Department of Health Annual Report and Accounts For the year ended 31 March 2022

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PERFORMANCE REPORT

PERFORMANCE OVERVIEW

Purpose

The purpose of this Performance Overview is to provide sufficient information at a summary level to understand the Department of Health (DoH or the Department), its purpose, the key risks to the achievement of its objectives and how it has performed during the year.

Introduction and Background

The Department presents its Annual Report and Accounts for the financial year ended 31 March 2022.

DoH has a statutory responsibility to promote an integrated system of Health and Social Care (HSC) designed to secure improvement in:

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

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

Further restructuring of the HSC system was achieved via the Health & Social Care Bill (2022) which closed the Health and Social Care Board and transferred its functions to the Department from 1 April 2022.

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

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

The Department's strategic objectives reflect Ministerial priorities, those developed by the Executive as part of the New Decade New Approach (NDNA) and outcomes set by the draft Programme for Government (PfG). Work is currently ongoing to agree a new PfG outcomes framework, with the proposed key health-related outcome remaining substantially unchanged as: *"We all enjoy long, healthy, active lives"*. The health emergency, prompted by the COVID-19 pandemic, caused the Department to continue to activate its Business Continuity Plan and the Executive to operate under Emergency Planning structures during the 2021-22 financial year. Whilst continuing to manage the response to the pandemic, the Department and its ALB's are now focussed on the rebuilding of HSC services, which is aligned with the key objectives above.

The Department and its ALBs have faced unprecedented challenges in both responding to the ongoing demands of the pandemic and in planning and implementing the rebuilding of HSC services throughout 2021/22. Staff at all levels have displayed exceptional resilience and commitment in delivering the services required. Progress in addressing major issues such as waiting lists have been impacted and delayed by COVID-19, however, the momentum for transformation of service delivery has continued and in areas such as digital transformation, has indeed accelerated as a result of the requirements driven by the pandemic.

Strategic Priorities for Health

The Minister's overall aim and vision is to build a world-class health and social care service for the people of Northern Ireland. This includes a strong focus on transformation and rebuilding initiatives in order to improve the health and wellbeing of the people of Northern Ireland, drive up the quality of health and social care for patients, clients and carers, to improve outcomes, to safeguard the vulnerable, and to ensure that patients, clients and carers have the best possible experience in every aspect of their treatment, care and support. In addition to the impacts of the pandemic and in common with the other health systems across the UK, Northern Ireland continues to face serious and ongoing challenges with supply, recruitment and retention of staff. To tackle these challenges, the 'HSC Workforce Strategy 2026: Delivering for Our People' continues to set the agenda of action, which, when implemented, will support the workforce to deliver world class health and social care.

The Minister is also committed to ensuring the delivery of an effective Fire and Rescue Service across Northern Ireland, contributing to the safety and wellbeing of the community.

The principal service objectives for HSC organisations derive from this strategic focus and are set out in detail in the HSC Commissioning Plan Direction. Objectives for the NIFRS are embodied in its agreed business plan.

The Department's Responsibilities

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

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

Further information on the governance structures of the Department, including the Board, the Departmental Audit and Risk Assurance Committee (DARAC), the oversight of ALBs and the role and responsibilities of Board and DARAC members is provided in the Governance Statement section of this annual report and accounts document.

Risks

The Department maintains a Departmental Risk Register to record, monitor and report on the management of risk. This focuses on the principal risks to the Department's delivery of its statutory responsibilities and strategic objectives, including the work of its ALBs. The Department strives for a 'hungry' risk appetite, but recognises the need for an 'open' risk appetite in those areas where the Department cannot afford to fail. The principal risks and summary mitigations are set out below and include the regulatory and legislative challenges associated with the implementation of the NI Protocol for medical supplies. The COVID-19 pandemic is not specifically listed, or categorised as a risk that might occur, but addressed as an issue/event that has already occurred and the existing risk profile incorporates the related risks and mitigations in respect of the ongoing response and recovery.

Principal Risk	Mitigation Summary
Available financial resources, including COVID-19 funding, are insufficient or are not deployed effectively to ensure that essential services are maintained; and that strategic objectives, including COVID-19 response and rebuilding for HSC and Public Safety, are progressed in the current year.	Budgetary challenges continue to impact the Department. There is ongoing engagement with DoF in respect of all aspects of the budget process and funding requirements. This is mirrored by corresponding engagement with ALBs in respect of their requirements and allocations. Additional Resource and Capital funding secured as a result of COVID-19.
Planning and prioritisation of financial resources, against the backdrop of COVID-19, for future years is not effective in ensuring that sufficient resources are available to maintain essential services and deliver the strategic objectives, including COVID-19 response and rebuilding for HSC and Public Safety, in future years.	Budgetary challenges continue to impact the Department. There is ongoing engagement with DoF in respect of all aspects of the budget process and funding requirements. This is mirrored by corresponding engagement with ALBs in respect of their requirements and allocations.
Departmental priorities are not met and potential for reputational damage to Minister/Department due to ineffective arrangements for the management, recruitment, engagement, deployment or development of Departmental staff.	The Department works collaboratively with NICS HR to secure the necessary resources for its business needs and uses analysis of HR management information, staff surveys, workforce planning and learning and development requirements to ensure staff are effectively managed and deployed to meet business priorities.
The requisite HSC workforce is not recruited, retained, trained or developed, with a consequent negative impact on service provision, due to: a lack of capacity and/or resources for effective workforce planning and development; and/or, prevailing employment market conditions for the healthcare sector.	Development and Delivery of 2nd Workforce Strategy Action Plan covering all aspects of the HSC workforce, including retention and recruitment, opportunities for introducing new job roles and upskilling initiatives and measures to support staff well-being.

Principal Risk	Mitigation Summary
There is an adverse effect on the demand for and quality of HSC services, due to the ineffective delivery of those draft PfG and associated outcomes and objectives for which the DoH is responsible.	Strategic objectives reflect Ministerial priorities, including NDNA, the draft PfG outcomes and the Executive's COVID-19 Recovery Plan. Work is currently ongoing to agree a revised draft PfG outcomes framework. The proposed key health-related outcome remains substantially unchanged as: "We all enjoy long, healthy, active lives". The Department's focus is on delivery of this outcome. However, availability of funding will determine the pace at which the associated initiatives can proceed.
The health and social care sector may be unable to respond to the health and social care consequences of any emergency (including those for which the DoH is the Lead Government Department) due to inadequate planning and preparedness which could impact on the health and well-being of the population.	The Department and its ALBs maintain appropriate emergency planning and business continuity arrangements to enable response to emergencies. These arrangements have been deployed (and revised as necessary) in support of the NICS and NI Executive's response to COVID-19. Learning from the pandemic continues to be analysed and incorporated as necessary.
Services provided are not safe or of appropriate quality due to ineffective measures being in place for the adequate discharge of the Department's statutory responsibilities under the Health and Social Care (Reform) Act (Northern Ireland) 2009.	The quality and safety of services across the HSC is at the heart of the Department's policy agenda and underpinned by the Department's Quality 2020 (Q2020) strategy. It is also underpinned structurally by the roles and responsibilities specifically assigned to the Regulation and Quality Improvement Authority (RQIA) and the Patient and Client Council (PCC), alongside the necessary requirements for HSC bodies.
Failure to protect children, young people and adults at risk, as a result of an ineffective planning and policy response.	The Department works to ensure that effective legislative, standards, planning and accountability frameworks are in place, underpinned by appropriate training and resources, to safeguard those most at risk and to promote their welfare. There are effective partnership arrangements in place and regular engagement with the HSCB and HSC Trusts.

Principal Risk	Mitigation Summary
Appropriate standards of probity and governance are not maintained due to ineffectual internal control and sponsorship of Arm's Length Bodies.	The Department fulfils the role and responsibilities of a Sponsor Department for its 16 ALBs as directed in Managing Public Money NI. A sponsorship handbook sets out the Department's approach, alongside the relevant details described in the respective Management Statement and Financial Memorandums for each ALB. Whilst a range of routine governance activities were paused to allow Departmental and ALB staff to focus on the pandemic response and rebuilding, no significant issues of internal control have been identified to date. Routine governance activities are now being restarted.
The required level of rebuilding in the HSC is not delivered due to lack of capability within the system to effectively implement the rebuild actions designed to enable change.	Given the challenges arising from COVID-19, the Rebuild Framework details actions which will support the rebuilding of HSC services, whilst also taking account of the need to remain flexible in response to the ongoing demands of the pandemic.
Contractual arrangements for independent practitioners become impractical or financially unviable in a significant number of areas, leading to loss of services and increased pressure on other services.	The Department engages with all relevant sectors and their representative bodies to maintain appropriate continuation and geographic coverage of services as necessary. Availability of funding remains a significant determining factor in the Department's ability to meet the many competing demands of service providers.
A cyber security attack or breach, including our key suppliers or partner organisations, leads to loss of services, information or user data.	Arrangements are in place via NICS to protect the digital infrastructure of the Department and wider Civil Service from cyber-attack. Digital Health and Care Northern Ireland (DHCNI), ensures appropriate digital security measures are in place to protect the infrastructure and services within HSC. The Department continues to work closely with the National Cyber Security Centre (NCSC), and the NI Cyber Security Centre to enhance cyber security and compliance.
Failure to comply with Information Governance legislative requirements, particularly the Public Records Act, the UK General Data Protection Regulation and DPA 2018, negatively impacts the health budget due to statutory fines, and damages Departmental reputation.	The Department complies with its statutory responsibilities, ensuring Information Asset Owners (IAOs) and staff remain aware of their IG/ data protection obligations, that processes and information safeguards remain up to date and that any potential breaches are managed in line with the legislation.

Principal Risk	Mitigation Summary
That Encompass and other major "ehealth" projects are not delivered on time, within budget, do not enable the transformational or rebuilding benefits to the extent they anticipate; or that the HSC is unable to manage the change and coordination between key projects effectively.	Digital Health and Care Northern Ireland (DHCNI) has been established to provide the strategic vision and direction for digital transformation in Health and Social Care. DHCNI's Enterprise Portfolio Management Office provides programme oversight for the delivery and coordination of digital transformation initiatives. The pandemic has created many challenges, but also created significant digital opportunities and accelerated the adoption of mobile applications, Cloud platforms, Agile delivery and new digital products.
Failure to adequately address the emerging requirements of having left the EU (including the implementation of the Northern Ireland Protocol), in terms of licensing and regulation for medical supplies and data adequacy.	The Department's Medical Supplies Directorate are managing a wide range of engagements with the UK Government to highlight the regulatory issues associated with the implementation of the NI Protocol for medical supplies and to work with the Department of Health and Social Care to put in place mitigations. The UK Government and the European Commission made unilateral announcements in 2021-22 which have provided an extension to grace periods. The European Commission put forward a legislative proposal in December 2021 for medicines in the context of the NI Protocol which resulted in legislative changes enacted in April 2022. This addresses many short term risks but there remain some residual issues affecting medicines and medical devices that need to be managed and monitored to assess long term implications for NI.

DoH Organisational Structure

The following table sets out the organisation structure of the Department, including Directors and Chief Professional Officers.

Permanent Secretary	Group	Group Head	Directorate
Permanent Secretary Richard Pengelly (to 3 April 2022) Peter May (from 4 April 2022)	**Social Services Group**	**Chief Social Work Officer** Sean Holland	**Deputy Chief Social Work Officer / Director Office of Social Services –** Aine Morrison **Strategy Director (Social Work and Social Care Workforce Strategy) –** Jackie McIlroy **Director of Family & Children's Policy -** Eilis McDaniel **Director of Disability & Older People -** Mark McGuicken **Director of Mental Health –** Peter Toogood
	Chief Digital Information Officer Group	**Chief Digital Information Officer** Dan West	**Director of Information Governance -** Vacant **Director of Information Analysis –** Dr Eugene Mooney **Assistant Director Digital Health and Care NI –** Stephen Stewart **Programme Director –** Eddie Ritson **Assistant Director Digital Health & Nursing –** Claire Buchner **Head of Clinical Information –** Austin Tanney

Permanent Secretary	Group	Group Head	Directorate
	Healthcare Policy Group	**Deputy Secretary Healthcare Policy Group** Jim Wilkinson (from 12 May 2021)	**Director of Workforce Policy –** Phil Rodgers **Director of Primary Care** Gearoid Cassidy **Director of Secondary Care –** Ryan Wilson **Director of Elective Care and Cancer Policy Directorate –** Tomas Adell **Director of Regional Health Services Transformation -** Peter Jakobsen **Director of General Healthcare Policy –** Robbie Davis **Director of Transformation** – Patricia Quinn-Duffy
	Chief Nursing Officer Group	**Chief Nursing Officer** Charlotte McArdle (to 31 Oct 2021) Linda Kelly (from 1 Nov 2021 to 13 March 2022) Maria McIlgorm from 14 March 2022	**Deputy CNO –** Lynn Woolsey **Interim Deputy CNO –** Mary Frances McManus **Chief Allied Health Professional –** Suzanne Martin **Midwifery Officer –** Dale Spence

Permanent Secretary	Group	Group Head	Directorate
	Chief Medical Officer Group	**Chief Medical Officer** Dr Michael McBride	**Deputy Chief Medical Officer –** Dr Lourda Geoghegan **Deputy Chief Medical Officer –** Dr Joanne McClean **Deputy Chief Medical Officer - Public Health -** Dr Naresh Chada **Chief Pharmaceutical Officer -** Cathy Harrison **Chief Dental Officer –** Caroline Lappin **Chief Environmental Health Officer -** Nigel McMahon **Director of Population Health –** Liz Redmond **Director of Quality Regulation and Improvement -** Andrew Dawson **Director of COVID-19 Response –** Kieran McAteer **Director of COVID-19 Strategy –** Heather Stevens **COVID-19 international Travel Policy Directorate –** Chris Matthews **Director of Medical Supplies** – Eimear Smyth
	Resources & Corporate Management Group	**Deputy Secretary Resources & Corporate Management Group** Deborah McNeilly to 7 Feb 2022 Chris Matthews from 25 April 2022	**Director of Finance -** Brigitte Worth **Director of Investment -** Preeta Miller **Director of Corporate Management –** Vacant (Janine Fullerton from 1 July 2022) **Director of Public Inquiries and Public Safety -** La'Verne Montgomery

Permanent Secretary	Group	Group Head	Directorate
	Strategic Planning and Performance Group	**Deputy Secretary Strategic Planning and Performance Group** Sharon Gallagher	**Director of Organisational Change -** Martina Moore **Director of Performance Management -** Lisa McWilliams **Director of Planning and Commissioning –** Paul Cavanagh **Director of Finance** – Tracey McCaig **Director of Integrated Care – HSC –** Louise McMahon **Director of Social Care and Children – HSC –** Brendan Whittle
	Patient and System Flow Project	**Deputy Secretary** Jackie Johnston to 31 Dec 2021	
	Communications	**Communications** David Gordon	**Director of Communications -** David Gordon

Non-Executive Directors

Based on their skills and experience, Non-Executive Directors (NEDs) provide support and guidance to the Departmental Board, as well as exercising an oversight and challenge function in terms of risk management, financial planning, monitoring of performance and the achievement of corporate objectives. Throughout 2021-22, the Department has experienced ongoing pressures in respect of budgetary constraints; EU Exit and the security of supply chain for medical supplies; and the continued increase in demand for health and social care services. Whilst the Department has continued to respond to the vast demands of the COVID-19 pandemic, particularly in terms of staff redeployment and rebuilding services, there has been a gradual return to normal governance arrangements and activities. Our two NED members have continued to engage and support the Department in its ongoing response to the pandemic and the rebuilding of services and in delivering its key objectives.

Business Objectives and Performance

Given the wide scope of the work of the Department and its ALBs, a synopsis of all objectives, achievements and performance measures is not practicable. However, the information for key business areas and ALBs is provided below and confirms the performance measures used, alongside appropriate comparisons in respect of whether objectives were achieved or not. The significant impacts of the pandemic on business objectives and service delivery is also described as necessary.

COVID-19 has continued to interrupt the Department's normal business planning cycle and with the development of the Department's *Building Better, Delivering Together Framework* and its 17 actions supporting the "Health of the Population Action Plan" in the Executive's *Building Forward: Consolidated COVID-19 Recovery Plan*, it was decided to adopt the Framework as the Department's Business Plan for 2021-22. The objectives in the Framework continue to support the existing NICS Outcomes Delivery Plan, the New Decade New Approach (NDNA) commitments for health and the development of a new Programme for Government (PfG) draft Outcomes framework. It is hoped this draft Outcomes framework will be presented to an incoming Executive for early consideration at the beginning of the new mandate. However, it will be for incoming Ministers to determine how the PfG is progressed.

Progress with delivery of the Building Better, Delivering Together Framework objectives has been reported to the Departmental Board and the Departmental Audit and Risk Assurance Committee (DARAC) by way of periodic updates, with key risks or issues to delivery being monitored through the reporting. Implementation of the 17 actions is continuing in a very challenging context, particularly in respect of financial planning, given the ongoing uncertainty around available budget. A summary of the 17 actions and progress to date is set out below:

Building Better, Delivering Together Framework – 17 Actions and Progress Summary

1. Continue to develop and deliver HSC Trust Rebuild plans.	Trusts have produced quarterly Service Delivery Plans throughout the year. Plans were ambitious, challenging, took account of previous lessons learned and based on robust planning assumptions. Given the uncertainty arising from the pandemic, for example, with the emergence of the Omicron variant, plans were revised as necessary. In addition, the HSCB monitored the delivery of plans during the period and completed a review each quarter providing assurances on activity delivered.
2. Restart, restore and redesign elective care services through the Elective Care Plan.	The Elective Care Framework was published in June 2021 by the Minister and progress has been made in tackling the backlog of patients on waiting lists. Main actions include the introduction of mega clinics, increased use of the independent sector, a regional retention scheme for nurses and midwives, and the implementation of green/COVID-19 free elective care pathways. Several of the actions have been completed, with many more being delivered according to schedule. An interim progress report was published in February 2022, showing the progress against timelines.
3. Recover cancer services in line with the cancer strategy, through the Cancer Recovery Plan: Building Back, Rebuilding Better.	The cancer strategy was published on the 22 March 2022, which saw the closure of the recovery plan. Work has commenced on Regional Diagnosis Centres and phlebotomy near to home, with a full implementation plan expected in the coming months.

4. Support the new Regional Medical Imaging Board in ensuring that all HSC imaging services are equipped to support delivery across all relevant Rebuild programmes, in line with the Strategic Framework for Imaging Services.	The Regional Medical Imaging Board (RMIB) has been operational since 01 April 2021 and meets quarterly, with monthly core team meetings (Chairs, Programme Manager and policy leads) to monitor actions and ensure imaging related input is provided to all relevant Rebuild and other strategic programmes. Main actions include: establishing an equipment sub-group to have regional oversight and consideration of imaging equipment; radiology, radiography and medical physics workforce funding submissions; establishment of an imaging peer review task and finish group to develop a regional approach for peer review and peer feedback within imaging practice; continued engagement with the NIPACS+ Programme which will provide a regional solution for imaging services; and, 4 of the 5 Trusts being recommended for, and/or awarded Quality Assurance Accreditation. Work has also continued on scoping a blended training model for multi-professional education and training network hub (Imaging Academy), with a PID agreed and an Outline Business Case expected to be completed in the coming year.
5. Support the Pathology Network in ensuring that HSC Pathology Services are equipped to support delivery across all relevant Rebuild programmes, in line with the modernisation and transformation of HSC Pathology Services.	Pathology Transformation is progressing as planned. A £40million pound investment in regional Laboratory Information Management System (LIMS) was launched by Minister in September 2021 and LIMS Standardisation project is progressing on target. Digital Pathology solution has gone live across the region. LIMS Blood Production and Tracking (BPaT) business case approved December 2021, with procurement underway by BSO. NIPACS+ currently in procurement phase. Minister published a Departmental Policy Statement on Transforming HSC Pathology Services in November 2021 and the 'Blueprint Programme' to plan for a new regional management structure for HSC Pathology Services has commenced, with Senior Programme Manager in post since January 2022. Initiation phase of the Blueprint Programme is complete, now moving into Phase 1, with the first Blueprint Programme Board scheduled for 1 April 2022.

6. Support the planning and delivery of mental health services, through the Mental Health Strategy for NI.	Four actions within the Mental Health Strategy were identified as key enablers which will set the foundation for the Strategy going forward. Funding was identified from within existing programme budgets to initiate these four key areas of work in 2021-22. Work has been progressing on staffing resources in the mental health system for implementation, the regional mental health service (Action 31), a review of the Mental Health workforce (Action 32) and the development of a Mental Health Outcomes Framework (Action 34). The development of a regional mental health service will also involve consideration of creating effective pathways from physical healthcare into mental health services (Action 20), creating a peer support and advocacy model across mental health services (Action 33), integrating the community and voluntary sector in mental health service delivery (Action 17) and refocusing/reorganising primary and secondary care mental health services and support services around the community to ensure a person-centred approach (Action 15). Significant progress has also been made on creating a Regional Mental Health Crisis Service (Action 27), and business cases are being developed by the Health and Social Care Board in relation to ensuring specialist interventions are available for areas such as Eating Disorders and Personality Disorders (Action 29).
7. Support the transformation of urgent and emergency care services, in line with the recent review, through delivery of the COVID-19 Urgent and Emergency Care Action Plan, No More Silos.	Delivery of the No More Silos (NMS) action plan has continued across the year. Up until 28 February 2022, over 201,000 patients have utilised the Phone First and Urgent Care services across Northern Ireland. Of these patients, 46,824, equivalent to 23%, were discharged with advice or referred back to their GP; 102,427, equivalent to 51%, were scheduled for an appointment at an Emergency Department, Urgent Care Centre or alternative pathway; and 52,138 patients, or 26%, were referred directly to an Emergency Department. Work continues on developing Ambulance Handovers Bays to help ease patient handover times and work to improve timely discharge is being led by the Regional Discharge Group. A 12 week public consultation on the Review of Urgent and Emergency Care was launched on 16 March 2022.

8. Support and reform adult social care services, ensuring sustainability and development of community services, by improving the pay, training and career development pathways of social care workers, and support for unpaid carers.	Reform of Adult Social Care (RASC) - The Department launched the public consultation on the Reform of Adult Social Care on 26January to run to 1 July 2022. The consultation includes 48 proposals to reform the adult social care system including proposals to build sustainability, the development of community services, improving the pay, training and career development pathways of social care workers, and providing support for unpaid carers. Following completion of the consultation a report will be published which will inform a 10 year plan for social care. The Department established the Support for Carers Fund in April 2021 with a total value of £4.4m. To date approx. £1.6m of funding has been awarded to 38 projects that are working with and for unpaid carers. As part of the Reform of Adult Social Care, the Department initiated the Social Care Fair Work Forum which is committed to improving the terms and conditions for those working within the social care sector in Northern Ireland. The Forum will allow a range of stakeholders to work together to influence priorities, policy and practice regarding fair work in the social care sector. In November 2021 the Department announced a funding support package of up to £23m for the independent domiciliary care and wider social care sector, with the aim of facilitating increased capacity across the sector. The purpose of this funding was to enable employers to offer enhanced rates of pay and better terms and conditions. This new funding has helped to stabilise the sector during a challenging period, and supported recruitment and retention.
9. Respond to the social wellbeing needs of people most at risk of marginalisation and isolation in the community.	In response to loneliness and social isolation as emerging issues exacerbated by COVID-19 restrictions, the Department completed its scoping study of programmes available for service users and those at risk to support these issues. A Loneliness Forum has been established including representatives from each of the 5 Trusts, other partner organisation and with policy representation. The programme of work has focused on raising awareness and destigmatising loneliness and isolation and included promotion of initiatives such as ‘chatty benches’; chatty cafes; chatty walk series. In response to Mental Health Awareness week and national loneliness awareness week (13 June) the Department has developed a number of awareness raising initiatives such as a video, intergenerational posters and bookmarks, all of which raise awareness on how to tackle loneliness and promote the 5 steps to wellbeing developed by the PHA. The Department plans to develop a regional loneliness framework for Northern Ireland and a sub group has been established to take this work forward.

10. Implement a programme of reform within Children's Community Social Services, to address service challenges which have arisen as a result of the COVID-19 pandemic and those which pre-date it.	To determine where reforms are necessary to address both Covid-related and pre-Covid challenges within children's social care, a fundamental independent review of children's social care services is being undertaken. A review was announced on 21 January 2022 and commenced in February 2022. Professor Ray Jones has been appointed to the role of independent Lead Reviewer and will be supported by a panel of three advisors. It is planned the Review will complete within 16 months. Since the beginning of February 2022, Professor Jones has held initial meetings with representatives from a number of organisations and has conducted initial visits to three Health and Social Care (HSC) Trusts. Visits to the two remaining Trusts are scheduled to take place in April and May 2022. Over the coming months, Professor Jones plans to visit services across the region and will meet with front-line practitioners, managers and senior leaders in children's social care services. He also plans to meet with, amongst others, teachers, health workers, police officers, and those working within children's social care services provided by independent, voluntary and community services. Meetings are also being planned with universities and their social work educators, researchers and students, and with the judiciary within the family courts. Children, young people and parents/carers will be central to the review and will be given opportunities to directly engage with Professor Jones and members of the Advisory Panel.
11. Rebuild children's paediatric services impacted by COVID-19 in line with the Paediatric Healthcare Services Rebuilding Plan and agreed strategic priorities of the Child Health Partnership.	Officials are working collaboratively across the Department and with Commissioners and Trusts to ensure that the needs of children are considered in all aspects of COVID-19 rebuilding work and any initiatives to address hospital waiting lists, in order to ensure the healthcare needs of children continue to be met and appropriately prioritised within available capacity. A paediatric linkages/rebuild group was established last autumn to connect the work of relevant ongoing service reviews (Review of Orthopaedics, Review of General Surgery), as well as the Regional Prioritisation Oversight Group (RPOG), which meets weekly to prioritise and allocate theatre lists, to ensure that paediatric pressures are fully considered alongside those of adults. Paediatricians are represented on RPOG – this has enabled a number of paediatric lists to be secured during winter to deliver urgent and time sensitive surgery from limited theatre capacity. Whilst overall theatre capacity remains constrained across NI, the group is currently developing plans to secure dedicated theatre capacity for paediatric day case surgery at a number of hospital sites, create capacity within Royal Belfast Hospital for Sick Children (RBHSC) to focus on more regional/specialist services, and establish regional waiting lists, with a view to restoring commissioned activity levels and clearing waiting lists as quickly as possible.

	Plans to develop a separate COVID-19 rebuild plan for paediatric services in 2021 were placed on hold due to prolonged high surges in COVID admissions, increased incidence of Respiratory Syncytial Virus, in addition to normal winter pressures. Trusts have been managing sustained high volumes of unscheduled care throughout 2021 and into 2022, coupled with high staff absence rates (partly COVID-related absence). Nevertheless, it remains the intention to bring a plan forward. Under the guidance of the Child Health Partnership, an extensive process of consultation is underway with Trusts to collate lessons from the pandemic response and agree key priorities for the rebuild and recovery of children's and young people's services. Following this exercise, an overall plan for the recovery, rebuild and potential reconfiguration of paediatric acute services will be completed. This plan will also refer closely to the two DOH Paediatric Strategies published in 2016.
12. Support and enhance the HSC workforce, in line with the workforce and other related strategies.	The Department currently commissions education and training programmes across a range of healthcare programmes. The Health and Social Care Workforce Strategy 2026 sets out a clear need to ensure that the HSC workforce is of sufficient size and has the best possible combination of skills and expertise in order to deliver the transformation agenda. This is the main objective of the Department's investment in education and training - this year we have maintained the following: (i) pre-registration nursing and midwifery training places at the record high level, (1,325); (ii) .Graduate Entry Medical School substantially on target with the first cohort of 70 students having commenced their training in September 2021; and (iii) 600, of the additional 900 NDNA training places have been commissioned with the final 300 places being commissioned in September 2022 and the first cohort of 300 nurses are due to have completed their training and be available for use across HSC in June 2023. The Department's ongoing programme of strategic, workforce reviews has identified the need for significant expansion of training programmes to secure the local supply of skills; particularly iro Allied Health Professionals (AHP) and medical specialists. A 3 year Workforce Strategy Implementation Plan, covering the period to March 2025 has been developed. However, the Department's proposed budget for 2022-23 does not provide the necessary funding to deliver that plan in full.

	In March 2022, the Department published the Social Work Workforce Review which recommends a significant programme of work in relation to commissioning, recruitment and retention. The Review has also identified the need to increase the number of places for student social workers at local universities which will be wholly dependent on additional recurrent funding becoming available. To ensure that this work is driven forward, a Social Work Workforce Implementation Board was established in March 2022.
13. Further develop and implement the Encompass programme.	The original programme timelines have been affected at the outset of the pandemic and during surge pressures during winters 2020-21 and 2021-22. Operational and clinical input is central to the success of the programme and there has had to be a flexible approach to undertaking planned activities to reflect the extreme challenges being faced by the HSC NI. As a result of the temporary pause on clinical and operational activities in early 2022, in recognition of the impact of the Omicron variant, encompass completed an exercise to evaluate impact to the overall timescales based on pace to date, current critical path items, and recommended Epic implementation activities. On 4 March 2022, encompass Programme Board approved the movement of the initial Go-Live in South Eastern Trust to post summer 2023. Re-planning and evaluation of timelines is currently being completed in conjunction with other DHCNI Programmes with encompass interdependencies to finalise the exact go live date, ensuring that the revised timeline accommodates all critical path items and a successful implementation. Encompass has been re-profiling the financial expenditure following the decision on 4 March 2022 to move to a post summer initial go live. The exercise is considering the current position on all programme aspects and recent Trust inputs to ensure that the revised profile is aligned with the latest information/position.

14. Rebuild and support the development of Primary Care GP, Dental, Pharmacy and Optometry services, including the roll-out of multi-disciplinary teams.	The Department remains committed to strengthening the Primary Care workforce to support the delivery of services. General Practice nurses and Advance Nurse Practitioners have been recruited in some GP Federations to enhance the capacity available in Primary Care to meet the needs of patients. Work is underway on a review of GP trainee places to ensure we have the workforce in Primary Care we need going forward. Whilst this work is still progressing, a recommendation for an immediate increase of 10 additional GP training places as an interim measure for the 2022-23 academic year has been accepted, subject to the necessary approvals. To facilitate the expansion of capacity and capability in Primary Care, a range of elective care pathways have been designed to enable patients to be managed more appropriately in Primary Care without the need to refer to Secondary Care services. As of February 2022, the Multi-Disciplinary Teams (MDT) model is fully or partially realised in 7 of the 17 GP Federations areas in Northern Ireland with 325 whole time equivalent front line staff working across 98 GP practices. Around 615,000 citizens now have access to at least an element of the model. On 23 March 2022 the Minister announced that the next three roll-out areas being North Belfast, South West (Fermanagh & Omagh) and East Antrim. In terms of the Mild to Moderate Depression NI Local Enhanced Service (LES), this has been reviewed and updated as appropriate for 2022-23 and has been made available to GP practices across NI to consider whether they wish to contract to provide the LES for 2022-23.
15. Ensure closure of the HSCB, migration of staff and progress development of a future planning model.	The Health and Social Care (NI) Act 2022 closed the HSCB on 31 March 2022. The HSCB functions migrated to a new Group in the Department, Strategic Planning and Performance Group and the HSCB staff migrated to BSO under a hosting arrangement which meant that BSO became their employer from 1 April 2022 and they retained their HSC terms and conditions. Work on the Future Planning Model continues across all strands of the project to establish an Integrated Care System Model in NI in line with the model set out in the draft Framework published in 2021. The draft Framework is being finalised following the completion of a targeted consultation exercise last year and work progresses in other areas such as the development of a Strategic Outcomes Framework to underpin the model, guidance on Regional aspects, local implementation and research into potential funding models. The Health and Social Care (NI) Act 2022 also places a duty on the Department to bring forward regulations to underpin the model and work is underway to bring these forward in the new mandate (estimated late 2022).

16. Support, stabilise and standardise community services through a new regional model for Intermediate Care, a new model for care and support at home, and support for care homes.	Two frameworks for Intermediate Care: Hospital at Home and Home based have been endorsed by the Rebuild Management Board and two further frameworks: Bed based and Reablement are due to be completed by June 2022. All frameworks have supporting staffing configuration guidance and a data matrix. The project is now planning to move to Phase 2 – Implementation including performance monitoring. This project is also closely linked to the Urgent and Emergency Care review and is one of its three strategic priorities. The design and testing of key elements of the draft Enhance Clinical Care Framework (ECCF) for care home residents is being progressed using Quality Improvement methodology with volunteer care homes. This includes a wellness pathway, health and wellbeing care plan, baseline assessment, deterioration tools, treatment escalation plans, advanced care planning, falls and catheter care regional pathways, digital plan, acuity staffing tool, training and education, alongside Trust Care home support teams. The impact of COVID-19, including the recent Omicron variant has significantly impacted the care home sector and the wider HSC system, as a result, RMB has approved the extension of the ECCF project until March 2023.
17. Maintain a focus on the ongoing COVID-19 response and recovery of public and population health services.	The Department established services for the assessment and treatment of post-Covid Syndrome (Long Covid) in November 2021. There are 5 strands to these services: • A multidisciplinary clinic for the assessment of Post Covid Syndrome • Bespoke pulmonary rehabilitation/ dysfunctional breathing service for patients with significant respiratory symptoms post COVID-19; • Additional support for patients discharged from critical care (both COVID-19 and non-COVID-19); • Strengthening psychology support to all Trusts; and, • Signposting and access to self-management resources. The Department has continued to implement its COVID-19 Test, Trace and Protect Strategy which sets out the public health approach to minimising COVID-19 transmission in the community in Northern Ireland. Alongside this, the Department also assumed responsibility for a cross-departmental Wastewater Surveillance Programme from 1 September 2021. This region-wide programme was scaled up to cover 31 wastewater treatment sites, sampled three times a week and covering approximately 64% of the population. Working in partnership with QUB and PHA, the programme has complemented clinical surveillance by providing surveillance data and information on the prevalence and spread of infection in the NI population as symptomatic and asymptomatic cases are detected**.** Going forward, consideration will be given as to

	how to optimise the potential of wastewater surveillance in relation to other biological markers beyond SARS-CoV-2. As part of the Department's response to the pandemic, the Chief Medical Officer (CMO) led a Strategic Oversight Board which had a remit to oversee and coordinate the integrated programmes and workstreams required to deliver the NI COVID-19 Test, Trace & Protect Strategy, including testing, contact tracing, information and advice, and support. Work was undertaken on a collaborative basis with colleagues from across the HSC sector to best manage community transmission and to effectively respond to local clusters of infection. Separately, during the reporting period, a number of other key Boards including the Department's Expert Advisory Group on Testing, the COVID-19 Testing Programme in Care Homes Group, and the Schools Assurance Group continued to operate. The Department's Test, Trace and Protect Strategy has been kept under continuous review and has been appropriately updated throughout the year taking account of disease trajectory, and learning from new and emerging medical and scientific evidence. The Department's Test and Trace Transition plan was published on 24 March 2022. The Plan signaled a move to a more targeted approach to testing with the focus on supporting and protecting those at highest risk of serious illness. Implementation of the Plan has been introduced on a phased basis from April up to the end of June 2022. Policy will be kept under review throughout this period. The Department and the Public Health Agency continue to deliver on the recovery of public health services. Progress on related policy and delivery has been impacted by the ongoing COVID-19 response. However, in respect of Health improvement service, for example, the PHA is implementing a short, medium and long-term recovery plan, which is prioritising action in the most deprived communities. There have been bids for funding to further support this work. Throughout the year a range of measures were introduced under The Health Protection (Coronavirus, Restrictions) (Northern Ireland) Regulations 2021. These varied with the relative extent of COVID-19 across NI, and the capacity of our health systems to cope with demand, aiming to minimise any wider impacts on health, society and our economy. Of particular note was the introduction of COVID-19 status certification in November 2021, which aimed at minimising the risk of virus transmission in a range of higher risk settings. The powers to make regulations under the Coronavirus Act 2020 were also extended by 6 months in March 2022, and now expire on 24 September 2022.

	The regional project to maintain the availability of pre-exposure prophylaxis (PrEP) and give access to online STI testing has been a tremendous success and was recently lauded at the British Association for Sexual Health & HIV (BASHH) 100th celebrations in London. The project is an excellent demonstration of how prevention and early intervention can support, in a measurable and cost effective way, tangible improvements in population health. **Whiteabbey Nightingale** Originally commissioned to ease COVID-19 pressures, on 3 April 2021 the Whiteabbey Nightingale began to focus on general rehab patients to help ease elective pressures across the region. In parallel, work was undertaken to develop a longer-term 'legacy' model for the unit, which would continue to provide focused support for elective pressures. After considering a number of models, the Minister implemented a combined fracture orthopedic and general rehabilitation model, with effect from 6 September 2021. Since opening in November 2020 until 8 April 2022, the Whiteabbey Nightingale has treated 689 patients, saving 7,789 acute bed days, as follows: • 146 patients under the COVID model, saving 1,662 acute bed days; • 213 patients under the general rehabilitation model, saving 2,474 acute bed days; and • 330 patients (as of 8 April 2022) under the combined model to date, saving 3,653 acute bed days **Pandemic Response Coordination** To co-ordinate the COVID-19 response, Goldcommand structures were established in the Department to ensure effective oversight of operations across HSC. These structures remain in place to be activated as required during potential future waves. In addition, a Critical Care Hub has been established and is operational at times of peak demand to ensure strong regional coordination and management of critical care and Intensive Care Units. **Personal Protective Equipment (PPE)** A new modelling approach was adopted in June/July 2021 to continue to ensure sufficient and appropriate stock was available for HSCNI and the independent sector. Supplementing existing stock purchased in the previous year, it was necessary to tender for the supply of gloves during this year to maintain stock levels for frontline staff. A focus on stock management and warehousing needs for the next 5 years commenced in early 2022 and will continue to determine the appropriate needs across stock levels and logistics.

Alongside the work to progress the above Framework objectives, the Department has also continued to address the NDNA health-related commitments. Regular updates continue to be provided to The Executive Office (TEO) to support updates to the Executive, the TEO Assembly Committee and formal reviews between the UK and Irish Governments. A summary of the Department's 17 NDNA commitments is set out below, using the TEO's progress designations of Achieved or substantially on target, likely to be achieved with delay or not started/timescale unknown.

New Decade New Approach 17 health commitments – Progress Summary

1. The Executive will immediately settle the ongoing pay dispute.	Achieved - January 2020
2. The Executive will introduce a new action plan on waiting times.	Achieved - The NDNA commitment to publish a new action plan on waiting times was achieved with the publication of the Elective Care Framework on 15 June 2021. The framework for restart, recovery and re-design proposes a £700m investment over five years to tackle the backlog of patients waiting longer than Ministerial waiting time standards, and how we will invest in and transform services to allow us to meet the population's demands in future. It describes the investment and reform that are both required - targeted investment to get many more people treated as quickly as possible; and reform to ensure the long-term problems of capacity and productivity are properly addressed. There is however currently no commitment from the NI Executive in relation to the funding required (£700m over 5 years) to deliver on the commitments set out in the framework.

3. The Executive will deliver reforms on health and social care as set out in the Bengoa, Delivering together and Power to People reports.	Likely to be achieved with delay - Minister is committed to delivering transformation of health and social care services, as set out in the Bengoa, Delivering Together and Power to People reports. COVID-19 has, and continues to have, significant impact on health and social care services, meaning that the speed of transformation is reduced. This has impacted the deliverability of transformation targets and slowed down the reform of services. However, work to progress actions in the Transformation Programme, as part of the implementation of Delivering Together, has continued throughout the pandemic. From 2018-2021, almost £300m in Transformation Funding was provided to transformation projects reforming the health service. The 2021-22 Budget provided £49m of ring fenced NDNA funding for Transformation. The Department's rebuild plan - Building Better, Delivering Together - contains 17 actions to continue the transformation journey through rebuilding. The actions form the health actions in the Executive's Rebuild Plan and contains the continuation of transformation of the health and social care services.
4. No one waiting over a year at 30 September 2019 for outpatient or inpatient assessment/treatment will still be on a waiting list by March 2021.	Not started/timescale unknown - Achievement of the NDNA priority to reduce the longest waits for elective care would require significant investment and additional capacity to be secured from both within and outside Northern Ireland. Backlog reduction will be taken forward as part of the delivery of the Elective Care Framework published in June 2021 and is subject to the availability of the required funding.

5. The Executive will reconfigure hospital provision to deliver better patient outcomes, more stable services and sustainable staffing. Improvements will be made in - stroke; breast assessment; urgent and emergency care; and day case elective care - by the end of 2020.	Likely achieved with delay The Department received in excess of 19,000 responses to the 'Reshaping Stroke Care' consultation. Officials completed analysis of the consultation responses along with additional workforce analysis for each of the configuration options outlined in the consultation document. These analyses together with emerging evidence on stroke treatment and the impact of demographic change are being considered in determining the way forward. In the meantime improvements in stroke services continue to be driven forward mainly through the Stroke Network. These improvements are fully aligned with the commitments set out in 'Reshaping Stroke Care'. Likely achieved with delay Daycase Elective Care - Work to improve services in Lagan Valley is continuing. Consideration for further roll out of day case procedure centres is under way. Likely achieved with delay - Urgent and Emergency Care - A 12 week public consultation on the Review of Urgent and Emergency Care was launched on 16 March 2022. Likely achieved with delay Breast assessment - The work to develop a regional booking system for breast assessment services has been paused due to COVID-19 pressures, including pressures relating to the Omicron variant. It is expected that the work will restart in some point of 2022.
6. The Executive will also deliver an extra 900 nursing and midwifery undergraduate places over three years.	Achieved or substantially on target - The first cohort of 300 trainees started their 3 year training in September 2020. The second cohort of 300 started their 3 year training in September 2021. The final cohort of 300 trainees are due to commence their 3 years training in September 2022. The first cohort of 300 nurses are due to have completed their training and be available for use across HSC in June 2023.

7. The Executive will consider the scope for changing how waiting times are measured, to reflect the entire patient journey, from referral to treatment, with appropriate targets.	Achieved or substantially on target - The Elective Care Framework makes a commitment to work to introduce the Referral to Treatment (RTT) waiting times reflecting the entire patient journey, from GP referral up to the point where the patient is actually treated. Discussions are underway with the Digital Health and Care NI Team to develop a single system solution to enable measurement of the whole patient journey.
8. The Executive will publish a Mental Health Action Plan within 2 months.	Achieved - The Mental Health Action Plan was published in May 2020. An implementation update was published on 10 June 2021 (https://www.health-ni.gov.uk/publications/mental-health-action-plan). The update concluded that the Mental Health Strategy supersedes the Action Plan as the primary vehicle going forward. The launch of the Mental Health Strategy (see below) therefore formally closed the Action Plan, with an undertaking that a formal evaluation will be carried out at the appropriate time.
9. The Executive will publish a Mental Health Strategy by December 2020.	Achieved or substantially on target - The Mental Health Strategy 2021-31 was launched on 29 June 2021. Implementation work is underway.
10. The Executive will publish a successor strategy and action plan to the Strategic Direction for Alcohol and Drugs Phase 2 within 3 months.	Achieved - On 7 September 2021, Minister published the new substance use strategy "Preventing Harm, Empowering Recovery" which had been agreed by the Executive. Work is now underway to put in place the required governance structures to deliver on the strategy.

11. The Executive will publish a new strategy and implementation plan on cancer by December 2020.	Achieved or substantially on target - The Cancer Strategy was published on 22 March 2022 including 60 high level actions that will enable significant strategic changes to be taken over the next decade .The Strategy was published alongside a Funding Plan which identifies an estimated investment need of around £2.3m in the first year and in the region of £145m per year when all actions are implemented. Implementation work is underway.
12. The Executive will build capacity in general practice through the ongoing roll out of Multi-Disciplinary Teams to cover a further 100,000 patients by March 2021.	Likely to be achieved with delay - Despite the severe impact of the Covid pandemic progress has been made against this target with over 50,000 additional people now have access to an element of the primary care multidisciplinary team model. It is proposed that the next three roll-out areas will be North Belfast, South West (Fermanagh & Omagh) and East Antrim. The speed of any further expansion of the MDT Programme will however, depend on the availability of appropriate funding (including capital funding) and suitably qualified and experienced staff.
13. The Executive will provide increased investment to fully implement service improvements for palliative and end of life care including enhancing the contribution of hospices; and to increase support for palliative perinatal care.	Likely to be achieved with delay – Advance Care Planning is appropriate for all adults at any stage of life, however it is also one of the key priorities for the palliative care programme and a key element of a public health approach to palliative care. Advance Care Planning helps people plan ahead for their future, including future care. A draft Advance Care Planning policy for adults (and EQIA) was issued for public consultation on 17 December 2021. Consultation closed on 11 March 2022. It is anticipated that the policy will be published in Summer 2022 supported by 4 key areas of implementation - public messaging; operational guidance; training and education; outcomes and evaluation. In terms of specialist palliative care, including that provided by hospices, a strategic review of specialist adult

	palliative care is planned to commence in 2022-23. The Northern Ireland Antenatal Palliative Care Pathway was launched in January 2022. It aims to ensure that everyone who has received an antenatal diagnosis of a potentially life limiting, or life threatening condition for their baby, receives the care and support they need. The pathway and user guide, part of the regional Children's Palliative and End-of-Life Care strategy, has been developed by the Paediatric Palliative Care Network.
14. The Executive will provide 3 funded cycles of IVF treatment.	Likely to be achieved with delay – Delivery is subject to additional recurrent funding. Most waiting times have now returned to pre-pandemic levels. A phased approach to second and third cycles likely, however a start date has not yet been determined and will be subject to available capacity (including within the independent sector initially) and available funding. The Project Board is currently modelling various implementation scenarios to determine potential demand, capacity requirements, delivery options and costs in order to submit bid for appropriate funding. As such, additional funding has not yet been allocated to DoH and remains subject to overall budget position. There is cross-party support for this commitment.
15. The Executive will expand university provision at Magee in line with commitments made by the previous Executive, including through the establishment of a Graduate Entry Medical School. The Executive will bring forward proposals for the development and expansion of the UU campus at Magee College, including the necessary increase in maximum student numbers to realise the 10, 000 student campus target and a Graduate Entry Medical School.	Achieved or substantially on target - The first cohort of 70 students commenced their training in September 2021.

16. The Executive will bring about parity in financial support to victims of contaminated blood in Northern Ireland with those in England.	Achieved or substantially on target **-** Changes to the four UK infected blood support schemes were announced on 25 March 2021. In Northern Ireland, this included a commitment to introduce enhanced financial support for Hepatitis C stage 1 beneficiaries in NI. This agreement of 25 March 2021 also resulted in improvements in financial support for bereaved spouses and partners, increased lump sum payments for HIV and hepatitis C stage 1 beneficiaries and a decision to extend the £10,000 bereavement lump sum to estates of deceased beneficiaries in cases where there is no surviving spouse or partner. A consultation exercise on enhanced support for hepatitis C stage 1 took place during December 2021 - January 2022 to support the development of a new policy for the assessment of eligibility for the additional financial support. The consultation closed on 5th January 2022 and options are now being prepared to present to the Minister for decision. As the Minister has already made the announcement and decided on the payment level and this issue is not considered cross cutting, it is not anticipated that the decision will be affected by election restrictions. A working group, which includes scheme beneficiaries, representatives from the haemophilia groups and an independent medical adviser, has been supporting the Department in developing this policy and assisted with the consultation.
17. The programme of transformation agreed by the previous Executive will continue to be a priority. Within this, there will be a greater focus on mental health and well-being.	Likely to be achieved with delay – Minister is committed to delivering transformation of health and social care services, as set out in the Bengoa, Delivering Together and Power to People reports. COVID-19 has, and continues to have, significant impact on health and social care services, meaning that the speed of transformation is reduced. This has impacted the deliverability of transformation targets and slowed down

	the reform of services. However, work to progress actions in the Transformation Programme, as part of the implementation of Delivering Together, has continued throughout the pandemic. From 2018-2021, almost £300m in Transformation Funding was provided to transformation projects reforming the health service. The 2021-22 Budget provided £49m of ring fenced NDNA funding for Transformation. The Department's rebuild plan - Building Better, Delivering Together - contains 17 actions to continue the transformation journey through rebuilding. The actions form the health actions in the Executive's Rebuild Plan and contains the continuation of transformation of the health and social care services.

COVID-19 Vaccination Programme

Throughout 2021-22 the COVID-19 vaccination programme continued to be rolled out. The vaccination programme was a mammoth undertaking involving Trusts, GPs and community pharmacies and was extended in stages to those considered most at risk based on the advice of the Joint Committee on Vaccination and Immunisation. By the end of March 2022 over 3.7m doses had been administered, which included 1.4m first doses, 1.3m second doses as well as over a million booster/3rd doses.

Equine Assisted Services

The Department has continued to work on equine assisted therapy and learning with other central government departments including DAERA, DE, DOJ and the voluntary and community sector, to explore the potential benefits of equine assisted services to support those at risk. This has led to the Department funding a number of pilots for service users and health and social work staff who were on the front line providing essential services during COVID-19. The plan is to continue working within the framework of the partnership with a vision to make this service available to those who would benefit from it and for whom other more traditional interventions do not work.

PERFORMANCE ANALYSIS

Further detail on the performance of the Department is included in the performance analysis below.

HSC, NIAS AND NIFRS PERFORMANCE

HSC Performance

The need for the HSC to respond to the COVID-19 pandemic continued to significantly impact the planning and delivery of HSC services right across the region during 2021-22. In particular increased demand and unacceptable waiting times for emergency and unplanned care proved extremely challenging. Similarly waiting times for outpatient assessment, diagnostics, inpatient and day case treatment remain far from satisfactory. Notwithstanding this, efforts have continued to ensure that the most urgent and time critical patients received the care they needed. A number of the key challenges and also some examples of the key achievements, in terms of making a positive impact on the care, health and wellbeing of service users are highlighted below.

Elective Care

Due to the need to respond to the COVID-19 pandemic, the Ministerial priorities set out in the 2019-20 Commissioning Plan Direction (CPD) were rolled forward to 2021-22, including the following targets for elective care:

- 50% of patients should be waiting no longer than 9 weeks for an outpatient appointment and no patient waits longer than 52 weeks;

- 75% of patients should wait no longer than 9 weeks for a diagnostic test and no patient waits longer than 26 weeks; and,

- 55% of patients should wait no longer than 13 weeks for inpatient/day case treatment and no patient waits longer than 52 weeks.

The pandemic has continued to have a devastating impacting on our hospital services, particularly elective care. Waiting times are unacceptable and far too many people are waiting far in excess of the Ministerial target waiting times and are suffering in pain and discomfort while they wait to be seen/treated.

At 31 March 2022:

- 18% (63,306) of patients were waiting less than nine weeks for a first outpatient appointment; 295,501 patients were waiting longer than nine weeks; and, 186,645 were waiting more than 52 weeks. In addition, at the end of March 2022, 13,664 patients were waiting longer than nine weeks for a first outpatient at a cataracts Day Procedure Centre and, of these, 8,000 were waiting longer than 52 weeks.

- 55% (69,248) of patients were waiting less than nine weeks for a diagnostic test; 55,874 patients were waiting longer than nine weeks; and, 27,163 were waiting more than 26 weeks.

- 19% (22,779) of patients were waiting less than 13 weeks for inpatient or day case treatment; 100,041 patients were waiting longer than 13 weeks; and, 69,831 were waiting more than 52 weeks. In addition, 2,123 were waiting longer than 13 weeks for a cataract (1,268) or varicose vein (855) procedure at a Day Procedure Centre (DPC) at the end of March 2022 and, of these, 1,040 (423 cataract and 617 varicose veins) were waiting longer than a year.

- Further information on waiting time statistics is published on the DoH website at https://www.health-ni.gov.uk/topics/doh-statistics-and-research/hospital-waiting-times-statistics

Some of the efforts made to address the many challenges are detailed below:

- During 2021-22, Trusts continued to struggle to maintain elective surgery due to the ongoing pressures associated with the pandemic combined with increased unscheduled care pressures. Given these challenges, the Regional Prioritisation Oversight Group (RPOG) ensured that all available capacity for elective care (both within the HSC and Independent Sectors) was prioritised for cancer and time-critical cases across specialties and HSC Trust boundaries on an equitable basis.

- The Elective Care Framework: Restart, Recover and Redesign (DoH, 2021 at www.health-ni.gov.uk) identified the establishment of a Waiting List Management Unit (WLMU) to manage elective waiting lists on a regional basis to ensure that patients are managed chronologically and, where necessary, to work with HSC Trusts to ensure the transfer of patients across HSC Trust boundaries and to the Independent Sector. Since August 2021, the WLMU has worked with HSC Trusts to make sure that the current elective waiting lists are accurate and include only those patients who should be on a list for assessment or treatment ensuring that regular validation of waiting lists is embedded within HSC Trusts as part of normal business. During the six months from September 2021 to March 2022, validation has resulted in more than 11,750 patients being removed from assessment and treatment waiting lists. Going forward, the WLMU will use Patient Tracking Lists (PTLs) to ensure that patients are being managed chronologically within their clinical priority. Where in-house capacity is not available, the WLMU will link with HSC Trusts to secure alternative capacity. This approach will help drive the equalisation of waits across the region.

- Through the 2021-22 budgetary period the HSC received £90m non-recurrent funding for elective waiting lists. Supporting the traditional approach of securing additional capacity from within the HSC and from a range of Independent Sector (IS) providers, a number of private healthcare providers provided services using available HSC infrastructure to see and treat HSC patients. GP Federations have also undertaken a range of outpatient assessments and day case procedures in primary care settings. The **additional** activity delivered regionally in the eleven months to the end of February totals:
  - 53,509 outpatient assessments (new and review)
  - 120,529 diagnostic tests
  - 13,165 inpatient or day case procedures
  - 14,266 Allied Health Professional assessments
  - 4,852 other procedures carried out through the Heads of Terms agreement and Lagan Valley Hospital Day Procedure Centre
  - 10,439 outpatient assessments and day case procedures delivered by GP Federations in primary care settings

  While this investment has enabled large volumes of patients to be seen, it has only stemmed the growth in waiting times. The reduction in HSC core activity, as a result of the pandemic, has not been offset by the additional HSC and IS activity. Nevertheless the HSCB has continued to develop opportunities to consolidate and transform services to reduce waiting times and improve patient experience, namely:

  - The introduction of **mega clinics** for outpatient assessment and pre-operative assessment maximises patient throughput and reduce waits. Mega clinics bring multi-disciplinary staff teams together to ensure much higher throughput and access to clinical assessment allowing more patients to be seen and short-circuiting unnecessary delays in treatment. Good progress has been made during 2021-22 in delivering mega clinics across a range of specialties including orthopaedics, cataracts, ENT, dentistry, dermatology and urology, with approximately 6,240 patients seen/treated.

  - The **Republic of Ireland (ROI) Reimbursement Scheme** launched in July 2021 provides patients the option to access private treatment in ROI and claim reimbursement of the HSC equivalent cost. A total of 2,151 applications had been received by the end of February 2022; of these, 540 patients have completed treatment and have been reimbursed at a total cost of £3,139,789. Common treatments include orthopaedic surgery, such as hip and knee replacements, cataract surgery and hernia repairs.

  - HSCB funding allocations to HSC Trusts in 2021-22 implemented Heart Flow Cardiac CT Fractional Flow Reserve (FFR) Analysis for patients who meet the National Institute for health and care Excellence (NICE) CG95 criteria for stable angina (available on NICE website at www.nice.org.uk). This has reduced the need for patients to join other waiting lists for higher cost tests and/or invasive cardiac catheterisation and requires no further patient or staff face-to-face interaction. The Strategic Planning and Performance Group (SPPG) will evaluate this service in June 2022 to establish the cost savings from reducing these other more expensive tests such as invasive angiograms and the reduction of unnecessary risks to patients.

- Allocations to HSC Trusts in 2021-22 also funded additional remote monitors for patients with implantable cardiac devices in line with recommendations from the British Heart Rhythm Society. The home monitors enable suitable patients to be monitored from the safety of their own home and prevents them from having to attend hospital appointments for routine checks. They also have the additional benefit of allowing staff to work from a home setting particularly if they have to self-isolate. This initiative has proved very successful in all HSC Trust areas.

- Established in 2021-22 the Regional Endoscopy Reform and Modernisation Group (RERMG) oversees the delivery of four gastrointestinal scope procedures: colonoscopy, flexible sigmoidoscopy, endoscopic retrograde cholangiopancreatography (ERCP) and oesophago-gastro-duodenoscopy (OGD). The RERMG ensures a co-ordinated regional approach to reducing and equalising waiting times across HSC Trusts and the development of new models of service delivery. The focus of RERMG has been the expansion of scope capacity through the increased provision of both in-house and IS capacity. Developments within endoscopy such as cytosponge, colon capsule and trans-nasal endoscopy provide opportunities to alternatively assess patients who would otherwise receive an endoscopy procedure. These technological advances will continue to be considered and, where clinically appropriate, piloted in 2022-23.

- During 2021-22, the Modernising Radiology Clinical Network (MRCN), continued to work collaboratively to optimise imaging capacity (in-house and in the IS) including use of the regional CT at Musgrave Park as a key aspect of COVID-19 reset and rebuild. Key deliverables include securing additional funding for contingency radiographers to provide essential resilience; development of regional arrangements for entitlement to request imaging for non-medical practitioners in primary care in partnership with Integrated Care colleagues; creation of a database/panel of radiologists to provide specialist and/or second opinions to support SAI/SEA processes; development of imaging specific clinical guidance and input and imaging support to other clinical networks e.g. NICaN, NI Stroke Network.

- The Southern Trust was awarded accreditation against the Quality Standard for Imaging following successful assessment by the United Kingdom Assessment Service (UKAS). They join the Western Trust as the second Trust to be fully accredited. The Belfast and Northern HSC Trusts have been recommended for award of accreditation following their assessment in November 2021 and March 2022 respectively, to be confirmed pending sign off of action plans. The South Eastern Trust pre-assessment has been scheduled for November 2022, with formal assessment to follow.

- The Regional Medical Imaging Board (RMIB), established in April 2021, is responsible for implementation of the recommendations within the DoH Strategic Framework for Imaging Services (available at www.health-ni.gov.uk). Key deliverables within the first 10 months of operation include: completing background work on the proposal and specification for a multi-professional Imaging Academy to significantly expand radiologist training capacity and support expansion of advanced radiographer practitioner training in NI; modelling requirements for under/post graduate radiographer training; establishment of a capital equipment sub group and completion of a regional inventory of imaging capital equipment to inform investment and prioritisation decisions; establishment of a Task and Finish Group to design a regional approach for peer review/feedback within multi-professional imaging services to enhance and support imaging governance end quality improvement frameworks; and a range of key protocols/clinical guidance for imaging within the paediatric, cardiac and obstetric imaging services.

Unscheduled Care

Urgent and emergency care services in NI remained under significant pressure in 2021-22. The impact of COVID-19 and the focus on infection prevention and social distancing have compounded the need for change and reform. The Covid-19 Urgent and Emergency Care Plan, 'No More Silos' (available at www.health-ni.gov.uk) sets out 10 Key Actions required to ensure Urgent and Emergency Care Services across primary and secondary care can be maintained and improved in an environment that is safe for patients and for staff.

Current DoH targets on emergency care waiting times in NI for 2021-22 state that:

- 95% of patients attending any Type 1, 2 or 3 emergency care department are either treated and discharged home, or admitted, within four hours of their arrival in the department; and no patient attending any emergency care department should wait longer than twelve hours.'
- By March 2022 at least 80% of patients to have commenced treatment following triage within 2 hours.

During 2021-22:

- 79,099 patients waited longer than 12 hours in an Emergency Department (ED) compared to 38,482 during the same period in 2020-21.
- 55% of patients were either treated and discharged home, or admitted, within four hours of their arrival (target: 95%) compared to 65% in 2020-21.
- 71% of patients commenced treatment, following triage, within 2 hours. This compares to 86% during 2020-21.

Further information on waiting time statistics is published on the DoH website at Emergency care statistics | Department of Health (available at www.health-ni.gov.uk).

To respond to pressures within unscheduled care, the HSCB established a dedicated Unscheduled Care Management Unit (UCMU) to monitor activity, identify and share best practice, support change and improve flow. The initial focus of the work was to gain an understanding of Trust processes and structures for site co-ordination and to improve regional co-ordination at operational and strategic levels:

- improved processes were put in place for operational co-ordination.
- NIAS were given full responsibility for 'smoothing' ambulances between hospital sites to help ease pressures.
- Regional Unscheduled Care Escalation Guidance was revised to reflect new ways of working
- analysis of available nursing workforce and commissioned inpatient bed stock was completed to identify capacity constraints.
- additional beds were opened in the Ulster Hospital to help manage pressure and offset beds closed as a direct result of the pandemic.
- best practice site visits enabled sharing of learning on new and existing models to manage demand for urgent and emergency care.

A review of ambulatory pathways and services in our hospitals will identify what works well or needs reformed or decommissioned. The ultimate aim is to have more consistent services which are open to primary care and NIAS direct admission thereby avoiding EDs. This review will include current NIAS access to services in the community which help avoid hospital attendances. A subsequent clinical audit of patients in our EDs, carried out by hospital doctors, GPs and NIAS clinicians, will focus on how patients could have been managed more appropriately in primary care, secondary care or community care. This will help inform decisions about how best to deploy existing and new resources.

Engagement with the services of Getting it Right First Time (GIRFT) provides analysis and benchmarking of our urgent and emergency services with other parts of the UK. The work of GIRFT provides a focus on why our services are working the way they do and helps identify where improvements can be made. A key focus of urgent and emergency care is flow through the hospital. The UCMU has worked to better understand the reasons for delayed discharges in our hospitals and puts measures in place to remove these blocks so that hospital flow can be optimised.

The No More Silos Network has supported five Local Implementation Groups (LIGs) to deliver locally prioritised quality improvement initiatives across all 10 Key Actions. Significant progress has been made on Urgent Care Centres, Phone First, Rapid Access Pathways and Timely Discharge. During 2021-22 total planned investment of £21m included:

Key Action	Planned Investment
1. Introduce Urgent Care Centres	£3.7m
2. Keep Emergency Departments for Emergencies	Funded under another key action
3. Rapid Access Assessment and Treatment Services	£5.7m
4. 24/7 Telephone Clinical Assessment Service 'Phone First'	£2.4m
5. Scheduling Unscheduled Care	£0.3m
6. Regional Anticipatory Care Model	No plans for development in year
7. Hospital at Home (previously Acute Care at Home)	£3.4m
8. Ambulance Arrival and Handover Zones	£1.1m
9. Enhanced Framework for Input to Care Homes	£0.7m
10. Timely Discharge	£3.2m

A key priority for the No More Silos (NMS) Programme in 2022-23 is the full implementation of the first five Key Actions above across all HSC Trusts. These developments will support the development of the Integrated Urgent Care System which includes integration of GP Out Of Hours Service with new Urgent Care Centres providing a multi-disciplinary model to support provision of an integrated Urgent Care Service.

Early results demonstrate the NMS Programme has the potential to reform urgent care enabling more effective use of existing capacity and better accessibility for patients. Led by local clinicians, it is responsive to frontline need at each locality rather than relying on a one-size-fits-all traditional Emergency Department approach. Up until March 2022, almost 217,000 patients utilised Phone First and Urgent Care Centre services across NI:

- 50, 887 (24%) were discharged with advice or referred back to their GP.
- 111,417 (51%) were scheduled for an appointment at an Emergency Department, Urgent Care Centre, Minor Injuries Unit, or alternative pathway.
- 54,449 patients (25%) were referred directly to an Emergency Department.

Cancer Services

During 2021-22, all urgent breast cancer referrals should be seen within 14 days; at least 98% of patients diagnosed with cancer should receive their first definitive treatment within 31 days of a decision to treat; and at least 95% of patients urgently referred with a suspected cancer should begin their first definitive treatment within 62 days.

The COVID-19 pandemic has undoubtedly had a devastating impact on cancer services, with the long waiting times causing worry and concern for many patients and families.

- Regionally, during 2021-22, 53% of urgent breast cancer referrals were seen within 14 days compared to 71% in 2020-21 (target: 100%). 14-day performance fell below the 100% target in the Northern (39%), South Eastern (25%), Southern (37%) and Western Trusts (71%).

- Over the year, 90% of people received their first definitive treatment within 31 days (target: 98%) which is broadly unchanged on the 2020-21 (93%) position. 62-day performance regionally in 2021-22 (46%) has deteriorated compared to 2020-21 (53%).

Through the RPOG process, the HSCB continues to work with clinicians in HSC Trusts to prioritise the care needs of patients referred into the HSC, and also to ensure that all available capacity is utilised as effectively and equitably as possible across the region.

The DoH Cancer Recovery Plan, published in June 2021, sets out key areas of action and investment needed over the next three years to support the effective recovery of cancer services. It sets out priorities across the care pathway from screening right through to palliative and end-of-life care. The Cancer Recovery plan outlined a requirement for £31.97m funding during 2021-22 and £25.26m recurrently. While it has not been possible to fully fund the plan this year, a significant investment has been made; £12.95m additional funding has been made available to support cancer rebuild during 2021-22. Some of the key areas of progress enabled are noted below:

- £5m additional investment to support enhanced staffing levels and skills mix within oncology and haematology services to help address the increase in demand for systemic anticancer therapy and radiotherapy.
- Investment in 10 additional CT sessions per week to provide additional capacity to manage the increased demand which occurred as a consequence of treatment delays.
- Investment in additional radiographer contingency to ensure robust cover arrangements during the pandemic.
- Recruitment of 13 additional cancer trackers to help ensure effective tracking and safety netting of patients.
- Introduction of Quantitative Faecal Immunochemical Test (qFIT) and the new NICaN Lower GI Suspected Cancer Pathway: Quantitative Faecal Immunochemical testing (qFIT) to the NI Bowel Screening Programme in January 2021 and extended to Primary Care in July 2021. As well as introducing the test to primary care, a new referral pathway was devised to accompany the test. Together the pathway and test will speed up the diagnostic process by helping to appropriately grade referrals for many patients with a heightened risk of malignancy, especially younger patients who might otherwise have their diagnosis delayed. Further developments are to follow with a streamlined electronic referral process for GPs. By introducing qFIT to primary care and undertaking risk stratification, the use of the new test and pathway will deliver improved waiting times, earlier detection and improved efficiency.
- Investment in cancer information and support services within HSC Trusts.

- Funding to plan for the introduction of a Single Integrated Haematological Reporting Service for NI to improve the timeliness and integration of reporting for people with blood cancers.
- Funding to support the roll out of digital pathology to optimise capacity for reporting of biopsies.
- Investment in additional screening sessions to address backlogs in cancer screening programmes arising from the pandemic.
- NICaN has joined the Cambridge DELTA study, a national study looking at the use of cytosponge (a new, less invasive diagnostic technique), as a way of monitoring Barrett's Oesophagus, a condition that places people at higher risk of developing oesophageal cancer.

In addition, NICaN has commenced work with Cancer Research UK and the PHA to develop a 3-year cancer awareness programme for NI and has been working with DoH to support the development of a multi-professional cancer workforce plan that will outline the training and workforce requirements over the next 10 years.

It is important to note that many cancer diagnostics and treatments sit within wider elective care pathways. The key steps needed to increase outpatient and surgical capacity on a sustainable basis were laid out separately as part of the Elective Care Framework. Recovery of cancer services is therefore dependent on recurrent funding support for the delivery of both and is included in the draft budget.

Hip Fractures Standard

By March 2022, 95% of patients, where clinically appropriate, wait no longer than 48 hours for inpatient treatment for hip fractures.

Regionally during 2021-22, 78% of patients, where clinically appropriate, received inpatient treatment for hip fractures within 48 hours. This is a deterioration on the previous year (90%).

Commencement of AHP Treatment Standard

By March 2022, no patient should wait longer than 13 weeks from referral to commencement of treatment by an AHP.

Regionally at the end of March 2022, 37,568 patients were waiting longer than 13 weeks from referral to commencement of AHP treatment. This is a slight deterioration on the end of March 2021 position, when 35,271 patients were waiting longer than 13 weeks.

In response to the impact of the pandemic, AHP services have adapted to ensure the continuation of high quality care, with AHP services rapidly embracing new ways of working, including enhanced utilisation of technology and telemedicine approaches to accommodate the provision of care, whilst reducing the risk of transmission. Face to face patient contact has been maintained for urgent patients and those with highest clinical need.

As indicated above, the additional non-recurrent investment for elective care in 2021-22 enabled an additional 11,839 AHP assessments (new and review) to be undertaken.

Patient Discharges

During 2021-22, ensure that 99% of all learning disability and mental health discharges take place within seven days of the patient being assessed as medically fit for discharge, with no discharge taking more than 28 days.

Performance data for 2021-22 is not currently available.

From April 2021, 90% of complex discharges from an acute hospital take place within 48 hours, with no complex discharge taking more than seven days; and all non-complex discharges from an acute hospital taking place within six hours.

Regionally 72% (16,300) of complex discharges took place within 48 hours during 2021-22 compared to 80% in 2020-21. The number of complex discharges taking more than seven days to complete increased from 1,272 in 2020-21 to 2,175 in 2021-22.

With respect to non-complex discharges, 88% took place within six hours compared to 89% in 2020-21.

This year the HSCB has worked to improve hospital discharge processes and deliver a better care experience for patients. This involved working with Trusts to:
- examine current HSC Trust processes and systems; and
- better understand the needs of patients who are ready for discharge.

This work provided assurances that overall Trust processes were working well and that proactive and ongoing engagement with care home providers and others was a key element of successful discharge planning. Further work aims to address barriers to timely discharge for people with more complex needs by ensuring that there are services available that will enable them to leave hospital as soon as they are assessed as fit to do so.

Mental Health Services

By March 2022, no patient waits longer than nine weeks to access child and adolescent mental health services (CAMHS); nine weeks to access adult mental health services; nine weeks to access dementia services; and 13 weeks to access psychological therapies.

Regionally, the maximum waiting time targets for mental health services have not been achieved. Similar to elective and unscheduled care, mental health services were negatively impacted by COVID-19.

Due to delays in the submission of Trust data, provisional figures indicate that at the end of March 2022, 929 patients were waiting more than nine weeks to access CAMHS, 1,013 patients were waiting more than nine weeks to access adult mental health services, 1,453 patients were waiting longer than nine weeks for dementia services and, 4,587 patients were waiting longer than 13 weeks for psychological therapies.

The HSCB, in partnership with DoH, PHA and HSC Trusts, led on the development of the HSCB/PHA COVID-19 Regional Service Recovery Plan for Adult Mental Health Services which included:

- The Decision Support Framework for Mental Health Services to forecast surge and to trigger when additional targeted support may be required, or when resources need to be redeployed from low impact service areas to high impact service areas. Using a systems dynamic simulation model it is estimated that there will be around 32% more new referrals to mental health services over the next three years. Modelling for mental health surge is extremely useful for understanding the scale of future demand. This information is used to refocus, rebuild, and revitalise mental health support across all services to aid the recovery from COVID-19, to streamline health services, promote positive mental health, and be ready for future uncertainties.

- The Mental Health Recovery Plan Model for 2022-26 is a live document and sits alongside the DoH Mental Health Strategy (2021-31) (available at www.health-ni.gov.uk). The Strategy implementation process itself will meet the requirements for the Recovery Plan Model for Year 2 and beyond. It has clear outcomes to ensure the right framework, structures and support is in place to enable change and improve outcomes for citizens.

- The Mental Health Strategy 2021-2031 sets out a clear direction of travel to support and promote good mental health, provide early intervention to prevent serious mental illness, provide the right response when a person needs specialist help and support, as well as outlining how the system will work to implement these changes. It is important to note that we are not starting from a zero base, and mental health professionals already provide high quality, dedicated services to enhance mental health outcomes. Moving forward, by providing the professionals with the right tools as outlined in this Strategy, the goal is to further enhance the good work that they do. The SPPG's Mental Health and Learning Disability Team are key partners in this work, providing leadership and guidance to DoH colleagues for the implementation phase of many aspects of this Strategy.

Northern Ireland Ambulance Service (NIAS) Performance

On 12 November 2019, NIAS moved to an evidence-based response model to prioritise calls, in line with the rest of the UK. The current targets that NIAS are monitoring and reporting against have not yet been agreed and added to the Commissioning Plan Direction for Ministerial consideration.

From 1 April 2021 to 31 March 2022 NIAS aimed to respond to Category 1 (immediate life threatening) calls in an average time of 8 minutes and at least 9 out of 10 times within 15 minutes. During this period the average time for category 1 responses was 11 minutes 14 seconds with 9 out of 10 responded to in 22 minutes 08 seconds.

Performance has decreased, in comparison to the previous figures from 12 November 2020 to 31 March 2021, when the average time for category 1 responses was 10 minutes 20 seconds, with 9 out of 10 responded to in 20 minutes 17 seconds. There are three main reasons for the delay in providing ambulance response, but this reflects the pressures being felts across the whole HSC system:

- There is a recognised shortfall of 325 operational staff to meet demand for the service and to achieve response time targets across Northern Ireland.
- The number of staff unable to work at any time for Covid-related reasons – together with general sickness absence. This peaked at 26% in December 2021 and remains at approximately 15%.
- The amount of time spent waiting to handover patients to Emergency Department (ED) staff during which time the ambulance crew is not available to respond to other urgent calls waiting in the community. Approximately 25% of operational capacity is lost each day waiting to handover patients to ED.

Increasing demand for emergency ambulance services has placed considerable pressure on NIAS to deliver against targets and pressure across the HSC system has had a knock on effect on ambulance handover times at emergency departments Following an extensive demand and capacity review the Trust is planning to implement a new Clinical Response Model (CRM) similar to those introduced elsewhere in the UK in recent years.

The CRM has two parts. The first is to change targets and standards to provide a clinically appropriate ambulance response, by better targeting resources (clinical skills and vehicle type) to the right patients. The second is to fully resource NIAS to meet current and future demands for ambulance services to meet these targets and standards.

The first part, the new clinical model, was successfully introduced on 12 November 2019. Now that the fastest response is better targeted at immediately life threatening calls, response times for these have slightly improved. However, NIAS cannot meet the target times for less critical calls until the second part, the significant investment to fully resource the service, is agreed and put in place. This would allow NIAS to increase staffing levels, along with the necessary fleet and estate, and introduce service improvements, which were the other key recommendations of the demand and capacity review.

The approval process for the investment required to fully implement CRM has now progressed to the Outline Business Case stage, however further progression of the CRM Programme will be dependent on value for money and affordability.

In addition to the revised CRM, as part of NIAS' programme of reform and modernisation, the Trust is continuing to develop its Appropriate Care Pathways which provide access to a range of services to offer alternatives to bringing patients to an Emergency Department through treatment in the community or offering an alternative destination. Key Action 8 of the Department's Urgent and Emergency Care Action Plan - 'No More Silos' is also seeking to establish ambulance arrival and handover zones to address the delays associated with ambulances being unable to hand over patients on arrival at ED. Work is also ongoing to address the issue of frequent callers.

NIFRS Performance

During 2021-22, NIFRS received a total of 36,711 emergency calls for help to its Regional Control Centre (a 10.07% increase from 2020-21). Fire crews responded to a total of 23,710 emergency incidents across Northern Ireland (a 5.9% increase compared to 2020-21).

Firefighters attended 2,577 major fires rescuing 54 people. The number of accidental dwelling fires decreased by 6.17% from 761 in 2020-21 to 714 in 2021-22. A total of eight people lost their lives as a result of accidental dwelling fires in 2021-22; the same number as in 2020-21.

NIFRS, through its 'People at Risk' strategy, specifically targeted prevention work at those people considered to be at greatest risk - those aged 50 or older; or anyone with impaired mobility.

During 2021-22, firefighters carried out 3,894 free home fire safety checks and fitted 4,556 smoke alarms. Through the People at Risk Strategy 431 activities were completed reaching an audience of 4,556. These activities included leaflet drops, talks, events and exhibitions.

Through other engagement in relation to fire safety in the home 1,087 activities were completed, including leaflet drops, youth engagement, safety team, events/exhibitions and talks, reaching an audience of 36,788.

During 2021-22 NIFRS introduced Phase 2 of the Strategically Targeted Areas of Risk (STAR2) initiative. When COVID-19 restrictions permitted, crews were able to directly contact 5,093 homes identified in this initiative as being more at risk from fire in the home. 1,607 occupiers received specific home fire safety advice, and a further 2,530 homes received Home Fire Safety leaflets and literature.

During 2021-22, NIFRS attended a total of 5,280 Secondary Fires, an increase of 2% on 2020-21; 1,940 of these were gorse incidents. Fire crews also attended 680 road traffic collisions (RTCs), a 28.78% increase in RTCs attended compared to 2020-21.

NIFRS also supported our Northern Ireland Ambulance Service colleagues during the height of the COVID-19 pandemic.

During 2021-22, NIFRS carried out 1,183 Fire Safety Audits in non-residential premises under the Fire Safety Legislation. Two Enforcement Notices and 3 Prohibition Notices were issued to premises not compliant with the required fire safety standards.

NIFRS have 114 live partnerships across the voluntary and statutory sector. During 2021-22 this work continued with partner agencies, to reduce risk within our communities through Prevention work, and ensure a coordinated response to operational incidents.

During 2021-22, due to the COVID-19 pandemic, NIFRS volunteering programme remained temporarily suspended with no new volunteers recruited. Currently, NIFRS has 30 active volunteers registered across four locations – Londonderry, Cookstown, Coleraine and Downpatrick.

During 2021-22, NIFRS continued to apply its risk methodology to effectively inform the service delivery model and allocation of resources commensurate with levels of risk across Northern Ireland.

Future Performance

Key targets for future performance will be a matter for agreement with the Minister. They will be focused on ensuring achievement of strategic objectives in line with available resources.

Financial Performance

2021-22 Financial Performance

The Department of Finance (DoF) is responsible for management of the NI Executive Budget process in line with a budgetary framework set by Treasury.

The total amount a department spends is referred to as the Total Managed Expenditure (TME); which is split into:

- Annually Managed Expenditure (AME); and
- Departmental Expenditure Limit (DEL).

Treasury, and in turn DoF, do not set firm AME budgets. They are volatile or demand-led in a way that departments cannot control. The Department monitors AME forecasts closely and this facilitates reporting to DoF, who in turn report to Treasury.

As DEL budgets are understood and controllable, Treasury sets firm limits for DEL budgets for Whitehall departments and Devolved Administrations at each Spending Review. The NI Executive, based on advice from the Finance Minister, will in turn agree a local Budget that will set DEL controls for Executive departments.

DEL budgets are classified into resource and capital.

- Resource budgets are further split into non-ringfenced resource that pays for programme delivery and departmental running costs, and separately ringfenced resource that covers non-cash charges for depreciation and impairment of assets.
- Capital DEL is split into 'financial transactions' for loans given or shares purchased and 'general capital' for spending on all other assets or investments.

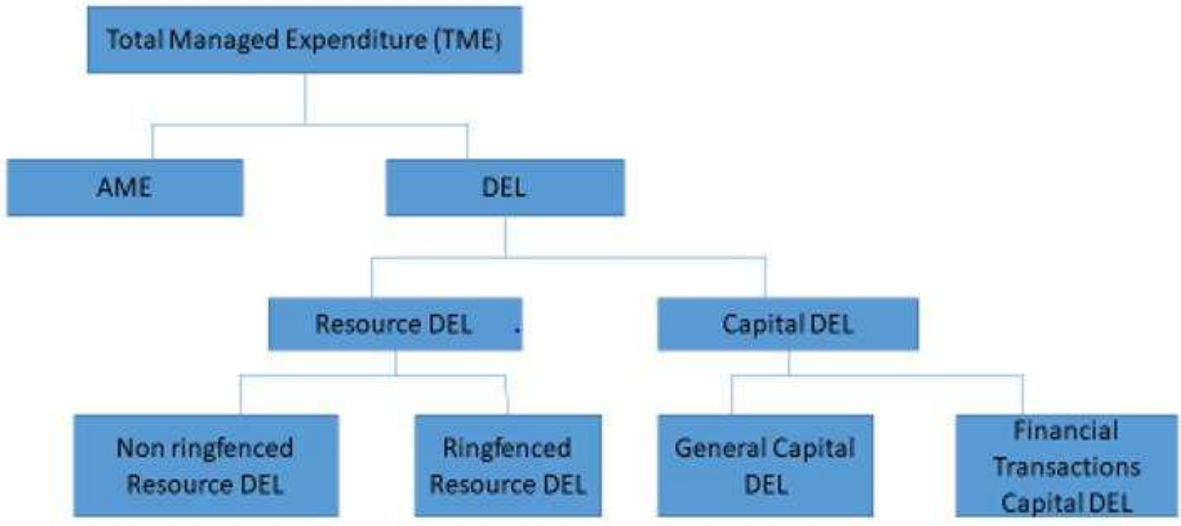
The information contained within budgetary controls does not currently read directly to financial information presented in Financial Statements due to a number of misalignments. It is intended that the Executive's Review of Financial Process will help address these differences and improve transparency.

Further detail on the Budgeting Framework can be found in the Consolidated Budgeting Guidance published by Treasury.

https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022.

Budgetary Performance

The Department continued to face unprecedented financial challenges during 2021-22; all Trusts were projecting significant deficits due to a combination of cost pressures and unmet savings. The on-going impact of COVID-19 has continued to impact mainstream activities resulting in periods of downturn in activity across the Trusts. Significant funding has also been provided to Trusts in year to manage their deficit position. Throughout the year, the Department sought to manage a range of unfunded pressures, working closely with all Departmental ALBs.



The Department continues to rely heavily on non-recurrent funding, for example the level of emergency response funding received by the Department for COVID-19 was in excess of **£560 million**.

Details of the Department's performance against Budgetary Control totals is set out in the table below.

	Final Plan 2021-22	Updated Provisional Outturn* 2021-22	Underspend / (Overspend)
	£'000	£'000	£'000
Resource DEL	7,235,528	7,221,033	14,495
Including:			
• Non-ringfenced	7,063,675	7,049,670	14,005
• Ringfenced D/I	171,853	171,363	490
Capital DEL	340,154	329,088	11,066
Including:			
• General Capital DEL	340,666	329,600	11,066
• FTC	(512)	(512)	-
Total DEL	**7,575,682**	**7,550,121**	**25,561**
AME	138,919	212,475	(73,556)
Including:			
• AME Resource	68,680	153,221	(84,541)
• AME Ringfenced D/I	70,239	59,254	10,985
Total Managed Expenditure	**7,714,601**	**7,762,596**	**(47,995)**

*figures differ from published provisional outturn primarily due to minor adjustments from previously reported figures on finalisation of HSCB and PHA accounts

Explanation of Variances

Resource DEL Budget underspend:

- The Department reported an overall resource underspend against final budget of £14.5m (0.2%) This reflects an underspend of £3.3m (0.59%) in relation to COVID-19 funding; an underspend of £10.7m against the mainstream cash resource budget (0.15%) and £0.49m of a non-cash underspend (0.28% of final non-cash budget).

Capital DEL Budget underspend

- In respect of capital the Department reported an overall underspend against final budget of £11.1m (3.2%) This reflects an under spend of £8.6m in the capital ICT programme, £1m across all other ALBs and £1.5m of COVID funding.

AME Budget

The key components of the AME Budget overspends are as follows:

- The AME Resource budget overspend has arisen as a result of numerous complexities involved in estimating the AME budget in 2021-22, including the uncertainty surrounding the rate that would be set in the Damages Bill which received Royal Assent in March 2022.

- The AME Resource D/I budget underspend is mainly as a result of a reversal of impairments in HSC Trusts, following the LPS property valuation in 2019-20.

COVID-19 Expenditure

The Department's main strategic focus in 2021-22 has been the ongoing response to the COVID-19 pandemic and to rebuild services in this context. Resource spend has been incurred in achieving these objectives as follows:

COVID-19 Expenditure Category	Amount £'000
Staff Costs	182,103
Other COVID Response Costs	182,998
COVID Rebuild Costs	192,736
TOTAL	**557,837**

In addition to the Covid spend outlined above it is estimated that approximately £102m of mainstream revenue funding has been used to fund or support Covid activity. The basis for this estimation focussed on key areas such as bed days in ward used to treat Covid patients. Due to the nature of the provision of health and social care services it has not been possible to fully separate costs relating to Covid from mainstream spending. It is not therefore possible to provide an accurate figure in this regard.

EU Exit Expenditure

A Departmental strategic objective is to ensure we all enjoy long, healthy active lives. The provision of the long-term supply of medical supplies to NI will assist with this objective. In the context of the UK government and EC negotiations on the implementation of the NI Protocol for medicines, the Medical Supplies Directorate (DoH) worked with Department of Health and Social Care (DHSC) to highlight the outstanding issues that required addressing for a long-term solution for the supply of medicines to NI on an equitable basis with the rest of the UK. The European Commission (EC) proposals (December 2021) and subsequent legislation (April 2022) addressed key issues raised by DoH to DHSC but there remain residual issues.

The Medical Supplies Directorate also worked with DHSC to put in place mitigations at a policy and operational level to ensure the continued supply of medicines and medical devices to NI.

The Directorate works with the HSC and community pharmacies to deliver the requirements of the NI Protocol. The Medical Supplies Directorate in conjunction with DHSC is also involved in the management of medical supply shortages and discontinuations associated with the NI Protocol.

In 2021-22 the Department incurred approximately £684k in respect of EU Transition against a total ring-fenced budget amount of £650k.

Additional funding was also provided in year to support the challenges with the supply chain in medicines due to both COVID and EU exit.

Outturn Against Estimates

The net resource outturn for the year is £6,876.1m, which is within the voted total Estimate cover by some £231m (3.25%). An analysis of the net resource outturn is as follows:

	£'000
Expenditure	
Grant-in-Aid to HSC Bodies	5,994,298
Family Health Services	1,060,625
Hospital and Paramedic Services	166,790
Social Care Services	63,110
Public Health Services	99,803
Other HSC Expenditure	86,046
Grant in Aid to NIFRS	106,628
Other Public Safety Expenditure	479
Annually Managed Expenditure	10,704
Notional Costs	4,367
Income	
Health Service Contributions	(656,926)
Other Income	(59,806)
Total Net Expenditure	**6,876,118**

A detailed analysis of Outturn detail by Estimate line can be found within note 1 of the Statement of Outturn against Assembly Supply (SOAS).

Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

A reconciliation of the Department's resource expenditure between estimates, accounts and budgets is provided within the table below:

	2021-22 £'000	2020-21 £'000
Net Resource Requirement	**6,876,118**	6,501,383
Consolidated Fund Extra Receipts (CFER's)	(119)	(100)
Net Operating Cost	**6,875,999**	6,501,283
Adjustments to remove:		
Capital Grant	(4,314)	(6,559)
Research and Development expenditure	(5,038)	(4,146)
Voted income outside the budget	656,926	558,046
Voted resource expenditure outside the budget	(6,105,293)	(5,551,995)
Adjustments to include:		
Resource Consumption of NDPBs	6,015,228	6,040,970
Total Budget Outturn *of which*	**7,433,508**	7,537,599
Departmental Expenditure Limits (DEL)	7,221,033	7,320,727
Annually Managed Expenditure (AME)	212,475	216,872

HSC Capital Investment

The Capital Departmental Expenditure Limit (DEL) budget available for 2021-22 amounted to £340,154k, against a provisional expenditure of £329,088k. In line with Departmental policy, the current investment programme focuses on the enhancement of the estate to support the Department's service delivery and reform objectives by:

- Major upgrading of acute services to facilitate more effective hospital services;
- Investment in mental health and learning disability facilities;
- Providing more treatment and care closer to where people live and work;
- Investment in emergency services, ICT and technology;
- Estate upgrading to address key infrastructural risks;
- Investment in Research and Development; and
- The response to COVID-19.

The following projects remain ongoing as at 31 March 2022:

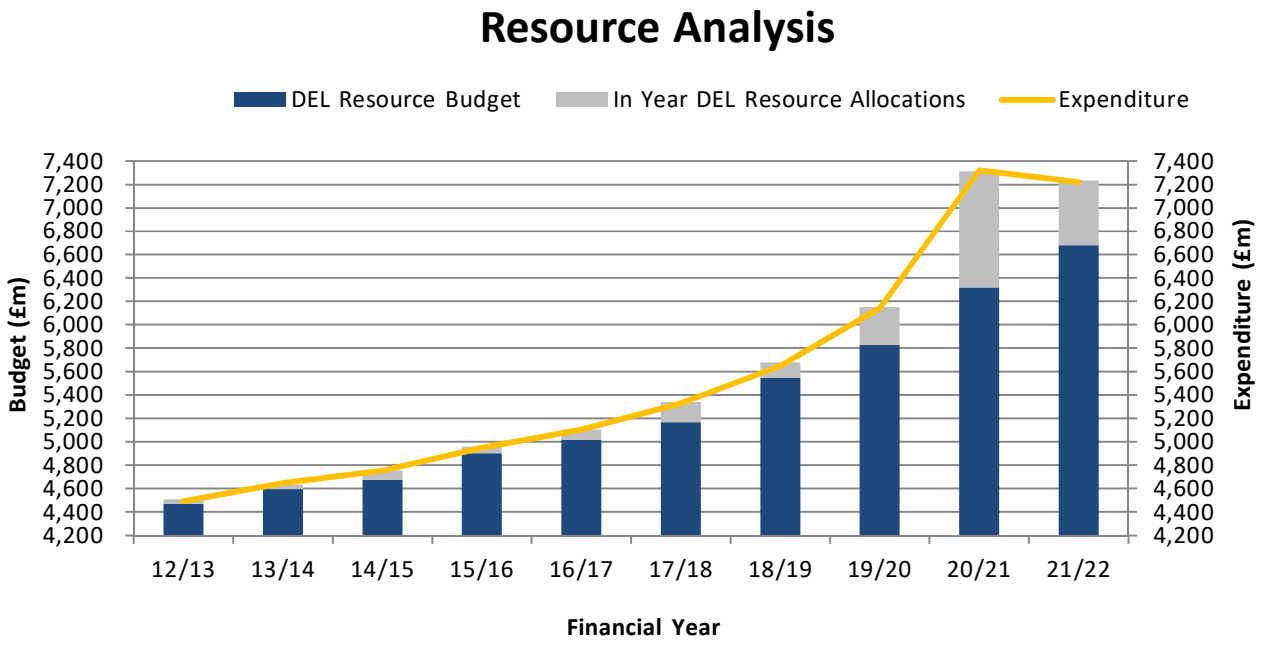
- Acute Services block Ulster Phase B
- Royal Group of Hospitals Energy Centre
- RVH Maternity New Build
- RVH Children's Hospital
- New Mental Health Inpatient Unit at Antrim Area Hospital
- Altnagelvin 5.1 – North Block Ward Accommodation/Treatment Wing
- Additional CT Scanner at Craigavon Area Hospital
- Phase 2 NIFRS Learning and Development Centre at Desertcreat

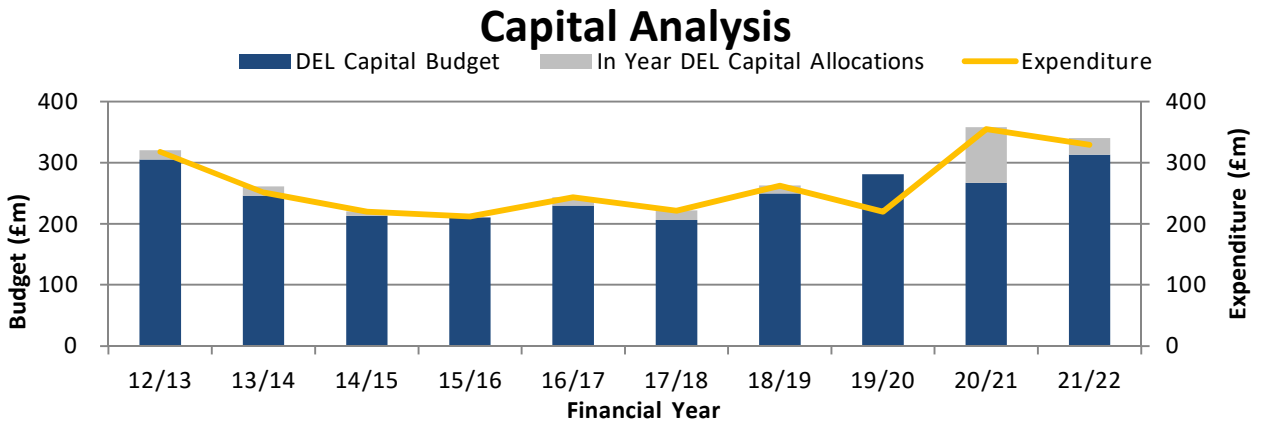
In addition, investment was provided for the following key areas:

- £8.3m in the Northern Ireland Fire and Rescue Service for fleet, equipment and estate;
- £9.3m in the Northern Ireland Ambulance Service for fleet, estate, equipment and COVID response;
- £98.5m in information technology which includes funding for the COVID response;
- £13.4m in research and development;
- £7.2m in GP Practices; and

The level of financial risks to capital expenditure plans will be kept under continuing review in order to ensure that plans are amended as necessary to best manage these risks. Where financial guarantees, indemnities or letters of comfort are in existence in relation to HSC capital investment, these are disclosed within note 16.1 to the accounts.

Long Term Expenditure Trend Analysis





Whilst the Department's resource allocation has increased each year, these uplifts have not been sufficient to fund inflationary cost pressures, demography pressures from an increasing and ageing population and the cost pressures associated with new treatments and patient expectation and therefore represent real terms decreases.

Across the budget period 2012-13 to date, the Department has also received additional in year non-recurrent Resource funding, through monitoring round processes. Significant non-recurrent funding for Covid-19 was also received in the opening budget allocations for 2021-22. However, in order to maximise health outcomes for the population of Northern Ireland it is strategically important that there is not an over reliance on non-recurrent funding sources but recurrent stability.

As the NI Executive have still to agree a budget for 2022-23 there is a great deal of uncertainty on the future financial position. While the Department has been provided with a contingency planning envelope by DoF to assist in the allocation of resources in the early part of the year, the lack of recurrent investment that Health and Social Care has received over the last number of years means the first call on any additional funding will be required to maintain existing services.

We do not have funding within our baseline to fully cover the pay increases that were awarded over the last 2 years to recognise the hard work of our staff. The additional funding to meet our commitment to safe staffing and many of the improvements to the quality of our services and measures to address the relentless growth in demand were also only funded on a non-recurrent basis.

We need an agreed budget which will provide significant recurrent investment to enable us to start developing longer term plans to rebuild services within the funding envelope provided, to sustain services going forward and address key issues such as tackling Northern Ireland's waiting lists and funding the cancer and mental health strategies.

Looking ahead, there is a need for further and sustained capital investment to rebuild our health service. Many of our hospitals are 50 to 60 years old and some mental health facilities are over 100 years old. The key issue of any capital investment programme is the affordability of schemes in future years and without this additional investment the Department will not be able to commit to any significant new health investment projects for example in mental health, emergency departments and theatre capacity, emergency services, diagnostic equipment, and primary and community care facilities.

The Department's Legislative Programme

Any Departmental programme of legislation is subject to the agreement of its Minister, to agreement by the Executive and, where necessary, prioritisation by the Executive. Restoration of the Executive in January 2020, followed by business continuity arrangements in response to the pandemic and a closing 2017-22 mandate, presented a challenging landscape to achieve the Department's legislative programme. The Department progressed three Bills, six legislative consent motions (LCMs), and provided input to five Private Members Bills (PMBs) in the 2017-2022 mandate. A summary of this primary legislation is set out below.

Summary of Primary Legislation

Type	Title	Final Stage Completed
Bill	Health and Social Care Bill	Royal Assent on 2 February 2022
Bill	Organ and Tissue Donation (Deemed Consent) Bill	Royal Assent on 30 March 2022
Bill	Adoption and Children	Final Stage completed 15 March 2022
LCM	Medicine information systems	15 November 2021
LCM	International Health arrangements'	15 November 2021
LCM	Regulation of healthcare and associated professions	15 November 2021
LCM	Arm's Length Bodies (ALBs) – Transfer of Functions	23 February 2022
LCM	Virginity Testing and Hymenoplasty Ban	23 February 2022
LCM	Mandatory Publication and/or Reporting of Healthcare Payment Data	23 February 2022
PMB	Autism (Amendment) Bill	Final Stage completed 7 March 2022.
PMB	Abortion Services (Safe Access Zones) Bill	Final Stage completed 22 March 2022.
PMB	Hospital Parking Charges Bill	Final Stage completed 24 March 2022.
PMB	Period Products (Free Provision) Bill **Note, this Bill is cross-cutting, with DfC leading.**	Final Stage completed 24 March 2022.
PMB	Preservation of Documents (Historical Institutions) Bill	Final Stage completed 24 March 2022.

Equality and Human Rights

The Department complies with equality and human rights obligations as set out in Section 75 of the Northern Ireland Act 1998 and the Human Rights Act 1998 and is committed to promoting equality of opportunity, regard to the desirability of promoting good relations and human rights.

The Department's Equality Scheme sets out how the Department proposes to fulfil the Section 75 statutory duties. Respect for human rights is central to the work of the Department and its ALBs and we comply with the statutory duty to respect, protect and fulfil people's human rights when developing and delivering government policy and services.

Environment and Sustainability

During 2021-22 the Department continued to demonstrate due regard to its statutory duty for Sustainable Development[1], both in the carrying out of its functions, and in maintaining a policy environment, that is working to transform the delivery of services, in line with the *'Health and* Wellbeing *2026: Delivering* Together' strategy.

[1] Northern Ireland (Miscellaneous Provisions) Act 2006, provision 25 Sustainable Development, (1) A public authority must, in exercising its functions, act in the way it considers best calculated to contribute to the achievement of sustainable development in Northern Ireland, except to the extent that it considers that any such action is not reasonably practicable in all the circumstances of the case. https://www.legislation.gov.uk/ukpga/2006/33/section/25

Whilst the necessary Departmental work in response to the COVID pandemic has limited the opportunities for focus on this area, Sustainable practice includes:

- The Department's continued compliance with NICS contracted waste disposal and recycling services and the promotion of waste minimization and management through encouraging staff to "Reduce, Reuse, Recycle" as well as the implementation of the NICS *Single-Use Plastic* policy;

- the Department's continued engagement with the Department of Agriculture, Environment and Rural Affairs (DAERA), the lead department for climate change policy, to develop the NI Adaption Programme[2] to ensure the health service is resilient against identified risks of climate change, and in the development of cross-departmental actions to mitigate against the causes of climate change;

- The Department's continued engagement with the Strategic Investment Board (SIB) to promote implementation of the energy management strategy for the public sector in Northern Ireland. The Department ensures that its ALBs complete and submit detailed energy returns to SIB in support of this work;

- the Department's promotion to its ALBs of the Invest to Save Scheme[3], run by SIB on behalf of the Department for the Economy, for energy reduction projects. Health ALB's were granted approximately £2.5m funding during 2021-22 for a range of projects including LED replacement lighting increased efficiency heating and cooling plant, building controls upgrades, and battery storage schemes.

- exploration of the due regard for sustainable development in the scrutiny and approval of business cases for capital expenditure;

- the Department's continued engagement with public sector colleagues across the UK on the development of specific Net Zero Carbon guidance for the health estate and incorporation of net zero considerations in all new and updated guidance, such as for energy efficient building services and for the safe and sustainable management of healthcare waste; and

- the Department's engagement with a UK working group which aims to minimise the release of waste anaesthetic gases to the environment, many of which are potent greenhouse gases, both during normal use and decommissioning of redundant infrastructure. HSC Trusts have been asked to monitor their anaesthetic gas supply against usage to eliminate unnecessary waste through potential leaks in delivery systems.

[2] The UK Climate Change Act 2008 requires Northern Ireland Government Departments to prepare an Adaptation Programme which responds to the climate change risks and opportunities for Northern Ireland (NI) as identified in the most recent UK Climate Change Risk Assessment (UKCCRA). The Act requires that the Adaptation Programme is laid before the NI Assembly as soon as reasonably practicable after the laying before Parliament of the UKCCRA, and be reviewed every five years.
https://www.daera-ni.gov.uk/articles/northern-ireland-climate-change-adaptation-programme

[3] Energy Strategy for Northern Ireland - Objective No. 9 - Deliver £10m of Invest to Save Projects to support the reduction of energy consumption and carbon footprint in central government.
https://www.economy-ni.gov.uk/sites/default/files/publications/economy/energy-strategy-path-to-net-zero-action-plan.pdf

In 2022-23, the Department will continue to carry out its functions while providing due regard to its duty for Sustainable Development. This will include assessment of Departmental and ALB actions to align with the NI Executive Green Growth and Energy Strategies, and the NI climate change legislation.

Rural Needs Act (NI) 2016

As required under section 3 of the Rural Needs Act (NI) 2016 the Rural Needs Annual Monitoring Report, included below, records the activities undertaken by the Department which are subject to section 1(1) of the Act. The Report details how the Department has had due regard to rural needs when developing, adopting, implementing or revising a policy, strategy or plan or when designing or delivering a public service. As required under the Act, this information will be submitted to DAERA for publication and laying before the Assembly.

Rural Needs Annual Monitoring Report 2021-22

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016	The rural policy area(s) which the activity relates to	Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service
Introduction of Statutory Regulation of the Pharmacy Technician Workforce in Northern Ireland	Health or Social Care	A Rural Impact Assessment (RIA) was completed and concluded that no specific rural needs were identified. The proposed legislation will benefit both rural and urban areas. This policy is equally applicable to those living in rural areas.
Review of Urgent and Emergency Care Services in Northern Ireland	Health or Social Care	Through ongoing engagement with people with lived experience of urgent and emergency services in Northern Ireland, including the unscheduled care service user and carer reference group (USCRG), eight service user and carer workshops across all Trusts areas, we took steps to identify issues that are important to people living in rural areas in relation to urgent and emergency care services. Public consultation provided further opportunity for comment.
Minimum unit pricing for alcohol	Health or Social Care	A RIA was completed and concluded there was no intended or anticipated direct or indirect differential impacts on rural or urban areas. This a universal policy, impacting those who consume alcohol, or may be indirectly impacted by the harm alcohol causes. The development of the consultation document was a commitment in NI's overarching substance use strategy Preventing Harm, Empowering Recovery which acknowledges that there are some groups who are particularly at risk of being negatively impacted by the use of alcohol and/or other drugs. The strategy ask that everyone keep in mind particular groups that may need additional support or even require alternative service models to address their specific needs, including ensuring access to those living in rural areas.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016	**The rural policy area(s) which the activity relates to**	**Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service**
The Reform of Adult Social Care	Health or Social Care	The RIA recognised there can be barriers to overcome in rural areas, such as a smaller pool of labour, which can require social care workforce to travel distances to provide services, or service users having limited access to social care services within their locality. Evidence was gathered to assess specific impacts of social care services in rural areas and social care workforce employed in the rural areas. Analysis of data broken down by area was undertaken on: • Population; • existing adult social care provision; • usage of existing provision and • workforce The assessment concluded "*As we move to a regional focus on provision of social care services it is our understanding all people will benefit from a review of the adult social care services regardless of location. As part of the public consultation which runs until 1 June 2022, we will seek additional information".*
Proposals for legislative changes to the Human Medicines Regulations 2012	Health or Social Care	The proposed amendment to the Human Medicines Regulations (HMRs) was subject to an initial RIA and it was not expected that this would present any specific or differential rural impacts, as it was mainly a technical amendment. This preliminary decision is subject to change following analysis of feedback received during this consultation.
Infected Blood Payment Scheme (NI) Consultation on enhanced support for hepatitis C stage 1	Health or Social Care	It was anticipated that any application and assessment process for this proposed policy revision would be handled in the same way as the general application process for the NI Scheme and would not present any further impact on those living in rural areas outside of their current access to routine medical treatment or care. The policy will apply equally to all who are eligible for support irrespective of location, rural or urban.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016	**The rural policy area(s) which the activity relates to**	**Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service**
Consultation on The Cancer Strategy for Northern Ireland 2021-2031	Health or Social Care	The Cancer Strategy development adopted the approach of co-production, consulting with a wide range of stakeholders with varying social and economic needs in both rural and urban areas across Northern Ireland. The Steering Group and 7 sub-groups contributing to the Cancer Strategy comprised of HSC professionals and service users from all Trust areas. Throughout the development of the Strategy we worked with people with lived experience of cancer services in Northern Ireland and their representative groups. The impact of the strategy on people living in rural areas was considered throughout this process. Issues identified that impact on people living in rural areas centre around access to services, access to travel either by public transport or private vehicle and scheduling of appointments at appropriate times.
Family Practitioner Services Independent Appeals Consultation	Health or Social Care	This policy sets out a process for dealing with appeals from contractors. Accessing the service will not differ from what currently provided – it's the process for managing appeals that will differ, therefore the policy does not change anything in relation to persons living in rural areas.
Draft Regional Policy on the Use of Restrictive Practices in Health and Social Care Settings and Regional Operational Procedure for the Use of Seclusion	Health or Social Care	The intention of the draft policy is to provide protection for people subject to restrictive practice in HSC settings. There are no barriers to delivery of the policy in rural areas and there is no differential cost burden. However, the policy does encourage service providers to consider particular groups that may be disproportionately affected by restrictive practices. The recommendations proposed and subsequent actions under consideration were not deemed likely to provide any negative impact, as they were designed in consultation with stakeholders from rural settings.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016	**The rural policy area(s) which the activity relates to**	**Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service**
Public Consultation on the introduction of a statutory Duty of Candour in Northern Ireland	Health or Social Care	Feedback gained from extensive involvement and engagement activities did not identify any particular or differential issues in relation to the social and economic needs of people in rural areas relevant to the policy. Further specific feedback on potential rural impact was requested as part of the formal public consultation. Once implemented, the policy proposals should have a positive impact on everyone who uses health and social care services by ensuring greater openness and transparency.
Consultation on proposals to extend modifications to children's social care regulations	Health or Social Care	These proposals temporarily modified for a short period, how social services and other providers may temporarily fulfil their statutory obligations to looked after children and their families/carers during the COVID-19 pandemic. These modifications provided flexibility during periods of self-isolation/shielding and public health restrictions to make alternative arrangements to carry out activities such as visits. These proposed modifications were required to safeguard and protect children and young people's welfare during these circumstances and the Regulations applied to looked after children, their families and carers regardless of where they live in Northern Ireland.
The Regulation and Improvement Authority (Fees and frequency of inspections) (Amendment) Regulations (Northern Ireland) 2022 - February 2022	Health or Social Care	The DoH has considered the Department's role on this specific issue and confirmed that the social and economic needs of people in rural areas would not be differentially impacted by this policy.
Northern Ireland Drug Tariff Project	Health or Social Care	This project aimed to establish a team to help around the establishment of a local process for the management of the Northern Ireland Drug Tariff. It is about the reimbursement of pharmacists and impacts equally across the whole region.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016	**The rural policy area(s) which the activity relates to**	**Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service**
Medicines, Shortages and Discontinuations - February 2022	Health or Social Care	The policy is applied to the supply of all medicines and will not impact on any geographical area. The project aimed to reduce the impact of medicines shortages and discontinuations created by EU Exit and the NI Protocol. It will be applied equally to all parts of NI. It will not have a differential impact on rural communities.
Northern Ireland Marketing Authorisation Route - February 2022	Health or Social Care	Medicines on the Northern Ireland Marketing Authorisation Route (NIMAR) list will be available to the whole population and the policy will be applied equally across all areas.
Covid Status Certification	Health or Social Care	A RIA was completed and concluded that the policy impacted equally on all people across Northern Ireland, as everyone would be required to show evidence of their COVID-status, or exemption from the requirement for this, to gain entry to a relevant venue. There were no differing needs in relation to social and economic needs of people in rural areas identified.
Advance Care Planning Policy for Adults in Northern Ireland	Health or Social Care	The policy was developed through a co-production approach with widespread early stakeholder engagement to inform the policy content. Following a stakeholder mapping exercise to identify stakeholders, 430 letters of invitation were issued to organisations and individuals. During Phase I, early stakeholder engagement, 40 virtual engagement sessions were held involving 226 people from a wide range of sectors and organisations and as individuals. Phase II early stakeholder engagement was via a series of 5 virtual events, undertaken in partnership with the Northern Ireland Council for Voluntary Action (NICVA), the Healthy Living Centre Alliance (HLC Alliance), the Northern Ireland Health Care Leaders Forum and the Community Development and Health Network.

Description of the activity undertaken by the public authority which is subject to section 1(1) of the Rural Needs Act (NI) 2016	**The rural policy area(s) which the activity relates to**	**Describe how the public authority has had due regard to rural needs when developing, adopting, implementing or revising the policy, strategy or plan or when designing or delivering the public service**
		Around 200 people from across the region attended the Phase II engagement. Feedback from the extensive engagement activities did not identify any particular or differential issues in relation to the social and economic needs of people in rural areas.
The Provision of Health Services to Persons Not Ordinarily Resident (Amendment) Regulations (Northern Ireland) 2022 - March 2022	Health or Social Care	The change in legislation was developed to ensure free healthcare provision for eligible Ukrainian residents who are fleeing the conflict in Ukraine and coming to Northern Ireland. It applies equally to all residents in Northern Ireland both rural and urban; the current policy and the change in legislation has no differential impact on any of the rural policy areas.
Consultation on amendments to the Northern Ireland Firefighters' Pension Schemes Firefighters' Pension Scheme (Amendment) Regulations (NI) 2022 (SR 2022 No 155) - February 2022	Health or Social Care	The policy mainly relates to remedying the discrimination identified in public service schemes from 1 April 2015 and removing it for the future. It also made minor amendments to the NI Firefighters' Pension Schemes to align with the GB schemes. The policy will impact on Firefighters regardless of where they live in NI and should have no differential impact or implications to people in rural areas.

Copies of all consultations published can be found at: https://www.health-ni.gov.uk/consultations

National Institute for Health and Care Excellence NICE guidance

The majority of National Institute for Health and care Excellence NICE guidance is of a technical nature and is not regarded as falling within the scope of the Rural Needs Act. However the following NICE Guidance does fall within the scope of the Act and has been subject to assessment. RIAs were completed in each case, however, endorsement, implementation, monitoring and assurance of NICE Clinical Guidelines in Northern Ireland apply to all HSC organisations in both urban and rural areas. DoH considered the Department's role on each specific issue and confirmed that the social and economic needs of people in rural areas is the responsibility of HSC organisations, under the statutory duty of quality as specified in Article 34 of the HPSS (Quality, Improvement and Regulation) (NI) Order 2003, to put in place the necessary systems, which should include adequate and comprehensive dissemination, as part of their clinical and social care governance arrangements, for implementing NICE guidance.
NICE Clinical Guideline NG151 - Colorectal cancer (updates and replaces CG131 and TA93)
NICE Clinical Guideline NG154 - Neonatal parenteral nutrition
NICE Clinical Guideline NG155 - Tinnitus: assessment and management
NICE Clinical Guideline NG156 - Abdominal aortic aneurysm: diagnosis and management
NICE Clinical Guideline NG157- Joint replacement (primary): hip, knee and shoulder
NICE Clinical Guideline NG158 - Venous thromboembolic diseases: diagnosis, management and thrombophilia testing
NICE Clinical Guideline NG180 - Perioperative care in adults
NICE Clinical Guideline NG181 - Rehabilitation for adults with complex psychosis
NICE Clinical Guideline NG185 - Acute coronary syndromes (updates and replaces CGs 172, 167, 130, 94 and TA230) / (partially updates TAs 152 & 71)
NICE Clinical Guideline NG192 - Caesarean birth (updates and replaces CG132)
NICE Clinical Guideline NG193 - Chronic pain (primary and secondary) in over 16s: assessment of all chronic pain and management of chronic primary pain
NICE Clinical Guideline NG194 - Postnatal care (updates and replaces CG37)
NICE Clinical Guideline NG195 - Neonatal infection: antibiotics for prevention and treatment (updates and replaces CG149)
NICE Clinical Guideline NG196 - Atrial fibrillation: diagnosis and management (updates and replaces CG180)
NICE Clinical Guideline NG198 - Acne vulgaris: management
NICE Clinical Guideline NG201 - Antenatal care (updates and replaces CG62)
NICE Clinical Guideline NG202 - Obstructive sleep apnoea/hypopnoea syndrome and obesity hypoventilation syndrome in over 16s (partially updates TA139)
NICE Clinical Guideline NG203 - Chronic kidney disease: assessment and management (updates and replaces CGs 157, 182 & NG8)
NICE Clinical Guideline NG204 - Babies, children and young people's experience of healthcare
NICE Clinical Guideline NG206 - Myalgic encephalomyelitis (or encephalopathy)/chronic fatigue syndrome: diagnosis and management (updates and replaces CG53)
NICE Clinical Guideline NG207 - Inducing labour (updates and replaces CG70)
NICE Clinical Guideline NG208 - Heart valve disease presenting in adults: investigation and management (partially updates and replaces CG187)
NICE Clinical Guideline NG210 - Pelvic floor dysfunction: prevention and non-surgical management
NICE Public Health Guideline PH43 - Hepatitis B and C testing: people at risk of infection
NICE Public Health Guideline NG146 - Workplace health: long-term sickness absence and capability to work

Asset Management

The main strategic focus in 2021-22 was to effectively respond to the COVID-9 pandemic as well as continuing to implement the actions contained in the Executive approved Asset Management Strategy, aimed at improving asset management processes with the objectives of reducing the net cost of service delivery through the efficient use of public assets and promoting effective asset management processes that unlock value.

Property initiatives in this area included:

1. Application of DoH property policy and guidance;
2. Effective management of DoH owned property assets;
3. Delivering DoH annual disposal target;
4. Population of the NICS-wide centralised Property Information Mapping System (e-PIMS);
5. Development and population of a Government Asset Register;
6. Collaborating with DoF on the Belfast Optimisation Project;
7. Identification and release of surplus health lands to be considered for public housing;
8. Completion and publication of the annual State of the Estate Report;
9. Review of ALB Property Asset Management Plans (PAMP) for inclusion in the DoH PAMP driving change improvement, optimising space utilisation, targeting estate risk and reducing costs; and
10. Completion of the Department's annual PAMP which covers a five year planning period and is both retrospective in relation to 2019-20 and forward looking to 2024-25.

The following achievements were identified:

- £2,685k capital receipts generated through underused and vacant property disposal;
- Twelve leases terminated saving approximately £204k per annum; and
- Administrative space utilisation figures showing DoH average per Full Time Equivalent (FTE) is 9.82m^2 and average per workstation is 8.52m^2 compared with the NICS wide average of 28.31m^2 and 19.08m^2 respectively.

The current level of funding available represents the greatest risk to the continued, effective management of the DoH estate. Spend on essential estate maintenance continues at absolute minimal levels resulting in an estimated £534m of high risk backlog maintenance. DoH has identified an additional £25m of General Capital funding for 2022-23 to target estate risk and reduce the high risk backlog maintenance liability.

Health and Safety

The Department discharges its responsibilities under the Health and Safety at Work (NI) Order 1978, the Management of Health and Safety at Work Regulations (NI) 2000 and other relevant legislation, to ensure measures are in place for the health, safety and welfare of all its employees. All staff are kept up-to-date with the latest developments in health and safety standards. Following the outbreak of COVID-19, a detailed health and safety risk assessment of the workplace was carried out and additional measures put in place for the safety of staff and customers. The position is kept under constant review and maintained in line with current COVID-19 guidance and restrictions. Guidance and information has been issued to staff and up to date information is permanently on display on the DoH Intranet detailing important H&S changes to manage COVID-19 in Castle Buildings.

Compliance with all other health and safety standards in the workplace is assessed through an ongoing audit programme. With the majority of staff working from home, an overall health and safety audit of all DoH areas in Castle Buildings is being carried out. In view of the reduced number of staff currently on site, the routine interviews with H&S volunteers, existing staff and new entrants will not form part of this particular audit. The audit is focussing primarily on scrutinising current H&S guidance (risk assessments, fire safety provision and accident policy); inspection of the office environment and safety measures in place; and the provision of H&S training.

During the pandemic the procedures for management of Fire Warden support have been enhanced to achieve sufficient cover for the building during the low occupancy. In addition, the annual NICS online Fire Awareness training was rolled out to all staff in December 2021.

During 2021-22, 62 staff (including secondees) completed the Department's Health and Safety Induction Training for new entrants.

There were two accidents/near misses during 2021-22, which were not serious in nature and there were 28 specialist assessments carried out, including: ergonomic assessments; environmental issues, and home working.

Learning and Development

The Department supported a wide range of development opportunities for staff during 2021-22. Generic training was provided by the Centre for Applied Learning (CAL) and business specific training was provided by a range of external providers and healthcare specialists. Staff also had access to a range of ad hoc leadership opportunities. In addition, a range of e-learning training packages were available during 2021-22 and mandatory training was provided for staff in:

- Display Screen Equipment Awareness;
- Fire Safety Awareness;
- Health & Safety for All Staff;
- Health & Safety for Managers;
- Anti-fraud awareness;
- Unconscious Bias; and
- Section 75 – a focus on screening.

Equal Opportunities/Disability

The Department is represented on the Disability at Work Network and continues to publicise and support disability work placements, where appropriate. The Departmental Diversity and Dignity Action Team continue to recommend and endorse actions and initiatives for the future. The Departmental e-publication "The Pulse" regularly features articles in support of physical, mental and emotional health and well-being. The support group for staff with caring responsibilities for a child with a disability met on two occasions within this reporting period. The department's "Workplace Buddies" initiative continues to offer support to staff, when requested.

NICSHR continues to offer a NICS Mediation Service. It is coordinated by staff in Employee Relations, with volunteer mediators drawn from all Departments, who have successfully completed a professional mediation qualification. There is a dedicated telephone helpline (028 9047 5768) and e-mail account daw.mediation@finance-ni.gov.uk for staff to discuss any concerns or obtain more information about mediation.

Harassment Contact Officers training which covers both the legislative provisions of equality legislation as well as practical skills to equip HCOs deal with DAW issues informally is available through the CAL "Links" desktop icon.

Employee Engagement

The DoH staff engagement programme '*Deliver Together*' aims to engage our people, create a great place to work, improve performance and deliver results. During 2021-22, due to the pandemic, the majority of staff were working from home and therefore there were limitations in relation to "face to face" engagement. Instead, the approach has been more pragmatic with the Deliver Together Team keeping in touch and updating staff on a range of areas via the quarterly Pulse e-zine.

In April 2021 an online Leadership & Wellbeing Toolkit for Managers (EO2 – Grade 7) was offered to managers in DoH as a means of providing optional wellbeing support to them whilst working from home. Deliver Together in conjunction with Private Office facilitated two working with Ministers Sessions attended by 39 staff.

All staff have access to the Welfare Support Service, the Inspire wellbeing service and NICS Well as well as to Trade Union membership. The Department uses the established Whitley process of staff consultation and meets regularly with Trade Unions on matters of interest.

Staff

The Department employs around 572 civil servant staff (FTE). From the 1st April 2022 a further 477.04 (FTE) former Health and Social Care Board staff now work under the direction of the Department whilst hosted by the Business Services Organisation as HSC employees.

The Department is committed to supporting the development and management of its staff so that they can effectively contribute to the achievement of Departmental and personal objectives. With the exception of health and safety at work, responsibility for HR policies is a centralised function for the NI Civil Service, delivered by the Department of Finance's NICSHR – further information on NICS-wide policies in relation to HR-related matters are as contained within the Remuneration Report.

During the 2021-22 year the Department continued to apply Business Continuity arrangements to redirect staff resources to deal with the COVID-19 pandemic.

Across the Departments ALBs, The Northern Ireland Fire and Rescue Service employs some 2,000 people and around 75,760 people (Whole Time Equivalent) work in the Health and Social Care sector in permanent or temporary posts.

Performance Management

The Department continues to work towards improving performance management compliance in order to meet the NICS target of 90% of all End of Year Reviews to be completed by 30 April each year. Department of Finance have been unable to provide the Department with performance figures at 30 April 2022. Work is currently ongoing to rectify this.

The Senior Leadership across the Department continue to encourage line managers to ensure completion of End of Year Reviews. This requires commitment from all involved that timely completion of performance management processes becomes part of routine practice. The End of Year Review is an opportunity for managers to provide meaningful feedback to their direct reports to help improve their performance, identify areas for development and recognise their contribution to the organisation throughout the year.

Complaints

The Department is committed to providing the highest standard of service to all its customers and aims to get things right first time. The Department received four formal complaints during 2021-22. When a complaint against the Department is received, any lessons learned will be shared with staff to increase awareness and improve the standard of service.

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

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

- **Formal Procedure: Stage 1** – A complaint should be submitted in writing to the Departmental Complaints Unit. The Complaints Unit will arrange for the complaint to be investigated by the relevant business area under stage 1 of the Complaints Procedure and aim to provide a full written reply within 20 working days of receipt. If a reply cannot be given within this timescale, the complainant will be advised as appropriate.

  If the complainant feels that this step does not provide a suitable response to the initial complaint stage 2 of the Complaints Procedure can be invoked.

- **Formal Procedures: Stage 2** Any request from a complainant to use Stage 2 of the Complaints Procedure should be in writing to the Department's Complaints Unit, providing reasons for continuing dissatisfaction of Stage 1 investigation and/or response. The Complaints Unit will ask the Director of Corporate Management or an alternative Senior Officer (if appropriate) to review the matter and respond within 20 working days of receiving the complaint. If a reply cannot be given within this timescale the complainant will be advised as appropriate.

- **Alternative Actions –** Members of the public also have the right to complain to the NI Public Services Ombudsman, with the internal procedures not representing a substitute for their right to complain to the Ombudsman's Office.

The NICS Top Management Complaints Procedure has been introduced by the Department of Finance. The procedure details the process to be followed by external stakeholders and members of the general public (external complainants) who wish to raise a complaint against a member of top management in the NICS and its Agencies. Top management is defined as the Head of the Civil Service, Permanent Secretary and Grade 3 or equivalent levels. The Department received 13 complaints relating to Top Management in 2021-22. These were all in relation to a singular issue.

Accounting Officer
05 July 2022

ACCOUNTABILITY REPORT

The accountability report is required to have three sections:

1. Corporate Governance Report

The purpose of the Corporate Governance Report is to explain the composition and organisation of the DoH, its governance structures and how they support the achievement of DoH objectives.

The Corporate Governance Report is comprised of:

a) Directors' Report
b) Statement of Accounting Officer's Responsibilities
c) Governance Statement

2. Remuneration and Staff Report

The remuneration and staff report sets out the DoH remuneration policy for its directors, reports on how that policy has been implemented and sets out the amounts awarded to its directors and those senior staff key to the organisation's accountability.

3. Accountability and Audit Report

The Accountability and Audit report brings together key accountability documents and is comprised of:

a) Statement of Outturn against Assembly Supply (SOAS) and supporting notes
b) Other Assembly Accountability Disclosures
c) Certificate and Report of the Comptroller and Auditor General

CORPORATE GOVERNANCE REPORT

Directors' Report

The Department of Health (DoH or the Department) presents its Annual Report and Accounts for the financial year ended 31 March 2022.

Management

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

Minister

Mr Robin Swann served as Minister of Health for the 2020-21 and 2021-22 financial year.

Permanent Head of the Department

Mr R Pengelly was Permanent Secretary for the Department for the 2020-21 and 2021-22 financial year.

Management Board

The membership of the Departmental Management Board during 2021-22 is set out in the Departmental Board section of the Governance Statement.

Departmental Accounting Boundary

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

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

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

A Ministerial decision to close the Health and Social Care Board (HSCB) was first taken in 2015, and was re-affirmed by the current Health Minister, Robin Swann in 2020. Royal Assent was granted for the Health and Social Care Bill 2021, giving effect to the decision to dissolve the Health and Social Care Board with effect from 31 March 2022. The Bill provides for the transfer of responsibility for the functions to the Department of Health and the transfer of its staff to the Business Services Organisation (BSO). The new arrangement came into place from the 1 April 2022 with HSCB staff undertaking their functions under the direction of the Department as part of the Strategic Planning and Performance Group.

In accordance with the FReM application of IFRS 3 Business Combinations under Common Control, this will be accounted for as a 'transfer by absorption' in the Department's accounts for 2022-23 with no requirement for the 2021-22 accounts to be restated.

Budget Position and Authority

The Assembly passed the Budget Act (Northern Ireland) 2022 in March 2022 which authorised the cash and use of resources for all departments and their Arms' Length Bodies for the 2021-22 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2022 also authorised a Vote on Account to authorise departments and their Arms' Length Bodies' access to cash and use of resources for the early months of the 2022-23 financial year. This will be followed by the 2022-23 Main Estimates and the associated Budget Bill based on the Budget agreed by the incoming Executive following the Assembly Election. This will authorise the cash and resource balance to complete for the remainder of 2022-23

Additional detail on the planned use of resources in 2021-22 is set out in the Department's Estimate which is included in the Spring Supplementary Estimates published by the Department of Finance at https://www.finance-ni.gov.uk/topics/finance/main-and-supplementary-estimates .

Financial Review

Overall total expenditure by the Department on all services amounted to £6,876m (£6,501m in 2020-21) against Estimate cover of £7,107m (£6,713m in 2020-21). A detailed review is contained within the Performance Report. The financial results of the Department are set out within the financial statements herein.

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

Post-Balance Sheet Events

There are no post-balance sheet events that have a material effect on the 2021-22 accounts. Details of the Closure of the Health and Social Care Board (HSCB) and transfer of responsibility for their functions to the Department of Health (DoH) from 1 April 2022 are included in Note 22.

Payments to Suppliers

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

Unless otherwise stated in the contract, payment is due within 30 days of the receipt of goods or services or within 30 days of the presentation of a valid invoice, whichever is later.

Monthly reviews are conducted to measure how promptly the Core Department pays its bills. During 2021-22, on average 96.8% of invoices were paid on time.

In November 2008, in response to the economic position at the time, the Minister for Finance and Personnel announced that Northern Ireland Departments would aim to ensure that valid invoices were paid within 10 days. In 2021-22, on average 93.4% of the Core Department's invoices were paid within 10 days. Performance is regularly reviewed by the Departmental Board and steps have been taken to increase staff awareness of the importance of prompt payment. Moving into 2022-23, the Department will strive to both maintain and build upon the performance achieved in 2021-22.

The Department's performance on the Prompt payment table in terms of paying invoices within both 10 days and 30 days can be viewed on the Account NI website at https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/NICS%20Prompt%20Payment%20Table%20for%202020-2023_1.pdf .

Pension Liabilities

Past and present employees of the Department are covered by the Principal Civil Service Pension Scheme (PCSPS) (NI). Further details of the scheme can be found within the accounting policy note (Note 1) to the financial statements and within the Remuneration Report.

Related Party Transactions

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

Register of Interests

The Department maintains and publishes a DoH Register of Interests at https://www.health-ni.gov.uk/publications/departmental-board-register-interests-0 . This register details any interests which the individual considers may conflict with their management or oversight responsibilities as Board members. Members are required to declare any conflicts of interest that might arise at each Board meeting, or in the course of their work. Any conflicts arising are reflected in the minutes of the meeting and managed to ensure full transparency and appropriate action.

Audit

The accounts and supporting notes relating to the Department's activities for the year ended 31 March 2022 have been audited by the Comptroller and Auditor General. The Certificate and Report of the Comptroller and Auditor General is included within the Audit and Accountability Report. The notional cost of the audit for the year ended 31 March 2022, which pertained solely to audit services, was £91k; this includes the audit fee for the Superannuation Scheme Resource Account.

Statement on disclosure of audit information

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

Authorised for Issue

The accounts were authorised for issue as noted after Note 22 by the Departmental Accounting Officer, Peter May.

STATEMENT OF PRINCIPAL ACCOUNTING OFFICER'S RESPONSIBILITIES

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

The Accounts are prepared on an accruals basis must give a true and fair view of the state of affairs at 31 March 2022 and the net resource outturn, the application of resources, changes in taxpayers' equity and cash flows for the financial year then ended.

In preparing the accounts, the Principal Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular, to:

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

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

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

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

- Prepare the accounts on a going-concern basis; *and*

- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

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

The responsibilities of an Accounting Officer, including 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 Department of Health's assets, are set out in the Accounting Officers' Memorandum issued by the Department of Finance and published in Managing Public Money Northern Ireland.

In 2015 the then Health Minister announced his intention to close the Health and Social Care Board and Minister Swann subsequently reaffirmed this decision in 2020. Royal Assent was granted for the Health and Social Care Bill 2021, giving effect to the decision to dissolve the Health and Social Care Board with effect from 31 March 2022.

Management have therefore reviewed the appropriateness of the preparation of the financial statements on a 'going concern' basis. The Health and Social Care Bill 2021 enabled the former HSCB's functions and responsibilities to transfer to the Department of Health from 1 April 2022 with services continuing to be provided by Strategic Planning and Performance Group, a new group within the Department. For these reasons, the HSCB financial statements consolidated herein have been prepared on a going concern basis.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Department of Health's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT

Introduction

This statement is given in respect of the Departmental Resource Accounts for 2021-22. It outlines the Department's governance framework for directing and controlling its functions and how assurance is provided to support me in my role as Accounting Officer for Department of Health (DoH). The Board of the Department is accountable for internal control. As Accounting Officer, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the Department's policies, aims and objectives. I also have responsibility for safeguarding public funds and Departmental assets in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland (MPMNI).

The Department's strategic objectives have been updated to reflect Ministerial priorities and those developed by the NI Executive as part of the New Decade New Approach (NDNA) since the restoration of the NI Assembly in January 2020. However, the COVID-19 pandemic caused the Department to activate its Business Continuity Plan and the Executive to operate under Emergency Planning structures during most of the 2021-22 financial year.

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

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

Corporate Governance in Central Government Departments: Code of Good Practice NI 2013

The Department applies the principles of good practice outlined in the Code. As required, the Department maintains and publishes a Register of Interests This register details any interests which the individual considers may conflict with their management or oversight responsibilities as Board members. Members are required to declare any conflicts of interest that might arise at each Board meeting, or in the course of their work. Any conflicts arising are reflected in the minutes of the meeting and managed to ensure full transparency and appropriate action. There have been no instances of reportable non-compliance for the period. Additionally, in line with the current Declaration of Interest policy for special advisers, the special adviser has confirmed he does not consider he has any relevant interests. The Permanent Secretary has considered this return and there are no relevant interests to be published.

The Department complies with the Northern Ireland Civil Service HR Policy 6.01 Standards of Conduct in terms of declaration and management of interests for all staff and for the transparency of processes to be applied to any potential employment for civil service staff (including SpAds) after leaving the NI Civil Service.

Governance Framework

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

On 23 March 2020, in response to the COVID-19 outbreak, the Department's Business Continuity Plan (BCP) was activated, pausing all normal governance and sponsorship business. This remained the position through-out 2021-22. The pragmatic set of proposals for end of year processes 2020-21 has been rolled forward to 2021-22. However there will be a full reintroduction of normal governance activities in 2022-23.

The Departmental Board

The Board represents the collective and strategic leadership within the Department, in conjunction with the experience and contribution of two Non-Executive Directors (NEDs).

Given the impact of the pandemic and the need to redeploy Departmental resources to focus on the COVID-19 response, three of the six scheduled Board meetings in the period were cancelled. Key business was conducted via correspondence where necessary and also through the emergency structures put in place to coordinate the response. These structures ensured the effective direction of Departmental business and necessary maintenance of appropriate governance oversight in the circumstances.

The membership of the Board and attendance for the meetings held are set out in the table below.

Executive Board Members (EBM) 2021-22		No. of Meetings Attended
R Pengelly	Permanent Secretary and Chair	3/3
M McBride	Chief Medical Officer	3/3
S Holland	Deputy Secretary, Social Services Group & Chief Social Work Officer	3/3
C McArdle	Chief Nursing Officer *(to 31 October 2021)*	1/2
L Kelly	Interim Chief Nursing Officer *(from 1 November 2021 until 13 March 2022)*	1/1
M McIlgorm	Chief Nursing Officer *(from 14 March 2022)*	N/A
D McNeilly	Deputy Secretary, Resource and Corporate Management Group *(to 7 February 2022*)	0/3
J Johnston	Deputy Secretary, Health Care Policy Group *(to 11 May 2021)*	0/1
J Wilkinson	Deputy Secretary, Healthcare Policy Group *(from 12 May 2021)*	1/2
S Gallagher	Deputy Secretary, Transformation Planning and Performance	3/3
B Worth	Director of Finance, Resource and Corporate Management Group	2/3
D West	Chief Digital Information Officer *(from 1 July 2021)*	3/3
Non-Executive Directors (NED) 2021-22		No. of Meetings Attended
M Little	Non-Executive Director	3/3
F Caddy	Non-Executive Director	3/3

Management Information

The Board reviews regular reports and updates to enable performance against Departmental objectives to be scrutinised and challenged where necessary. These reports and formats are kept under review to enable them to identify and respond to emerging issues. The requirements of ALB Governance within the Department have evolved to ensure that the accountability review process is appropriately balanced in terms of governance and performance.

Quality of Information

The Board receives a range of management information about matters such as Finance, Human Resources, the Departmental Business Plan, the Departmental Risk Register and the governance and performance of ALBs, to assist in discharging its role. Regular formal reviews of the operation of the Board include the quality of information provided. In addition, Board members, collectively and individually, keep the range and quality of reported information under continuous review and seek enhancements as necessary to support the Board and its committees.

Departmental Audit and Risk Assurance Committee (DARAC)

The DARAC is a Committee of the Board and usually meets a minimum of four times per year, with additional topic-focused meetings held as necessary. Given the impact of the pandemic, six meetings were held via videoconference, with further business conducted via correspondence where necessary.

DARAC comprises four members, each of whom is independent of Departmental management. In line with their terms of appointment, each member's function is to provide external advice, expertise and scrutiny. Officials invited to attend DARAC meetings include the Departmental Accounting Officer, the Deputy Secretary, Resource and Corporate Management Group, the Director of Finance, Resource and Corporate Management Group, the Head of Internal Audit (HIA) and officials from the Northern Ireland Audit Office (NIAO).

DARAC membership and attendance for the meetings held are set out in the table below.

DARAC Members 2021-22		No. of Meetings Attended
M Little	NED and Chair of DARAC	6/6
F Caddy	NED and DARAC Member	6/6
C Woods	Deputy Secretary, Department for Infrastructure – External Member	4/6
C Archbold	Deputy Departmental Solicitor, Department of Finance – External Member (to 30 June 2021)	2/2
J Kerr	Deputy Secretary, Department for Communities – External Member – (from 1 July 2021)	2/4

The DARAC gives detailed attention to internal governance issues, including the quality of risk management and corporate governance within the Department. DARAC also considers any HSC-wide issues or any other issues with the Department that affect my role as the Department's Accounting Officer. Systems for responding to recommendations made by authoritative external bodies are also examined. The DARAC advises the Board and me as Accounting Officer on its conclusions and recommendations with regard to identified governance weaknesses.

DARAC – Responsibilities and Performance

In line with best practice set out in the HM Treasury Audit and Risk Assurance Committee Handbook and the Department of Finance (DoF) Audit and Risk Assurance Committee Handbook (NI), the Chair of DARAC sets an agreed core programme of work for each of its meetings, which includes:

- the quality of strategic processes for risk management, governance and internal control and how these are reflected in the Governance Statement;
- the planned activity and results of both Internal and External Audit;
- the quality of the process for preparation of the annual accounts and annual report;
- the adequacy of management response to internal and external audit recommendations; and
- anti-fraud policies and whistleblowing processes, including arrangements for special investigations.

The Department provides regular reports to DARAC on risk management and assurance in the Department and issues arising in its ALBs. In addition, DARAC considers and comments on individual issues of internal governance and their implications for wider governance arrangements. DARAC also plays a key role in providing advice on the quality of risk management and assurance within the Department.

The DARAC conducts a self-assessment according to guidelines issued by the National Audit Office on an annual basis. The findings of the self-assessment are presented to the Chair of DARAC for action as appropriate. In addition, the Chair of the DARAC delivers an annual report to both the Board and the DARAC and also reports to the Board on any significant governance or internal control issue.

The DARAC has also considered the Departmental Resource Accounts (DRA) and the Health and Social Care Board Accounts for 2021-22 and on the basis of the evidence presented, has recommended them to the Departmental Accounting Officer for approval.

Top Management Group

As Accounting Officer, I am supported by my Top Management Group (TMG), which is drawn from the Executive Board Members, with other officials in attendance as required. It provides a weekly forum for the consideration and endorsement of corporate business and the handling of emerging issues.

Departmental Framework for Business Planning, Risk Management and Assurance

Business planning and risk management is at the heart of governance arrangements to ensure that statutory obligations and Ministerial priorities are properly reflected in the management of business at all levels within the Department. The Framework for Business Planning, Risk Management and Assurance provides a clear and common understanding of business planning, risk management and assurance processes in the Department, along with associated guidance.

I require formal written assurances from Directors, signed off by EBMs, about the proper operation of business planning, risk management and controls within their business areas. I have been provided with those written assurances for the 12 month period ending 31 March 2022 and I am content that effective arrangements and controls have been in place, despite the ongoing impacts of the pandemic on departmental colleagues and our ALBs.

Business Planning

In establishing its strategic objectives, the Department takes its lead from the statutory framework governing the functions of the Department and the specific priorities set by the Minister and the Executive, including those outlined in the draft Programme for Government (PfG) and New Decade New Approach (NDNA). The Departmental Business Plan also takes account of the governance arrangements that the Department must put in place for the proper discharge of its responsibilities as a Government Department and public authority e.g. financial probity, equality, human rights etc.

The Board is the custodian of the Departmental Business Plan's affordability and deliverability. In normal circumstances, progress against the Departmental Business Plan is addressed at Board meetings and includes updates against each of the targets in the fiscal year. With the impact of the pandemic and the cancellation of a number of Board meetings, this regular ongoing review has been interrupted, as objectives remain focussed initially on managing the immediate response to the pandemic and then subsequently on the rebuilding HSC services. The Department has relied on its Building Better, Delivering Together Framework and its 17 actions as the business plan for 2021-22.

EBMs ensure that the Directorates under their control have appropriate business plans and associated risk registers in place. Linkages between plans at Departmental and Directorate level are clearly identified. Similarly, there is a clear connection at all levels between objectives and associated risks. This is evidenced through the risk management, business planning and assurance processes operated within the Department. Whilst these processes have continued to be impacted and in many cases paused or interrupted due to the pandemic, the principles and approach have continued to be applied to the range of interim measures used in planning and managing the COVID-19 response and subsequent rebuilding.

Risk Management

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

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

Directorate business plans must be directly linked to the delivery of the Departmental Business Plan. Similarly there must be a clear connection at all levels between objectives and associated risks. Formal processes exist to escalate objectives and associated risks from Directorate to Departmental level. Additionally, risk monitoring and management processes within the ALBs are monitored by the Department through separate processes, as highlighted in the "Governance and Accountability within DoH ALBs" section below.

As explained above, whilst normal reporting processes have been interrupted due to the pandemic, the important principles and approach have continued to be applied. TMG and EBMs have taken the lead in ensuring appropriate oversight of risk management and review of any emerging risks.

The overall system of internal governance is designed to help manage risk rather than to eliminate it and controls must at all times be commensurate and proportionate with the nature of the risk. The system of internal governance is based on an ongoing process to identify and prioritise the risks to the discharge of the Department's statutory responsibilities, including the delivery of its strategic objectives. The system also determines the controls and analyses the risks in terms of their impact and likelihood of realisation in conjunction with the controls.

The system of internal governance has been in place in the Department for the year ending 31 March 2022 and continues up to the date of approval of the Annual Report and Accounts. This accords with DoF guidance.

Information Risk

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

- The Assistant Departmental Security Officer (ADSO) regularly reviews Departmental information to ensure that it is appropriately protected;

- A Senior Information Risk Owner (SIRO) and Information Asset Owners (IAOs) are in place to reduce the risk to personal information within the Department;

- A Data Protection Officer (DPO) provides independent advice and guidance regarding the processing and protection of personal information in line with the UK General Data Protection Regulation (UK GDPR) and Data Protection Act 2018 (DPA);

- The updated Information Asset Register solution, rolled out during 2019-20, has enhanced monitoring and management of such assets. However a significant amount of organisational change occurred in the period 2021-22 and an exercise to ensure the integrity of the IAR is due in 2022-23

- Limited assurance from IAOs regarding the personal information assets they manage were sought in 2021-22 due the pressures on the Department in responding to the pandemic;

- IAOs are aware of their responsibilities to ensure information is securely stored, access-controlled and disposed of appropriately; and

- Established data incident and breach management procedures and reporting are in place.

An Information Management Assurance Checklist (IMAC) process is in place to provide required HSC Information Governance (IG) Assurances. For the year 2021-2022 a simplified process was deployed to reduce impact on HSC organisations.

Restrictions exist to protect access to and disposal of electronic and paper records and the Department has an Information and Records Management Policy Statement underpinning its records management arrangements. Appropriate guidance, central controls and a disposal schedule process all govern the retention and disposal of Departmental Records.

During 2021-22 the Department monitored the ongoing impact of the UK exit from the EU on 31 December 2020, to ensure that the required health, social care and public safety information could continue to be exchanged with authorities in the Republic of Ireland. No issues were detected during the reporting period.

Staffing arrangements within the Department continued to be significantly disrupted due to re-organisation and redeployment in response to the COVID-19 pandemic. The regular mandatory awareness online training, 'Responsible for Information' continued to be available to Departmental staff. This training will be superseded with updated online training, which will be mandatory for all NICS staff to complete in 2022. Information Management Branch continued to regularly remind staff and the TMG of the need to make arrangements to capture the Official Record and discharge legislative obligations.

The disruption caused by the pandemic also impacted on regular physical security checks (although remote monitoring of the correct use of the Electronic Document and Records Management system continued), and the update of the Information Asset Register/Information Asset Owners' assurance returns.

Seven data incidents/breaches were recorded in the Department although no data loss was involved. In each case appropriate mitigations were put in place. Two breaches were notified to the Information Commissioner's Office (ICO) in 2021-22.

The first breach occurred within the Covid Certification Service in July 2021, caused by a technical malfunction within the identity assurance part of the service, (known as the Northern Ireland Identity Assurance NIDA), which is delivered by the Department of Finance NI Direct service. A small number of users reported that they had been provided with a Covid Cert for someone else.

This breach was caused due to a large number of individuals accessing the system simultaneously and a small number of duplicate ID tokens being delivered. A robust incident response team was set up and the technical fault was quickly resolved. The ICO was content with the handling of the breach and confirmed their investigation closed on 10 Sep 2021.

The second breach notified to the ICO was in relation to the publication of redacted versions of responses to the Department's Duty of Candour consultation in December 2021. One organisation reported an issue with the redaction process and the consultation responses were immediately removed from the Departmental website while additional redaction was undertaken. Due to the nature of the breach and that it was impossible for the Department to determine who may have reversed the redactions, the breach was reported to the ICO. The ICO was content with all steps and mitigations put in place by the Department and closed their investigation on 13 January 2022.

Cyber Security

IT Assist, within the DoF Enterprise Shared Services (ESS) Division, is responsible for the provision of IT services, including Cyber security environments, to all NICS Core Departments. To provide assurance to Departmental organisations using ESS, the services provided by IT Assist, and other ESS bodies (RecordsNI, HR Connect, Account NI & NI Direct), have been accredited by the NICS Risk and Information Assurance Council as meeting NICS security policy and suitable for secure controlled access to external organisations. IT Assist services also has annual compliance certification to the Public Service Network for interconnectivity to GB Public Sector Organisations.

The Department has ongoing engagement with the NICS Cyber Security specialists for assurance on NICS preventative actions and to ensure HSC alignment with Public Sector best practice on cyber response.

The initial elements of the HSC Cyber Security Programme have been deployed across the HSC. The Regional Cyber Programme is now transitioning to a "business as usual" governance arrangement to monitor cyber security across the HSC organisations (in response to increasing threats and attacks on global healthcare systems).The Cyber Security Incident Plan has been deployed on a number of occasions in response to emerging threats. As a result of "lessons learnt" from such deployments, a HSC Cyber Security protocol has been implemented for those organisations and partners potentially compromised by a cyber-attack wishing to interact with the HSC.

Fraud

The Department 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. The Department promotes fraud awareness, co-ordinates investigations in conjunction with the Business Services Organisation (BSO) Counter Fraud Services (CFS) team and provides advice to personnel on fraud reporting arrangements. All staff are provided with mandatory fraud awareness training in support of the Anti-Fraud Policy and Fraud Response Plan, which are kept under review and updated as appropriate. Department officials attend and participate in the NICS Fraud Forum, which is a best practice advisory group consisting of representatives from all NICS Departments.

Governance and Accountability within DoH ALBs

Governance and Accountability can be considered under the following headings:

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

ALB Assurance and Accountability

The Department achieves its corporate objectives through direct Departmental action and through its 17 ALBs (16 from 1 April 2022, following closure of the Health and Social Care Board). The Chief Executives of ALBs (as ALB Accounting Officers) are directly accountable to me (Permanent Secretary of the Department) as Principal Accounting Officer. ALBs, through their Boards, are held to account for the delivery of their prescribed functions and Ministerial priorities and ensuring compliance with other statutory responsibilities. The HSCB also performs a key role, alongside the Department, in relation to the performance and financial management of HSC Trusts.

The Sponsor Branch Handbook sets out the Department's approach to sponsorship of its ALBs and ensures, as far as possible, that there is consistency of approach and proportionality of application. The guidance and arrangements described within the handbook reflect the responsibilities placed on the Department, under MPMNI, for the sponsorship of ALBs operating under its control.

The handbook details the roles and responsibilities of all Departmental staff, including EBMs and Sponsor Branches, in addition to describing the format and structure of the biannual accountability process. Through its Sponsor Branches, the Department engages directly with each ALB, commensurate with the level of assessed risk. ALB risks can either be escalated in the Department, through the ALB accountability review process, or highlighted to the Department through the other formal and informal interactions that the Sponsor Branches, EBMs and professional staff maintained with ALBs.

Although departmental governance and sponsorship activity was largely paused during 2021-22, ALB governance statements and BSO Head of Internal Audit annual opinion on individual DoH ALBs have provided an ongoing level of assurance.

Departmental Assurance on ALBs

The Department receives much of its assurance through an ongoing process of monitoring of each ALB's Corporate Governance, Use of Resources and the Delivery and Quality of Services. In addition to regular monitoring information derived primarily from management information systems, the Department periodically tests the assurance provided by ALBs by initiating external reviews, audits, inquiries, ad-hoc and self-assessment exercises which are designed to sample aspects of the governance arrangements and performance of each ALB. This monitoring is based on assessing the operation and performance of ALBs against standards, guidance and targets; statutory and licensing requirements and Departmental policy and strategy.

COVID-19 Pandemic

The World Health Organisation (WHO) declared the outbreak of Coronavirus disease (COVID-19) a pandemic on 11 March 2020, and Department's response to the pandemic continued throughout 2021-22. The NI response was similar in nature to that elsewhere in the UK, however this year saw a more NI-specific response with a gradual move away from having a unified position for the whole of the UK. Actions continued to be guided by the scientific and medical advice from respective Chief Medical Officers and Chief Scientific Advisers and informed by the emergent evidence nationally and internationally. Evidence-based UK-wide policies and guidelines were developed where appropriate, and NI-specific measures put in place in legislation and policy in conjunction with the Public Health Agency (PHA) issuing local guidelines and ensuring readily accessible and continually updated advice. The pandemic has had extensive impact on the health of the population, all health services and the way business is conducted across the public sector. Protecting the population, particularly the most vulnerable, ensuring that health and social care services were not overwhelmed, saving lives through mitigating the impact of the pandemic and patient and staff safety has remained at the forefront throughout Health's emergency response. This has required a number of measures to urgently repurpose and temporarily reconfigure the provision of services, and to identify additional capacity including the need to ensure availability of appropriate Personal Protective Equipment (PPE). Financial measures have been put in place by the NI Executive to tackle the response to COVID-19 and the Department has obtained essential financial support from this package of measures to assist in the ongoing fight against COVID-19.

Given the wide ranging impact and the need to react immediately to changing healthcare needs, this has had an effect on the ability to conduct routine Departmental business, with a need to curtail non-urgent policy development and healthcare activity in order to re-direct resources to deal with the pandemic. There have been substantial resourcing impacts across the Department and ALBs to scale up the response to ensure adequate staff resourcing to meet increasing demands, which included calling on volunteers, retired medical staff and medical students to rally together to strive to enable an optimum response to the pandemic.

Throughout the year a range of measures were introduced under The Health Protection (Coronavirus, Restrictions) (Northern Ireland) Regulations 2021. These varied with the relative extent of COVID-19 across NI, and the capacity of our health systems to cope with demand, aiming to minimise any wider impacts on health, society and our economy. Of particular note was the introduction of COVID-19 Certification in November 2021, which aimed to minimise the risk of transmission in a range of higher risk settings. The Health Protection (Coronavirus, International Travel) Regulations (Northern Ireland) 2021 and the Health Protection (Coronavirus, International Travel, Operator Liability and Information to Passengers) Regulations (Northern Ireland) 2021 delivered a package of enhanced border measures in response to the risk of importation of harmful variants of COVID-19 into Northern Ireland. These regulations were reviewed on a regular basis to reflect the public health advice at that time. The powers to make both domestic and international travel regulations under the Coronavirus Act were also extended by 6 months in March 2022, and they will now expire on 24 September 2022.

Across healthcare, testing for COVID-19 in NI continued to be a key priority, with testing centres being set up across the region including mobile testing. The Department's Expert Advisory Group (EAG) has overseen the strategic approach to testing in NI. The Minister of Health is a member of the Ministerial Testing Taskforce, chaired by the Secretary of State for Health, ensuring NI is fully engaged with the strategy for testing at a national level. NI testing capacity has also been increased through Health's facilitation of the UK Coronavirus National Testing Programme. Northern Ireland Contact Tracing Service began contact tracing all confirmed cases of COVID-19 on 18 May 2020. The contact tracing team was scaled up at pace and made a significant contribution to limiting transmission of the virus.

Throughout 2021-22 the Department has continued to implement its COVID-19 Test, Trace and Protect Strategy which sets out the public health approach to minimising COVID-19 transmission in the community in Northern Ireland. Alongside this, the Department also assumed responsibility for a cross-departmental Wastewater Surveillance Programme from 1 September 2021. This region-wide programme was scaled up to cover 31 wastewater treatment sites, sampled three times a week and covering approximately 64% of the population. Working in partnership with QUB and PHA, the programme has complemented clinical surveillance by providing surveillance data and information on the prevalence and spread of infection in the NI population as symptomatic and asymptomatic cases are detected.

As part of the Department's response to the pandemic, the Chief Medical Officer (CMO) led a Strategic Oversight Board which had a remit to oversee and coordinate the integrated programmes and workstreams required to deliver the NI COVID-19 Test, Trace & Protect Strategy, including testing, contact tracing, information and advice, and support. Work was undertaken on a collaborative basis with colleagues from across the HSC sector to best manage community transmission and to effectively respond to local clusters of infection. Separately, during the reporting period, a number of other key Boards including the Department's Expert Advisory Group on Testing, the COVID-19 Testing Programme in Care Homes Group, and the Schools Assurance Group continued to operate.

The Department's Test, Trace and Protect Strategy has been kept under continuous review and has been appropriately updated throughout the year taking account of disease trajectory, and learning from new and emerging medical and scientific evidence. The Department's Test and Trace Transition plan was published on 24 March 2022. The Plan signaled a move to a more targeted approach to testing with the focus on supporting and protecting those at highest risk of serious illness. Implementation of the Plan has been introduced on a phased basis from April up to the end of June 2022.

In 2021-22 the original PPE demand modelling was reviewed to reflect the actual demands for PPE during the first 3-4 surges of the pandemic. This facilitated the development of a more accurate assessment of future demand needs to take forward procurement and distribution of PPE across HSCNI (including the independent sector for care homes and domiciliary care). The revised modelling was implemented in June/July 2021. The provision of PPE free of charge to the independent sector continued during 2021-22 given the persistent volatility in the global market and the increased need for PPE with the local outbreaks in care homes. Officials continued to engage actively with the UK Government and other Devolved Nations on PPE matters. This facilitated NI benefitting from a national arrangement with the leading global mask provider 3M to obtain supplies of suitable FFP3 masks for the local HSC.

In addition NI clinicians have actively participated in UK national work to source a clear face mask to aid those with communication restrictions. This is a new concept for the face mask market and has necessitated a call to the industry to develop suitable prototypes to clinical standard. This work continues to ensure the right masks are suitable for production and therefore available for health services across the UK to access. BSO PaLS continues to retain a lead role in the procurement and distribution of PPE for HSCNI and HSC Trusts continue to manage PPE stocks for their areas of responsibility following receipt from BSO PaLS. Increased warehousing and logistics has been necessary for the stock secured during the first year of the pandemic and this will be needed going forward to support stock management as the new norm for PPE is developed.

The Northern Ireland Audit Office undertook a review of PPE supply and distribution to the local healthcare workers, with its final report published on 1 March 2022. A number of important learning points were identified and the Department, with its ALB's, have started to consider these in the context of future planning.

On 12 May 2021, the Prime Minister announced his intention to establish an independent UK-wide Public Inquiry into the handling and management of the COVID-19 pandemic under the 2005 Inquiries Act. On 15 December 2021, the Prime Minister appointed the Right Honourable Baroness Heather Hallett, DBE, as Chair of the Public Inquiry. Draft Terms of Reference (ToR) have been consulted upon and it is anticipated that the ToR will be finalised and the Inquiry launched by summer 2022.

Statutory Duty of Quality

The HPSS (Quality, Improvement and Regulation) (NI) Order 2003 places a statutory duty of quality on those HSC organisations which are responsible for the delivery of health and social care such as HSC Trusts and PHA.

The RQIA provides independent assurance to the Minister on compliance with this Statutory Duty, via the Department. This is achieved by conducting a rolling programme of planned clinical and social care governance and thematic reviews across a range of subject areas in HSC organisations. There are also unannounced inspections of services as part of this review programme. The reviews are conducted as part of the RQIA's ongoing independent assessment of quality, safety and availability of HSC services or may be commissioned by the Department.

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

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

Service Frameworks

The Department, through the former Health and Social Care Board and PHA developed a set of Service Frameworks for key areas of HSC which set out, at a high level, the type of service that patients and users should expect, in addition to outlining Northern Ireland standards and supporting actions - linked to recognised good practice guidance. The Frameworks promoted and secured better integration of service delivery along the pathway of care from prevention of disease/ill health through diagnosis/treatment, to rehabilitation and end of life care. These Frameworks were used by HSC organisations in the commissioning, planning and delivery of services. Six Frameworks are in place:

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

All the Frameworks have now reached the end of their life cycle. The Department had commissioned RQIA to undertake a review of the Service Framework programme to determine the future need for and format of these frameworks, but due to competing priorities, this review has been postponed and, as a result, the programme has been paused. However, the Department has requested that standards not completely achieved continue to be worked on by the Health and Social Care Trusts, in collaboration with the Service Framework lead, to address the deficiencies identified.

Regularity, Propriety and Value for Money of Expenditure

The Department has a well-established process to ensure the regularity, propriety and value for money of expenditure including obtaining the necessary approvals from the DoF when required by delegated authority arrangements. The Department has extended these delegated authority arrangements to its ALBs. The Department requires that the principles of appraisal should be applied with proportionate effort to every proposal for spending or saving public money, or proportionate changes in the use of public sector resources.

The Department carries out a regular test drilling exercise for below delegated expenditure and post project evaluations annually, the results of which are reported to the DARAC, the Board and to the DoF. When an ALB delegated authority is exceeded Departmental approval for the expenditure proposal is required.

There are a number of standard conditions of Departmental approval, one of which requires all ALBs to inform the Department immediately should they wish to implement a project on a basis other than that approved. This is to ensure proposed changes do not alter the Department's view of the value for money position of a project.

Sources of Independent Assurance

The Department obtains independent assurance from the following sources:

- Departmental Internal Audit;
- Northern Ireland Audit Office (NIAO); and
- Business Services Organisation (BSO) Internal Audit.

Departmental Internal Audit

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

The Department's Head of Internal Audit (HIA) reports directly to the Departmental Accounting Officer and attends and provides reports to the DARAC. As such, the HIA therefore plays a crucial role in the review of the effectiveness of risk management, control and governance by:

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

Internal Audit provides an annual formal opinion on the overall adequacy and effectiveness of the Department's framework of governance, risk management and control. The HIA has been unable to provide an overall opinion for 2021-22 for the reasons set out below:

- The Internal Audit activity, which was paused during 2020-21, continued to be paused for the majority of this period. The audit activity which was completed during 2021-22 was insufficient to contribute to providing an overall audit opinion.

- Due to the limited audit activity performed in the last two years, previous Internal Audit opinions provided can no longer be relied upon, as the full impact of COVID-19 is not yet fully known and control frameworks may have significantly changed.

- The HIA is unable to rely on the department's sponsorship and governance arrangements which were also paused during the year.

It is recognised that 2021-22 continued to be an exceptional year due to COVID-19 and that this impacted on the provision of the internal audit service, as the department paused normal governance processes and maintained activation of its Business Continuity Plan.

During 2021-22, Internal Audit provided an overall 'limited' opinion on the governance and oversight by the Department over the monitoring of the implementation of recommendations arising from reviews conducted by RQIA.

Internal Audit were unable to follow-up on previous audits which received overall 'limited' opinions - these included the reviews of Clinical Excellence Awards; Prison Healthcare; HSC and NIFRS Pension Schemes; and Families Matter Strategy. Follow-up of all these will be considered within future Audit Plans depending upon progress.

The Head of Internal Audit for DoF provides an annual and mid-year inter-departmental report on all shared services provided by DoF to other Departments. The mid-year inter-departmental report was issued on 1 December 2021. The end-year inter-departmental report was provided in June 2022.

NIAO

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

The NIAO also seeks to promote better value for money through highlighting and demonstrating ways in which improvements could be made to realise financial savings or reduce costs; safeguard against the risk of fraud, irregularity and impropriety; attain improvements in service provision and support and enhance management, administrative and organisational processes. A representative of the NIAO attends the DARAC meetings at which corporate governance and risk management matters are considered.

The NIAO published one report during the 2021-22 reporting year covering Supply and procurement of Personal Protective Equipment to local healthcare providers. The NIAO are continuing work on their Mental Health Services report, with plans to publish the results of this review later in 2022.

The Supply and procurement of Personal Protective Equipment to local healthcare providers report which was published 1 March 2022 contained four principle learning points and identified a number of issues for the Department and BSO-Procurement and Logistics Service to address.

These included the need for improved contingency and emergency planning to avoid a repetition of any supply shortages; less reliance on uncompetitive procurement processes, better controls for managing potential conflicts of interest, and more comprehensive documenting of decisions over high cost procurements. The report also identified the need for clarity over longer-term procurement and funding arrangements for PPE provision to the independent care sector.

The Addiction Services report, published in 2020-21, contained 10 recommendations and highlighted a number of key issues and challenges including the impact of polydrug use, the misuse of prescription only medicines, the increasing complexity of cases, the demand on substance misuse services and the need to get better at capturing data and outcomes from treatment services.

The findings from the report and the subsequent PAC enquiry have been incorporated, as appropriate, throughout the new Substance Use Strategy launched in September 2021. The Substance Use Strategy Programme Board, chaired by the Chief Medical Officer and incorporating input from a wide range of relevant stakeholders, is overseeing the implementation of the strategy.

BSO Internal Audit

BSO Internal Audit is a centralised service which provides internal audits and specialist advice and guidance to Boards within HSC organisations and Departmental ALBs, including the Northern Ireland Fire and Rescue Service (NIFRS). The Department reviews the BSO HIA's mid and end-year independent opinions, on the adequacy and effectiveness of each of the ALB's system of internal control, together with any recommendations for improvement. The Department notes that the NIFRS received an overall 'limited' audit opinion for 2021-22 and will continue to monitor the steps being taken to address the areas of weakness identified.

Transformation/Rebuilding

The approach for transforming health and social care over a period of 10 years *'Health and Wellbeing 2026: Delivering Together'* was published in October 2016. It remains the roadmap for health and social care transformation. With investment of almost £300m over three years, the process of transformation has supported the stabilisation of services in terms of tackling waiting lists, and has laid important cornerstones in services - such as acute care at home and ambulatory care - which have become integral to the effective running of the system.

Governance arrangements to provide strategic oversight for the management and implementation of the change agenda were in place until 9 June 2020 when the Strategic Framework for Rebuilding HSC Services was published, in response to the COVID-19 pandemic. As a consequence, a new Rebuilding Management Board (RMB) was established which paused the work of the Transformation Implementation Group (TIG) to create space for work on Rebuilding.

During 2020-2021, a Transformation Operational Group (TOG) chaired by the DoH Director of Transformation, with representation across the HSC, worked at an operational level to progress the transformation programme. This was stood-down in March 2021, replaced by an Oversight Group for Sustainability which has membership from right across the HSC, and has been established to ensure that those successful transformation initiatives, supporting the rebuild of services, become financially sustainable in the long term.

The Transformation Advisory Board is in place to support and advise the Minister on the approach to Transformation in the context of broader strategic factors and considerations.

The RMB, which is scheduled to meet weekly, gives consideration to key strategic Transformation decisions, in the context of rebuilding, for further consideration and decisions by the Minister.

In relation to the closure of the HSCB, an Oversight Board, which I chair, has been leading this work since 2018. Membership has included the Chief Executives of the HSCB, BSO and PHA and several DoH Deputy Secretaries, meetings have been held monthly. A Governance Steering Group established in December 2020 led by the HSCB Migration Project Director, and including membership from those organisations affected have been supporting the development of the governance and accountability arrangements and how the differing organisations will interact within the new operating model. The Health and Social Care (Northern Ireland) Act 2022 closed the HSCB on 31 March 2022. On completion of the post project evaluation report, the HSCB Migration Project will be formally closed and the Oversight Board and the Governance Steer Group stood down.

Temporary Changes to the HSC Framework Document - Rebuilding Management Board

In response to the impact of COVID-19, the Minister launched the Rebuilding Strategic Framework[1] on 9 June 2020, with the key aim of incrementally increasing HSC service capacity as quickly as possible across all programmes of care, within the prevailing conditions.
The Rebuilding Strategic Framework underpins the development of HSC Trusts' rebuilding plans, which detail how capacity can be increased in the context of the pandemic.

A Memorandum to the HSC Framework Document was also published in June 2020. This sets out temporary changes for a period of two years (to be kept under review), to facilitate the optimum implementation of the Rebuilding Strategic Framework. The HSC Framework Document was published by the Department in September 2011 to meet the statutory requirement placed upon it by the Health and Social Care (Reform) Act (NI) 2009. The Framework Document describes the roles and functions of the various HSC bodies and the systems that govern their relationships with each other and the Department.

This Memorandum to the HSC Framework Document included the establishment of RMB, to oversee the implementation and operation of the Rebuilding Strategic Framework. The aim of RMB is to maximise service activity within the context of managing the ongoing COVID-19 situation; embedding innovation and transformation; incorporating the Encompass programme; prioritising services; developing contingencies; and planning for the future.

I chair RMB which includes senior representation from the Department, all HSC Trusts, PHA and BSO. Reporting directly to the Minister, the RMB is to be in place for an initial period of two years, which commenced in June 2020, with a planned review completed in June 2022. Key functions of the RMB include:

- Providing oversight and direction to the Public Health Agency (PHA), the Health and Social Care Trusts and the Business Services Organisation (BSO) on the implementation of the Minister's priorities as reflected in the Strategic Framework for Rebuilding HSC Services, including a clear articulation of performance measures and targets;

- Ensuring there is a system wide focus on managing the ongoing COVID-19 situation, developing contingencies, implementing change and planning for the future;

[1] https://www.health-ni.gov.uk/publications/rebuilding-hsc-services

- Having oversight of both COVID-19 and non-COVID-19 activity, including the various cells which are active during surge periods, i.e. the Gold/Silver/Bronze emergency planning structure;

- Ensuring that, in implementing the Rebuilding Framework, transformation continues in an integrated way, including embedding innovations that have emerged during the pandemic;

- Providing challenge and rigour in the decision making process; and

- Ensuring the principles of co-production are embedded.

The Department undertook a sounding exercise and subsequently a public consultation on the HSC Framework Memorandum and establishment of the RMB. The consultation document and consultation analysis report are both available on the Department's website[2].

UK Exit from the EU

In 2021-22 there were several announcements by the United Kingdom Government and the European Commission in the context of the implementation of the Northern Ireland Protocol. In July 2021 the United Kingdom Government published the command paper "Northern Ireland Protocol: the way forward"[3] . In this paper it was stated that "Given the range and depth of these challenges, the simplest way forward may be to remove all medicines from the scope of the Protocol entirely". In September 2021, Lord Frost, the then Minister of State in the Cabinet Office provided the unilateral announcement that "…the Government will continue to operate the Protocol on the current basis. This includes the grace periods and easements currently in force". In December 2021 the European Commission announced a unilateral proposal for medicines and the Northern Ireland Protocol. Department of Health officials in conjunction with a Departmental Solicitor's Office solicitor reviewed the European Commission proposal. The proposal addressed issues the Department of Health had raised with the United Kingdom Government but there remained issues requiring further consideration and clarification. These issues were highlighted to the United Kingdom Government including the Department of Health and Social Care (DHSC) as well as the Foreign, Commonwealth and Development Office. The Department of Health has worked collaboratively with the Medicines and Healthcare products Regulatory Agency and the Department of Health and Social Care England to seek long term solutions and develop contingency plans.

Department of Health officials have attended the DHSC led Northern Ireland Programme Board to raise issues and to inform mitigations. One such mitigation was the Northern Ireland Medicines Healthcare products and Regulatory Agency Authorised Route (NIMAR) for the supply of non-prescription medicines to Northern Ireland if a supplier had formally notified to DHSC that they had discontinued a medicine.

[2] https://www.health-ni.gov.uk/consultations/HSCframework
https://www.health-ni.gov.uk/publications/rebuilding-hsc-services

[3] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1008451/CCS207_CCS0721914902-005_Northern_Ireland_Protocol_Web_Accessible__1_.pdf

Departmental officials continue to address a range of medical supply and regulatory issues in conjunction with DHSC and the Medicines Healthcare products and Regulatory Agency.

Ongoing supply chain surveillance occurs via the DHSC led Medicines Shortage Response Group (MSRG) supported locally by the Department of Health led Northern Ireland Medicines Shortage Advisory Group (NIMSAG). Throughout 2021-22 the Department engaged proactively with stakeholders from the pharmaceutical industry, supply chain, community pharmacy and the healthcare sector to support continuity of medical supplies.

The Department of Health led Northern Ireland Protocol Programme Board was established in 2021 to work with representatives from the Health and Social Care Trusts, the Health and Social Care Board and the Public Health Agency to put in place mitigations associated with the implementation of the Northern Ireland Protocol to ensure the continuity of medical supplies to Northern Ireland. To provide oversight of medical device discontinuations the DHSC established the Discontinuations Management Oversight Group. Department of Health officials are represented on this group.

Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal governance. My review is informed by our internal assurance processes and reporting, the annual report from DARAC and reporting by internal and external auditors. I have been advised on the effectiveness of the system of internal control and the plans to address any identified weaknesses.

Internal Governance Divergences

Prior Year Issues

Governance matters arising in prior years which have now been addressed and no longer represent reportable governance divergences for the Department in 2021-22:

NIAS Internal Control System

For the year ended 31 March 2019, BSO, as internal audit for NIAS, provided an overall limited assurance on the adequacy and effectiveness of NIAS's framework of governance, risk management and control. Whilst the Head of Internal Audit (HIA) BSO acknowledged progress for the years ended 2020 and 2021 an overall limited audit opinion was again provided.

For the year ended 31 March 2022, the HIA has acknowledged that NIAS has made good progress during the year to implement outstanding audit recommendations, including those from previous Limited/Unacceptable audit reports. She has therefore provided a satisfactory assurance on the adequacy and effectiveness of the organisation's framework of governance, risk management and control. While overall satisfactory assurance has been provided, it is important to note that limited assurance has been provided in a number of areas in 2021-22 and continued Management action is required to implement internal audit recommendations.

In 2022-23, the Department will continue to oversee progress through its NIAS sponsorship role as part of the departmental accountability process.

Taking account of the provision of satisfactory assurance from the HIA, this divergence can now be closed.

A number of the governance matters arising in prior years are still considered to represent internal governance divergences for 2021-22. These include:

Underpayment of Employers Superannuation Contributions

During February 2017 it was brought to the attention of the BSO Payroll Shared Services Centre, by one of the HSC bodies, that there was a potential error in how the HRPTS system was calculating employers' superannuation contributions during periods of sickness and ordinary and stretch maternity leave. This error in the specification of the system dates back to the introduction of HRPTS which went 'live' in BSO in December 2012 and was rolled out throughout HSC on a phased basis thereafter.

Subsequent significant investigations resulted in the identification of a material regional liability in respect of underpayments of these contributions dating back to the introduction of the new HRPTS system in each individual HSC body. All HSC employers made payments on account of estimated liability to the Pension Scheme in 2017-18 and 2018-19. The mechanism to correct the system was implemented in 2019-20. While the system solution does not address the requirement in full, sufficient additional manual processes have been implemented to obtain regional agreement that the immediate control issue has been addressed.

A further system fix was applied in November 2021 going forward which amended manual processes to ensure correct calculation of employer's superannuation. Manual retrospective calculations are still required for the period April 2019 to November 2021. Whilst this does not affect BSO payroll specifically, it does have an impact on other HSC organisations.

Financial Performance 2021-22

The Department has continued to face unprecedented financial challenges during 2021-22. COVID-19 pressures and the need to rebuild services has meant there has been little opportunity for Trusts to focus on and progress any recurrent savings, cost reductions or other measures. As a result, at the outset of 2021-22 all Trusts were projecting significant deficits due to a combination of cost pressures and unmet savings.

Throughout 2021-22 Trusts have worked closely with the Department and HSCB as part of the regional financial planning process. Significant funding has been provided to Trusts in year to manage their deficit position. Once this additional funding is taken into account all Trusts, with the exception of the Western HSC Trust (WHSCT) have individually secured financial breakeven.

Following a number of years of budgetary challenges at WHSCT, the Department approved a three year financial recovery plan for the period 2019-20 through to 2021-22 with the expectation that the Trust would achieve recurrent financial balance going into the 2022-23 year. WHSCT put in place, the 'Working Together Delivering Value' programme to achieve financial sustainability. As part of this process, the Department agreed that the Trust would have an authorised overspend of £12m for 2021-22 and this overspend has been managed at a system level to a breakeven position for the Western Trust.

Looking ahead to the 2022-23 financial year, the Department will continue to challenge the Trusts in relation to the robustness of their forecast in-year pressures and will continue to work with Trusts and DoF to ensure savings plans are delivered and additional resources are secured as necessary.

2022-23 Budget Position and Authority

The Assembly passed the Budget Act (Northern Ireland) 2022 in March 2022 which authorised the cash and use of resources for all departments for the 2021-22 year, based on the Executive's final expenditure plans for the year. The Budget Act (Northern Ireland) 2022 also included a Vote on Account which authorised department's access to cash and use of resources for the early months of the 2022-23 financial year. The cash and resource balance to complete for the remainder of 2022-23 will be authorised by the 2022-23 Main Estimates and the associated Budget Bill based on an agreed 2022-23 Budget. In the event that this is delayed, then the powers available to the Permanent Secretary of the Department of Finance under Section 59 of the Northern Ireland Act 1998 and Section 7 of the Government Resources and Accounts Act (Northern Ireland) 2001 will be used to authorise the cash, and the use of resources during the intervening period.

Following the resignation of the First Minister and the subsequent lack of an Executive, a Budget for 2022-23 could not be finalised. The Finance Minister wrote to departments to set out a way forward in the absence of an Executive to agree a Budget. This process involved DoF issuing departments with contingency planning envelopes for the 2022-23 financial year. These envelopes provided departments with an assessment of the minimum funding they could reasonably expect for 2022-23 and allowed departments to plan for expenditure until such times as a Budget could be agreed.

We have agreed an approach with the Minister to enable opening allocations to proceed to continue to fund activity at current levels in 2022-23 while controlling spending in line with the advice from the Finance Minister. However there remains a great deal of uncertainty on the future financial position. The Department's reliance on significant levels of non-recurrent funding in recent years means that we are expecting to face an extremely challenging financial outlook. While we are anticipating significant allocations for Health once a Budget is agreed, the 2022-23 budget will continue to require careful managing in order to develop a break even position.

Neurology Services Belfast HSC Trust

In February 2017 the Belfast HSC Trust alerted the Department to concerns regarding the quality of care provided by an individual consultant, potentially affecting the diagnosis and treatment/care of his patients past and present. The Belfast HSC Trust placed limits on the consultant's practice from June 2017 and commissioned the Royal College of Physicians (RCP) to undertake a review of a sample of the consultant's patients. The RCP recommended that the consultant's patients should be reviewed to consider whether their diagnosis was secure; that a proper management structure was in place; and that prescribing was accurate. In October 2021 a voluntary application made by the consultant, to be removed from the medical register, was accepted by MPTS. The Professional Standards Authority is currently appealing this decision. The Department is a notice party in related judicial review proceedings being brought by former patients of the consultant.

A report analysing the review of the patients under the active care of the consultant (Cohort 1) was published in December 2019. A second Cohort of patients who were under the consultant's care, but subsequently discharged were recalled and the findings from Cohort 2 were published in April 2021. In the context that a significant proportion of the Cohort 2 patients did have an insecure diagnosis a third and final recall was announced in April 2021. The Cohort 3 recall process has completed and work is underway to publish the findings

A related work stream interconnected to the neurology recall is the Epidural Blood Patch Review, undertaken by the Belfast Trust. This review focused on 66 patients who were not part of Cohorts 1 or 2 because they had since been reviewed by a different consultant neurologist. The Epidural Blood Patch Review was subject to independent verification by the RCP. A final copy of the Quality Assurance Report and Clinical Record Review was shared with the Department in February 2021. The Belfast Trust accepted all the recommendations and an action plan was developed to ensure that these recommendations were all taken forward and progressed.

In May 2018, the Department directed the RQIA to undertake a Review of Governance of outpatient services in the Belfast HSC Trust with a specific focus on Neurology. The final report from this review was published in February 2020. In May 2018, the Department also commissioned the RQIA to undertake a review of the governance arrangements in Independent Hospitals and Hospices. This Report was published in June 2021.

In May 2018 the Department also directed RQIA to commission an expert review of the records of patients who died over the previous ten years and to include those who died before this if there was a concern. Phase One, which was a preparatory phase, concluded in November 2020 with the formal adoption of a Legal Framework to ensure access to the relevant records. Phase Two of the review pertains to the expert review of clinical records involving 45 deceased patient records. The Department will give careful consideration to the future of this work following the conclusion of Phase Two.

The Department initiated work in 2019 to consider the potential for a neurology redress scheme to address arising compensation issues. A Project Board was initiated, and following consideration of redress options, work was commissioned to consider a streamlined process under an early resolution scheme for neurology patients. In April 2021 the Department confirmed that this work had recommenced, following the unfortunate suspension due to the need to divert staff resources to manage the response to the COVID-19 pandemic. This work continues and the appropriate stakeholder engagement will be arranged in order to support the outcome of this work.

The Permanent Secretary's Neurology Regional Assurance Group (PSNRAG), established in May 2018, continues to provide oversight on all neurology recall related work streams.

Independent Neurology Inquiry

The Department established an Independent Neurology Inquiry in May 2018, during the period when no Health Minister was in post, to consider how concerns about the consultant (including complaints) were communicated and responded to by all of those involved and how the recall exercise has been handled. Its work has formed part of a series of actions in response to the recall of neurology patients by the Belfast Trust. In December 2020 the Minister converted the Independent Inquiry to a Statutory Public Inquiry, under the Inquiries Act 2005. The Inquiry has a focus on governance; it is not assessing the competence of Dr Michael Watt or the treatment of patients.

The Inquiry has reached the final stages in the delivery of its Terms of Reference (ToR). It commenced the Maxwellisation process (the process whereby those individuals and organisations who are potentially criticised in the report are given an opportunity to respond to warning letters) in October 2021 and it is anticipated that the Inquiry will submit its final report and recommendations to the Department by summer 2022.

Inquiry into Hyponatraemia-Related Deaths

The public Inquiry into Hyponatraemia-related Deaths (IHRD) was established in November 2004. It was set up against the background of concern and publicity about the treatment in local hospitals of three children who had died in circumstances where Hyponatraemia had caused or was a major factor in their deaths. The investigation of the deaths of a further two children were included into the Inquiry's work in 2005. The Inquiry completed its public hearings during 2013-14 and the Chair, Mr. Justice O'Hara, published his report in January 2018. The report included 96 recommendations, which comprise 120 actions - the vast majority of which fall to the Department and HSC Bodies. The inquiry recommendations have wide ranging implications for the provision of HSC services across Northern Ireland – covering governance, Departmental policy, requirements for new statutory provisions and the operation of front line services. They affect multiple agencies and a number of recommendations may impact on other Departments.

The recommendations are designed to both strengthen patient safety and to improve public confidence in health and social care services. The Department established an IHRD implementation programme comprising an overarching programme management group overseeing nine work-streams chaired by a range of individuals from the Department, the HSC and outside of the HSC. These work-streams are charged with the implementation of IHRD recommendations. The overall programme is managed through a formal programme management process and the programme is ultimately accountable to me as the Senior Responsible Officer.

From the outset the programme has taken a co-production approach to the implementation of the recommendations. As a result of this approach, the work-streams consist of over 200 members from a variety of backgrounds, including: service users and carers, HSC staff, representatives from third sector organisations, Non-Executive Directors, and DoH staff among others. This wide engagement aims to ensure that recommendations, and the proposals for their implementation, are robustly challenged and scrutinised. A programme wide engagement strategy, training strategy and assurance framework were also developed.

A number of recommendations require public engagement and consultation, as well as ministerial approval and/or legislation, while others will have resource and training implications. As some of these recommendations will require primary and secondary legislation for implementation, full implementation of all recommendations will take several years.

In March 2020, all IHRD programme meetings were suspended due to the COVID-19 pandemic. This decision was taken to allow Department, Trust and ALB staff to focus on work relating to COVID-19 and ensure the safety of the service users and carers who are integral to the programme.

The Department's response to this report was undoubtedly and regrettably hampered by the COVID-19 pandemic. However, much work was able to continue through this time such as the Independent Medical Examiner prototype and the development of, and consultation on, Duty of Candour proposals.

As of 31 March 2022, of the 120 actions in the IHRD report, 49 have been actioned, there has been progress on the remaining 71 recommendations and work will continue on these, under new programme management arrangements.

An update has been prepared for Ministerial consideration in the wake of the Assembly election.

Dunmurry Manor Care Home

The Commissioner for Older People for Northern Ireland (COPNI) published, in June 2018, the findings from their investigation into care failures at Dunmurry Manor Care Home. The report, Home Truths, sets out areas where care fell short of the regulatory standards and made some 59 recommendations for reform. The report covers a wide range of areas including, inter alia: safeguarding, medicines management, care quality and governance.

The Department has set up a process to oversee the continued implementation of the agreed recommendations. Progress on this work has, however, been delayed by the response to COVID-19.

All fieldwork for the Follow up Review into Care at Dunmurry Manor Care Home has been completed and reports are being finalised. The Review (undertaken by CPEA Ltd) has been commissioned to provide the DoH and the wider HSC system with an independent analysis and insight into how the whole system responded to the issues at Dunmurry Manor Care Home. Ultimately this will enable the Department to understand if failings were the result of flaws in system design, their operation, or a combination of both and to identify learning for future improvements. In progressing the review, costs of £474,500 were incurred prior to 2020-21 with further costs of £145,000 incurred in 2020-21 and £14,000 in 2021-22; these costs have yet to receive DoF approval. The Department is currently seeking to secure appropriate authorisation.

The first report from CPEA on Adult Safeguarding was published on 10 September 2020. The substantial and extensive report immediately led to major change, with the announcement of new oversight mechanisms for adult safeguarding and new legislation.

The Department recently undertook a consultation on proposals to develop an Adult Protection Bill, based on the recommendations from the Commissioner for Older People's Report and the CPEA Independent Review. The consultation launched on 17 December 2021and closed on 8 April 2022. The Department has published its response to the consultation on its website, along with a policy paper laying out the basis on which legislation will be drafted. Officials are liaising with colleagues in the Office of Legislative Counsel and Departmental Solicitors Office to produce a draft Bill which it is intended will be introduced during the current mandate.

The second report on the handling of complaints was published on 2 March 2022.

The report proposes eight actions including: implementing a programme of change in respect of the handling of HSC Complaints, in conjunction with the Northern Ireland Public Services Ombudsman (NIPSO); ensuring straightforward information is readily available; adopting a complainant-centred approach involving listening and responding decisively; ensuring a regionally consistent approach to procedures, forms and training and learning; and changing and improving through better use of data and information. A consultation undertaken by NIPSO, on complaints handling standards for the Northern Ireland public sector, closed on 30 September 2021 and the outcome has been published. DoH officials are already working, and will continue to work, alongside NIPSO and other key stakeholders, to develop and deliver for the health and social care sector, an improved complaints handling process for both the public and HSC organisations alike.

The finalisation of the Dunmurry Manor Care Home review has been impacted by COVID-19 but the Department is expecting to publish the remaining four reports by the end of September 2022.

Children's Cases: Unallocated Cases

The Department continues to receive monthly information in relation to unallocated children's cases (waiting lists of cases requiring assignment to a social worker). Growing demand for children's social care services, coupled with significant workforce pressures across all Health and Social Care Trusts, are impacting on the ability of Trusts to fulfil their statutory duties to children and young people. At 31 March 2021 (the latest information available) 23,095 children in NI were known to social services as a child in need - an increase of 3% on the previous year. There has been a continued increase since 2017 of children waiting in excess of 20 days to be allocated a social worker following referral. At the end of February 2022, 1,332 children were waiting more than 20 days for a social work allocation, more than double the figure for the same period last year. The majority of these unallocated cases relate to children affected by disability or those requiring family support interventions, but there are also a significant minority of cases which have been referred as a result of child protection concerns. In addition, there were 116 unallocated cases which were awaiting a fostering or adoption assessment.

Workforce information shows that at the start of April 2022, 28.3% of posts within the children's social care workforce were either vacant or unfilled due to staff absence. This figure is higher within some social work teams, with vacancy/absence rates in some teams of between 40 and 50 per cent. As of February 2022, there were 201 positions regionally out for recruitment.

The ongoing Children's Services Review will consider current pressures, examine the reasons why those pressures exist and potentially identify solutions to address the pressures in the short and longer term

Family & Children's Policy: Separated and Unaccompanied Asylum Seeking Children (S/UASC)

During 2021-22, work focused on responding to escalating pressures and capacity issues in relation to service provision for separated and unaccompanied asylum seeking children (S/UASC) arriving in Northern Ireland (NI).

There has been an unprecedented number of S/UASC arriving in NI this year, with 66 new S/UASC referred to children's social care services since 1 April 2021. This is the highest number on record and a marked increase on previous years. At the end of March 2022, there were 136 S/UASC children and young people in receipt of services from Health and Social Care (HSC) Trusts as looked after children or care leavers. All 5 HSC Trusts have highlighted critical pressures in meeting the needs of these children and young people, and any further arrivals, in terms of HSC Trusts' responsibilities throughout the care pathway. Pressures are reported in the entire pathway - from point of referral through to Trusts' duties to provide support to these young people as care leavers and in relation to both placement and accommodation availability and staff capacity.

Departmental officials have been working closely with HSC colleagues, the Regulation Quality and Improvement Authority and other relevant stakeholders to explore all contingency options. Actions arising from this collaborative work have included the joint Departmental/HSC launch of a regional appeal seeking foster carers and supported lodgings hosts for young refugees on 10 March 2022, and the allocation of additional in-year funding of £250k to the HSC to meet existing pressures associated with unplanned arrivals of S/UASC.

During 2021 the Department undertook a targeted consultation on proposals for a new regional model of service for S/UASC. However, given the significant pressures being experienced across all HSC Trusts and the associated capacity issues, it was agreed that it was necessary to pause the progression of the proposed regional model of service in the interim.

In addition to spontaneous arrivals of S/UASC, discussions are ongoing with the Home Office in relation to NI's participation in the mandated National Transfer Scheme which would involve S/UASC being transferred from local authority areas in Great Britain to NI under a UK-wide rota. The potential for unaccompanied minors to arrive in NI from the Ukraine is also a live issue and engagement with The Executive Office, the Home Office and relevant others is ongoing.

Elective Care

During 2021-22, as in recent years, each of the three Ministerial elective care standards, namely, that 50% of patients should wait no longer than nine weeks for an outpatient appointment and no one more than 52 weeks; that 75% of patients should wait no longer than nine weeks for a diagnostic test and no one more than 26 weeks; and that 55% of patients should wait no longer than 13 weeks for admission for treatment and no one more than 52 weeks, have not been achieved.

Pre COVID-19 there was already a significant shortfall in the capacity of the Health and Social Care Service (HSC) in Northern Ireland to meet the demand for elective care services and this was reflected in the unacceptably long waiting times. During 2021-22, Trusts continued to struggle to maintain elective surgery due to the ongoing pressures associated with the pandemic combined with increased unscheduled care pressures.

The Elective Care Framework published on 15 June 2021 sets out a five year plan with firm, time bound proposals for how we will systematically tackle the backlog of patients waiting longer than Ministerial standards, and how we will invest in and transform services to allow us to meet the population's demands in future. However, the performance gains described in the Elective Care Framework will only be achieved with significant sustained investment both recurrent to close the capacity gap and non-recurrent to address the backlog.

The immediate focus of the HSC will be on rebuilding elective services differently, taking the learning from the innovation and creativity which has been evident throughout the pandemic. It is paramount that the HSC continues to develop opportunities to consolidate and transform services to help reduce waiting times and improve patient outcomes. In the context of these challenges, a key priority will continue to be maximising all elective capacity to ensure that as many patients as possible are seen and treated.

Unscheduled Care

Urgent and emergency care services in NI remained under significant pressure in 2021-22. The impact of COVID-19 and the focus on infection prevention and social distancing have compounded the need for change and reform. The COVID-19 Urgent and Emergency Care Plan, 'No More Silos' (available at www.health-ni.gov.uk) sets out 10 Key Actions required to ensure Urgent and Emergency Care Services across primary and secondary care can be maintained and improved in an environment that is safe for patients and for staff.

To respond to pressures within unscheduled care, a dedicated Unscheduled Care Management Unit (UCMU) has been established to monitor activity, identify and share best practice, support change and improve flow. The initial focus of the work has been to gain an understanding of Trust processes and structures for site co-ordination and to improve regional co-ordination at operational and strategic levels.

A review of ambulatory pathways and services in our hospitals will identify what works well or needs reformed or decommissioned. The ultimate aim is to have more consistent services which are open to primary care and NIAS direct admission thereby avoiding EDs. This review will include current NIAS access to services in the community which help avoid hospital attendances. A subsequent clinical audit of patients in our EDs, carried out by hospital doctors, GPs and NIAS clinicians, will focus on how patients could have been managed more appropriately in primary care, secondary care or community care. This will help inform decisions about how best to deploy existing and new resources.

Engagement with the services of Getting it Right First Time (GIRFT) provides analysis and benchmarking of our urgent and emergency services with other parts of the UK. The work of GIRFT provides a focus on why our services are working the way they do and helps identify where improvements can be made. A key focus of urgent and emergency care is flow through the hospital. The UCMU has worked to better understand the reasons for delayed discharges in our hospitals and puts measures in place to remove these blocks so that hospital flow can be optimised.

Healthy Child, Healthy Future Programme

Healthy Child, Healthy Future (HCHF) is a public health programme offering every family with children a programme of screening, immunisations, developmental reviews and information and guidance to support parenting and healthy choices so that children and families achieve their optimum health and wellbeing. Health Visitors (HVs) and school nurses are key health professionals responsible for the delivery of Healthy Child, Healthy Future. We remain committed to fully implementing the programme.

All our HSC Trusts have endeavoured to implement the recovery & rebuild plans, which were established in May 2021 in response to the pressures created by the COVID-19 pandemic. While we have seen the completion of a significant backlog of HCHF reviews, the ongoing delivery of the HCHF programme continues to be impacted upon by the pandemic response. Public Health Nursing staff were redeployed over the Autumn/Winter 21-22 period to assist in delivering additional COVID-19 immunisation programmes. This, and the ongoing COVID related staff sickness absences/isolations also has had a major impact on service delivery in this area.

Following the publication by the Royal College of Paediatrics and Child Health of the latest update to the Health for All Children report, upon which HCHF is based, a full review of the programme has now been initiated. A Programme Board has been established, drawn from a range of stakeholders, with the aim of completing the review during the 2022-23 year.

North/South Bodies – safefood (Food Safety Promotion Board)

It is a legislative requirement under the North/South Co-operation (Implementation Bodies) (Northern Ireland) Order 1999 that any grants paid to bodies by a Northern Ireland Sponsor Department must be approved by DoF. Where such an approval is absent, any expenditure is illegal and retrospective consent cannot confer legality. The safefood Business Plans for 2017 and 2018 cannot be approved by North South Ministerial Council (NSMC) because the Department made illegal payments in each of the years covered by those plans, as has already been notified in previous Governance statements. In both years, small amounts were paid in advance of DoF approval and the plans will be submitted to a future NSMC to note. It has not been possible to secure NSMC approval of the 2019 and 2020 Business Plans: whilst arrangements have been made with DoF to ensure legality of payments in 2019 and 2020, in the absence of NSMC approved business plans, expenditure will be irregular until the NSMC approves each of these plans. These will be sent to a future NSMC for approval which will regularise the expenditure for those years. The 2021 plan has been approved however, the 2022 plan cannot be approved until there is a meeting of NSMC. As in previous years arrangements have been made with DoF to ensure legality of payments in 2022 but in the absence of NSMC approved business plans, expenditure will be irregular until the NSMC approves each of these plans.

Learning Disability – Muckamore Abbey Hospital

Following an allegation of abuse of an inpatient by staff at Muckamore Abbey Hospital in August 2017, viewing of CCTV footage of the incident in question revealed further concerns about practice more generally in the hospital, and as a result the Belfast HSC Trust commissioned an independent Level 3 Serious Adverse Incident (SAI) review into safeguarding at the hospital which commenced in January 2018.

Alongside this independent review, the Belfast HSC Trust also initiated its own disciplinary and adult safeguarding investigations, and continues to cooperate fully with the ongoing police investigation into the allegations. An internal review of management oversight arrangements in Muckamore was also undertaken by the Belfast HSC Trust with a focus on ensuring the safety and wellbeing of patients in the hospital.

The SAI Review team completed their report, entitled 'A Review of Safeguarding at Muckamore Abbey Hospital – A Way to Go' in December 2018 and made a series of recommendations for the future. A HSC Action Plan was formulated in response to those recommendations.

In response to the report, my predecessor apologised to the families of patients in Muckamore, and fully endorsed the view of the Review Team that no one should have to call Muckamore their home in future, when there are better options for their care. He also made clear his expectation that the resettlement process would be completed by December 2019, and the issue of delayed discharges from the hospital addressed as a top priority. Although progress has been made, the target has not been met. The resettlement programme was paused due to the current COVID-19 pandemic but has since been restarted. Plans are in place for the resettlement of a number of patients from Muckamore Abbey Hospital during 2021-2022 but this will still leave a number of patients awaiting resettlement. In line with the commitment given by my predecessor, progressing the resettlement programme continues to be a priority for the Department, and work is continuing to resettle the remaining patients in Muckamore Abbey Hospital whose discharge has been delayed.

A regional independent review of acute care for people with learning disabilities initiated under the Health Transformation programme to consider future options for both inpatient and community (including forensic) provision in Northern Ireland has been completed. The findings from this review are informing work which is being taken forward to develop a consistent regional model of Community Based Assessment and Treatment for individuals with a learning disability who present with challenging behaviour, Autism Spectrum Disorder (ASD) and/or forensic needs. This review was an expedited work stream of a wider Transformation project to develop a new co-produced regional model for Learning Disability services. This new Learning Disability Service Model, 'We Matter' was presented to the Department in July 2021 and consideration is being given to how recommendations can be implemented. Aligned to this work, the Department has commenced a regional workforce review of adult learning disability services across statutory and independent sector providers, and the initial meeting of the Review Project Group took place on 19 January 2022.

The Muckamore Departmental Assurance Group was established to monitor the HSC response to delivering on the Muckamore Abbey Hospital HSC Action Plan and met five times during 2021-22. It is co-chaired by the Chief Social Services Officer and the Deputy Chief Nursing Officer and includes membership from representatives of patients' families. The purpose of the group is to provide assurance that the services being delivered at Muckamore continue to be safe, effective, human rights compliant and that the lessons learned from the Level 3 Serious Adverse Incident Review Report are being put into practice consistently on a regional basis by monitoring progress against delivery of the actions and recommendations in the HSC Action Plan.

Building on the SAI Review, an independent review of the Leadership and Governance Arrangements at Muckamore Abbey Hospital by Belfast Trust was commissioned by the Public Health Agency and the Health and Social Care Board on behalf of the Department; the report of this review was published on 5 August 2020. This review critically examined the effectiveness of the leadership, management and governance arrangements at the hospital in the five year period preceding the Adult Safeguarding allegations which came to light in August 2017 and other relevant governance issues subsequently identified. The panel made 12 recommendations, all of which have been accepted; these have been added to the HSC Action Plan and are also monitored by the Muckamore Departmental Assurance Group.

In July 2021, the Department commissioned an independent audit of Adult Safeguarding at Muckamore Abbey Hospital for the period 1 January 2020 to 30 April 2021 to provide an external opinion and analysis of adult safeguarding referrals involving staff with patient interactions. The review was carried out over four days in July by four independent reviewers, procured through the Northern Ireland Social Care Council with a background in either social care or nursing. The final report from the Review team was received by the Department on 17 September 2021 and shared with the Belfast Trust, Health and Social Care Board and the Regulation and Quality Improvement Authority on 20 September 2021. In response to the recommendations from the report, the Belfast Trust provided an action plan to the Department on 16 February 2022.

In September 2020, the Minister announced his intention to establish a Statutory Public Inquiry into the events at Muckamore Abbey Hospital under the Inquiries Act 2005. The Chair of the Inquiry, Tom Kark QC, was appointed in June 2021; in October 2021 Professor Glynis Murphy and Dr Elaine Maxwell were appointed as Inquiry Panel Members. The Terms of Reference for the Inquiry have been agreed and the Inquiry was officially set up on 11 October 2021. The Inquiry plans to commence hearing oral evidence during summer 2022.

Northern Ireland Fire and Rescue Service (NIFRS) Internal Control System

NIFRS utilises an internal audit function provided by the BSO. BSO provided an overall 'Limited' audit opinion for the 2021-22 financial year. This opinion follows a 'Satisfactory' audit opinion for the 2020-21 year. The 'Limited' internal audit opinion was on the basis of the number and repeat nature of limited assurance audit assignment opinions provided during 2021-22, in particular in relation to Stock and Asset Management; the Operational Mandatory Training and Learning Management System; Governance; and the Management of Fuel.

NIFRS had 6 limited assurance and 2 split (satisfactory-limited) assurance internal audit opinions across a total of 10 audits conducted in the 2021-22 year.

In her Annual Report, the Head of Internal Audit continues to recognise Management's sustained focus and progress made on the implementation of outstanding Internal Audit recommendations. Throughout 2021-22 NIFRS made progress on addressing control issues raised in previous years. At year end, 158 (76%) of 207 recommendations examined were fully implemented and 49 (24%) were partially implemented. Internal Audit also reported as at 31 March 2022, that 24 out of 26 (92%) recommendations drawn from an independent review carried out during 2019-20, relating to issues around management effectiveness, governance, culture and probity, had been adequately addressed.

An independent financial control review of NIFRS was conducted during March/April 2021. The report was shared with the NIFRS Board and Department in May 2021. NIFRS is currently progressing report recommendations.

The Department has both supported and challenged NIFRS in its progression of recommendations through its formal sponsorship function (Public Safety Unit) and business as usual activities, such as oversight of capital and revenue business cases. The Department of Health has committed to commission an independent review of the Northern Ireland Fire and Rescue Service during 2022-23. The review will provide an independent examination into challenges currently facing NIFRS. Issues to be covered include staffing, resourcing, governance arrangements, organisational culture, staff development, wellbeing, diversity and leadership.

Infected Blood Inquiry

Chaired by Sir Brian Langstaff, the UK-wide public Inquiry is examining the circumstances in which men, women and children treated by the NHS in the UK were given contaminated blood and blood products. Oral hearings have continued throughout 2021-22 and in February the Inquiry heard evidence on blood transfusion policy (including the Northern Ireland Blood Transfusion Service on 1 February) and in March evidence was heard on self-sufficiency and domestic production of blood products. From May 2022, evidence will be taken on the response of governments, transparency, variant Creutzfeldt-Jakob Disease (vCJD) and from Sir Robert Francis on his compensation framework study. In July 2022, evidence will be heard relating to government decision-making and the response of governments in Scotland, England, Wales and Northern Ireland, including from Lord John Reid, Secretary of State for Health (2003-2005) and Secretary of State for Northern Ireland (2001-2002). The Inquiry has set a deadline for 20 June 2022 for initial written submissions with recommendations to inform Sir Brian's decision about whether to call for further evidence. In autumn 2022 the Inquiry will hear evidence from expert groups and panels of people infected and affected. The Department has responded to several enquiries from the Inquiry, including requests for records held by the Department deemed to be potentially relevant to the Inquiry and provision of written statements from senior officials and the Minister.

The Infected Blood Inquiry's terms of reference include investigating the nature and adequacy of the existing financial support schemes across the UK. On 25 March 2021, the Paymaster General announced plans to bring the four UK schemes into broader parity and as a result of a four nations agreement, the Minister decided to introduce improvements to annual financial support for non-infected bereaved spouses and partners and lump sum payments, as well as a commitment to introduce enhanced financial support for hepatitis C (stage 1) at the same payment levels as in England, as soon as a system for assessment can be put into operation. The Minister announced these reforms in a written ministerial statement to the Northern Ireland Assembly on 25 March 2021. The Schemes in the other Devolved Administrations are to be similarly adapted to achieve greater parity in terms of financial support to those infected and/or affected across the UK. A targeted consultation informed by a Working Group of stakeholders took place on an assessment model for enhanced support for hepatitis C stage 1 in December 2021 - January 2022 and options are now being prepared for a decision by the Minister.

In May 2021, the UK Cabinet Office Paymaster General announced the appointment of Sir Robert Francis QC to carry out a study to look at options for a framework for compensation, and make recommendations before the Inquiry reports. Sir Robert delivered his report to the Minister for the Cabinet Office and HM Paymaster General in March 2022 and it is anticipated that the report will be published in May. DoH will consider the findings and recommendations of this report when shared. Sir Robert Francis is due to give evidence to the Inquiry in July 2022.

A third phase of reform of the scheme will be required to address recommendations from the UK-wide Infected Blood Inquiry, which is expected to deliver its report in 2023.

RQIA Board resignations

In mid-June 2020, the acting Chair and eight members of RQIA's Board resigned with immediate effect. On 18 June 2020 the Minister of Health appointed Christine Collins MBE as interim Chair of RQIA. Ms Collins' appointment is currently extended until 30 September 2022.

On 23 June 2020, the Minister announced an independent review to examine the circumstances of these resignations. This was conducted by David Nicholl, On Board Training and Consultancy Ltd.

The report was published on 19 July 2021, with the Minister making a written statement to the Assembly on the same day, accepting all of the recommendations in the report. A Departmental action plan for the implementation of the report's recommendations was also published.

The Department's Governance Unit is leading on the implementation of actions to address the recommendations of the independent review.

The RQIA held an all-day event in November 2021, facilitated by David Nicholl. This was attended by Board Members and the Executive Management Team. The programme comprised discussion on roles/responsibilities, exploring accountability, leadership, culture, effective governance, and assurance, as well as Moving Ahead: Overcoming Obstacles and Achieving Outcomes. The outcome was the development of an action plan which was shared with the Department in December 2021.

RQIA public appointments

A competition to fill the position of Chair of RQIA on a permanent basis is in progress.

On 30 October 2020 six interim NEMs were appointed to the RQIA Board. The Department has kept the Commissioner of Public Appointments NI (CPANI) updated on all developments in relation to the RQIA Board. These six NEM appointments are due to end on 30 September 2022.

A competition to fill the positions of eight Non Executive Members of RQIA Board, on a permanent basis, is scheduled to launch during June 2022 with an appointment commencement date scheduled for October 2022.

RQIA corporate governance

During the financial year ending 31 March 2022, the RQIA Board has met 11 times, its Audit, Risk and Assurance Committee (ARAC) has met 6 times with its Business Appointments and Remuneration Committee meeting on 4 occasions.

RQIA also reviewed its Governance framework during 2021 and, along with the continuing implementation of actions from its Work Programme arising from the independent review into resignations, has clearly demonstrated that it has effective fit for purpose and robust governance and internal control measures in place.

New Decade New Approach Commitment – the Executive will provide 3 funded cycles of IVF treatment

The Executive's New Decade New Approach agreement committed to the provision of three publicly-funded cycles of IVF; an increase from the current provision of one publicly-funded cycle in NI. There is considerable interest in the progress of this commitment both from politicians and the public, and there is full cross-party support for its implementation. It will, however, require significant funding. The required annual estimate is £8.1m and is likely to include a capital requirement in addition to revenue funding as the Regional Fertility Centre, which delivers this service and is based in the Belfast Trust, does not have sufficient accommodation to deliver any further cycles. For 2021-22, £1million was allocated, which enabled waiting lists to return to pre-pandemic levels by the end of March 2022.

Although the Minister of Health announced in early 2020 that he was establishing a Project Board to take forward the implementation of this commitment, progress was unfortunately delayed due to the outbreak and ongoing surges of the COVID-19 pandemic. Membership of the Board was confirmed, but due to the need for Health and Social Care staff to redeploy to other areas of the health service, to work on the COVID-19 response, it was not possible for the Project Board to convene in 2020-21.

As a result of the de-escalation of the COVID-19 response, the first meeting of the Project Board took place on 27 April 21. The Project Board is currently carrying out modelling of various implementation scenarios to determine potential demand, capacity requirements, delivery options and costs, which are required in order to complete the business case and submit a bid for appropriate funding. Until this work is complete, and the necessary funding secured, it is not possible to provide an implementation date.

Urology Public Inquiry

On 24 November 2020 the Minister, announced his intention to establish a Statutory Public Inquiry under the Inquiries Act 2005 into the concerns raised about the clinical practice of a former hospital urology consultant in the Southern Health and Social Care Trust.

The Inquiry Chair, Ms Christine Smith QC, was appointed in March 2021; in September 2021 Dr Sonia Swart was appointed as an Inquiry Panel Member and Mr Damian Hanbury as an Inquiry Assessor. The Terms of Reference for the Inquiry have been agreed and the Inquiry was officially set up on 6 September 2021. The Inquiry plans to start hearing from families and patients in summer 2022 and to commence hearings of witnesses other than the patients and families in November 2022.

New Issues for 2021-22

Radiology Lookback Review

In April 2021 the Northern HSC Trust (NHSCT) alerted the Department that the General Medical Council (GMC) had contacted the Medical Director of the Northern Trust seeking information about the quality of clinical work of a locum consultant radiologist engaged by the Trust between July 2019 and February 2020. The Trust requested a senior review of a sample of CT reports generated by the locum consultant.

The Trust carried out a review of 30 randomly selected reports. The outcome of the review equated to approximately a 10% "serious error" rate. Following this finding the Trust made the decision to commence a wider review of all reports generated by the locum radiologist during their time at the Trust.

The investigation yielded a total of 13,030 examinations, involving a total 9,091 patients. All images were reviewed and the Trust has been able to assure 96% of patients that there have been no issues with the reporting of their images. 17 patients have been identified as being part of a Serious Adverse Incident (SAI) process. An SAI panel is expected to complete the SAI process by July 2022.

The Department will continue to receive updates and assurances from the Trust on the current position, progress on the Lookback Review and potential system learnings.

CT Angiogram Lookback Review

In May 2021 the Western Health and Social Care Trust (WHSCT) alerted the Department a need to review CT Coronary Angiograms, carried out by a locum cardiologist after discrepancies in diagnosis had been highlighted by the Cardiology Lead.

The investigation yielded a total of 112 images involving 99 patients and an SAI was reported in June 2021. The Lookback Review has now completed and the SAI report is expected to be completed in May 2022. The Trust also identified a need to review the scanner which is being taken forward within the Terms of Reference of the SAI.

The Department continues to receive updates from the Trust.

Ministerial Directions

There have been 4 Ministerial Directions issued in 2021-22. These have been approved by DOF and are detailed in the table below.

Date	Subject
Apr-21	HSC Staff Recognition Payment (Bonus Scheme) Application of Gross Award
Jan-22	HSC Statutory Sector - Additionality to Pay Recommendations
Jan-22	Additional Funding for Mental Health Support Fund
Mar-22	Increasing the number of GP Training Places by 10, on a one-off basis

Irregular Payments

The Department of Finance Supply team issued one irregular expenditure notification to the Department during the financial year 2021-22. A further notification was issued in May 2022.

COVID Vaccine Management System

The Department has received notification that Department of Finance Supply Division have declined to provide retrospective approval for expenditure of £15m (£9,845k capital and £5,359k revenue), incurred by the Department of Health (DoH) on the Vaccine Management System (VMS), (£3,349k capital and £1.814k revenue in year). The VMS provided a digital vaccine appointment booking capability initially for vaccinators and health and care professionals and subsequently the citizens of NI. The solution also captured data for reporting purposes.

Initial approvals were obtained as follows:

Annex A VMS Case (BC0272)		Capital	Optimism Bias	Revenue	Total
26/01/2021	Submission of Annex A (BC0272) to DOH PMO (Neil Sinclair)	2,741,000	274,100	1,827,026	4,842,126
10/02/2021	Investment Directorate advised Annexe A on old format, asked to update				
12/02/2021	Updated Annexe A sent to DoH				
19/02/2021	Approval from DoH for the Vaccine Management System Annex A.				

When the business case expanded to handle scope beyond the originally agreed deliverables, DoF approval was required in line with DAO 08/21. DoF Supply have notified NI Audit Office of this fact, on 22 March 2022. Their concern was the failure to follow due process within the required timescales.

It was determined from the start of the development of the Vaccine Management System (VMS) that traditional linear, lengthy requirement development processes could not deliver the outcomes in the time available to meet public need. The key elements of the development the VMS have been published on the Departmental website. https://www.health-ni.gov.uk/vaccines-management-system-response-covid-19

The VMS was developed using rapid, agile methodology and a tactical, minimal viable product was developed in 10 days and deployed in late December. Further development was undertaken in phases as additional requirements emerged. Development of the strategic product continued at pace, to provide the robust, scalable, expandable solution that remains in use.

Throughout the development of the VMS both the policy requirements and the financial reporting structures were subject to change, at short notice. During this time the Accounting Officer and the Minister were kept informed of development progress, increasing expenditure, acknowledgment that the business cases required adjustment, and mitigations put in place to ensure Value for Money.

The emerging lessons from this intense period of work to develop the VMS, during pandemic conditions, was that (a) agile development techniques can provide the required digital tools in a rapidly changing environment, and (b) the financial reporting and control systems to support work in emergency response situations may need to be further considered in conjunction with the Department of Finance.

NI Electronic Care Record (NIECR)

The NIECR, first installed in 2013, has enabled the HSCNI to enact business and care models that have delivered significant benefits to health and care provision through the provision of a "single view" of a patient record drawing on data stored in a number of secondary care systems. It has also developed a number of care pathways and information stores that reside wholly within the NIECR system.

DoF Supply approval was originally granted for the NIECR project in September 2011. This approval was based on an Outline Business Case (OBC) costed over an 8-year period (2011/12 – 2018/19). The intention was to replace the NIECR with a dedicated "Electronic Patient Record" system where the patient information was held solely within the EPR rather than in the existing discrete computer systems. DoH submitted a request for retrospective approval to DoF on 30 November 2021, seeking retrospective approval for expenditure incurred on the NIECR project in 2020/21 and 2021/22; £1,863k of revenue costs were incurred in 2021/22. This submission highlighted that the NIECR project had been implemented on different basis to that originally covered by DoF's approval – whilst DoF approval was based on an 8-year expenditure profile, the project entered into a contract for 5 years with 5 x 1-year optional extensions.

DoF Supply have now written to the NIAO and the Department (23 May 2022) indicating that they are not granting the requested retrospective approval, citing a change in the project implementation of which they were not informed and delays in seeking retrospective approval ahead of decisions to extend the contract.

REMUNERATION AND STAFF REPORT

Remuneration Report

The purpose of this remuneration and staff report is to set out the Department of Health's remuneration policy for directors, report on how that policy has been implemented and set out the amounts awarded to directors. In addition this report provides details on remuneration and staff which is key to accountability.

Remuneration Policy

The pay remit for the Northern Ireland (NI) public sector, including senior civil servants (SCS) in the NICS, is approved by the Minister of Finance. The Minister set the 2021-22 NI public sector pay policy (March 2021).

Annual NICS pay awards are made in the context of the wider public sector pay policy. The pay awards for NICS staff, including SCS, for 2020-21 were paid in June and July 2021. The pay awards for 2021-22 were paid in September and October 2021.

The pay of NICS staff is based on a system of pay scales for each grade, including SCS, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on performance.

Service Contracts

The Civil Service Commissioners (NI) Order 1999 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Code published by the Civil Service Commissioners for Northern Ireland specifies the circumstances when appointments may be made otherwise.

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

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

Remuneration and pension entitlements

The following sections provide details of the remuneration and pension interests of the Minister and most senior management (i.e. Board Members) of the department.

Remuneration and pension entitlements – Ministers (Audited)

Single total figure of remuneration

Ministers	**Salary (£)**		**Benefits in kind (to nearest £100)**		**Pension Benefits* (to nearest £1000)**		**Total (to nearest £1000)**	
	2021-22	2020-21	**2021-22**	2020-21	**2021-22**	2020-21	**2021-22**	2020-21
R Swann	38,000	38,000	-	-	15,000	13,000	53,000	51,000

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

Remuneration and pension entitlements – Officials (Audited)

Single total figure of remuneration

Officials	Salary (£'000)		Benefits in kind (to nearest £100)		Pension Benefits* (to nearest £1000)		Total (£'000)	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
R Pengelly	140-145	130-135	-	-	79	93	215-220	225-230
S Holland	105-110	100-105	-	-	49	43	155-160	145-150
M McBride (Note 1)	225-230	225-230	-	-	33	(5)	260-265	220-225
C McArdle (Note 2) *(to 31 October 2021)*	55-60 (FYE 100-105)	90-95	-	-	12	17	70-75 (FYE 110-115)	110-115
L Kelly (Note 3) *(from 1 November 2021 until 13 March 2022)*	30-35 (FYE 75-80)	-	-	-	55	-	85-90 (FYE 130-135)	-
M McIlgorm (Note 4) *(from 14 March 2022)*	0-5 (FYE 90-95)	-	-	-	1 (FYE 19)	-	5-10 (FYE 105-110)	-
D McNeilly *(to 7 February 2022)*	80-85 (FYE 100-105)	100-105	-	-	42	65	120-125 (FYE 140-145)	165-170
J Johnston (Note 5) *(until 11 May 2021)*	5-10 (FYE 50-55)	100-105	-	-	-1,254	62	-1,250 – -1,245 (FYE -1,205--1,200)	160-165
J Wilkinson *(from 12 May 2021)*	80-85 (FYE 95-100)	-	-	-	132	-	210-215 (FYE 230-235)	-
B Worth *(from 13 July 2020)*	80-85	55-60 (FYE 75-80)	-	-	32	16	115-120	70-75 (FYE 90-95)
N Lloyd (until 10 July 2020)	-	20-25 (FYE 75-80)	-	-	-	18	-	35-40 (FYE 90-95)
S Gallagher (Note 6)	105-110	90-95	-	-	18	61	120-125	150-155
D West (Note 7)	115-120	135-140	-	-	36	14	150-155	150-155
M Little (Note 8)	0-5	0-5	-	-	-	-	0-5	0-5
F Caddy (Note 9)	0-5	0-5	-	-	-	-	0-5	0-5

FYE = Full Year Equivalent

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

Notes to the table of senior management remuneration

1) M McBride returned from Belfast HSC Trust on 8 February 2017 to resume full time secondment in Department of Health.

2) C McArdle (Chief Nursing Officer up to 31 October 2021) was seconded to the Department from the South Eastern HSC Trust, had been in post from April 2013 and left to take up a new post with NHS England with effect from 1 November 2021.

3) L Kelly (Interim Chief Nursing Officer) was seconded to the Department from the South Eastern HSC Trust from 1 November 2021 to 13 March 2022.

4) M McIlgorm was seconded from NHS Lothian as Chief Nursing Officer with effect from 14 March 2022.

5) J Johnston was replaced as a Board member by J Wilkinson on 12 May 2021, but continued working with the Department until fully retiring on 31 December 2021.

6) In addition to being the Deputy Secretary Transformation, Planning & Performance Group and a Departmental Board member, S Gallagher was appointed Interim Chief Executive HSCB with effect from 28 September 2020. She is paid by the Department of Health.

7) D West was appointed on a 2 year contract commencing 7 May 2019 and was subsequently appointed as Chief Digital Information Officer with effect from 1 July 2021.

Non-Executive Directors are remunerated based on the number of Board meetings they attend and related work carried out. Details of the Independent Non-Executive Director members of the Board employment contracts are as follows:

8) M Little was appointed as an Independent Non-Executive Director on 1 October 2017 for a three year period. Further to an extension, his appointment will end 30 September 2022.

9) F Caddy was appointed as an Independent Non-Executive Director on 1 October 2017 for a three year period. Further to an extension, his appointment will end 30 September 2022.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex gratia payments. This report is based on accrued payments made by Department of Health and thus recorded in these accounts.

The Department of Health was under the direction and control of Mr Robin Swann during the financial year. His salary and allowances were paid by the department and have been included in these accounts. These amounts do not include costs relating to the Minister's role as MLA which are disclosed in the Northern Ireland Assembly Commission accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. There were no benefits in kind to Board members during 2021-22.

Fair Pay Disclosures (Audited)

Pay Ratios

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in DoH in the financial year 2021-22 was £225,000 - £230,000 (2020-21, £225,000 - £230,000). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2021-22	25th percentile	Median	75th percentile
Total remuneration (£)	32,328	39,748	53,245
Pay ratio	7.0:1	5.7:1	4.3:1

The 2021-22 financial year is the first year disclosures in respect of the 25th percentile pay ratio and 75th percentile pay ratio are required and the 2021-22 Financial Reporting Manual does not require comparative figures to be disclosed for 2020-21.

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.

For 2021-22, the 25th percentile, median and 75th percentile remuneration values consisted solely of salary payments.

In 2021-22, nil (2020-21, nil) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £12k to £228k (2020-21, £19k to £229k).

Percentage Change in Remuneration

Reporting bodies are also required to disclose the percentage change from the previous financial year in the:

a) salary and allowances, *and*
b) performance pay and bonuses

of the highest paid director and of their employees as a whole.

The percentage changes in respect of DoH are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell in each year.

Percentage change for:	**2021-22 v 2020-21**
Average employee salary and allowances	6.52%
Highest paid director's salary and allowances	0%

The Northern Ireland Civil Service special bonus scheme was withdrawn with effect from 31 March 2021.

No performance pay or bonuses were payable to the highest paid director in these years.

Pension Benefits – Ministers

	Accrued pension at pension age as at 31/3/22	**Real increase in pension at pension age**	**CETV at 31/3/22**	**CETV at 31/3/21**	**Real increase in CETV**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
R Swann	0-5	0-2.5	41	29	6

Ministerial pensions

Pension benefits for Ministers are provided by the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS). In 2011, the Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 establishing a Panel to make determinations in relation to the salaries, allowances and pensions payable to members of the Northern Ireland Assembly.

The tenure of the first Panel ended in July 2016. As a consequence of the Assembly Commission's desire to consider a reform of the Panel and the political situation between March 2017 and January 2020, a new Panel was not appointed. Legislation to reform the Panel, although started, was not completed before the dissolution of the Assembly on 28 March 2022, therefore, the legislation and appointment of the Panel will be taken forward during the next mandate.

In April 2016 the Independent Financial Review Panel issued The Assembly Members (Pensions) Determination (Northern Ireland) 2016 which introduced a Career Average Revalued Earnings scheme for new and existing members. The scheme is named Assembly Members' Pension Scheme (Northern Ireland) 2016.

Assembly Members aged 55 or over on 1 April 2015 and in continuous service between 1 April 2015 and 6 May 2016 retained their Final Salary pension arrangements under transitional protection until 6 May 2021. The McCloud judgement found that the transitional protection offered to members of the Judiciary and Firefighters Schemes when their schemes were reformed was discriminatory on grounds of age. In light of this decision, the government has agreed to provide remedy to eligible members across the main public sector schemes. This judgement could have an impact on Members who missed out on the Transitional Protection policy in the AMPS because of their age. However the applicability of, and approach to, the McCloud judgement in relation to this scheme is not a matter for the Assembly Commission, instead it is a matter for IFRP. Therefore, this matter will be given further consideration once a new panel is appointed.

As Ministers are Members of the Legislative Assembly they also accrue an MLA's pension under the AMPS (details of which are not included in this report). Pension benefits for Ministers under transitional protection arrangements are provided on a "contribution factor" basis which takes account of service as a Minister. The contribution factor is the relationship between salary as a Minister and salary as a Member for each year of service as a Minister. Pension benefits as a Minister are based on the accrual rate (1/50th or 1/40th) multiplied by the cumulative contribution factors and the relevant final salary as a Member. Pension benefits for all other Ministers are provided on a career average (CARE) basis.

Benefits for Ministers are payable at the same time as MLAs' benefits become payable under the AMPS. Pensions are increased annually in line with changes in the Consumer Prices Index. Up to the 6 May 2021 those Ministers under the transitional protection arrangements paid contributions of either 9% or 12.5% of their Ministerial salary, depending on the accrual rate. The contribution paid by Ministers in the CARE Scheme is 9% of the Ministerial salary. There is also an employer contribution paid by the Consolidated Fund out of money appropriated by Act of Assembly for that purpose representing the balance of cost. Following the publication of the triennial valuation of the AMPS by the Government Actuary's Department, this was increased from 14.4% to 17.1% of Ministerial salary, effective from 1 April 2021. The accrued pension quoted is the pension the Minister is entitled to receive when they reach normal pension age for their section of the Scheme. Ministers under transitional protection arrangements may retire at age 65. Ministers in the CARE scheme have a pension age aligned to their State Pension Age.

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total office holder service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) Regulations 1996 (as amended) and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in the value of the CETV

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

Pension Benefits – Officials

	Accrued pension at pension age as at 31/3/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/22	CETV at 31/3/21	Real increase in CETV	Employer contribution to partnership pension/ Scottish Public Pensions Agency account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
R Pengelly	70-75 plus lump sum 150-155	2.5-5 plus lump sum 2.5-5	1,348	1,223	54	-
S Holland	30-35	2.5-5	626	550	37	-
C McArdle (to 31 October 2021)	35-40 plus lump sum 105-110	0-2.5	815	722	16	-
L Kelly (from 1 November 2021 until 13 March 2022)	30-35 plus lump sum 75-80	2.5-5 plus lump sum 2.5-5	630	563	51	-
M McIlgorm (from 14 March 2022)**	-	-	-	-	-	900
M McBride	90-95 plus lump sum 270-275	2.5-5 plus lump sum 0-2.5	2,285	2,138	51	-
D McNeilly	50-55 plus lump sum 105-110	0-2.5 plus lump sum 0-2.5	984	912	27	-
J Johnston (to 11 May 2021)	0-5 plus lump sum 0-5	0 plus lump sum 0	2	1,231	-1,236	-
J Wilkinson (from 12 May 2021)	45-50 plus lump sum 95-100	5-7.5 plus lump sum 12.5-15	895	737	115	-
B Worth	25-30	0-2.5	424	364	17	-
S Gallagher	45-50 plus lump sum 95-100	0-2.5 plus lump sum 0-2.5	835	785	4	-
D West*	0-5	0-2.5	20	-	14	3,500

**This Board member was on secondment from Strategic Investment Board (SIB) for part of the financial year and for this period the contribution to a defined contribution partnership pension account was arranged through SIB with the pension provider and not through the NICS Pension Scheme.*
The Department have been recharged for the in-year amount for the duration of the secondment which commenced on 7 May 2019. This officer was subsequently appointed to the Department on 1 July 2021 as a permanent employee.

***This Board member was on secondment from NHS Lothian for part of the financial year and for this period the contribution to Scottish Public Pensions Agency account was arranged through NHS Lothian and not through the NICS Pension Scheme.*
The Department have been recharged for the in-year amount for the duration of the secondment which commenced on 14 March 2022.

Non-Executive members pension details

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

Northern Ireland Civil Service (NICS) Pension Schemes

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP).

The alpha pension scheme was initially introduced for new entrants from 1 April 2015. The alpha scheme and all previous scheme arrangements are unfunded with the cost of benefits met by monies voted each year. The majority of members of the classic, premium, classic plus and nuvos pension arrangements (collectively known as the Principal Civil Service Pension Scheme (Northern Ireland) [PCSPS(NI)]) also moved to alpha from that date. At that time, members who on 1 April 2012 were within 10 years of their normal pension age did not move to alpha (full protection) and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age (tapered protection).

In 2018, the Court of Appeal found that the protections put in place back in 2015 that allowed older workers to remain in their original scheme, were discriminatory on the basis of age. As a result, the discrimination identified by the Courts in the way that the 2015 pension reforms were introduced must be removed by the Department of Finance. It is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period. The different pension benefits relate to the alternative schemes e.g. legacy PCSPS(NI) 'Classic', 'Premium' or 'Nuvos' (legacy scheme) or alpha. Scheme regulations made in March 2022, closed the PCSPS(NI) to future accrual from 31 March 2022, and all remaining active PCSPS(NI) members (including partially retired members in active service) moved to 'alpha' from 1 April 2022. This completes Phase One to remedy the discrimination identified by the Courts. Any pension benefits built up in the legacy scheme prior to this date are unaffected and PSCPS(NI) benefits remain payable in accordance with the relevant scheme rules. Phase Two will see the implementation of the Deferred Choice Underpin.

That is, giving eligible members a choice between legacy scheme and alpha scheme benefits for service between 1 April 2015 and 31 March 2022. At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy will be included in the

NICS pension scheme accounts which are available at https://www.finance-ni.gov.uk/publications/dof-resource-accounts.

Alpha is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current accrual rate is 2.32%.

Currently new entrants joining can choose between membership of alpha or joining a 'money purchase' stakeholder arrangement with a significant employer contribution (Partnership Pension Account).

New entrants who joined on or after 30 July 2007 were eligible for membership of the legacy PCSPS(NI) Nuvos arrangement or they could have opted for a Partnership Pension Account. Nuvos was also a CARE arrangement in which members accrued pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate of accrual was 2.3%.

Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' legacy defined benefit arrangements (Classic, Premium and Classic Plus). From April 2011, pensions payable under these arrangements have been reviewed annually in line with changes in the cost of living. New entrants who joined on or after 1 October 2002 and before 30 July 2007 will have chosen between membership of premium or joining the Partnership Pension Account.

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

The Partnership Pension Account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Active members of the pension scheme will receive an Annual Benefit Statement. The accrued pension quoted is the pension the member is entitled to receive when they reach their scheme pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. The normal scheme pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. The Scheme Pension age is 60 any pension accrued in the legacy **Classic, Premium**, and **Classic Plus** arrangements and 65 for any benefits accrued in **nuvos**. Further details about the NICS pension schemes can be found at the website www.finance-ni.gov.uk/civilservicepensions-ni.

All pension benefits are reviewed annually in line with changes in the cost of living. Any applicable increases are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2021 was 3.1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2022.

Employee contribution rates for all members for the period covering 1 April 2022 – 31 March 2023 are as follows:

Scheme Year 1 April 2022 to 31 March 2023

Annualised Rate of Pensionable Earnings (Salary Bands)		**Contribution rates - All members**
From	**To**	**From 1 April 2022 to 31 March 2023**
£0	£24,449.99	4.6%
£24,450	£56,399.99	5.45%
£56,400	£153,299.99	7.35%
£153,300.00 and above		8.05%

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

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.

Compensation for loss of office

No compensation was paid for loss of office in 2021-22.

Staff Report

Number of senior civil service staff (or equivalent) by band

The number of staff serving in the grades 1 to 5 or equivalent representing the senior civil servants as at 31 March 2022 is shown below. These include senior civil service staff who are Departmental Board members.

	Core Department
Pay Band*	**Number of SCS staff (or equivalent)**
£70,000 - £75,000	11
£75,000 - £80,000	11
£80,000 - £85,000	9
£85,000 - £90,000	-
£90,000 - £95,000	-
£95,000 - £100,000	2
£100,000 - £105,000	1
£105,000 - £110,000	2
£110,000 - £115,000	-
£115,000 - £120,000	-
£120,000 - £125,000	-
£125,000 - £130,000	-
£130,000 - £135,000	-
£135,000 - £140,000	1
Total	37

Staff Costs (Audited):

	2021-22				2020-21
	Permanently employed staff*	**Others**	**Ministers**	**Total**	Total
	£000	**£000**	**£000**	**£000**	£000
Wages and salaries	70,636	10,651	38	81,325	68,919
Social security costs	7,468	792	5	8,265	7,096
Other pension costs	15,983	1,491	6	17,480	15,192
Subtotal	**94,087**	**12,934**	**49**	**107,070**	91,207
Less recoveries in respect of outward secondments	(459)	-	-	(459)	(443)
Total net costs**	**93,628**	**12,934**	**49**	**106,611**	90,764

Of which:

	Charged to Administration £000	**Charged to Programme £000**	**Total £000**
Core Department	34,329	5,125	39,454
HSCB and PHA	-	67,157	67,157
Total net costs	**34,329**	**72,282**	**106,611**

*The 2021-22 figures include the cost of the Department's Special Adviser who was paid in the pay band £60k to £65k (2020-21, £60-£65k).

**No staff costs have been charged to capital.

The Northern Ireland Civil Service main pension schemes are unfunded multi-employer defined benefit schemes but DoH is unable to identify its share of the underlying assets and liabilities.

The Public Service Pensions Act (NI) 2014 provides the legal framework for regular actuarial valuations of the public service pension schemes to measure the costs of the benefits being provided. These valuations inform the future contribution rates to be paid into the schemes by employers every four years following the scheme valuation. The Act also provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in future.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019 to 31 March 2023.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance also commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap Mechanism (CCM) is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected. Following completion of the consultation process the 2016 Valuation has been completed and the final cost cap determined. Further information can be found on the Department of Finance website https://www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations.

A case for approval of a Legislative Consent Motion (LCM) was laid in the Assembly to extend the Public Service Pensions and Judicial Offices Bill (PSP&JO) to Northern Ireland. Under the LCM agreed by the NI Assembly on 1 November 2021 provisions are included in the Act for devolved schemes in NI. A second LCM was laid in the Assembly to implement the CCM changes in the Westminster Bill for devolved schemes. The second LCM, as agreed by the Assembly on 31 January 2022, ensured the reformed only scheme design and the economic check will now be applied to the 2020 scheme valuations for the devolved public sector pension schemes, including the NICS pension scheme. The PSP&JO Act received Royal Assent on 10 March 2022. The UK Act legislates how the government will remove the discrimination identified in the McCloud judgment. The Act also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

For 2021-22, employers' contributions of £7m were payable to the NICS pension arrangements (2020-21, £5.9m) at one of three rates in the range 28.7% to 34.2% of pensionable pay, based on salary bands

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £14,579 (2020-21, £14,222) were paid to one or more of the panel of two appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2020-21, 8% to 14.75%) of pensionable pay.

The partnership pension account offers the member the opportunity of having a 'free' pension. The employer will pay the age-related contribution and if the member does contribute, the employer will pay an additional amount to match member contributions up to 3% of pensionable earnings.

Employer contributions of £nil, 0.5% (2020-21: £1k, 0.5%) of pensionable pay, were payable to the NICS Pension schemes to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the reporting period date were £nil. Contributions prepaid at that date were £nil

One person (2020-21: one person) from the core Department retired early on ill health grounds; the total additional accrued pension liabilities amounted to £5k borne by NICS pension scheme (2020-21: £8k). HSCB had two (2020-21: one) ill health retirement and these costs are borne by the HSC Pension Scheme (2020-21: £3k) and PHA had one ill health retirements (2020-21: nil).

Average number of persons employed (Audited)

The average number of whole-time equivalent persons employed during the year was as follows. These figures include those working in the department as well as in agencies and other bodies included within the consolidated departmental accounts.

					2021-22 Number	2020-21 Number
Activity	**Permanently employed staff**	**Others**	**Ministers**	**Special Advisers**	**Total**	Total
Health & Social Care Board	477	29	-	-	506	507
Public Health Agency	795	79	-	-	874	507
Administration	534	57	1	1	593	519
Programme	-	41	-	-	41	11
less outward seconded staff	(11)	-	-	-	(11)	(14)
Total	**1,795**	**206**	**1**	**1**	**2,003**	1,530
Of which:						
Core Department	531	98	1	1	**631**	524
HSCB and PHA	1,264	108	-	**-**	**1,372**	1,006

Core Staff numbers include 98 Whole Time Equivalent (WTE) staff seconded in to the Department and 3 (WTE) staff seconded out from the Department to other bodies.

Reporting of Civil Service and other compensation schemes - exit packages (Audited)

Comparative data is shown (in brackets) for previous year

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	Core	Consolidated	Core	Consolidated	Core	Consolidated
<£10,000	- (-)	- (-)	-(-)	-(-)	- (-)	-(-)
£10,000- £25,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£25,001-£50,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£50,001- £100,000	- (-)	- (-)	1(-)	1(-)	1 (-)	1 (-)
£100,001- £150,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£150,001- £200,000	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
£200,001-£250,000	- (-)	- (-)	- (-)	-(-)	- (-)	- (-)
Total number of exit packages	- (-)	- (-)	1(-)	1(-)	1 (-)	1 (-)
Total resource cost/£000	- (-)	- (-)	84 (-)	84 (-)	84 (-)	84 (-)

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

The table above shows the total cost of exit packages agreed and accounted for in 2021-22 and 2020-21. £84k exit costs were paid in 2021-22, the year of departure (2020-21: Nil). Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme, Ill health retirement costs are met my the pension scheme and are not included in the table.

Staff Composition

The following table details the breakdown of staff gender on a headcount basis within DoH as at 31 March 2022:

	Male	Female	Total
Board Members	7	4	11
Senior Civil Service (Grade 5+, excluding Board members)	17	13	30
All other DoH	239	347	586
Total	**263**	**364**	**627**

Sickness Absence Data

The Department had an overall sickness absence rate of 6.9 days lost per employee in 2020/2021. Annual sickness absence figures can be found in the "Sickness Absence in the Northern Ireland Civil Service 2021/22" report at Sickness Absence in the Northern Ireland Civil Service 2021/22 | Northern Ireland Statistics and Research Agency (nisra.gov.uk). Figures for the 2021/22 financial year will be published by the end of June 2022.

Staff Turnover Percentage

The Department of Health Staff Turnover percentage (the number of people that have left the Department but have moved within the NICS) for 2021/22 is 5.9% (2020/21: 6.9%), and the general turnover percentage (the people who have left the Department and have not gone elsewhere in the NICS) is 3.6% (2020/21: 4.2%). This has been calculated by NICS HR based on the Cabinet Office Guidance on calculations for Turnover in the Civil Service.

Employment, training and advancement of disabled persons

The NICS is committed to working towards creating a truly inclusive workplace where all colleagues feel valued. The NICS has a wide and active network of Diversity Champions. The NICS Disability Champion is supported by the NICS Disability Working Group, a consultative group that works to promote disability equality and inclusion across the NICS.

The NICS applies the recruitment principles as set out in the Recruitment Code of the Civil Service Commissioners for Northern Ireland, appointing candidates based on merit through fair and open competition. Mandatory training for recruitment and selection panel members includes raising awareness of unconscious bias. Unconscious bias training is available to all staff.

The NICS undertakes outreach activities to promote career opportunities to the disability sector and offers a Work Experience Scheme for People with Disabilities and participates in the annual International Job Shadow Day. In 2021-22 the NICS offered a number of work experience opportunities under the JobStart Scheme.

In 2021-22, the NICS implemented a Guaranteed Interview Scheme (GIS).

To maintain and promote a diverse and inclusive workforce, the NICS has policies in place to support reasonable adjustments to working practices or the work environment as required by disabled persons.

Other Employee Matters

Equality, Diversity and Inclusion

In the NICS, we are committed to building an inclusive workplace culture where diversity is truly valued at all levels, where you are valued for who you are and where you can bring your true self to work. We want to make use of all the talent that exists across the NICS to ensure we are a well-led, high performing, outcome-focused Service and a Service that is a great place to work.

The NICS People Strategy includes a range of actions that will help accelerate our ambition of a truly inclusive NICS, which reflects the society we serve.

As a key element of the People Strategy, our ambitious diversity and inclusion programme of work is delivered through the implementation of an annual NICS Diversity Action Plan, and overseen by the leadership of the NICS Board, the NICS Diversity Champions Network, Departmental Diversity Champions and Thematic Diversity Champions, NICS colleague networks and NICSHR, as well as through partnership working with stakeholder organisations.

The NICS Diversity Action Plan sets out our priorities for action by diversity and inclusion theme, cross-cutting priorities, departmental priorities and includes supporting plans on communications and outreach.

Equality is a cornerstone consideration in the development and review of all HR policies which determine how staff are recruited and appointed, their terms and conditions, how they are managed and developed, assessed, recognised and rewarded. The NICS' commitment to equality of opportunity is outlined in its Equality, Diversity and Inclusion Policy at https://www.finance-ni.gov.uk/articles/equal-opportunities-information-candidates.

As part of the NICS' efforts to ensure equality of opportunity, the NICS continually conducts comprehensive reviews into the composition of its workforce and recruitment activity, publishing a wide range of NICS human resource statistics at https://www.nisra.gov.uk/statistics/government/ni-civil-service-human-resource-statistics .

The annual "Equality Statistics for the Northern Ireland Civil Service" reports work force composition and trends over time and, where appropriate, makes comparisons with the wider labour market and the Civil Service in Great Britain.

The NICS continues to meet its statutory obligations under the Fair Employment & Treatment (NI) Order 1998, which includes submission of an annual Fair Employment Monitoring Return and a tri-annual Article 55 Review to the Equality Commission for NI (ECNI), both of which assess the composition of the NICS workforce and the composition of applicants and appointees. In addition, the NICS conducts a similar formal review of the gender profile of its workforce. The finding are published in the NICS Article 55 and Gender Reviews at https://www.finance-ni.gov.uk/publications/article-55-reviews .

The NICS uses the findings of all the equality monitoring and analysis to inform its programme of targeted outreach activity to address any areas of under-representation.

As a public authority, the NICS has due regard to the need to promote equality of opportunity and regard to the desirability of promoting good relations across a range of categories outlined in the Section 75 of the Northern Ireland Act 1998 in carrying out its functions. Further information on the department's equality scheme is available at https://www.health-ni.gov.uk/doh-equality .

Staff Engagement

The 2021 NICS People Survey was conducted by NISRA across the nine NICS ministerial Departments as well as the Public Prosecution Service and the Health & Safety Executive for NI. All staff working in these organisations were invited to take part in the survey. As the 2020 survey related primarily to the impact of Covid-19 and did not include engagement themes, the latest year for which direct comparisons can be made is 2019. For DoH there were 640 (2019: 497) staff invited to complete the survey, of which 340 (2019: 334) participated, a response rate of 53% (2019: 67%). The Employee Engagement Index (EEI) is the weighted average of the responses to the five employee engagement questions, and it ranges from 0% to 100%. DoH responses indicated an Employee Engagement Index of 62% (2019: 62%), compared to the NICS average of 57% (2019: 51%). The full survey can be accessed at https://www.finance-ni.gov.uk/publications/nics-people-survey-results.

Staff Redeployment relating to Covid-19 and EU Exit

Comparative data is shown (in brackets) for previous year

	Grade	Long – Term Loan	Short – Term Loan
Covid			
Redeployed out	Grade 7	- (-)	- (1)
Redeployed in	Grade 6	1 (-)	- (-)
	Grade 7	6 (3)	- (3)
	DP	1 (1)	- (-)
	SO	- (1)	- (1)
EU Exit			
Redeployed in	Grade 7	- (-)	- (1)
	Deputy Principal	- (-)	- (1)

The average duration of staff redeployed out of the Department due to Covid-19 was nil and for those redeployed into the Department due to Covid-19 was 14 months. The average duration of staff redeployed into the Department for EU Exit was nil. The cost of staff redeployed out of the Department (to nearest £000) due to Covid-19 was £nil and redeployed in due to Covid-19 was £383k programme costs and £26k administration costs. The cost of redeployments into the Department for EU Exit was £nil.

Learning & Development

The NICS recognises the importance of having skilled and engaged employees and continues to invest in learning and development.

Development and delivery of generic staff training is centralised in NICSHR[1]. Training is delivered using a variety of learning delivery channels (including on-line, webinars), providing flexible access to learning. Coherent learning pathways are aligned to both corporate need and the NICS Competency Framework.

Talent management is a key theme of the NICS People Strategy and this year the focus continued on promoting the importance of improving the quality of the development conversation between managers and staff, with additional resources being added to the existing talent management toolkit.

The NICS offers a wide range of career development opportunities through mentoring, secondment and interchange opportunities, elective transfers, temporary promotion, job rotation and job shadowing.

[1] NICSHR is the NICS' centralised human resources function. It falls under the responsibility of the Department of Finance

Employee Consultation and Trade Union Relationships

The Department of Finance is responsible for the NICS Industrial Relations Policy. NICSHR, consults on HR policy with all recognised Trade Unions and local departmental arrangements are in place to enable consultation on matters specific to a department or individual business area.

Off-Payroll Engagements

Table 1: Temporary off-payroll worker engagements as at 31 March 2022.

	Core department	Agencies
Number of existing engagements as of 31 March 2022	7	20
Of which have:		
Existed for less than one year at time of reporting	6	4
Existed for between one and two years at time of reporting	1	16
Existed for between two and three years at time of reporting*	-	-

Table 2: All temporary off-payroll workers engaged at any point during the year ended 31 March 2022.

	Core department	Agencies
Number of off-payroll workers engaged during the year ended 31 March 2022	7	20
Of which:		
Not subject to off-payroll legislation	7	20
Subject to off-payroll legislation and determined as in-scope of IR35	-	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	-	-
Of which:		
Number of engagements that saw a change to IR35 status following review	**-**	**-**

External Consultancy Expenditure

	2021-22		2020-21	
	Core Department £000	**Consolidated £000**	Core Department £000	Consolidated £000
External consultancy expenditure	**40**	**40**	208	307

AUDIT AND ACCOUNTABILITY REPORT

Statement of Outturn against Assembly Supply (Audited)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Department of Health to prepare a Statement of Outturn against Assembly Supply (SOAS) and supporting notes.

The SOAS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

The SOAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision for resource and cash (drawn primarily from the Consolidated Fund), that the Assembly gives statutory authority for entities to utilise. The Estimate details Supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SOAS.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF website.

The supporting notes detail the following: Outturn detailed by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SoCNE, to tie the SOAS to the financial statements (note 2); a reconciliation of net resource outturn to net cash requirement (note 3); an analysis of income payable to the Consolidated Fund (note 4); a reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund (note 5); and detail on non-operating income – excess Accruing Resources (note 6).

The SOAS and Estimates are compiled against the budgeting framework, which is similar to, but different to, IFRS. An understanding of the budgeting framework and an explanation of key terms is provided in the financial performance section of the performance report. Further information on the Public Spending Framework and the reasons why budgeting rules are different to IFRS can also be found in chapter 1 of the Consolidated Budgeting Guidance, available on www.gov.uk.

The SOAS provides a detailed view of financial performance, in a form that is voted on and recognised by the Assembly. The financial review, in the Performance Report, provides a summarised discussion of outturn against estimate and functions as an introduction to the SOAS disclosures.

Notes 1 to 22 form part of these accounts

Summary tables – mirror Part II and III of the Estimates

Summary table, 2021-22, all figures presented in £000

Type of spend	Note	Outturn			Estimate			Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2020-21
		Gross Expenditure	Accruing Resources	Net Total	Gross Expenditure	Accruing Resources	Net Total	Net Total	
Request for Resources A	**SOAS 1**	7,592,850	716,732	6,876,118	7,827,517	720,177	7,107,340	231,222	6,501,383
Total Resources	**SOAS 2**	**7,592,850**	**716,732**	**6,876,118**	**7,827,517**	**720,177**	**7,107,340**	**231,222**	6,501,383
Non-operating Accruing Resources				**526**			**712**	**186**	176

Request for Resources A: Providing high quality health, social care, fire-fighting, rescue and fire safety services and promoting good health and wellbeing.

Net Cash Requirement 2021-22, all figures presented in £000

Item	Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2020-21
Net Cash Requirement	**SOAS 3**	**6,901,041**	**7,158,982**	**257,941**	6,605,259

Summary of income payable to the Consolidated Fund

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

		Forecast 2021-22 £000		Outturn 2021-22 £000	
	Note	Income	*Receipts*	Income	*Receipts*
Total amount payable to the Consolidated Fund	**SOAS 4**	**-**	**-**	**119**	***164***

Notes 1 – 22 form part of these accounts

Notes to the Statement of Outturn against Assembly Supply 2021-22 (£000)

This note mirrors Part II of the Estimates: (Revised) Subhead Detail and Resource to Cash Reconciliation

SOAS note 1. Outturn detail, by Estimate line (Audited)

	Resource Outturn						Estimate				
Type of spend	Admin	Other Current	Grants	Gross Resource Expenditure	Accruing Resources	Net Total	Net Total	*Virements	Net total including virements	Outturn vs Estimate, (inc virements), saving/ (excess)	Prior year outturn Total, - 2020-21
Request for Resources A:											
Departmental expenditure in DEL											
A1.	958	161,663	4,169	166,790	(22,874)	143,916	181,326	(30,254)	151,072	7,156	139,909
A2.	3,156	45,089	14,865	63,110	(10,235)	52,875	68,831	(13)	68,818	15,943	68,419
A3.	649	356,596	4,871	362,116	(1,209)	360,907	331,846	29,061	360,907	-	353,577
A4.	988	534,633	-	535,621	(25)	535,596	554,104	(25)	554,079	18,483	549,331
A5.	118	138,670	-	138,788	(13,536)	125,252	126,266	1,976	128,242	2,990	131,830
A6.	89	24,011	-	24,100	-	24,100	25,234		25,234	1,134	26,399
A7.	29,959	56,087	-	86,046	(3,958)	82,088	124,170	(6,387)	117,783	35,695	146,775
A8.	1,718	87,557	10,528	99,803	(7,969)	91,834	101,748	(305)	101,443	9,609	84,466
A9.	219	260	-	479	-	479	464	15	479	-	377
Annually Managed Expenditure (AME)											
A10.	-	9,694	-	9,694	-	9,694	3,762	5,932	9,694	-	5,533
A11.	-	1,010	-	1,010	-	1,010	1,032		1,032	22	818
Non-budget											
A12.	-	-	-	-	(656,926)	(656,926)	(656,926)	-	(656,926)	-	(558,046)
A13.	-	-	5,845,450	5,845,450	-	5,845,450	5,972,611	(8,395)	5,964,216	118,766	5,332,694
A14.	-	-	93,273	93,273	-	93,273	99,443	-	99,443	6,170	65,000
A15.	-	-	229	229	-	229	185	44	229	-	420
A16.	-	-	4,695	4,695	-	4,695	4,674	21	4,695	-	4,503
A17.	-	-	33,628	33,628	-	33,628	25,298	8,330	33,628	-	24,441
A18.	-	-	1,314	1,314	-	1,314	1,368	-	1,368	54	1,588
A19.	-	-	3,657	3,657	-	3,657	4,825	-	4,825	1,168	3,481
A20.	-	-	2,117	2,117	-	2,117	2,302	-	2,302	185	2,064
A21.	-	-	7,541	7,541	-	7,541	7,609	-	7,609	68	6,804
A22.	-	-	1,972	1,972	-	1,972	2,059	-	2,059	87	2,035
A23.	-	-	422	422	-	422	422	-	422	-	422
A24.	-	-	96,672	96,672	-	96,672	109,028		109,028	12,356	94,396
A25.	-	-	9,956	9,956	-	9,956	10,776		10,776	820	9,909
A26.	4,288	79	-	4,367	-	4,367	4,883	-	4,883	516	4,238
Total	42,142	1,415,349	6,135,359	7,592,850	(716,732)	6,876,118	7,107,340	-	7,107,340	231,222	6,501,383
Resource Outturn	**42,142**	**1,415,349**	**6,135,359**	**7,592,850**	**(716,732)**	**6,876,118**	**7,107,340**	**-**	**7,107,340**	**231,222**	6,501,383

*Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements are provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website.

The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

Notes 1 to 22 form part of these accounts

The net resource outturn for the year is £6,876m which is within the voted total Estimate cover by some £231m (3%) for Request for Resources A. This is primarily in relation to less drawdown from Trusts than was forecast at the time of the Spring Supplementary Estimates.

Detailed explanations of the variances are given in the Financial Performance section of the Performance Report.

Key to Request for Resources and Functions

Request for Resources A:
Providing high quality health, social care, fire-fighting, rescue and fire safety services and promoting good health and wellbeing.

Departmental expenditure in DEL

A1. Hospital, Paramedic and Ambulance Services
A2. Social Care Services
A3. Family Health Service – General Medical Services
A4. Family Health Service -Pharmaceutical Services
A5. Family Health Service – Dental Services
A6. Family Health Service -Ophthalmic Services
A7. Health Support Services
A8. Public Health Services
A9. Public Safety

Annually Managed Expenditure (AME)

A10. Provisions
A11. Social Care Depreciation and Impairments

Non-Budget

A12. Health Service Contributions
A13. Health and Social Care Trusts
A14. Business Services Organisation
A15. Northern Ireland Blood Transfusion Service
A16. Northern Ireland Guardian Ad Litem Agency
A17. Northern Ireland Medical and Dental Training Agency
A18. Northern Ireland Practice and Education Council for Nursing and Midwifery
A19. Northern Ireland Social Care Council
A20. Patient and Client Council
A21. Regulation and Quality Improvement Authority
A22. Food Safety Promotion Board
A23. Institute of Public Health in Ireland
A24. Northern Ireland Fire and Rescue Service
A25. Northern Ireland Fire and Rescue Service – Firefighters Pension Schemes
A26. Notional Charges

Notes 1 to 22 form part of these accounts

SOAS note 2. Reconciliation of outturn to net operating expenditure (Audited)

Item	Note	Outturn	Supply Estimate	Outturn compared with Estimate	Prior year Outturn total 2020-21
Net resource outturn	SOAS 1	6,876,118	7,107,340	231,222	6,501,383
Prior period adjustments			-	-	-
Non-supply income (CFERs)	SOAS 4	(119)	-	119	(100)
Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure	**SoCNE**	**6,875,999**	**7,107,340**	**231,341**	6,501,283

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this note reconciles the resource outturn to net operating expenditure, linking the SOAS to the financial statements.

SOAS note 3. Reconciliation of net resource outturn to net cash requirement (Audited)

This note mirrors Part II of the Estimates: Resource to Cash Reconciliation.

Item	Note	Outturn total	Estimate	Outturn vs Estimate, saving/(excess)
Resource Outturn	SOAS 1	**6,876,118**	**7,107,340**	231,222
Capital Items				
Capital	6, 7, 10	14,381	14,538	157
Non-Operating Accruing Resources	6, 7, 10	(526)	(712)	(186)
Net Capital		**13,855**	**13,826**	**(29)**
Accruals to cash adjustments				
Depreciation, amortisation and impairment	3,4	(5,063)	(5,163)	(100)
New provisions, and adjustments to previous provisions	3, 4, 15	(9,694)	(3,762)	5,932
Notional charges	3,4	(4,206)	(4,883)	(677)
Movement in working capital	13, 14	25,529	45,000	19,471
Use of Provision	15	4,502	6,624	2,122
Total Accruals to Cash Adjustment		**11,068**	**37,816**	**26,748**
Net Cash Requirement		**6,901,041**	**7,158,982**	**257,941**

Notes 1 to 22 form part of these accounts

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation bridges the resource outturn to the net cash requirement.

SOAS note 4. Analysis of income payable to the Consolidated Fund (Audited)

This note mirrors Part III of the Estimates: Extra Receipts Payable to the Consolidated Fund.

In addition to income retained by the Department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics).

		Forecast 2021-22		Outturn 2021-22	
Item	**Note**	**Income**	***Receipts***	**Income**	***Receipts***
Operating income and receipts not classified as Accruing Resources		-	-	119	*164*
Non-Operating income & receipts – excess Accruing Resources	SOAS 6	-	-	-	-
Total amount payable to the Consolidated Fund		-	-	119	*164*

SOAS note 5. Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to Consolidated Fund (Audited)

Item	**Note**	**2021-22 £000**	2020-21 £000
Operating income	5	716,851	603,812
Income authorised to be Accruing Resources		(716,732)	(603,712)
Operating income payable to the Consolidated Fund	SOAS 4	119	100

SOAS note 6. Non-operating income - Excess Accruing Resources (Audited)

Item	**2021-22 £000**	2020-21 £000
Principal repayments of voted loans	-	-
Proceeds on disposal of property, plant & equipment	-	-
Non-operating income - excess Accruing Resources	-	-

Notes 1 to 22 form part of these accounts

Other Assembly Accountability Disclosures

Regularity of Expenditure (Audited)

Losses and Special Payments

Classifications are as defined by Managing Public Money NI and applicable to the consolidated accounts.

Losses Statement for Core Department, HSC Board and PHA

Losses statement	2021-22		2020-21	
	Core Department	**Consolidated***	Core Department	Consolidated
Total number of losses**	**2**	**5**	1	2
Total value of losses (£000)	**1,794**	**1,800**	1,718	1,721

Individual losses over £250,000	2021-22		2020-21	
	Core Department £000	**Consolidated £000**	Core Department £000	Consolidated £000
Administrative write-offs – National Insurance Fund**	**1,794**	**1,794**	1,718	1,718

*In addition to consolidated losses detailed above, the HSC Board establish an estimate of the total annual potential loss due to fraud and error in provision of their family practitioner services. The Counter Fraud and Probity Service within Business Services Organisation, on behalf of HSCB, checks patient exemption entitlement by means of sampling technique. The best estimate available for patient exemption fraud in 2021-22 is £3.3m (2020-21: £1.8m).

**The majority of waivers and remissions in relation to National Insurance contributions are reported in the Northern Ireland National Insurance Fund account but an NHS proportion (approximately 20% of the NI total) is attributed to the health programme. The number of cases of NI Fund Losses (Administrative write off) are not disclosed as the National Audit Office, who audit the NI Fund accounts, made a recommendation for HMRC to work to ensure consistency between the contribution losses figures reported in the NI White Paper Accounts and the HMRC Trust Statement. As a result, the method of collection and calculation of the losses figures has been changed and case numbers are no longer available for reporting.

Special Payments made by Core Department, HSC Board and PHA

Special payments	2021-22		2020-21	
	Core Department	**Consolidated**	Core Department	Consolidated
Total number of special payments	**3**	**11**	4	8
Total value of special payments (£000)	**113**	**2,059**	141	272

Individual special payment over £250,000	2021-22		2020-21	
	Core Department £000	**Consolidated £000**	Core Department £000	Consolidated £000
Clinical negligence compensation payment	**-**	**1,704**	-	-

Other payments - Gifts

Gifts	2021-22		2020-21	
	Core Department	**Consolidated**	Core Department	Consolidated
Total number Gifts	**-**	**-**	5	5
Total value of Gifts (£000)	**-**	**-**	15,000	15,000

Individual gifts over £250,000	2021-22		2020-21	
	Core Department	**Consolidated**	Core Department	Consolidated
	£000	**£000**	**£000**	**£000**
Charitable Trust Fund donations	**-**	-	15,000	15,000

Remote Contingent Liabilities

In addition to contingent liabilities reported within the meaning of IAS37, the Department 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. As at 31 March 2022, the Department have the following remote contingent liabilities:

Inquiry/Review Panel membership

It is normal practice for a Department commissioning an inquiry/review to provide to each member of the Inquiry/Review panel an indemnity whereby the panel member, if he or she has acted honestly and in good faith, will not have to meet out of his or her personal resources, any personal civil liability incurred in the execution or purported execution of his or her functions as a member of the panel, save where the panel member has acted recklessly. The possibility of payment being made under these indemnities is assessed as remote and the potential liability has been assessed as zero.

Non-Executive Directors

Under the Department's ordinary business practices, on appointment non-executive directors are provided with an indemnity whereby provided they have acted honestly, reasonably and in good faith, the Department will indemnify against any personal civil liability which is incurred in the execution or purported execution of each non-executive director's Board functions. The likelihood of transfer of economic benefit in settlement is assessed as remote and thus the potential liability is zero.

This accountability report is approved and signed:

Accounting Officer
05 July 2022

THE CERTIFICATE 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 Department of Health for the year ended 31 March 2022 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the Statement of Outturn against Assembly Supply, and the related notes, and 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 Department of Health 's affairs as at 31 March 2022 and of its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2022 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs)(UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate.

My staff and I are independent of the Department of Health in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Department of Health's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

Other Information

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

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Department of Health and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

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

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer Responsibilities, the Accounting Officer is responsible for:

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Department of Health through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder;

- making enquires of management and those charged with governance on the Department of Health's compliance with laws and regulations;

- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;

- completing risk assessment procedures to assess the susceptibility of the Department of Health's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals;

- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;

- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;

- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
    - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
    - investigating significant or unusual transactions made outside of the normal course of business; and

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 Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

My detailed observations are included in my report attached to the financial statements.

KJ Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
1 Bradford Court
Galwally
BELFAST
BT8 6RB
8 July 2022

Financial Statements

Consolidated Statement of Comprehensive Net Expenditure for the year ended 31 March 2022

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

		2021-22		2020-21	
	Note	**Core Department £000**	**Consolidated £000**	Core Department £000	Consolidated £000
Revenue from contracts with customers	5	(354)	(45,972)	(208)	(37,710)
Other operating income	5	(668,308)	(670,859)	(563,986)	(566,082)
Total Operating income		**(668,662)**	**(716,831)**	(564,194)	(603,792)
Staff costs	3,4	39,501	107,070	31,998	91,207
Purchase of goods and services	3,4	6,163,025	7,423,362	5,602,826	6,849,571
Depreciation, amortisation and impairment charges	3,4	286	5,063	2,998	6,606
Provision expense	3,4	646	9,694	(77)	5,533
Other operating expenditure	3,4	36,602	47,659	141,147	152,178
Total operating expenditure		**6,240,060**	**7,592,848**	5,778,892	7,105,095
Finance income	5	(6)	(20)	(7)	(20)
Finance expense	3,4	2	2	-	-
Net expenditure for the year		**5,571,394**	**6,875,999**	5,214,691	6,501,283
Other comprehensive net expenditure					
Items that will not be reclassified to net operating expenditure:					
Net (gain)/loss on revaluation of Property, Plant and Equipment	6	(134)	(131)	(1)	(2)
Net (gain)/loss on revaluation of Intangible Assets	7	(2)	-	(1)	(1)
Items that may be reclassified to net operating costs:					
Net (gain)/loss on revaluation of investments		-	(25)	-	-
Comprehensive net expenditure for the year		**5,571,258**	**6,875,843**	5,214,689	6,501,280

Notes 1 to 22 form part of these accounts

Consolidated Statement of Financial Position as at 31 March 2022

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

	Note	31 March 2022		31 March 2021	
		Core Department	**Consolidated**	Core Department	Consolidated
		£000	**£000**	£000	£000
Non-current assets					
Property, plant and equipment	6	43,018	66,116	43,045	64,115
Intangible assets	7	29	14,800	37	7,222
Financial assets	10	2,009,000	2,009,189	2,009,000	2,009,213
Total non-current assets		**2,052,047**	**2,090,105**	2,052,082	2,080,550
Current Assets					
Inventories	11	577	577	-	-
Trade and other receivables	13	185,710	196,120	207,729	225,230
Other current assets	13	77	313	68	129
Financial assets	10	-	48	-	494
Cash and cash equivalents	12	-	3,013	-	1,392
Total current assets		**186,364**	**200,071**	207,797	227,245
Total assets		**2,238,411**	**2,290,176**	2,259,879	2,307,795
Current liabilities					
Trade and other payables	14	61,471	256,851	126,817	309,108
Provisions	15	495	4,186	403	4,250
Total current liabilities		**61,966**	**261,037**	127,220	313,358
Total assets less current liabilities		**2,176,445**	**2,029,139**	2,132,659	1,994,437
Non-current liabilities					
Provisions	15	697	38,789	498	33,533
Total non-current liabilities		**697**	**38,789**	498	33,533
Total assets less total liabilities		**2,175,748**	**1,990,350**	2,132,161	1,960,904
Taxpayers' equity & other reserves:					
General Fund		2,158,333	1,960,444	2,114,620	1,930,892
Revaluation Reserve		17,415	29,906	17,541	30,012
Total equity		**2,175,748**	**1,990,350**	2,132,161	1,960,904

Accounting Officer
05 July 2022

Notes 1 to 22 form part of these accounts

Consolidated Statement of Cash Flows for the year ended 31 March 2022

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

	Note	**2021-22 £000**	2020-21 £000
Cash flows from operating activities			
Net operating expenditure	SoCNE	(6,875,999)	(6,501,283)
Adjustments for non-cash transactions	3,4,5	18,977	20,089
(Increase)/decrease in trade & other receivables	13	28,926	(203,434)
less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure			
Supply amounts due from the consolidated fund	13	(18,785)	28,813
(Increase)/Decrease in Inventories	11	(577)	-
(Decrease)/Increase in trade & other payables (adjusted for bank overdraft)	14	(35,029)	57,450
less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure			
Movements in payables relating to the purchase of property, plant & equipment	14	159	(323)
Movements in payables relating to purchase of intangibles	14	(1,248)	(2,588)
Non cash adjustments to working capital		-	-
Supply amounts due to the consolidated fund	14	-	6,435
Movements in payables relating to CFER items	14	(19)	4
Use of provisions	15	(4,502)	(2,568)
Net cash outflow from operating activities		(6,880,097)	(6,597,405)
Cash flows from investing activities			
Purchase of property, plant & equipment	6,14	(5,181)	(4,902)
Purchase of intangible assets	7,14	(8,111)	(3,027)
FTC loans issued to GPs	10	-	-
Proceeds of disposal of property, plant and equipment		-	39
FTC loans repaid by GPs	10	512	121
Net cash outflow from investing activities		(12,780)	(7,769)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		6,891,013	6,570,012
From the Consolidated Fund (Supply) - prior year		28,813	-
Settlement of excess sums from 2016-17		-	4,835
Net financing		6,919,826	6,574,847
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund		**18,949**	(30,327)
Payments of amounts due to the Consolidated Fund		(100)	(104)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		**18,849**	(30,431)
Cash and cash equivalents at the beginning of the period	12	**(28,758)**	1,673
Cash and cash equivalents at the end of the period	12	**(9,909)**	(28,758)

Notes 1 to 22 form part of these accounts.

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

This statement shows the movement in the year on the different reserves held by the Department of Health, analysed into 'general fund reserves' (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balances at 31 March 2020		1,817,446	30,505	1,847,951
Changes in taxpayers' equity for 2020-21				
Net assembly funding		6,570,012	-	6,570,012
Settlement of prior year trade payable/(trade receivable)		6,435	-	6,435
Settlement of excess sums from 2016/17		4,835		4,835
Supply (payable)/receivable adjustment		28,813		28,813
CFERs repayable to Consolidated Fund		(100)	-	(100)
Net Assembly Funding		6,609,995	-	6,609,995
Comprehensive Net Expenditure for the Year		(6,501,283)	3	(6,501,280)
Non-Cash Adjustments:				
Auditor's remuneration	3, 4	166	-	166
Other	3, 4	4,072	-	4,072
Movements in Reserves:				
Transfer of Asset ownership		-	-	-
Other reserves movements including transfers		496	(496)	-
Balances at 31 March 2021		1,930,892	30,012	1,960,904
Changes in taxpayers' equity for 2021-22				
Net assembly funding		6,891,013	-	6,891,013
Supply (payable)/receivable adjustment		10,028	-	10,028
CFERs repayable to Consolidated Fund		(119)	-	(119)
Net Assembly Funding		6,900,922	-	6,900,922
Comprehensive Net Expenditure for the Year		(6,875,999)	156	(6,875,843)
Non-Cash Adjustments:				
Auditor's remuneration	3, 4	170	-	170
Other	3, 4	4,197	-	4,197
Movements in Reserves:				
Transfer of Asset ownership		-	-	-
Other reserves movements including transfers		262	(262)	-
Balances at 31 March 2022		1,960,444	29,906	1,990,350

Notes 1 to 22 form part of these accounts

Core Statement of Changes in Taxpayers' Equity for the year ended 31 March 2022

	Note	General Fund £000	Revaluation Reserve £000	Taxpayers' Equity £000
Balances at 31 March 2020		2,014,940	18,035	2,032,975
Changes in taxpayers' equity for 2020-21				
Net assembly funding		5,269,730	-	5,269,730
Settlement of prior year trade payable/(trade receivable)		6,435	-	6,435
Settlement of excess sums from 2016/17		4,835	-	4,835
Supply (payable)/receivable adjustment		28,813	-	28,813
CFERs repayable to Consolidated Fund		(100)	-	(100)
Net Assembly Funding		5,309,713	-	5,309,713
Comprehensive Net Expenditure for the Year		(5,214,691)	2	(5,214,689)
Non-Cash Adjustments:				
Auditor's remuneration	3,4	90	-	90
Other	3,4	4,072	-	4,072
Non cash adjustment to working capital		-	-	-
Movements in Reserves:				
Transfer of Asset ownership		-	-	-
Other reserves movements including transfers		496	(496)	-
Balances at 31 March 2021		2,114,620	17,541	2,132,161
Changes in taxpayers' equity for 2021-22				
Net assembly funding		5,600,648	-	5,600,648
Supply (payable)/receivable adjustment		10,028	-	10,028
CFERs repayable to Consolidated Fund		(119)	-	(119)
Net Assembly Funding		5,610,557	-	5,610,557
Comprehensive Net Expenditure for the Year		(5,571,394)	136	(5,571,258)
Non-Cash Adjustments:				
Auditor's remuneration	3,4	91	-	91
Other	3,4	4,197	-	4,197
Movements in Reserves:				
Transfer of Asset ownership		-	-	-
Other reserves movements including transfers		262	(262)	-
Balances at 31 March 2022		2,158,333	17,415	2,175,748

Notes 1 to 22 form part of these accounts

Notes to the Departmental Resource Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2021-22 Government Financial Reporting Manual (FReM) issued by the Department of Finance. 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 Department of Health for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Department are described below. They have been applied consistently in dealing with items considered material 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 certain financial assets and liabilities.

1.2. Basis of Consolidation

These accounts comprise a consolidation of the Core Department and those entities which fall within the departmental boundary as defined in the FReM, interpreted for Northern Ireland. Transactions between entities included in the consolidation are eliminated.

A list of all those entities within the Departmental boundary is given at Annex A.

1.3. Property, Plant and Equipment and Intangible Assets

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

Recognition

Property, Plant and Equipment must be capitalised if:

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

On initial recognition property, plant and equipment and intangible non-current assets are measured at cost including any expenditure, such as installation, directly attributable to bringing them into working condition.

Assets classified as "under construction" are recognised in the Statement of Financial Position to the extent that money has been paid or a liability has been incurred. They are carried at cost, less any impairment loss. Assets under construction are revalued and depreciation commences when they are brought into use.

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

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the business or which arise for contractual or other legal rights. Intangible assets are considered to have a finite life.

Intangible assets includes any of the following held – software, licences, trademarks, websites, development expenditure, patents, goodwill and intangible assets under construction.

Software that is integral to the operating of hardware, for example an operating system is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible non-current asset. There is no difference between the requirements for (a) intangible assets that are acquired externally and (b) internally generated intangible non-current assets, whether they arise from development activities or other types of activities.

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

Valuation

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

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

Fair value for Plant, Equipment and Intangibles is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS), except for assets under construction which are carried at cost, less any impairment loss. This year, indices at the end of December 2021 were used.

Royal Institution of Chartered Surveyors (RICS), International Financial Reporting Standards (IFRS), International Valuation Standards (IVS) & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by LPS at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS. The last asset revaluation was carried out on 31 January 2020.

Properties are valued on the basis of open market value for existing use, unless they are specialised, in which case they are valued on the basis of depreciated replacement cost.

Properties surplus to requirements are valued on the basis of open market value less any material, directly attributable, selling costs.

1.4. Depreciation

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

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

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

Depreciable assets normally have useful lives in the following ranges:

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

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

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

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

1.5. Subsequent Expenditure

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

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

1.6. Impairments

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

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

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

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

1.7. Profit/Loss on sale of Non-Current Assets

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

1.8. Non-Current Assets Held for Sale

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

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. Stockpile Goods

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

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

1.10. Investments

The only Interest Bearing Debt (IBD) remaining is in relation to the Northern Ireland Ambulance Service (NIAS) as the IBD in the legacy Trusts was cancelled and replaced by Public Dividend Capital (PDC) when the new Trusts were established on 1 April 2007. The IBD held by the Department in respect of NIAS is no longer legally classed as a debt repayable to the Department.

The Public Dividend Capital (PDC) of the Trusts is held in the name of the Secretary of State. The Trusts are not required to make a dividend payment in respect of PDC. These bodies are managed independently from the Department and their accounts are not consolidated with those of the Department.

The Department's investment in these bodies is shown, in line with public sector interpretation and DoF NI-specific guidance, in the Statement of Financial Position at historical cost.

1.11. Inventories and Work in Progress

Inventories are valued at the lower of cost and Net Realisable Value (NRV) and are included exclusive of VAT. Any consumable items are expensed in the year of purchase.

1.12. Research and Development

Research and Development (R&D) expenditure is expensed in the year it is incurred in accordance with IAS 38.

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

1.13. Income

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

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

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

The core Department is in receipt of the Northern Ireland share of NHS National Insurance contributions. The Department accounts for this as income rather than as financing through the General Fund - this is a departure from FReM which has been authorised by the Department of Finance.

1.14. Leases

Department, HSC Board and PHA as lessee

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

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

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

Department, HSC Board and PHA as a lessor

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

1.15. Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Department, HSC Board and PHA has financial instruments in the form of trade receivables and payables and cash and cash equivalents.

Financial assets

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

Financial assets are initially recognised at fair value. IFRS 9 requires consideration of the expected credit loss model on financial assets. The measurement of the loss allowance depends upon the Department's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument, where judged necessary.

Financial assets are classified into the following categories:

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

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

Financial liabilities

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

Financial liabilities are initially recognised at fair value.

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

Financial Risk Management

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

Currency Risk

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

Interest Rate Risk

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

Credit and Liquidity risk

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

1.16. 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.

1.17. Grants Payable

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

1.18. Provisions

In accordance with IAS 37, provisions are recognised when a present legal or constructive obligation arises as a result of a past event, it is probable that payment 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 the effect of the time value of money is significant the estimated risk-adjusted cash flows are discounted using the Treasury Discount Rate.

The Department does not reflect the HSC Trust clinical negligence provision as a core provision, rather the cash funding issued to HSC Trusts in respect of clinical negligence is accounted for as grant in aid.

1.19. Contingent Liabilities

Under IAS 37 the Department discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Department, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably.

In addition to contingent liabilities disclosed in accordance with IAS 37, the department 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.

1.20. Change to Estimation Technique

As a result of uncertainties inherent in all business activities, many items in financial statements cannot be measured with precision but can only be estimated. Where estimates have been required in order to prepare these financial statements in conformity with FReM, management have used judgements based on the latest available, reliable information.

Management continually review estimates to take account of any changes in the circumstances on which the estimate was based or as a result of new information or more experience.

1.21. 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.

1.22. Administration and Programme Expenditure

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

Administration costs reflect the costs of running the Core Department.

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

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

1.23. Employee Benefits including pensions

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

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

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

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

As per the requirements of IAS 19 and IAS 26, as amended by FReM, 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.

1.24. Accounting Standards issued not included in 2021-22 FReM

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

IFRS 16 *Leases*:

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 2022. Due to the practical expedient advised by HM Treasury on initial application, management have assessed that there will be minimal impact on application to the Department's consolidated financial statements.

IFRS 17 *Insurance Contracts:*

IFRS 17 *Insurance Contracts* will replace IFRS 4 *Insurance Contracts* and is effective for accounting periods beginning on or after 1 January 2023. In line with the requirements of the FReM, IFRS 17 will be implemented, as interpreted and adapted for the public sector, with effect from 1 April 2025. Management currently assess that there will be minimal impact on application to the Department's consolidated financial statements.

IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*:

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 (Review of Financial Process), 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 2022-23, 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.

Implementation of Review of Financial Process (RoFP)

DoH is implementing Review of Financial Process in 2022-23. The aim of RoFP is to align the boundaries of budgets, estimates and accounts as far as it is practicable, including consolidation of NDPBs and other central government bodies in Estimates and accounts. The bodies intended for inclusion within the 2022-23 departmental boundary are detailed in Annex B. The list of bodies is subject to change and the final list of bodies to be included within the departmental boundary will be designated each year in an Estimates and Accounts (Designation of Bodies) Order for consolidation into DoH annual Estimates and Accounts.

The implementation of RoFP will have a significant impact on the financial statements of Department of Health the scale of which is illustrated by the following figures.
Had RoFP been implemented for the 2020-21 accounts:

- total assets would have increased from £2,308 million to £4,630 million;
- total liabilities would have increased from £347 million to £3,210 million; and
- comprehensive net expenditure for the year would have increased from £6,501 million to £6,841 million.

In addition, the total number of staff reflected in the remuneration report would have increased from 1,530 to 73,753.

2. Statement of Operating Costs by Operating Segment

The Operating segments are:

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

	2021-22		
	Gross Expenditure £000	**Income £000**	**Net Expenditure £000**
Funded Bodies			
Health & Social Care Board	1,256,380	(48,490)	1,207,890
Public Health Agency	95,820	(3,881)	91,939
Business Services Organisation	93,273	-	93,273
Patient Client Council	2,117	-	2,117
NI Practice & Education Council for Nursing & Midwifery	1,314	-	1,314
NI Social Care Council	3,657	-	3,657
Health and Social Care Regulation and Quality Improvement Authority	7,540	-	7,540
NI Medical & Dental Training Agency	33,628	-	33,628
NI Guardian Ad Litem Agency	4,695	-	4,695
NI Fire & Rescue Service	106,628	-	106,628
Health and Social Care Trusts	5,845,450	-	5,845,450
Centrally Managed			
Administration	42,142	(360)	41,782
Programme	95,143	(664,120)	(568,977)
Depreciation / Impairments	5,063	-	5,063
Total	**7,592,850**	**(716,851)**	**6,875,999**

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

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

	2020-21		
	Gross Expenditure £000	**Income £000**	**Net Expenditure £000**
Funded Bodies			
Health & Social Care Board	1,242,419	(39,662)	1,202,757
Public Health Agency	84,273	(4,046)	80,227
Business Services Organisation	65,000	-	65,000
Patient Client Council	2,064	-	2,064
NI Practice & Education Council for Nursing & Midwifery	1,588	-	1,588
NI Social Care Council	3,481	-	3,481
Health and Social Care Regulation and Quality Improvement Authority	6,804	-	6,804
NI Medical & Dental Training Agency	24,441	-	24,441
NI Guardian Ad Litem Agency	4,503	-	4,503
NI Fire & Rescue Service	104,305	-	104,305
Health and Social Care Trusts	5,332,694	-	5,332,694
Centrally Managed			
Administration	36,000	(215)	35,785
Programme	190,917	(559,889)	(368,972)
Depreciation / Impairments	6,606	-	6,606
Total	**7,105,095**	**(603,812)**	**6,501,283**

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

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

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

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

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

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

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

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

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

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

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

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

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

2.1 Reconciliation between Operating Segments and CSoFP

	2021-22		
	Total assets £000	**Total liabilities £000**	**Net assets less liabilities £000**
Funded Bodies			
Health & Social Care Board	45,198	(223,763)	(178,565)
Public Health Agency	7,010	(13,844)	(6,834)
Business Services Organisation	-	-	-
Patient Client Council	-	-	-
NI Practice & Education Council for Nursing & Midwifery	-	-	
NI Social Care Council	-	-	-
Health and Social Care Regulation and Quality Improvement Authority	-	-	-
NI Medical & Dental Training Agency	-	-	-
NI Guardian Ad Litem Agency	-	-	-
NI Fire & Rescue Service	-	-	-
Health and Social Care Trusts	-	-	-
Centrally Managed	2,237,968	(62,219)	2,175,749
Total	**2,290,176**	**(299,826)**	**1,990,350**

	2020-21		
	Total assets £000	**Total liabilities £000**	**Net assets less liabilities £000**
Funded Bodies			
Health & Social Care Board	43,114	(204,583)	(161,469)
Public Health Agency	5,763	(15,551)	(9,788)
Business Services Organisation	-	-	-
Patient Client Council	-	-	-
NI Practice & Education Council for Nursing & Midwifery	-	-	-
NI Social Care Council	-	-	-
Health and Social Care Regulation and Quality Improvement Authority	-	-	-
	-	-	-
NI Medical & Dental Training Agency	-	-	-
NI Guardian Ad Litem Agency	-	-	-
NI Fire & Rescue Service	-	-	-
Health and Social Care Trusts	-	-	-
Centrally Managed	2,258,918	(126,757)	2,132,161
Total	2,307,795	(346,891)	1,960,904

3. Other Administration Expenditure

	Note	2021-22 Core Department £000	2021-22 Consolidated £000	2020-21 Core Department £000	2020-21 Consolidated £000
Staff costs[1]:					
Wages and salaries		24,552	24,320	20,781	20,509
Social security costs		2,649	2,619	2,199	2,167
Other pension costs		7,239	7,180	6,029	5,970
Rentals under operating leases		12	12	12	12
Interest charges		2	2	-	-
PFI and other service concession arrangements service charges		-	-	-	-
Research and development expenditure		-	-	-	-
Purchase of goods and services		3,721	3,721	3,228	3,228
		38,175	**37,854**	32,249	31,886
Non-Cash Items					
Depreciation		-	-	-	-
Amortisation		-	-	-	-
(Profit)/loss on disposal of property, plant and equipment		-	-	-	-
(Profit)/loss on disposal of intangibles		-	-	-	-
Auditors' remuneration and expenses [2]		91	91	90	90
Increase/decrease in provisions (Provision provided for in year less any release)	15	-	-	-	-
Borrowing costs (unwinding of discount) on provisions	15	-	-	-	-
Accommodation costs		2,050	2,050	1,995	1,995
Other indirect charges and services		2,147	2,147	2,029	2,029
Total Non-Cash Items		**4,288**	**4,288**	4,114	4,114
Total		**42,463**	**42,142**	36,363	36,000

[1] Further analysis of staff costs is located in the Accountability Section.

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

4. Programme Expenditure

	Note	2021-22		2020-21	
		Core Department	**Consolidated**	Core Department	Consolidated
		£000	**£000**	£000	£000
Staff costs[1]:					
Wages and salaries		4,551	57,006	2,291	48,409
Social security costs		163	5,646	184	4,929
Other pension costs		347	10,299	514	9,223
Rentals under operating leases		129	179	7	157
Interest charges		-	-	-	-
PFI and other service concession arrangements service charges		-	-	-	-
Research and development expenditure		-	10,914	3	10,792
Purchase of goods and services[2]		6,159,304	7,419,641	5,599,598	6,846,343
Other Grants and Disbursements		32,173	32,173	137,011	137,011
		6,196,667	**7,535,858**	5,739,608	7,056,864
Non-Cash Items					
Depreciation		217	3,240	229	3,020
Amortisation		10	1,781	10	894
(Profit)/loss on disposal of property, plant and equipment		-	14	-	16
Auditors' remuneration and expenses		-	79	-	76
Increase/(decrease) in provisions (Provision provided for in year less any release)	15	646	9,864	(77)	5,776
Borrowing costs (unwinding of discount) on provisions	15	-	(170)	-	(243)
Permanent diminution in value		59	42	2,759	2,692
		932	**14,850**	2,921	12,231
Total		**6,197,599**	**7,550,708**	5,742,529	7,069,095

[1] Further analysis of staff costs is located in the Accountability Section

[2] This figure incorporates Grant in Aid paid to the HSC as a means of supporting health care provision.

5. Income

5.1 Revenue from contracts with customers

	2021-22		2020-21	
	Core Department	**Consolidated**	Core Department	Consolidated
	£000	**£000**	£000	£000
Income from customers	243	3,651	93	4,147
Income from other departments	111	28,682	115	27,055
Family Health Service receipts	-	13,639	-	6,508
Interest receivable and other similar income	6	20	7	20
Total revenue from contracts with customers	**360**	**45,992**	215	37,730

5.2 Other operating income

	2021-22		2020-21	
	Core Department	**Consolidated**	Core Department	Consolidated
	£000	**£000**	£000	£000
EU income	5,392	5,392	2,912	2,912
Health & Social Services Grants and Disbursements*	662,916	665,467	561,074	563,170
Profit on disposal of non-depreciable property, plant and equipment	-	-	-	-
Total other operating income	**668,308**	**670,859**	563,986	566,082

*Health & Social Services Grants and Disbursements include National Insurance contributions received of £657m (2020-21: £558m).

6. Property, plant and equipment 2021-22

6.1 Consolidated Property, plant and equipment 2021-22

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Payments on account & Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation									
At 01 April 2021	36,465	12,613	470	20,828	7,948	21	286	-	78,631
Additions	-	281	-	4,381	115	-	-	245	5,022
Disposals	-	-	-	(7,072)	-	-	(164)	-	(7,236)
Transfers	-	-	-	257	-	-	-	-	257
Impairments transferred to Revaluation Reserve	-	-	-	-	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	9	-	-	(67)	-	-	-	(58)
Reclassifications	-	-	-	-	-	-	-	-	-
Indexation	-	130	24	(9)	-	-	14	-	159
Revaluations	-	-	-	-	-	-	-	-	-
At 31 March 2022	**36,465**	**13,033**	**494**	**18,385**	**7,996**	**21**	**136**	**245**	**76,775**
Depreciation									
At 01 April 2021	-	903	22	13,211	164	21	195	-	14,516
Charged in year	-	712	20	2,494	-	-	14	-	3,240
Disposals	-	-	-	(7,058)	-	-	(164)	-	(7,222)
Transfers	-	-	-	96	-	-	-	-	96
Impairments transferred to Revaluation Reserve	-	-	-	-	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	1	-	-	-	-	-	-	1
Reclassifications	-	-	-	-	-	-	-	-	-
Indexation	-	29	2	(5)	-	-	2	-	28
Revaluations	-	-	-	-	-	-	-	-	-
At 31 March 2022	**-**	**1,645**	**44**	**8,738**	**164**	**21**	**47**	**-**	**10,659**
Carrying amount at 31 March 2022	**36,465**	**11,388**	**450**	**9,647**	**7,832**	**-**	**89**	**245**	**66,116**
Carrying amount at 31 March 2021	36,465	11,710	448	7,617	7,784	-	91		64,115
Asset financing:									
Owned	36,465	11,388	450	9,647	7,832	-	89	245	66,116
Finance leases	-	-	-	-	-	-	-		-
On-balance sheet (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-		-
Carrying amount at 31 March 2022	**36,465**	**11,388**	**450**	**9,647**	**7,832**	**-**	**89**	**245**	**66,116**
Of the total:									
Department	32,415	2,251	450	-	7,832	-	70	-	43,018
Agencies	4,050	9,137	-	9,647	-	-	19	245	23,098
Carrying amount at 31 March 2022	**36,465**	**11,388**	**450**	**9,647**	**7,832**	**-**	**89**	**245**	**66,116**

6.2 Consolidated Property, plant and equipment 2020-21

	Land	Buildings	Dwellings	Information Technology	Plant & Machinery	Transport Equipment	Furniture & Fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 01 April 2020	37,004	12,792	470	20,252	11,316	21	259	82,114
Additions	-	324	-	2,564	2,312	-	25	5,225
Disposals	(39)	(3)	-	(2,213)	-	-	-	(2,255)
Transfers	(500)	(500)	-	226	(2,921)	-	-	(3,695)
Impairments transferred to Revaluation Reserve	-	-	-	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	(2,759)	-	-	(2,759)
Reclassifications	-	-	-	-	-	-	-	-
Indexation	-	-	-	(1)	-	-	2	1
Revaluations	-	-	-	-	-	-	-	-
At 31 March 2021	**36,465**	**12,613**	**470**	**20,828**	**7,948**	**21**	**286**	**78,631**
Depreciation								
At 01 April 2020	-	225	2	13,109	164	21	185	13,706
Charged in year	-	698	20	2,292	-	-	10	3,020
Disposals	-	(3)	-	(2,197)	-	-	-	(2,200)
Transfers	-	(17)	-	8	-	-	-	(9)
Impairments transferred to Revaluation Reserve	-	-	-	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Indexation	-	-	-	(1)	-	-	-	(1)
Revaluations	-	-	-	-	-	-	-	-
At 31 March 2021	**-**	**903**	**22**	**13,211**	**164**	**21**	**195**	**14,516**
Carrying amount at 31 March 2021	**36,465**	**11,710**	**448**	**7,617**	**7,784**	**-**	**91**	**64,115**
Carrying amount at 31 March 2020	37,004	12,567	468	7,143	11,152	-	74	68,408
Asset financing:								
Owned	36,465	11,710	448	7,617	7,784	-	91	64,115
Finance leases	-	-	-	-	-	-	-	-
On-balance sheet (SoFP) PFI and other service concession arrangements contracts	-	-	-	-	-	-	-	-
Carrying amount at 31 March 2021	**36,465**	**11,710**	**448**	**7,617**	**7,784**	**-**	**91**	**64,115**
Of the total:								
Department	32,415	2,334	448	-	7,784	-	64	43,045
Agencies	4,050	9,376	-	7,617	-	-	27	21,070
Carrying amount at 31 March 2021	**36,465**	**11,710**	**448**	**7,617**	**7,784**	**-**	**91**	**64,115**

Valuation of Land and Buildings

RICS, IFRS, IVS & HM Treasury compliant asset revaluation of land and buildings for financial reporting purposes are undertaken by Land and Property Services (LPS) at least once in every five year period. Figures are then restated annually, between revaluations, using indices provided by LPS. The last asset revaluation was carried out on 31 January 2020. LPS have confirmed that, provided the relevant Indexation Categories supplied for the Effective Period 1 April 2021 to 31 March 2022 have been appropriately applied to the corresponding relevant asset classifications, as at 31 March 2022, then the restated 31 January 2020 land and building valuation figures remain appropriate at 31 March 2022.

As a result of the ongoing impact of the COVID-19 pandemic, and in line with current RICS guidance, LPS have advised that, for certain classifications of assets and categories of indices, across certain locations, an increased level of subjectivity exists in terms of informing opinions of value due to a continued lack of transactional activity. For the avoidance of doubt, this does not mean that figures provided cannot be relied upon, rather, the declaration of material uncertainty ensures transparency and provides further insight as to the market context under which valuation and indexation figures have been prepared. Whilst at this stage there is no evidence of impairment as at year-end, the future impact of COVID-19 on land and building values cannot yet be accurately assessed. The need for an asset revaluation prior to the next scheduled date in January 2025 will remain under consideration, subject to resources.

7. Intangible Assets

7.1 Consolidated Intangible Assets 2021-22

	Information Technology	Software Licences	Development expenditure	Payments on account & Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or Valuation					
At 01 April 2021	10,537	2,997	93	1,006	14,633
Additions	8,307	1,046	-	6	9,359
Disposals	(2,919)	(918)	-	-	(3,837)
Transfers	-	-	-	-	-
Indexation	(4)	-	4	-	-
Impairments transferred to Revaluation Reserve	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	-
Revaluations	-	-	-	-	-
At 31 March 2022	**15,921**	**3,125**	**97**	**1,012**	**20,155**
Amortisation					
At 01 April 2021	5,346	2,009	56	-	7,411
Charged in year	1,403	368	10	-	1,781
Disposals	(2,919)	(918)	-	-	(3,837)
Transfers	-	-	-	-	-
Indexation	-	-	2	-	2
Impairments transferred to Revaluation Reserve	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	-
Revaluations	(2)	-	-	-	(2)
At 31 March 2022	**3,828**	**1,459**	**68**	**-**	**5,355**
Carrying amount at 31 March 2022	**12,093**	**1,666**	**29**	**1,012**	**14,800**
Carrying amount at 31 March 2021	5,191	988	37	1,006	7,222
Asset financing:					
Owned	12,093	1,666	29	1,012	14,800
Finance leased	-	-	-	-	-
Carrying amount at 31 March 2022	**12,093**	**1,666**	**29**	**1,012**	**14,800**
Of the total:					
Department	-	-	29	-	29
Agencies	12,093	1,666	-	1,012	14,771
Carrying amount at 31 March 2022	12,093	1,666	29	1,012	14,800

7. Intangible Assets

7.2 Consolidated Intangible Assets 2020-21

	Information Technology	Software Licences	Development expenditure	Payments on account & Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or Valuation					
At 01 April 2020	5,829	2,654	92	614	9,189
Additions	4,747	406	-	462	5,615
Disposals	(99)	(63)	-	-	(162)
Transfers	60	-	-	(70)	(10)
Indexation	-	-	1	-	1
Impairments transferred to Revaluation Reserve	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	-
Revaluations	-	-	-	-	-
At 31 March 2021	**10,537**	**2,997**	**93**	**1,006**	**14,633**
Amortisation					
At 01 April 2020	4,918	1,715	46	-	6,679
Charged in year	527	357	10	-	894
Disposals	(99)	(63)	-	-	(162)
Transfers	-	-	-	-	-
Impairments transferred to Revaluation Reserve	-	-	-	-	-
Impairments transferred to Consolidated Statement of Comprehensive Net Expenditure	-	-	-	-	-
Revaluations	-	-	-	-	-
At 31 March 2021	**5,346**	**2,009**	**56**	**-**	**7,411**
Carrying amount at 31 March 2021	**5,191**	**988**	**37**	**1,006**	**7,222**
Carrying amount at 31 March 2020	911	939	46	614	2,510
Asset financing:					
Owned	5,191	988	37	1,006	7,222
Finance leased	-	-	-	-	-
Carrying amount at 31 March 2021	**5,191**	**988**	**37**	**1,006**	**7,222**
Of the total:					
Department	-	-	37	-	37
Agencies	5,191	988	-	1,006	7,185
Carrying amount at 31 March 2021	5,191	988	37	1,006	7,222

8. Impairments

	2021-20	2020-21
	£000	£000
Impairment charged to Statement of Comprehensive Net Expenditure within Net Expenditure	42	2,692
Impairment charged to Statement of Comprehensive Net Expenditure as Other Comprehensive Expenditure	(25)	-
Total Impairment	**17**	2,692

9. Financial Instruments

As the cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the department's expected purchase and usage requirements and the department is therefore exposed to little credit, liquidity or market risk.

10. Investments and loans in other public sector bodies

	2021-22			2020-21		
	Investments in Trusts	**Financial Transactions Capital**	**Total**	Investments in Trusts	Financial Transactions Capital	Total
	£000	**£000**	**£000**	£000	£000	£000
Balance at 1 April	2,009,000	707	2,009,707	2,009,000	761	2,009,761
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Repayments and redemptions	-	(512)	(512)	-	(121)	(121)
Interest capitalised	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Impairments	-	42	42	-	67	67
Balance at 31 March	**2,009,000**	**237**	**2,009,237**	2,009,000	707	2,009,707

The above investments are held by the Core Department and represent the Department's original investment in the 6 Health and Social Care Trusts as formulated during 2009 and representing the then net value of the Trusts Statement of Financial Position. In line with NI-specific treatment within the FReM, investments in public bodies are carried at historical cost, less any impairment.

The Financial Transactions Capital (FTC) investments are held by the HSCB and represent the GP Infrastructure Loans Scheme. FTC under the scheme is in the form of loans to GPs to undertake premises developments and improvements for HSC purposes. These assets have been initially recognised at fair value in the Statement of Financial Position.

11. Inventories

	2021-22		2020-21	
	Core Department	**Consolidated**	Core Department	Consolidated
	£000	**£000**	£000	£000
Inventories	577	577	-	-

12. Cash and cash equivalents

	2021-22		2020-21	
	Core Department	**Consolidated**	Core Department	Consolidated
	£000	**£000**	£000	£000
Balance at 1 April	(30,150)	(28,758)	(457)	1,673
Net change in cash and cash equivalent balances	17,228	18,849	(29,693)	(30,431)
Balance at 31 March	**(12,922)**	**(9,909)**	(30,150)	(28,758)
The following balances at 31 March are held at:				
Northern Ireland Banking Pool	(12,922)	(12,922)	(30,150)	(30,150)
Commercial banks and cash in hand	-	3,013	-	1,392
Short term investments	-	-	-	-
Balance at 31 March	**(12,922)**	**(9,909)**	(30,150)	(28,758)

The consolidated 'Cash and Cash Equivalent' balance in the Statement of Financial Position reflects the HSCB and PHA bank balances of £3,013k (2020-21: £1,392k). As the Core bank balance at 31 March 2022 was overdrawn by £12,922k (2020-21: £30,150k) this has been reflected in Trade Payables in the Statement of Financial Position.

12.1 Reconciliation of Liabilities arising from financing activities

The Department's source of financing is from the Consolidated Fund. Any asset or liability arising from the Consolidated Fund is settled with the Department of Finance on an annual basis and so the year end asset or liability is shown in the appropriate note.

13. Trade receivables, financial and other assets

	2021-22		2020-21	
	Core Department	**Consolidated**	Core Department	Consolidated
	£000	**£000**	£000	£000
Amounts falling due within one year:				
VAT	803	3,345	886	2,682
Trade receivables	4,440	8,047	3,301	14,623
Deposits and advances	-	353	-	259
Other receivables	170,439	174,347	174,729	178,853
Amounts due from the Consolidated Fund in respect of supply	10,028	10,028	28,813	28,813
Current Trade and Other Receivables	**185,710**	**196,120**	207,729	225,230
Prepayments	77	313	68	129
Accrued income	-	-	-	-
Other Current Assets	**77**	**313**	68	129
Total amounts falling due within one year	**185,787**	**196,433**	207,797	225,359
Included within Other Receivables is that which will be due to the Consolidated fund once the debts are collected	-	-	45	45

14. Trade payables, financial and other liabilities

	2021-22		2020-21	
	Core Department	**Consolidated**	Core Department	Consolidated
	£000	**£000**	£000	£000
Amounts falling due within one year:				
Bank overdraft	12,922	9,909	30,150	30,150
Other taxation and social security	-	1,380	-	1,142
Trade revenue payables	430	72,291	250	71,248
Trade capital payables – property plant & equipment	-	206	-	365
Trade capital payables - intangibles	-	4,403	-	3,155
Other payables	63	21,919	62	19,187
Government grants payable	78	78	92	92
Accruals	47,590	142,628	95,894	182,691
Deferred income	269	905	269	978
Amounts issued from the Consolidated Fund for supply but not spent at year end	-	-	-	-
Other amounts due to the Consolidated Fund	-	-	-	-
Consolidated Fund extra receipts due to be paid to the Consolidated Fund:				
received	119	119	55	55
receivable	-	-	45	45
Total Payables falling due within one year	**61,471**	**253,838**	126,817	309,108

15. Provisions for Liabilities and Charges

15.1 Core Provisions for liabilities and charges 2021-22

	2021-22			2020-21		
Core	**Clinical Negligence £000**	**Other £000**	**Total £000**	Clinical Negligence £000	Other £000	Total £000
Balance at 1 April	-	901	901	-	1,104	1,104
Provided in the year	-	646	646	-	23	23
Provisions not required written back	-	-	-	-	(100)	(100)
Provisions utilised in the year	-	(355)	(355)	-	(126)	(126)
Borrowing costs (unwinding of discounts)	-	-	-	-	-	-
Balance at 31 March	-	**1,192**	**1,192**	-	901	901

Analysis of expected timing of discounted flows

	2021-22			2020-21		
Core	**Clinical Negligence £000**	**Other £000**	**Total £000**	Clinical Negligence £000	Other £000	Total £000
Not later than one year	-	496	496	-	403	403
Later than one year and not later than five years	-	242	242	-	142	142
Later than five years	-	454	454	-	356	356
Balance at 31 March	-	**1,192**	**1,192**	-	901	901

15.2 Consolidated Provisions for liabilities and charges 2021-22

	2021-22			2020-21		
Consolidated	**Clinical Negligence £000**	**Other £000**	**Total £000**	Clinical Negligence £000	Other £000	Total £000
Balance at 1 April	23,179	14,604	37,783	21,711	13,107	34,818
Provided in the year	8,625	1,510	10,135	2,768	3,324	6,092
Provisions not required written back	(64)	(207)	(271)	(65)	(251)	(316)
Provisions utilised in the year	(3,560)	(942)	(4,502)	(935)	(1,633)	(2,568)
Borrowing costs (unwinding of discounts)	(283)	113	(170)	(300)	57	(243)
Balance at 31 March	**27,897**	**15,078**	**42,975**	23,179	14,604	37,783

Analysis of expected timing of discounted flows

	2021-22			2020-21		
Consolidated	**Clinical Negligence £000**	**Other £000**	**Total £000**	Clinical Negligence £000	Other £000	Total £000
Not later than one year	2,356	1,830	4,186	2,457	1,793	4,250
Later than one year and not later than five years	4,250	2,314	6,564	3,976	2,144	6,120
Later than five years	21,291	10,934	32,225	16,746	10,667	27,413
Balance at 31 March	**27,897**	**15,078**	**42,975**	23,179	14,604	37,783

Clinical Negligence

Provision is made for HSCB clinical negligence claims only where it is more probable that a settlement will be required. Contingent liabilities for clinical negligence are given in Note 16. The DoH accounts show the clinical negligence provision for the HSCB because the HSCB is within the DoH accounting boundary and fully consolidated into the DoH accounts, whereas the HSC Trusts are outside the accounting boundary and HSC Trust expenditure is reflected as Grant in Aid.

Other - Legal

The one material legal claim against the Department continues into 2021-22. A provision has been set up in respect of potential legal and compensatory claims arising from a UK-wide initiative. £0.2m represents Northern Ireland's share under the Barnett formula as at 31 March 2022.

DoH has provided for a lifetime personal injury award of £0.3m (2020-21: £0.3m). The full amount of this provision is shared jointly with the Department for Communities.

Other - Hepatitis C Compensation Scheme

This provision was set up in 2004, following a decision in 2003 by the Secretary of State for Health and Health Ministers of the Devolved Administrations to introduce a UK-wide scheme to make ex-gratia payments to certain persons who had been infected with Hepatitis C virus from blood products received through NHS treatment. This became known as the Skipton Fund. Provision was made for Hepatitis C first and second stage lump sum payments and also from March 2011 for the additional financial measures introduced across the UK following a DH (L)-led expert team review for patients infected with contaminated blood.

It was announced by the government in 2017 that, following further financial reform, the existing charities providing financial support to individuals infected with, or otherwise affected by, Human Immunodeficiency Virus (HIV) and/or Hepatitis C Virus (HCV), through contaminated blood, tissue or blood products provided during National Health Service (NHS) treatment were to close and each UK country would have sole responsibility for its own beneficiaries. This included the Skipton Fund.

The Department of Health in NI directed the Regional Business Services Organisation (BSO) to administer the payments for beneficiaries in Northern Ireland and the Infected Blood Payment Scheme for Northern Ireland was subsequently established. The Northern Ireland scheme has been operational from November 2017.

One-off lump sum payments continue to be paid for those diagnosed with HIV or Hepatitis C, when they first join the scheme and these lump sum payments are also payable to the spouse/partner of a deceased person who never received the payment themselves or posthumous estates where there is no spouse or partner. There is a one-off bereavement lump sum provided to eligible widows/widowers or the estate of the deceased in cases where there is no surviving spouse or partner. In addition, the provision is used to make discretionary payments, being one-off grants to provide additional, time-limited financial support to beneficiaries and their families in financial hardship in order to address immediate needs.

The provision is £0.7m at 31 March 2022.

16. Contingent liabilities

The Department, HSC Board and PHA have the following contingent liabilities:

Clinical Negligence Claims

The HSC Board and Public Health Agency have contingent liabilities of £255k and £5k respectively (2020-21: £242k and Nil) representing clinical negligence incidents. The Department are in direct receipt of litigation from a small number of patients which may result in a financial outflow however at this stage it is not possible to determine the timing or financial impact, if any. Other litigation claims could arise in the future due to incidents which have already occurred. The expenditure which may arise from these claims cannot be determined as yet. In addition to the above contingent liability, the provision for HSC Board clinical negligence is given in Note 15.

Contingent liabilities held by the HSC Trusts, in respect of clinical negligence incidents, total £10.1m (2020-21: £11.4m).

Neurology

The Department is in the process of considering compensation arrangements in respect of recalled patients who were potentially misdiagnosed by a consultant neurologist at Belfast Health and Social Care Trust and who have suffered harm as a result. Appropriate action will be taken at a suitable future time on as timely a basis as possible. Consequently, at present there continues to be significant uncertainty in respect of the total number of patients who would be expected to seek compensation thus it is not possible to quantify the timing or financial impact.

Historical institutional child abuse cases

The Department is a named defendant, along with others, in a number of civil cases relating to allegations by individuals that they were abused as children while in the care of institutions where the Department's predecessor organisations and/or its Arms' Length Bodies had some level of responsibility. The periods to which the claims relate and the institutions to which they relate vary. Some of the cases have been on-going for years. Given the nature of the cases and the stage of proceedings there is uncertainty around the amount and timing of any financial impact therefore it is unquantifiable at present.

Other litigation cases

There are three ongoing medical litigation cases lodged against the Department which do not fall into any of the above categories. At this stage there is no certainty around the timing or financial outflow, if any, and until such times as a Court decision is granted the financial impact is unquantifiable.

Two historic asbestos cases have been lodged against the Department. At this stage, it is not possible to determine the amount and timing of any financial impact.

There was a judicial review in relation to public appointments. The issues in the case have been resolved and the order from the JR Court dismissing the case is awaited. At this stage there is uncertainty around the amount to be paid in legal costs as the Applicant's legal costs and the Solicitor's bill is awaited. The maximum potential financial impact has been estimated at £60k at 31 March 2022.

The Department is in the process of considering the mechanism for superannuation payments to dentists. At this stage there is uncertainty around the amount and timing of any financial impact. The potential financial impact has been estimated at £180k at 31 March 2022.

The Department is named as a joint respondent (alongside Belfast Trust and the (former) HSCB) in two applications for judicial review (JR) in respect of excessive waiting times for treatment. Both cases are being heard together and were listed for a leave hearing on 13 January 2021 and were granted leave to proceed to full JR. The Department was also named as a notice party for a further related application for JR in respect of Treatment under S2 arrangements, the joint respondents being the South Eastern Trust and the (former) HSCB. This was also granted leave to proceed to full JR. Until the outcome of the cases are decided, it is not possible to assess any remedy that the Court may order including the possibility of damages to the applicants. At this stage there is no certainty around the timing or financial outflow, if any, and until such times as a Court decision is granted the financial impact is unquantifiable.

Details of the Department's remote contingent liabilities are disclosed within Other Assembly Accountability Disclosures section of the Audit and Accountability report.

16.1 Financial Guarantees, Indemnities and Letter of Comfort

The Department has entered into the following guarantees, indemnities or provided letters of comfort.

Guarantees

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

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

Under the terms of the Deed of Safeguard the Department, in the event of Trust insolvency or inability to meet its obligations, excluding succession by another body, is obliged to fulfil the Trust's obligations under the agreement.

The Department is guarantor to a tenancy agreement relating to accommodation for the Chair of the Muckamore Abbey Hospital Inquiry. The likelihood of a transfer of economic benefit as a result of this guarantee has been assessed as minimal and has thus been measured at nil.

Indemnities

There is a financial indemnity issued by the Department in respect of one of its arm's length sponsor bodies to indemnify against the exceptional circumstance of a short term funding deficit.

The Department has entered into short term indemnity arrangements across a number of healthcare and related areas in response to Covid-19. The likelihood of crystallisation is unknown at present and is unquantifiable at this time.

Letters of Comfort

There is a letter of comfort issued by the Department to one of its special agencies, being agreement by the Department to fund the disposal of specialist equipment on behalf of the agency should the need arise. The current estimated cost is £60k. The likelihood of occurrence is unknown at present. This letter of comfort will act as a guarantee to ensure the agency complies with the necessary regulations.

The Department has signed a Letter of Comfort for a Third Party Developer (3PD) Project - Lisburn Primary and Community Care Centre (October 2018). Under the terms of the Letter of Comfort, if the Health and Social Care Trust were unable to meet its obligations (including its liabilities to its contractors or their financiers), the Department would intervene in a timely manner to ensure that either the Trust itself, or anybody to which its liabilities were transferred in accordance with the relevant legislation, would be in a position to meet its liability on time and in full. The likelihood of transfer of economic benefit is minimal and thus has been measured at nil.

There is a letter of comfort issued to one of the Department's ALBs providing medical malpractice and public liability indemnity in respect of GoodSAM (Good Smartphone Activated Medics) volunteers, as well as cover for Trusts who approve their employees as volunteers. The likelihood of a transfer of economic benefit is unknown thus the financial impact is unquantifiable at present.

There is a letter of comfort issued to one of the Department's ALBs providing medical malpractice indemnity in respect of Community First Responders. The likelihood of a transfer of economic benefit is unknown thus the financial impact is unquantifiable at present.

17. Commitments under leases (IAS 17 disclosures)

17.1 Finance Leases

The Department, HSC Board and PHA have no finance leases.

17.2 Operating Leases

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

	31 March 2022		31 March 2021	
	Core Department £000	**Consolidated £000**	Core Department £000	Consolidated £000
Obligations under operating leases for the following periods comprise:				
Land				
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	-	-	-
Buildings				
Not later than one year	295	489	73	395
Later than one year and not later than five years	841	1,257	-	191
Later than five years	-	-	-	-
	1,136	**1,746**	73	586
Other				
Not later than one year	-	-	-	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	-	-	-

18. Commitments under PFI contracts and other service concession arrangements

The Department, HSC Board and PHA do not have any commitments under PFI contracts, or other service concession arrangements.

19. Capital and Other Commitments

19.1 Capital commitments

The Core Department, HSC Board and Public Health Agency have no Capital Commitments.

19.2 Other Financial commitments

The Department and its agencies have entered into non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements), to manage and maintain its Health counter measures stockpile. The payments to which the department and its agencies are committed are as follows.

	2021-22		2020-21	
	Core Department £000	Consolidated £000	Core Department £000	Consolidated £000
Not Later than one year	1,529	1,529	1,525	1,525
Later than one year and not later than five years	1,335	1,335	1,471	1,471
Later than five years	-	-	-	-
Total	**2,864**	**2,864**	2,996	2,996

20. Related-party transactions

The Department of Health (DoH) is the parent of its agencies, listed at Annex A and sponsors of those bodies listed at Annex B. These bodies are regarded as related parties with which the Department has had various material transactions during the year.

In addition, the Department has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with the Department of Finance.

No Minister, board member, key managers or other related parties has undertaken any material transactions with the Department during the year.

21. Third-party assets

The Department has no third party assets.

22. Events after the Reporting Period

Closure of the Health and Social Care Board (HSCB) and transfer of responsibility for their functions to the Department of Health (DoH)

The dissolution of the HSCB came into effect on 1 April 2022 following Royal Asset of the Health and Social Care Bill 2021. On this date the functions of the HSCB transferred to the Department of Health. The former HSCB staff continue to undertake their functions, under the direction of the Department. These functions will be carried out by Strategic Planning and Performance Group (SPPG), a new group within the department, and responsibility for the SPPG's operation will rest with DoH. Business Services Organisation (BSO) will be the "host employer" of the staff transferred from HSCB.

The financial effect of this event is the transfer of assets and liabilities from the HSCB to the Department of Health and Business Services Organisation on the date of dissolution. Assets and liabilities were classified as either programme, relating to the services provided, or staff related, which enable staff to carry out their duties. Programme items transferred to the Department and staff related items to the "host employer" BSO. Future income and expenditure will also be split between the Department and BSO following the same principles, with programme items transferring to the Department and staff related items transferring to BSO.

This event after the reporting period is indicative of a condition that arose after the end of the reporting period, and is therefore a non-adjusting event in these accounts.

In accordance with the FReM application of IFRS 3 Business Combinations under Common Control, this will be accounted for as a 'transfer by absorption' in the Department's accounts for 2022-23 with no requirement for the 2021-22 accounts to be restated.

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 8th July 2022.

ANNEX A

BODIES WITHIN THE DEPARTMENTAL BOUNDARY

The accounts of the following bodies have been consolidated in the group accounts of the Department:

- Health and Social Care Board; *and*
- Public Health Agency

Health and Social Care (HSC) Bodies – General

A framework document sets out the main priorities and objectives of each health and social care body. Each HSC body also has an individual management statement and financial memorandum (MSFM). This sets out the arrangements for operations, financing, accountability and control of the body and the conditions under which government funds are provided to it. HSC bodies are furthermore subject to the principles of the guidance in *Managing Public Money Northern Ireland* and circulars issued by the Department. Further details on the individual health and social care bodies are given below.

The Health and Social Care Board (HSCB)

The **Health and Social Care (HSC) Board**, as agent of the Department, commissions health and personal social services for the Northern Ireland population from a range of providers, including HSC Trusts and voluntary and private sector bodies.

The Board was established by the Health and Social Care (Reform) Act (Northern Ireland) 2009. In addition to statute, it is governed by the strategic documents mentioned above, standing orders, standing financial instructions, circulars from the Department and the need to seek approval for any expenditure which exceeds certain limits set by the Department.

The Health and Social Care Board has a Board of Directors including Executives and Non-Executives. The Chief Executive is appointed by the Department as Accounting Officer and is personally accountable to the Departmental Accounting Officer (DAO) and through the DAO to the NI Assembly and Parliament for the stewardship of resources supplied to the Board. It also holds the budget for five Local Commissioning Groups, (LCGs), which, in collaboration with the Public Health Agency, provide information on the health and wellbeing needs for their local area and feed into an overall commissioning plan for the region.

The Reform Act requires the HSCB, in respect of each financial year, to prepare and publish a commissioning plan in full consultation with and approved by the Public Health Agency (PHA). The commissioning direction specifies the form and content of the commissioning plan in terms of the services to be commissioned and the resources to be deployed. In addition, the HSC Board reports monthly to the Department on financial performance, and annually on actual and planned spend on programmes of care and key services. These in turn feed into the Department's Estimates process, informing bids for resources.

The Public Health Agency (PHA)

The Public Health Agency has a health improvement, health promotion and health protection role. This entails developing and providing or securing provision of programmes and initiatives designed to improve the Northern Ireland population's health and wellbeing and to reduce health inequalities. The Agency also has a role in the prevention and control of communicable disease and other dangers to health and wellbeing, including those arising out of environmental or public health grounds or arising out of emergencies.

The Agency liaises with the HSC Board and the Local Commissioning Groups in devising the commissioning plan for health and wellbeing services in Northern Ireland and to this end it may engage in or commission research, obtain and analyse data, provide laboratory and other technical and clinical services and provide training, information, advice and assistance as appropriate.

The Safeguarding Board for Northern Ireland (SBNI)

A Regional Safeguarding Board for NI (SBNI) was established on 17 September 2012 under the Safeguarding Board (Northern Ireland) Act 2011 (The Act) by the Department as an unincorporated statutory body. It is sponsored by the Department and hosted by the PHA.

The SBNI is a multi-disciplinary interagency partnership and its statutory objective is to coordinate and ensure the effectiveness of activities undertaken by its members to safeguard and promote the welfare of children in Northern Ireland.

The Department exercises oversight of the SBNI on an ongoing basis. SBNI must provide regular performance reports and documentation demonstrating progress against strategic priorities agreed by the Department. In terms of assurance mechanisms, these include meetings between the Department and the SBNI Chair to specifically provide assurance on the SBNI's exercise of its statutory objective, functions and duties. As corporate host to the SBNI, the PHA is accountable to the Department through ALB assurance arrangements.

Following a recent public consultation, the Department is considering amendments to The Safeguarding Board for Northern Ireland (Membership, Procedure, Functions and Committee) Regulations (Northern Ireland) 2012 (the Regulations). The proposed amendments aim to afford the SBNI greater flexibility, thus in turn creating greater efficiency. If enacted, PHA hosting of the SBNI would be governed by a Memorandum of Understanding between the PHA, Department and SBNI, rather than in the Regulations.

Non-Executive Non-Departmental Public Bodies

These small bodies have specialist functions with either few or no permanent staff. They are classed as inside the boundary as any expenditure is managed by sponsor branches within the Department.

- Clinical and Excellence Awards Committee – when this scheme was in operation this committee had a complement of 9 members drawn from medical and lay backgrounds with a publicly appointed chair. It met two to three times a year to score self-nominations from medical and dental consultants for centrally funded awards, however the Committee has not been required in a number of years. The members' expenses and secretariat are provided by the Department's Pay and Employment Unit, but there are no annual costs associated with it currently.

- Poisons Board- the Department has legislative responsibility for reviewing the Poisons (Northern Ireland) Order 1976, the Poisons Regulations (Northern Ireland) 1983 and the Poisons List Confirmation Order (Northern Ireland) 1983, which control the sale of non-medicinal poisons. Medicines Regulatory Group (MRG), has a key role in enforcement of Northern Ireland poisons legislation. The Poisons Board is a statutory body set up under the Poisons (Northern Ireland) Order 1976. Its function is to advise the Department on the substances which should be treated, for the purposes of the Order, as non-medicinal poisons, and on any other matters as may be referred to it by the Department. Appointments to the Poisons Board are made to cover a three-year period and the last time the Board was fully functioning was for the period 1995 to 1998. There are no current plans to re-establish the Poisons Board but this will be kept under review.

ANNEX B

BODIES OUTSIDE THE BOUNDARY

DoH has operational relationships with a number of bodies outside the Departmental boundary for which the Minister has some degree of responsibility.

These include 6 Health and Social Care Trusts, 3 Health and Social Care Agencies, 2 Health and Social Care bodies, 4 NDPBs, 1 North-South body and 1 Company Limited by Guarantee.

Health and Social Care Trusts

- Belfast HSC Trust
- Northern HSC Trust
- South Eastern HSC Trust
- Southern HSC Trust
- Western HSC Trust
- Northern Ireland Ambulance Service HSC Trust

The Health and Social Care Trusts are the main providers of health and social care services and work within the commissioning arrangements agreed with the HSC Board. They have responsibility for the management of staff and services of hospitals and other health and social care establishments. Although managerially independent, Trusts are accountable to the Minister. There are 6 Trusts in Northern Ireland. One Trust, the NI Ambulance Service HSC Trust, provides ambulance services for the whole of Northern Ireland.

Trust Chief Executives are appointed as Accounting Officers by the DoH Accounting Officer and each Trust has a Board of Directors with both Executive and Non-Executive members. The Board operates subject to standing financial instructions, standing orders, delegated limits set by the Department and financial guidance issued by the Department as well as the principles of the guidance in Managing Public Money Northern Ireland. Their reporting relationships and the respective responsibilities of each trust and the Department are summarised in individual Management Statement and Financial Memorandums (MSFMs).

Trusts are required to meet certain financial targets which are enshrined in legislation. The Commissioning Plan provides the framework for each HSC Trust to develop its annual Trust Delivery Plan (TDP) detailing the Trust's response to the annual commissioning priorities and targets set out in the commissioning plan.

The Trusts also submit monthly monitoring returns to the HSC Board which provide an overall assessment of their financial position at the end of each month detailing actual and planned spend and a forecast of their position to the end of the year. The HSC Board then sends a return to the Department which summarises the trusts' financial positions and also includes individual trust tables covering non-cash, provisions and capital spend.

This information assists the Department in assessing its performance in achieving its objectives, planning for future healthcare services and bidding for resources.

Health and Social Care Agencies and Other HSC Bodies

- **Northern Ireland Blood Transfusion Service** (Special Agency) - supplies blood and blood products and related clinical services to all hospitals and clinical units.
- **Northern Ireland Guardian Ad Litem Agency** (Special Agency) - establishes and maintains a panel of guardians who are appointed by the courts to safeguard the interests of children in proceedings specified under the Children (NI) Order 1995 and the Adoption (NI) Order 1987.
- **Northern Ireland Medical and Dental Training Agency** - oversees the postgraduate education and training of doctors and dentists. It is also responsible for the development and delivery of vocational training and continuing medical education for General Practitioners and General Dental Practitioners.
- **Business Services Organisation** - established under the Health and Social Care (Reform) Act (Northern Ireland) 2009, as a shared services organisation to provide or secure provision of a range of services in the most economic, efficient and effective way possible. It provides a wide range of support services to other health and social care bodies, including financial, personnel, legal, information technology, procurement, internal audit and fraud prevention services. The other HSC bodies are charged for these services.
- **Patient Client Council** - established under the Health and Social Care (Reform) Act (Northern Ireland) 2009, this body has the role of representing the interests of the public, promoting involvement of the public, providing assistance to individuals making a complaint about a health and social care body and promoting the provision of advice and information to the public about the design, commissioning and delivery of health and social care.

The bodies' relationships with the Department are governed through an individual MSFM and circulars issued by the Department. The MSFM is a relationship document which sets out management (including board composition), reporting and monitoring arrangements, delegated limits and the respective responsibilities of each body and the Department through its particular nominated sponsoring team. The sponsor team, a branch within the Department, has responsibility for liaison on budgetary and performance matters and is the main point of contact for each body in obtaining approval for its corporate and business plans, securing resources and in resolving any issues with the Department.

Financial monitoring returns are submitted monthly. In addition, regular review meetings are held between the bodies and their sponsor team to discuss financial and performance issues and progress against the objectives set out in their corporate plan, as augmented by their annual business plan. Twice yearly accountability meetings are held by the Permanent Secretary.

The Chief Executive of each body is designated as an Accounting Officer by the Departmental Accounting Officer. The Accounting Officer is personally accountable to the Departmental Accounting Officer (DAO) and through the DAO to the NI Assembly and Parliament for the stewardship of resources supplied.

Executive Non-Departmental Public Bodies

- **Health and Social Care Regulation and Quality Improvement Authority (RQIA) -** has two main functions: inspection of the services provided by the HSC system in Northern Ireland and regulation of specified health and social care services provided by the HSC and independent sector. This includes, since dissolution of the Mental Health Commission for Northern Ireland under the Health and Social Care (Reform) Act (Northern Ireland) 2009, the duty of keeping under review the care and treatment of persons suffering from mental disorder.

- **Northern Ireland Social Care Council** - is responsible for developing, promoting and regulating social work and social care education and training. It is also responsible for regulating the social care workforce.

- **Northern Ireland Practice and Education Council for Nursing and Midwifery** - seeks to support the best performance of nurses and midwives in all contexts, through developing their practice and enhancing their education.

- **Northern Ireland Fire and Rescue Service** - is responsible for providing regional fire and rescue services efficiently mobilised to emergencies and for keeping the public safe from fires and other dangers. It is charged with extinguishing fires while saving lives, protecting the environment and property and responding effectively to all emergency situations in Northern Ireland including road traffic collisions, collapsed buildings and specialist rescues.

These bodies are chiefly funded by grant-in-aid, which is a provision voted by the Assembly and recorded as a grant in the Department's resource accounts. The Department remains answerable for the general manner in which a NDPB discharges its functions and the bodies therefore operate within guidelines issued by the Department.

Accountability arrangements are generally similar to those for agencies. Governing guidelines for NDPBs are principally contained within a management statement and financial memorandum issued by the Department. In addition, NDPBs are subject to the rules in Managing Public Money Northern Ireland, relevant Departmental circulars and guidance issued by the Department of Finance. Each NDPB has a Board of Directors with both executive and non-executive members and the Chief Executive is appointed as the Accounting Officer for the organisation by the Departmental Accounting Officer.

Financial monitoring returns are submitted monthly. In addition, regular review meetings, including accountability meetings, are held to discuss financial and performance issues and progress against the objectives set out in their corporate plan, as augmented by their annual business plan.

North- South Body

The Department has relationships with 1 North- South body: safefood (previously known as the Food Safety Promotion Board).

safefood (Food Safety Promotion Board)

safefood was established under the Good Friday Agreement and is funded 30% by the Department and 70% by the RoI Department of Health and Children. It is therefore required to prepare a corporate plan on a tri-annual basis for the North South Ministerial Council, which is augmented by an annual business plan. These are also approved by the respective departmental ministers. The Department's relationship with the body is set out in a financial memorandum and, as for NDPBs, a sponsor branch (the Health Protection Team) liaises with the body throughout the year on progress against financial and performance targets.

Company Limited by Guarantee

Institute of Public Health in Ireland (IPHI)

The IPHI is a charitable limited company and is funded by both the Department, which meets one third of its costs, and the Department of Health in the Republic of Ireland (RoI), which funds the other two thirds expenditure. The accounts of the Institute are audited by an external auditor. The Department is represented on the IPHI Board of Directors and also on its Audit and Risk sub-committee, both of which meet regularly during the year.

ANNEX C

Report by the Comptroller and Auditor General to the Northern Ireland Assembly

Department of Health 2021-22

Introduction

1. This report highlights significant matters arising from my audits of the Department of Health's (DoH) and its subsidiary bodies' annual reports and accounts for 2021-22. The Department has incurred expenditure of more than £48 million over a number of years without authority and therefore this expenditure is irregular.

2. Regularity is the concept that the income and expenditure recorded in the financial statements must accord with the purposes intended by the Northern Ireland Assembly. If a department fails to adhere to this principle the resulting financial transactions will be considered irregular**.**

3. I have not qualified my audit opinions on the financial statements of DoH or these subsidiary bodies as I do not consider the matter to be material. Nevertheless, I believe it to be of sufficient importance to be drawn to the attention of the Northern Ireland Assembly.

4. Irregular expenditure has been incurred in 2021-22 on a number of different programmes and projects:

    - the Vaccine Management System (£5.1 million);
    - the Northern Ireland Electronic Care Record (£1.9 million);
    - in Patient Exemption Fraud/Error (£3.3 million); and
    - Dunmurry Manor consultancy expenditure (£14k).

5. This report also updates my 2020-21 report on the accounting treatment of liabilities within the HSC sector.

Vaccine Management System (VMS)

6. The Department of Finance (DoF) refused to provide retrospective approval for expenditure of £15,204k (£9,845k capital and £5,359k revenue), incurred by the Department of Health (DoH) on the Vaccine Management System (VMS).

7. Towards the end of October 2020, the Department was requested to develop urgently appropriate digital supports to the administration of the vaccination programme. The vaccination programme administered the first doses on the 8 December 2020. The required digital supports therefore needed to be developed and deployed rapidly and in a manner sufficiently flexible to meet the emerging needs and priorities of the vaccination programme. The Department adopted a rapid, agile methodology resulting in a series of phases of development as additional requirements emerged. The traditional linear, lengthy requirement development processes would not have delivered the outcomes in the limited time available to meet the programme's needs.

8. The Department told us that this demand was unprecedented. It required DoH to rapidly design and deploy a system which did not exist at that time, against a backdrop of unpredictable clinical conditions and continuously changing technical requirements, all within a bureaucracy which is not designed to work at such speed.

9. Throughout the development, both the policy requirements and the financial reporting structures were subject to change at short notice. The Accounting Officer and the Minister were kept informed of progress, with increasing expenditure and the acknowledgment that the business cases required adjustment and mitigations put in place to ensure value for money.

10. DoF concluded that, whilst accepting there was a clear need for the Vaccination Programme and associated VMS, it was apparent that neither the original business case to obtain initial internal DoH expenditure approval nor the subsequent request for DoF approval were completed at the appropriate time. It also concluded that the Department of Health has failed to provide evidence of steps that it is taking to ensure no recurrence.

11. Irregular expenditure of £5.1 million was incurred in 2021-22 (£1.8 million in 2020-21). A significant proportion of this expenditure passed through the accounts of the HSC Board (HSCB), £3.3 million (capital) and £1.6 million (revenue) and hence is also irregular. I recognise the successful development of the VMS and the outstanding work of Departmental staff during the pandemic. Nevertheless, it is important that a more agile and responsive means of managing approvals is developed to accommodate the demands of delivering at such pace.

Northern Ireland Electronic Care Record

12. The Northern Ireland Electronic Care Record (NIECR) is a project designed to provide a "single view" of a patient record, drawing on data stored in a number of secondary care systems. It has also developed a number of care pathways and information stores that reside wholly within the NIECR system. An outline business case was approved by DoF in 2011 with an estimated cost of almost £25 million over an 8 year period from 2011-12 to 2018-19.

13. In May 2022, DoF notified NIAO that it would not grant retrospective approval for expenditure of £29,521,214 (including capital expenditure of £11,027,990 and resource of £18,493,223) incurred by the Department of Health (DoH) on the NI Electronic Care Record (NIECR).

14. DoF approval was originally granted for the NIECR project in September 2011. This approval was based on an Outline Business Case (OBC) costed over an 8-year period (2011/12 – 2018/19). The estimated total cost of the project was £24,978,877 (including capital expenditure of £11,511,545 and resource expenditure of £13,467,332).

15. Due to the management arrangements for delivering the project, particularly the procurement, implementation and commitments to spend, a significant proportion of this expenditure passed through the accounts of the Business Services Organisation (BSO) and the HSC Board (HSCB) during this period. This amounted to £1.9 million in 2021-22 (£1.9 million in 2020-21) and hence is also irregular.

16. DoH submitted a request for retrospective approval to DoF on 30 November 2021, seeking retrospective approval for expenditure incurred on the NIECR project in 2020-21 and 2021-22. This submission highlighted that the NIECR project had been implemented on a different basis to that originally covered by DoF's approval – whilst DoF approval was based on an 8-year expenditure profile, the project entered into a contract for 5 years with 5 x 1-year optional extensions. Having not sought revised DoF approval for this change at the appropriate time, DoF advised DoH that retrospective approval would be required in order to regularise the total expenditure on this project from 2011-12.

17. DoF concluded that whilst the original business case was based on an 8-year period and expenditure profile, the project had been implemented on a 5-year plus 5 x 1-year annual optional extensions. DoF had not been not advised of this change. Moreover, the NIECR Evaluation Report shared with DoF by DoH indicates that some of the original functionality intended as part of the preferred option was not delivered and that 'new' functionality beyond the scope of the original business case was provided. As such, DoF concluded that project implementation breached the original approval without revised approval being sought as required; and therefore the first condition for granting retrospective approval was not met in relation to the initial 8-year period.

18. DoF also concluded that, in relation to 2020-21 spend and beyond, the contract extension business case prepared by DoH was completed in March 2020, whilst the decision to extend the contract for the full permitted term was made in May 2019. Consequently, it is not clear that steps were taken at the appropriate time to ensure no recurrence of this situation within the project.

Patient Exemption Fraud/Error

19. The BSO, on behalf of the HSC Board, handles payments to contractors providing family practitioner services. Counter Fraud and Probity Service within the BSO is responsible for checking patient exemption entitlement and for taking follow-up action where a patient's claim to exemption from statutory charges has not been confirmed. This can be due to fraud or to error. Given the volume of Dental and Ophthalmic claims each year, sampling is used to establish an estimate of the total annual potential loss due to fraud/error.

20. For 2021-22, the central estimate for potential losses due to fraud/error was £3.3 million, (£2.2m dental and £1.1m ophthalmic). This is an increase on the £1.8 million of fraud/error reported for last year (£1.1 million of dental fraud/error and £0.7 million of ophthalmic fraud/error). Greatly increased activity levels account for a proportion of the increase in 2021-22: activity in 2020-21 was artificially low due to the pandemic. The figure for fraud/error in 2019-20 was £3.9 million.

Dunmurry Manor consultancy expenditure

21. Following the publication of the Commissioner for Older People for Northern Ireland's report (COPNI) in June 2018 into care failures at Dunmurry Manor Care Home, the Department commissioned a Follow up Review into Care at Dunmurry Manor Care Home.

22. The Review (undertaken by CPEA Ltd) will provide the DoH and the wider HSC system with an independent analysis and insight into how the whole system responded to the issues at Dunmurry Manor Care Home. Ultimately this will enable the Department to understand if failings were the result of flaws in system design, their operation, or a combination of both and to identify learning for future improvements.

23. In progressing the review, costs of £474,500 were incurred prior to 2020-21 with further costs of £145,000 incurred in 2020-21 and £14,000 in 2021-22. This expenditure required approval from the Department of Finance and as this has not been received it is therefore irregular. The Department is currently seeking to secure appropriate authorisation.

Accounting treatment of liabilities

24. My report on the DoH annual report and accounts for 2020-21 and the audits of the HSC Trusts highlighted a number of examples of the Department and the wider HSC sector applying an accounting treatment for liabilities that does not meet the DoF's budgetary guidance or International Accounting Standards. The overall effect of treating liabilities of £135 million as accruals rather than provisions is that the HSC retained significant sums from its 2020-21 DEL budget allocation, rather than surrendering it for use by other departments or returning it to the Treasury. This ensured that the funds were secured for future expenditure rather than having to bid for them again in 2021-22.

25. This matter remains unresolved. I identified £18.8 million of accruals within the Department's accounts for 2021-22 that do not meet the definition of an accrual. The Department and trusts' accounts disclose £102 million of accruals at 31 March 2022 that should have been treated as provisions. I have qualified my audit opinion on the accounts of the Northern Ireland Ambulance Service as a consequence, where the sum is material in the context of its overall operating expenditure. I have not qualified my audit opinions on the financial statements of DoH or the other trusts as the matter is beneath the levels of materiality for their accounts.

Summary of findings

26. My audit work has identified a number of examples of irregular expenditure within the Department and its subsidiary bodies. The circumstances in which each arose differ widely and there are important lessons to be learned from each example. Nevertheless, the overall effect is that the Department and its subsidiaries have incurred significant expenditure without the proper authority.

27. The inappropriate accounting treatment of liabilities identified in 2020-21 has not been resolved. Disclosing items as accruals which should properly have been treated as provisions instead, has the effect of securing funds from existing budgets for future payments. This treatment is not in line with International Accounting Standards nor with budgetary guidance from the Department of Finance.

The Department of Health's response

28. In relation to the irregular expenditure the Department told me that it continues to endeavour to ensure that all of its expenditure is incurred in accordance with Managing Public Money Northern Ireland and other applicable guidance, whilst recognising that its performance has fallen short of what is required in the instances highlighted in this report. It also highlighted the particular issues associated with the pace at which the development of the Vaccine Management System needed to be progressed and advised that it will continue to work with the DoF on appropriate methods of approval for such projects in the future.

29. In relation to the recognition of liabilities the Department told me that it has prepared its accounts on what it assessed to be the appropriate accounting treatment and that it accepts that its opinion on the correct treatment differs from that of the NIAO in an area that is both technical and a matter of accounting judgement. Where advice has been provided to the Trusts on the appropriate accounting treatment for liabilities, the Department has advised me that this has been done in consultation and agreement with the Finance Directors of the Trusts. It has also consulted with the DoF where appropriate. The Department has also assured me that should these liabilities remain outstanding at 31 March 2023 it will revisit the accounting treatment applied to ensure that it remains content that it is appropriate.

Conclusions

30. I remain concerned by the Department's apparent failure to pay sufficient regard to the DoF's budgetary guidance and to accepted accounting practice. The Department contends that this does not represent a deliberate attempt to circumvent DoF financial controls and I have no evidence that this is the case. However, I consider that it is undeniable that significant sums have been spent without the proper authority and that the accounting treatment of liabilities does not meet the requirements of International Accounting Standards.

31. In my view, the Department is now seeing the consequences of its decision to scale back its focus on governance in the face of the Covid 19 pandemic, a focus which in normal times should have provided early warning signs of these issues. It is evident that this focus needs to be restored as a priority.

32. I will continue to monitor the Department's response to this report and may report further on this matter, if necessary, next year.