



Northern Health and Social Care Trust

THE ACCOUNTS OF THE CHARITABLE TRUST FUNDS HELD

BY

NORTHERN HEALTH AND SOCIAL CARE TRUST

FOR THE YEAR ENDED 31 MARCH 2017

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

On

28th June 2017

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Northern HSC Trust
Charitable Trust Funds
The Trustees' Annual Report
and
Accounts for the year ended 31 March 2017

Reference and Administrative information

Trustees

The Trust Board

i. Non Executive Directors

- Mr Bob McCann
- Mrs Geraldine McGahey
- Mr Paul Corrigan
- Mr Jim McCall
- Mr Billy Graham
- Mr Stewart Cuddy – appointed January 2017
- Mr Gerard McGivern – appointed January 2017
- Mr Glenn Houston – appointed January 2017
- Dr Carol Ackah – completed term December 2016
- Mr Jim Moore – completed term December 2016
- Mrs Liz Ensor – resigned November 2016

ii. Executive Directors

- Dr Anthony Stevens, Chief Executive
- Mr Owen Harkin, Executive Director of Finance
- Mrs Marie Roulston, Executive Director of Social Work
- Mrs Olive MacLeod, Executive Director of Nursing (on secondment from July 2016)
- Mrs Eileen McEaney, Executive Director of Nursing (took up post in October 2016)
- Dr Kenneth Lowry, Executive Director of Medicine (retired November 2016)
- Mr Seamus O'Reilly, Executive Director of Medicine (took up post December 2016)

iii. Directors

- Mrs Pamela McCreedy, Deputy Chief Executive & Director of Operations
- Mrs Elizabeth Brownlees, Director of Human Resources

Principal Office

Trust Headquarters Bretten Hall, Antrim Area Hospital, Bush Road, Antrim,
BT41 2RL

Charity Number: XT5430

Bankers Bank of Ireland
Ballymena Branch
155 Church Street
Ballymena
BT43 6DG

Solicitors Directorate of Legal Services
Business Services Organisation
2 Franklin Street
Belfast
BT2 8DQ

Auditors Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

Report of the Trustees for the year ended 31 March 2017

The Trustees of Northern HSC Trust (NHSCT) Charitable Trust Funds present their Annual Report for the year ended 31 March 2017. This has been prepared in accordance with the Charities Statement of Recommended Practice (FRS 102) and the relevant guidance issued by Department of Health. This is the first year that the NHSCT has presented the results under FRS 102. The date of transition to FRS 102 was reporting periods after January 2015 and the Trustees have considered the requirements and made any necessary changes for the first time adoption. There are no changes in accounting policies and no numerical changes in the previously reported results and total funds.

Structure, governance and management

The NHSCT Board members are the Trustees of the Charitable Trust Funds.

The Charitable Trust Funds consist of a number of individual accounts created through donations, gifts and endowments from the public to enhance the health and social care provision already provided through public funds within the NHSCT.

Fund managers carry out the day to day administration of the funds they are responsible for. All funds are administered in line with the NHSCT's Charitable Trust Funds Policy and Procedures documents. Within the procedures there are strict authorisation levels applied to control expenditure. Administration of the funds is subject to both internal and external audit. The financial transactions, banking arrangements and investment activities are carried out by the NHSCT's Finance Directorate.

The NHSCT's Audit Committee was chaired by a Non-Executive Director and required a quorum of two Non-Executive Members. The Committee was updated on all recommendations implemented and any outstanding action points. The Audit Committee met five times during 2016/17 and the membership consists of two non-executive directors and the Executive Director of Finance.

The Charitable Trust Funds Advisory Committee oversees the administration of the NHSCT's Charitable Funds and ensures that they are managed within the NHSCT's Standing Financial Instructions, Departmental guidance and relevant legislation. The Committee also oversees the investment and appropriate disbursement of the funds, ensuring value for money and also ensuring that funds are not unduly accumulated. It also ensures a strategic approach is adopted with regard to charitable expenditure and that directorates produce and implement annual expenditure plans relating to funds at their disposal. The Committee is chaired by a Non-Executive Director. The Executive Director of Finance is also in attendance with other senior staff. The

committee met three times in 2016/17. Relevant updates are issued to the NHSCT's Board as required.

Risk Management

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Assurance and Improvement Group composed of Executive and Operational Directors, and chaired by the Chief Executive, continues to provide an operational focus to risk management and integrated governance.

The purpose of the Assurance and Improvement Group is to oversee an effective system of integrated governance. It will reasonably ensure that an effective Assurance Framework is in place, which provides a clear, concise structure for presenting key information to the NHSCT Board and its Sub Committees. It will ensure that there is continuous assessment of the effectiveness of the systems for management of risk. Through its processes, the Assurance and Improvement Group will regularly review which of the organisation's objectives are at risk because of inadequacies in the operation of control or whether the organisation has insufficient assurance about them and that appropriate actions are being taken to mitigate any risks.

There are structured processes in place for managing risks, incident reporting and the investigation of serious adverse incidents.

The NHSCT has encouraged the open and transparent reporting of incidents and has supported staff by producing guidance for use by investigation teams and service users and providing training on investigation methodology.

Financial Controls

The Trustees of the charitable trust funds are aware of their financial responsibilities for the money that is held on trust. Appropriate policies and procedures are in place to ensure these responsibilities were adequately discharged, and these are reviewed on a regular basis.

Statement of Risk

The management of risk in relation to the Charitable Trust Funds was closely aligned with the NHSCT's risk management procedures. These are outlined in detail in the Governance Report contained within the NHSCT's annual report and public funds financial statements.

Reserves Policy

The Charitable Trust Funds did not enter into future commitments and so have not created any reserves for this. Activities were only authorised when funding was available.

Investment Policy

For investment purposes the available balances on the Charitable Trust Funds were invested in either bank deposits for short term funds or in the Northern Ireland Central Investment Fund for Charities (CIFC), which was established under the Charities Act (NI) 1964, and is managed by the Department for Communities for longer term investments.

Plans for future periods

The Charitable Trust Funds Advisory Committee has put in place plans for effectively managing and monitoring Charitable Trust Funds in 2017/18 and to ensure that funds are utilised effectively and appropriately as per the Committee's terms of reference.

Objectives and Activities

Charitable Trust Funds are administered by the NHSCT as Trustees under the Health and Personal Social Services (NI) Order 1972 as amended by Article 16 of the Health and Personal Social Services (NI) Order 1991.

The normal purposes to which funds may be applied include all relevant expenditure likely to assist in the universal provision of health and social care services in accordance with current legislation relating to Charitable Trust Funds, the Standing Financial Instructions of the NHSCT, and operational procedures. Charitable Trust Fund management and activity including expenditure and income is an integral part of the successful operation of the NHSCT. The Trustees (The NHSCT Board) diligently work to ensure that these funds are put to the most appropriate and effective use as intended by the donors and to the benefit of the patients, clients, visitors and staff of the NHSCT.

The Trustees believe that the proactive management of Charitable Trust Funds, to assist the widespread provision of health and social care, demonstrates public benefit to patients, clients, visitors, staff and the wider community. This includes, for example, improving patient care through the purchase of state of the art equipment, the development of facilities and services to provide the highest quality of care to patients and clients and the promotion of practical and tangible research and development.

Funds attributed to Charitable Trust Funds are managed under the same exacting governance arrangements and controls as public funds.

REVIEW OF THE YEAR – 2016/17

The achievements and financial performance of the Trust with regard the management of the Charitable Trust funds are set out below.

Financial Review and results for the year

The Charitable Trust Funds activities for the year generated a net deficit of £171K in that expenditure exceeded receipts by this amount (2015/16 net deficit £4k). This is before adjustment for investment performance. The total fund balances were £5.7m (2015/16 £5.6m).

Income & Expenditure

Income to the Charitable Trust Funds is derived mainly from individual donations, investment income and legacies, which mean that income, can fluctuate from year to year. In 2016/17 income decreased by £12K to £709K. Expenditure in 2016/17 increased by £155K to £880K.

Achievements and Performance

During the year 2016/17 the Charitable Trust Funds continued to support activities commensurate with the objectives of the individual funds. Excluding administration and notional audit fee £835k was expended on charitable activities in accordance with Trust policies and procedures which are summarised within note 6 of the accounts.

Investment performance

Investment income from cash and investments for 2016/17 was £76K (2015/16 £87K) representing a decrease of 12.5% from the previous year, due to the decrease in the returns from investments held by the Charitable Trust Funds. The market value of fixed asset investments increased by £233K in 2016/17 compared to a decrease of £102K in 2015/16. These investments are managed on behalf of the NHSCT by NI Central Investment Fund for Charities.

Northern Ireland Charity Commission

The Charities Act (NI) 2008 established the Charity Commission for Northern Ireland (CCNI) which is the independent regulator of charities in NI. The NHSCT Charitable Funds is on the deemed list of charities as it is registered with Her Majesty's Revenue and Customs for charitable tax purposes. The Charities (2008 Act) (Commencement No. 4) Order (Northern Ireland) 2013 came into effect on 24 June 2013. The Commencement Order allowed the Charity Commission for NI to begin compulsory registration of all charities operating in Northern Ireland. As a registered charity, the NHSCT Charitable Funds have commenced providing information about the way in which it operates and how it uses its resources. The NHSCT continues to engage with CCNI to complete the registration process for the funds held. When

complete this information will be made available online by the CCNI so that everyone can see how the charity's money is used.

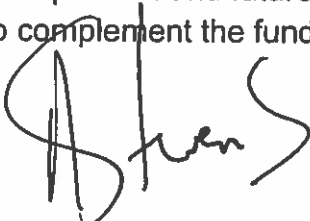
Further information

Please note the following:

- The Charitable Trust Fund financial information has been consolidated to the NHSCT Annual Accounts in 2016/17 in summary format in accordance with the relevant accounting policy.
- None of the Trustees have been paid any remuneration or received any other benefit from an employment funded by the Charitable Trust Funds or a related entity.
- Note 19 Related Party Transactions, none of the Trustees have any related party disclosures pertaining to the Charitable Trust Funds.
- The Charitable Trust Fund accounts have been prepared on a going concern basis.

Conclusion

The Trust is grateful for the endowments, gifts and charitable donations received from service users and staff past and present: for the benefit of service users and staff present and future. It is our goal to continue to maximise the use of these funds to complement the funds provided from the public purse.



15/6/17

Dr Anthony Stevens
Accounting Officer

**GOVERNANCE STATEMENT OF THE NHSCT
2016/17**

Governance Statement 2016/17

Introduction / Scope of Responsibility

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

In addition to the Department of Health, the Trust has a close and positive working relationship with colleague agencies in HSC, particularly our commissioners, the HSC Board, the Public Health Agency, and the various directorates of the Business Services Organisation (BSO). The Trust has regular accountability meetings with the HSC Board and DOH and is informed by the Commissioning Plan. The Trust prepares a Trust Delivery Plan (TDP) to reflect its activities for each year. The Trust also participates in a wide range of groups designed to enhance the services provided to its population. The Trust works closely with the community and voluntary sector.

The Trust also works closely with the Public Health Agency to promote and improve public health and well-being in the delivery of the Trust Delivery Plan.

Compliance with Corporate Governance Best Practice

The Board of the Northern Health and Social Care Trust applied the principles of good practice in Corporate Governance and continued to further strengthen its governance arrangements. The Trust does this by undertaking continuous assessment of its compliance with Corporate Governance Best Practice. In 2015/16 BSO Internal Audit carried out an audit of Integrated Governance and concluded that overall there was an adequate and effective system of governance risk management and control. The audit will be repeated in 2017/18. A reassessment of the independent governance review, in March 2017, by the Leadership Centre advised that of the 31 previous recommendations, 22 were rated Green, four Green/Amber, three Amber and two Amber/Red. The review concluded that there was clear evidence that actions were being taken to address these recommendations, which would provide assurance to the Trust Board. Areas of good practice were highlighted along with areas for further development. An action plan will be developed.

The Trust Board undertook an annual assessment of its compliance with Corporate Governance best practice by completing the Board Governance Self-Assessment Tool for use by DOH Sponsored Arm's Length Bodies. This involved assessing

Board Performance across a total of 17 criteria of which 14 were rated as Green and three as Amber/Green. The Amber Green ratings related to the number of new board members recently appointed, the induction requirements of the new members and the development needs of the whole board as a support to new members. This assessment was formally approved by the Trust Board at its meeting on 23rd March 2017 and action plans are being developed to the areas identified.

Governance Framework

The Trust Board is the primary Governing Body of the Trust. It is constituted by the DOH and is responsible for the strategic direction and control of the Trust. The membership is shown in the table below, together with attendance at Board meetings. There is no minimum attendance requirement. The quorum for a Board Meeting is half of the total number of the Board (including at least two Executive Directors and two non-executive members). The notice of Board Meetings is advertised in the press and on the Trust's website. Board agenda, minutes and papers, where appropriate, are also published on the Trust website. Non Executive Directors, Executive Directors, Directors and Divisional Directors attend Trust Board.

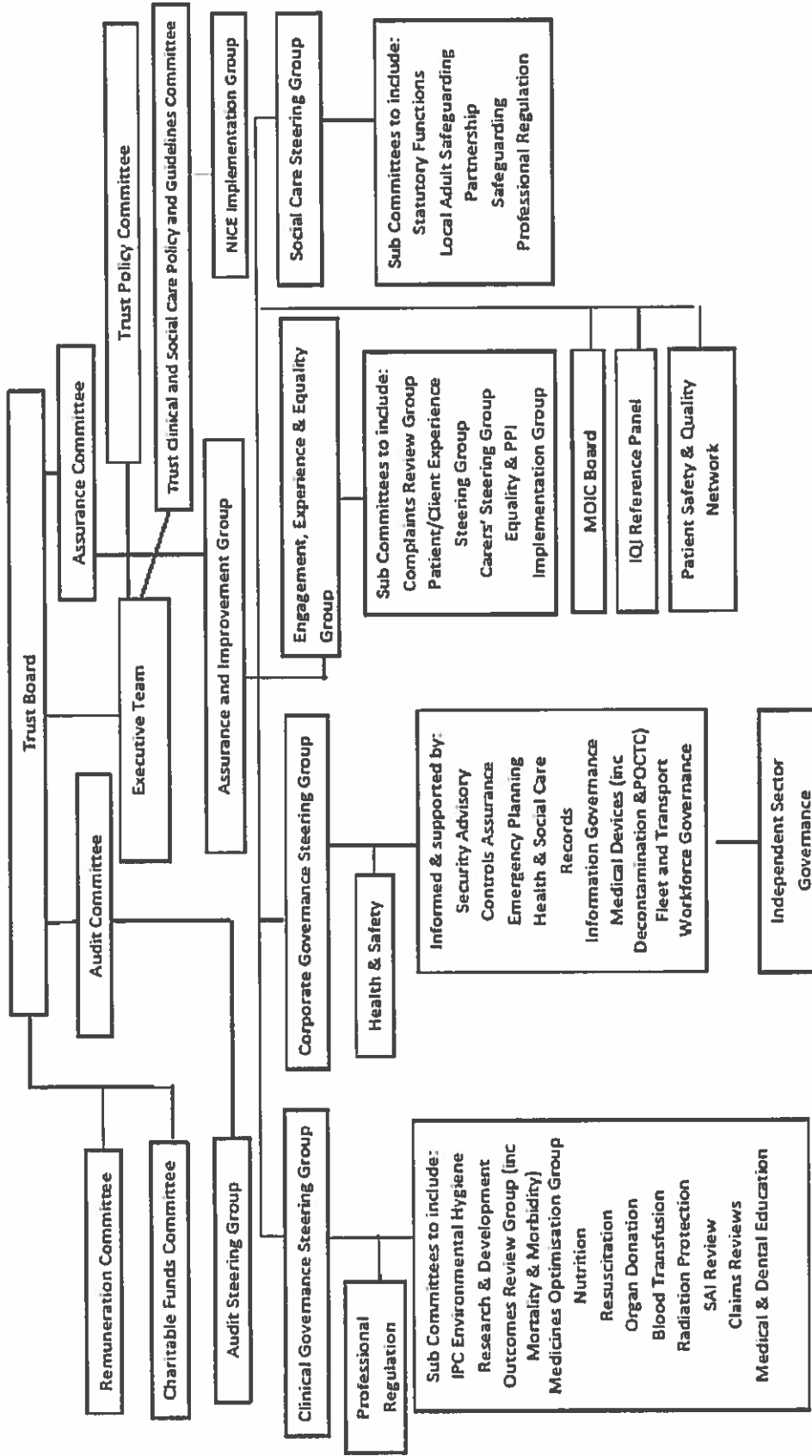
During 2016/17, 9 Trust Board meetings were held in public.

Name of Director	No of Meetings attended	No of Possible Meetings	Comments
Mr B McCann Chairman	9	9	
Dr C Ackah Non Ex Director	4	7	Term expired 31/12/16
Mr J Moore Non Ex Director	4	7	Term expired 31/12/16
Mrs L Ensor Non Ex Director	4	7	Resigned 30/11/16
Mr B Graham Non Ex Director	9	9	
Mrs G McGahey Non Ex Director	9	9	
Mr P Corrigan Non Ex Director	8	9	
Mr J McCall Non Ex Director	6	9	
Mr G McGivern Non Ex Director	2	2	Term commenced 1/1/17
Mr G Houston Non Ex Director	2	2	Term commenced 1/1/17
Mr S Cuddy Non Ex Director	2	2	Term commenced 16/1/17
Dr A Stevens Chief Executive	9	9	

Mr O Harkin Director of Finance	9	9	
Mrs M Roulston Director Children Services/Ex Director Social Work	7	9	
Mrs O MacLeod Director Nursing and User Experience	2	2	On secondment from 30/6/16
Dr K Lowry Medical Director	4	7	Retired 30/11/16
Dr S O'Reilly Medical Director	3	3	Interim from 1/11/16. Permanent appointment 12/12/16
Mrs S Pullins Interim Director Nursing and User Experience	2	3	In post 1/7/16 – 30/9/16
Mrs E McEneaney Interim Director of Nursing and User Experience	4	4	Commenced 1/10/16
Mrs P McCreedy Director of Operations/Deputy Chief Executive	9	9	
Mrs E Brownlees Director of Human Resources	9	9	Interim from 1/4/16. Permanent appointment 9/11/16
Mrs U Cunning Divisional Director Community Care	4	5	Retired 30/9/16
Mrs P Hughes Interim Divisional Director Community Care	4	4	Commenced 9/9/16
Mr O Donnelly Divisional Director Mental Health, Learning Disability and Community Wellbeing	8	9	
Ms B Donaghy Divisional Director Strategic Development and Business Services	9	9	
Mrs W Magowan Divisional Director Medicine and Emergency Medicine	7	9	
Mrs M O'Hagan Divisional Director Acute Services	7	9	

The governance arrangements for the Northern Health and Social Care Trust is based on an integrated governance model that links financial governance, risk management and clinical and social care governance into a single framework (see overleaf)

Assurance Framework Committee Structure



Divisional, Directorate Governance and Accountability Structures

The Trust Board has five committees to scrutinise the Trust's governance systems and to provide assurance to the Trust Board on their effectiveness:

- Audit Committee;
- Remuneration Committee;
- Charitable Trust Funds Advisory Committee;
- Assurance Committee; and
- Engagement Experience and Equality Group.

The Audit Committee is a Board Committee, which has a central role in the Trust's Governance Framework. Its Terms of Reference include the duties set out below in respect of internal control:

- To ensure the adequacy of all risk and control related disclosure statements (in particular the Governance Statement), together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board;
- To ensure the adequacy of the underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements;
- To ensure the adequacy of the policies for ensuring compliance with relevant regularity, legal and code of conduct requirements, including the Trust's Standing Orders and Standing Financial Instructions;
- To ensure the adequacy of the policies and procedures for all work related to fraud and corruption as required by the DOH Counter Fraud Policy Unit. This includes oversight of progress on all suspected or actual fraud cases identified and regularly reported to the DOH;
- To review the annual schedule of losses and compensation payments and make recommendations to the Board regarding their approval; and
- To review on a periodic basis the Trust's Whistleblowing Register.

The Committee currently has three Non-Executive members and is chaired by a Non-Executive Director. The Committee met five times during 2016/17. The Committee provides assurance to the Trust Board and the Accounting Officer on the systems of internal control. Minutes of meetings are presented to the Trust Board.

The Audit Committee completed the National Audit Office Committee Self-Assessment Checklist and an action plan was implemented to address the issues identified. The Audit Committee has produced an annual Audit Report for 2016/17.

The Remuneration Committee is a Committee of the Trust Board tasked with the responsibility for approving the remuneration of Executives. The Committee is chaired by a Non Executive and is comprised of three Non-Executive Directors in total. It met four times during 2016/17.

The main functions of the Committee are as follows:

- To advise the Board on performance, development, succession planning and appropriate remuneration and terms of service for the Chief Executive and all Senior Executives, guided by DOH policy and best practice;
- To provide advice to the Board on remuneration including all aspects of salary as well as arrangements for termination of employment and other contractual terms;
- To ensure robust objectives, performance measures and evaluation processes are in place within the Trust in respect of Senior Executives;
- To make such recommendations to the Board on succession planning and on the remuneration, allowances and terms of service of the Chief Executive and, on the advice of the Chief Executive, other Senior Executives;
- To ensure that the Chief Executive and Senior Executives are fairly rewarded for their individual contribution to the organisation, having proper regard to the organisation's circumstances and performance and to the provision of national arrangements;
- To monitor and evaluate the performance and development of the Chief Executive and on the advice of the Chief Executive, the other Senior Executives of the Trust; and
- To advise the Board and oversee appropriate contractual arrangements for the Chief Executive and Senior Executives including the proper calculation and scrutiny of termination payments taking account of relevant guidance as appropriate.

The Assurance Committee consists of all Non-Executive Directors and met on four occasions during 2016/17. The Committee has oversight of Integrated Governance and the effectiveness of the Assurance Framework of the Trust. It will evaluate all available evidence to provide an assurance to the Board that the systems of control are operating effectively and that structures support good governance. The Committee is chaired by the Trust Chairman.

The Committee:

- Evaluates risks to the achievement of the Trust's objectives;
- Regularly reviews arrangements for risk management and corporate governance and agrees further updates/changes with Executive Directors;
- Considers the effectiveness of the key controls through which risks will be managed;
- Ensures the views of the local community, relevant experts and staff input are incorporated into the development of services; and

- Seeks assurance that timely reports are made on recommendations and remedial actions taken or proposed to mitigate any internal failing in systems or services.

The work of the Assurance Committee is supported by the **Assurance & Improvement Group**, composed of Executive and Operational Directors, which provides an operational focus to risk management and integrated governance. The Assurance & Improvement Group is chaired by the Chief Executive.

The Engagement, Experience and Equality Group is chaired by the Deputy Chief Executive and has met on three occasions in 2016/17. The group includes representation from Trust Board, the Patient and Client Council and Senior Management Team. The group assures the Trust is compliant with the following legislation:

- HSC Complaints Standards and Guidelines;
- DOH Standards for Improving Patient Experience/10,000 voices;
- Personal and Public Involvement;
 - Engagement and Consultation;
- Equality:
 - Section 75 of the Northern Ireland Act 1998;
 - Human Rights Act 1998;
 - Section 49a of the Disability Discrimination; and
- Carers' Strategy.

The Charitable Trust Funds Advisory Committee is chaired by a Non-Executive Director with senior staff including the Director of Finance in attendance. The Charitable Trust Funds Advisory Committee oversees the administration of Charitable Trust Funds in line with the Trust's Standing Financial Instructions. During 2016/17 the Committee met on three occasions. The role of the Committee is to oversee the administration, including banking arrangements, of Charitable Trust Funds, its investment and disbursement. It also ensures that a strategic approach is adopted with regard to charitable expenditure and that Directorates produce and implement annual expenditure plans relating to all funds at their disposal.

Framework for Business Planning and Risk Management

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

Business Planning Processes

The Trust's vision, values and corporate priorities are set out in the 4 year Corporate Plan, which is subject to Departmental approval. The Ministerial targets and Health and Social Care Board (HSCB) Commissioning Plan priorities are responded to in the annual Trust Delivery Plan, which must be approved by HSCB, setting out how the Trust plan to deliver against the priorities set out. The Corporate Plan and the TDP set the context for the development of corporate support and operational divisional Directorate Plans, which set out how each Directorate will support the delivery of targets and priorities appropriate to their service areas. Within Directorates, Service Plans for key service areas are developed aiming to ensure corporate goals and actions are translated into operational objectives. The achievement of plans and performance are actively progressed through internal Accountability Meetings, across the course of the year. The Trust Board receives a monthly Performance Report setting out performance against each of the Ministerial targets and HSCB Commissioning objectives and this is reviewed as part of the Trust Board meeting held in public. It is also published on the Trust web site.

The Trust has developed a comprehensive Reform and Modernisation Plan (RAMP) and is continuing to work with the HSCB and the Local Commissioning Group (LCG) to take forward service reform in keeping with the Ministerial Vision. The objectives of RAMP are to enable the delivery of our vision of excellent integrated services delivered in partnership with our community.

To do so our focus is on developing local, integrated care services and a sustainable acute hospital services model delivered across two sites, to meet then need of the local population. Strong relationships with the broader acute service networks are essential as are effective partnerships with primary care and effective, meaningful engagement with all stakeholders.

Risk Management

The Assurance Framework including the Principal Risk Document describe the organisational objectives, identify potential risks to their achievement, the key controls through which these risks will be managed and the sources of assurance about the effectiveness of these controls. The Assurance Framework was revised in March 2017.

The Risk Management Strategy describes the ongoing processes in place to identify and prioritise the risks to the achievement of the organisation's objectives and the systems that are in place for the identification, analysis, control and review of risks.

The Principal Risk Document highlights the key risks to the achievement of the organisation's objectives. This tool was developed to ensure there is a comprehensive method for the effective, focused identification and management of the principal risks that arise in meeting the corporate objectives. The Principal Risk Document is used to provide the Trust Board with a simple and comprehensive account of those risks identified, actions required and outstanding gaps in control. This document was last presented to the Assurance Committee in February 2017.

The Corporate and Directorate Risk Registers are used to support on-going review and update of the Principal Risk Document. The Trust's revised Risk Management Strategy has strengthened systems and processes by which risks are identified and controlled.

There are structured processes in place for managing risks, incident reporting and the investigation of serious adverse incidents. The introduction of a web-based reporting system for risks and the reporting of adverse incidents have been approved for implementation. The Trust has encouraged the open and transparent reporting of incidents and has supported staff by producing guidance for use by investigation teams and service users and providing training on investigation methodology.

Information Risk

Information risks are managed within the context of the Trust's Risk Management Strategy. Such risks are identified and documented at a number of levels including the Corporate Information Governance Risk Register. This register is reviewed at the quarterly Information Governance Forum and, as appropriate, risks are escalated or removed from the Corporate Risk Register.

Information Governance Incident reporting (including Serious Adverse Incident (SAI) reporting) is performed using the normal Trust procedures, which incorporate guidance on reporting Information Governance incidents. Since April 2016, two new data security breaches have been reported by the Trust to the Information Commissioner's Office (ICO). Of the 1 incident reported to the ICO in the previous year (2015/16), the outcome was that the Trust was served with an ICO Undertaking (June 2016). This Undertaking focused on the uptake of Information Governance training and staff awareness of policies and procedures for reporting incidents. Substantial progress has been made on training staff; however significant work still remains to be done in the areas of Information Risk Management and Physical Security. An internal audit conducted on staff attitudes to Information Governance during 2016/17 re-confirmed this position.

The Trust has identified and provided training to its Senior Information Risk Owner (SIRO), Information Asset Owners (IAO) and Information Asset Administrators (IAA). These roles continue to be developed. Training is being arranged for these staff on an on-going basis. Other roles, such as the Trust's Personal Data Guardian, Information Governance staff (includes the Data Protection Officer and the Freedom of Information Practitioner), ICT Governance Manager and Information System Managers, all

contribute to the management of information risk. In addition, the Trust has an established Information Governance Forum, which reports to the Assurance Group via the Corporate Governance Steering Group. The Information Governance Forum oversees and directs a rolling work programme that addresses a number of risk areas. A work programme is in place for the period 2016/17 to 2018/19.

Information Governance

A range of Information Governance courses are offered in-house, some of which are mandatory for specific staff groups:

- Information Governance Awareness for all staff;
- Processing of Personal Information for Managers (POPI); and
- ICT Security training for all ICT users.

Currently 83% of Trust staff have completed the mandatory Information Governance training, compared to 61% in the previous year. Additionally, 79% of managers have undertaken the mandatory POPI Training. Attendance at this training has been prioritised within Directorates and is discussed at Accountability Meetings with the Deputy Chief Executive. A workshop for senior leaders has been organised for early June 2017, at which clearly identified actions will be developed in order to maintain focus on increasing training compliance.

Information Governance is addressed as part of a standard approach to Information System implementation (e.g. access control, contingency planning etc).

The Trust is reliant to a significant extent on the services provided by BSO Information Technology Services (ITS), for which a Service Level Agreement is in place. BSO ITS also provides formal assurance, via their SIRO, to Department of Health as part of the corporate governance process.

The Trust has in place a number of policies that support Information Governance, including:

- Policy (and associated procedures) on Processing of Personal Information;
- Policy (and associated procedures) on Making Information Available to the Public;
- Information Systems Security Policy;
- Records Management Policy;
- Data Quality Policy; and
- Corporate policies including Risk Management Strategy and Incident Reporting Policy.

As of March 2017, the Trust achieved substantive compliance with the Information and Communications Technology (ICT) Controls Assurance Standard and the Information Management (IM) Controls Assurance Standard. Internal Audit undertook verification on the Trust's self-assessment of the IM Controls Assurance Standard. The Trust ICT Service continues to hold ISO 270001 and ISO 20000 Accreditations.

Public Stakeholder Involvement

The Trust is committed to Personal and Public Involvement (PPI) and has assigned responsibility for this to the Director of Operations/Deputy Chief Executive. The Trust has established an Engagement, Experience and Equality Group (EEEG) to ensure compliance with and mainstreaming of personal and public involvement. The EEEG seeks assurance that service users, carers and communities are fully involved in the development of Trust services and that their feedback informs, identifies risk and helps shape our business. The membership includes a representative from the Patient and Client Council (PCC).

The Trust acknowledges the importance of proper and timely consultation as an integral part of fulfilling its statutory obligation. Feedback from all Trust consultations is considered by Trust Board and made available on the Trust's website in addition to stakeholders being informed of the outcome of the consultation process.

The Trust's PPI Strategy will be updated and refreshed on receipt of the Regional updated PPI Strategy, which will no doubt give tangible effect to the Ministers commitment to take forward the reform of the service through co-production methods. The Trust have well established arrangements for the involvement of representatives of service users, carers and the public in decision making processes in health and social care. The Trust worked with its user and carer groups to develop our PPI Strategy and associated action plan, which includes key indicators to demonstrate progress and measurable improvement.

The PPI Annual Report was presented to the Trust Board on 23rd March 2017. This provides a corporate overview of a wide range of engagement activities taking place across the Trust. It is encouraging to note from this report that PPI activity continued to increase and there was evidence that engagement activity does impact on plans for developing services. At each Trust Board, a personal testament is provided by a service user or member of staff. These accounts recount positive experiences as well as stories where a poor experience affected the individual and their families.

Our five year Reform and Modernisation Programme (RAMP) has demonstrating improved patient experience at a key measure of its impact. We continue to use a range of methods to monitor compliance with the DOH standards document "Improving the Patient & Client Experience." We gather feedback from service users about their

experiences to identify patterns that help us to review our service. A combination of service user surveys, stories and observations are used to gather information about service users' experiences of services they receive. In addition, the 10,000 Voices project gives patients, as well as their families and carers, the opportunity to share their overall experience and highlight important issues. Each of the RAMP service transformation work streams is embedding patient experience measures as a critical part of their outcome measures.

The Trust also collects and reports on complaints, comments and suggestions made by members of the public and service users received through the 'Your views matter' process. All feedback is acknowledged and cascaded to the relevant service for action to improve services for our users.

The Trust has a number of user forums, which ensure an effective process for on-going stakeholder involvement in planning, delivery and evaluation of services. These are:

- Disability Consultation Panel;
- Older Peoples Panel;
- The Forum – for people who access Learning Disability Services; and
- Carers Steering Group

Each panel provides a forum to promote partnership working and an opportunity for stakeholders and their representatives to be involved in the developing and planning of services.

The Trust is committed to meaningful public and stakeholder involvement and is developing our approach to co-design and co-production. A master class was held in March 2017 which has highlight examples of good practice, both in the Trust and beyond, and we are aiming to embed co-production in all aspects of our planning and service improvement processes.

The launch of our Innovation and Quality Improvement initiative (IQI) in March 2017 has patient safety at its core. Through developing our capability for taking forward improvement methodology, we plan to ensure that all staff have the knowledge, ability and are enabled to make small scale improvement in their own service areas and that we as an organization place safety and positive service user experience as a key measure of delivering on our priorities.

Assurance

Quality of Assurance

The Trust receives independent assurances from a number of sources during the financial year:

- BSO Internal Audit – through a programme of annual audits based on an analysis of risk

- Northern Ireland Audit Office – provides assurance to the Assembly and an independent opinion on whether the Trust's Public Fund Accounts and Charitable Trust Funds Accounts present a true and fair view in respect of the Trust's financial activities.
- Regulation and Quality Improvement Authority (RQIA) – on the extent to which services provided by the Trusts, or those commissioned from Third party providers, comply with applicable quality standards.
- Annual BSO Assurance Letter in respect of Shared Services functions
- Social Services Inspectorate for older people and children's' services.
- Medicines and Healthcare Products Regulatory Agency (MHRA) through regular inspections and reports.
- General Medical Council (GMC), General Dental Council (GDC), NI Medical and Dental Training Agency (NIMDTA) and various Royal Colleges.

It also receives assurances from internal sources, which are designed to give assurance as to the effectiveness and operation of controls across a range of governance areas. These include:

- Principal Risk Document
- Controls Assurance Standards;
- Risk Registers;
- Board appointed committees including the Assurance Committee, Audit Committee, and the Engagement, Experience and Equality Group;
- Reports from Directors at Board Meetings.

The Board assures itself on the quality of information which comes to it through the following methods:

- Feedback from Directors on whether the information meets their needs;
- Open debate, via workshops, on issues facing the Trust;
- Use of patient and staff stories to confirm/assure on standard of services.

The Trust Board receives a monthly performance report on progress against each target in the Trust Delivery Plan. Each operational Directorate has a monthly performance scorecard to provide feedback at Directorate Accountability meetings. The Trust Director of Finance provides a report to the Trust Board each month on its financial performance and its capital schemes. Commentary is included on the statutory duty of breakeven, financial risk, budgetary position and assumptions.

Controls Assurance Standards

The Northern Health and Social Care Trust assessed its compliance with the applicable Controls Assurance Standards which were defined by the Department of Health and against which a degree of progress is expected in 2016/17. The Trust achieved the following levels of compliance for 2016/17.

Standard	DoH Expected Level of Compliance	Trust Level of Compliance	Audited by
Buildings, land, plant and non-medical equipment	75% - 99% (Substantive)	86%	Self-Assessment
Decontamination of medical devices	75% - 99% (Substantive)	85%	Self-Assessment
Emergency Planning	75% - 99% (Substantive)	85%	BSO Audit
Environmental Cleanliness	75% - 99% (Substantive)	94%	Self-Assessment
Environment Management	75% - 99% (Substantive)	86%	Self-Assessment
Financial Management (Core Standard)	75% - 99% (Substantive)	89%	BSO Audit
Fire safety	75% - 99% (Substantive)	93%	Self-Assessment
Fleet and Transport Management	75% - 99% (Substantive)	88%	Self-Assessment
Food Hygiene	75% - 99% (Substantive)	95%	Self-Assessment
Governance (Core Standard)	75% - 99% (Substantive)	87.6%	BSO Audit
Health & Safety	75% - 99% (Substantive)	84%	Self-Assessment
Human Resources	75% - 99% (Substantive)	86%	BSO Audit
Infection Control	75% - 99% (Substantive)	97%	Self-Assessment
Information Communication Technology	75% - 99% (Substantive)	89%	Self-Assessment
Information Management	75% - 99% (Substantive)	82%	Self-Assessment
Management of Purchasing	75% - 99% (Substantive)	87%	Self-Assessment
Medical Devices and Equipment Management	75% - 99% (Substantive)	85%	Self-Assessment
Medicines Management and Optimisation	75% - 99% (Substantive)	85%	Self-Assessment
Research Governance	75% - 99% (Substantive)	93%	Self-Assessment
Risk Management (Core Standard)	75% - 99% (Substantive)	87%	BSO Audit
Security Management	75% - 99% (Substantive)	88.5%	Self-Assessment
Waste Management	75% - 99% (Substantive)	91%	Self-Assessment

The underlying scores in the assessment of the level of compliance of each standard take into account all relevant Internal Audit Reports.

SOURCES OF INDEPENDENT ASSURANCE

The Northern Health and Social Care Trust obtains Independent Assurance from the following sources:

- Internal Audit;
- Business Services Organisation; and
- Registration and Quality Improvement Authority (RQIA).

Internal Audit

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

In 2016/17 Internal Audit reviewed the following systems:

AUDIT ASSIGNMENT	BRIEF DESCRIPTION OF AUDIT SCOPE	LEVEL OF ASSURANCE
Finance Audits:		
Payments to Staff	Review and testing of the use of and Trust control over the Human Resources, Payroll, Travel & Subsistence (HRPTS) system within the Trust. Testing included Trust controls over including new starts, leavers, additional payments, management of overpayments, system access management, pensions processing, permanent and temporary amendments to the system.	LIMITED
Non Pay Expenditure	Review of Trust payment processes including use of the FPL system. Testing included Trust controls to ensure payments are appropriately approved and accurately and promptly paid to the correct supplier. The audit also considered control around system access and use of Single Tender Actions.	SATISFACTORY
Cash Management in Cash Offices and Management of Petty Cash Floats	Review of cash management processes at cash offices including physical security, segregation of duties, receipting and lodging processes. The audit also tested petty cash controls in the Trust.	SATISFACTORY
Management of On Call Arrangements	Review the robustness of Trust on call arrangements across the Trust; including the validity, oversight and approval of claims.	LIMITED
Asset Management	Review of control over the management, monitoring and recording of Assets including additions, disposals, capital charges and verification checks on assets.	SUBSTANTIAL

AUDIT ASSIGNMENT	BRIEF DESCRIPTION OF AUDIT SCOPE	LEVEL OF ASSURANCE
Procurement and Contract Management – Fleet and Transport Contracts	Review to ensure that contract spend in respect of vehicle replacement, vehicle repairs, taxis, fuel, and non-emergency patient transport agreed to an appropriate contract and service/ product had actually been delivered/ received.	SATISFACTORY – Procurement & Management of Vehicle Maintenance, Repairs & Fuel LIMITED – Management of Taxis and Non-Emergency Transport
Management of Contracts with Community and Voluntary Sector (including Sure Start Schemes)	Review of procurement and Trust contract management processes in respect to Contracts with the Community and Voluntary sector including Sure Start organisations. The audit also included visits to 3 organisations (2 Sure Starts and 1 Voluntary Organisation) to ensure that performance reported is accurate and that appropriate financial and governance arrangements are in place.	SATISFACTORY – Management of Contracts LIMITED – Procurement of Contracts
Client Monies & Cash and Valuables Handling in Social Services Facilities	To ensure that there were effective cash management arrangements within facilities sampled, including administration of cash floats and custody of client monies and valuables.	SATISFACTORY – Social Services Facilities visited LIMITED – Adult Supported Living Facilities visited
Management of Client Monies in Independent Sector Homes (including Adult Supported Living Facilities) (1 st audit)	To ensure there were effective arrangements in place, at the sample of independent homes visited, for the security of residents' cash / valuables, arrangements for the payment of personal allowances and the management of residents' bank accounts/monies. The audit also tested compliance against HSC (F) 08-2015 Safeguarding of Service Users.	SATISFACTORY - overall LIMITED – 2 out of 10 homes visited
Management of Client Monies in Independent Sector Homes (including Adult Supported Living Facilities) (2 nd audit)		SATISFACTORY - overall LIMITED – 1 out of 8 homes visited
Corporate Risk Audits:		
Women, Children and Family Directorate Risk Audit: Management of Waiting Lists for Autism Spectrum Disorder, Management and Allocation of Childcare cases and completion of General Risk Assessments Northern Trust (GRANT)	Review of controls over management and allocation of childcare cases, management of Autism Spectrum Disorder waiting lists and completion of General Risk Assessments Northern Trust (GRANT).	SATISFACTORY

AUDIT ASSIGNMENT	BRIEF DESCRIPTION OF AUDIT SCOPE	LEVEL OF ASSURANCE
Management of Patient Flow – Community Beds	Review of management of intermediate care beds, including admission, discharge, escalation of contingency beds, oversight and performance management and reporting.	SATISFACTORY
Asbestos Management	Review of Trust processes for the management of asbestos; including identification, recording and removal. The audit also considered training and that any incidents relating to asbestos are appropriately captured through incident management processes and that learning is appropriately shared.	SATISFACTORY
Governance Audits:		
Risk Management	To ensure appropriate processes are in place to identify, record, manage and monitor risks throughout the Trust.	SATISFACTORY
Management of Medical Staff	To ensure there are appropriate procedures in place for consultant job planning within the Trust; that up to date job plans are in place and the job planning process is operating in line with Trust procedures and relevant guidance. Review of accuracy of payments made to a sample of consultants.	LIMITED
Absence Management	To ensure absence is managed in line with the relevant procedures and processed correctly through HRPTS and that absence figures reported are accurate.	LIMITED
ICT Security: User Behaviour	To ensure that Trust users are practically applying good practice to help maintain robust ICT security and that they have an adequate level of general ICT security awareness; that there are robust processes in place to provide ICT security awareness to Trust users; that the System Manager is applying robust ICT security controls on Trust applications; and that there are robust processes in place to manage ICT security incidents. The audit also gauged the cultural tone set from the top in relation to ICT Security.	SATISFACTORY
Management of Acute Falls	Review to ensure falls are appropriately managed by in the Trust's Acute Hospital settings and that the PHA pilot for moderate to severe harm falls is operating as planned.	SATISFACTORY
Complaints Management	Review robustness of systems for recording, investigating, monitoring, learning from and reporting complaints.	SATISFACTORY

In their annual report, the Internal Auditor reported that the Northern Health and Social Care Trust's system of internal control was satisfactory overall but noted that limited assurance was provided as noted below:

- Payments to Staff;
- Management of On Call Arrangements;
- Management of Medical Staff; and
- Absence Management.

Recommendations to address these control weaknesses have been or are being implemented.

The following reports received overall satisfactory level of assurance, however limited assurance was provided in specific areas as follows:

- Procurement and Contract Management – Fleet and Transport Contracts, limited in relation to Management of Taxis and Non-Emergency Transport;
- Management of Contracts with Community and Voluntary Sector, limited in respect of Procurement of Contracts;
- Client Monies & Cash and Valuables Handling in Social Services Facilities, limited in Adult Supported Living Facilities; and
- Management of Client Monies in Independent Sector Homes (including Adult Supported Living Facilities), the first audit was limited in two of the ten homes visited and the second audit was limited in one¹ of eight homes visited.

A review of the implementation of previous priority one and priority two Internal Audit recommendations was carried out at mid-year and again at year-end. At year-end, 416 (78%) out of the 536 recommendations examined have been fully implemented, 112 (21%) recommendations have been partially implemented and 8 (1%) recommendations have not yet been implemented.

Internal Audit also carried out a review of Trust Waste Management Processes as requested by the Trust. A number of recommendations were made to strengthen controls as there were some weaknesses identified in waste classification.

Business Services Organisation Assurances

The Business Services Organisation (BSO) provides a range of services to, and on behalf of the Trust, these include:

- The Directorate of Legal Services (DLS) which provides legal services across the range of services of the Trust;
- Procurement and Logistics Services (PaLS) which provides procurement and logistics and acts as a Centre of Procurement Excellence (COPE) for HSC;

- The Shared Services Centre (SSC) which provides Accounts Payable (AP), Accounts Receivable (AR), Recruitment and Selection Services and Payroll Services on behalf of the HSC; and
- Information Technology Services (ITS) which provides a range of systems support for the HSC.

A number of audits have been conducted in BSO Shared Services, as part of the BSO Internal Audit Plan.

Shared Service Audit	Assurance
Payroll Shared Service (August 2016)	Limited
Payroll Shared Service (March 2017)	Unacceptable -Payroll System & Function stability Limited – Payroll Processing
Recruitment Shared Service (August 2016)	Limited
Recruitment Shared Service (February 2017)	Limited
Business Services Team	Satisfactory
Accounts Payable Shared Services	Satisfactory
Income Shared Services	Satisfactory
FPL Upgrade (On-going work)	N/A

The Trust will continue to liaise with BSO via the relevant Customer Forum to ensure improvements in internal control are prioritised and that the impact on the Trust and its staff is minimised.

Registration and Quality Improvement Authority (RQIA) Report Thematic Reviews

Since April 2016, the Trust has received 8 final reports from RQIA Thematic Reviews, and I can confirm that all accepted recommendations have been, or are being, implemented. The reports received relate to the following:

- Review of HSC Trusts' Readiness to comply with an Allied Health Professions Professional Assurance Framework;
- Review of Quality Improvement Systems and Processes;
- Review of the Operation of Health and Social Care Whistleblowing Arrangements;
- Review of Adult Learning Disability Community Services – Phase II;
- Review of Perinatal Mental Health Services in Northern Ireland;
- Review of Governance Arrangements in HSC Organisations that Support Professional Regulation;
- Review of the Regional Emergency Social Work Service; and
- Review of Maternity Strategy 2012-2018.

Listed below are those reviews that commenced during the 2016/17 year:

- Review of Perinatal Mental Health Services in Northern Ireland;
- Review of Renal Services;
- Review of the Regional Emergency Social Work Service;
- Review of the Recommendations from the RQIA Child Protection Review 2011;
- Review of General Paediatric Surgery;
- Review of Emergency Mental Health, Learning Disability and Crisis Resolution Home Treatment Services in Northern Ireland; and
- Review of the Use of Restraint and Seclusion.

Inspections

RQIA carried out 2 unannounced hygiene inspections:

- November 2016 – Critical Care Unit, Antrim Area Hospital;
- January 2017 – Rehab Unit, Mid-Ulster Hospital.

Each generated an action plan that is monitored by the appropriate Directorate Governance Team.

RQIA carried out an unannounced inspection of Causeway Hospital in February 2017. There were no serious concerns raised during the visit and all recommendations have been formulated into an action plan.

Failure to Comply Notices

RQIA also issued a number of Failure to Comply Notices to the Trust and all necessary arrangements were made to comply with the terms of the notices.

Review of Effectiveness of the System of Internal Governance

As Accounting Officer, I have responsibility for the review of the effectiveness of the system of internal governance. My review of the effectiveness of the system of internal governance is informed by the work of the internal auditors and the executive directors within the Northern Health and Social Care Trust, who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Report to Those Charged with Governance and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit Committee, Assurance Committee and the Trust Board and a plan to address weaknesses and ensure continuous improvement to the system is in place. The Board continuously reviews its own operation from a governance perspective and plans its own development on an on-going basis by a programme of regular workshops.

INTERNAL GOVERNANCE DIVERGENCES

Prior Year Control Issues – closed

Charging and management of a service user

All recommendations from internal audit have now been fully implemented with new procedures in place and implemented with staff training. This issue is now considered to be fully addressed and no longer in divergence

Obstetrics – Coroner's Case

Coroner's inquests were completed in respect of two still birth cases. As a result of the learning within these two cases, the Trust developed action plans and fully implemented these to address all recommendations. An independent audit was completed in 2016 to provide assurance that there are systems in place to affect practice and identify any potential gaps. The report made eight recommendations about processes that could be strengthened and these have been implemented. In 2017 subsequent to the independent audit review there has been a perinatal death in Causeway Hospital which has been subject to an SAI investigation that identified new learning. The learning from this case will be integrated into the rolling programme of audits which have commenced to ensure that all actions implemented are sustained within practice. This is no longer considered to be a control issue.

Child Sexual Exploitation (CSE) / Children going missing

The Trust has worked on a regional basis and now has well established structures and processes in place to provide local senior management overview and co-ordination of the inter-agency arrangements to safeguard children in the Trust area from sexual exploitation.

The NHSCT has established a Champions Model. Each team within the Family and Child Care arena has an identified CSE Champion. This Champion model has been developed to ensure best practice and delivery in respect of the CSE regional agenda and recommendations from relevant CSE enquiries and reports.

Training for frontline is now delivered to staff to increase staff awareness of CSE, and reinforce knowledge of the Regional Interim Guidance for CSE referrals.

The process for Children Going Missing has been developed further to monitor children going missing 3 times or more from either Care or communities. This ensures that children not currently open to social work involvement are appropriately followed up. As part of regional monitoring processes, information is returned to HSCB about numbers of children reported missing, alongside their placement types. Individual cases are reviewed by Practitioners. As a result of the regional work and local implementation, this is no longer considered to be a control issue.

Whistleblowing

The Trust updated its policy and implemented a local action plan in partnership with Trade Union colleagues. The Department of Health intends to undertake targeted consultation on a new regional policy.

Progress on Prior Year Control Issues –on-going

Unscheduled Care

In response to the recognised capacity gap in Antrim Area Hospital, the Trust has submitted an Outline Business Case to the Department of Health for a 72-bedded ward block on the Antrim site and is awaiting a response.

The Trust has successfully implemented a range of reforms in unscheduled care including the development of a site coordination hub and site management model in Antrim Area Hospital and the increased use of ambulatory pathways in ED. 4-hour performance in Antrim Area Hospital improved from 68% in Jan 2016 and 65% in Feb 2016 to 74% and 79% in the same months of 2017 despite an increase in ED attendances.

The unscheduled care RAMP programme has been revised and refreshed for 2017/18 and will focus on the areas of: reduction of attendance and admission; sustainable site management model; discharge processes and planning; Causeway medical model; and Whiteabbey rehabilitation provision.

Delivering Service & Budget Agreement (SBA) Volumes and Hospital Waiting Times - Elective Care (In-patients, Day Cases and Out-patients)

The Trust and HSCB signed off an elective SBA for 2016/17, with caveats in a number of specialties. Work is on-going to find agreement on these outstanding areas.

The Trust has broadly delivered on its SBA activity this year. Demand for elective services continues to outstrip capacity and very limited funding has been available to transfer patients to the Independent Sector in 2016/17. As a result waiting lists have increased: at the end of 2015/16 around 900 patients were waiting more than a year for a first outpatient appointment; by the end of 2016/17 this number had increased to over 3,000.

Cancer Services

Red flag (suspect cancer) referrals increased by 9% in 2016/17 compared to the previous year. The Trust continues to divert core capacity towards red flag patients wherever possible to meet this demand although this increases waiting times for other categories of patient. 69% of red flag outpatients were seen within 2 weeks in 2016/17, compared to 67% in 2015/16.

14-day performance for red flag breast surgery referrals has been above 90% for all of 2016/17. Demand was approximately 30% higher than core funded capacity and has been met through significant additional activity. This has in turn increased demand for breast surgery and led to 31-day breaches throughout the year. The Trust has developed a proposal to increase capacity in the breast service on a sustainable basis and discussions are on-going with the commissioner.

62-day cancer performance has been at an average 71% in 2016/17, against a target of 95%. The highest number of breaches was in lower GI cancer, reflecting a lack of funded capacity in the general surgical service to meet increasing levels of demand

Allied Health Professional (AHP) Services

AHP Services worked with HSCB and PHA regionally during 2014/2015 and agreed the Trust capacity for AHP elective services. At this point it was accepted that demand exceeded capacity in Dietetics and Physiotherapy and it was recognised that additional staffing would be needed to address on-going demand.

During the past year demand has increased in Speech and Language Therapy (SLT) and Occupational Therapy.

At the end of March 2017 Podiatry and Orthoptics are meeting the access target of maximum 13 weeks wait. Physiotherapy, Occupational Therapy, Speech and Language and Dietetic Services are not. Services had used short term funding as in the previous year to improve the waiting list position, however, no additional short term funding has been available to address the demand above capacity this year to date, nor to address the backlog. Physiotherapy presents the most significant numbers waiting in excess of 13 weeks (7000 as a total of 12,000) and while demand exceeds capacity there is no immediate expectation that the position can be improved without the investment in additional posts recommended by the HSCB .

Diagnostic Waits

Significant non-recurrent funding received in 2016/17 enabled the Trust to reduce the number of patients waiting over 26 weeks for a diagnostic test from over 1,100 at the start of the year to below 400 by the end of March. The Trust is anticipating recurrent investment into elective diagnostics for the financial year 2017/18.

Efforts to recruit consultant radiologists as part of the investment received for unscheduled / 7-day diagnostics have not been successful to date and external providers are being used to increase reporting capacity.

Staff Appraisal

For the year 2016/17 the Trust was set a Departmental target of 80% in relation to appraisal compliance. The year-end position at 31st March 2017 shows that 67% of staff (not including medical and dental) have had an annual appraisal and agreed Personal Development Plan. During the year the Trust introduced measures to improve the integrity of compliance data and can now produce more accurate and timely information relating to appraisal compliance.

Where progress in compliance has not been consistent, targeted action is being taken to address this with Directorates and Divisions. The Trust has also reviewed the appraisal process in an effort to make it more meaningful for staff.

Staff Absence

At 31st March the Trust cumulative absence figure was 7.35%, which was 0.37% above the 6.98% target that had been set for the Trust by the Department of Health. This figure takes account of late recording which has been exacerbated due to the excessive amount of 'downtime' on the HRPTS system.

Long term absence is a key area for targeted intervention and Directors are focusing on this area with support from HR and Occupational Health teams. A re-focused approach over the winter months shows early indicators of a reduction in long term absence over the last three months of the year which we need to work to sustain. Work continues on an in-depth analysis of why staff are absent from work to address underlying issues such as employee relations issues/conflict in the work place. The Trust in partnership with local Trade Union colleagues is embarking on a project to improve positive working relationships within the Trust aimed at reducing incidences of bullying and harassment at work.

A holistic approach is taken to improve the level of attendance within the Trust and a range of training and support services are available to employees to help maintain them in the workplace and prevent sickness absence. The Occupational Health (OH) Service has implemented the outcomes of a service review which included recruitment of additional resources for Clinical Psychology and Physiotherapy to assist with the management for stress and musculoskeletal-related sickness absence and some additional resource has been allocated within the core HR team to support directorates

in managing attendance. A high profile flu vaccine campaign for staff resulted in 36% of front-line staff being vaccinated. The Organisational Development Team continue to develop and provide training and development programmes that will enhance people management skills.

A renewed Health and Wellbeing Strategy with a focus on four key areas musculoskeletal, psychosocial, healthy lifestyles and the ageing workforce, along with an associated two-year action plan was launched in August 2016. Work has progressed in the succeeding six months with the launch of the Trust i-matter website/hub on 31st March 2017 and this is already showing evidence of significant staff interest.

Detailed analysis of attendance information is provided regularly to directors regarding the corporate position as well as detailed data sets for their own divisions. Staff absence is discussed at Directorate accountability reviews on a bi-monthly basis, at Senior Management and Executive Teams and at Trust Board.

Human Resource, Payroll, Travel and Subsistence (HRPTS)

HRPTS has been deployed to 61% of the Trust staffing headcount with further deployment relying upon the successful progression of the Accelerated Access Regional ICT Project. This impacts on efficiency of process and shared services operations for BSO due to manual systems for those employees not able to have access. If access could be resolved this would realise benefits in respect of communication to and from staff, governance in terms of financial approval frameworks and access to essential training for staff. The Trust is continuing to explore alternative options such as Access Hubs to facilitate further deployment given the delays in the accelerated access programme.

The Trust continues to provide training through monthly clinic sessions and is supporting divisions in the regular and targeted updating of the Organisational Management (OM) structures.

During 2016/17, the Trust has worked with regional colleagues and BSO on the preparation for the roll out of the SAP Fiori App, with User Acceptance Testing commencing in April 2017. Following completion of testing, the Trust will develop its deployment plan to enable staff and managers to have partial access to HRPTS through a compatible mobile device.

BSO Recruitment Shared Services Centre (RSSC)

The Trust is continuing to work with BSO and regional colleagues to monitor and address recruitment shared service performance issues and establish standardised processes through both local Customer Forums and a regional Task and Finish Group. KPIs are currently being reviewed to provide more realistic and accurate indicators of performance. A regional workshop to improve recruitment has taken place and a Strategic Resourcing Innovation Forum has been established with a number of work streams to enhance current recruitment practice. A programme of work for 17/18 has been agreed with the Forum.

Control of Infection: MRSA/CDIFF

The Trust has met the Ministerial Priority for Action target for MRSA bloodstream infections with 48 confirmed cases of C diff against the PfA target of 57 cases. The Trust would however recognise that transmission of healthcare associated infections is a significant risk both to patient safety and to the business of the organisation. The Infection Prevention and Control Team continue to ensure controls are in place to minimise this risk.

Prompt Payment Compliance

The Trust is required to pay their non HSC trade creditors in accordance with applicable terms and appropriate government accounting guidance, which requires payment to be made within 30 days of receipt of the invoice or in line with agreed payment terms with the supplier. The DoH has set a Prompt Payment target of 95%.

The Trust has demonstrated continuing focus on improving performance in this area and has noted improvement from 92.0% in 2015/16 to 93.1% in 2016/17. Liaison will continue between BSO Payments Shared Service Centre and Trust managers to endeavour to meet this extremely challenging duty.

Psychological Therapies

There continues to be challenges in achievement of the Psychological Therapies 13 week access target. This has been impacted by two separate services.

The Psychology Therapy Service (PTS) and Health Psychology Services continued to breach the target in the first half of 2016 - 17. Following a service improvement project PTS and Health Psychology has recently fully implemented a Choice and Partnership Approach (CAPA) which has enabled individuals to be seen for their CHOICE appointment (initial assessment) within 13 weeks. Additional group work capacity has been developed which is reducing demand for individual therapy. Currently there is a delay in accessing intervention following initial assessment as demand continues to outstrip capacity and without additional investment it will not be possible to deliver this with no lag between initial assessment and intervention.

Psychology services for people with a learning disability are also breaching the 13 week target. This is due to temporary loss of capacity. Delays in improvement have occurred

due to staff sickness and delays in recruitment. While the position has improved over recent months it is likely that when all capacity is back in place the service will move out of breach. Typically capacity within this service has been sufficient to meet demand.

Joint Advisory Group (JAG) Accreditation

The Trust was unable to meet a 9-week waiting time for endoscopy at the end of March 2017 due to vacancies and other staffing issues. The Trust is still working towards this objective and hopes to have Tier 2 JAG accreditation awarded during 2017/18.

Medical Workforce

The Trust has challenges in key specialties in respect of all grades of medical staff. The Trust is over-reliant on locums in Emergency Medicine and Paediatrics in Causeway Hospital. In addition the Trust is experiencing increased difficulty in securing Consultant, Middle Grade and Junior Doctor cover to support the Acute Medical take at Causeway Hospital. These issues, therefore, present risks in respect of quality of care and cost pressure. The Trust analysis at this time is that whilst clinical risk exists, they have been sufficiently mitigated and the alternative, a reduction in service, would in itself present significant risk to patient safety. The Trust continues to closely monitor the situation and keep both the Department and the HSCB informed. Cost pressures have been identified and escalated.

The Trust has actively sought to recruit doctors with UK wide advertisement through the British Medical Journal. The Trust has been part of an international recruitment drive and has been successful in recruiting some doctors at specialty doctor level for Emergency Medicine and Paediatrics. This international recruitment is expected to continue in 2017/18.

Nurse Recruitment and Retention

The availability of registered nurses seeking employment has reduced significantly resulting in challenges recruiting to both permanent and temporary vacancies, across all services. Controls are in place to optimise co-ordination of the available nursing resource and a risk assessed approach is used during periods of duty when staffing levels fall outside of normative staffing.

In addition there is a rolling advertisement and recruitment panels scheduled bi-weekly to prevent delays and promote recruitment in the context of a regional and national shortage of registered nurses. The Trust has agreed to continue the increase in secondments to the Open University nursing programme during the academic year 2017/18. The Trust advocated for the continuation of the International Recruitment of Nurses based on the interim evaluation from Year 1 and in consultation with Finance colleagues.

The Nursing Workforce Team has commenced exit interviews for all Band 5 nurses who leave the Trust; this will inform the on-going retention strategy for the Nursing workforce.

Agenda for Change (AfC)

The Trust continues to calculate and pay the AfC arrears due to staff. Significant progress has been made in 2016/17 to finalise the process, however some arrears still remain to be calculated and paid. The Trust will continue to reduce the outstanding amount in 2017/18.

Control of Substance Hazardous to Health (COSHH)

Further to the occurrence of two Serious Adverse Incidents, and following an audit in the summer of 2015, Internal Audit confirmed a limited assurance and identified three Priority 1 weaknesses with respect to the management of COSHH. The majority of the issues identified have since been addressed.

Further sample audits were completed in October 2016 and February 2017 and whilst there have been significant improvements in performance, there still needs to be greater compliance in relation to local inventories and COSHH Assessments.

Governance Department staff continue to work with those departments whose performance is lower than required and further sample audits are to be completed in May 2017 and the results reported at the Trust's Health and Safety Committee in June 2017.

Health and Safety Risk Assessment

In 2014 as part of the governance review undertaken by the Leadership Centre a review was carried out of the existing approach to risk assessment. General Risk Assessment Northern Trust (GRANT) was developed and a target has been set whereby at least 97% of all departments are to have completed their GRANT assessments by 31 March 2017. The year-end end report shows that 98% of departments have completed their assessments.

Another recommendation of the 2014 governance review was to introduce a risk management audit and assessment tool to assess compliance at departmental level across a range of clinical and non-clinical risk standards. As at 31 March 2017, all but one department has exceeded the 50% target set.

Estates Services

The Trust reported during 2014/15 on investigations being undertaken as a result of a whistleblowing allegation and a resulting Internal Audit Report (January 2014), identified over 70 recommendations primarily concerned with the weaknesses in controls exercised over the use of contractors, procurement, private work by Estates staff, and health / safety issues. In March 2014, the Trust commissioned an Independent Review and has since taken forward actions to address the recommendations of the reports. A follow up audit was undertaken and reports made to the Audit Committee. Positive progress has been noted with the majority of actions from the original audit now complete, including the significant items of tendering for the provision of response maintenance services (new contracts commenced on 1st April 2016) and strengthening the Estates Service leadership (permanent appointment of the Head of Estates post on 20 February 2017). This is now being taken forward through team development work and restructuring of the management arrangements within the department.

Client Charging

A number of independent sector providers of supported living services within Northern Ireland levy a charge on tenants. The DHSSPS (now DOH) issued clarification guidance to Trusts on the 27th November 2015 in respect of this issue. The NHSC has completed work, in light of this guidance, with two providers of supported living services in the Trust area and is nearing completion of work with a further two and is working through the guidance and its implications with the remaining two providers.

Information Governance Incidents Reported to the Information Commissioner

During 2015/16, the Trust reported four incidents to the Information Commissioner's Office (ICO). Three of these warranted no further action by the ICO, but a fourth incident relating to e-mail messages containing Trust information repeatedly sent to the wrong recipient over a 2 year period resulted in the Trust being served with an Undertaking in June 2016. The Undertaking focused on the uptake of general Information Governance training within the Trust and ensuring there is staff awareness of policies and procedures for reporting IG Incidents. A concerted focus on increasing staff completion of IG awareness training has resulted in improved compliance (83% achieved as at March 2017). The ICO's Follow Up exercise, concluded that the Trust had taken some steps to meet the requirements of the undertaking, however there are still some areas of concern to be addressed, in particular, continued improvement in IG training compliance and the timeliness of training and the Trust's position if staff repeatedly fail to complete the IG training. Of the two incidents that were reported to the ICO during 2016/17, one resulted in no further action and the second incident, which involved service user information being sent to the wrong postal address, is still currently being investigated by the ICO.

Paediatric Autism Service

The Trust's Paediatric Autism Service continues to experience growth in the number of referrals in breach of the 13 week target time for ASD referral to initial diagnostic appointment. This is primarily due to the rate of referrals being significantly greater than the capacity of the service. The capacity of the service has also been impacted by maternity leaves and vacancies. The Health Minister allocated approximately £487,000 to NHSCT in April 2016 to develop the service in line with the proposed regional model.

The service is implementing plans to reduce the length of wait, including

- Recruitment to vacant and newly funded posts;
- Use of agency staff;
- Overtime clinics provided by Paediatric and adult ASD staff have now grown to include staff from CAMHS and MASTS Service;
- ADOS Training planned for 20 staff in May/June and a further 20 in November to increase diagnostic capacity;
- Increasing hours for existing staff;
- Investing in a number of third sector organisations; and
- Revalidation of waiting list.

In addition, the Trust is working with the HSCB on an ASD Pathway and Model, to improve access and service experience in the medium/long term.

The actions outlined have begun to increase service capacity and have slowed the rate of increase in breaches. Targeted action has reduced the length of longest wait from 16 months in January 2016 to just less than 10 months in December 2016.

The service continues to work through a detailed recovery plan that will continue to address the total numbers waiting and the numbers in breach of the 13 week access target.

Paediatric Inpatients

Following the unexpected death of a child, a Level 3 Serious Adverse Incident Investigation was commissioned and is now complete. The Level 3 Investigation Report has been shared with the family and an action plan developed. Following an initial significant event audit, a gap in control was identified and the introduction of the Paediatric Regional Early Warning System was expedited. This is now in place, with the necessary supporting training. Monthly audits of compliance with PEWS are being conducted in all acute sites. The Paediatric Early Warning Score (PEWS) and Paediatric Inpatient Observation Policy have been approved by the Trust Clinical and Social Care Policy and Guidelines Committee, and has been placed on the Trust policy library. The NHSCT Paediatric Sepsis 6 Policy (with accompanying age appropriate treatment pathways) was approved by, following final review by clinicians, at the Clinical and Social Care Policy and Guidelines Committee on 4th May 2017. Ninety per cent of

paediatric nursing staff have now received sepsis awareness training. The Trust is awaiting confirmation of further training dates from CEC for the remaining 10% (8) staff.

Dysphagia

As previously reported a Serious Adverse incident was reported to HSCB in early 2015 involving a patient, who died following an episode of choking. The HSENI/PSNI investigation continues. The Trust has continued to implement the Action Plan to reduce risks associated with dysphagia for in-patients and community patients. The Trust representatives are participating in the Regional Choking Thematic Review, the final report and recommendations are awaited. The Regional Choking Thematic Review is being led by the Public Health Agency; therefore the timescale for completion of the Thematic Review is outside of the Trust's control.

Delayed Triage in Emergency Department

In relation to a patient who died following arrival at the Emergency Department by ambulance, a Serious Adverse Incident investigation involving external expertise has been completed. The investigation identified individual staff performance issues and system issues with NIAS. All the recommendations from the SAI report have been implemented and continue to be monitored. The Coroner's inquest was held on 26 October 2016, no further actions were highlighted as a result of this inquest.

New Control Issues

Mixed Gender Wards

A Serious Adverse Incident in March 2016 has brought a renewed focus to the important issue of mixed gender wards. Due to the acknowledged pressures within the acute hospital environment which results in periods when bed occupancy rates in excess of 100%, the Trust continues to manage more patients in mixed gender wards than it would wish to. Steps are taken to mitigate this risk; however, this SAI in relation to an alleged sexual assault flags the risk that the Trust continues to carry. The Trust Mixed Gender Accommodation Policy has been redrafted to incorporate the learning from this SAI. The policy is being consulted on with stakeholders at this time. In the interim a Trust Quality and Safety Learning Letter was issued on 20 April 2016. The letter emphasises the steps to be taken when it is not possible to provide single gender accommodation. In addition it confirms that particular consideration should be given to the placement of patients with learning disability especially those with no or limited communication.

A Flowchart to support ward staff in the recognition and responding to safeguarding concerns in respect of vulnerable patients has been developed and following approval this will be tested in a number of clinical areas.

Monitoring Domiciliary Care Contracts

The Trust is in receipt of an Internal Audit Report in respect of a Domiciliary Care Independent Sector Provider which identified issues over the terms of the contract and contract management. A number of recommendations relating to the internal monitoring, verification and authorisation processes within the Trust were made.

In addition a review of the processes within the particular provider has been carried out. The Trust has developed action plans to address the recommendations contained in the reports.

In addition a regional review has been carried out into payments made to Domiciliary Care Agencies in comparison with the activity commissioned by Trusts over the period from April 2013 to March 2015. This review has identified certain variances. The Trust is taking forward further work to verify these variances and engage in the work of the Oversight Scrutiny Committee (OSC) recently established by the Department of Health. The OSC is being led by senior Departmental officials, has senior representation from HSCB and Trusts and, while currently still exploring the extent of the action required, aims to close off its work by the end of 2017/18 financial year and hand over supervision of any longer term actions to relevant organisations and structure.

Residential Childcare

There have been a number of challenges within residential childcare both on a regional and local level. The temporary closure of a regional facility for younger children (Children House) resulted in the Trust breaching their statement of purpose and function on two occasions. On-going staffing issues within Lakewood regional secure centre also impacted on the Trust in terms of managing highly complex challenging behaviours within our units. The Trust met with RQIA regarding the breaches and the outcome of the meetings is that the Statement of Purpose and Function for one Trust unit has been amended to accommodate younger children. The Trust has in place a centralised panel to co-ordinate all placements requested. There is currently a regional review on-going of residential facilities and the Trust is participating.

BSO Payroll Shared Services Centre (PSSC)

The Shared Services Centre for Payroll received Limited Internal Audit Assurance in 2014/15 and 2015/16. In the current year Limited Assurance was provided in relation to Payroll Processing in the Shared Services Centre and an Unacceptable Assurance was issued in respect of Payroll System and Function Stability. In respect of payroll processing Internal Audit acknowledged that the vast majority of employees were consistently paid on a timely basis. Internal Audit highlighted the need for urgent action to stabilise the HSC Payroll Service and improve the control environment including Employer Superannuation Contribution calculation, which has been identified as a significant error across the HSC, PSSC staffing and the continued lack of consistent management of overpayments.

BSO have provided the Trust with assurance that they will continue to address identified weaknesses during 2017/18 and will keep the Trust informed on progress via the appropriate regional forums.

Financial Position

While the Trust has achieved a breakeven financial position in the year to 31 March 2017, it must be noted that this was achieved following the receipt of significant non-recurring funding, one off contingency measures, expenditure reductions and planned in year slippage on investments.

The outlook for 2017-18 is increasingly constrained, particularly in respect of resource funding. In a statement to the House of Commons on 24 April 2017 the Secretary of State for Northern Ireland outlined an indicative Budget position for NI departments. This position was based on the advice of the Head of the NI Civil Service (NICS) in conjunction with the NICS Board. The purpose of this statement was to provide clarity to departments as to the basis for departmental allocations in the absence of an Executive, so that Permanent Secretaries can plan and prepare to take more detailed decisions in that light. The departmental allocations set out by the Secretary of State provide the basis on which departments are now planning for 2017-18. However, the Secretary of State was clear that the indicative budget position did not constrain the ability of an incoming Executive to adjust its priorities during the year. He also advised that some £42 million Resource DEL and £7 million Capital DEL was left unallocated in order to maintain flexibility for a new Executive to allocate resources to meet further priorities as they deem appropriate. Therefore, while there is the potential for an incoming Executive to adjust these plans and also to allocate the unallocated resources, individual departments cannot anticipate any additional funding at this stage until such decisions are made.

Across the HSC sector it is therefore expected that that the significant financial challenges faced will intensify and extensive budget planning work to support the 2017-18 financial plan is on-going between the Trust, HSCB and Department of Health (DOH).

As a result of the Financial pressures the Trust will begin the new financial year with a substantial underlying funding gap and faces significant challenges within what is expected to be an even tighter funding environment, however the Trust remains committed to working with the DOH and HSCB in seeking to find solutions to enable it to live within its budget.

CONCLUSION

Northern Health and Social Care Trust has a rigorous system of accountability, which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI (MPMNI).

Further to considering the accountability framework within the Trust and in conjunction with assurances given to me by the Head of Internal Audit, I am content that the Northern Health and Social Care Trust has operated a sound system of internal governance during the period 2016/17.



Dr Anthony Stevens
Accounting Officer

15/6/17 -



Statement of Northern HSC Trust (NHSCT) Accounting Officer Responsibilities in relation to Trust Funds Accounts

Under the Health and Personal Social Services (NI) Order 1972, (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Department of Health has directed the NHSCT to prepare a statement of accounts in respect of endowments and other property held on trust by it in a form determined by the Department of Health. This format is in accordance with the requirements of the Charities Statement of Recommended Practice (SORP) (FRS 102). The financial statements are prepared on an accrual basis and must provide a true and fair view.

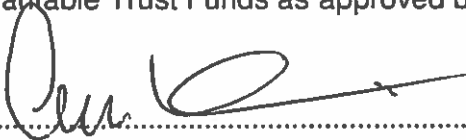
In preparing the financial statements the Accounting Officer is required to;

- Observe the Accounts Direction issued by Department of Health including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in Charities SORP (FRS 102) have been followed, and disclose and explain any material departures in the financial statements;
- Keep proper accounting records; and
- Ensure an effective governance framework and establishing arrangements for the prevention and detection of fraud and corruption.

The Permanent Secretary of the Department of Health as Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Mr Anthony Stevens of the NHSCT as the Accounting Officer for the NHSCT. 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 NHSCT's assets, are set out in the Accounting Officer Memorandum issued by the Department of Health.

CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 48 - 60) which I am required to prepare on behalf of the NHSCT have been compiled from and are in accordance with the accounts and financial records maintained by the NHSCT and in accordance with the accounting policies for HSC Charitable Trust Funds as approved by the Department of Health.


.....Director of Finance

15/6/2017
.....Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (page 48 - 60) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.


.....Chairman

15/6/2017
.....Date


.....Chief Executive

15/6/2017
.....Date

Northern Health and Social Care Trust – Charitable Trust Funds

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

I certify that I have audited the financial statements of the Northern Health and Social Care Trust Charitable Trust Funds for the year ended 31 March 2017 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. These comprise the Statement of Financial Activities, the Balance Sheet, Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Northern Health and Social Care Trust, Accounting Officer and auditor

As explained more fully in the Statement of Northern HSC Trust Accounting Officer Responsibilities in relation to Trust Funds Accounts, the Northern Health and Social Care Trust and Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Health and Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the incoming and outgoing resources recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the incoming resources and application of outgoing resources recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Northern Health and Social Care Trust's Charitable Trust Fund's affairs as at 31 March 2017 and of its incoming and outgoing resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

Opinion on other matters

In my opinion the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.



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

22 June 2017

CHARITABLE TRUST FUND ACCOUNTS

FOR THE YEAR

2016/17

NORTHERN HSC TRUST

Statement of Financial Activities for the year ended 31 March 2017

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	RESTATED 2015/16 Total Funds
	Note	£000	£000	£000	£000	£000
Income and endowments from:						
Donations from legacies	2	478	54	0	532	488
Charitable activities	4	95	6	0	101	146
Investments	3	51	25	0	76	87
Total Income		624	85	0	709	721
Expenditure on:						
Charitable Activities	6	(746)	(129)	0	(875)	(720)
Governance Costs	5	(4)	(1)	0	(5)	(5)
Total Resources Expended		(750)	(130)	0	(880)	(725)
Net gains/(losses) on investments	11	153	70	10	233	(102)
Transfers						
Transfers between funds	8	0	0	0	0	0
Net Income / (Expenditure)		27	25	10	62	(106)
Net Movement in Funds		27	25	10	62	(106)
Adjustment to add back notional audit fee		4	1	0	5	5
Net Movement in funds excluding notional audit fees		31	26	10	67	(101)
Reconciliation of Funds- Fund balances brought forward at 1 April 2016		4,173	1,352	82	5,607	5,708
Fund balances carried forward at 31 March 2017		4,204	1,378	92	5,674	5,607

2015/16 comparatives have been restated to show other income under donations from individuals as a result of reclassification.

The notes on pages 51 to 60 form part of these accounts.

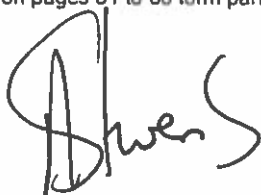
NORTHERN HSC TRUST

Balance Sheet as at 31 March 2017

	Notes	31 March 2017 £000	31 March 2016 £000
Fixed assets:			
Investments	11	1,895	1,662
Total fixed assets		1,895	1,662
Current assets:			
Debtors	14	17	7
Short term investments and deposits		3,700	3,700
Cash at bank and in hand.	13	142	277
Total Current Assets		3,859	3,984
Liabilities			
Creditors: Amounts falling due within one year	15	(80)	(39)
Net current assets / (liabilities)		3,779	3,945
Total assets less current liabilities		5,674	5,607
Total net assets		5,674	5,607
The funds of the charity:			
Endowment funds	16	92	82
Restricted income funds	16	1,378	1,352
Unrestricted income funds	16	4,204	4,173
Total unrestricted funds		4,204	4,173
Total charity funds		5,674	5,607

The notes on pages 51 to 60 form part of these accounts.

Signed:



Date:

15/6/17

Accounting Officer

NORTHERN HSC TRUST

Statement of Cash Flows as at 31 March 2017

	Note	Total funds 2016/17 £000's	Total funds 2015/16 £000's
Cash flows from operating activities			
Net cash provided by (used in) operating activities	(i)	(211)	(75)
Cash flows from investing activities			
Dividends, interest and rents from investments		76	87
Proceeds from the sale of investments		0	10
Purchase of investments		0	(100)
Net Cash used in investing activities		<u>0</u>	<u>(90)</u>
Change in cash and cash equivalents in the reporting period		<u>(135)</u>	<u>(78)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>277</u>	<u>355</u>
Cash and cash equivalents at the end of the period	(ii)	<u><u>142</u></u>	<u><u>277</u></u>

(i) Reconciliation of net income (expenditure) to net cash flow from operating activity

		2016/17 £000's	2015/16 £000's
Net income for the reporting period (as per the SoFA)		62	(106)
Adjustments for:			
Notional Audit Fee	5	5	5
(Gains) /losses on investments	11	(233)	102
Dividends, interest and rents from investments	3	(76)	(87)
(Increase)/decrease in Debtors	14	(10)	6
Increase in Creditors	15	41	5
Net cash provided by (used in) operating activities	(i)	<u>(211)</u>	<u>(75)</u>
Analysis of cash and cash equivalents			
Cash in hand	13	<u>142</u>	<u>277</u>
Total cash and cash equivalents	(ii)	<u><u>142</u></u>	<u><u>277</u></u>

The notes on pages 51 to 60 form part of these accounts.

Northern HSC Trust

Notes to the Accounts

1. Accounting Policies

1 (a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) (FRS 102) and with relevant guidance issued by the Department of Health. Where appropriate prior year comparatives have been restated. The financial statements have been prepared on a going concern basis.

1 (b) Incoming resources

All incoming resources are recognised in full in the statement of financial activities as soon as the following three factors can be met:

- i) Entitlement – normally arises when there is control over the rights or other access to the resource enabling the charitable trust fund to determine its future application;
- ii) Certainty – where it is virtually certain that the incoming resource will be received; and
- iii) Measurement – when the monetary value of the incoming resource can be measured with sufficient reliability.

1 (c) Incoming resources from legacies

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

1 (d) Gifts in Kind

- i) Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.
- ii) Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources when receivable.
- iii) Gifts made in kind but on trust for conversion into cash and subsequent application by the charity are included in the accounting period in which the gift is sold.

In all cases the amount at which the gifts in kind are brought into account is either a reasonable estimate of their value to the charity or the amount actually realised. The basis of the valuation is disclosed in the annual report.

1 (e) Intangible income

The Charitable Trust Funds do not have intangible income.

1 (f) Resources expended and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1 (g) Allocation of support costs and overheads

Support costs and overheads have been allocated between Governance Costs and Charitable Activities. Costs which are not wholly attributable to an expenditure category have been apportioned. The analysis of support costs and the bases of apportionment applied are shown in Note 5. Where costs are shared by two or more charitable activities, support costs have been apportioned between categories and this is analysed in Note 6.

1 (h) Costs of generating funds

The costs of generating funds are the cost of investment management fees.

1 (i) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs comprise direct costs and an apportionment of overhead and support costs as shown in Note 5.

1 (j) Governance costs

Governance costs comprise all costs incurred in the governance of the charity. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.

1 (k) Fixed assets

Capitalisation

The Charitable Trust Funds do not have any fixed tangible, intangible or heritage assets.

1 (l) Donated assets

The Charitable Trust Funds do not have any donated assets.

1 (m) Pensions

The charitable trust fund has no employees.

1 (n) Financial Instruments

Financial Assets are recognised on the Balance Sheet when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the good 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.

Financial Liabilities are recognised on the Balance Sheet when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired. Financial Liabilities are initially recognised at fair value.

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. Given the manner in which the Charitable Trust funds are invested, ie the Common Investment Fund and short term bank deposits, and the operational activities undertaken there is little exposure to credit, liquidity, interest or market risk.

1 (o) Investment fixed assets

Investment Fixed Assets are shown at market value as at the Balance Sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Quoted stocks and shares are included in the balance sheet at mid-market price excluding dividend. Other investment fixed assets are included at the Trustees' best estimate of market value.

1 (p) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchased date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

1 (q) Funds structure

Where there is a legal restriction on the purposes to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot in itself be spent are accounted for as endowment fund. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the Trustees have chosen to earmark for set purposes are classified as designated funds.

1 (r) Cash

Cash is cash in hand and deposits with any financial institution repayable without penalty or notice of not more than 24 hours.

NORTHERN HSC TRUST

2. Analysis of voluntary income

	Unrestricted Funds £000	Restricted Funds £000	2017 Total Funds £000	Restated 2016 Total Funds £000
Donations from individuals	349	33	382	386
Legacies	129	21	150	102
Total	478	54	532	488

2015/16 comparatives have been restated to show other income under donations from individuals as a result of reclassification.

3. Gross investment income

	2017 Total Funds £000	2016 Total Funds £000
Gross income earned from:		
Fixed asset equity and similar investments	60	63
Current asset investments	16	24
Total	76	87

4. Incoming resources from charitable activities

	Unrestricted Funds £000	Restricted Funds £000	2017 Total Funds £000	2016 Total Funds £000
Income from sale of goods or services	95	6	101	146
Total	95	6	101	146

NORTHERN HSC TRUST

5. Allocation of support costs and overheads

	2017 Total Funds £000	Allocated to Governance £000	Charitable activities £000	Basis of apportionment
Financial Administration	40	0	40	Average fund balances
External Audit	5	5	0	Notional costs
Total	45	5	40	

6. Analysis of charitable expenditure

	Activities Undertaken Directly £000	Grant funded activity £000	Support Costs £000	Total £000
Purchase of new equipment	170	0	0	170
Building and refurbishment	72	0	0	72
Staff education and welfare	109	0	0	109
Patient education and welfare	412	0	0	412
Other	72	0	0	72
Total	835	0	0	835

7. Analysis of grants

In 2016/17, expenditure of £170K was made from charitable trust funds for the purchase of equipment. This equipment has been donated to and is for use by NHSCT.

Of this total £99k funded small items of equipment which did not meet the criteria for capitalisation in the NHSCT's public funds accounts.

The balance of £71k was capitalised in the public funds accounts of the NHSCT with the details contained within note 6 within "Purchase of new equipment". The unconditional legal title of these assets was passed to the NHSCT.

8. Transfers between funds

No material transactions were undertaken relating to fund transfers during the current or prior financial year.

9. Auditor's remuneration

The auditor's remuneration of £5K (2015/16 £5K) related solely to the audit with no other additional work undertaken (2015/16 £nil).

NORTHERN HSC TRUST

10. Total tangible fixed assets

The Charitable Trust Funds do not have any tangible fixed assets (2015/16 £nil).

11. Analysis of fixed asset investments

11.1 Movement in fixed asset investment

	31 March 2017 £000	31 March 2016 £000
Market value at 1 April	1,562	1,674
Less: Disposals at carrying value	0	(10)
Net gain / loss on revaluation	233	(102)
	<hr/>	<hr/>
Market value at 31 March	1,795	1,562
	<hr/>	<hr/>
Historic cost at 31 March	931	931

11.2 Market value as at 31 March 2017

	Held in UK £000	2017 Total £000	2016 Total £000
Investments in a Common Deposit Fund or Investment Fund	1,795	1,795	1,562
Other investments	100	100	100
	<hr/>	<hr/>	<hr/>
Total market value of fixed asset investments	1,895	1,895	1,662

12. Financial Instruments

The Financial Instruments held by the Charitable Trust Funds are trade receivables, cash and trade payables. Details of these can be seen in notes 13-15.

NORTHERN HSC TRUST

13. Cash

	2017 £000	2016 £000
Balance at 1 st April	277	355
Net change in cash and cash equivalents	(135)	(78)
Balance at 31st March	142	277

The following balances at 31 March were held at	2017 £'000	2016 £'000
Commercial banks and cash in hand	142	277
Balance at 31st March	142	277

14. Analysis of Debtors

	31 March 2017 £000	31 March 2016 £000
14.1 Amounts falling due within one year		
Other debtors	17	7
Total	17	7

14.2 Amounts due over one year:

None

15. Analysis of Creditors

15.1 Amounts falling due within one year

	31 March 2017 £000	31 March 2016 £000
Other creditors	80	39
Total	80	39

15.2 Amounts falling due over one year:

None

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16. Analysis of Charitable Funds

	Balance at 1 April 2016 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains and losses £000	Fund at 31 March 2017 £000
Endowment Funds						
Carrick Borough Nursing Association	45	0	0	0	6	51
Moyle Hospital - Craig Bequest	13	0	0	0	0	13
Sarah Currie Bequest	7	0	0	0	1	8
Rathmoyle Day Centre	7	0	0	0	1	8
Other	10	0	0	0	2	12
Endowments Funds Total	82	0	0	0	10	92
Restricted Funds						
Coronary Care Medical Fund	243	4	(33)	0	0	214
Ida Young Bequest Capital	372	0	0	0	55	427
Coronary Care Nursing Fund	87	12	(12)	0	0	87
Palliative Care Development Fund	80	6	(6)	0	0	80
Chemotherapy Day Unit Fund	69	2	0	0	10	81
Other	501	61	(78)	0	5	489
Restricted Funds Total	1,352	85	(129)	0	70	1,378
Unrestricted and material designated funds						
Trust wide Palliative Care Fund	344	177	(147)	0	0	374
Dixon Trust Whiteabbey Robinson Hospital	697	0	0	0	104	801
General Funds	1,165	127	(42)	0	20	1,270
Antrim Renal Unit General	559	20	(50)	0	0	529
Other	1,408	300	(507)	0	29	1,230
Unrestricted and material designated Funds Total	4,173	624	(746)	0	153	4,204
Total	5,607	709	(875)	0	233	5,674

In summary funds identified above have been provided for the following uses:

- provision of Comforts for the Benefit of Patients, Residents or Clients using the Trust's services. For the provision of any service or facility planned to improve the comfort of the patients, residents or clients using the hospital/social services facility and its environs;
- purchase of Equipment and Services for use by the staff in the facility concerned; or
- encouragement of Research into any aspect of the work in a hospital.

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17. Contingencies

There were no contingent losses or gains included in these accounts (2015/16 £Nil).

18. Financial Commitments

The Charitable Trust Funds had no commitments at the current or prior year end.

19. Related Party Transactions

During the year none of the Trustees or members of the key management staff or parties related to them has undertaken any material transactions with NHSC Charitable Trust Funds.

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not seek to benefit personally from such decisions. Declarations of personal interest have been made in both capacities and are available to be inspected by the public.

The Charitable Trust Funds has made revenue and capital payments to NHSC where the Trustees are also members of the Trust.

20. Transition to FRS 102

The Trust has presented its results under FRS102 (previously SORP 2005). There are no changes in accounting policies and there are no numerical or disclosure changes in the previously reported results and total funds, therefore no reconciliation in results is required.

21. Post Balance Sheet Events

There have been no material events which arose after the Balance Sheet date which would have a material effect on the accounts

Date of Authorisation for Issue

The Accounting Officer authorised these financial statements for issue on 22nd June 2017.