, this year we look forward to the opening of our new £3.37million Aseptic Suite at Craigavon Hospital. Located beside the Macmillan Building, the unit will allow for the preparation of specialised medications, particularly for chemotherapy patients.

Other new developments throughout our sites last year included the new maternity bereavement unit – the 'Willow Suite', 'The 'Meadows' relatives room in Daisy Hill and the new Relatives Room for families of Intensive Care patients at Craigavon Hospital. All of these would not have been possible without the generosity and creativity of local benefactors. Overall throughout the Trust we have benefitted from £342,320 in voluntary donations from the community last year. Thanks to such donations, we have been able to buy additional equipment and comforts to enhance quality of care and patient and client experience right across our services. We thank each and every one of you for your kindness.

We as an organisation also want to give back to our own local community and our very generous staff have whole heartedly embraced our 2018-2020 Charity

Partnership with PIPS Upper Bann and PIPS Hope and Support. So far we have raised £24,494 for these fantastic organisations through a range of activities like raffles, coffee mornings, a sponsored abseil and our first ever Charity Gala Ball which took place in February.

The importance of effective partnership working with the community and voluntary sector, other agencies, local councils, elected representatives and of course other health and social care organisations is vital as we progress our transformation agenda.

Only by working together to empower people and create a culture of prevention and early intervention, can we really address the financial challenges across the public sector whilst meeting rising demand for our services.

As we move into the next year, we look forward to developing these relationships further to improve health and wellbeing outcomes for people living across the SouthernTrust.



Roberta Brownlee
Chair



Shane Devlin
Chief Executive

Trust Purpose and Activities

The Southern Health and Social Care Trust is an integrated health and social care Trust with an annual budget of £716m, employing 13,141 (10,754 whole time equivalent) staff and managing an estate worth £284m.

Our Purpose

To improve health and wellbeing and reduce health and social inequalities.

Our Vision

To deliver safe high quality health and social care services, respecting the dignity and individuality of all who use them.

Our Values

This vision is underpinned by the Trust's values which shape what we do and how we do it. These values state that we will:

- Treat people fairly and with respect;
- Be open and honest and act with dignity;
- Put patients, clients, carers and community at the heart of all we do;
- Value staff and support their development to improve our care;
- Embrace change for the better; and
- Listen and learn.

Our Locality

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

The population (as at mid-2018) we serve is as follows:

Age	Population*
0-14	82,428
15-64	242,667
65+	55,217
Total Population	380,312

*Mid-2017 population estimates for Northern Ireland were published on 28 June 2018.

* <https://www.nisra.gov.uk/publications/2017-mid-year-population-estimates-northern-ireland>

Our Services

The services we provide include a wide range of hospital, community and primary care services. Main in-patient 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 Trust premises, in people's own homes and in the community. The Trust purchases some services including domiciliary, residential and nursing care from independent and community/voluntary agencies.

The Trust spent £1.960m gross per day delivering services to local people.

Our Objectives

Our corporate objectives support the achievement of the Trust's vision and are well embedded throughout the organisation. Our six key objectives are:

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

The following report provides an overview on how we have delivered these objectives in 2018-19.

A Year Across the Southern Health & Social Care Trust and Staff Highlights

April

- Trust Board members welcomed a new joint partnership with PIPS Upper Bann and PIPS Hope and Support as Charity Partners for 2018-2020.



May

- We became the latest Trust to invest in a new patient monitoring system that helps to improve safety for the most acutely ill patients in hospital.
- Lead Community Children's Nurse, Julianne Lee received a prestigious Royal College of Nursing Award.
- The Renal Unit, based at Daisy Hill Hospital celebrated 20 years since it opened in 1998.
- The Trust's acute hospital network (Craigavon Area and Daisy Hill) – is the only one in Northern Ireland to be recognised as one of the UK's top hospitals for 2018.



- The radiographer reporting service for Emergency Departments and Minor Injuries Unit on Craigavon, Daisy Hill and South Tyrone hospital sites was expanded to a 7 day service and was the first health trust in Northern Ireland to provide this 7 day service.

June

- A team of Emergency Nurse Practitioners is helping to treat patients with minor injuries who arrive at Craigavon and Daisy Hill Emergency Departments.
- Six Southern Trust nurses were recognised at the prestigious Royal College of Nurses Awards 2018.
- We held our eighth Excellence Awards ceremony on Wednesday 13 June to celebrate and recognise the commitment, innovation and achievements of staff and volunteers.



July

- Our Dermatology service was ranked top in the UK for recruiting patients to a clinical study on Psoriasis drugs.
- Staff and service users of Oaklands Short Break Unit, Armagh celebrated 25 years since its opening.
- A new service for people suffering from urgent surgical conditions is transforming care for a number of patients and reducing unnecessary overnight hospital stays.



July

- We hosted a 'one-stop' health and information clinic for young people aged 16-20 with type 1 diabetes.
- The first phase of construction works for the opening of a new Direct Assessment Unit at Daisy Hill Hospital began.
- Older patients are being transferred (when appropriate) from Emergency Departments to new specialist assessment units in hospitals in Craigavon and Newry as part of an innovative approach aimed at helping older people avoid hospital admission, wherever possible.



August

- A new summer scheme service for children with disabilities who have complex healthcare needs was launched.
- We celebrated our volunteers who give up their time to help and support patients at a special recognition event.
- Lifts across the Trust got a make-over to support Organ Donation Week and to encourage more people to join the organ donor register.



September

- We welcomed special guests Rory Best, OBE, Irish Rugby Union player and captain of Ireland's International team and patient Odhran Smyth at the reopening of our Hydrotherapy pool at Craigavon Area Hospital.
- Free fruit and vegetables were offered every Monday during September to encourage people to get their '5 a day'.



- Breast screening services were made available at Banbridge Health and Care Centre.
- A new programme to help mental health service users and carers to get involved in shaping services was made available in the Trust.
- The seasonal flu vaccination programme was launched to urge staff and in particular frontline staff to protect themselves, their patients, clients and families by getting the flu vaccination.
- A new bereavement suite opened within the Maternity Unit at Daisy Hill Hospital.



October

- A new campaign to increase the number of domiciliary care workers helping clients live in the comfort of their own homes was launched.
- The Trust excelled by winning four awards at the Best Kept Health and Social Care Awards, and a further four awards at the National Learning Disabilities and Autism Awards
- Thanks to generosity from the Friends of Daisy Hill Hospital, a new relatives' room was opened on the fifth floor. The Family Room at Craigavon Hospital's Intensive Care Unit also had a major makeover thanks to a local family.
- 175 Pupils from St. Louis Grammar School, Killeel and Aughnacloy College benefitted from CPR training as part of 'Restart a Heart Day'.
- A new three year strategy was launched to reduce health care associated infections in the Southern Health Trust.



November

- Dr Heather Hanna, Consultant Child and Adolescent Psychiatrist, was awarded by the Royal College of Psychiatrists as the 2018 Psychiatrist of the Year for the UK.
- To mark World Quality Day (Thursday 8th November) we launched our Annual Quality Report for 2017/18.
- We held our 5th Annual Quality Improvement Event. The event was a great success with over 280 delegates present to hear about the Quality improvements undertaken in Trust over the past year.



December

- Our Emergency Department, GP out of hours and Acute Medical teams appealed for people to consider if they were choosing the right service before coming to hospital during the winter period.
- Three ceramic artwork pieces were installed in the Intensive Care corridor at Craigavon Area Hospital to recognise the 'gift' of organ donation.
- In partnership with the Look Good Feel Better Charity, we launched free skincare and make-up workshops for ladies coping with the side-effects of cancer treatments.



January

- Trust Chair, Roberta Brownlee was awarded an MBE in the New Year's Honours list.
- The first baby born in Northern Ireland on 1 January 2019 was delivered by midwives in Craigavon Area Hospital.
- The 'Acute Care at Home' service was made available to older people in the Newry and Mourne area.



February

- £100,000 was secured to upgrade CCTV across Trust sites.
- Our Clinical Physiologists were the first in Northern Ireland to implant Cardiac monitors in patients outside of a theatre setting.
- An awards event took place to celebrate the successes of young people who live in care.



March

- We held an Intensive Support Fostering Recruitment and Information Evening to encourage more caring people to come forward who are interested in becoming foster carers.
- The Renal Unit at Daisy Hill Hospital was ranked as fourth in the UK and top in Northern Ireland in a national patient experience survey.



PERFORMANCE ANALYSIS 2018-19

Ministerial Priorities for 2018-19

The 2018-19 Commissioning Plan Direction sets out the Objectives and Goals for Improvement (OGIs) for all Trusts to work towards. These objectives are drawn from the wider strategic direction for Health and Social Care Services and the Draft Programme for Government which defines the outcomes expected for the population of Northern Ireland.

This year **Objectives and Goals for improvement** were again targeted across a broad range of desired outcomes including the following:

- reducing inequalities and ensuring people are able to look after and improve their own health and wellbeing; and live in good health for longer;
- protecting people using our services from harm and ensuring they have a positive experience;
- focusing services around maintaining or improving the quality of life of people who use health and social care services;
- supporting people, including those with disabilities or long term conditions, or who are frail, to recover from periods of ill health and are able to live independently and at home or in a setting in the community;
- supporting carers to look after their own health and wellbeing, reducing any negative impact of their caring role on their own health and well-being; and
- ensuring resources are used effectively and efficiently and supporting those that work for us to look after their own health and wellbeing and continuously improve the information, support, care and treatment they provide.

When objectives are set each year the Trust assesses its ability to meet the 'target' or improvement sought, this assessment is set out in our **Trust Delivery Plan (TDP)** and is approved by our Trust Board and the Regional Health and Social Care Board.

Of the 68 priorities in the Commissioning Plan Direction 2018-19, 65 are applicable to the Trust. Based on the challenging environment we are working in particularly with respect to current workforce and financial challenges, this year we identified that over 44% of objectives would either not be met, or would be partially met with additional resources.

In the main, the Trust performance in 2018-19 is as anticipated in our TDP. However, there were a number of areas where Trust performance was better than planned including meeting our service and budget agreement activity targets in day case procedures and new and review outpatient appointments and incidents of healthcare acquired infections. The Trust also performed well meeting our breast cancer referrals 14 day and 31 day cancer targets.

This year, we have performed less well than expected in areas such as Antibiotic Prescribing; GP appointments at Bannview (the Trust managed service in Portadown Health Centre); acute hospital discharges; Emergency Department triage to treatment times. In addition, Trust staff sickness absence levels also increased in 2018-19.

As part of the new regional performance management framework with the Regional Health and Social Care Board, the Trust also agreed a number of performance improvement plans at service level in 2018-19. The Trust continues to work closely with the commissioner to achieve improving trends in areas of underperformance.

Progress against all our goals and objectives is reported at public Trust Board meetings, and published on our website at www.southerntrust.hscni.net

How we performed in 2018-19

This year, like last, has been a challenging year for the Trust in terms of securing the level of resources needed to meet demand in the southern area for the delivery of objectives and also in recruiting and retaining the required skilled and experienced workforce necessary to deliver services to meet demand. The Trust has worked closely with local and regional commissioning teams and with other service providers throughout the year to address these pressures. However significant challenges remain. A summary of key areas is highlighted below:

Unscheduled Care Objectives

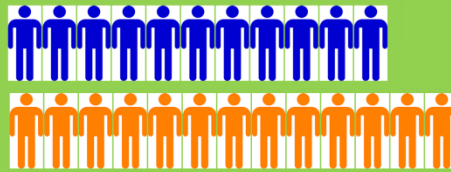
Wait times at Emergency Departments for assessment and admission to acute hospital beds continue to increase. Whilst this is in keeping with regional trends, it does not reflect the service the Trust wishes to offer. Some key statistics are included below for April 2018 to March 2019:

- 84% of people who called GP Out of Hours with an urgent condition were triaged within 20 minutes;
- 74% of people, who visited Emergency Departments commenced their treatment within 2 hours;
- 69% of people who attended Emergency Departments were treated and discharged home or admitted within 4 hours; and
- 3% of people (6,083) who attended Emergency Departments waited over 12 hours

Emergency Care Key Statistics

At 31 March 2019 (SHSCT)

A 1.4% increase in ED attendances at end of March 2019 compared with end of March 2018



Cumulative ED attendances at end of March 2018 = 145,817

Cumulative ED attendances at end of March 2019 = 147,829

South Tyrone Minor Injuries Unit

A 6.95% increase in attendances at end of March 2019 compared with the end of March 2018



Cumulative South Tyrone Minor Injuries Unit attendances:
End of March 2018: 35,003
End of March 2019: 37,436

Who attends Emergency Departments?

GP Referrals



Cumulatively in 2018/19 GP Referrals to EDs increased by 0.43% at end of March 2019 compared with end of March 2018

Age: Older compared with Younger



Of the total patients admitted to hospital from EDs in 2018/2019 (April-March), 80.4% patients were less than 65 years, and 19.6% patients were 65 years+

Seriously Ill Patients (Life Threatening & Very Urgent)

Triage Level	Colour	MTS Priority
Level 1	Red	Immediate
Level 2	Orange	Very Urgent
Level 3	Yellow	Urgent
Level 4	Green	Standard
Level 5	Blue	Non-Urgent

Cumulative 9.14% increase in 2018/2019 in seriously ill patients (Level 1&2) attending EDs at end of March 2019 compared to end of March 2018

Ambulance Arrivals



There was a cumulative 1% increase in number of patients brought by ambulance to Type 1 EDs in 2017/2018 (19,747) and 2018/2019 (19,531).

How long did you wait?

Arrival to Triage

95% of patients were triaged by medical professional within 29 minutes of arriving at ED in 2018/19 (to end of March 2019)



Start of Treatment

Cumulatively 74.4% of patients started treatment within 2 hours of being triaged to end of March 2019



Total Time Spent in ED

Median waiting time in 2018/19 for those admitted was 6 hours 30 minutes, from arrival at ED to admission to hospital (to end of March 2019)



Median waiting time in 2018/19 for those NOT admitted was 2 hour 7 minutes, from arrival to being discharged home (to end of March 2019)



Source document: Department of Health 'Emergency Care Key Statistics – December 2018' report for Northern Ireland – adapted for SHSCT data

Emergency Department pressures reflect whole system pressures and Trust focus remains on the provision of alternatives to admission where this is appropriate, facilitating rapid assessment and intervention to those who need emergency care in environments outside Emergency Departments. Targeted support to older people has also been established with Older Persons Assessment Units at Craigavon and Daisy Hill Hospitals, expansion of Acute Care at Home where older patients can be treated in their own homes and utilisation of our residential homes to provide a step down assistance for those needing some assistance before they are fully ready for discharge.

For those that require an inpatient stay the Trust will work to plan and manage patient stay effectively, facilitated by central co-ordination via our control room. The Trust has also invested in a range of initiatives to support these priorities including discharge to assess which aims to enable patients to return to their own home to be assessed by Multi-Disciplinary Professionals in a familiar environment.

Recognising the ongoing system pressures with emergency care the Department of Health announced a Review of Urgent and Emergency Care across Northern Ireland to develop a regional model for urgent and emergency care and a high level implementation and investment plan for the recommended model. A regional needs assessment to inform the future review of unscheduled care has been completed consolidating evidence of growth in our local population which is contributing to unscheduled care pressures and capacity gaps within our system. The *Population Health Needs Assessment for Urgent and Emergency Care* was published by Dr David Stewart on the 30th November 2018.

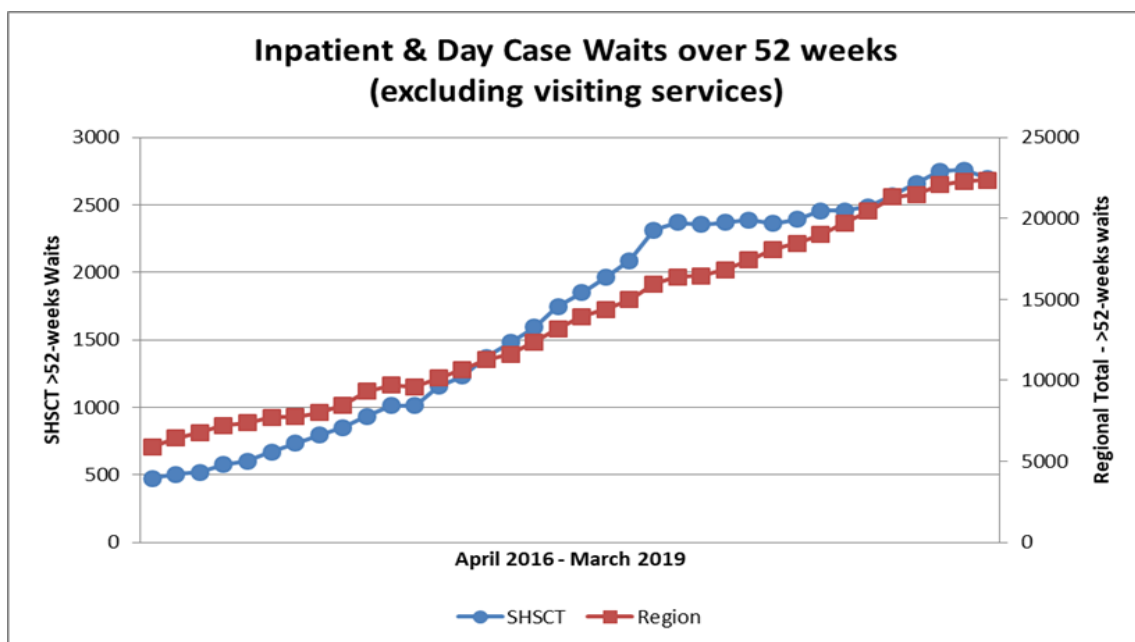
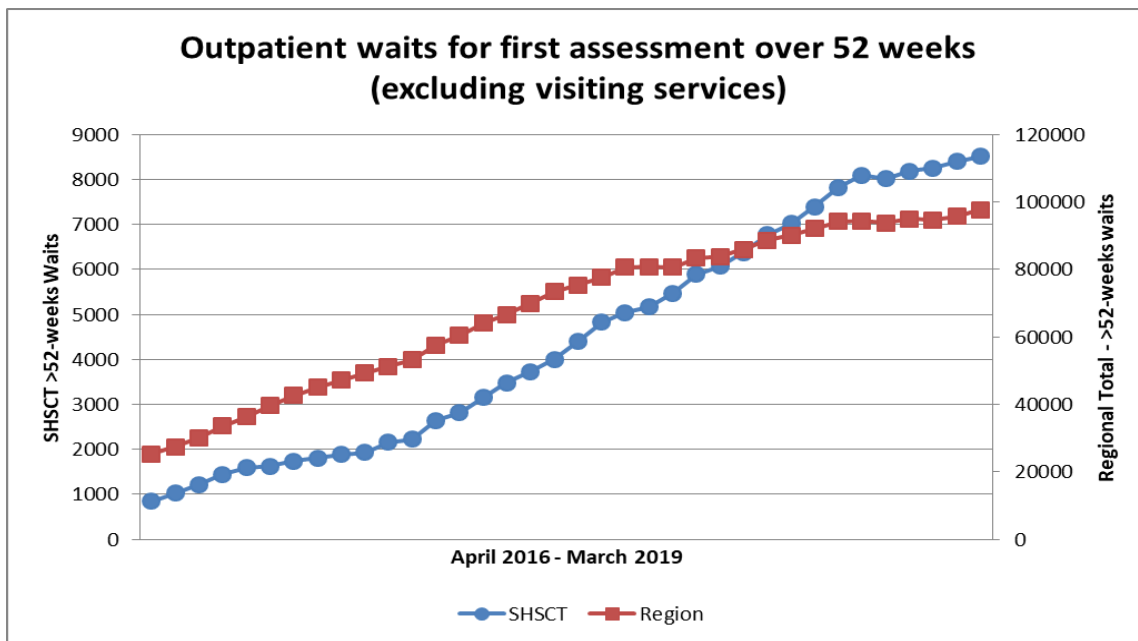
Elective Objectives

In keeping with regional trends elective pressures prevail. These are associated with increasing demand, challenges in sustaining levels of capacity associated with workforce issues and the requirement to meet unscheduled care needs as a priority and lack of recurrent investment.

These pressures are overtly reflected in the **increase in wait times for routine elective assessments and treatments** as identified in graph 1 below.

- At the end of March 2019, 8,514 of the patients who were waiting for a routine **(New) Outpatient assessment**, were waiting over 52-weeks; this is equivalent to 20% of all those waiting. Only 32% were waiting less than 9-weeks which is the current target.
- Similarly 2,700 of the patients who were waiting for treatment as an inpatient or as a day patient were waiting over 52-weeks with the longest waits related to gaps in service capacity in urology, general surgery and pain management.

Graph 1



While the Trust has sought to improve capacity within existing resources, treating an additional 15,500 outpatients this year and over 3,000 inpatient and day patients, significant investment is required to transform and modernise services in line with the vision for delivering a world class health and social care system for Northern Ireland, and to deliver sustainably shorter waiting times. The Department of Health’s ‘Elective Care Plan: Transformation and Reform of Elective Care Services’ published in February 2017 sets out the approach to transformation of elective care services in Northern Ireland to improve access to services for patients, their families and carers, and to deliver sustainably shorter waiting times for assessment and/or treatment.

A number of initiatives have been progressed as part of this Plan and in October 2018, South Tyrone Hospital was announced as a prototype elective care centre for delivery of routine cataract surgery. Elective care centres for varicose veins have also been established regionally which will support delivery of additional routine day case procedures.

Safe Systems of Care

The Trust's focus on safe systems of care continues and in 2018-2019 new objectives were introduced to improve antibiotic prescribing and to reduce Gram-negative bloodstream infections (GNBSIs). The Trust's focus on infection prevention and control (IPC) has been embedded with the launch of its new 3-year Infection Prevention and Control Strategy 2018-2021. The strategy includes 10 elements designed to ensure excellence in IPC practice. In addition a new interactive guide for staff, the first of its type in Northern Ireland, went 'live' across the Trust providing immediate access at the point of care to the very latest best practice to help health professionals risk assess and manage patients with suspected infections.

During 2018-19:

- 61% of antibiotic consumptions within the Trust are antibiotics from the WHO access aware category, which is above the target of 55%.
- Total antibiotic use within the Trust is not on track to meet its target 1% reduction from last year. However focus work will seek to improve this position.
- 65 Gram-Negative Bloodstream Infections, acquired on or after 2 days of hospital admission, is higher than the 2018-19 objective level of 58 cases.
- There was 45 Clostridium Difficile and 3 MRSA Healthcare Acquired Infection cases reported to date. Both of these are under the objective level for the year and represent a strong regional position.

The Trust continues to embed the National Early Warning Scoring System (NEWS) – which supports identification of deteriorating patients. The SHSCT NEWS Overall Bundle Compliance for Quarter 4 in 2018 is 84. Areas for improvement / systems strengthening are identified at a local level and fed back via Trust Nursing Quality Indicator processes to ensure that where appropriate, systems are changed to improve patient care.

Mental Health

Elective Services

In **mental health services** more patients waited longer than 9 weeks for their routine (New) Outpatient assessment than last year. These growing waits reflect demand and workforce challenges.

The Trust continues to work with the Community and Voluntary sector to improve capacity and support for appropriate referrals.

At 31 March 2019:

- 666 patients are waiting over 9-weeks at the end of March for adult mental health services including Memory, eating disorders, addictions, and primary mental health services
- no patients are waiting more than 9-weeks for child and adolescent mental health services, and
- 279 patients are waiting over 13 weeks for psychological therapies assessment.

Prioritisation of urgent referrals continues to impact on routine waiting times and Trust arrangements for crises response and de-escalation of the patient in crises have been improved.

The Trust provides an out-of-hours service to support de-escalation, in Craigavon Area Hospital, and providing cover to Daisy Hill Hospital. The delivery of this service is challenging due to the geographical spread of the two Emergency Departments and the limited opportunity to further enhance current provision based on resources.

Support to Clients Living at Home and Carers

A range of objectives seek to support clients living at home and support carers. Some key statistics, below, reflect the position against the formal objectives:

- 4,292 carers were offered 'carers assessments' during 2018-19. This has resulted in the Trust exceeding its target of 3,460 carers' assessments to be offered;
- 512,706 hours of short breaks were offered to clients in non-residential based environments to support adult carers during 2018-19. This is 4% below the objective for the year; and
- Dementia Portal - The Trust is participating in an on-going pilot which allows dementia clients to access their appointments on-line along with a range of other resources. Currently the Trust has 4 Dementia Navigators in post who have received training in the use of the dementia portal and are actively recruiting clients to take part.

Children & Young People's Services

There are a number of objectives seeking to reduce inequalities and improve the health and wellbeing of Children & Young People.

- Children's Oral Health – This is a regional objective and the Trust's contribution to the establishment of a baseline within the aged 3-5 category assessed as achievable and affordable. The ability to improve the ongoing programme with

pre-school children, resulting in reduced decay rates, is subject to availability of resources and other challenges faced.

- Breastfeeding – In 2018-19 50.5% of infants were breastfed upon discharge from the Trust (from birth). The Trust's contribution to this regional objective was assessed as partially achievable/achievable with additional resources.
- Healthy Child Healthy Future – a regional objective is to ensure the full delivery of the universal child health promotion programme for NI, Healthy Child Healthy Future by March 2019 with antenatal contact to be delivered to all first time mothers and 95% of two year reviews to be delivered. Whilst the Trust assessed its contribution to this objective as partially achievable/achievable with additional resources, further improvement during 2018-19 was challenged with substantive vacancies in the Health Visiting Team along with the high level of children on the Child Protection Register.
- Children in Care (Placement Change) – Performance in this area has remained relatively static over the last 4 years. Continued increase in the number of new Looked After Children (LAC) continues to place fostering and adoption services under considerable pressure, resulting in increased demand for placements which has impacted on permanence, placement security and stability. In response to increasing LAC admissions the Trust is taking part in Regional discussions in respect of preventative measures.
- Children in Care (Adoption) - Performance improvements noted previously as a consequence of a number of initiatives including the 'Home on Time' Scheme continue to be sustained. The Trust continues to closely monitor care planning for children where there is an agreed plan for adoption with the objective of avoiding unnecessary delay.

Quality Improvement

Quality is something which is an integral element to each and every job role across our organisation and something that we strive for every day. Supporting an improvement culture within the Trust is central to the delivery of safe, effective, compassionate care. We launched our new training prospectus in April 2018 **“Building Your Quality Improvement Capacity and Capability 2018 / 2019”**.

This prospectus outlines the qualifications and training available within the Southern Health and Social Care Trust that will enable learners to:

- Develop knowledge and understanding about current good practice in quality improvement;
- Develop the skills of individuals whose current or future role is to deliver quality improvement activities;
- Prepare for managing and / or undertaking quality improvement projects using appropriate quality improvement tools and methodologies; and
- How to drive quality improvement activities and initiatives.

A number of successful programmes were run during 2018–19. SHSCT were highly commended in the inaugural Open College Network (OCN) NI Learner Awards in the Provider of the Year category for our innovated approach to promoting and supporting co-production with our service users.

We are pleased to announce that we have been awarded funding to deliver our Quality Improvement (QI) Award to service users regionally with the first cohorts starting in April 2019.

What Matters to You

The ‘What Matters to You?’ day started in Norway in 2014 with the aim of encouraging and supporting more meaningful conversations between those who provide health and social care and the people, families and carers who receive services.

This year Southern Trust staff hosted a “What Matters to You?” week, inviting service users, carers and staff to share what matters.



Directors and senior staff hosted a range of “What Matters to You?” sessions in June 2018:

- Acute Directorate engaged with staff in a series of events in Craigavon and Daisy Hill hospitals;
- Medical and Children and Young People’s Directorates hosted a coffee morning in Blossoms Children’s Centre;

- CI Team hosted a Quality Improvement Network in Dromantine Conference Centre with service users and carers; and
- Older People and Primary Care hosted an event in Lurgan Hospital for the ICT Team.

Our Evaluation report was published in August 2018.

5 Steps to Quality Improvement eLearning Launch

In April 2018 we launched our updated 5 Steps to Quality Improvement e-learning. The new module blends the quality improvement tools and project management skills required to lead a project aiming to improve quality, safety and patient experience.



Quality Improvement Event

Our 5th Annual Quality Improvement Event was held on Friday 16th November in the Junction, Dungannon. It was a great success with over 280 delegates present to hear about quality improvements undertaken in the Southern Trust over the past year. The theme of 'Quality Improvement and Transformation' reverberated throughout the main hall, parallel sessions, the 'QI cinema' and of course the ever popular Dragons' Den section.



To showcase all the posters displayed at the event, we launched our new event electronic poster catalogue in PageTiger. All the posters from the event can now be viewed or downloaded in pdf versions.



Research and Development

New treatments or procedures are often made available for the first time to patients in the Trust through clinical trials. There is considerable evidence that patients who take part in clinical trials have better outcomes and research which aims to improve the care and management of patients is an important part of the Trust's overall activity. 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. Some of the research activities in 2018-19 included:

Research Studies

During the year research has taken place mainly in the areas of Cardiology, Cancer, Children's, Critical Care, Gastroenterology, Renal and Respiratory as well as commencing in the specialties of Anaesthetics, Mental Health, Neurology and Rheumatology. There has been a commitment to support all staff undertaking research as part of their academic studies in Allied Health Professions, Nursing, Midwifery and Social Work.

INTERREG VA

The successful European funded application through Interreg VA entitled 'Eastern Corridor Medical Engineering Centre' led by Ulster University with the Trust as the clinical partner progressed during the year. Three PhD Students were appointed who will undertake research at Craigavon Area Hospital with a focus on Cardiology and Point of Care Testing. The PhD Students will be supervised by Trust Consultants.

Northern Ireland Ambulance Service

In November, 2018 the Trust Research and Development Office was pleased to accept the invitation from the Public Health Agency, Research and Development Division to undertake research governance for the Northern Ireland Ambulance Service.

Health and Life Sciences – Armagh City, Banbridge and Craigavon Borough Council

Research and Development staff have contributed to the Health and Life Sciences Forum established by ABC Council to develop linkages between industry, healthcare and academia, focus on innovation, knowledge transfer and take up of new technology, focus on the supply chain development, attracting new businesses, consider employability and skills issues and work with local businesses to scope and map issues affecting growth in the life sciences.

Financial Performance 2018-19

Financial Position

As forecasted 2018-19 was another exceptionally difficult year for the entire Health & Social Care System in financial terms. In addition the Trust was not exempt to the twin pressures of increasing demand and rising costs. We have remained focused on delivering real service improvements at the same time as dealing with increased demand.

In order to deliver a balanced financial plan across the HSC it was necessary for Trusts to develop savings plans to deliver their share of a total of £61.6m of savings in 2018-19; the Trust's share of this target was £2.2m, £1.9m of which were directly linked to pharmaceutical savings.

The Trust's Financial Strategy was 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 strive to ensure best value for money and the fair and effective use of our resources to improve the health and well-being of the community and secure the provision of safe high quality services.

Despite the emergence of a number of cost pressures during the year, most particularly as a direct result of the increased activity during the Winter months and workforce pressures, the Trust has been able to achieve financial balance in 2018-19. This has only been achieved through a combination of staff dedication and strong corporate governance. The Trust has worked hard to balance high quality, safe patient care together with increasing demands for our services.

Financial Environment

Financial planning for 2018-19 commenced early during 2017-18, the outcome was 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 was considered on a programme of care basis and included considerations of both existing baselines and incremental changes applicable to 2018-19.

It is widely acknowledged that the Trust has consistently delivered efficiency savings over a number of financial years and as a direct result savings are becoming more difficult to achieve on a recurrent basis.

The Trust also continued to experience a range of cost pressures during 2018-19, a significant proportion of which was directly linked to a growth in Emergency Department demand and unscheduled care demand.

Notwithstanding the enormity of the challenge the Trust achieved financial balance in 2018-19 in tandem with driving forward the much welcomed transformation agenda.

Financial Targets

The Trust is required to operate within revenue and capital budgets delegated to it by the Department of Health, (DoH) and the Health and Social Care Board, (HSCB).

This has been achieved through the successful implementation of the Trust's financial strategy for the year and the continued efficient use of resources.

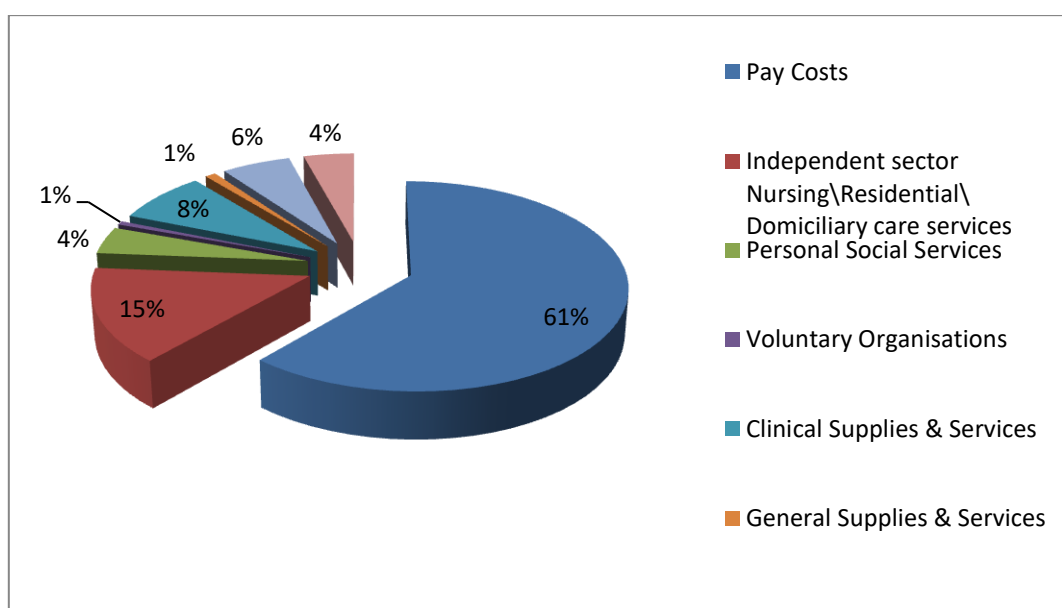
Financial Governance

At the beginning of each financial year, the 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 Trust's Senior Management Team. In addition, there are Chief Executive level accountability meetings at least three times a year, for all Directorates at which financial governance is one of the areas examined.

Income and Expenditure in 2018-19

The Trust receives the vast majority of its income, 90%, from the Department of Health, (DoH), through the HSCB. In addition the Trust is provided with an allocation for medical education. The largest single remaining funding stream is the income received from clients in residential and nursing homes.

The Trust's total expenditure in year was £716m and, as in previous years, staff costs are the largest component of expenditure accounting for 61% of operating expenses. The chart below provides a summary of expenditure into its main elements:-



Expenditure remained within the Revenue Resource Limit (RRL) of £673m by £43k.

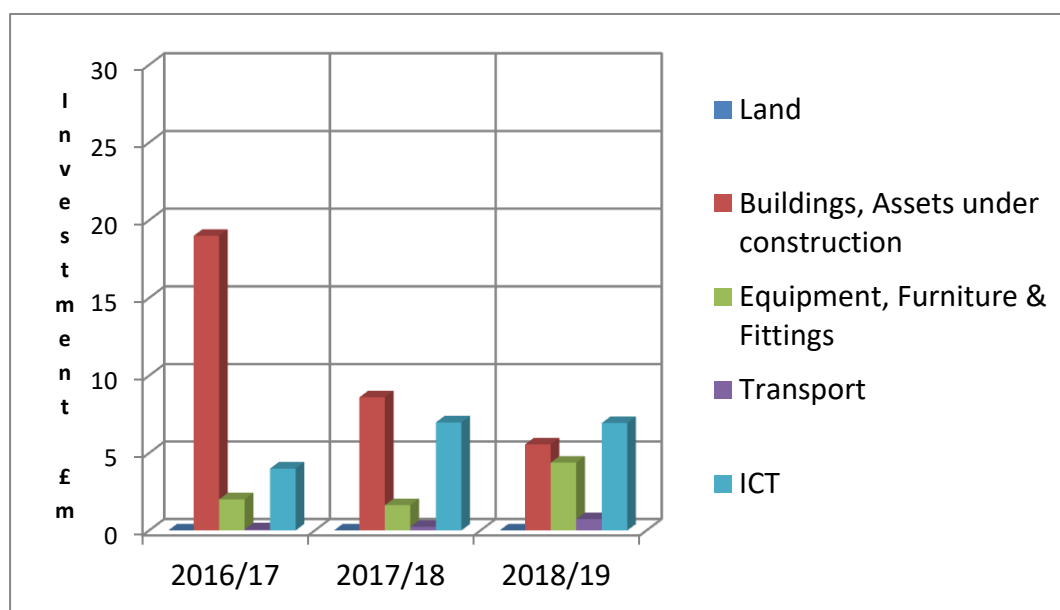
Capital Investment

The 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 Trust had a capital allocation of £17.05m, for 2018-19, £2.8m of which related to the Trust's new Aseptic Suite, £5.8m for Information Technology, £2.3m for transformation projects and £5m for general capital requirements.

The Trust is constrained by the Capital Resource Funding, (CRL), made available for capital investment, however, as the diagram below demonstrates significant investment has been made over the last 3 financial years:

Capital Investment 2016-17 to 2018-19



In 2018-19 the Trust kept within the Capital Resource Limit (CRL) of £17.05m by £19k.

Going Concern

The Trust is beginning the 2019-20 financial year with a substantial underlying funding gap. A budget settlement for 2019-20 has been agreed for DoH, however, at this stage there is no formally agreed budget for the Trust for the coming financial year.

The cost of providing services is increasing, with estimates suggesting 5-6% annually. This is due to an increasing ageing population with greater and more complex needs, increasing costs for goods and services, and growing expertise and innovation which mean a more extensive range of services are available, supporting improvement in the health of our population. All of these factors combine to impose an upward pressure on the funding required just to stand still.

The 2019-20 budget settlement announced for the DoH is £5,626.7m, whilst this represents an increase of 3.8% when compared to the end of 2018-19 it is recognised that the overall system will continue to experience financial pressure.

Extensive budget planning work to support the 2019-20 position is ongoing between the Trust, HSCB 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 agenda to safeguard vital services for the future.

There is no doubt that 2019-20 will be another exceptionally difficult year for the entire Health and Social Care System but as with other financial years the Trust remains committed to achieving financial break-even.

This financial risk has been outlined in the Governance statement on pages 70 - 71.

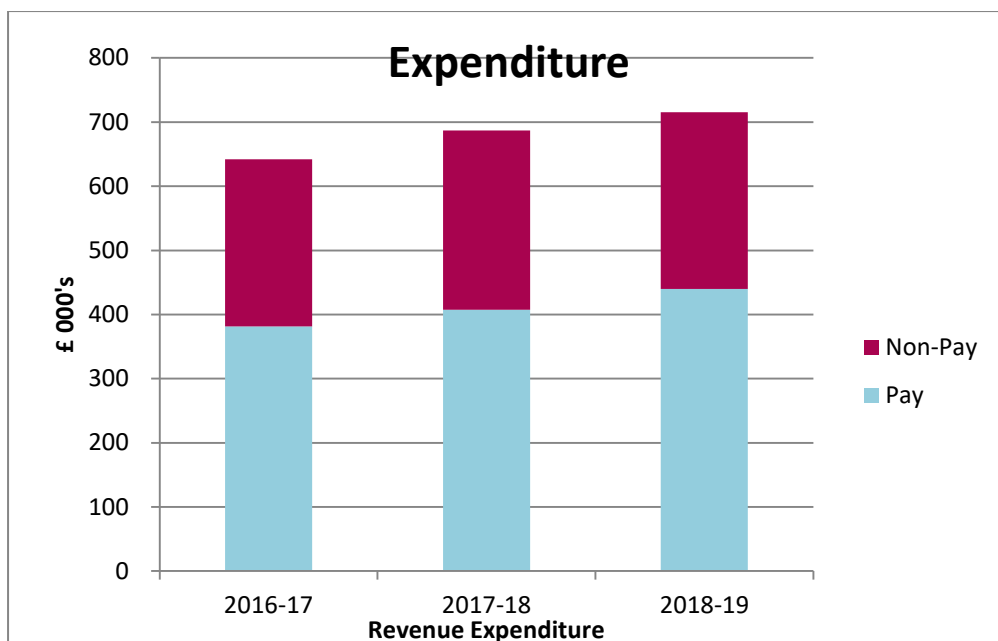
Long term Expenditure Trends and Plans

Revenue

The Trust is constrained by the level of funding available to it by the NI Assembly. The Northern Ireland Executive invests almost 46% of its entire budget, in providing health and social care services for the people of Northern Ireland. It is understood that as a system a 6% budget increase is required annually simply to stand still. This is clearly not sustainable given the requirements of all public services.

In the Ministers “Health and Wellbeing 2016 – Delivering Together” it is recognised that significant work is needed to develop, design and deliver the building blocks that will enable a sustained improvement. Significant investment will be required in tandem with continual improvements to secure further efficiencies in service delivery.

The table overleaf shows the actual revenue expenditure, broken down by pay and non-pay categories, incurred by the Trust from 2016-17 to 2018-19.



Capital

The amount of capital investment afforded to the Trust is directly influenced by the overall economic environment.

As part of a 10 year review of capital priorities, the Trust has identified a need for some £422m investment, which includes £285m for the redevelopment of Craigavon Area Hospital, £8m for low voltage work and £27m for a range of backlog maintenance requirements.

It is difficult to envisage a situation where the Trust will have access to the absolute full investment required and as such the Trust will be required to continue to ensure that funding is utilised in a manner that provides stability for its core services. The level of capital investment made to the Trust over the last three years is shown above.

Compliance with Prompt Payment Policy

The Trust's objective is to pay 95% of invoices within 30 days of receipt of an undisputed invoice. In 2018-19 it achieved 90.9% (2017-18: 92.2%). This decline in performance is primarily due to the increased volumes of medical and non medical agency invoices which showed significant growth in 2018-19. Additional resources to administer these volumes have been sought in late 2018-19. Staffing pressures in other key areas of invoice processing in the Trust also contributed to the prompt payment target being missed particularly in Pharmacy and Estates however both departments are addressing this. Further details are given in the Financial Statements Note 14.

Donations and Fundraising

Charitable donations help us to improve the quality of care we provide to our patients and clients across the Trust. During 2018-19 the Trust received donations, income and legacies totalling £461k. The donated income is received mainly from former patients, clients and their relatives in recognition of the Trust's work and used to support expenditure in the following areas:

- Patient/client/relative/visitor comfort and amenity;
- Staff education and training/skills enhancement; and
- Academic research and development.

Examples of improvements the Trust Funds have supported financially during 2018-19 as a result of donations and legacies received include:

- New dementia care technology – several “Magic Tables” – award winning innovation aimed at helping people in the later stage of dementia to be more active and responsive;
- Injection simulators;
- Staff specialist training – fracture courses, advanced communication and neonatal ventilation training – this is staff education over and above that which would normally be provided;
- Equipment to enhance patient comfort during breast screening;
- An Irrigation system to provide development activities for service users;
- Reflexology for cancer patients; and
- Pamper gift boxes for patients receiving treatment for cancer.

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@southerntrust.hscni.net.

Sustainability Report

Protecting the Environment

Sustainability Strategy 2020

The Trust Sustainability Strategy 2020 incorporates the key environmental priorities for the Trust and DoH Northern Ireland including the three key components of sustainability:

- Taking a holistic view of all activities and considering their environmental, social and economic implications;
- Thinking about whole life issues when planning, designing, building and maintaining the Estate; and
- Making sure that everyone thinks about the way resources are used each and every day within the Trust and at home.

Through its Sustainability Strategy 2020, the Trust promotes a proactive approach to management of its environment and aims to maximise benefits and minimise risks to clients, staff, visitors, contractors and others.

Sustainability Policy

The policy articulates how the Trust will strategically meet its obligations in respect of sustainability issues both now and in the future.



Environmental Benchmarking

The Southern Health & Social Care Trust achieved Silver status (between 70% - 80%) in the 2018 Northern Ireland Environmental Benchmarking Survey.

The Trust continues to promote the achievement of “Single Planet Living” in all Trust activities and across its wider sphere of influence. The concept of “Single Planet Living” is based on the principle of everyone living within their available environmental resources i.e. living a sustainable lifestyle.

WASTE

Waste Management

The Southern Trust in 2017-18 generated 1,683 tonnes of domestic waste and 819 tonnes of clinical waste.

General waste

The Trust achieved a recycling rate of 6.1% of cardboard and 9.7% of Mixed Dry Recyclables.

84.18% of Trust waste was domestic waste. 30% of the domestic waste is recycled (therefore the Trust overall recycle 41% of general waste). The remaining 70% of domestic waste is recovered going as a Refuse Derived Fuel (RDF) to cement kilns or energy from waste plants across Europe. Southern Trust performance in comparing the last two years as below for general waste:

Waste	2016-17	2017-18	Variation (%)
Cardboard (tonnes)	100.72	102.74	2%
Domestic waste (tonnes)	1514.94	1417.14	-6%
Recycling (tonnes)	179.30	163.59	-9%
TOTAL	1794.96	1683.47	-6%

Clinical waste

The clinical waste is autoclaved by the contractor and where possible sent for refuse derived fuel otherwise it is sent to landfill. The hazardous clinical waste is sent to Leeds for high temperature incineration.

Southern Trust performance in comparing the last two years as below for clinical waste:

Waste (tonnes)	2017	2018	Variation (%)
Craigavon Area Hospital	554.93	560.57	1%
Daisy Hill Hospital	205.66	189.09	-8%
Lurgan Hospital	27.20	26.64	-2%
South Tyrone Hospital	36.33	35.12	3%
St. Luke's Hospital	8.26	8.18	-1%
TOTAL	832.38	819.62	-2%

Other waste types

Other waste types generated within the Trust include all skip waste, Waste Electronic and Electrical Equipment (WEEE) and other specialist waste types which are managed at the main hospital sites.

ENERGY

Carbon Reduction Commitment (CRC)

The Trust continues to meet compliance under CRC legislation whereby there is a requirement to report on emissions for electricity and natural gas consumed.

Comparing 2017-18 and 2016-17 carbon emissions increased by 6%.

Since 2010-11 actual carbon emissions (tCO₂) have been reduced by 40% (2017-18). This is a significant achievement especially with the energy demand at hospital sites ever increasing due to the increased use of facilities and providing critical care to patients. It clearly demonstrates the impact of the Trust taking the decision to no longer use Heavy Fuel Oil (HFO) but instead move towards using natural gas combined heat and power (CHP) systems both at Craigavon Area Hospital and Daisy Hill Hospital.

Southern Trust performance in comparing the last two years as below for the main utilities:

Utility	2016-17	2017-18	Variation (%)
Natural gas consumption (kWh)	44,945,930	72,362,211	61%
Natural gas cost (£)	£1,343,979	£2,467,000	83%
Electricity consumption (kWh)	26,475,707	27,661,043	5%
Electricity cost (£)	£2,909,864	£4,077,000	40%
Oil consumption (kWh)	14,614,413	14,195,124	-3%
Oil cost (£)	£510,771	£607,000	19%

The significant increase in natural gas consumption (61%) was due to the increased demand at the hospital sites accounting for 90% of the overall increase (CHP accounted for 60% of the overall increase).

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

- Performance overview
- Performance analysis

Signed: 

Shane Devlin
Accounting Officer

Date: 12 June 2019

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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 Governance Report, the Remuneration and Staff Report and the Accountability and Audit Report.

The purpose of the 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.

Governance Report Directors' Report

The Board of Directors during the year was as follows:



Roberta Brownlee, MBE

Chair

Tel: 028 3756 0142

Roberta.Brownlee@southerntrust.hscni.net

Executive Directors



Shane Devlin

Chief Executive

Tel: 028 3756 0143

Shane.Devlin@southerntrust.hscni.net



Helen O'Neill

Acting Director of Finance and Procurement (January 2017– September 2018)

Director of Finance, Procurement and Estates (September 2018 – Present)

Tel: 028 3756 0131

Helen.ONeill@southerntrust.hscni.net



Paul Morgan

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

Tel: 028 3839 8347

Paul.Morgan@southerntrust.hscni.net



Dr Richard Wright

Medical Director
(April 2018 – August 2018)



Dr Ahmed Khan

Interim Medical Director
(April 2018 – December 2018)



Dr Maria O'Kane

Medical Director
(December 2018 – Present)

Tel: 028 3756 0117
Maria.OKane@southerntrust.hscni.net



Heather Trouton

Interim Executive Director of Nursing and AHPs

Tel: 028 3756 1324
Heather.Trouton@southerntrust.hscni.net

Directors



Aldrina Magwood

Director of Performance and Reform

Tel: 028 3756 0123
Aldrina.Magwood@southerntrust.hscni.net



Vivienne Toal

Director of Human Resources and Organisational Development

Tel: 028 3756 0125
Vivienne.Toal@southerntrust.hscni.net



Esther Gishkori

Director of Acute Services

Tel: 028 3756 1335

Esther.Gishkori@southerntrust.hscni.net



Anita Carroll

Acting Director of Acute Services
(July 2018 – September 2018)



Melanie McClements

Interim Director of Older People & Primary Care Services
(October 2017 - September 2018)
Director of Older People & Primary Care Services
(19 September 2018 – Present)

Tel: 028 3756 0115

Melanie.McClements@southerntrust.hscni.net



Carmel Harney

Interim Director of Mental Health & Disability Services
(January 2018 – December 2018)



Barney McNeany

Director of Mental Health & Disability Services
(January 2019 - Present)

Tel: 028 3883 3222

Barney.McNeany@southerntrust.hscni.net

Non-Executive Directors



Siobhan Rooney
(Chair of Endowments and Gifts Committee)



Hilary McCartan
(Chair of Audit Committee)



Eileen Mullan
(Chair of Governance Committee)



John Wilkinson, OBE
(Chair of the Patient & Client Experience Committee)



Geraldine Donaghy



Martin McDonald, MBE



Pauline Leeson, CBE

A declaration of Board members' interests has been completed and is available on request from the Chief Executive's Office, Trust Headquarters, College of Nursing, Craigavon Area Hospital, 68 Lurgan Road, Portadown, BT63 5QQ. Telephone 028 3756 0119.

Audit

The Chief Executive and Directors of the Trust have responsibility for the preparation of the annual report and accounts. The accounts and supporting notes relating to the Trust's activities for the year ended 31 March 2019 have been prepared in a form determined by the Department of Health based on guidance from the Department of Finance and Personnel's Financial Reporting Manual (FReM). They have been audited by the Northern Ireland Audit Office who appointed Grant Thornton to carry out the detailed audit work to support the report of the Comptroller and Auditor General which is included on pages 95 to 96.

The Chief Executive and each Director has taken all the steps that he/she ought to have taken as Chief Executive/Director to make himself/herself aware of any relevant audit information and to establish that the 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 Trust's auditor is unaware.

The notional cost of the audit of the accounts for the year ended 31 March 2019 which pertained solely to the audit of the Public Funds accounts is £44,000. The notional cost of the audit of the Charitable Trust Funds accounts is £5,000. This is reflected within miscellaneous expenditure within note 3 to the accounts. No other audit or non-audit services were provided to the Trust in 2018-19.

STATEMENT OF ACCOUNTING OFFICER 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, 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 Government Financial Reporting Manual (FReM) and in particular to :

- Observe the Accounts Direction issued by the Department of Health including 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 financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Southern Health and Social Care Trust will continue in operation;
- Keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Southern Health and Social Care Trust;
- Pursue and demonstrate value for money in the services the Southern Health and Social Care Trust provides and in its use of public assets and the resources it controls; and
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable and takes 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 Mr Shane Devlin of Southern HSC Trust as the Accounting Officer for the Southern HSC Trust. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Southern HSC Trust's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health.

Non-Executive Directors' Report



Mrs Roberta Brownlee
Chair

2018-19 was a year of stabilisation for the Trust Board with permanent recruitment into four Director vacancies. This has been an important step forward for Trust Board whilst non-executive colleagues have continued to provide valuable support, challenge and an independent voice as we have transitioned to a new team.

Also, with effect from 7 March 2019, my position as Chair/lead Non-Executive Director has been extended for a 12-month period until March 2020.

Trust Board

The Trust Board held eight formal Board meetings in public in 2018-19 where the agenda comprised strategic, operational, quality and performance items. Amongst other important subjects, the Board contributed to:

- Service planning for the additional demands of the winter months;
- Delivery of the Daisy Hill Pathfinder project;
- Planning for the impact of 'no deal' exit by UK from EU on services; and
- Oversight of the transformation programme in 2018-19.

In addition, the Board participated in three workshops to allow focused time on its role associated with accountability and culture to ensure continuous development. This focused time is essential to improve the effectiveness of the Trust Board.

An audit of Board Effectiveness was conducted in 2018-19 and a satisfactory level of assurance has been provided. The recommendations from the Internal Audit report will be taken forward in 2019-20 to ensure we continue to build on the already effective delivery of our governance arrangements.

Committees

The Trust Board has continued to have 5 sub-committees during 2018-19, all chaired by a Non-Executive Director. The Committee Chairs have remained constant during 2018-19 and meet with the Chief Executive, the Board Assurance Manager and I

after each meeting to provide formal feedback on the work of their respective Committees and raise any issues of concern. At the Audit Committee, Non-Executive directors have expressed their desire to engage and learn from other Non-Executive directors within the HSC, which would undoubtedly complement the existing networks of CEOs and senior management which already exist.

Enormous thanks are due to our Committee Chairs.

We had a change of membership of Remuneration and Audit committees during the year, with Mrs Pauline Leeson moving from the Audit Committee to the Remuneration Committee and Mrs Siobhan Rooney replacing Pauline on the Audit Committee.

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

Looking Ahead

Looking to the future, my challenge for the Board is to ensure we work strategically together to move the Trust forward through this exciting and challenging period of transformation, building on the work done so far.

I look forward to working with my fellow Non-Executive board members to continue to provide effective support, challenge and guidance, to help the Trust further improve health and wellbeing outcomes for people living across the Southern area.



Roberta Brownlee

Chair

Governance Statement for the Year ended 31 March 2019

1. Introduction/Scope of Responsibility

The Board of the Southern HSC Trust (the Trust) is accountable for internal control. As Accounting Officer and Chief Executive of the Trust, 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 Health and Social Care Board (HSCB) and DoH and report through agreed performance management arrangements and Service and Budget Agreements.

This has entailed regular performance management meetings at a senior level with the HSCB and both scheduled and ad hoc meetings between Trust officers and the Performance Management Service Improvement Directorate within the HSCB.

In order to improve the quality, safety, effectiveness and efficiency of services, the Trust works in partnership with the HSCB, Public Health Authority (PHA), other public sector partners and the independent sector. A range of processes are in place to facilitate and enable this partnership working, with examples including:

- Meetings with Trust, HSCB, Local Commissioning Group (LCG) and PHA senior teams collectively and on issue specific basis;
- Monthly meetings between Trust and HSCB Chief Executives;
- regional and local Transformation Programme Boards to work together to implement aims of Programme for Government and HSC Ministerial vision;
- Engagement with local GPs through locality forums and senior Trust attendance at Local Medical Committee (LMC) services development committee;
- Regular meetings with Independent Health and Care Providers (IHCP) and other independent sector providers about key interface issues;
- 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 focussed on ensuring effective collaboration to address the specific and individual needs of local communities; and
- Senior Leadership and partnership working with councils in support of local Community Plans.

With respect to the Trust's inter-relationship with the DoH, the framework within which the Trust is required to operate is defined and agreed in the Management Statement (MS) and Financial Memorandum (FM). This model MS/FM for executive

Non-Departmental Public Bodies (NDPBs) is intended to provide departments with a document that sets out a clear framework of strategic control for each of their executive NDPBs. The framework covers the operations, financing, accountability and control of the NDPB and the conditions under which any government funds are provided to the body.

2. Compliance with Corporate Governance Best Practice

The Trust applies the principles of good practice in Corporate Governance and throughout 2018-19 has continued to further strengthen its corporate governance arrangements. The Trust does this by undertaking continuous assessment of its compliance with Corporate Governance best practice by having in place various measures which include the following:

Standing Orders, Scheme of Delegation and Standing Financial Instructions

These provide the regulatory framework for the business conduct of the Trust and define its ways of working.

Register of interests

A Register of Interests for Board members and staff is in place and updated annually and where relevant, throughout the year.

Self-Assessment

In line with good governance best practice, the Board is currently completing the Department of Health Board Governance Self-Assessment Tool in respect of the 2018-19 financial year. This tool supports the Board in assuring its governance arrangements and the identification of any developmental needs. Independent evaluation at least once every 3 years is required and this was undertaken by Internal Audit during the year as part of their audit of Board Effectiveness when a satisfactory level of assurance was provided. Internal Audit confirmed that the three red flag areas identified in the 2017/18 self-assessment have all been completed in 2018-19. The findings from the Internal Audit report will be incorporated into the self-assessment template being presented at the Trust Board meeting on 29th August 2019 for formal approval. Any relevant issues will be reported to the Department. In line with best practice, after each Trust Board meeting there is a short period of self-reflection by members to critically assess how well agenda items have been addressed and whether there is scope to improve future performance both individually and collectively.

3. Governance Framework

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:

- Management Statement and Financial Memorandum;
- A schedule of matters reserved for Board decisions;
- A scheme of delegation, which delegates decision making authority within set parameters to a Committee of the Board or to the Chief Executive and other officers;
- Standing orders and standing financial instructions (as referred to above);
- An Audit Committee;
- A Governance Committee;
- An Endowments and Gifts Committee;
- A Remuneration Committee; and
- A Patient and Client Experience Committee.

The Trust adopts an integrated approach to governance and risk management and has an Integrated Governance Framework in place which covers all domains of governance associated with the delivery of health and social care services.

Committee structures are in place to reflect this 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 comprises a Non-Executive Chair, seven Non-Executive Directors, a Chief Executive and four Executive members. Five members of the Senior Management Team also attend Trust Board meetings. Board stability was achieved during 2018-19 with the permanent recruitment into four Director vacancies. Also, with effect from 7 March 2019, the Chair's position was extended for a 12-month period

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.

During 2018-19, the Board continued to focus both strategically and in assuring itself of the performance of the whole of the Trust. Each Trust Board agenda comprises strategic, operational, quality and performance items. The Trust Board received management reports at each meeting on the financial position, workforce information

and performance against targets to assist it in discharging its role. The agenda regularly includes presentations on service improvements as a result of feedback/learning from service users. The Board agenda is kept under regular review.

Three Board workshops were held during the year focusing on the Board roles of accountability and culture. A facilitated Board Development Day, held on 15 November 2018, further expanded on this work. The focus of the next workshop will be on the Board's strategic role. In the 2018-19 year, the Trust Board held eight formal Board meetings in public and, in accordance with Standing Orders, were quorate for each meeting. The table below details members' attendance.

Name of Board member	Attendance
Non-Executive	
Mrs R Brownlee, Chair	8/8
Ms G Donaghy	8/8
Mrs P Leeson	8/8
Mrs H McCartan	7/8
Mr M McDonald	7/8
Ms E Mullan	8/8
Mrs S Rooney	8/8
Mr J Wilkinson	7/8
Executive Director (Voting)	
Mr S Devlin, Chief Executive	8/8
Mr P Morgan, (Social Work)	7/8
Dr A Khan, (Medical) (To December 2018)	6/6
Dr M O'Kane, (Medical) (From December 2018)	1/2
Ms H O'Neill, (Finance)	8/8
Mrs H Trouton, (Interim Nursing and AHPs)	8/8
Director (Non-Voting)	
Mrs E Gishkori, (Acute Services)	7/8
Mrs C Harney, (Mental Health and Disability Services)	6/6
(To December 2018)	6/6
Mr B McNeany, (Mental Health and Disability Services)	
(From January 2019)	2/2
Mrs M McClements, (Older People and Primary Care Services)	8/8
Mrs A Magwood, (Performance and Reform)	6/8
Mrs V Toal, (Human Resources and Organisational Development)	8/8

Committee structure

All Trust Board Committees are chaired by a Non-Executive Director and have 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 Sub

Committees are presented at Trust Board public meetings in a timely manner with the Chair of each Committee highlighting any specific issues for the attention of the Board via completion of a Board Report template. In addition, the Committee Chairs meet with the Trust Chair and Chief Executive after each meeting to provide feedback on the work of their respective Committees and raise any issues of concern. Attendance records of each Committee are maintained and included in the each Committee's annual report to Trust Board.

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.

During 2018/19, the Committee held five meetings with 80% attendance.

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 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 2018-19, with Directors attending as required. Fraud is a standing item on the Committee's agenda and there is on-going reporting to the Committee in respect of compliance with Departmental directions/circulars.

Also on an annual basis, the Committee reviews the findings of the External Auditor concerning the Trust's Annual Accounts, including the Governance Statement.

The Chair of the Audit Committee provides the Board with an Annual Report on the work of the Audit Committee. The Audit Committee completes the National Audit Office self-assessment checklist annually. The results of the 2017-18 self-assessment exercise demonstrated that the Audit Committee is operating effectively and complying with Audit Committee best practice. I confirm that an action plan has been progressed during 2018-19 to take forward issues that required to be addressed.

Governance Committee

The Governance Committee is the overarching strategic Committee responsible for providing assurance to the Board on all aspects of the governance agenda across the Trust (except internal financial control).

The Committee has an active role in providing assurance to the Board on the management of risk across the Trust and scrutinised the Corporate Risk Register at each meeting. This included an 'in-depth' review of one corporate risk at each meeting providing direction and challenge. Progress updates on areas highlighted through the risk management process such as Cyber Security were provided.

The Committee operates via a Schedule of Reporting and during the year received assurance reports from the following key internal governance processes: - .

- Risk Management
- Clinical and Social Care Governance
- Information Governance
- Medicines Governance
- Controls assurance programme
- Claims management
- Health and Safety Governance
- Annual Mortality review

The Committee comprises all Non-Executive Directors who are independent of Trust management. The Chief Executive, members of the Senior Management Team, the Director of Pharmacy and the Assistant Director of Clinical and Social Care Governance are in attendance at all meetings.

During 2018-19, the Governance Committee met on four occasions with 86% attendance.

The Chair of the Governance Committee provides the Trust 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 I confirm that there were no issues raised.

Endowments and Gifts Committee

The Endowments and Gifts Committee is the committee 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, the Director of Acute Services and the Director of Human Resources and Organisational Development. The Director of Finance is in attendance.

During 2018-19, the Committee held six meetings with 92% attendance. At each meeting, the Committee monitored the use and rationalisation of funds and sought assurance that funds were not unduly or unnecessarily accumulated. To that end, the Committee has been proactive during 2018/19 in seeking to promote Trust funds across the Trust and ensuring donors' wishes are being upheld. The Committee

advised on and approved expenditure requests from Fund Managers in accordance with its Terms of Reference and the ongoing objectives for the use of these funds.

The Chair of the Endowments and Gifts Committee provides the Trust 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.

Remuneration Committee

The Remuneration 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 comprises the Trust Chair and two Non-Executive Directors, who are independent of Trust management. The Director of Human Resources and Organisational Development is in attendance.

The Committee held five meetings during 2018-19 with 100% attendance.

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/client and community 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.

During 2018-19, the Committee held four meetings with 67% attendance.

The Chair of the Patient and Client Committee undertook an evaluation of the performance of the Committee during the year. One issue was raised in relation to low attendance and the Chair of the Committee has addressed this with members and attendees. The Chief Executive met with both the Chair of the Trust and the Chair of the Patient and Client Committee and has agreed to explore actions to improve the attendance at these meetings.

4. Business Planning and Risk Management

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.

Economic conditions are such that they place strict funding restrictions on the Trust and the demand for services is increasing at a time when the local population is also growing at a faster rate than the rest of Northern Ireland. A requirement to review

priorities and ways of working in order to make best use of our available resources is now a constant feature of service delivery and brings significant new challenges to corporate governance and risk management.

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

The Trusts' **4 Year Corporate Plan 'Improving Together'**, approved by the DOH aims to ensure clarity about the strategic direction for services delivered by the Trust during 2017-18 – 2020-21. It sets out the actions the Trust will take in support of each of the corporate objectives to ensure that our local communities know what to expect from us, that all of our staff are aware of their role in delivering on these priorities and that we can demonstrate improvements and progress by the end of the plan.

The plan sets out the Trust's *vision* to deliver 'Quality Care – For you, with you' which is a statement that reaffirms the Trust commitment to build on our solid foundation of working with our service users and staff to improve health and social care delivery. This vision is also underpinned by the Trust's *values* which shape what we do and how we do it. The Trust values can be abbreviated to the Southern Trust 'Cares' - *Compassion, Accountable, Respect, Effective and Safe*.

The Strategic Plan is supported on an annual basis by the Trust's Delivery Plan.

The **Trust Delivery Plan (TDP)** represents the Trust's annual response to Regional and Local Commissioning Plans and to the specific targets signalled in the Minister's Commissioning Plan Direction. The TDP identifies how the Trust will seek to deliver on each of the key commissioning and ministerial priorities for the incoming year. It also sets out how the Trust will utilise its resources including its financial strategy, workforce strategy, capital investment plans, governance strategy and plans to promote wellbeing, personal and public involvement (PPI) and the patient experience.

The targets within the Commissioning Plan are allocated to Directorates. It is the responsibility of Directors to make their team aware of the targets relevant to their area of work and to ensure that issues which may impact upon their successful delivery are highlighted at Divisional and Directorate Team meetings or staff supervision throughout the year.

The TDP is brought to SMT and Trust Board for approval prior to submission to HSCB. The HSCB approves the TDP.

The Trusts performance management framework defines arrangements for monitoring and review of performance at operational and corporate level. Formal reporting is in place on commissioning plan objectives and goals for improvement at executive and Board level on a monthly basis. During 2018-19, the Trust also agreed 'Performance Improvement Trajectories' as part of the HSC revised

performance management framework. This is a new approach to setting stretching improvement targets. The trajectories aim to take account of relevant organisational context at a practical level in terms of workforce, finance and/or other operational factors anticipated to impact on the Trust's performance against its Service and Budget Agreement (SBA), access and performance targets.

Directorate Management Action/Work Plans are developed annually on the basis of the Corporate Plan and TDP. These plans summarise the key deliverables falling under each objective. In an effort to a move towards Outcomes Based Accountability (OBA), as set out in the Programme for Government, Trust Directorates made initial attempts to re-frame their year one action plans in line with the outcomes set in the 4 year strategic plan together with detailing the actions and timeframes for achievement. Progress updates are generally carried out on a quarterly basis for Directorate level review with escalation as required at quarterly Directorate Accountability meetings with the Chief Executive. Annual progress reports are reviewed by Trust Board.

It is essential that linkages between plans at Corporate and Directorate level are clearly stated and there must be a clear understanding and connection at all levels between objectives and associated risks. This is evidenced through the business planning and risk management processes in the Trust.

Risk Management

Risk management is an organisation-wide responsibility. Governance structures highlight the responsibility for the management of risk lies within operational directorates and their corresponding governance arrangements, with the corporate overview role being the Medical Director, as the Executive Director with delegated responsibility for risk management.

The Trust has a Risk Management strategy (2014). This has been updated to reflect the risk appetite and the Regional guidance, including the move to ISO 31000:2018 risk management standard. This will ensure that the Trust manages all risks using a systematic and consistent approach.

Risk Registers are developed at Department, Directorate, and Corporate levels, to record all forms of risk including clinical, financial and operational risks.

The Corporate Risk Register is complementary to and works in conjunction with the Board Assurance Framework, which identifies the strategic risks to the Trust's corporate objectives. The Senior Management Team manages the Corporate Risk Register and reviews it on a monthly basis. Examples of indicators which may identify risks within the organisation include internal assessments/reporting such as self-assessments, monitoring reports, controls assurance processes, internal audit reports, complaints, incidents, litigation, staff turnover etc. In addition reports from

external bodies e.g. RQIA, Accreditation bodies, independent reviews also inform risk. Risks must be graded in accordance with the risk matrix and entered on the appropriate risk register.

Directors are responsible for managing risks within their Directorate, managing Directorate Risk Registers and escalating risk to the corporate risk register in line with the Trust Risk Strategy.

One of the risks that the Trust has been managing with DOH during 2018-19 has been the potential impact of a 'no-deal' outcome from UK-EU negotiations on its services in 2019-20. Since the summer of 2018, the Trust, in partnership with other ALBs, has been building a wide range of contingency and business continuity arrangements to prepare for the consequences of an EU Exit, covering staffing, procurement, clinical/non-clinical supplies and emergency plans. These arrangements have been regularly updated and presented to both SMT and Trust Board to provide an assurance on their validity. These plans will be refreshed in the autumn, in preparation for the next EU Exit deadline of 31 October 2019.

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. The Trust plans to engage an external provider in 2019-20 to deliver training on Risk Management.

There is a structured process in place for incident reporting, analysis and the investigation of serious incidents. The Trust is focusing on strengthening risk management, including adverse incident reporting, complaints handling and is seeking to learn from good and poor practice. An organisational forum has been developed which concentrates on sharing outcomes and learning across the organisation. The Trust continues to develop and review this forum to ensure robust sharing of learning and service improvement using quality improvement methodology.

An internal audit review of risk management in 2018-19 provided a 'satisfactory assurance' level.

5. 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. Arrangements in place to manage this risk include:

- A Trust Information Governance Framework which includes policies and a suite of procedures and guidance;
- A Personal Data Guardian (Medical Director) to approve data sharing;

- A Senior Information Risk Owner (SIRO) (Director of Performance and Reform) with overall responsibility for managing information risk across the Trust and is the owner of the Information Asset Register;
- Information Governance Framework: Report on use of personal data forwarded to SIRO and Trust Board annually;
- Freedom of Information and Data Protection Requests summary of compliance reported to Trust Board on a quarterly basis;
- Designated Information Asset Owners (IAOs) are in place across the Trust to reduce the risk to personal information within the Trust and training and advice is provided to ensure they are aware of their responsibilities;
- An information sharing register is in place which records the details of all episodes of sharing of Trust data with other bodies; and
- Privacy Impact Assessment templates have been disseminated to ensure privacy issues are considered prior to implementation of projects.

In addition, the Trust is taking appropriate steps to continue to ensure compliance with the implementation of the General Data Protection Regulations (GDPR) which came into effect in May 2018. The Information Governance Department participates in the work of the regional Information Governance Network which continues to develop standardised documents and processes to comply with GDPR requirements which are then shared with the Regional Information Governance Advisory Group, chaired by DoH, for approval. The Action Plan that was developed has been progressed by Information Governance leads in all Trusts and is now closed. Fair Processing Notices have been developed and published and these provide details of the processing of personal data by the Trust. Liaison with the Information Commissioner Office (ICO) continues as guidance on GDPR implementation is released.

The Trust's Information Governance Department continues to work with all staff groups to ensure changes in legislation appropriate to their service areas are implemented e.g. Data Sharing Agreements or Contractual Clauses. Data Protection Impact Assessments have also been implemented in the Trust.

As at 31st December 2018, 81% of Trust staff were trained in Information Governance (an increase from 74% in May 2018). This is closely monitored and reminders are sent to Line Managers on a regular basis to encourage uptake of this mandatory training.

Information Governance incidents are reported in accordance with the HSC Risk Management strategy. Internally, information governance incidents are monitored and reviewed at the Information Governance Committee. Where lessons are learned from individual incidents, Heads of Service are responsible for disseminating these within their area. Where there are trends of incidents the lessons learned from

these are disseminated throughout the Trust by the SIRO. The Trusts 'SIRO Says' campaign continues in 2018-19 delivering targeted Information Governance themed messages to Trust staff throughout the year.

There were no data breach incidents reported to the Information Commissioners Office (ICO) during 2018-19.

6. Fraud

The Trust takes a zero tolerance approach to fraud in order to protect and support our key public services. We have put in place an Anti-Fraud Policy and Fraud 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. Our 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 reporting arrangements. Awareness training is delivered, targeted at staff with line management and delegated financial authority responsibilities, in support of the Anti-Fraud Policy and Fraud Response Plan, which are kept under review and updated as appropriate or every 2 years.

In 2018-19 there have been 26 cases of suspected fraud reported by the Trust including 1 case reported via the regional fraud hotline which may involve the Trust. All identified actual, suspected and potential frauds are reported to the Audit Committee as a standing agenda item. 54% of the 2018-19 reported cases involve staff pay and allowances claims. In conjunction with investigation and advice from the Counter Fraud and Probity Services, none of the cases were referred to the PSNI.

3 cases reported in previous years remain under investigation with the PSNI.

As a result of the Fraud Risk Assessment conducted in 2017-18, work is ongoing with Directorates on action plans to assist them in strengthening the internal control environment across their teams in 2019-20.

7. Public Stakeholder Involvement

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 agendas 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 Older People and Primary Care Services is the lead Director for PPI and has responsibility for the development of the Trust's PPI strategy and application of practice across the Trust.

During 2018-19 the PPI Team in partnership with the Trust's Service User and Carer PPI Panel and relevant Trust staff contributed to a range of PPI initiatives such as:

- Developed and implemented the annual corporate action plan 2018-19 with defined outcomes that is informed by compliance rates with PPI indicators, PHA PPI Monitoring Report, PPI Research recommendations and demonstrates the positive impact of PPI;
- Developed and implemented annual Directorate action plans with defined outcomes that demonstrate positive impact of PPI at a service level for patients, service users and carers;
- Produced an Annual Report on PPI demonstrating evidence of compliance with Trust's PPI responsibility and work undertaken to address challenges in this area during 2017-18;
- Secured recurrent resource to expand the PPI Team. The Trust has also recruited a bank of service user and carer consultants to draw on for adhoc work to support the implementation of the regional PPI standards and the delivery of specific Trust PPI and Co-production priorities;
- Updated the PPI Toolkit for staff;
- Secured non-recurrent resource to improve the PPI network infrastructure and allocated this through a small grants programme for service teams to promote/advance Personal & Public Involvement (PPI);
- Strengthened links with the Patient Client Experience programme, Equality Unit, Quality Improvement and Complaints and Compliments departments; and
- Shared case studies on a range of PPI activity across programmes of care for publication on the ENGAGE website.

In addition the PPI Panel has:

- developed its first Annual report in newsletter style to raise the profile of the panel and awareness of the range of work undertaken by its members; and
- Elected a service user chair and vice chair.

Individual Panel members have:

- completed training in recruitment and selection (1) and quality improvement (1);
- taken part in interviews for the new PPI posts (2);
- participated in the assessment panel for the PPI small grants programme (1);
- been involved in the judging panels for the Trust's Excellence Awards (3); and
- continued to be involved in consultations on Trust's plans and participate in a range of Trust and regional groups including the Regional PPI Forum and its sub groups.

The PHA through its regional PPI Forum has developed 5 strategic PPI standards that have been approved by the DoH and form the basis of a regionally agreed PPI Performance Management Framework.

All of the actions set out above are indicative of the infrastructure that the Trust has developed and continues to maintain in order to ensure that service users and other stakeholders have the opportunity to be involved in the development of services and service improvements, including identification and management of risk.

Across all Trust Directorates there are at least 25 service user and carer groups that afford the opportunity for them to engage directly in the process of risk identification and mitigation/management as part of wider service improvement initiatives. With the expansion of the PPI Team, the Trust intends to carry out a review of these groups and their membership to scope outcomes to date and identify training and support needs to inform the development of a co-produced capacity building support programme for service users and carers. This work will be completed in 2019-20.

In addition to these established groups, the Trust also actively seeks other opportunities to engage with service users and other stakeholders in the further development of its service improvement agenda. Work has commenced on the exploration of the concept of Trust based Citizen's Hubs as a further means of engaging with service users and other stakeholders. This will be realised in 2019-20.

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

<http://www.southerntrust.hscni.net/about/1600.htm>

8. 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 Framework has been compiled in conjunction with all Directorates and provides the systematic assurances required by the Board on the effectiveness of the system of internal control. It assists the Board to ensure that all identified strategic risks are focused on and that effective controls are in place thus providing assurance that a robust risk management system underpins the achievement of the Trust's corporate objectives and the delivery of high quality health and social care.

The last review of the Board Assurance Framework by the Board was in June 2018 when the Senior Management Team undertook to review and enhance the

framework to be more strategically focussed on the Trust’s strategic direction and future challenges. A new Board Assurance Framework will be discussed at a Board Workshop in April 2019.

The Board Assurance Framework sits alongside the Corporate Risk Register, the Controls Assurance Standards process 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.

Following the decision of DoH to stand down the formal Controls Assurance process, the Trust put in place processes during 2018-19 to ensure that appropriate governance arrangements were operational in the Trust to provide the required assurances internally in the Trust and onwards to the Department of Health, where required, in respect of areas previously covered by the Controls Assurance Standards. These processes included the establishment of a Trust Controls Assurance Group, the continued completion of annual baseline assessments, the introduction of peer review and the completion of Assurance Statements. The Trust adopted a RAG model for completion of the baseline assessment and evidence lists, together with a common scoring system.

Any significant control divergences, together with an outline of action plans in place to address these divergences are outlined in the Assurance Statements. Reporting of assurance will be to the Senior Management Team, Audit and Governance Committees with the overall position reported to the Trust Board.

2018-19 baseline assessments have been completed for the following areas previously covered by the Controls Assurance Standards with 17 achieving a green rating and 5 achieving an amber rating. Action plans have been prepared for all standards and will be monitored closely to ensure improvement is attained in 2019-20.

Standard	Overall RAG Rating
Emergency Planning	Green
Environmental Cleanliness	Green
Fleet & Transport Management	Green
Environmental Management	Green
Waste Management	Green
Buildings, Land and Plant	Amber
Fire Safety	Amber
Financial Management	Green
Food Hygiene and Safety	Green
Governance	Green
Health and Safety	Green
Human Resources	Green
ICT	Green

Standard	Overall RAG Rating
Infection Prevention and Control	Yellow
Information Management	Green
Non Pay Commissioning Cycle (Procurement)	Green
Decontamination of Reusable Medical Devices	Green
Medical Devices and Equipment Management	Yellow
Medicines Management	Green
Research Governance	Green
Risk Management	Yellow
Security Management	Green

It is recognized that 2018-19 was a transitional year for Controls Assurance standards. Work continues to build on the progress made and continually develop the governance arrangements and sources of assurance of the effectiveness of controls in operation in the Trust to manage risk.

The Trust Board agenda is structured to ensure assurance is provided on key areas such as patient safety and quality and performance in terms of finance, human resources and operational performance.

The quality of information presented to the Trust Board is regularly reviewed by members and the focus of a Board Workshop on 18 October 2018 was on effective Board reporting. A standard template is attached to the front of all Board papers ensuring that the report is aligned to specific corporate objectives and key issues/risks and decisions required are drawn to Board members' immediate attention. Board members regularly discuss and challenge the quality of the information presented to them and collectively reflect on information received. In addition, Trust Board receives reports from external organisations which provide assurance in relation to some areas of data quality. No significant issues have been raised.

Members continue to consider further how to develop the searching questions and processes to ensure effective challenge by the Board. The Executive professional roles (Medical, Nursing and Social Work) ensure executive challenge as these posts are designed to give independent professional assurance to the Trust Board.

9. Sources of Independent Assurance

The Trust obtains Independent Assurance from the following sources:

- **Internal Audit;**
- **Regulation and Quality Improvement Authority (RQIA);**
- **Benchmarking;**
- **Medicines and Healthcare Products Regulatory Agency (MHRA);**
- **Human Tissue Authority (HTA);**

- **Human Fertilisation and Embryology Authority (HFEA); 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 2018-19 Internal Audit reviewed the following systems:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
Finance Audits:	
Payments to staff (Trust controls)	Limited
Non pay Expenditure in Mental Health and Disability Directorate	Satisfactory
Management and use of Health Roster	Limited
Cash management in cash offices	Satisfactory
Asset Management	Satisfactory
Management of Patient Private Property in Acute Hospitals	Satisfactory
Management of Client monies and cash handling at social services facilities (9 facilities)	Satisfactory
Management of Client Monies in Independent Sector (Residential Homes and Adult Supported Living Facilities in Independent Sector)	Satisfactory – 9 homes of 10 visited Limited - 1 home of 10 visited
Management of Contracts in Voluntary Sector (including Surestart)	Limited
Estates Procurement and contract management	Satisfactory
Ordering and receipting of goods	Satisfactory
Management of Trust Homecare within the Older People and Primary Care Directorate	Unacceptable
Visits to two domiciliary care independent sector providers	Limited – 1 provider Unacceptable – 1 provider
Compliance with DoH Permanent Secretary's instructions regarding travel (primarily travel outside UK and Ireland)	Satisfactory

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
Corporate Risk Based Audits:	
Children & Young People's Directorate risk audit – management of children with disabilities services	Limited
Management of standards and guidelines	Limited
Care/Case Management within the Older People and Primary Care (OPPC) Directorate	Satisfactory
Governance Audits:	
Risk Management	Satisfactory
Board effectiveness	Satisfactory
Infection Prevention Control & Anti-Microbial Stewardship (IPC & AMS)	Satisfactory – Oversight of compliance with policies and procedures, IPC Audit and training Limited – Anti-microbial stewardship
Cyber security	Limited/satisfactory elements of opinion
Morbidity and mortality processes (specifically mortality)	Limited

Consultancy and Other Non – Assurance Assignments

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

- Management of theatre utilisation which identified potential for improvement based on utilisation information for one month. A number of recommendations have been made;
- Management of waiting list initiative payments work focused on the implementation of recommendations contained in the 2016-17 Internal Audit of Waiting List Initiative Payments. Of the 10 recommendations previously made, 4 (40%) are fully implemented and 6 (60%) are partially implemented;
- Follow up visits to two independent domiciliary care providers where limited assurance had been given in 2017-18 and 2018-19. Generally, progress was observed in implementing previous audit recommendations; and
- Review of Trust assurance process, following cessation of DoH centrally managed controls assurance standard process. Internal Audit concluded that these processes were adequate to provide appropriate assurances internally in the areas previously covered by the Controls Assurance Standards.

Follow up work

At year end, Internal Audit followed up in respect of the implementation of 336 previous priority one and two Internal Audit recommendations agreed in Internal Audit reports. Significant progress was made during the year on implementation of outstanding recommendations with 99% of these recommendations fully or partially implemented. Of the remaining 1%, there were no priority one recommendations.

Where it is within the control of the Trust to do so, these recommendations will be progressed in 2019-20.

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
Payments processing in Accounts Payable Shared Services	Satisfactory
Payroll Shared Service (as at September 2018 and March 2019)	Limited
Business Services Team	Satisfactory
Recruitment Shared Services	Satisfactory

The Payroll Shared Service remains at March 2019 as Limited.

Whilst a number of prior year priority one recommendations have progressed, four new priority one recommendations have been raised, along with further priority two recommendations. 54% of previously agreed recommendations are not fully implemented.

Internal Audit also followed up on the implementation of priority one and priority two BSO shared service recommendations at the end of 2018-19. In total, 123 BSO shared service recommendations (including payroll) were followed up. 99% of these recommendations have been fully or partially implemented and 1% were not yet implemented at the time of review.

Overall Opinion for 2018-19

In her Annual Report, the Head of Internal Audit provided satisfactory assurance on the adequacy and effectiveness of the Trust's framework of governance, risk

management and control. However it is highlighted that limited assurance has been provided in a number of areas, including cyber security and that unacceptable assurance is provided in respect of the management of Trust homecare.

Details of the significant issues identified within the limited and unacceptable assurance reports provided to the Trust are noted below:

Payments to staff: Limited assurance was provided on the basis that work to prevent and manage overpayments and ensure accuracy of payments across the Trust requires further embedding.

Management and use of E Rostering: Limited assurance was given on the basis that there are significant weaknesses in relation to the Health Roster control environment around access controls and user privileges.

Management of Client Monies in Independent Sector: Particular issues were found in relation to 1 home of 10 visited during 2018-19 as bank reconciliations had not been completed and client ledgers at the home were not kept up to date on an ongoing basis, giving rise to a limited assurance. This home will be re-audited in 2019-20.

Management of Contracts in Voluntary Sector (including Surestart): Limited assurance has been provided on the basis that legacy contracts continue to be awarded to the same provider year on year without competitive tendering or market testing as per procurement regulations (where appropriate) and consequently value for money of such services cannot be formally assured. There is a need to ensure that all contract owners robustly manage contracts and take action where services are not being delivered by voluntary organisations, and to monitor the quality of those services. The current contract management processes need to be strengthened.

Domiciliary Care (in-house services): Unacceptable assurance has been provided on the basis that significant variances were identified between actual care times delivered by Trust Homecare compared to commissioned and paid for time; there is no system in place for routinely collecting and checking of daily record sheets; there were calls that were not recorded on the Daily Record sheets; there was poor completion of daily record sheets by domiciliary care workers; and there were very low levels of monitoring.

Domiciliary Care Independent Sector providers: Internal audit conducted audits with two providers in 2018-19. One provider received Unacceptable assurance, however has since ceased their contract with the Trust. One provider received a limited assurance on the basis that staff rotas were not provided and also the inability to produce a record of payroll hours for direct care against the corresponding invoice periods tested. Additionally the provider invoices were based on

commissioned times, and not on actual times delivered by care workers. In both of the audits, the Trust was found to have limited means of assuring itself that it was receiving all commissioned hours from these providers and delays were found in forwarding commissioning forms from Trust staff to the providers.

Children & Young People's Directorate risk audit – management of children with disabilities: Limited assurance has been provided on the basis that there are significant delays in the processing of referrals to the service and there is no monitoring of unmet needs.

Management of Standards and Guidelines: Limited assurance was given as there is no corporate overview and reporting of the Trust's overall compliance against standards and guidelines. Weaknesses were also found in relation to completeness of data held on the Trust Standards and Guidelines register and there is limited ongoing audit / follow up of compliance.

Infection Prevention Control and Anti-Microbial Stewardship: Limited assurance has been given in relation to Antimicrobial Stewardship (AMS) on the basis that AMS monitoring of practice needs to be developed further and fully embedded in the Trust. A baseline position has been established for AMS but regular testing on all wards is not currently taking place. Currently the Trust is meeting two of the four targets for AMS set by the PHA.

Morbidity and Mortality(M&M) processes (specifically mortality): Limited assurance is provided on the basis that, whilst M&M processes are in place, the required timescales for Consultant review and discussion at M&M groups is not consistently followed and some deaths have not been reviewed or discussed at M&M meetings as required. Furthermore, the process is not yet capturing learning in a consistent and effective manner.

Cyber security: Eight significant issues were identified in the cyber security report. Internal Audit provided limited assurance in relation to Network Security but satisfactory assurance in relation to Mobile and Home working. Some recommendations will require regional action, led by HSCB and others are specific for the Trust to action.

The recommendations of the Internal Auditor to address control weaknesses have been considered by the Audit Committee. The Audit Committee have reviewed management responses to the recommendations made and their implementation will continue to be monitored by the Audit Committee regularly during 2019-20.

Northern Ireland Audit Office (External auditor)

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 2018-19, the external auditor has brought to the attention of management no priority one issues.

The Northern Ireland Audit Office also conducts a number of Value for Money studies across the health sector on an annual basis and these are presented to the Audit Committee.

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 responses. Directors are responsible for progressing actions to ensure recommendations within their remit are achieved within their Directorates.

From 6 February 2018 any organisation that uses ionising radiation for exposures or non-medical imaging using medical radiological equipment in Northern Ireland must ensure that they comply with the requirements of the new Ionising Radiation (Medical Exposure) Regulations (Northern Ireland) 2018. Its purpose is to ensure patients are only exposed to radiation when clinically appropriate and at the lowest dose. RQIA is responsible for monitoring, inspecting and enforcement of IR(ME)R.

The Trust was subject to an inspection by RQIA in March 2019 and passed this inspection.

With regard to the Independent Sector Care provision, all inspection reports and Serious Concerns by RQIA are discussed and actioned at the Trust Independent Sector Cross – Directorate Governance Committee.

In line with Departmental requirements, the Trust reports bi-annually to the Department of Health on progress against selected RQIA recommendations.

Benchmarking

The Trust participates in external benchmarking of hospital based data against a UK peer group of like hospitals. A contracted service provider provides reporting on a range of key performance indicators including efficiency and safety measures providing independent assessment of performance against peers, supporting this function with analysis and support at Directorate level. The Trust acute hospital network (Craigavon Area and Daisy Hill) was the only one in Northern Ireland to be recognised as one of the UK's top hospitals for 2018.

The Trust has also expanded its external benchmarking outside hospital services via the NHS benchmarking Service, to include some community based services.

Medicines and Healthcare Products Regulatory Agency (MHRA)

MHRA inspect the Specials 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 22nd August 2018. There were no compliance issues identified by the Trust in 2018-19 and there is currently no notice of future inspection.

Human Tissue Authority (HTA)

The HTA is a regulator 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 regulate organisations that remove, store and use human tissue for various purposes. The HTA build 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.

The Human Fertilisation and Embryology Authority (HFEA)

The Trust is subject to the HFEA 1990 Act with the license certified every 4 years for the Fertility Clinic and an inspection every 2 years. The HFEA checks for compliance with the legislation and review the required audits and relevant policies and procedures. There was an inspection carried out on the 17th of April 2018 with recommendations to be implemented. These recommendations were completed within the designated timeframe and signed off by the HFEA in October 2018.

10. 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 management letter and other 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 Management 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 2018-19 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.

11. Internal Governance Divergences

Prior Year Issues – Closed

One governance matter in the previous years has now been addressed and no longer represents a reportable governance issue for the Trust.

Children's Surgery

Following the position that children's theatres were not running at full capacity in 2017-18, children's surgery has been fully operational again from June 2018 with the opening of the elective paediatric surgery service in Daisy Hill Hospital. The main specialties are ENT and Community Dentals. A reduction in waiting times has resulted in ENT Paediatrics day cases waiting 36 weeks where previously it was 68 weeks. It should be noted that due to capacity (1 paediatric patient per inpatient session) that the waiting time for inpatients is currently at 63 weeks (25 patients).

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 2018-19. 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 CoPE cover for social and health care services in the Light Touch Regime.

A regionally agreed five year procurement plan for the procurement of social care and other specific contracts over the EU threshold value has been agreed. The Trust has a number of extant contracts over EU threshold and these, under advice of the SCPU, have as in interim measure been directly awarded to current providers

until these contracted service areas align with the regional plan and at this stage these procurements can be taken forward as part of the regional plan.

The Trust has in place resources, operating under the influence of the Social Care Procurement Unit, to undertake a number of Trust specific procurements related in the main to operational need and strategic change and is aligned to support pre-procurement activities of the regional procurement plan.

No specific common approach has yet been agreed for the management of award of contracts under EU threshold level however work is ongoing in this area. A large number of these contracts can be of a low value and it will be a key deliverable to ensure an awards process that is both proportionate to the value of the contract and reflects best practice with arrangements to establish value for money achieved. No specific resources are available for the award of contracts 'under threshold' and the Trust will continue to adopt a pragmatic approach in the management of this until a consistent and proportionate regional approach is agreed.

General Contract Management

The Trust continues to assess that it is not fully compliant with HSC (F) 32/2017: Procurement Guidance Note (01/12) Contract Management (as amended) – Procedures and Principles. In January, February and March 2019, the Trust ran 5 days of contract management training on the new contract management guidance, and 50 managers availed of this training. In order to strengthen the corporate oversight and monitoring of the existing delegated contract management arrangements, the Trust wishes to implement a central contract management team with supporting systems, however due to significant restructuring at senior levels in the organisation throughout 2018-19, progress has not yet been possible. The risks associated with this remain noted on the Trust's Corporate Risk Register.

Trust Estate Risks

The age, condition and nature of the estate continue to pose potential risks and are exacerbated by limited capital investment in major renewal and replacement projects. The estimated investment required for backlog maintenance is £252m. Of particular note is the deterioration of exposed concrete on Daisy Hill Hospital exterior, leading to the detachment of concrete debris which poses a risk to service users, staff and public. The Trust implemented a number of controls to mitigate the risk which included completing interim structural repairs to the concrete heads and lintels as recommended by the Structural engineer. This action should afford the Trust 7 – 10 years to implement a longer term solution involving over cladding and window replacement, estimated to cost circa £2m.

In addition, the Low Voltage, (LV), infrastructure to the main CAH hospital block poses a significant risk of interruption to services along with associated patient safety risks. Controls are in place to mitigate this risk including an emergency fixed breaker

plan in the event that one of the fixed breakers fails, however circa £800k capital investment is urgently required to address the most immediate priority regarding LV on the site and this requirement has been included in the capital business case for a new CT Scanner for CAH.

The Trust wide telecoms infrastructure upgrade is now complete and is no longer a risk.

Clinical and Social Care Risks

Elective Care

As recognised by DoH and HSCB, the Trust continues to have a number of capacity gaps in specialty areas associated with increasing demand; the absence of significant recurrent investment in elective services, the growing impact of competing unscheduled care demands and increasing workforce pressures. £10.5m of non-recurrent funding has been allocated by the HSCB in 2018-19 to provide additional elective activity to areas that would have the greatest impact. The majority of this capacity has been focused on ensuring that patient safety issues are prioritised, with additional capacity directed in the first instance to 'red flag' and 'urgent' assessments, both new and review, and key diagnostics. These measures have supported the delivery of the cancer pathways, in the context of an ongoing increase in cancer referrals for assessment, with the Trust continuing to perform above the regional average against the 31 day standard. This additionality has not however facilitated a reduction in access times for routine waits.

95% of patients urgently referred with a suspected cancer should begin their first definitive treatment within 62 days. Maintaining the Trust performance against this national and regional target has been challenging as a result of increased demand experienced in 2018-19 and while still performing relatively well against the regional average, performance has reduced from the Trust's 2017-18 position.

Elective capacity challenges also impacts 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.

The growth in longest waits continues and the rate of this growth in terms of year on year increases in volumes waiting is also rising. Reform of Services, as set out in the Elective Care Plan, will be required to see longer term gains.

Unscheduled Care

The Trust continues to be challenged to manage demand for unscheduled care in periods of heightened pressures with a year on year increase in Emergency Department attendances on all sites, ongoing challenges in attracting and securing

skilled medical and nursing staffing and a comparative low level of available bed capacity, particularly in the Acute Programme. Performance against the 4 and 12 hour Emergency Department targets has deteriorated. The Trust continues to maintain comparable good performance in relation to its bed utilisation with average length of stay and bed turnover high but does not anticipate an improvement in the current level of unscheduled care performance.

In addition to the Acute Programme, the Mental Health Programme has faced heightened unscheduled care pressures in year, compounded by staffing challenges. Staffing challenges include ongoing nursing vacancies, a loss of experienced staff and an increasing reliance on newly qualified workforce. Arrangements are in place to monitor staffing levels on Mental Health Wards to highlight any risk and initiatives are in place to promote mental health recruitment, develop skill mix and promote retention of staff.

Regional work is ongoing in respect of a review of mental health beds and formalisation of escalation arrangements is essential. The Trust will initiate an Invited Review process with the Royal College of Psychiatrists during the first quarter of 2019/20, the focus of which will be to commence a wider improvement plan to build a progressive Mental Health inpatient service.

Whilst progressing the transformational agenda, workforce issues continue to be the greatest challenge and constraint. The ability to maintain a robust medical staffing level for the management of medicine and unscheduled care, in the context of ongoing unscheduled care pressures, continues to require significant internal focus with high reliance on locum staffing provision.

The Trust has engaged significantly with its staff in year and has worked with regional and local networks to develop operational resilience in the management of unscheduled care seasonal resilience plans however it is recognised that 'Winter' challenges presenting in unscheduled care are increasingly outside the periods of traditional pressure. The Trust put in place a range of measures in 2018-19 including temporary provisions of additional beds between December and March 2019 as well as a range of temporary measures funded through Confidence and Supply funding to improve site co-ordination and patient flow, such as control room enhanced 7 day working and plans for increasing ambulatory care. The Trust will continue to seek to embed these initiatives to improve patient flow and effectiveness in 2019-20 subject to available funding. The Trust continues to focus on regional and local indicators of quality to provide assurance on safety and quality of services and to facilitate identification of areas of improvement linked to patient experience. Reform of services as set out in 'Delivering Together' and the Elective Care Plan are required to see longer term gains at local level.

Emergency Department at Daisy Hill Hospital

The Final Report of the Daisy Hill Hospital (DHH) Pathfinder Group was submitted to the Department of Health on 20th December 2017 and was endorsed by Emergency Care Regional Collaborative and the Transformation Implementation Group. The report detailed the overall model developed to meet the unscheduled care needs of the Newry and Mourne population and the wider catchment population of DHH. The new Direct Assessment Unit costing £1m, opened in February 2019 and will be taking referrals from GPs and the Northern Ireland Ambulance Service from early April 2019. One element yet to be implemented is the High Dependency Unit.

Recruitment

The Trust continues to experience difficulties in 2018-19 in meeting its demand for recruitment of medical, nursing and GP staff as well as a number of other workforce areas, including AHP, Social Work and Social Care. In the current labour market, there continues to be competition for limited staff resources not only within the HSC but also with other sectors. The Trust's Resourcing Department has an Operational and Service Improvement plan which includes a range of actions to support Trust services in addressing their workforce needs. The Resourcing Department continues to work collaboratively with the BSO Recruitment & Selection Shared Service Centre (RSSC) and as part of the regional Strategic Resourcing Innovation Forum (SRIF) to seek ways to improve the recruitment of non-medical staff to the Trust. A Workforce Development sub group has also been established under the Daisy Hill Pathfinder project to look particularly at recruitment and retention challenges in the Newry and Mourne area, however the key themes and actions are undoubtedly relevant across our other sites, including Craigavon Area Hospital. Stabilisation of the medical workforce in Daisy Hill Hospital is a particular priority, the newly appointed Medical Director has established a Clinical Group to explore all options in an effort to stabilise the medical workforce. A Nursing & Midwifery Workforce Strategy Project has also commenced focusing on recruitment and retention of this particular staff group with a Senior Nurse Project Manager leading on this key piece of work in 2018-19.

Financial Risks

In addition to the financial risks arising from internal audit reviews conducted in 2018-19 as outlined on pages 58-59, the following on-going risks are noted:

Performance of BSO Payroll Shared Services Centre

The Head of Internal Audit has reviewed the shared services functions provided by BSO as noted on page 60 during 2018-19. The Payroll Shared Service has remained as having limited assurance in 2018-19, however progress has been demonstrated

with 3 of the 5 outstanding priority one issues from prior years being fully implemented and the remaining 2 priority one issues relating to knowledge and capacity of staff and management of customer queries being actively progressed.

However, internal audit work at March 2019 has identified four new priority one areas within payroll. These relate to timesheet processing, sickness and absenteeism processing and historical HMRC data issues. There are also a number of priority two findings outstanding from previous years and further new issues arising from the March audit work.

Therefore a significant programme of work remains for BSO management to address. The Trust Board are disappointed that there remains no significant improvement in assurance levels.

Whilst BSO management have accepted the recommendations and continue to provide assurance that action plans are in place and closely monitored within BSO, this situation continues to present reputational and other difficulties for the Trust.

The Trust will continue to monitor progress at Audit Committee.

Failures in supervisory and managerial controls

The scale and number of payroll overpayments have been monitored in 2018-19. Failures in supervision and appropriate checking at a managerial level continue to be a recurrent causing factor. New initiatives to raise awareness of the reasons for overpayments were introduced from October 2018 onwards. This includes a monthly report to Directors of each payroll overpayment which occurred in month in their Directorate, the amount of money involved, the service area and the root cause of the overpayment e.g. late paperwork. It is intended that this information will be used as a learning tool, to help reduce future overpayments arising however it will be 2019-20 before any impact is able to be assessed. However, due to the improved procedures within BSO Payroll shared services at the end of March 2019, over 75% of 2018-19 overpayments had been fully recovered or settlement reached through an instalment plan.

Budget Position and Financial Outlook

In the continuing absence of an Executive and a sitting Assembly the Northern Ireland Budget Act 2018 was progressed through Westminster, receiving Royal Assent on 20th July 2018, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2019 which received Royal Assent on 15th March 2019. The authorisations, appropriations and limits in these Acts provide the authority for the 2018-19 financial year and a vote on account for the early months of the 2019-20 financial year as if they were Acts of the Northern Ireland Assembly.

While the Trust achieved a breakeven financial position in the year to 31 March 2019, it is important to note that this was achieved following the receipt of significant non-recurring funding, one off contingency measures, expenditure reductions and planned in year slippage on investments. As a result the Trust is aware of the underlying recurrent funding pressures, which, coupled with further in-year emergent pressures, ensure that significant budgetary challenges will continue into 2019-20.

In February 2019 the Secretary of State for Northern Ireland published the 2019-20 budget. This budget secures a 2% real increase in funding for Health and Social Care when compared to the end of 2018-19, however, it is recognised that the financial situation will remain challenging throughout 2019-20 with increasing demand. The Trust has been working closely with the HSCB and Department to financially plan for 2019-20 for a number of months.

Across the HSC sector it is expected that the significant financial challenges faced will continue and extensive budget planning work to support the 2019-20 financial plan is ongoing between the Trust, HSCB and the Department of Health. However, as with other financial years, the Trust remains committed to achieving financial break even.

Domiciliary Care Services

The Trust continues to have a domiciliary care oversight group in place which oversees the Trust's action plan to bring forward the recommendations and learning from the ongoing local work in this area. The Regional DOH Oversight Group has now been stood down and assurance sought regarding Trust processes which has influenced the Trust Oversight Action Plan.

The Trust commissioned Internal Audit during 2018-19 to conduct four further audits of domiciliary care providers. Priority one issues have been raised in relation to the Trust's ability to assure itself that it is receiving all commissioned and paid for time from the providers.

In anticipation of an RQIA review of Trust assurance processes across a number of services commissioned from the Independent Sector providers, the Trust has undertaken an internal review. A number of workshops occurred in early 2019 to enable the Trust to ensure robust and consistent processes are in place across the Trust /Independent sector. This will influence the Terms of Reference for the Trust Oversight Group to ensure a comprehensive overview of the Independent Domiciliary Care Sector.

The Trust Homecare Domiciliary Care service was audited and received an unacceptable level of assurance in February 2019. A detailed action plan has been agreed and work is progressing to complete within the agreed time frames.

The Trust is also participating in a regional planning group regarding a new model of domiciliary care which has been shared with DOH for approval. A live monitoring system is deemed by the Trust to be an essential component of the new regional model of service delivery.

Successful recruitment in-year is helping to address the capacity issues but this remains a challenge to all sectors. The Trust is working with NISCC to agree guidance for domiciliary care providers on appropriate recruitment practices.

Waiting List Initiative Payments

Trust management have an action plan in place and have been progressing the internal audit recommendations made following the review of payments conducted in 2016-17. A re-audit of this area has been undertaken in 2018-19 to ensure that all learning and strengthening of processes has been fully implemented and embedded in the Trust. Of the 10 recommendations previously made, 40% are fully implemented and 60% are partially implemented. The Trust will continue to monitor progress at Audit Committee.

Cyber Security

Cyber Security is included on the Trust's Corporate Risk Register and updates are provided to Governance Committee on a bi-monthly basis. The internal audit report on this area in 2018-19 is included on 59.

Report on Inquiry into Hyponatraemia-related Deaths

The Trust's Oversight Group, co-chaired by the Medical Director and the Interim Executive Director of Nursing is continuing to progress work in 2018-19 reporting regularly to the Senior Management Team and Trust Board.

The Trust continues to participate in the Department of Health programme of work in response to the Inquiry Report's recommendations. The Trust has now completed four additional benchmarking exercises for each of the recommendations grouped under the headings Paediatric-Clinical, Serious Adverse Incidents, Duty of Quality and Preparation of Inquests, the outcomes of which were submitted to the Department of Health.

New Control Issues in 2018/19

There are three significant internal control divergences which have been identified in 2018-19.

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

The Trust has agreed a five Trust response to the COPNI Home Truths five recommendations that have been aligned to the Trusts to progress. The Trust is continuing to progress these five recommendations and quarterly updates will be provided to the DOH as requested.

The Trust has met twice with the Independent Review Team and is currently preparing a paper to share with the Review Team showcasing the best practice arrangements in place to support hospital discharge and residents placed by the Southern HSC Trust in Care homes.

A number of cross Directorate professional practitioners participated in the regional safeguarding workshop organised by the Independent Review Team.

Whilst the Trust only has one client now placed with Dunmurry Manor, the Trust continues to liaise with the other two families who had family placed at the time of the COPNI investigation.

The Independent Review Team's report was due to be published in June 2019 but this may be delayed due to the ongoing police investigation into Dunmurry Manor.

The Trust is also working with other Trusts to consider new models for clients placed in care homes outside their Trust area and is participating in the retrospective safeguarding audit across care homes.

Non-compliance with lease policy

The Trust has a process in place to renew leases that it is over holding on. Where opportunities arise, the Trust is seeking to surrender or cease leases and relocate staff and services back into Trust owned Estate. Where the Trust has proposals being developed it is advantageous to continue to over hold to provide flexibility to vacate leased premises or take back granted accommodation. The decision to over hold is assessed on the basis that the accommodation move will happen within the next 12 months, if this is unlikely, Estates would seek a new lease agreement via the SOC process. The Trust has a programme in place for the renewal of leases and robust arrangements to manage critical lease dates in line with current policy. These arrangements are now managed and monitored by a professionally qualified Property Manager and are reported annually, through Trust Senior Management, in the Trust Asset Management Plan. The Estates department currently has a resourcing issue which is impacting on the progress of the renewal process. The date for the lease renewal project was adjusted in the PAMP plan to reflect March 2019 as a target date.

Business case approval process for Confidence & Supply Funding

A condition of the confidence and supply funding to the Trust was approval of each business case by the Trust Senior Management Team and submitted to HSCB by 31 March 2019. The Trust had 110 schemes all of which met this deadline.

The second stage of this process was approval of all these cases by HSCB by 31 March 2019 and communication of same. The Trust received allocation letters for 100 of these schemes by 31 March 2019 . Of the 10 remaining, with a value of £322k, the HSCB confirmed approval through its allocation of RRL to the Trust.

11. 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 assurances 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.

Further to considering the accountability framework within the Trust and in conjunction with assurances given to me by the Head of Internal Audit, I am content that the Trust has operated a sound system of internal governance during the period 2018-19.

REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2019

Scope of the report

The Remuneration report summaries the remuneration policy of the Southern Health and Social Care 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 Committee

The remuneration and other terms and conditions of Chief Executive and Directors are overseen by the Remuneration and Terms of Service Committee.

The Remuneration Committee of the Trust includes the Chair and 2 Non-Executive Directors of the Trust. They are supported by the Chief Executive and the Director of Human Resources and 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 (NI).

Fees and allowances paid to the Chairman 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, taking into consideration the parameters established by the Department 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 against the annual Trust Delivery Plan.

During 2018-19, emphasis continued to be on patient safety and quality improvement, ministerial targets and financial balance.

The Chief Executive in turn 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, and 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 Committee are fully conversant with organisational performance via monthly reports to Trust Board.

The levels of performance pay permitted 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 as at 1st April 2018 based on performance for Senior Executives in the period 1 April 2017 to 31 March 2018.

During 2018-19, all contracts were permanent and provide for three months' notice for both parties, with the exception of:

- **Mrs Melanie McClements**, who was in the role of Interim Director of Older People and Primary Care Services from 2 October 2017. Mrs McClements was appointed permanently to the role of Director of Older People and Primary Care Services on 19 September 2018.
- **Mrs Carmel Harney**, who commenced the role of Director of Mental Health and Disability on an acting basis from 2 January 2018 to provide cover for this executive role. Mrs Harney's acting role ended on 1st February 2019 following the permanent appointment and handover to Mr Barney McNeany on 1 January 2019.
- **Ms Helen O'Neill**, who was in the role of Acting Director of Finance and Procurement from the 15 November 2017. Ms O'Neill was appointed to the role of Director of Finance, Procurement and Estates on 5 September 2018.
- **Mrs Heather Trouton**, who commenced the role of Executive Director of Nursing on an interim basis from 22 January 2018 to provide cover for this executive role.
- **Mrs Anita Carroll**, who commenced the role of Acting Director of Acute Services on 26 July 2018 to 30 September 2018 to provide cover for a period of sick leave.
- **Dr Ahmed Khan**, who commenced the role of Acting Medical Director on 1 April 2018 until 31 December 2018. Dr Maria O'Kane was appointed on a permanent basis to the Medical Director role on 1 December 2018.

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.

Senior Employees' Remuneration (Audited)

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

Name	2018-19				2017-18			
	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								
Mrs R Brownlee - Chair	30-35	100	-	30-35	25-30	100	-	25-30
Mrs S Rooney	5-10	300	-	5-10	5-10	100	-	5-10
Mrs H McCartan	5-10	100	-	5-10	5-10	200	-	5-10
Ms E Mullan	5-10	200	-	5-10	5-10	100	-	5-10
Mr J Wilkinson	5-10	100	-	5-10	5-10	-	-	5-10
Ms G Donaghy	5-10	100	-	5-10	5-10	100	-	5-10
Mr M McDonald	5-10	100	-	5-10	5-10	-	-	5-10
Mrs P Leeson	5-10	200	-	5-10	5-10	-	-	5-10
Executive Members								
Mr S Devlin - Chief Executive (From March 2018)	95-100	-	21	120-125	0-5 (95-100 FYE)	-	1 (34 FYE)	0-5 (130- 135 FYE)
Mr F Rice - Chief Executive (To March 2018)	N/A	N/A	N/A	N/A	100-105	100	37	135-40
Mr S McNally - Director of Finance & Procurement also Acting Chief Executive (From January 2017 to July 2017 and From November 2017 to March 18)	N/A	N/A	N/A	N/A	95-100	300	N/A	95-100
Dr R Wright - Medical Director (To August 2018)	60-65(150- 155 FYE)	-	Note 2	60-65(150-155 FYE)	150-155	0	7	160-165
Dr A Khan - Interim Medical Director (From April to December 2018)	110-115 (150- 155 FYE)	700 (1000 FYE)	40 (53 FYE)	150-155 (205- 210 FYE)	N/A	N/A	N/A	N/A
Dr M O'Kane - Medical Director (From December 2018)	60-65 (185- 190 FYE)	-	65 (196 FYE)	125-130 (385- 390 FYE)	N/A	N/A	N/A	N/A
Mr P Morgan - Director of Children & Young People's Services	75-80	-	Note 1	75-80	75-80	200	N/A	75-80
Mrs A Mc Veigh - Director of Older People & Primary Care Services (To October 2017)	N/A	N/A	N/A	N/A	45-50 (85- 90 FYE)	-	N/A	45-50 (85- 90 FYE)
Mr B McMurray - Acting Director of Mental Health & Disability / Interim Executive of Nursing and AHP's (To December 2017)	N/A	N/A	N/A	N/A	50-55 (70- 75 FYE)	-	N/A	50-55 (70- 75 FYE)
Ms H O'Neill - Acting Director of Finance & Procurement (To September 2018). Director of Finance Procurement & Estates (From September 2018)	75-80	100	22	95-100	45-50 (75- 80 FYE)	-	15 (22 FYE)	60-65 (95- 100 FYE)
Mrs H Trouton - Interim Executive Director of Nursing, Midwives and AHP's (From January 2018)	0-5	-	1	0-5	0-5 (0-5 FYE)	-	0 (2 FYE)	0-5 (5-10 FYE)
Other Members								
Mrs E Gishkori - Director of Acute Services	70-75	200	4	75-80	70-75	200	8	80-85
Mrs A Carroll - Acting Director of Acute Services (July to September 2018)	10-15 (75-80 FYE)	-	3 (19 FYE)	15-20 (95-100 FYE)	N/A	N/A	N/A	N/A
Mrs A Magwood - Director of Performance and Reform	70-75	600	14	85-90	70-75	100	14	85-90
Mrs V Toal - Director of Human Resources and Organisational Development	60-65	400	13	75-80	60-65	400	13	75-80
Mrs C Harney - Interim Director of Mental Health & Disability Services (From January 2018 to December 2018)	60-65 (80-85 FYE)	300 (400 FYE)	(1) ((1) FYE)	55-60 (75-80 FYE)	15-20 (70- 75 FYE)	0 (200 FYE)	6 (23 FYE)	20-25 (95- 100 FYE)
Mr B McNeany - Director of Mental Health & Disability Services (From January 2019)	20-25 (85-90 FYE)	900 (3,600 FYE)	14 (56 FYE)	35-40 (145- 150 FYE)	N/A	N/A	N/A	N/A
Mrs M McClements - Acting Director of Older People & Primary Care Services (From October 2017). Director of Older People & Primary Care Services (From September 2018)	75-80	300	22	95-100	35-40 (75- 80 FYE)	100 (200 FYE)	43 (72 FYE)	80-85 (145- 150 FYE)

FYE is used as an abbreviation for Full Year Equivalent.

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

The Trust is required to disclose 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:

	2018-19	2017-18
Band of Highest Paid Director's Total Remuneration (£000s)	150-155	150-155
Median Total Remuneration (based on paid salary)	£29,315	£28,381
Ratio	5.2	5.4
Range of Staff Remuneration	£16,934 - £211,273	£14,665 - £232,416

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 with SHSCT. The calculation of median remuneration excludes agency staff.

The banded remuneration of the highest paid Director in 2018-19 was £150,000 - £155,000 (2017-18: £150,000 - £155,000). This is 5.2 (2017-18: 5.4) times the median remuneration of the workforce, which was £29,315 (2017-18: £28,381).

In 2018-19, 28 (2017-18: 24) employees 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 Southern HSC Trust were as follows:

2018/19					
Name	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 31/03/18 £000s	CETV at 31/03/19 £000s	Real increase in CETV £000s
Executive Members					
Mr S Devlin - Chief Executive (From March 2018)	(2.5)-0	20-22.5 plus 10-12.5 lump sum	221	278	22
Dr R Wright - Medical Director (To August 2018)	Note 2	Note 2	Note 2	Note 2	Note 2
Dr A Khan - Interim Medical Director (From April to December 2018)	2.5-5	20-22.5	195	267	37
Dr M O'Kane - Medical Director (From December 2018)	7.5-10 plus 25-27.5 lump sum	60-62.5 plus 185-187.5 lump sum	1,002	1,326	185
Mr P Morgan - Director of Children & Young People's Services	Note 1	Note 1	Note 1	Note 1	Note 1
Ms H O'Neill - Acting Director of Finance & Procurement (To September 2018). Director of Finance Procurement & Estates (From September 2018)	0-2.5 plus 0-2.5 lump sum	35-37.5 plus 100-112.5 lump sum	645	757	24
Mrs H Trouton - Interim Executive Director of Nursing, Midwives and AHP's (From January 2018)	0-2.5 plus (2.5)-0 lump sum	20-22.5 plus 45-47.5 lump sum	334	394	11
Other Members					
Mrs E Gishkori - Director of Acute Services	0-2.5 plus 0-2.5 lump sum	15-17.5 plus 50-52.5 lump sum	326	380	9
Mrs A Carroll - Acting Director of Acute Services (July to September 2018)	0-2.5 plus 2.5-5 lump sum	27.5-30 plus 87.5-90 lump sum	592	688	25
Mrs A Magwood - Director of Performance and Reform	0-2.5 plus (2.5)-0 lump sum	22.5-25 plus 52.5-55 lump sum	358	425	9
Mrs V Toal - Director of Human Resources and Organisational Development	0-2.5 plus (2.5)-0 lump sum	17.5-20 plus 37.5-40 lump sum	237	288	8
Mrs C Harney - Interim Director of Mental Health & Disability Services (From January 2018 to December 2018)	0-2.5 plus 0-2.5 lump sum	37.5-40 plus 115-117.5 lump sum	799	899	4
Mr B McNeany - Director of Mental Health & Disability Services (From January 2019)	2.5-5	15-17.5	208	280	46
Mrs M McClements - Acting Director of Older People & Primary Care Services (From October 2017). Director of Older People & Primary Care Services (From September 2018)	0-2.5 plus 2.5-5 lump sum	32.5-35 plus 102.5-105 lump sum	648	761	26

Note 1: Mr P Morgan is beyond the threshold for calculation of CETV, so this is not applicable.

Note 2: Dr R Wright left the Trust during the year so this is not applicable in 2018-19.

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

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.

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 costs comprise (Audited):

Staff costs comprise:	2019		2018	
	Permanently employed staff £000s	Others £000s	Total £000s	Total £000s
Wages and salaries	330,549	34,124	364,673	336,375
Social security costs	28,509	68	28,577	27,168
Other pension costs	47,305	34	47,339	44,146
Sub-Total	406,363	34,226	440,589	407,689
Capitalised staff costs	(513)	-	(513)	(431)
Total staff costs reported in Statement of Comprehensive Expenditure	405,850	34,226	440,076	407,258
Less recoveries in respect of outward secondments			(193)	(153)
Total net costs			439,883	407,105
Total staff costs reported in the statement of comprehensive expenditure of which:			£000s	£000s
Southern HSC Trust			440,076	407,258
Total			440,076	407,258

Staff Costs exclude £513k charged to capital projects during the year (2017-18: £431k).

Staff Costs include £737k associated with Research & Development Projects (2017-18: £585k).

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) 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

The Scheme member's contributions are based on their full year whole time equivalent (WTE) pensionable pay

Full –Time Pensionable Pay used to determine contribution rate	Contribution rate (before tax relief) (gross) 1 April 2015 to 31 March 2019
Up to £15,431.99	5.0%
£15,432.00 to £21,477.99	5.6%
£21,478.00 to £26,823.99	7.1%
£26,824.00 to £47,845.99	9.3%
£47,846.00 to £70,630.99	12.5%
£70,631 to £111,376.99	13.5%
£111,377.00 and over	14.5%

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 3% in 2018/19.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the statement of financial position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2018-19 accounts.

During 2018-19 there were 18 (2017-18: 17) early retirements from the Trust, agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £42k (2017-18: £47k). These costs are borne by the HSC Pension Scheme.

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

Exit Package Cost Band	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by Cost Band	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<£10,000	-	-	-	-	-	-
£10,001 - £25,000	-	-	1	-	1	-
	-	-				
Total number of exit packages	-	-	1	-	1	-
	£000s	£000s	£000s	£000s	£000s	£000s
Total Resource Cost	0	0	15	0	15	0

Redundancy and other departure costs are paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature

Retirement Regulations, statutory provisions made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses. 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.

Average Number of Persons Employed (Audited)

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

	2019			2018
	Permanently employed staff	Others	Total	Total
	No.	No.	No.	No.
Medical and dental	672	106	778	732
Nursing and midwifery	3,644	115	3,759	3,625
Professions allied to medicine	1,252	11	1,263	1,191
Ancillaries	727	108	835	814
Administrative & clerical	1,665	47	1,712	1,683
Estates & Maintenance	108	0	108	111
Social services	1,372	11	1,383	1,347
Domiciliary/Homecare Workers	926	0	926	908
Total average number of persons employed	10,366	398	10,764	10,411
Less average staff number relating to capitalised staff costs	(8)	-	(8)	(7)
Less average staff number in respect of outward secondments	(2)	-	(2)	(2)
Total net average number of persons employed	10,356	398	10,754	10,402

Of which:

Southern HSC Trust	10,754
Charitable Trust Fund	-
	0

Staff Report

The Trust employs 13,141 staff (10,754 whole time equivalent) with 75% of staff providing direct hands on care to patients and clients. This figure includes staff with more than one job position.

Staff Composition by Gender

The following table provides an analysis of the number of employed staff as at 31 March 2019 by gender:

	Directors		Non-Executive Directors		Senior Staff		Other Staff		Trust Total	
	Number	%	Number	%	Number	%	Number	%	Number	%
Female	7	70	6	75	27	60	11,233	86	11,273	86
Male	3	30	2	25	18	40	1,845	14	1,868	14
Total	10		8		45		13,078		13,141	

- 1. Senior staff is defined as Assistant Director and above but excluding senior management*

Staff Policies and Other Employee Matters

The Trust is committed to equality of opportunity for all and many of the Trust's policies and procedures are founded on the overarching Trust Equality of Opportunity Policy. This Policy outlines clearly that the Trust is opposed to all forms of unlawful and unfair discrimination. Decisions about recruitment, selection, promotion, training and all other terms and conditions are made objectively and without unlawful discrimination.

Supporting the Trust's commitment to equality of opportunity for all is the Trust's recruitment and selection procedures, the policy on the Employment of Persons with a Disability and Guidance for Managers on the provision of timely reasonable adjustments in the workplace for employees and job applicants with disabilities. These are all focused on ensuring support is given to staff within our employment with disabilities. Furthermore, a regional HSC Disability Toolkit is expected to be launched in 2019-20.

The Trust's Joint Consultative & Negotiating Forum is committed to the involvement of staff at all levels in shaping service delivery and being part of the decision making which affects their working lives and the delivery of health and social care. The Trust continues to work in partnership with Trade Union colleagues and has developed across all directorates resulting in staff and management working together to deliver

a number of very significant change initiatives and service reforms over the past number of years.

A Staff Involvement Framework governs how the Trust involves staff in decisions that affect them through a range of processes, procedures and initiatives to develop a consistent approach to involving staff.

‘Your Right to Raise a Concern (Whistleblowing)’ Regional HSC Framework / Southern Trust Policy and Procedure

The Trust is committed to ensuring we continually improve services for patients and clients and to ensure we deliver safe, high quality care to all. Involvement of all our staff is key to ensuring we continually improve but that we are aware of any issues of concern which could impact on our ability to provide safe, compassionate patient care. In April 2018 we launched the regional ‘Your right to raise a concern (Whistleblowing)’ Framework, Policy and Procedure to encourage and support staff to raise concerns. Our emphasis is to develop a culture within the Trust where staff feel confident and empowered to raise concerns about patient safety or other concerns in the public interest in order to ensure safe and effective working across the Trust.

During our April 2018 launch week we shared the Framework Policy and Procedure with all staff through their management lines and promoted our ‘See Something... Say Something....’ campaign using a range of social media routes, posters and mobile pop up stands.

Since April 2018, we have provided training for all members of the Trust’s Senior Management Team. Other Trust senior managers have also been trained and separate training has been provided to our independent Trust investigators tasked with investigating any concerns raised. Work is on-going to roll out training to all managers across the Trust.

‘Conflict, Bullying & Harassment in the Workplace’ Policy

The Trust is an equal opportunities employer and we strive to create and promote a harmonious working environment, where all staff feel safe at work and are treated with respect and dignity. Poor working relationships, unresolved conflict, bullying and harassment can have a detrimental effect on personal wellbeing, as well as the wider working environment including impacting patient care.

We have worked together with regional HSC colleagues to develop and new robust Policy to manage conflict, bullying & harassment. We want to create the sort of organisation that people want to be a part of and feel proud to work in by fostering a climate of dignity and respect amongst staff at all levels, and in demonstrating our commitment to deal with conflict, bullying and harassment effectively and promptly.

The new Policy will be launched in April 2019 and will replace our current Working Well Together and Harassment at Work Policies. Work is on-going to plan and implement our launch.

Trust Charity Partnership 2018 – 2020

In January 2018, the Trust established its new 2 year joint partnership with PIPS Upper Bann and PIPS Hope and Support, both public initiatives for the prevention of suicide and self-harm. The charities were nominated by staff and chosen as the Trust's new charity partners. Over the 2 years staff will help raise awareness and vital funds for both PIPS charities. Fundraising monies collected will be used to provide crisis counselling to support vulnerable people who are at risk of suicide and people who self-harm in the Southern Trust area. The Trust's first Charity Gala Ball fundraiser was held in February 2019 for staff, service users, friends, charity partners and local businesses, which was a great success and raised significant money for both charities.

Workplace Health and Wellbeing

The Trust launched its second Staff Health & Wellbeing Strategy 2018-2021 in April 2018. It outlines what individual employees expect from the Trust as an employer, and what responsibility staff can and should take for their own health and wellbeing. It also launched an on-line hub 'UMatter' which contains up-to-date news, events, campaigns and resources related to staff health and wellbeing.

With an increasing focus on health and well-being a number of events have taken place throughout the year some of which included health calendar campaigns including for example Men's Health Week; World Suicide Prevention Day; and Breast Cancer Awareness Month. A programme of workshops and information sessions has also taken place on a range of topics, some of which included financial wellbeing; suicide prevention awareness and stroke awareness.

Equality and Diversity

Other key achievements during the year included the production of a regional Disability Toolkit for managers and staff, helping to fulfil the duties as set out in the Disability Discrimination Act 1995. A regional review also took place of the Multi-Cultural and Beliefs handbook for staff, aimed at promoting culturally sensitive services for everyone in need of health and social care.

The Trust also produced a 'Traveller Information Booklet' for staff. The booklet provides an insight to the Irish Traveller community, their way of life - culture and identity, Traveller health, factors influencing Traveller health, loss and bereavement along with practical advice for staff.

The Trust continues to roll out the E-Learning Programme ‘Equality, Good Relations and Human Rights - ‘Making a Difference’ which is now mandatory for staff to complete.

Staff sickness and absenteeism

The cumulative sickness and absenteeism rate for the Trust as at 31 March 2019 was 5.35% (2017-18: 5.11%). The Trust’s target for 2018-19 was 4.93%.

Staff Benefits

There were no staff benefits in 2018-19 or 2017-18.

Off Payroll Engagements (Audited)

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

The Trust did not engage Off Payroll Staff Resources in 2018-19.

An engagement which was recorded under this disclosure in 2017-18 has been assessed as not disclosable in line with IR35 requirements. Therefore the 2017-18 disclosure is restated as no off payroll engagements in place.

The Trust did not incur expenditure on external consultancy during 2018-19.

Trust Management Costs

	2019	2018
	£000s	£000s
Trust management costs	22,289	21,764
Income:		
RRL	673,273	645,190
Income	42,320	41,932
Non cash RRL for movement in clinical negligence provision	4,909	(19,763)
Total Income	720,502	667,359
% of total income	3%	3.3%

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 fallen in this period as a % of income.

	2019 £'000s	2018 £'000s	2017 £'000s
Trust Management Costs	22,289	21,764	21,441
Total Income	720,502	667,359	631,426
% of Total Income	3%	3.3%	3.4%

Accountability and Audit Report

Complaints Management

The quality and safety of services we provide is very important to us. We aim to continually improve and it is often people who have observed our services who can help us to learn and improve by sharing their experiences.

The Trust aims to provide the highest possible standard of care to all service users. Service users knowledge and rich source of feedback about their experiences are essential in continuing our drive for continuous improvement and excellence in all we do. Information on how to make a complaint, suggestion or comment can be found in our “We Value Your Views” leaflet.

Each year a significant number of people receive services provided or commissioned by the Southern Health & Social Care Trust and the vast majority have a positive experience and are cared for by well trained professional and support service staff, all of whom are highly dedicated. However, like any organisation, things can go wrong and service users can express dissatisfaction with services, when this happens we are committed to listen, learn and improve.

The Trust continues to investigate complaints in an open and transparent way, using issues raised through the complaints process as an important source of information for safety and quality improvement. Discussing and sharing the outcome of complaints investigations is one of the ways we improve the experience of people using our services, and ultimately the safety and quality of the treatment and care we provide.

Within the Trust it is the responsibility of all Trust staff to utilise the information and trends from their complaints to ensure learning and development takes place at a service and individual level.

The Senior Management Team will consider the trends and themes of complaints to ensure we **listen, learn and improve**.

The number of complaints received for the financial year 2018-19 was 674 (2017-18: 724). Further information on the monitoring of complaints is contained in the Complaints Annual Report, which is published on our website. The Trust Complaints Team can be contacted at complaints@southerntrust.hscni.net or Tel: 028 375 64600.

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 Department of Health 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 which 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.

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 Department of Health.

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.

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

Type of Loss and Special Payment	2018-19		2017-18	
	CASES	£	CASES	£
Cash Losses				
Cash losses – Theft, fraud etc	1	150	-	-
Cash Losses – Overpayments of salaries, wages and allowances	13	3,047	-	-
Cash Losses – Other causes	0	0	2	30
	14	3,197	2	30
Claims abandoned				
Waived or abandoned claims	-	-	-	-
Administrative write-offs				
Bad debts	449	331,081	974	242,282
Other	1	12	-	-
	450	331,093	974	242,282
Fruitless payments				
Late Payment of Commercial Debt	1,471	36,979	2	181
Other Fruitless payments and constructive losses	5	27,682	-	-
	1,476	64,661	2	181
Stores Losses				
Losses of accountable stores through any deliberate act	-	-	-	-
Other stores losses	2,744	124,210	1,549	107,379
	2,744	124,210	1,549	107,379
Special Payments				
Compensation payments				
- Clinical Negligence	81	2,526,023	86	5,044,421
- Public Liability	15	157,312	15	113,826
- Employers Liability	3	37,637	34	421,879
- Other	8	6,604	11	14,250
	107	2,727,576	146	5,594,376
Ex-gratia payments	9	2,250	11	5,160
TOTAL (Note 1)	4,800	3,252,987	2,684	5,949,408

Note 1 – Seven of the above losses are above the delegated approval of the Trust and have been approved by the Department of Health.

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

Losses and Special Payments over £250,000

Losses and Special Payments over £250,000	2018-19		2017-18	
	Number of Cases	£	Number of Cases	£
Special Payments				
Clinical Negligence Cases	-	-	4	2,821,554
TOTAL	-	-	4	2,821,554

There were no losses or special payments in excess of £250,000 recognised in the year.

Special Payments

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

Other Payments and Estimates (Audited)

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

Remote Contingent Liabilities (Audited)

In addition to Contingent Liabilities reported within the meaning of IAS37, (included in the Annual Accounts Note 20), the Southern HSC 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 

Mr Shane Devlin

Accounting Officer

Date: 12 June 2019

SOUTHERN HEALTH AND SOCIAL CARE TRUST

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 2019 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. These financial statements have been prepared under the accounting policies set out within them. 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 the Southern Health and Social Care Trust's affairs as at 31 March 2019 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities 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 the Southern Health and Social Care Trust in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, 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.

Other Information

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

In connection with my audit of the financial statements, 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, 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:

- 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.

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 and for being satisfied that they give a true and fair view.

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 evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

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.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



KJ Donnelly
 Comptroller and Auditor General
 Northern Ireland Audit Office
 106 University Street
 Belfast
 BT7 1EU
 28 June 2019

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Financial Statements

Annual Accounts for the Year Ended 31 March 2019

FOREWORD

These accounts for the year ended 31 March 2019 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 2019

	NOTE	2019			2018 - Restated		
		Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Income							
Revenue from contracts with customers	4.1	38,387	-	38,387	38,058	-	38,058
Other Operating Income	4.2	3,933	342	4,275	3,874	216	4,090
Total Operating Income		42,320	342	42,662	41,932	216	42,148
Expenditure							
Staff costs	3	(440,076)	-	(440,076)	(407,258)	-	(407,258)
Purchase of Goods and Services	3	(180,406)	(40)	(180,446)	(166,503)	(50)	(166,553)
Depreciation, amortisation and impairment charges	3	(20,257)	-	(20,257)	(19,605)	-	(19,605)
Provision Expense	3	4,962	-	4,962	(20,123)	-	(20,123)
Other Expenditures	3	(79,736)	(311)	(80,047)	(73,593)	(193)	(73,786)
Total Operating Expenditure		(715,513)	(351)	(715,864)	(687,082)	(243)	(687,325)
Net Operating Expenditure		(673,193)	(9)	(673,202)	(645,150)	(27)	(645,177)
Finance Income	4.2	-	119	119	-	130	130
Finance Expense	3	(37)	-	(37)	-	-	-
Net Expenditure for the year		(673,230)	110	(673,120)	(645,150)	103	(645,047)
Revenue Resource Limit (RRL) and capital grants	23.1	673,273	-	673,273	645,190	-	645,190
Add back charitable trust fund net expenditure		-	(110)	(110)	-	(103)	(103)
Surplus against RRL		43	-	43	40	-	40
OTHER COMPREHENSIVE EXPENDITURE							
Items that will not be reclassified to net operating costs:							
Net gain on revaluation of property, plant and equipment	5.1/ 8/ 5.2/ 8	5,633	-	5,633	11,257	-	11,257
Net gain/(loss) on revaluation of charitable assets	7	-	182	182	-	(59)	(59)
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2019		(667,597)	292	(667,305)	(633,893)	44	(633,849)

The notes on pages 103 to 147 form part of these accounts.
The restatement of 2018 is explained in Notes 3 and 4.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2019

	NOTE	2019		2018	
		Trust £000s	Consolidated £000s	Trust £000s	Consolidated £000s
Non Current Assets					
Property, plant and equipment	5.1/5.2	317,743	317,743	314,900	314,900
Intangible assets	6.1/6.2	5,492	5,492	5,441	5,441
Financial assets	7.0	-	3,293	-	3,011
Trade and other receivables	12.0	1,849	1,849	1,649	1,649
Total Non Current Assets		325,084	328,377	321,990	325,001
Current Assets					
Assets classified as held for sale	9.0	94	94	649	649
Inventories	10.0	4,587	4,587	3,785	3,785
Trade and other receivables	12.0	15,327	15,350	15,292	15,364
Other current assets	12.0	2,951	2,966	2,947	2,962
Cash and cash equivalents	11.0	2,031	2,419	1,173	1,430
Total Current Assets		24,990	25,416	23,846	24,190
Total Assets		350,074	353,793	345,836	349,191
Current Liabilities					
Trade and other payables	13.0	(70,604)	(70,633)	(64,714)	(64,671)
Provisions	15.0	(12,795)	(12,795)	(12,095)	(12,095)
Total Current Liabilities		(83,399)	(83,428)	(76,809)	(76,766)
Total Assets Less Current Liabilities		266,675	270,365	269,027	272,425
Non Current Liabilities					
Provisions	15.0	(43,316)	(43,316)	(52,115)	(52,115)
Total Non Current Liabilities		(43,316)	(43,316)	(52,115)	(52,115)
Total Assets less Total Liabilities		223,359	227,049	216,912	220,310
Taxpayers' Equity and Other Reserves					
Revaluation reserve		67,348	67,348	61,855	61,855
SoCNE reserve		156,011	156,011	155,057	155,057
Other reserves – charitable fund		-	3,690	-	3,398
Total Equity		223,359	227,049	216,912	220,310

The notes on pages 103 to 147 form part of these accounts.

The financial statements on pages 99 to 147 were approved by the board on 12 June 2019 and were signed on its behalf by:

Signed:  (Chairman)

Date: 12 June 2019

Signed:  (Chief Executive)

Date: 12 June 2019

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	NOTE	SoCNE Reserve £000s	Revaluation Reserve £000s	Charitable Fund £000s	Total £000s
Balance at 1 April 2017		171,689	50,784	3,354	225,827
Changes in Taxpayers Equity 2017-18					
Grant from DoH		628,288	-	-	628,288
Transfers between reserves (Comprehensive net expenditure for the year)		186	(186)	-	-
Non cash charges - auditors remuneration	3	(645,150)	11,257	44	(633,849)
		44	-	-	44
Balance at 31 March 2018		155,057	61,855	3,398	220,310
Changes in Taxpayers Equity 2018-19					
Grant from DoH		674,000	-	-	674,000
Transfers between reserves (Comprehensive net expenditure for the year)		140	(140)	-	-
Non cash charges - auditors remuneration	3	(673,230)	5,633	292	(667,305)
		44	-	-	44
Balance at 31 March 2019		156,011	67,348	3,690	227,049

The notes on pages 103 to 147 form part of these accounts.

CONSOLIDATED STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 MARCH 2019

	NOTE	2019 £000s	2018- Restated £000s
Cash flows from operating activities			
Net expenditure after interest		(673,120)	(645,047)
Adjustments for non cash costs		15,123	39,741
(Increase) in trade and other receivables		(190)	(772)
(Increase) in inventories		(802)	(544)
Increase in trade payables		5,962	1,228
Movements in payables relating to the purchase of property, plant and equipment		978	1,307
Movements in payables relating to the purchase of intangibles		(838)	738
Use of provisions	15	(3,137)	(6,033)
Net cash outflow from operating activities		(656,024)	(609,382)
Cash flows from investing activities			
Purchase of property, plant & equipment	5	(16,644)	(16,353)
Purchase of intangible assets	6	(1,153)	(3,180)
Proceeds of disposal of property, plant & equipment		120	25
Proceeds on disposal of assets held for resale		790	515
Purchase in investment fund		(100)	-
Share of Income reinvested		(182)	59
Net cash outflow from investing activities		(17,169)	(18,934)
Cash flows from financing activities			
Grant in aid		674,000	628,288
Movement in Charitable Trust Funds		182	(59)
Net financing		674,182	628,229
Net increase/ (decrease) in cash & cash equivalents in the period		989	(87)
Cash & cash equivalents at the beginning of the period	11	1,430	1,517
Cash & cash equivalents at the end of the period	11	2,419	1,430

The restatement of 2018 is due to the reclassifications in Trade Payables as explained in Note 13.

The notes on pages 103 to 147 form part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

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 Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the 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 and inventories.

1.2 Currency and Rounding

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

1.3 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.

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 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*

1.3 Property, Plant and Equipment (continued)

- collectively, a number of items have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new 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 of Land and Buildings

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

The last valuation was carried out on 31 January 2015 by Land and Property Services (LPS) which is an independent executive body within the Department of Finance. The valuers are qualified to meet the ‘Member of Royal Institution of Chartered Surveyors’ (MRICS) standard.

Professional revaluations of land and buildings are undertaken at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS.

Land and buildings used for the Trust’s services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

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. LPS have included this requirement within the latest valuation.

1.3 Property, Plant and Equipment (continued)

Assets Under Construction (AUC)

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Assets are revalued and depreciation commences when they are brought into use.

Short Life Assets

Short life is defined as a useful life of up to and including 5 years. From 1 April 2008 HSC entities had the option to elect to cease indexing all short life assets (other than IT which is not indexed). The Trust did not elect to cease indexing all short life assets, (other than IT), as these assets are not held separately on its fixed asset register. Therefore, fixtures and equipment, whether they are short life or have an estimated life in excess of 5 years, are indexed each year and depreciation will be based on the indexed amount. All other short life assets are not indexed but 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.

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.

1.4 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 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.

1.4 Depreciation (continued)

The following asset lives have been used:

Asset Type	Asset Life
Freehold Buildings	25 – 95 years
Leasehold property	Remaining period of lease
IT assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

1.5 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.

1.6 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 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.

1.7 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

1.7 Intangible assets (continued)

hardware, for example application software, is capitalised as an intangible 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 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 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 (or less if so desired) 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.

1.8 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 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.

1.8 Non-current assets held for sale (continued)

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.

1.9 Inventories

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

1.10 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 5 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 Trust and is recognised 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 are 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. In year of initial application, the introduction of IFRS 15 has not impacted on the timing of satisfying performance obligations of contracts in existence therefore the transaction price determined has not changed as a result of its introduction. The current impact of its introduction has resulted in reclassification of income based on consideration of whether there is a written, oral or implied contract in existence. Note 4 Income provides initial application disclosures in line with HM Treasury application guidance on transition to IFRS 15.

1.11 Grant in aid

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

1.12 Investments

Investments are held in the Charitable Trust Funds and are stated at market value as at the Statement of Financial Position date. The Statement of Comprehensive Net Expenditure includes the net gains and losses arising on revaluations throughout the year. Details of movements in investments during the year are shown in Note 7.

1.13 Research and Development expenditure

Following the introduction of the 2010 European System of Accounts (ESA10), from 2016-17 there has been a change in the budgeting treatment (a change from the revenue budget to the capital budget) of research and development (R&D) expenditure. As a result, additional disclosures are included in the notes to the accounts.

1.14 Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.15 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.

1.16 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

1.16 Leases

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated. Leased land may be either an operating lease or a finance lease depending on the conditions in the lease agreement and following the general guidance set out in IAS 17. Leased buildings are assessed as to whether they are operating or finance leases.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the 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 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.

1.17 Private Finance Initiative (PFI) transactions

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

1.18 Financial instruments

- **Financial assets**

Financial assets are recognised on the Statement of Financial Position when the 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 introduces the requirement to consider the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the 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.

1.18 Financial instruments (continued)

- **Financial liabilities**

Financial liabilities are recognised on the Statement of Financial Position when the 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 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.

- **Currency risk**

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

- **Interest rate risk**

The Trust has limited powers to borrow or invest and therefore has low exposure to interest rate fluctuations.

- **Credit risk**

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

- **Liquidity risk**

Since the Trust receives the majority of its funding through its principal Commissioner which is voted through the Assembly, it is not exposed to significant liquidity risks.

1.19 Provisions

In accordance with IAS 37, provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the 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 DoF-issued discount rates as at 31 March 2019 as follows:

Rate	Time period	Real rate
Nominal	Short term (0 – 5 years)	0.76%
	Medium term (5 – 10 years)	1.14%
	Long term (10 - 40 years)	1.99%
	Very long term (40+ years)	1.99%
Inflationary	Year 1	2.00%
	Year 2	2.00%
	Into perpetuity	2.10%

Treasury, under Public Expenditure System (PES) issued a combined nominal and inflation rate table to incorporate the two elements as issued with circular HSC(F) 39-2018.

The discount rate to be applied for employee early departure obligations is +0.29% with effect from 31 March 2019.

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

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

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

1.20 Contingent liabilities/assets

In addition to contingent liabilities disclosed in accordance with IAS 37, the 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 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 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 Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

1.21 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. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance estimated from the data collected from surveys each year end to estimate untaken leave as at 31 March 2019. Untaken flexi leave is estimated to be immaterial to the Trust and has not been included.

Retirement benefit costs

The Trust participates in the HSC Pension 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 DoH. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

1.21 Employee benefits (continued)

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2018-19 accounts.

1.22 Reserves

Statement of Comprehensive Net Expenditure Reserve

Accumulated surpluses are accounted for in the Statement of Comprehensive Net Expenditure Reserve.

Revaluation Reserve

The Revaluation Reserve reflects the unrealised balance of cumulative indexation and revaluation adjustments to assets other than donated assets.

1.23 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.

1.24 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 22 to the accounts.

1.25 Government Grants

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

1.26 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.

1.26 Losses and Special Payments (continued)

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.

1.27 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 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 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 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 Trust's Standing Financial Instructions, Departmental guidance and legislation.

1.28 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 IASB issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards were effective with EU adoption from 1 January 2014. Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020-21, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

1.28 Accounting standards that have been issued but have not yet been adopted (continued)

IFRS 16 *Leases* replaces IAS 17 *Leases* and is effective with EU adoption from 1 January 2019. In line with the requirements of the FReM, IFRS 16 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2020.

Management consider that any other new accounting policies issued but not yet adopted are unlikely to have a significant impact on the accounts in the period of the initial application.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019
NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

<u>Directorate</u>	2019			2018 - Restated		
	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s
Children's Services	62,129	23,438	85,567	59,759	21,884	81,643
Acute Hospital Services	205,449	76,944	282,393	185,076	68,965	254,041
Older People's Services	78,052	67,227	145,279	73,677	61,373	135,050
Mental Health and Disability Services	68,449	78,385	146,834	63,987	75,938	139,925
Planning, Performance Management and Support Services	25,997	14,357	40,354	24,759	11,923	36,682
Expenditure for Reportable Segments net of Non Cash Expenditure	440,076	260,351	700,427	407,258	240,083	647,341
Non Cash Expenditure			15,123			39,741
Total Expenditure per Net Expenditure Account			715,550			687,082
Income Per Net Expenditure Account			42,320			41,932
Net Expenditure			673,230			645,150
Revenue Resource Limit			673,273			645,190
Surplus against RRL			43			40

The 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 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. The information disclosed reflects the realignment of directorates that took place in 2018-19 and prior year figures have been updated to reflect this.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

NOTE 2 (continued) ANALYSIS OF NET EXPENDITURE BY SEGMENT

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.

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 are provided at the Bluestone Unit, Craigavon and at St Lukes Hospital, Armagh.
- Longstone Hospital for Learning Disability patients
- Nursing & residential home, domiciliary, respite and day care services as well as support to tenants who reside in supporting people accommodation
- Trust Transport services

Older People and Primary Care Services

- Domiciliary care, residential and nursing care and dementia support
- 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.

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

Planning, Performance Management and Support Services

- 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.)
- Research & Development expenditure.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 3 Operating Expenses

	2019			2018 - Restated		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Operating Expenses are as follows:-						
Wages and Salaries	364,160	-	364,160	335,944	-	335,944
Social Security Costs	28,577	-	28,577	27,168	-	27,168
Other Pension Costs	47,339	-	47,339	44,146	-	44,146
Purchase of care from non-HPSS bodies	109,957	-	109,957	104,030	-	104,030
Personal social services	30,384	-	30,384	27,207	-	27,207
Recharges from other HSC organisations	2,048	-	2,048	1,835	-	1,835
Supplies and services - Clinical	56,829	-	56,829	49,862	-	49,862
Supplies and services - General	6,563	-	6,563	6,240	-	6,240
Establishment	11,888	-	11,888	10,911	-	10,911
Transport	3,483	-	3,483	3,276	-	3,276
Premises	26,416	-	26,416	25,387	-	25,387
Bad debts	181	-	181	7	-	7
Rentals under operating leases	1,553	-	1,553	1,231	-	1,231
Interest charges	37	-	37	-	-	-
Research and Development expenditure	95	-	95	37	-	37
BSO services	4,793	-	4,793	3,982	-	3,982
Training	1,414	-	1,414	1,444	-	1,444
Professional fees	216	40	256	554	50	604
Patients travelling expenses	430	-	430	376	-	376
Costs of exit packages not provided for	15	-	15	-	-	-
Other charitable expenditure	-	311	311	-	193	193
Miscellaneous expenditure	4,049	-	4,049	3,704	-	3,704

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 3 Operating Expenses (continued)

	2019			2018 - Restated		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Non cash items						
Depreciation	19,793	-	19,793	18,962	-	18,962
Amortisation	1,940	-	1,940	1,571	-	1,571
Impairments	(1,476)	-	(1,476)	(928)	-	(928)
(Profit) on disposal of property, plant & equipment (excluding profit on land)	(216)	-	(216)	(40)	-	(40)
Loss on disposal of property, plant & equipment (including land)	-	-	-	9	-	9
Provisions provided for in year	(4,762)	-	(4,762)	20,285	-	20,285
Cost of borrowing of provisions (unwinding of discount on provisions)	(200)	-	(200)	(162)	-	(162)
Auditors remuneration	44	5	49	44	5	49
Add back of notional charitable expenditure	-	(5)	(5)	-	(5)	(5)
Total	715,550	351	715,901	687,082	243	687,325

During the year the Trust purchased no non audit services from its external auditor.

Further detailed analysis of staff costs is located in the Staff Report on page 84 within the Accountability Report.

The information disclosed reflects the reclassification of Revenue grants to voluntary organisations into Purchase of care from non-HPSS bodies, reflecting the contractual arrangements associated with these transactions. Prior year figures have been updated to reflect this.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**NOTE 4 INCOME**

	2019			2018 - Restated		
	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	191	-	191	352	-	352
HSC Trusts	315	-	315	172	-	172
Non-HSC:- Private patients	97	-	97	80	-	80
Non-HSC:- Other	1,878	-	1,878	1,704	-	1,704
Clients contributions	31,014	-	31,014	30,466	-	30,466
Seconded Staff	193	-	193	153	-	153
Revenue from non-patient services	4,699	-	4,699	5,131	-	5,131
Total	38,387	-	38,387	38,058	-	38,058
4.2 Other Operating Income						
Other income from non-patient services	3,534	-	3,534	3,475	-	3,475
Charitable and other contributions to expenditure by core trust	2	-	2	125	-	125
Donations / Government grant / Lottery funding for non current assets	47	-	47	45	-	45
Charitable Income received by charitable trust fund	-	342	342	-	216	216
Finance Income	-	119	119	-	130	130
Research & Development	186	-	186	169	-	169
Research & Development income released	164	-	164	60	-	60
Total	3,933	461	4,394	3,874	346	4,220
TOTAL INCOME	42,320	461	42,781	41,932	346	42,278

This is the initial year of application of IFRS 15 Revenue from Contracts with Customers. Under IAS 18 Revenue, should IFRS 15 not have been adopted, £33,439k would have been disclosed as Income from activities and £9,342k as Other operating income, totalling £42,781k income for 2018-19. Refer to accounting policy note 1.10 for further information

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 5.1 Consolidated Property, Plant & Equipment Year Ended 31 March 2019

	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 2018	31,270	267,112	14,176	619	52,771	6,508	25,460	955	398,871
Indexation	674	5,636	378	-	617	102	-	16	7,423
Additions	-	2,687	-	2,875	4,198	729	4,947	183	15,619
Donations / Government grant / Lottery funding	-	-	-	-	47	-	-	-	47
Reclassifications	-	153	(153)	-	-	-	-	-	-
Transfers (Note 9)	(88)	(7)	-	-	-	-	-	-	(95)
Revaluation	-	24	-	-	-	-	-	-	24
Impairment charged to the SoCNE	-	715	-	(2,030)	(303)	-	(120)	-	(1,738)
Impairment charged to the revaluation reserve	(155)	(206)	-	-	(112)	-	-	-	(473)
Reversal of impairments (indexation)	889	2,151	29	-	6	-	-	1	3,076
Disposals	-	-	-	-	(1,984)	-	(119)	-	(2,103)
At 31 March 2019	32,590	278,265	14,430	1,464	55,240	7,339	30,168	1,155	420,651
Depreciation									
At 1 April 2018	-	29,406	1,390	-	34,756	4,530	12,997	892	83,971
Indexation	-	787	46	-	422	79	-	13	1,347
Reclassifications	-	24	(24)	-	-	-	-	-	-
Transfers (Note 9)	-	-	-	-	-	-	-	-	-
Revaluation	-	4	-	-	-	-	-	-	4
Impairment charged to the SoCNE	-	(267)	-	-	(202)	-	(52)	-	(521)
Impairment charged to the revaluation reserve	-	64	-	-	(74)	-	-	-	(10)
Reversal of impairments (indexation)	-	300	3	-	4	-	-	1	308
Disposals	-	-	-	-	(1,984)	-	-	-	(1,984)
Provided during the year	-	10,881	441	-	3,535	661	4,238	37	19,793
At 31 March 2019	-	41,199	1,856	-	36,457	5,270	17,183	943	102,908
Carrying Amount									
At 31 March 2019	32,590	237,066	12,574	1,464	18,783	2,069	12,985	212	317,743
At 31 March 2018	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900
Asset financing									
Owned	32,590	237,066	12,574	1,464	18,783	2,069	12,985	212	317,743
Carrying Amount									
At 31 March 2019	32,590	237,066	12,574	1,464	18,783	2,069	12,985	212	317,743

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 5.1 (Continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2019.

	£000s
Of which:	
Trust	317,743
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 £Nil (2018:Nil).

The fair value of assets funded from the following sources during the year was:

	2019 £000s	2018 £000s
Donations	47	45

Professional revaluations of land and buildings are undertaken by Land and Property Services (LPS) at least once in every five year period and are revalued annually, between professional valuations, using indices provided by LPS. The last valuation was carried out on 31 January 2015. See Accounting Policy note 1.3 for more details of valuation of Property, Plant & Equipment.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 5.2 Consolidated Property, Plant & Equipment Year Ended 31 March 2018

	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 2017	29,779	239,159	13,170	10,476	54,936	6,323	26,884	967	381,694
Indexation	338	12,371	920	-	1,031	233	-	(8)	14,885
Additions	-	4,487	-	4,112	1,632	232	4,538	-	15,001
Donations / Government grant / Lottery	-	-	-	-	45	-	-	-	45
Reclassifications	-	13,969	-	(13,969)	-	-	-	-	-
Transfers (Note 9)	-	37	-	-	-	-	-	-	37
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	(7,671)	-	-	(1,529)	-	-	-	(9,200)
Impairment charged to the revaluation reserve	-	(1,743)	-	-	(561)	-	-	-	(2,304)
Reversal of impairments (indexation)	1,153	6,503	86	-	15	-	-	(4)	7,753
Disposals	-	-	-	-	(2,798)	(280)	(5,962)	-	(9,040)
At 31 March 2018	31,270	267,112	14,176	619	52,771	6,508	25,460	955	398,871
Depreciation									
At 1 April 2017	-	19,741	883	-	34,940	3,897	14,751	875	75,087
Indexation	-	1,244	83	-	699	161	-	(7)	2,180
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers (Note 9)	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Impairment charged to the SoCNE	-	(1,863)	-	-	(1,181)	-	-	-	(3,044)
Impairment charged to the revaluation reserve	-	(423)	-	-	(433)	-	-	-	(856)
Reversal of impairments (indexation)	-	654	8	-	10	-	-	(3)	669
Disposals	-	-	-	-	(2,790)	(275)	(5,962)	-	(9,027)
Provided during the year	-	10,053	416	-	3,511	747	4,208	27	18,962
At 31 March 2018	-	29,406	1,390	-	34,756	4,530	12,997	892	83,971
Carrying Amount									
At 31 March 2018	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900
At 1 April 2017	29,779	219,418	12,287	10,476	19,996	2,426	12,133	92	306,607
Asset financing									
Owned	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900
Carrying Amount									
At 31 March 2018	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900
Asset financing									
Owned	29,779	219,418	12,287	10,476	19,996	2,426	12,133	92	306,607
Carrying Amount									
At 1 April 2017	29,779	219,418	12,287	10,476	19,996	2,426	12,133	92	306,607
Carrying amount comprises:									
Southern HSC Trust at 31 March 2018	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900
Southern HSC trust charitable trust fund at 31 March 2018									0
	31,270	237,706	12,786	619	18,015	1,978	12,463	63	314,900
Southern HSC Trust at 31 March 2017	29,779	219,418	12,287	10,476	19,996	2,426	12,133	92	306,607
Southern HSC trust charitable trust fund at 31 March 2017									0
	29,779	219,418	12,287	10,476	19,996	2,426	12,133	92	306,607

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 6.1 Consolidated Intangible Assets Year Ended 31 March 2019

	Software Licenses	Other	Total
	£000s	£000s	£000s
Cost or Valuation			
At 1 April 2018	10,258	-	10,258
Indexation	-	-	-
Additions	1,991	-	1,991
Donations / Government grant / Lottery funding	-	-	-
Disposals	-	-	-
	12,249	-	12,249
Amortisation			
At 1 April 2018	4,817	-	4,817
Reclassifications	-	-	-
Disposals	-	-	-
Provided during the year	1,940	-	1,940
	6,757	-	6,757
Carrying Amount			
At 31 March 2019	5,492	-	5,492
At 31 March 2018	5,441	-	5,441
Asset financing			
Owned	5,492	-	5,492
Carrying Amount			
At 31 March 2019	5,492	-	5,492

There were no assets funded by Donations/Government Grant or Lottery Funding during the year (2017/18: £Nil).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**NOTE 6.2 Consolidated Intangible Assets Year Ended 31 March 2018**

	Software Licenses	Other	Total
	£000s	£000s	£000s
Cost or Valuation			
At 1 April 2017	8,346	-	8,346
Indexation	-	-	-
Additions	2,442	-	2,442
Donations / Government grant / Lottery funding	-	-	-
Disposals	(530)	-	(530)
	10,258	-	10,258
Amortisation			
At 1 April 2017	3,776	-	3,776
Reclassifications	-	-	-
Disposals	(530)	-	(530)
Provided during the year	1,571	-	1,571
	4,817	-	4,817
Carrying Amount			
At 31 March 2018	5,441	-	5,441
At 31 March 2017	4,570	-	4,570
Asset financing			
		-	
Owned	5,441	-	5,441
Carrying Amount			
At 31 March 2018	5,441	-	5,441
Carrying amount comprises:			
		-	
Southern HSC Trust at 31 March 2018	5,441	-	5,441
Southern HSC Trust charitable trust fund at 31 March 2018	-	-	-
	5,441	-	5,441
		-	
Southern HSC Trust at 31 March 2017	4,570	-	4,570
Southern HSC Trust charitable trust fund at 31 March 2017	-	-	-
	4,570	-	4,570

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 7 FINANCIAL INSTRUMENTS

NOTE 7 Financial Instruments

	2019			2018		
	Non-Current Assets	Assets	Liabilities	Non-Current Assets	Assets	Liabilities
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April	3,011	-	-	3,070	-	-
Additions	100	-	-	-	-	-
Disposals	-	-	-	-	-	-
Revaluations	182	-	-	(59)	-	-
Balance at 31 March	3,293	-	-	3,011	-	-
Trust	-	-	-	-	-	-
Charitable Trust Fund	3,293	-	-	3,011	-	-
	3,293	-	-	3,011	-	-

NOTE 7.1 Market value of investments as at 31 March 2019

	Held in	Held outside	2019	2018
	UK	UK	Total	Total
	£000s	£000s	£000s	£000s
Investments in a Common Deposit Fund or Investment Fund	3,293	-	3,293	3,011
Total market value of fixed asset investments	3,293	-	3,293	3,011

NOTE 7.2 Analysis of expected timing of discounted flows

	2019			2018		
	Non-Current Assets	Assets	Liabilities	Non-Current Assets	Assets	Liabilities
	£000s	£000s	£000s	£000s	£000s	£000s
Later than one year and not later than five years	3,293	-	-	3,011	-	-
	3,293	-	-	3,011	-	-

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 8 IMPAIRMENTS

	2019		
	Property, Plant & Equipment £000s	Intangibles £000s	Total £000s
Impairments (credited) to Statement of Comprehensive Net Expenditure	(1,476)	-	(1,476)
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	463	-	463
Total value of impairments for the period	(1,013)	-	(1,013)

	2018 - Restated		
	Property, Plant & Equipment	Intangibles	Total
Impairments (credited) to Statement of Comprehensive Net Expenditure	(928)	-	(928)
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	1,448	-	1,448
Total value of impairments for the period	520	-	520

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE**

	Land		Buildings		Total	
	2019	2018	2019	2018	2019	2018
	£000s	£000s	£000s	£000s	£000s	£000s
Opening Balance At 1 April	-	36	649	1,146	649	1,182
Transfers in (Note 5)	88	-	7	-	95	-
Transfers out (Note 5)	-	-	-	(37)	-	(37)
(Disposals)	-	(36)	(575)	(460)	(575)	(496)
Impairment	-	-	(75)	-	(75)	-
	<hr/>		<hr/>		<hr/>	
Carrying Amount At 31 March	88	-	6	649	94	649

Non current assets held for sale comprise non current assets that are held for resale rather than for continuing use within the business.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 10 INVENTORIES

Classification	2019			2018		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Pharmacy supplies	2,556	-	2,556	2,461	-	2,461
Building & engineering supplies	117	-	117	101	-	101
Fuel	200	-	200	177	-	177
Community care appliances	309	-	309	333	-	333
Laboratory materials	347	-	347	318	-	318
Laundry	101	-	101	93	-	93
Other	957	-	957	302	-	302
Total	4,587	-	4,587	3,785	-	3,785

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**NOTE 11 CASH AND CASH EQUIVALENTS**

	2019			2018		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Balance at 1st April	1,173	257	1,430	1,290	227	1,517
Net change in cash and cash equivalents	858	131	989	(117)	30	(87)
Balance at 31st March	2,031	388	2,419	1,173	257	1,430

The following balances at 31 March were held at

	2019			2018		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Commercial banks and cash in hand	2,031	388	2,419	1,173	257	1,430
Balance at 31st March	2,031	388	2,419	1,173	257	1,430

NOTE 11.1 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Southern HSC does not have any liabilities arising from financing activities in either 2018-19 or 2017-18.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2019				2018			
	Trust £000s	CTF £000s	Consolidation Adjustments £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidation Adjustments £000s	Consolidated £000s
Amounts falling due within one year								
Trade receivables	9,946	-	-	9,946	10,277	-	-	10,277
VAT receivable	4,920	-	-	4,920	4,241	-	-	4,241
Other receivables - not relating to fixed assets	461	67	(44)	484	774	136	(64)	846
Trade and other receivables	15,327	67	(44)	15,350	15,292	136	(64)	15,364
Prepayments	2,455	-	-	2,455	2,016	-	-	2,016
Accrued income	496	15	-	511	931	15	-	946
Other current assets	2,951	15	-	2,966	2,947	15	-	2,962

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 12 (continued) TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	Trust	CTF	2019 Consolidation Adjustments	Consolidated	Trust	CTF	2018 Consolidation Adjustments	Consolidated
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Amounts falling due after more than one year								
Trade receivables	1,849	-	-	1,849	1,649	-	-	1,649
Trade and other receivables	1,849	-	-	1,849	1,649	-	-	1,649
TOTAL TRADE AND OTHER RECEIVABLES	17,176	67	(44)	17,199	16,941	136	(64)	17,013
TOTAL OTHER CURRENT ASSETS	2,951	15	-	2,966	2,947	15	-	2,962
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	20,127	82	(44)	20,165	19,888	151	(64)	19,975

The balances are net of a provision for bad debts of £4,771k (2018: £4,958k).

The Southern HSC Trust did not have any intangible current assets at 31 March 2019 or at 31 March 2018.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 13 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

13.1 Trade Payables and Other Current Liabilities

	2019				2018-Restated			
	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	13,864	-	-	13,864	13,835	-	-	13,835
Trade Capital payables - property, plant and equipment	5,477	-	-	5,477	6,455	-	-	6,455
Trade Capital payables – intangibles	892	-	-	892	54	-	-	54
Trade revenue payables	19,259	-	-	19,259	16,425	-	-	16,425
Payroll payables	20,127	-	-	20,127	17,681	-	-	17,681
Clinical negligence payables	305	-	-	305	631	-	-	631
BSO payables	612	-	-	612	674	-	-	674
Other payables	989	73	(44)	1,018	1,416	21	(64)	1,373
Accruals	8,883	-	-	8,883	7,379	-	-	7,379
Deferred income	196	-	-	196	164	-	-	164
Current trade and other payables	70,604	73	(44)	70,633	64,714	21	(64)	64,671

The information disclosed reflects the reclassification of Intangible IT payables from Property, Plant and Equipment as the payables relate to software.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 13.2 Loans

The Southern HSC Trust did not have any loans payable at 31 March 2019 or at 31 March 2018.

NOTE 14 PROMPT PAYMENT POLICY

NOTE 14.1 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 Trust's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is:

	2019 Number	2019 Value £000s	2018 Number	2018 Value £000s
Total bills paid	246,389	328,185	223,112	312,757
Total bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms	223,937	289,912	205,771	278,753
% of bills paid within 30 days of receipt of an undisputed invoice or under agreed payment terms	90.9%	88.3%	92.2%	89.1%
Total bills paid within 10 day target	192,021	250,170	178,443	241,358
% of bills paid within 10 day target	77.9%	76.2%	80.0%	77.2%

14.2 The Late Payment of Commercial Debts Regulations 2013

	£
Amount of compensation paid for payment(s) being late	70
Amount of interest paid for payment(s) being late	36,909
Total	36,979

The late payment legislation (Late Payment of Commercial Debts Regulations 2013) came into force on 16 March 2013. The effect of the new legislation is that a

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 14.1 (continued) Public Sector Payment Policy – Measure of Compliance

payment is normally regarded as late unless it is made within 30 days after receipt of an undisputed invoice.

From 1 April 2015 the scope of the prompt payment compliance measurement increased to take account of all categories of supplier payments made by Trusts, with the only exception being payments made to other organisations within the broader HSCNI.

The Trust incurred charges of £37k in 2018-19 in respect of late payment of commercial debt. This comprised payments of £35k to one contractor in respect of late payment. These charges were levied under Condition 31 of GC Works Measured Term Contract (1999), whereby invoices not paid within 30 days of issue of the invoice could be subject to interest at 8% per annum above the Bank of England base rate. Late payment arose due to the volume of invoices received under the Managed Term Contract. New measures have been implemented for these contracts to prevent such charges arising in the future. It also included interest of £2,313 paid to three other suppliers one of whom also levied a late payment charge fee of £70.

This charge is reflected in the Fruitless Payments in the Statement of Losses and Special payments in the Annual Report on page 92.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES – 2019**

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	Early Departure	Other	2019
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2018	264	3,166	57,895	-	2,885	64,210
Provided in year	-	-	10,946	-	414	11,360
(Provisions not required written back)	(9)	(160)	(15,652)	-	(301)	(16,122)
(Provisions utilised in the year)	(15)	(188)	(2,504)	-	(430)	(3,137)
Cost of borrowing (unwinding of discount)	-	3	(203)	-	-	(200)
At 31 March 2019	240	2,821	50,482	-	2,568	56,111

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 Agenda for Change. The provision for Early Retirement and Injury Benefit relates to the future liabilities for the Trust based on information provided by the HSC Pension Branch. For Clinical Negligence, Employer's and Occupier's claims and Employment Law the Trust has estimated an appropriate level of provision based on professional legal advice.

The £16m write back of Provisions not required in 2018-19 was mainly attributable to the impact of the revised discount factor issued by Treasury.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 15 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2019

Comprehensive Net Expenditure Account charges	2019 £000s	2018 £'000
Arising during the year	11,360	21,956
Reversed unused	(16,122)	(1,671)
Cost of borrowing (unwinding of discount)	(200)	(162)
Total charge within Operating expenses	(4,962)	20,123

Analysis of expected timing of discounted flows

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	Early Departure	Other	2019
	£000s	£000s	£000s	£000s	£000s	£000s
Not later than one year	15	189	12,337	-	254	12,795
Later than one year and not later than five years	62	761	14,342	-	523	15,688
Later than five years	163	1,871	23,803	-	1,791	27,628
At 31 March 2019	240	2,821	50,482	-	2,568	56,111

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 15 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2018

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	Early Departure	Other	2018
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2017	287	3,524	43,176	-	3,133	50,120
Provided in year	-	-	21,303	-	653	21,956
(Provisions not required written back)	(9)	(180)	(1,365)	-	(117)	(1,671)
(Provisions utilised in the year)	(15)	(186)	(5,044)	-	(788)	(6,033)
Cost of borrowing (unwinding of discount)	1	8	(175)	-	4	(162)
At 31 March 2018	264	3,166	57,895	-	2,885	64,210

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 15 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2018

Analysis of expected timing of discounted flows

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	Early Departure	Other	2018
	£000s	£000s	£000s	£000s	£000s	£000s
Not later than one year	15	187	11,275	-	618	12,095
Later than one year and not later than five years	60	750	7,624	-	406	8,840
Later than five years	189	2,229	38,996	-	1,861	43,275
At 31 March 2018	264	3,166	57,895	-	2,885	64,210

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 16 CAPITAL COMMITMENTS

	2019 £000s	2018 £000s
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Property, Plant & Equipment	457	3,063
	<u>457</u>	<u>3,063</u>

NOTE 17 COMMITMENTS UNDER LEASES

Note 17.1 Operating Leases

Total future minimum lease payments under non-cancellable operating leases are given in the table below for each of the following periods.

	2019 £000s	2018 £000s
Obligations under operating leases comprise		
Land & Buildings		
Not later than 1 year	255	237
Later than 1 year and not later than 5 years	26	-
Later than 5 years	-	-
	<u>281</u>	<u>237</u>
Other		
Not later than 1 year	2,083	604
Later than 1 year and not later than 5 years	1,478	-
Later than 5 years	-	-
	<u>3,561</u>	<u>604</u>

Note 17.2 Finance Leases

The Southern HSC Trust did not have any finance leases at 31 March 2019 or at 31 March 2018.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**NOTE 17 (continued) COMMITMENTS UNDER LEASES****Note 17.3 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 Trust comprise:

	2019 £000s	2018 £000s
Land and Buildings		
Not later than 1 year	132	125
Later than 1 year and not later than 5 years	114	94
Later than 5 years	85	94
	331	313

NOTE 18 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS**18.1 Off balance sheet PFI and other service concession arrangements.**

The Trust has no off balance sheet (SoFP) PFI and other service concession arrangement schemes.

18.2 On balance sheet (SoFP) PFI Schemes

The Trust has no on balance sheet (SoFP) PFI and other service concession arrangements schemes.

18.3 Charge to the Statement of Comprehensive Net Expenditure account and future commitments

As the Trust has no commitments there is no charge to the Statement of Comprehensive Net Expenditure account.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**NOTE 19 OTHER FINANCIAL COMMITMENTS**

The Southern HSC Trust did not have any other financial commitments at either 31 March 2019 or 31 March 2018.

NOTE 20 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

	2019 £000s	2018 £000s
Clinical negligence	2,314	2,221
Public Liability	186	172
Total	<u>2,500</u>	<u>2,393</u>

Impact of Discount Rates

The discount rate which courts in England and Wales must take into account when awarding compensation for future financial losses in a lump sum in personal injury cases changed to -0.75% in March 2017. The Government subsequently legislated to change how the rate in England and Wales is set and the first review of the rate in that jurisdiction under the new legal framework introduced by the Civil Liability Act 2018 is being carried out. The Department of Justice has power to prescribe the discount rate for Northern Ireland (in consultation with the Government Actuary and the Department of Finance). Secondary legislation to change the discount rate for Northern Ireland under the current legal framework has not been taken forward in the absence of a Minister, although the Department of Justice is keeping the rate under review in the context of the Northern Ireland (Executive Formation and Exercise of Functions) Act 2018 and having regard to ongoing legislative developments in the rest of the UK. In these circumstances, it has not been possible at this time to quantify the potential impact on Southern HSC Trust of any change in the discount rate. Changing the legal framework for setting the rate in Northern Ireland would require primary legislation

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 20 (continued) CONTINGENT LIABILITIES

Employment Issues

The Trust is aware of a number of legal cases and appeals across the UK which are testing employment issues, for example payment of allowances or enhancements while on sick or annual leave and rate of payment for sleep in duties. The Trust is working regionally with the Department of Health and Trade Union representatives to ascertain the impacts 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 and their appeals under close review.

Court of Appeal judgement on backdated PSNI Holiday Pay:

On 17 June 2019 the Court of Appeal ruled in respect of Northern Ireland Industrial Tribunal's November 2018 decision on cases taken against the PSNI on backdated Holiday Pay. It is recognised that the final detail remains to be determined by the Industrial Tribunal who will be guided by the Court of Appeal's Judgement.

This is an extremely rare and complex case with a significant number of issues that still need to be resolved, including further legal advice with regards to the Judgement; the scope; timescales; process of appeals and engagement with Trade Unions. The legal issues arising from this judgment and the implications for the Northern Ireland Civil Service (NICS) and wider public sector will need further consideration. The Department of Finance (DoF) is leading a piece of work across the NICS, reviewing the implications for each of the major staffing groups across the public sector.

Until there is further clarity when this work has concluded, and based on the inherent uncertainties in the final decision that will be made, a reliable estimate cannot be provided at this stage.

NOTE 20.1 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 2019 or 31 March 2018.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

NOTE 21 RELATED PARTY TRANSACTIONS

The Southern HSC Trust is an Arm's length body of the Department of Health 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 £673,273k (2018: £645,190k) of which the Non Cash Revenue Resource Limit is £15,123k (2018: £39,741k)

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 Trust's 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 £93,978.36 (9 transactions) in respect of a Development Officer Post which supports the Locality Planning Groups linked to the Southern outcome. Balance outstanding at year end was £Nil.

The related party transactions in 2017-18 amounted to £3,320,595.70 (111 transactions)

NOTE 22 THIRD PARTY ASSETS

The Southern HSC Trust held £9,117K cash at bank and in hand at 31 March 2019 (31 March 2018: £8,830k) which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by the Trust.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**NOTE 23 FINANCIAL PERFORMANCE TARGETS****NOTE 23.1 Revenue Resource Limit**

The Southern HSC Trust is given a Revenue Resource Limit which it is not permitted to overspend

The Revenue Resource Limit (RRL) for Southern HSC Trust is calculated as follows:

	2019	2018
	Total	Total
	£000s	£000s
HSCB	643,434	591,853
PHA	6,481	6,039
SUMDE & NIMDTA	7,800	7,208
Non cash RRL (from DoH)	15,123	39,741
Total agreed RRL	672,838	644,841
Adjustment for income received re Donations / Government grant / Lottery funding for non current assets	(47)	(45)
Adjustment for Research and Development under ESA10	482	394
Total Revenue Resource Limit to Statement Comprehensive Net Expenditure	673,273	645,190

NOTE 23.2 Capital Resource Limit

The Trust is given a Capital Resource Limit (CRL) which it is not permitted to overspend.

	2019	2018
	Total	Total
	£000s	£000s
Gross capital expenditure	17,610	17,443
Prepayment for Capital Scheme	-	-
Release of Prior Year Prepayment for Capital Scheme (Receipts from sales of fixed assets up to NBV)	-	-
	(575)	(508)
Net capital expenditure	17,035	16,935
Capital Resource Limit	17,536	17,368
Adjustment for Research and Development under ESA10	(482)	(394)
Underspend against CRL	(19)	(39)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019**NOTE 23 (continued) FINANCIAL PERFORMANCE TARGETS****NOTE 23.3 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 the Revenue Resource Limit.

	2019 £000s	2018 £000s
Net Expenditure	(673,230)	(645,150)
RRL	673,273	645,190
Surplus against RRL	43	40
Break Even cumulative position(opening)	(1,829)	(1,869)
	<hr/>	<hr/>
Break Even cumulative position (closing)	(1,786)	(1,829)

Materiality Test:

	2019 %	2018 %
Break Even in year position as % of RRL	0.01%	0.01%
Break Even cumulative position as % of RRL	(0.27)%	(0.28)%

The Southern HSC Trust reduced its cumulative overspend by achieving a small surplus in 2018-19. However, as the Trust continues to face a challenging financial position, it is unclear when the cumulative reported overspend will be recovered.

NOTE 24 POST BALANCE SHEET EVENTS

There are no post balance sheet events having a material effect on the accounts.

NOTE 25 DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 28 June 2019.

**ACCOUNT OF MONIES HELD ON BEHALF OF
PATIENTS/RESIDENTS**

YEAR ENDED 31 MARCH 2019

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2019

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.

SOUTHERN HEALTH AND SOCIAL CARE TRUST - PATIENTS' AND RESIDENTS' MONIES

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 2019 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 the Southern Health and Social Care Trust for the year ended 31 March 2019 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 of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities 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 the Southern Health and Social Care Trust in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, 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.

Responsibilities of the Trust for the account

As explained for fully in the Statement of Trust's Responsibilities in relation to patients/ residents' monies, the Trust is responsible for the preparation of the account.

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 evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

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.

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.

Report

I have no observations to make on this account.



KJ Donnelly

Comptroller and Auditor General

Northern Ireland Audit Office

106 University Street

Belfast

BT7 1EU

28 June 2019

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2019

Previous Year	<u>RECEIPTS</u>		
£	Balance at 1 April 2018	£	£
6,738,243	1. Investments (at cost)	7,455,115	
1,757,762	2. Cash at Bank	1,371,494	
4,103	3. Cash in Hand	<u>3,698</u>	8,830,307
8,500,108			
2,660,263	Amounts Received in the Year	3,276,105	
16,835	Interest Received	<u>24,990</u>	3,301,095
<u>11,177,206</u>	TOTAL		<u>12,131,402</u>

<u>PAYMENTS</u>			
2,346,899	Amounts paid to or on Behalf of Patients/Residents		3,014,558
	Balance at 31 March 2019		
7,455,115	1. Investments (at Cost)	7,480,105	
1,371,494	2. Cash in Bank	1,633,982	
3,698	3. Cash in Hand	<u>2,757</u>	
8,830,307			9,116,844
<u>11,177,206</u>	TOTAL		<u>12,131,402</u>

Cost Price £	Schedule of investments held at 31 March 2019	Nominal Value £	Cost Price £
7,455,115	Bank of Ireland	7,480,105	7,480,105

I certify that the above account has been compiled from and is in accordance with the accounts and financial records maintained by the Trust.

Director of Finance:

Date: 12 June 2019

I certify that the above account has been submitted to and duly approved by the Board.

Chief Executive:

Date: 12 June 2019