

SOUTHERN HEALTH AND SOCIAL CARE TRUST
ANNUAL REPORT & ACCOUNTS
FOR YEAR ENDED 31 MARCH 2015

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ANNUAL REPORT & ACCOUNTS

FOR YEAR ENDED 31 MARCH 2015

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, Social Services and Public Safety

on

29 June 2015

SOUTHERN HEALTH AND SOCIAL CARE TRUST

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SOUTHERN HSC TRUST

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

FOREWORD

These accounts for the year ended 31 March 2015 have been prepared in accordance with Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health, Social Services and Public Safety.

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COMMENTS

If you have any comments about this report or would like extra copies please telephone 028 3761 3954.

DIFFERENT FORMATS

This report can be made available on request in large print, on disk, via email, in Braille, on audiocassette or in minority languages for anyone not fluent in English. Telephone: 028 3861 3954.

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SOUTHERN HSC TRUST

REPORT FROM THE CHAIR AND THE INTERIM CHIEF EXECUTIVE

Message from Roberta Brownlee, Chair and Paula Clarke, Interim Chief Executive

Report from the Chair and the Interim Chief Executive

We have had another very busy year where despite rising demand for services and continued financial challenges, our staff have once again demonstrated their commitment to providing safe, high quality care to local people living in Craigavon, Banbridge, Armagh, Dungannon and Newry and Mourne and to those from outside the Trust area who choose to use our services.

We are extremely proud that for the third year running, our acute hospital network – Craigavon and Daisy Hill hospitals - received a CHKS Top 40 Hospital Award.

Each year in our very busy hospitals, there are approximately 370,000 outpatient appointments, 117,000 Emergency Department attendances, 30,000 day cases, 56,000 inpatient admissions and over 6,000 births.

While managing over half a million patient contacts each year, our staff are committed to delivering a very high standard of care every day and for every patient, so it is a great reward for them to have their hard work recognised. Of course it is also an assurance to local people that their hospitals are amongst the best performing in the UK in terms of both clinical excellence and efficiency.

Local people can also be reassured in terms of our commitment to Infection Control. Our staff work tirelessly to ensure high standards of infection control practice and they continue to deliver a wide range of initiatives to protect all of our patients from healthcare associated infections and ensure the Southern Trust sustains the lowest rate of Clostridium difficile regionally.

In January 2015, like health and social care right across the UK, we faced one of our busiest winters ever. Despite a 10% increase in attendances over Christmas and into January, our Emergency Departments at both Craigavon and Daisy Hill maintained a steady performance. The weather also added to our pressures when our 'snow plans' had to be activated during this time. It is a credit to staff working in our hospitals and across community services, that we were able to maintain our standards, treating patients as safely and quickly as possible and ensuring that care to our vulnerable clients continued during this challenging time.

Not only have staff maintained high standards in challenging times, but they have also shown innovation and a commitment to continuous improvement through many new developments throughout the Trust this year. We are delighted that many of these developments have been recognised, locally, nationally and internationally and supported us in continuing to ensure that people living in the Southern area receive the best possible standards of care.

In the Southern Trust we are committed to using technology where possible to improve the care we provide. We have made significant investment in a wide range of technological developments and being recognised at the first ever eHealth Awards in October was a fitting tribute to the work of our clinical, managerial and ICT staff who have embraced the potential of technology in delivering safe, high quality care.

We were the first Trust in Northern Ireland to introduce an Electronic Discharge Summary for GPs which is greatly improving patient safety through increased accuracy and timeliness of discharge information. Our PARIS system also contributes to patient safety by giving a much fuller profile of a patient which can be used by both community and hospital services. Another first of its kind – a new video conferencing speech and language service is allowing a small team of therapists to reach more stroke clients across a dispersed geographical area, offering more intensive support and a quicker recovery. Other technological developments include; increased access to web based video links between patients and clients in their own homes; the introduction of iPads to help hospital consultants update patient information and make decisions more efficiently during ward rounds; and we now also have bedside entertainment systems in our Renal Unit at Daisy Hill and Cancer Centre in Craigavon, helping to improve the experience for those patients who have to spend a lot of time having dialysis or chemotherapy. These dual purpose systems also contribute to patient care by allowing staff to check and update clinical information at the bedside. The fact that our IT training programme was ranked in fifth place throughout the UK and first in Northern Ireland reinforces our commitment to embrace technology to enable change and help improve the delivery of safe and high quality health and social care.



As the Southern Trust population continues to grow at well above the Northern Ireland average, it is critically important that we have the skills, expertise and high quality facilities to continue to meet this demand, so we have greatly welcomed a number of major capital investments this year to improve our buildings.

Inpatient Mental Health and Learning Disability Services have received a £4.7 million boost with the opening of two new wings at the existing Bluestone Unit on the Craigavon Area Hospital site. The new 'Dorsy' unit is for the assessment of adults with a learning disability whilst 'Rosebrook' is now home to the Trust's psychiatric intensive care unit.



As part of our Transforming Your Care plans, we want to ensure that where possible we can support people with mental health issues or learning disabilities to lead as normal a life as possible within their own communities where the majority of people who need a service will receive care and support. These new developments at Bluestone complements our wide

range of community services, ensuring that we can rapidly respond to those clients most in need of short periods of hospital care.

The final phase of a £15.5 million theatre development at Craigavon theatre has now been completed and following last year's £4.6 million new theatre development at Daisy Hill, an additional £1million has been spent upgrading the original theatres and replacing the Day Procedure Unit. £485,000 has also been invested the replacement of equipment in two of Daisy Hill's three x-ray rooms to new digital technology. One room was replaced in 2014 so the entire department will be operating from a digital platform following this work.

The former Health Minister, Jim Wells has visited both sites during the year to see progress on some of these developments. In December he officially opened our new dedicated outpatients centre for Neurology at Craigavon, which we are delighted to say is the first of its kind in Northern Ireland.



In January the Minister toured Daisy Hill Hospital



where he saw the new Midwifery Led Unit, which is giving low risk mothers the option to deliver in a home from home environment, and met with Paediatric staff to hear all about our exciting £15million plans to modernise hospital services for children and young people across the Trust. All planned paediatric surgery for the Trust will be centralised in a new £8.4m purpose built centre of excellence at Daisy Hill and a further £6.9m will be used to upgrade paediatric services at Craigavon Area Hospital. Design work is now underway and we expect construction to be completed in 2017.

Our Non Acute Hospitals are also making a great contribution to the care of the whole population. South Tyrone recently received a £2.9 million refurbishment and is now home to the Rapid Access and Day Hospitals which are helping to prevent hospital admissions for many older people, the Minor Injuries Unit, the area-wide bowel screening service, and the first Cardiac CT scanner in the Trust. Lurgan Hospital is a central hub for a range of services for older people in the Craigavon and Banbridge area, including a Day Hospital, clinics for Parkinsons Disease, Continence, Falls, Stroke and Pulmonary Rehabilitation. It is also the base for the new Acute Care at Home Service – a team of staff (physios, nurses, OTs, pharmacists, doctors and psychiatric nurses) who led by a Consultant Geriatrician are offering care to patients in their own homes to avoid a hospital admission.

Development of community services is another key theme of Transforming Your Care and so we are



delighted that work on the £16 million Health and Care Centre and Day Care centres in Banbridge is well underway. The new development will replace three existing facilities: Scarva Street Health Centre, Banbridge Social Education Centre for adults with a learning disability and Copperfields which provides day care to adults with a physical disability and staff and clients are really looking forward to moving into their new accommodation early in the new year.

We are now also awaiting Planning approval on the new Community Treatment and Care Centre for Newry. Three bidders have been shortlisted and subject to planning approval and we hope to award a contract in the coming months to ensure we can provide high quality facilities for service users, staff and GPs.

In November, following a period of public consultation, our Trust Board approved major proposals on the future of stroke care, hospital services for older people and dementia inpatient care. The plans include: developing a single specialist stroke inpatient unit at Craigavon Area Hospital; locating all non-acute inpatient services at Daisy Hill and Craigavon Hospitals, with the development of a new non-acute inpatient unit at Craigavon to replace inpatient services at Loane House, South Tyrone and Lurgan Hospital; and the relocation of dementia in-patient series from the Gillis Unit, Armagh to a new build at Craigavon.

These plans give a clear direction for how services must change in future if we are to maintain and develop hospital-based care that is of the highest quality standards, reflects clinical evidence and meets the needs of the population we serve. It could take up to three years to put these plans in place and we will continue to engage with users, carers, staff and our local community as we progress.

We are also developing a wide range of community services to support older people in their own homes and allowing an earlier discharge for those who are medically fit. Community Stroke Teams are providing specialised, intensive support to patients in their own homes following hospital discharge to help with their rehabilitation. Our Reablement workers have helped 3,837 older people to regain their independence after ill health or injury and over 1,000 people with chronic conditions like heart failure, diabetes and respiratory disease are using telemonitoring devices in their own homes to keep check on their vital signs to avoid hospital admission.



Other developments for children and families include: the launch of a new website to help young people up to the age of 18 with their mental and emotional wellbeing www.younghealthymindsni.co.uk; the development of a new mobile app – ‘About Me’ to help young care leavers with a range of health and social issues; and we are particularly proud to appoint the first Health Visitor in the UK specifically for families with multiple births in partnership with the charity TAMBA.



In April we opened the 'Acorns' in Armagh - the first dedicated centre for autism assessment, diagnosis and intervention in Northern Ireland. This new centralised facility is making life much easier for families by offering all autism services for children, young people and adults under one roof.

Of course early intervention is another key priority for us and we have introduced a wide range of schemes, helping people to prevent or reduce the implications of conditions that could cause them greater problems in later life for example promoting physical activity, accident prevention and emotional wellbeing. Our new Macmillan Cancer Information Unit opened in Craigavon Hospital this year and we also ran an extremely successful campaign to promote lung cancer awareness and encourage people to attend our new walk in chest x-ray service.

Also on the theme of preventing ill health, our Trust Board has endorsed plans to go completely smoke free by March 2016. The proposal follows the announcement from the Health Minister Jim Wells on No Smoking Day that all health and social care sites should be smoke free by March 2016. We have operated a Smoke Free policy since 2008 which prohibits smoking in all of our buildings but this latest move means that smoking will no longer be permitted anywhere on Southern Trust grounds. We will now be working closely with all interested parties to work out the detail of our new policy to help ensure the best interests of everyone who uses Trust sites.

As such a large employer with so many facilities across a large geographical area we take our Corporate Social Responsibility very seriously, so we were delighted to be awarded with Silver Status from the ARENA Network's Benchmarking Survey for our contribution to the environment. This is a testament to how our staff are making every effort to reduce our carbon footprint without compromising patient and client care. We have made significant investment to improve energy efficiency, reduce waste and save water across our sites and not only are we creating more comfortable and energy efficient buildings with these measures but we are making financial savings that can be reinvested back into front line health and social care services.

The Gillis Memory Centre and St Luke's Hospital, have both been recognised in the Northern Ireland Amenity Council's Best Kept Awards for their dedication to environmental cleanliness.



For the past two years, the Southern Area Hospice has been our 'Charity of the Year' and staff have raised thousands of pounds for this very worthy cause. We have now opened nominations for a new Trust Charity of the Year for 2015-2017 and will announce who it is once shortlisting has taken place.

We as a Trust have also greatly benefitted from charitable donations from local people and in the past year have received around £240,000. In such a challenging financial environment, where we must prioritise our budget towards vital medical supplies, equipment and staffing, donations like this can be used on those additional comforts e.g. relatives rooms, toys for children's areas, televisions or décor which

help to improve the patient and client experience and we want to thank everyone who has donated and encourage this to continue.

As well as monetary donations, many local people have given up their time to volunteer for the Trust both in hospitals and through community schemes. We would like to pay tribute to all of those people who help us with our work and more importantly make a huge difference to the lives of local people.

Mrs Roberta Brownlee
Chair



Mrs Paula Clarke
Interim Chief Executive



SOUTHERN HSC TRUST

DIRECTORS' REPORT

BOARD OF DIRECTORS



Mrs Roberta Brownlee

Chair

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Non Executive Directors



Mrs Deirdre Blakely



Mr Edwin Graham
(Chair of the Patient & Client Experience Committee)



Mrs Hester Kelly
(Chair of Endowments & Gifts Committee)



Mrs Elizabeth Mahood
(Chair of Audit Committee)



Dr Raymond Mullan
(Chair of Governance Committee)



Mrs Siobhan Rooney



Mr Roger Alexander
(*until 31 December 2014*)

Trust Directors



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Deputy Chief Executive (*from 19 January 2015*)
Interim Chief Executive (*from 1 April 2015*)
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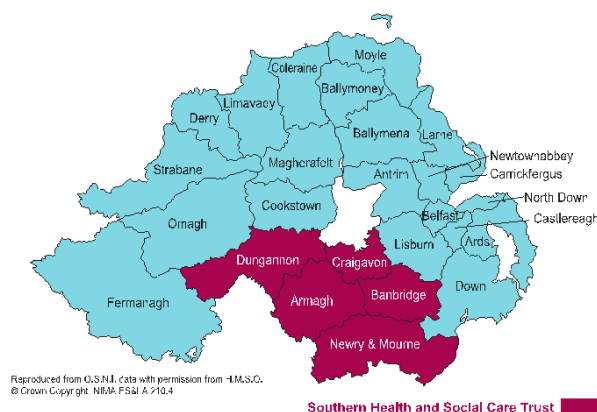
A declaration of Board members' interests has been completed and is available on request from the Chief Executive's Office, Trust Headquarters, College of Nursing, Craigavon Area Hospital, 68 Lurgan Road, Portadown, BT63 5QQ. Telephone 028 3861 3960.

ABOUT THE TRUST

The Southern Health and Social Care Trust was formed on 1 April 2007 and is responsible for the services which were formerly delivered by four Trusts, namely Armagh and Dungannon Trust; Craigavon and Banbridge Community Trust; Craigavon Area Hospital Group Trust and Newry and Mourne Trust.

Location and type of facilities provided

Map of NI showing the Southern Health and Social Care Trust



The Trust provides health and social care services to the council areas of Armagh, Banbridge, Craigavon, Dungannon and South Tyrone and Newry and Mourne.

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

Population

Age	Population
0-15	83,414
16-64	232,031
65+	50,267
Total Population	365,712

Expenditure

In 2014/15 the Trust incurred gross expenditure of £603.8m.

Staff Profile

The Trust employs 14,019 staff with 77.35% of staff providing direct hands on care to patients and clients. Management costs accounted for 3.5% of income in 2014/15.

The sickness and absenteeism rate for the Trust as at 28 February 2015 was 5.24%.*

Employee Policies

The Trust's Joint Consultative & Negotiating Forum is committed to the involvement of staff at all levels in shaping service delivery and being part of the decision making which affects their working lives and the delivery of health and social care. Significant efforts have been made by the Trust and the Trade Unions to develop a partnership working approach to how business is conducted. The Trust's Partnership Agreement sets out the approach to partnership working and a clear set of values to promote a culture of involvement. This partnership approach has continued to develop across all directorates and clearly has resulted in staff and management working together to deliver a number of very significant change initiatives and service reforms over the past number of years. A Staff Involvement Framework is in place to govern how the Trust involves staff in decisions that affect them through a range of processes, procedures and initiatives to develop a consistent approach to involving staff.

Significant work is on-going across the Trust to continually improve services for patients and clients, and a key focus with many of these improvement initiatives is the involvement of staff who work day by day within the services. Many of these improvement initiatives are reported and showcased in the Trust's Continuous Improvement Newsletters prepared by the Directorate of Performance & Reform, which are distributed via global email.

The Trust has in place an Equal Opportunity Policy which emphasises its continuing commitment to the provision of equality of opportunity. The scope of the current policy covers age, marital or civil partnership status, sex, sexual orientation, gender reassignment, religious belief, political opinion, race (including colour, nationality, ethnic or national origins, or being an Irish Traveller), disability, pregnancy or maternity leave and with/without dependants.

The Trust also recognises that attention needs to be given to the position of people with disabilities in the service and it is for this reason that the Trust also has a Policy on the Employment of People with Disabilities in place. This Policy takes account of the Disability Discrimination Act 1995 (the DDA), as amended. In developing this policy, the Trust has taken account of its duty under Section 49A of the DDA (as amended), which requires the Trust, when carrying out its functions, to have due regard to the need to promote positive attitudes towards people with disabilities and the need to encourage their participation in public life.

* Please note an issue has been identified with the way % Sickness Absence figures are calculated on HRPTS, which is resulting in slightly inflated figures.

Data Protection

The Trust had no incidents during 2014/15 that required investigation by the Information Commissioner.

Our Vision

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

Our Values


We will:

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

Mrs Roberta Brownlee
Chair



Mrs Paula Clarke
Interim Chief Executive



Date

11 June 2015

SOUTHERN HSC TRUST

STRATEGIC REPORT

PERFORMANCE

Achievement of Ministerial priorities - Trust on Target

All aspects of Trust business are closely monitored. This enables us to ensure that all our services are running smoothly and on target. It also provides an early warning if something is not on track. Every month the Trust's senior management team scrutinises detailed information about a wide range of areas, including those below, and will review areas on a weekly basis if we are encountering particular challenges or demands on our services.

- Time patients wait to be seen in the Emergency Department;
- How long patients wait to receive their first outpatient assessment ;
- Turnaround time for diagnostic tests;
- Infection rates and hospital cleanliness; and
- Patients' views.

Our performance reports also go to monthly public Trust Board meetings with papers published on our website www.southerntrust.hscni.net. This level of performance management helps us to ensure that what we do is safe, that we are making best use of our resources and meeting targets which are there to benefit patients and clients.

During 2014/2015 the Trust continued to further develop and improve many important services. Our dedicated staff also worked hard to meet targets designed to ensure better access to high quality services.

In 2014/15 there are 29 Commissioning Plan Targets/Standards applicable to the Trust. These include the following examples:

- From April 2014, 95% of patients attending any Type 1, 2 or 3 Emergency Department are either treated and discharged home, or admitted, within 4 hours of their arrival in the department. No patient attending any Emergency Department should wait longer than 12 hours.
- From April 2014, at least 80% of patients wait no longer than 9-weeks for their first out-patient appointment and no patient waits longer than 15-weeks.
- From April 2014, at least 80% of in-patients and day-cases are treated within 13-weeks and no patient waits longer than 26-weeks.
- From April 2014, ensure that 90% of complex discharges from an Acute Hospital take place within 48-hours.
- By March 2015, resettle the remaining long-stay patients in learning disability and psychiatric hospitals to appropriate places in the community.
- From April 2014, no patient waits longer than 9-weeks for referral to commencement of AHP treatment.
- By March 2015, reduce the number of unplanned admissions to hospital by 5% for adults with long-term specified conditions.

- By March 2015 secure a 10% increase in the number of carers assessments offered.
- By April 2014 no patient waits longer than 9-weeks to access child and adolescent mental health services; 9-weeks to access dementia service; and 13-weeks to access psychological therapies (any age).
- From April 2014 increase the number of children in care for 12-months or longer with no placement change to 85%.

Key achievements included:

- 8 out of 10 patients attending A&E departments were treated and admitted or discharged within 4 hours and 0.01% (14 out of 151,381 patients) waited over 12 hours;
- 6 out of 10 patients were seen within 9-weeks for out-patient assessment;
- 6 out of 10 patients were seen within 13-weeks for in-patient or day case treatment;
- 97% of patients who were ready to go home when their hospital treatment was complete were discharged within 48 hours;
- Resettlement of long-stay adults from mental health hospitals was completed with 8 people resettled during the year, in line with the Bamford Report recommendations.
- The Trust have delivered 112, 181 monitored patient days through remote telemonitoring services. This exceeded the Commissioning Plan target of 105, 000 monitored patient days, giving a performance of +7%.

Southern Trust facts and figures 2014/15

The Trust spends approximately £1.65m gross per day delivering services to local people.

During the past year:

- There were a total of 5,888 births in the Southern HSC Trust. There were 4,038 births in Craigavon Area Hospital and 1,850 in Daisy Hill Hospital.
- 80,497 people attended Craigavon Area Hospital Emergency Department and 46,590 attended Daisy Hill Hospital Emergency Department.
- A total of 30,871 people received treatment at the Minor Injuries Units across the Southern Trust.
 - 25,666 received treatment at the Minor Injuries Unit at South Tyrone Hospital;
 - 5,205 at the Minor Injuries Unit in Armagh Community Hospital; and
- Total Number of Outpatient Attendances – 375,128
 - new outpatient attendances – 110,608
 - review outpatient attendances – 264,520
- Total number of inpatient admissions – 55,418

- Elective – 7,218
- Non-elective – 48,200
- Number of day cases – 33,965
- The Trust received 12,864 child care referrals.
- The GP Out of Hours service:
 - Received 98,029 initial patient telephone calls into the GP OOHs service.
 - 49,963 patients were assessed by a GP, Nurse or Pharmacist via telephone and provided with healthcare advice.
 - 41,670 patient appointments were provided in the Out of Hours centres at Daisy Hill, South Tyrone, Armagh, Craigavon and Kilkeel.
 - 491 patients did not attend for a booked appointment.
 - 6,396 home visits to patients were undertaken by GPs across the Trust area.
 - 319 patients chose to attend the Out of Hours centre in Castleblayney (via the CAWT cross border project).
- The Trust facilitates the transport of 798 people each day into Day Centres (i.e. 516 are on fleet buses and 282 going with a mix of private coaches, taxis and voluntary drivers).
- The Trust provides care and support through:

Programme of Care	Residential Care	Nursing Home Care	Domiciliary Care	TOTAL
Elderly	382	1384	3597	5363
Mental Health	55	105	427	587
Learning Disability	106	175	731	1012
Physical and Sensory Disability	1	47	677	725
TOTAL	544	1711	5432	7687

Future Developments

2015/16 is likely to be another challenging year for the Trust. Some of the issues and risks already facing the Trust, both financial and non-financial are outlined in the Governance Statement on pages 43 to 83.

COMMITMENT TO EQUALITY

Delivering high quality care – respecting the dignity and individuality of all who use our services

During the year under review, the Trust participated in a public inquiry – the first of its kind led by NI Human Rights Commission



NORTHERN
IRELAND
HUMAN
RIGHTS
COMMISSION

into emergency healthcare in NI. Public hearings took place across Northern Ireland. The Southern Trust participated in two public events – in Newry and Armagh.

The main focus of the inquiry was to identify the extent to which the human rights of people seeking emergency care are respected, protected and fulfilled in practice.

Senior staff from the Trust gave evidence to the Inquiry at two public hearings – the first of which was held in Newry on Wednesday 10th September and the second in Armagh on Monday 15th September. HSC Trust Equality Leads were later called to give evidence on the 7th and 8th of October 2014.

The Inquiry heard evidence from the Minister for Health as well as a range of HSC organisations, Trade Unions, voluntary groups and individual members of the public.

The Commission is due to publish its report and recommendations to the Northern Ireland Executive. The Trust looks forward to reading the findings from this review which will be released during 2015/16.

Promoting Inclusion - Disability Action Plan Workshop: Public Appointments – Why Not You

On the 30 September 2014, Health and Social Care Trusts partnered with the DHSSPS to host a Disability Action Plan Workshop entitled “*Public Appointments – Why Not You?*” The workshop took place in the Glass House on the Stormont Estate. Over 40 participants were in attendance from across the disability sector, including representatives from the Equality Commission for NI.

The aim of the event was to raise awareness of the public appointments process and to encourage greater participation of disabled persons in public life including the public appointments process.



John Keanie, Commissioner for Public Appointments for Northern Ireland discussed the role of the Commissioner and *What is a Public Appointment?* Catherine Donnelly, DHSSPS from the Public Appointments department outlined the public appointments application process. Gerard Guckian, Chair of the Western HSC Trust gave an overview of a day in the life of a Non-Executive Director .

The event was concluded with a questions and answers session which was facilitated by the Chair - Pascal McKeown, MECAP.

Providing Safe High Quality Care - Working Well With Interpreters

During the year under review Working Well with Interpreters Training sessions continued across the Trust facilitated by the NI Health & Social Care Interpreting

Service (NIHSCIS), the Drop-in Awareness Training sessions took place on Wednesday 11 March 2015 in the Lecture Theatre Craigavon Area Hospital.

Each session comprised of a half hour awareness session which provided HSC staff with the opportunity to familiarize themselves with the NI Health and Social Care Interpreting Service. The sessions also outlined the risks associated with using untrained interpreters/family/friends, provided clarification on the role of Community Interpreters, an overview of booking systems and procedures and importantly when it is more appropriate to use telephone interpreting and face to face interpreting. Processes on how to procure high quality written translations for those who do not speak English as a first language was also explained. Uptake was very good across the two dates.

Treating People with Dignity and Respect – Launch of Ethnic Minorities Cultural Competency toolkit

Service users who are new to NI should be able to access a culturally competent and responsive service. The development and launch of a new cultural competency toolkit is designed to assist mental health practitioners meet the needs of ethnic communities coming into contact with mental health services.

Delivering mental health services can be complex, but this becomes even more difficult when there are added cultural and linguistic differences. In 2013 the Public Health Agency (PHA) provided funding on a regional basis specifically to examine how HSC mental health providers could be supported in the delivery of culturally competent services. Aware Defeat Depression worked in partnership with Health and Social Care Trust representatives to look at how best to support this initiative.

This partnership convened a regional conference in June 2013 for mental health specialists across the statutory, community and voluntary sectors. The focus of this event was “Developing Cultural Competence when delivering Mental Health Services to Black and Minority Ethnic Communities”, and examined the complexities of delivering mental health services in this context.

This toolkit is the result of the conference and is now available to staff online via Trusts intranet. The toolkit is broken down into quick reference sections with hyperlinks to more detailed reports or useful resources.

In support of the roll out of this toolkit staff training sessions were offered to HSC staff during 2014. In addition training for trainer’s session was held on 11 December 2014 to train up staff so that they are self-sufficient to deliver these future sessions. A DVD has also been produced to support the training sessions and the roll out of the toolkit.

PROTECTING THE ENVIRONMENT

Sustainability

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

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

Environmental Benchmarking

This year, the Trust took part in the 16th Arena Network Environmental Survey – Northern Ireland's leading environmental benchmarking exercise. We were awarded Silver status scoring 73% (4% decrease from last year) although this represents a high level of assurance in environmental performance. There was a review of the survey completed this year which increased the attainment levels of compliance for all participants.



Trust buildings and sustainable development

BREEAM is the measure of the environmental performance of new and refurbished Trust buildings.

All BREEAM qualifying capital development projects must have a BREEAM pre-assessment completed with the preferred option achieving an 'excellent' rating for new build projects and a 'very good' rating for refurbishment projects.

ENERGY

Carbon Reduction Commitment (CRC)

The Trust complies with the CRC legislation by monitoring carbon emissions for all electricity and natural gas consumed and pay the required carbon allowances.

Waste Management

The Trust recycling rate remains at 12%. Domestic waste generated has reduced by 131 tonnes (9.3%) in the last year. Less waste is being generated indicating increased efficiency across wards and departments.

Waste management e-learning for all staff is now in place providing expert advice on all aspects of waste management. E-learning has made the training much more accessible to staff and has made its delivery much more efficient.

CLINICAL AND SOCIAL CARE GOVERNANCE

Clinical and social care governance is a high priority for the Southern Trust. The Trust's Governance arrangements continually evolve to meet the needs of the organisation and our accountability to our public. We continue to strive to be one of the leading learning organisations in healthcare, reviewing our strengths and weakness in the provision of care and working to constantly improve this for all service users.

To help us identify areas in which we need to improve we welcome all comments and complaints regarding our services. Information about how you can make a complaint is explained in our "We Value Your Views" leaflet on the Southern Trust website. We recognise that at times, patients, families and carers may have concerns about their care or treatment. We are committed to engage with patients and their families to ensure that we learn from their experiences.

The Trust uses issues raised through the complaints process as an important source of information for safety and quality improvement. This information informs learning and development and is fed into the Trust's governance systems as well as being directly fed back to staff involved. Within the Trust it is the responsibility of all Trust Directors, Assistant Directors, Heads of Service and Senior Managers to utilise the information and trends from their complaints to ensure learning and development and to monitor learning. Regular analysis of complaint reports are shared at Senior Management Governance meetings, Governance Committee meetings and Directorate meetings to highlight themes and trends across the Trust to ensure improvement and learning takes place.

Each service directorate is supported by a dedicated team who assist frontline staff in reviewing comments and complaints from service users and the learning from them. Our patient client experience committee meets quarterly and provides an opportunity for lessons learnt from our complaints to be shared across all our service directorates.

The Trust has received a total of 776 formal complaints in the 14/15 financial year.

The Trusts Corporate Complaints Officer is the initial point of contact within the Trust for those wishing to make a complaint; a key component of this role is to facilitate the resolution of complaints at the point of reporting to provide patients and services users with prompt and timely action and resolution to their complaint.

The Trust also provides a Patient Support Service in Craigavon and Daisy Hill Hospitals whose role it is to assist patients and their families in real time with regards to any concerns or issues that they may have. The importance of staff providing local resolution to complaints received is also demonstrated in the Trust complaints training materials.

The Trust has multiple mechanisms in place to promote effective communication processes with patients, their families and those who may make complaints on their behalf. In addition to the formal communications required in line with the requirements of Regional HSC Complaints Policy the provides complainants with individual team contact information and encourage complainants to engage with staff using the communication style which best suits their circumstances. For example we have identified that electronic communication directly from patients has significantly increased.

The Trust also provides complainants with a variety of contact information for external agencies who can support them in communicating with the Trust throughout the complaints process for example the Patient Client Council, NI Ombudsman, and Commissioner for Older People.

The importance of effective and timely communication is also included within the Trust training resources on Complaints handling for staff which is easily accessible via the Trust Intranet. The public can access information about the Trust Complaints pathway via the external Internet and of note this information is available on the Internet in various languages and can be requested for the Blind if required.

There is opportunity within the Trust complaints processes, for patients families and service users to meet with senior staff involved in, or responsible for, the particular area of care. This is an opportunity for staff and complainants to discuss the complainants concerns face to face and to offer an apology. The Trust seeks to provide this opportunity to complainants at an early stage within the Complaints process.

The Learning from Complaints is shared at all levels within the Organisation for example Divisional and Directorate Meetings, Team meetings, Patient Client Experience Committee and Trust Board.

The Trust also disseminates quarterly a “Learning Lessons” newsletter to all staff which incorporates the learning from recent complaints.

PROFESSIONAL GOVERNANCE

The Trust's professional governance team is responsible for promoting safe and effective care, enhancing the quality of services and training and workforce development for nurses, midwives, social work staff and Allied Health Professionals. To support this function the Assistant Directors for professional governance have structural arrangements in place to meet professional/ regulatory body and Trust standards and guidelines.

The Trust Governance Statement can be found at pages 43 - 83 of the Annual Accounts.

Signed.....



Mrs Paula Clarke

(Interim Chief Executive) Date: 11 June 2015

SOUTHERN HSC TRUST

Financial Commentary on the Year Ended 31 March 2015

The Trust has again faced a challenging year with the added uncertainty of funding levels and the subsequent requirement for contingency measures and recurrent cost reductions. A degree of certainty and stability was, however, provided following the agreement for additional funding between the Assembly and the Treasury in October 2014. The outcome for the Trust was a much reduced requirement for an additional contingency of c. £3m. The Trust worked closely with HSCB and Department colleagues to agree and implement a range of measures to secure this saving while also maintaining patient and client services. The Trust is, therefore, pleased to have delivered a breakeven position in the current difficult economic environment.

As in the prior year, the Trust's charitable funds account is consolidated with the public funds account but this has no impact on the reported financial position. During 2014/15, charitable donations of £240k were received by the Trust, a fall of £129k from prior year. These funds were used to support expenditure in the following areas:

- Patient / Client / Relative / Visitor Comfort and Amenity;
- Staff education and training / skills enhancement; and
- Academic Research and Development.

Results

The Trust's main funding source is its Revenue Resource Limit (RRL) from the DHSSPS. Expenditure remained within the RRL of £565m by £41k. The Trust also receives a limited amount to spend on capital, the Capital Resource Limit (CRL). It kept within the CRL of £31.6m by £280k.

Public Sector Payment Policy

The DHSSPS requires that Trusts pay their Non HSC trade creditors in accordance with applicable terms and appropriate Government Accounting guidance. The Trust's payment policy is consistent with applicable terms and appropriate Government Accounting guidance and its measure of compliance is as follows:

Public Sector Payment Policy (continued)

	2015 Number	2015 Value £000s	2014 Number	2014 Value £000s
Total bills paid in year	172,426	224,108	114,589	208,090
Total bills paid within 30 days or under agreed payment terms	151,068	200,413	101,829	194,388
Percentage of bills paid within 30 days or under agreed payment terms	87.6%	89.4%	88.9%	93.4%
Total bills paid within 10 days	121,745	170,785	65,694	152,379
Percentage of bills paid within 10 days	70.6%	76.2%	57.3%	73.2%

The measure of compliance with the Public Sector Payment Policy is shown above for both the number and value of payments made. The variation in the percentage reported under the two measures is due to the high volume of low value payments made by the Trust which results in a smaller percentage being achieved when measuring compliance based on the number of payments made.

Last year, the Trust reported that there was potential for the prompt payment compliance figures to be overstated due to the dates being used for this measure. This was addressed during the year by the Business Services Organisation and the Payment Shared Services Centre is now using the invoice receipt date. However, where invoices are received directly in client organisations or by the Payment Shared Services Centre and not date stamped, the date used for prompt payment compliance is the invoice date as this is considered prudent.

The Trust moved its payment function to BSO Accounts Payable Shared Service from September 2014 and achievement of this target is now dependent both on procedures within BSO Accounts Payable Shared Service and appropriate action by Trust nominated approvers. A fall in compliance against the 30 day target of 95% has been experienced during this year of transition, from 88.9% in 2013/14 to 87.6%, however significant improvement has occurred in the 10 day performance. The Trust continues to work closely with BSO and Trust approvers to ensure that all efforts to improve prompt payment compliance continue.

During the year the SHSCT paid £149 interest and £216 compensation in respect of late payment of commercial debt.

Related Party Transactions

The Trust is an Arm's length body of the DHSSPS and, as such, the Department is a related party with which the Trust has had various material transactions during the year:

Funding – Revenue Resource Limit £565m of which Non-Cash Revenue Resource Limit was £44.59m.

In addition to the above, during the year the Trust entered into transactions with the following related parties (as defined by IAS 24), which are organisations in which one or more Directors disclosed interests:

	Total Value of Transactions	Balance Outstanding at Year End
	£	£
Ann's Homecare Domiciliary Care Agency	Payments: 4,204,765	320,865 (Creditor)
Enable NI	Payments: 144,407	2,254 (Creditor)
Southern Education & Library Board	Payments: 27,988 Receipts: 34,564	1,000 (Creditor) 2,678 (Debtor)
Royal School, Armagh	Payments: 335	0

Post Balance Sheet Events

There were no post balance sheet events which have an impact on the financial statements.

Audit

The accounts and supporting notes relating to the SHSCT's activities for the year ended 31 March 2015 have been audited by the Northern Ireland Audit Office. The report of the Comptroller and Auditor General is included on pages 84 - 85. The Interim Chief Executive and each Director has taken all the steps that she/he ought to have taken as Chief Executive/Director to make herself/himself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

So far as the Interim Chief Executive and each Director is aware, there is no relevant audit information of which the Trust's auditor is unaware.

The notional cost of the audit of the accounts for the year ended 31 March 2015 which pertained solely to the audit of the Public Funds Accounts was £57,000. The notional cost of the audit of the Charitable Funds Accounts was £5,750.

An additional amount of £2,699 was paid to the NI Audit Office in respect of work carried out on the National Fraud Initiative.

Pension Liabilities

The accounting treatment of pension liabilities is explained in Note 1.20 of the annual accounts on pages 101 to 102.

SOUTHERN HSC TRUST

Remuneration Report for the Year Ended 31 March 2015

Fees and allowances paid to the Chairman and other Non-Executive Directors are as prescribed by the Department of Health and Social Services and Public Safety.

The remuneration and other terms and conditions of Executive Directors are by the Remuneration and Terms of Service Committee. Its membership includes the Chair and all Non-Executive Directors. The terms of reference of the Committee are based on Circular HSS (PDD) 8/94 Section B.

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

Pay progression is determined by an annual assessment of performance. It is the responsibility of the Remuneration and Terms of Service Committee to monitor and evaluate the performance of the Chief Executive ensuring that any discretionary awards in terms of performance related pay are justifiable in light of the Trust's overall performance against the annual Trust Delivery Plan. During 2014/15, emphasis continued to be on patient safety, ministerial targets and financial balance. The Chief Executive in turn is responsible for the assessment of performance of the Senior Executives based on the attainment of individual objectives established at the outset of the year, and for the submission of recommendations to the Remuneration and Terms of Service Committee for its annual review of salaries which are conducted in accordance with the relevant circulars issued by the Department of Health, Social Services and Public Safety.

The levels of performance pay permitted applied by the Remuneration and Terms of Service Committee are prescribed by Department of Health and Social Services and Public Safety. Pay progression as at 1 April 2014 based on performance for Senior Executives in the period 1 April 2013 to 31 March 2014 has been set at 2% for fully acceptable performance for those employed on contracts before 23 December 2008 and 1% (non-consolidated) for those employed on contracts after 23 December 2008. There is no 'Superior Performance Award'. No award is made for unsatisfactory performance. Senior Executive pay ranges have not been increased with effect from 1 April 2014 pending finalisation of the DHSSPS circular in this regard and its consideration by the Trust's Remuneration Committee.

During 2014/15, all contracts were permanent and provide for three months' notice for both parties, with the exception of:

- Mr Miceal Crilly, who continued to undertake an acting role to Director of Mental Health & Disability to cover for Mr Francis Rice who has been seconded within the Trust to undertake specific projects associated with his Executive Director of Nursing role;

- Mrs Deborah Burns, who continued to undertake the Director of Acute Services role on an interim basis, pending recruitment to the permanent role.
- Mrs Aldrina Magwood, who undertook an acting role to Director of Performance and Reform from 1 March 2015 to provide cover for Mrs Paula Clarke who was Deputy Chief Executive from 19 January 2015 and Interim Chief Executive from 1 April 2015.

Mrs Mairead McAlinden, Chief Executive, resigned from the Trust in December 2014, indicating her intention to leave the Trust on 31 March 2015.

As far as all Senior Executives are concerned, the provisions for compensation for early termination of contract are in accordance with the appropriate Departmental guidance.

Senior Employees' Remuneration (Audited)

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

	2014/2015				2013/2014			
Name	Salary £000s	Bonus/ Performance pay £000s	Benefits in Kind (rounded to nearest £100)	Total £000s	Salary £000s	Bonus/ Performance pay £000s	Benefits in Kind (rounded to nearest £100)	Total £000s
Non-Executive Members								
Mrs R Brownlee (Chair)	25-30	0	0	25-30	25-30	0	0	25-30
Mrs E Mahood	5-10	0	0	5-10	5-10	0	0	5-10
Mr R Alexander (resigned 31/12/14)	5-10	0	0	5-10	5-10	0	0	5-10
Mrs D Blakely	5-10	0	0	5-10	5-10	0	0	5-10
Mr E Graham	5-10	0	0	5-10	5-10	0	0	5-10
Mrs H Kelly	5-10	0	0	5-10	5-10	0	0	5-10
Dr R Mullan	5-10	0	0	5-10	5-10	0	0	5-10
Mrs S Rooney	5-10	0	0	5-10	5-10	0	0	5-10

	2014/2015					2013/2014				
Name	Salary £000s	Bonus / Performance pay £000s	Benefits in Kind (rounded to nearest £100)	Pension Benefits £000s	Total £000s	Salary £000s	Bonus/ Performance pay £000s	Benefits in Kind (rounded to nearest £100)	Pension Benefits £000s	Total £000s
Executive Members										
Mrs M McAlinden - Chief Executive	100-105	0	0	20	120-125	100-105	0-5	0	0	100-105
Mr S McNally - Director of Finance & Procurement	90-95	0	0	18	105-110	90-95	0-5	0	(2)	85-90
Dr J Simpson - Medical Director	165-170	0	0	(7)	155-160	160-165 (Restated)	0	0	104	265-270 (Restated)
Mr P Morgan - Director of Children & Young People's Services	75-80	0	0	15	85-90	75-80	0-5	0	0	75-80
Mr F Rice - Executive Director of Nursing & AHPs	95-100	0	0	27	120-125	95-100	0-5	0	28	125-130
Mr M Crilly – Acting Director of Mental Health & Disability Services	70-75	0	0	8	80-85	75-80	0	0	62	135-140
Other Members										
Mrs P Clarke - Director of Performance & Reform (Deputy Chief Executive from 19 January 2015)	75-80	0	0	66	140-145	75-80	0-5	0	4	75-80

Mrs A Magwood – Acting Director of Performance & Reform (from 1 March 2015)	5-10 (65-70 full year equivalent)	0	0	4 (45 full year equivalent)	10-15 (110-115 full year equivalent)	N/A	N/A	N/A	N/A	N/A
Mrs D Burns - Interim Director of Acute Services	70-75	0	0	13	85-90	70-75	0-5	0	39	110-115
Mr K Donaghy - Director of Human Resources & Organisational Development	80-85	0	0	17	95-100	80-85	0-5	0	(19)	65-70
Mrs A McVeigh - Director of Older People & Primary Care	80-85	0	0	16	95-100	80-85	0-5	0	25	105-110

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

Mrs M McAlinden, resigned from her post as Chief Executive on 31 March 2015.

Mrs P Clarke was appointed to the post of Deputy Chief Executive on 19 January 2015 whilst continuing in her role as Director of Performance and Reform. From 1 April, Mrs Clarke was appointed Interim Chief Executive.

Mrs A Magwood was appointed to the post of Acting Director of Performance and Reform from 1 March 2015.

Dr J Simpson's salary for 2013/14 has been restated as the amount published in 2013/14 included an error of £7k.

Mr R Alexander resigned from his post of Non-Executive Director on 31 December 2014.

Senior Executive remuneration stated above does not include a pay award for 2014/15 pending finalisation of the DHSSPS circular and consideration by the Trust's Remuneration Committee.

Of the remaining six Non-Executive Directors, three have had their terms of office extended for a further one year period to 31 March 2016 and two have had their terms of office extended for a further six month period to 30 September 2015 and one will commence their second term of office from August 2015. The Chair has commenced her second term of office.

Median Remuneration

	2014/2015	2013/2014 Restated
Band of Highest Paid Director's Total Remuneration (£000s)	£165-£170	£160-£165
Median Total Remuneration (based on paid salary)	£29,079	£26,730
Ratio	5.8	6.1

The median reflects the aggregation of earnings where staff have multiple contracts. This was not possible in 2013/14 under HRMS.

Reporting entities are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce, excluding the highest paid director.

The prior year disclosures for Median Remuneration have been restated due to the restatement of the remuneration of the highest paid Director, as noted above.

In 2014/15, 18 (2013/14: 18 (restated)) employees received remuneration in excess of the highest paid director. Remuneration ranged from £165k to £250k (2013/2014: £165k to £235k (restated)). All of these employees were clinicians.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

In 2014/15 and 2013/14 the most highly paid Director was the Medical Director.

Pensions of Senior Management (Audited)

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

	2014/2015				
Name	Real Increase in pension and related lump sum at age 60 £000s	Total Accrued pension at age 60 and related lump sum £000s	CETV at 31/03/14 £000s	CETV at 31/03/15 £000s	Real Increase in CETV £000s
Executive Members					
Mrs M McAlinden - Chief Executive	0-2.5 plus 2.5-5 lump sum	40-45 plus 120-125 lump sum	707	758	27
Mr S McNally - Director of Finance & Procurement	0-2.5 plus 2.5-5 lump sum	40-45 plus 120-125 lump sum	881	943	31
Dr J Simpson - Medical Director	(0-2.5) loss plus (0-2.5) lump sum	60-65 plus 185-190 lump sum	1,370	1,410	(7)
Mr P Morgan - Director of Children & Young People's Services	0-2.5 plus 2.5-5 lump sum	25-30 plus 85-90 lump sum	629	675	25
Mr F Rice - Executive Director of Nursing & AHPs	0-2.5 plus 5-7.5 lump sum	40-45 plus 125-130 lump sum	692	747	32
Mr M Crilly – Acting Director of Mental Health & Disability Services	0-2.5 plus 0-2.5 lump sum	25-30 plus 85-90 lump sum	574	610	16
Other Members					
Mrs P Clarke – Director of Performance & Reform (Deputy Chief Executive from 19 January 2015)	2.5-5 plus 7.5-10 lump sum	20-25 plus 70-75 lump sum	353	423	58
Mrs A Magwood – Acting Director of Performance & Reform	2.5-5 plus 5-7.5 lump sum	15-20 plus 50-55 lump sum	234	278	36

	2014/15				
Name	Real Increase in pension and related lump sum at age 60 £000s	Total Accrued pension at age 60 and related lump sum £000s	CETV at 31/03/14 £000s	CETV at 31/03/15 £000s	Real Increase In CETV £000s
Mrs D Burns - Interim Director of Acute Services	0-2.5 plus 2.5-5 lump sum	15-20 plus 50-55 lump sum	234	257	15
Mr K Donaghy - Director of Human Resources & Organisational Development	0-2.5 plus 2.5-5 lump sum	35-40 plus 110-115 lump sum	808	864	28
Mrs A McVeigh - Director of Older People & Primary Care	0-2.5 plus 2.5-5 lump sum	30-35 plus 100-105 lump sum	673	721	25

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

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HSC pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Off payroll Engagements

This reflects the Trust's requirement to disclose the details of off-payroll engagements at a total cost of over £58,200 per annum that were in place during the year.

The Trust's use of Off Payroll Staff Resources in 2014/15 and 2013/14 is shown below:

	2014/2015		2013/2014
	Number of staff		Number of staff
Off Payroll Staff as 1st April 2014	11	Off Payroll Staff as 1st April 2013	7
New engagements during the year	1	New engagements during the period	13
Number of engagements transferred to payroll	0	Number of engagements transferred to payroll	0
Number of engagements that have come to an end during the year	(2)	Number of engagements that have come to an end during the year	(9)
Off payroll staff as at 31 March 2015	10	Off payroll staff as at 31 March 2014	11

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

Exit Package Cost Band	Number of Compulsory Redundancies		Number of other Departures Agreed		Total Number of Exit Packages by Cost Band	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
<£10,000	0	0		0	0	0
£10,000-£25,000	0	0	0	0	0	0
£25,000-£50,000	0	0	0	0	0	0
£50,000-£100,000	0	0	2	1	2	1
£100,000-£150,000	0	0	0	0	0	0
£150,000-£200,000	0	0	0	0	0	0
Over £200,000	0	0	0	0	0	0
Total number of exit packages	0	0	2	1	2	1

	£000s	£000s	£000s	£000s	£000s	£000s
Total Resource Cost	0	0	182	178	182	178

Total Number of Exit Packages by Types		
	2014/15	2013/14
Change of Management	2	0
Transforming Your Care	0	1
Total	2	1

The above exit costs of £182k (2013/14: £178k) are reflected in Note 4 of the Annual Accounts within operating expenses.

The exit packages in 2014/15 which impact net expenditure represent voluntary leavers as a consequence of changes in the management structure.

Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC Pension Scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Signed

A handwritten signature in blue ink, appearing to read 'Z. Clarke', is written over a horizontal line.

(Accounting Officer)

Date

11 June 2015

SOUTHERN HEALTH AND SOCIAL CARE TRUST

Annual Accounts for the Year Ended 31 March 2015

FOREWORD

These accounts for the year ended 31 March 2015 have been prepared in accordance with Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health, Social Services and Public Safety.

Southern HSC Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

STATEMENT OF ACCOUNTING OFFICER RESPONSIBILITIES

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

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

- observe the Accounts Direction issued by the Department of Health, Social Services and Public Safety including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis.
- state whether applicable accounting standards as set out in FREM have been followed, and disclose and explain any material departures in the financial statements.
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Southern HSC Trust will continue in operation.
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Southern HSC Trust.
- pursue and demonstrate value for money in the services the Southern HSC Trust provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Mrs Paula Clarke of Southern HSC Trust as the Accounting Officer for the Southern HSC Trust. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Southern HSC Trust's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety.

Southern HSC Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

CERTIFICATES OF DIRECTOR OF FINANCE, CHAIR AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts pages 86 to 151 which I am required to prepare on behalf of the Southern Health and Social Care Trust (Southern HSC Trust) have been compiled from and are in accordance with the accounts and financial records maintained by the Southern HSC Trust and with the accounting standards and policies for HSC bodies approved by the DHSSPS.



Director of Finance (Southern HSC Trust)

11 June 2015

Date

11/06/2015

I certify that the annual accounts set out in the financial statements and notes to the accounts pages 86 to 151 as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Chair (Southern HSC Trust)

11 June 2015

Date



Interim Chief Executive (Southern HSC Trust)

11 June 2015

Date

Southern HSC Trust

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Governance Statement

1. Scope of Responsibility

The Board of Directors of the Southern HSC Trust (the Trust) is accountable for internal control. As Accounting Officer and Interim Chief Executive of the Trust, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisations 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, Social Services and Public Safety (DHSSPS).

In delivering these responsibilities, I am accountable for the Trust's performance to the Health and Social Care Board (HSCB) and DHSSPS and report through agreed performance management arrangements and Service and Budget Agreements.

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

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

- meetings with Trust, HSCB, LCG and PHA senior teams collectively and on issue specific basis;
- monthly meetings between Trust and HSCB Chief Executives;
- regional and local Transformation Programme Boards to work together to implement Transforming Your Care (TYC);
- engagement with local GPs through locality forums and senior Trust attendance at LMC services development committee;
- regular meetings with Independent Health and Care Providers (IHCP) and other independent sector providers about key interface issues;
- forums such as the regional children's service planning project board that include HSC partners, community/voluntary sector and other statutory agencies such as Education; and
- promoting health and wellbeing processes involving a range of partners focussed on ensuring effective collaboration to address the specific and individual needs of local communities.

With respect to the Trust's inter-relationship with the DHSSPS, the framework within which the Trust is required to operate is defined and agreed in the Management

Statement and Financial Memorandum. This sets out the Trust's founding legislation, functions, duties; responsibilities and accountability of the Trust and DHSSPS; processes for planning, budgeting and control with the specific purpose of the Management Statement covered in Annex 7.4 of "Managing Public Money NI" which states that 'Departments need arrangements to monitor and understand their NDPBs' strategy, performance and delivery, usually built around a management statement and financial memorandum (MS/FM). This model MS/FM for executive NDPBs is intended to provide departments with a document that sets out a clear framework of strategic control for each of their executive NDPBs. The framework covers the operations, financing, accountability and control of the NDPB and the conditions under which any government funds are provided to the body. All MS/FMs require DFP approval as do any subsequent significant revisions. The specific requirements for the Trust as an Arm's Length Body ('ALB') are further defined and agreed annually in the Annual Business Plan.

2. Compliance with Corporate Governance Best Practice

The Trust applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements. The Trust does this by undertaking continuous assessment of its compliance with Corporate Governance best practice and the effectiveness of the Trust's governance arrangements are regularly considered by the Governance Committee on behalf of the Board.

The Trust Board has a continued focus on its governance arrangements by undertaking a Board effectiveness evaluation on an annual basis. Progress against identified actions following the 2013/14 assessment was reported at the Board Development Day on 13 November 2014. As part of its review of the Trust's governance arrangements, Internal Audit undertook a follow up on the 2013/14 self-assessment and this confirmed that identified actions had been taken.

The Board completed the Board Governance Self-Assessment Tool issued by the DHSSPS for the third time in 2014/15. This was approved by the Board at its meeting on 26 March 2015 and subsequently submitted to the Department on 30 March 2015. In line with the requirement for independent verification every three years, Internal Audit will undertake an independent assessment of the Trust's 2015/16 self-assessment.

The Board has a Register of Interests in place for Trust Board members. This is reviewed on an annual basis (or sooner, if changes are notified by Board members) and is available upon request for members of the public.

3. Governance Framework

The Board exercises strategic control over the organisation through a system of corporate governance which includes:

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

The following describe in more detail the role of the Board, its Committee structure and attendance during the reporting period.

Trust Board

The composition and membership of the Board is defined by the Membership, Procedure and Administration Arrangements Regulations and is as follows:

- Chair (Appointed by the DHSSPS Public Appointments Unit);
- 7 Non-executive members (Appointed by the DHSSPS Public Appointments Unit); and
- 5 Executive members – Chief Executive; Director of Finance; Medical Director; Director of Nursing; and Director of Social Work.

In addition to the members listed above, other members of the senior management team are in attendance and are as follows:-

- Director Acute Services
- Director of Human Resources and Organisational Development
- Director of Performance and Reform
- Director of Older People and Primary Care Services

In line with Standing Orders, no business shall be transacted unless half of the whole number of the Chair and members (including at least 2 members who are also Executive members of the Trust and two members who are not) are present.

In 2014/15, the Trust Board held 7 formal Board meetings, 3 Board Workshops and a Board Development Day. During the year, attendance at the formal meetings was as follows:

Date	% Attendance
29 th May 2014	94%
12 th June 2014	94%
25 th September 2014	88%
23 rd October 2014	94%
27 th November 2014	100%
29 th January 2015	88%
26 th March 2015	94%

During the reporting period, the following changes occurred with regard to Board membership:-

- The resignation of a Non-Executive Director on 31 December 2014.
- Of the remaining six Non-Executive Directors, three have had their terms of office extended for a further one year period to 31 March 2016, two have had their terms of office extended for a further six month period to 30 September 2015 and one will commence their second term of office from 29th August 2015. The Chair has commenced her second term of office.
- The resignation of the Chief Executive on 31 March 2015.
- With effect from 19 January 2015, a Deputy Chief Executive was appointed from within the Senior Management Team. This individual was appointed Interim Chief Executive with effect from 1 April 2015.

Trust Board meetings were widely publicised through the press and the Trust website. Agenda and minutes of all Trust Board meetings are publicly accessible on the Trust website.

The Board operates via an Annual Board calendar of meetings and agenda topics. Each Board agenda comprises strategic, operational, quality and performance items. Each agenda item had a time allocation to ensure that there was sufficient time for discussion and debate. Operational and patient safety and quality of care items were rotated to ensure equal priority. Time was also allowed at each meeting for the Board to reflect on innovative practice in relation to quality improvement and invitations were extended to staff and service users to hear their experiences of care. The Board received reports at each meeting on the financial position, workforce information and performance against targets.

Three Board workshops were held during the year, at which members explored strategic issues and planned service developments. A Board profiling process and skills analysis was undertaken by members at a facilitated workshop in May 2014. This identified the indicative action required for succession planning to ensure an appropriate balance of skills, experience and knowledge.

The Trust Board held a Development Day 'Maintaining a strategic focus with energy, dynamism and resilience in challenging times' in November 2014. This is an important event in the Annual Board calendar in terms of whole Board learning and development and provides the opportunity for the Board to take time out to review its effectiveness and preparedness for the coming year.

All Trust Board Committees are chaired by a Non-Executive Director and have clear terms of reference and lines of reporting and accountability agreed by Trust Board. Minutes of the Sub Committees are presented at Trust Board public meetings in a timely manner with the Chair of each Committee highlighting any specific issues for the attention of the Board. This is evidenced by the agenda and minutes of Trust Board meetings. In addition, the Committee Chairs meet with the Trust Chair and Chief Executive after each meeting to provide feedback on the work of their respective Committees and raise any issues of concern.

In accordance with good practice, the Trust Chair meets with the Committee Chairs on an annual basis to reflect on the work of the Committees and to share any learning.

Audit Committee

The Audit Committee is required by its Terms of Reference to meet not less than 3 times a year. During 2014/15, the Committee held 5 meetings to provide the Trust Board with assurance on the adequacy and effectiveness of internal control systems and that all regulatory and statutory obligations are met. In line with its Terms of Reference, which are reviewed on an annual basis, the Committee reviewed governance, risk management and internal control across a planned range of activities.

The membership of the Audit Committee comprises 5 Non-Executive Directors (one of whom resigned on 31 December 2014). A quorum is 2 members. The Director of Finance, Head of Internal Audit, Business Services Organisation (BSO), external auditors (Northern Ireland Audit Office (NIAO)) and their sub-contracted auditors are in attendance. The Committee is also attended by other relevant Finance and Internal Audit staff. During 2014/15, there was full attendance at three out of five meetings.

It is Departmental policy to be represented at one Audit Committee meeting per year. A DHSSPS observer was scheduled to attend the Committee meeting on 7 May 2015 but unfortunately was unable to attend.

To ensure linkages across the Audit and Governance Committees, the Chair of the Audit Committee is a member of the Governance Committee and likewise, the Chair of the Governance Committee is a member of the Audit Committee.

In carrying out its work, the Committee used the findings of Internal Audit, External Audit, assurance functions, financial reporting and Value for Money activities. It approved the Internal Audit programme of work and reviewed progress on implementing internal and external audit recommendations. It considered reports from Internal Audit at each meeting and overall accepted the findings and recommendations

of Internal Audit in its reports for 2014/15. The Audit Committee particularly focused on assuring itself that there was an effective process within the Trust for addressing Priority Audit Findings and received regular updates from the Director of Finance who maintains a log of outstanding issues and receives progress reports from each Director on a quarterly basis. Operational Directors are required to attend Audit Committee meetings where less than satisfactory assurance had been received from Internal Audit for an area within their responsibility.

Fraud is a standing item on the Committee's agenda and the Trust's Fraud Liaison Officer presents a report of suspected/actual frauds at most meetings. The Committee received a presentation from Counter Fraud and Probity Services and discussed the NIAO Report on the National Fraud Initiative. There is on-going reporting to the Committee in respect of compliance with Departmental directions/circulars and the Committee received regular updates on the progress of implementing the new systems associated with the Business Services Transformation Programme (BSTP) and the transfer of Finance functions to Shared Services arrangements during 2014/15.

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

The Board has separate Audit and Governance Committees. Internal Audit reviewed the Terms of Reference of both these Committees against the Audit and Risk Assurance Handbook (NI) 2014 and no gaps or areas of development were identified.

The Committee assessed its effectiveness against the National Audit Office (NAO) Audit Committee self-assessment checklist. An action plan has been devised to address any gaps in compliance with the application of best practice as required by the HM Treasury's Audit Committee Handbook.

Governance Committee

The Governance Committee is required by its Terms of Reference to meet not less than 3 times a year. Meetings are held on a quarterly basis - February, May, September and December and during 2014/15, all 4 meetings were held as per the agreed schedule. The Committee reviewed and updated its Terms of Reference during the year.

The membership of the Governance Committee comprises all Non-Executive Directors, one of whom resigned on 31 December 2014. The Chief Executive, members of the Senior Management Team, the Director of Pharmacy and the Assistant Director of Clinical and Social Care Governance are in attendance. To ensure linkages with other Committees, the Chair of the Audit Committee and the Chair of the Patient and Client Experience Committee are members of the Governance Committee. During 2014/15, there was full attendance at all Governance Committee meetings.

The Governance Committee is the overarching strategic Committee responsible for providing assurance to the Board on all aspects of governance (except financial control) and during the year the Committee regularly considered the effectiveness of the Trust's

governance arrangements. In order to discharge this remit, the Committee has a Schedule of Reporting in place and the key areas reported at meetings are in line with this. Assurance reports were received from lead Directors in relation to their areas of responsibility being Medical, Social Work and Social Care and Nursing and Allied Health Professions, as well as Medicines Governance. At this Committee, adverse incidents, serious adverse incidents, complaints and corporate risks were presented and reviewed. The Committee sought assurances on system improvements and received progress updates on, for example, Management of Water Systems and Fire Safety, in discharge of its oversight responsibilities to the Board. Reports and findings from external bodies/agencies were presented and discussed, particularly those that indicated practice below acceptable levels and areas of high risk. The Committee sought assurance that action plans were in place to address recommendations and were being effectively implemented through measurable outcomes. Where the organisation has challenges in meeting recommendations, the Governance Committee ensures these are appropriately escalated to Trust Board. Presentations were provided on e.g. National Hip Fracture Database and Post Falls Pathway and the outcome of the Quality Assurance visit by the PHA of Cervical Screening Services. .

The Governance Committee reviewed the Corporate Risk Register at each meeting and ensured that risks that are outside the Trust's ability to solely manage were escalated to Trust Board and beyond. During the year, the Board instructed the Chief Executive to escalate a number of such risks to the HSCB, including the need for recurring investment to address capacity gaps affecting performance against Ministerial targets and medicines management in domiciliary care.

The Chair of the Governance Committee undertook an evaluation of the performance of the Committee during the year. One action arose relating to the timely issue of Committee papers and the Committee's Terms of Reference have been amended to address this issue.

Endowments and Gifts Committee

The Endowments and Gifts Committee is required by its Terms of Reference to meet not less than 3 times per year. During 2014/15, the Committee held 4 meetings to oversee the administration of the Endowments and Gifts funds, their investment and disbursement.

The membership of the Endowments and Gifts Committee is comprised of three Non-Executive Directors (one of whom resigned on 31 December 2014), the Director of Acute Services and the Director of Performance and Reform. The Director of Finance is in attendance. A quorum is not less than 3 members. Two members had full attendance at all meetings during the year, with the remaining members missing one or more meetings. Where a Director was unable to attend a meeting, a nominated deputy attended.

The Chair of the Endowments and Gifts Committee undertook an evaluation of the performance of the Committee during the year. As a result, the Committee's quorum was reduced and its Terms of Reference amended to reflect this.

Remuneration Committee

The Remuneration Committee is required by its Terms of Reference to meet on at least 2 occasions per year. The Committee held 3 meetings during 2014/15 to progress matters pertaining to the appropriate remuneration and terms of service of the Chief Executive and other senior executives, in accordance with DHSSPS policy and guidance. The Committee is comprised of the Trust Chair and two Non-Executive Directors. A quorum is two members, in addition to the Trust Chair. The Director of Human Resources and Organisational Development is in attendance. There was full attendance by all members during the year.

The Committee reviewed and updated its Terms of Reference during 2014/15.

Patient and Client Experience Committee

The Patient and Client Experience Committee is required by its Terms of Reference to meet not less than 4 times per year. During 2014/15, the Committee held 4 meetings and considered information to provide assurance to the Trust Board that the Trust's services, systems and processes provide effective measures of patient/client and community experience and involvement. This Committee leads the co-ordination, development, implementation and monitoring of the Trust's PPI Action Plan, monitors the Patient Client Experience Standards Audit programme and complaints across the organisation. The Committee considered the findings of external reports e.g. RQIA, the Donaldson Report and discusses any learning in relation to user experience.

The membership of the Patient and Client Experience Committee comprises the Trust Chair, four Non-Executive Directors and three representatives from the Trust's PPI Panel. A further representative from the Trust's PPI Panel became a member of the Committee in the March 2015. Trust Directors, the Assistant Director of Promoting Wellbeing, the Assistant Director of Clinical and Social Care Governance and a representative from the Patient and Client Council are in attendance. Across the four meetings in 204/15, there was 80% attendance at one meeting; 75% at two meetings and 50% at one meeting. It is important to note that these meeting dates coincide with Southern Area Adoption Panel meetings which have Non-Executive Director membership and this will be taken into consideration when setting future meeting dates.

The Chair of the Patient and Client Experience Committee undertook an evaluation of the performance of the Committee during the year and an action plan was developed.

Based on the information contained in the responses, the conclusion reached is that this Committee is operating effectively and no significant issues were raised.

4. Business Planning and Risk Management

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

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

The Trust's Strategic Plan "**Changing for a Better Future**" aims to ensure clarity about the strategic direction for services delivered by the Trust during the 2 year period 2013-2015 and specifically to identify what implementing "*Transforming Your Care*" will mean locally for individual services. This plan builds on the Trusts last 5 year strategic plan "*Changing for the Better*".

It sets out the actions the Trust will take in support of each of the corporate objectives. This will ensure that our local communities know what to expect from us, that all of our staff are aware of their role in delivering on these priorities and that we can demonstrate improvements and progress by the end of the plan.

This Strategy sets out the Trust's vision 'to deliver safe, high quality health and social care services, respecting the dignity and individuality of all who use them'. This vision is underpinned by the Trust's values which shape what it does and how it does it. These values are:

- We will treat people fairly and with respect;
- We will be open and honest, and act with integrity;
- We will put our patients, clients, carers and community at the heart of all we do;
- We will value and give recognition to staff, and their development and improve our care;
- We will embrace change for the better; and
- We will listen and learn.

We want to be very clear about what is important to us as a Trust and what we want to achieve in providing health and social care to local people. The Trust's corporate objectives continue to include:

- Promoting safe, high quality care;
- Maximising independence and choice for our patients and clients;
- Being a great place to work, valuing our people;
- Making the best use of resources;
- Supporting people and communities to live healthy lives and to improve their health and wellbeing; and
- Being a good social partner within our communities.

The current strategic plan runs until 2015 with a new plan “**Improving through Change**” 2015 - 2018 under consultation. The Trust’s Strategic Plan is underpinned on an annual basis by the Trust’s Delivery Plan.

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

The preparation of this plan is led by the Directorate of Performance and Reform and requires all Trust Directorates to feed into its development. The Corporate Planning Division link directly with each of the Directorates to co-ordinate responses to the key ministerial themes and TDP requirements as identified above. The targets set out within the Commissioning Plan are allocated to Directorates and each assigned to the relevant Assistant Director for response. Targets are then disseminated to Head of Service level to discuss how the target could be achieved. If it is felt by staff that a target is unachievable or where there is a material risk to service delivery then it is the Directorate’s responsibility to specify this and where possible identify the resources necessary to enable the Trust to achieve the target.

It is the responsibility of Heads of Service to make their team aware of the targets relevant to their area of work and to ensure that issues which may impact on achievement are flagged up through Divisional Team meetings or staff supervision throughout the year.

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

Directorate Work Plans are developed annually on the basis of the Strategic Plan and TDP. These plans summarise the key deliverables falling under each objective in the Strategic Plan and TDP but will also detail the actions, action owner and timescales for achievements.

Each Directorate is required to engage with its staff in agreeing the priorities for the year ahead to ensure that there is a clear understanding of roles and responsibilities to support achievement.

The Directorate Work Plan is signed off at Directorate level and used to inform the development of individual Personal Development Plans.

Progress updates are generally carried out on a quarterly basis and some Directorates have found it useful to apply a traffic light system to assist in the monitoring of their actions at a high level for this purpose with more detailed discussion and monitoring taking place through staff supervision.

Decisions on **service development or change proposals** are often informed by a business case process. This may include projects necessary to support service improvement and modernisation as set out in the Trust's Strategic Plan and TDP. The need for a service development proposal or business case will be initiated at Director level. The development of the case will be led by a project team, comprising a range of stakeholders from across Directorates and services within the Trust. This is necessary to establish robust project management structures, identify the service need and drivers for change, to appraise potential options and inform a recommendation on the preferred way forward and its associated costs. An equality screening exercise and, where deemed appropriate, a formal consultation process including an Equality Impact Assessment will be undertaken on the preferred option to inform decision-making at SMT.

Once the business case has been completed and signed off by the project team it will proceed through an approval process which, depending on the type and level of funding required, may involve approval at both SMT and Trust Board within the organisation and by Commissioners and DHSSPS. The Trust's Guidelines on its Business Case Development and Approvals process was approved by SMT in May 2014. The Corporate Planning Division continues to update this guidance to reflect any DHSSPS Circulars/changing business case requirements.

Performance Monitoring Requirements

In 2014/15 the Trust maintained its focus on the Commissioning Plan Targets and Indicators of Performance that are relevant to the Trust through fortnightly and monthly performance reporting. Performance updates are a standing item on the weekly Senior Management Team meeting agenda.

On a fortnightly basis a Performance Report is circulated to Operational Directors and provides a tool for focus and escalation of areas which are in excess of the required performance standards for access targets. On a monthly basis a Performance Report and Indicator of Performance report is produced for Trust Board. This report is circulated in advance to SMT for approval and then submitted for Trust Board. The monthly Performance Report includes a summary of performance, key actions and issues. The report includes regional benchmarking to facilitate comparison against the other NI Trusts and where applicable benchmarking data obtained through CHKS, a provider of healthcare intelligence and quality improvement services, is used.

Focus is further maintained on performance against Service & Budget Agreement (SBA) baseline delivery (where these exist) and access standards at fortnightly / monthly Operational meetings where the Performance Team challenge the operational teams on their level of delivery against their specialty SBAs and also then on their ability to progress to achievement of the access standards. To assist the Operational Teams the Performance Team produce a weekly SBA activity report as well as a

monthly SBA activity report to detail performance against their expected SBA during the different stages of the year.

In 2014/15, focus on performance against the Service & Budget Agreement levels, where they have been agreed, has been good corporately. Underperformance has been limited to a number of key specialty areas which have in the main been particularly challenged by:

- The impact of sickness; maternity; and other absences in the medical workforce and associated challenges in securing backfill capacity in general and within current funded resources; and
- The requirement to divert resources to other need within that specialty area.

In 2014/15 risks were predominantly associated with the achievement of access standards by the end of March 2015 and the associated need to ensure capacity for the most clinically urgent demand whilst balancing the risk of patients and clients waiting beyond their clinically indicated timescales for planned review or treatment. Analysis has confirmed that this related to a number of factors:

- Capacity gaps where recurrent investment has not been secured and/ or embedded to enable teams to routinely achieve the required level of performance throughout the year. A range of specialty areas continue to require an additional level of capacity beyond to meet demand;
- Insufficient levels of non-recurrent funding from HSCB to provide the level of in-house additionality or to seek independent sector capacity required to maintain access time standards or agreed backstops;
- Accrued volume of patients and clients waiting beyond their clinically indicated timescale for review and or treatment;
- Continued pressures on demand in some areas, including non-elective demand; red flag demand; and urgent referrals; and
- The need to allocate appropriate levels of capacity for service areas not subject to Regional standards / targets to maintain safety and quality of care i.e. review appointments and planned repeat procedures.

The majority of specialty areas with no capacity gaps did achieve the agreed access standards / backstop targets. No specialty area with capacity gaps achieved the access standards/backstop targets due to reduced levels of funding for non-recurrent solutions.

During 2014/15 the Trust worked closely with HSCB and the Southern Local Commissioning Group (SLCG) to manage these risks in year with plans developed and monitored throughout the year, however with non-recurrent capacity limited access times have accrued in a number of specialties. A numbers of offers of recurrent investment were finalised in year and implementation plans are now being developed for these recurrent investments.

Executive Directors provide information to Trust Board and Governance Committee which provide assurance on safety and quality of services.

Risk Management

The Corporate Risk Register is reviewed by the Governance Committee at each of its meetings. Over the past six months, due to the volatility and challenges of the Trust's financial position, the risks on the Corporate Risk Register have been monitored by Trust Board. The Corporate Risk Register is complementary to and works in conjunction with the Board Assurance Framework. A high level summary of the Corporate Risk Register is included in the Board Assurance Framework which is presented to the Board on a six-monthly basis and this provides the Trust Board with information on other significant risks that are under active management and review.

The key components of the Trust's risk management strategy (2014) are underpinned by the HPSS Controls Assurance Standard for Risk Management. The purpose of this Strategy is to ensure that the Trust manages risks in all areas using a systematic and consistent approach. It provides the framework for a robust risk management process. All supporting procedures for the identification and management of risk also reflect this standard.

Each operational directorate is supported by a Governance Team who facilitates the Director, Assistant Directors and Associate Medical Directors to identify, assess and manage and report on risk within their area of responsibility.

The risk management process is based on HPSS Guidance on the identification and management of risk (Australia/New Zealand Model) August (2003). The Trust's Risk Assessment Tool ensures that a consistent approach is taken to the evaluation and monitoring of risk in terms of the assessment of likelihood and impact. Risks are monitored through a formal reporting process where the assessed level of risk and its strategic significance determines where it will be reviewed and monitored.

The following key elements are used to identify risk within the organisation:

External Scrutiny and Inspection	Occurrences	Internal Assessments
Internal Audit Reports	Adverse Incident Reporting	Controls Assurance – Self Assessments
Accreditation Bodies Report	Whistleblowing	Performance reporting
RQIA reports	User Views	Specialist Committees e.g. Infection Control Health & Safety etc.
Reports from Professional Bodies	Complaints	Risk Assessments (including H&S; business/project planning e.g. new activities, services; referrals)
Health and Safety Executive Reports/Visits	Locally resolved expressions of dissatisfaction	Management of relationship risk – i.e., service partners/key suppliers taking into account the behaviour and risk priorities of those partners
Environmental Health Reports	Legal Claims	Networking – use of media reports and information from other Trusts
Independent Reviews	Patient and Client Satisfaction Measures	Other self-assessment tools - Health and Social Care Quality Standards Audit Commission.
Coroner's Reports	Employee Satisfaction Measures	
	Sickness and Absence Records	
	Staff Turnover	
	Levels of Agency Utilisation	
	Medical Device and Equipment Alerts	
	Introduction of new Standards and Guidelines	
	Outcome of Audit	

Risk registers are in place in all directorates. Risks identified and control measures in place are discussed monthly by the operational teams through the Directorate Governance Forums where they are reviewed, monitored and escalated as appropriate. The Senior Management Team reviews the Corporate Risk Register monthly.

The content of the Trusts Risk management training and awareness is presently being reviewed; it has been identified through an internal audit of risk management in 2015 that the Trust should improve on the numbers of staff trained in this area across all Directorates 2015/16. Training is facilitated by the Directorate Governance Teams. The Trust's Health and Safety team deliver risk management training also.

All staff are responsible for managing risks within the scope of their role and responsibilities as employees of the Trust. There are structured processes in place for incident reporting, analysis and the investigation of serious incidents. The Trust has reviewed the arrangements in place for communicating and involving patients and their families in incident investigations.

The Trust Board, through the risk management and the incident policy and procedures, promotes open and honest reporting of incidents, risks and hazards. The Trust reporting incidents is supported by an accessible online reporting system available across the Trust (DATIX).

Serious Adverse Incident Look Back Exercise

On the 9 April 2014 the Trust Minister of Health instructed that Trusts should take a number of actions to review all serious adverse incidents reported between 1 January 2009 and the 31 December 2014 and provide information for each case with regards to patient/client involvement, statutory requirement to inform the Coroner, and appropriate referral of the case to other agencies. The information requested was provided by the Trust and independently Quality Assured by the RQIA. No areas of concern have been highlighted to date to the Trust with regards to information requested. The Trust continues to develop and improve patient/client engagement processes in this area.

The publication of the Donaldson Report 'The Right Time, The Right Place' in January 2015 made recommendations with regards to the development and continued improvement in the management of incident data and SAI review arrangements. These recommendations are presently being consulted on. The Trust has put mechanisms in place to ensure all staff are provided with an opportunity to comment on the report.

5. Information Risk

An Information Governance Forum is in place, chaired by the Trust Personal Data Guardian, which provides direction and co-ordination of the strategic Information Governance and Records Management agenda. The Forum meets quarterly and reports to Trust Governance Committee, a sub-committee of Trust Board.

The purpose of the forum is to review the development and maintenance of an effective system of information governance, support the achievement of the Trust's objectives and to ensure that risks in this area are identified and addressed. The Forum steers the work of the Records Management Committee, Research Governance Committee, Data Protection Sub Group, Data Quality Sub Group, Clinical Coding Sub Group, and ICT Steering Group (Technology Enabled Change).

During 2012/13 the Trust undertook an extensive audit of information assets held by each Directorate. In 2013/14, this was followed up with a risk assessment of each information asset, including an action plan to address any risks raised, in accordance with the DHSSPS Information Governance Framework. In 2014/2015 this work progressed with the capture of further assets and the provision of a report on progress of the framework to the Senior Information Risk Owner (SIRO) at Information Governance Forum in June 2015. The SIRO reports externally to the Information Manager, DHSSPS on an annual basis. The Director of Performance and Reform has been appointed as the Trust SIRO and along with the Trust Medical Director (Personal

Data Guardian) is responsible for ensuring Trust compliance with the requirements of Data Protection legislation.

To assure patients, clients and members of the public that their records are held securely and that only identified staff have access, the Trust implemented a software package in June 2013 to proactively identify potential unauthorised access to information systems. This software continues to monitor access of PAS, Laboratory and Radiology information systems. To ensure corporate awareness of the consequences of inappropriate access, Data Protection clinics have been held in each location in the Trust along with the dissemination of memos, e-brief extracts and desktop messages. Evaluation of the software implementation was reported to the Information Governance Forum in March 2015. An internal audit of information governance was undertaken in 2014/2015 which provided satisfactory assurance. The recommendations from this audit have been taken forward.

All information governance incidents which involve loss of or inappropriate access to data are reviewed by senior staff at quarterly Information Governance Forums. Data breaches are reported to the DHSSPS and the Information Commissioner Office (ICO) where appropriate. The Trust fully cooperates with the ICO and ensures a comprehensive investigation is completed and recommendations are carried out to minimise the risk of a reoccurrence.

An Information Sharing Register which records the details of all episodes of sharing of Trust data with other bodies is in place and reviewed at quarterly Information Governance Forums. A Data Access Form must be signed by the Trust Data Guardian so that all requests for access are approved before sharing is permitted. In addition, an Informatics meeting chaired by the Assistant Director of Informatics has been established to review all contracts held by the Trust.

Freedom of Information and Data Protection requests are monitored to ensure completion within the statutory timeframes. These are placed on a corporate dashboard and are reported to senior managers on a monthly basis and to DHSSPS quarterly.

An Information Governance Strategy and Policy has been approved by the Information Governance Forum and Records Management Committee in March 2015. In compliance with the requirements of the Information Commissioner Office 'Definition Document for Health Bodies in NI' a disclosure log of all Freedom of Information requests has been published and staff have been informed on the need to proactively publish Trust documents on the website.

An e-learning suite of modules on Information Governance for regional use have been developed by the Beeches Leadership Centre and have been rolled out in the Trust since April 2013. An e learning module on the 'Code of Practice on Confidentiality of Service User Information' has been developed by the Privacy Advisory Committee for regional roll out. Training for Personal Data Guardians is implemented regionally by the Privacy Advisory Committee.

In reducing the risks inherent with the management and storage of paper records, a records scanning pilot has been established in a service area in January 2015. Protection and confidentiality is enhanced with authorised access which is fully audited.

The Trust achieved the required 'substantive' compliance in relation to the new Information Management Controls Assurance Standard and has an action plan in place to ensure 'substantive' compliance is maintained. This area was also subject to Internal Audit in 2014/15 and achieved satisfactory assurance with one priority one issue as noted on page 70. There were no significant lapses of security requiring reporting to the Information Commissioner in relation to data loss in 2014/15.

6. Public Stakeholder Involvement

In line with the Regional Strategy (DHSSPS, 2004), Departmental Guidelines for Personal and Public Involvement (PPI) (DHSSPS, 2007 and 2012), sections 19 and 20 of the Health and Social Care (Reform) Act (Northern Ireland) 2009 and Quality Standards for Health and Social Care (DHSSPS, 2006) the Trust continues to prioritise PPI within all aspects of its business agenda and has established a range of governance, management and reporting mechanisms that reflect this.

The Trust has recently completed a self-assessment PPI Performance Management Report which was submitted to the PHA on 31 January 2015. This outlines the mechanisms and processes the Trust is implementing to ensure compliance with the new PPI standards launched in March 2015 namely:

- PPI Leadership;
- PPI Governance;
- Opportunities for Involvement;
- Knowledge and Skills; and
- Measuring Outcomes.

The PHA carried out a verification visit on 24 March 2015. This focussed on PPI generally within the Trust and then there was a specific focus on PPI in Cancer Services. The PHA will produce a report on its findings which will confirm the Trust's current compliance and provide guidance on what other action the Trust is required to take. This will be incorporated in the Trust's Corporate PPI Action Plan for 2015/16.

In addition the Trust develops and implements annual directorate operational PPI action plans which focus on five key themes to ensure that PPI is embedded in the day-to-day practice of its staff:

- Information;
- Service User and carer Involvement;
- Evidencing Patient and Client Experience Standards;
- Training; and
- Monitoring and evaluation.

This is evidenced by the many initiatives and groups which exist to involve service users and other stakeholders, such as:

- Individual involvement of service users in healthcare and/or treatment plans;
- Patient Client Experience questionnaires, patient stories, observation;
- 10,000 Voices;
- Nursing Quality Indicator questionnaires and research;
- Service evaluations with service users, carers and other family members;
- Involvement of service users and carers in planning groups, steering groups, working groups, focus groups and other fora;
- Learning from complaints;
- Lay Cancer Reviewers;
- Peer Support Workers in Mental Health Services;
- Maternity Services Liaison Committee;
- Carers Reference group;
- User and Carer Service Improvement group;
- Race Equality Forum; and
- Traveller Action Group.

These mechanisms provide the opportunity for the identification of risk as well as risk management.

Further information on the Trust's involvement mechanisms, processes and resources to support staff and service users and carers is available at <http://www.southerntrust.hscni.net/about/1600.htm>

7. Assurance

A systematic approach is taken to ensure that the systems upon which the Trust relies are challenged and tested. The Board Assurance Framework is a statutory requirement for the Trust and is an integral part of the Trust's governance arrangements. The Framework has been compiled in conjunction with all Directorates and provides the systematic assurances required by the Board on the effectiveness of the system of internal control by highlighting the reporting and monitoring mechanisms that are necessary to ensure the achievement of corporate objectives and the delivery of high quality health and social care. In its Board Assurance Framework, the Board has determined the level of assurance it requires to manage the principal risks facing the organisation and the Board reviews this on a six-monthly basis. A standard template attached to the Board Assurance Framework ensures that Board members consider, based on sufficient evidence, whether the current controls and assurance systems are sufficient and are working effectively. Board minutes attest to the challenge and scrutiny applied to the Board Assurance Framework.

The sources of external assurance and system validation are identified in the Board Assurance Framework and include, for example, the Regulation and Quality Improvement Authority, Internal and External Auditors, Royal Colleges and Professional Councils.

The Board Assurance Framework sits alongside the Corporate Risk Register, the Controls Assurance Standards process and performance reporting to provide structured assurance about how risks are effectively managed to deliver agreed objectives. Where risks are outside the Trust's ability to solely manage, these are escalated to Trust Board and beyond.

Compliance with the controls assurance standards and the annual self-assessments against the standards provide an important assurance to the Trust Board. Separately, the Audit and Governance Committees review compliance with Controls Assurance Standards to provide assurance to Trust Board that action plans are in place for all 22 standards to maintain/further improve compliance against each standard going forward.

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

To ensure the appropriateness and quality of information presented to the Board, feedback on all Board papers is sought at the end of every meeting and feedback provided to SMT where required. This includes the length, clarity and relevance to the Board of the report. A standard template is also attached to the front of all Board papers ensuring that the report is aligned to specific corporate objectives and key issues/risks and decisions required are drawn to Board members immediate attention. Board members regularly discuss and challenge the quality of the information presented to them and collectively reflect on information received. A Non-Executive Director is a member of the Trust Information Governance forum which addresses assurance processes for data quality. No significant issues have been raised.

Where Committee members have not been satisfied with the level of information presented to it, recommendations for improvement are made. Specific examples include:

- a recommendation by the Governance Committee which led the Trust to review and improve its governance systems in relation to complaints. This information is now presented to the Committee in both a qualitative and quantitative way.
- Development of a Performance Report to Trust Board to evidence SBA compliance

Members continue to consider further how to develop the searching questions and processes to ensure effective challenge by the Board. The Executive professional roles (Medical, Nursing and Social Work) ensure executive challenge as these posts are designed to give independent professional assurance to Trust Board. One key area of the Board Effectiveness questionnaire completed by members is the nature of member engagement and constructive challenge. An analysis of responses illustrate that the challenge at Board meetings is constructive and shared.

A template accompanies reports to Trust Board which provides the opportunity for the challenge by the Senior Management Team to a particular proposal/report to be described.

In addition, Trust Board receives reports from external organisations which provide assurance in relation to some areas of data quality.

The Board's self-assessment evaluation of its effectiveness provides additional assurance on the effectiveness of the organisation's governance arrangements.

The Trust also attends Mid and End of Year Assurance and Accountability meetings with the DHSSPS and Health and Social Care Board, the purpose of which is to provide assurance on the systems of internal control.

As part of the on-going 'Board to Ward' governance assurance process within the Trust, a framework for leadership 'walk arounds' has been developed and implemented since July 2011. These provide an informal method for Board members to talk with front line staff about issues in the organisation by asking a series of structured questions. Issues identified are forwarded to the relevant Director for action and a report provided to the Governance Committee to provide assurance that actions are being progressed.

Controls Assurance Standards

The Trust assessed its compliance with the applicable Controls Assurance Standards which were defined by the Department and against which a degree of progress is expected in 2014/15. Each standard has an action plan in place to address any areas of non-compliance.

Substantive compliance is required across all 22 standards.

The table below provides a summary of the expected and achieved levels of compliance for 2014/15.

Standard	DHSS&PS Expected Level of Compliance	Trust Level of Compliance
Buildings, land, plant and non-medical equipment	75% - 99% (Substantive)	Substantive*
Decontamination of medical devices	75% - 99% (Substantive)	Substantive
Emergency Planning	75% - 99% (Substantive)	Substantive
Environmental Cleanliness	75% - 99% (Substantive)	Substantive
Environment Management	75% - 99% (Substantive)	Substantive
Financial Management (Core Standard)	75% - 99% (Substantive)	Substantive*
Fire safety	75% - 99% (Substantive)	Substantive
Fleet and Transport Management	75% - 99% (Substantive)	Substantive
Food Hygiene	75% - 99% (Substantive)	Substantive
Governance (Core Standard)	75% - 99% (Substantive)	Substantive*
Health & Safety	75% - 99% (Substantive)	Substantive
Human Resources	75% - 99% (Substantive)	Substantive
Infection Control	75% - 99% (Substantive)	Substantive*
Information Communication Technology	75% - 99% (Substantive)	Substantive
Information Management	75% - 99% (Substantive)	Substantive
Management of Purchasing	75% - 99% (Substantive)	Substantive
Medical Devices and Equipment Management	75% - 99% (Substantive)	Substantive
Medicines Management	75% - 99% (Substantive)	Substantive
Research Governance	75% - 99% (Substantive)	Substantive*
Risk Management (Core Standard)	75% - 99% (Substantive)	Substantive*
Security Management	75% - 99% (Substantive)	Substantive
Waste Management	75% - 99% (Substantive)	Substantive

**De-notes subject to verification by HSC Internal Audit in 2014/15*

The above table demonstrates that the required levels of compliance have been achieved in 2014/15.

The Trust recognises the follow up work performed by Internal Audit on Procurement and Management of Estates and Pharmacy Contracts during 2014/15 and has considered these issues in the self-assessment scores for the individual criteria affected. The Trust has worked closely with Internal Audit on this process, completing baseline assessments and producing action plans to address areas of weakness.

8. Sources of Independent Assurance

The Trust obtains Independent Assurance from the following sources:

- ***Internal Audit;***
- ***Northern Ireland Audit Office;***
- ***RQIA;***
- ***External Review/Benchmarking;***
- ***Clinical Pathology Accreditation (CPA);***
- ***British Standards Institute(BSI) Assessments;***
- ***Human Tissue Authority (HTA); and***
- ***Medicines and Healthcare Products Regulatory Agency (MHRA)***

Internal Audit

The Trust has 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.

It provides assurance on audit areas using the assurance categories below. It is important to note that the level of assurance provided is limited to the scope of the audit assignment.

Level of Assurance	Definition
Substantial	There is a robust system of risk management, control and governance, which should ensure that objectives are fully achieved.
Satisfactory	There is some risk that objectives may not be fully achieved. Some improvements are required to enhance the adequacy and / or effectiveness of risk management, control and governance.
Limited	There is considerable risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.
Unacceptable	The system has failed or there is a real and substantial risk that the system will fail to meet its objectives. Urgent action is required to improve the adequacy and effectiveness of risk management, control and governance.

In 2014/15 Internal Audit reviewed the following systems:

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
Finance Audits:	
HRPTS (ahead of transfer to Shared Services)	Limited
Non Pay Expenditure - FPL (ahead of transfer to Shared Services)	Satisfactory
Bank and Cash (FPL)	Satisfactory
Acute Directorate Finance Audit	Limited
Financial Assessments & Care Management (including Direct Payments)	Satisfactory
Adult Supported Living – Mental Health and Disability Directorate	Satisfactory
Client Monies and cash and Valuables Handling in Social Services Facilities - Older People & Primary Care Directorate(OPPC)	Satisfactory
Management of Client Monies in the Independent Sector	Satisfactory - Most Facilities Limited - Castle Lane Lurgan Unacceptable (updated to Limited in review audit later in the year) - The Valley Nursing Home Clougher
Domiciliary Care – Care Bureau	Limited
Management of Consultants	Substantial
Corporate Risk Based Audits:	
Efficiencies and Service Reform	Satisfactory
GP Out of Hours	Satisfactory
Governance Audits:	
Risk Management	Satisfactory

AUDIT ASSIGNMENT	LEVEL OF ASSURANCE
Business Cases	Satisfactory
Governance including Board Effectiveness	Satisfactory
Information Management	Satisfactory
Claims Management	Satisfactory
Management of ICT Contracts	Satisfactory

Consultancy and Other Assignments

Estates Investigation – During April to August 2014, Internal Audit conducted an investigation into concerns received in respect of Estates. The concerns raised applied to a number of projects undertaken during the period April 2009 to present that involved one particular contractor. The audit report addressed the concerns raised and also considered whether the issues found applied to the one particular contractor or across other contractors. Significant issues were found around the following areas:

- absence of prior approval to variation costs.
- the process for managing/ minimising project delays.
- adherence to procurement regulations.
- communication and cooperation within the estates department.

Given the gaps in the control environment, there is an increased risk of fraud, bribery and corruption. However no evidence of such activity was found during this audit and BSO Counter Fraud and Probity Service considered the report and advised that they had no basis for undertaking an investigation into this matter.

Review of Previous Estates Audit Reports - Internal Audit conducted a Review of Management of Estates Contracts in January 2015. The scope of this assignment was to review and substantively test the implementation of recommendations made in the report, Management of Estates Contracts 2013/14 when unacceptable assurance was provided and the Investigation into Estates Concerns as outlined above. Across both Estates reports, Internal Audit reported that 65% of the recommendations made were fully implemented, 29% were partially implemented and 6% had not yet been implemented. The Trust continues to progress the outstanding recommendations and this is further discussed under Internal Control Divergences on pages 74-76.

Patients Private Property (PPP) - The Trust requested Internal Audit to review a sample of patient monies expenditure for five patients who were previously resident in a Trust facility for appropriateness. A number of issues were identified, primarily around

clothing spend, and recommendations have been made to the Trust which are currently being taken forward.

Review of Management of Pharmacy Contracts – Internal Audit tested the implementation of recommendations previously made in 2013/14 regarding the management of pharmacy contracts. They confirmed that 57% were fully implemented, a further 22% were partially implemented and 21% were not yet implemented at the time of review. Two priority one issues were identified in relation to the use of Single Tender Awards and purchasing items not covered by a contract. Management accepted the recommendations made and can advise that one of these issues is now complete with the other awaiting a training date from BSO which will complete that issue.

Review of Management of Private Patient Income - Internal Audit tested the implementation of recommendations made in the report on Private Patient Income 2013/14, when Limited assurance was provided. 61% of the recommendations examined were fully implemented, a further 32% were partially implemented and 7% were not yet implemented at the time of review. The Trust is continuing to progress the recommendations made in this report.

GP Out of Hours Procedures – Internal Audit have been commissioned to produce updated procedural documents for use by the GP Out of Hours Service for staff and other payment areas. This is following a serious adverse incident which is currently under investigation by the Counter Fraud and Probity Service and this is further discussed under Internal Control Divergences on page 81.

Follow up work

352 of 475 previous priority one and two Internal Audit recommendations which were due to have been implemented, were fully implemented at year end (74%), a further 22% were partially implemented and 4% have not yet been implemented. There were four priority one findings which have not been implemented. Two of these are the same as in 2013/14 and relate to the management of contracts where due to a lack of resources no progress has been possible and the other two relate to private patient income. Both of these will be progressed in 2015/16.

Shared Services Audits

During 2014/15, the Trust transferred the income, payments and payroll functions to BSO Shared Services Centres. As the Trust is now a customer of BSO Shared Services, the following audit reports have been shared with the Trust for information.

Shared Service Audit	Assurance
Payments Shared Service (as at September 2014)	Limited
Payments Shared Service (as at March 2015)	Satisfactory – Overall Limited – Management of Duplicate Payments
Payroll Shared Service (as at September 2014)	Limited
Payroll Shared Service (as at February 2015)	Limited
Income Shared Service	Satisfactory
Recruitment Shared Service	Satisfactory
Business Services Team	Satisfactory
Shared Service Governance	Satisfactory

Across these audit reports, the need to define roles and responsibilities of the Shared Service centres and customer organisations including clarity over controls exercised is a common theme.

Limited assurance has been provided in respect of the Payroll Shared Service Centre and a significant number of priority one findings and recommendations have been reported. Improvement is required particularly in the following areas: variance checking; management and reporting of overpayments; authorisation and processing of additional payments; management of and assurance over supplier access and responsibilities; and HRPTS access controls and privileges.

Limited assurance was initially provided in respect of the Payments Shared Service Centre in September 2014, however following improvements in processes and controls, satisfactory assurance was provided late in 2014/15. Further improvement is still required particularly in respect of management of duplicate payments, for which Limited assurance is still specifically provided.

Internal Audit also followed up on the implementation of priority one and priority two BSO shared service recommendations at the end of 2014/15. In total, 221 BSO shared service/business services transformation programme recommendations were followed up from reports dating from 2012/13 onwards. 78% of these recommendations have been fully implemented, a further 18% partially implemented and 4% were not yet implemented at the time of review.

Overall Opinion for 2014/15

In her annual report, the Head of Internal Audit reported that the Southern HSC Trust has a satisfactory system of internal control designed to meet the organisation's objectives. However, the use of the new financial systems requires further embedding.

Weaknesses in control were identified in a number of areas. In total the Trust has 25 priority one findings in 2014/15, which is a fall from 2013/14. A priority one finding is defined as an issue which requires urgent management decision and action without which there is a substantial risk to the achievement of key business/system objectives, to the reputation of the organisation or to the regularity and propriety of public funds. A list of these priority one findings is detailed below:

HRPTS (Pre – transfer to shared services): two priority one issues were raised in relation to the new system and shared services developments and then segregation of duties and access rights. Management have accepted the recommendations made to the extent that the associated action is within their control to fulfil.

Non Pay Expenditure: two priority one issues were raised relating to duplicate payments and the division of roles and responsibilities between BSO Accounts Payable Shared Services and Trust Staff. Management accepted the recommendations made to the extent that the associated action was under their control.

Acute Directorate Finance Audit: three priority one issues were raised concerning the use of HRPTS and FPL – two of these relate to end user engagement with the new finance systems and the other one to BSO Shared Services and is being taken forward by BSO.

Financial Assessments including Direct Payments: one priority one issue was identified concerning incomplete documentation. Management have accepted the recommendation made.

Adult Supported Living: two priority one issues were identified in relation to the evidencing of review of tenant finances and management of household budget accounts. Management have accepted the recommendations made and will progress during 2015/16.

Management of client monies in independent sector homes: three homes/facilities received less than satisfactory assurance in 2014/15 and had priority one issues. These were the Valley Nursing Home (4 priority one issues in second IA review 2014/15), Castle Lane Supported Living facility (3 priority one issues) and Dungannon Care Home (one priority one issue). All homes have met or been engaging with the Trust on addressing the recommendations made during 2014/15 and both the Valley Nursing Home and Castle Lane have been incorporated in the 2015/16 Internal Audit programme. The issues identified included: lack of transport agreements; lack of residents' agreements; completeness and accuracy of residents' personal allowance

records and supporting receipts; documented procedures and supervisory controls and accuracy of management assurances over controls provided to the Trust.

Domiciliary care bureau: two priority one issues were identified relating to the agreement of invoices to supporting records and the timely review of invoice verification exception reports. Management accepted the recommendations and progress will be monitored during 2015/16.

Efficiencies and Service Reform: one priority one issue was identified which related to a shortfall in achievement of the three year cash releasing target. This was accepted by management.

GP Out of hours service: one priority one issue was identified regarding the ability to cover all shifts, meeting the five regional KPIs and budgetary overspend. Management accepted the recommendations made and will progress during 2015/16.

Governance: one priority one issue was identified highlighting the need to review and update the Integrated Governance Strategy. This was accepted and will be progressed in 2015/16.

Information Management: one priority one issue was identified relating to the % of staff that have completed information management mandatory training. Management continue to issue frequent reminders and monitor this on an on-going basis.

Management of ICT Contracts: one priority one issue was identified relating to the management and use of TPA contracts by the Trust. Management accepted the recommendations made and will progress during 2015/16.

The recommendations of the Internal Auditor to address control weaknesses have been considered by the Audit Committee. They have been or are being taken forward by the management of the Trust and their implementation will continue to be monitored by the Audit Committee regularly during 2015/16.

Northern Ireland Audit Office (External auditor)

The external auditor undertakes an examination of the annual financial statements in accordance with auditing standards issued by the Auditing Practices Board. Based on the findings of this audit, the Comptroller and Auditor General (C&AG) will report his opinion to the NI Assembly as to the truth and fairness of the annual financial statements, that expenditure and income have been applied to the purposes intended by the Assembly and that the transactions conform to the authorities which govern them (regularity).

In addition, the external auditor will provide a Report to those charged with Governance which brings to the attention of the Accounting Officer findings during the course of the external audit.

The external auditor reports all of these findings to the Audit Committee. During 2014/15, the Audit Committee monitored progress on all external audit recommendations arising from the 2013/14 external audit on a quarterly basis. In relation to the four priority one issues which were raised as part of the 2013/14 audit, action has been taken during the year to progress these but some are not yet complete. This has been reported to the Audit Committee.

In the course of the external audit for 2014/15, the external auditor has brought to the attention of management three priority one issues, all of which are disclosed in within the Governance statement. One relates to controls around the identification and management of payroll overpayments within BSO Payroll Shared Services and a second relates to the use of Direct Contract Awards by the Trust for inappropriate purposes, predominantly to regularise contracts which have expired. The third relates to social care contracts and the impact of the new Public Regulations 2015 on this sector. All of these issues are referenced in section 10 of the Governance Statement.

The Northern Ireland Audit Office also conducts a number of Value for Money studies across the health sector on an annual basis.

RQIA

Summary reports from RQIA thematic reviews, inspections and unannounced hygiene inspections, together with action plans in response to any recommendations emerging from these were reviewed by the Governance Committee. The Committee sought assurance that action plans were being effectively implemented through measurable outcomes. Where the Committee has not been assured that sufficient action had been taken, Directors have been asked to put in place further controls and have updated the Governance Committee accordingly.

A number of RQIA reports have provided focus on the social care independent sector and led to establishment of more robust regional and local processes in relation to the management of independent sector social care providers, including the Oversight of Users Finances. Following the Independent Review into Cherry Tree House in Carrickfergus, the Trust established a review team who compiled key areas of action and improvement within the Trust.

The Trust has a formal Liaison meeting with RQIA; the Liaison group strives to improve communication, to share information and concerns about common issues and consider joint and individual actions necessary to ensure safe and effective provision of care services. This meeting considers both statutory and Independent Sector areas of social care provision.

External Review/Benchmarking

The Trust has procured a service to facilitate external benchmarking of hospital based data against a UK peer group of like hospitals. This organisation, Comparative Health Knowledge Systems (CHKS), provides annual reporting on a range of key performance indicators including efficiency and safety measures, and quarterly reporting on mortality issues which is a key area of review. It provides assessment of performance against peer and against the top percentile, supporting this function with analysis and support at Directorate level. The Trust is currently working to customise a number of dashboards with themed data content for corporate use within this product.

The Trust also participates in a number of national clinical audits e.g. Cardiac Arrest, Fractures etc.

Clinical Pathology Accreditation (UK) Ltd

Reports from the CPA outlining overall conformance with the CPA standards are presented to the Governance Committee.

The Trust has now had all four of its laboratories inspected with CPA and all but one, Biochemistry, has maintained its accreditation. The Trust applied for inspection under the new standards in May 2014 and is awaiting an inspection date.

British Standards Institution (BSI) Assessments

Key outcomes from BSi audit review visits are presented to the Governance Committee to provide assurance. Three areas within the Trust are subject to audit:

- The Sterile Services Department (SSDs) at Craigavon Area Hospital and Daisy Hill Hospital are externally audited by the British Standards Institute (BSI) on a six monthly basis to ensure compliance with BS EN ISO 13485:2003 and the Medical Devices Directive (MDD) 93/42/EEC. Both SSDs were externally audited in October 2014 and were successful in achieving continued accreditation.
- The Laundry Department was externally audited by NQA in February 2015 to ensure compliance with BS EN ISO 9001:2008. The visit was satisfactory and re-certification was issued on 13 March 2015 valid to March 2018.
- The Trust's systems and processes for the management of medical devices are also externally audited by the British Standards Institute (BSi) on a six monthly basis to ensure compliance with BS EN ISO 9001:2008. On the 29th May 2014 the Trust was recertified to this standard with one non-conformity identified. With recertification the Trust entered a new three year audit cycle with BSi, the last audit being held on the 22 & 23 December 2014. During this audit four non-conformities were identified. An action plan had been agreed and submitted to BSi. Progress on the action plan will be assessed during the May 2015 audit.

Human Tissue Authority (HTA)

The Human Tissue Authority regulates the removal, storage and use of human tissues. The HTA has granted a licence for removal of tissue samples from a deceased person for specific purposes and related activities to the Trust. In 2010, the Trust underwent an inspection by a team from HTA who concluded that the Trust met all standards. Any recommendations arising from this inspection have been implemented. Annually a statement of compliance with the standards is submitted by the Trust.

Since October 2014 post-mortem examinations are no longer carried out within the Trust and the HTA licence has been updated accordingly.

Medicines and Healthcare Products Regulatory Agency (MHRA)

The Trust uses the services of the Northern Ireland Blood Transfusion (NIBTS) and relies on its compliance with the MHRA. NIBTS continues to submit annual compliance reports to that effect. The Trust also continues to complete an annual Blood Compliance Report (BCR) for MHRA i.e. compliance against the Blood Safety and Quality Regulations 2006.

9. Review of Effectiveness of the System of Internal Governance

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

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Senior Management Team, Trust Board, Head of Internal Audit, Audit Committee and Governance Committee. I have referred to the Annual Report from the Head of Internal Audit which details the assurance levels provided from reports in 2014/15 and also the Trust's implementation of accepted internal audit recommendations. A plan to address weaknesses and ensure continuous improvement to the system is in place.

10. Internal Governance Divergences

Progress on prior year issues which are no longer considered to be control issues

Trust Adult Supported Living Facilities

An unacceptable level of assurance was provided by the Internal Auditor in relation to Adult Supported Living Facilities in the Mental Health and Disability Directorate. A follow up audit of supported living financial procedures was conducted in October/November 2014 which reported that a satisfactory level of assurance had been achieved.

Trust Estate Risks

In 2013/14, the Trust reported that the mechanical infrastructure in Craigavon Area Hospital remained a risk. The high risk elements have now been completed and the risk is removed.

Standards and Guidelines

The Trust reports regularly to our Governance Committee, RHSCB and DHSSPS in relation to our level of compliance with standards and guidelines. Our reporting identifies those standards and guidelines where the Trust has not achieved full compliance, the regional and local constraints on compliance, and identifies those areas where this creates patient safety risks.

Break Even Target

The Trust began the financial year with a projected overspend of £27.6m, however there was an expectation that the DHSSPS and HSCB would seek to find additional funding during the year. Additional funding was secured in October 2014 which greatly improved the financial forecast and reduced the Trust's contingency plan for 2014/15. The savings from contingency measures were achieved and the Trust is able to report achievement of the break even target in 2014/15.

Moving forward into 2015/16 financial year, some £13m of additional funding has now been allocated on a recurring basis and the Trust has secured additional recurrent savings. These factors leave a contingency requirement of around £7m.

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

Contract & Procurement Management

Estates

The procurement of Service and Maintenance contracts, which are within the scope of the CoPE, has been an area of concern. The Procurement and Logistics Service (PaLS) has not had sufficient capacity to undertake the majority of this procurement,

approx. 250 contracts (reduced from approx. 380 contracts the previous year through amalgamation). The annual value of these contracts is £2.8M. PaLS currently continue to manage 19 Estates contracts regionally and a further 14 associated SHSCT Regional Tenders capturing Consumables / Waste and Transport. Local PaLS continue to manage 21 Estates Contracts and are currently procuring a further 3, with 2 more timetabled to commence at the beginning of 2015.

A proposal paper, setting out a new Regional model (including the requirement for additional PaLS resources) for PaLS to undertake Estates procurement in collaboration with Trust Estates teams, has now been agreed by Trusts. An Internal Business Case detailing the additional resources required by the Trust to undertake this procurement is currently under consideration (the Trust only has one Estates Officer to support the procurement of all of these contracts and successful implementation of the Regional PaLS Model will be dependent upon sufficient resources being in place at both PaLS and the Trust). The Trust's SMT have acknowledged this is an area of risk.

E-Sourcing has been adopted by Estates in this area of procurement as a more transparent, effective and efficient procurement method, and whilst the Trust have had DLS approval of the Terms and Conditions used for local procurement, this process is still considered to be outside CoPE (PaLS) influence but will be addressed through the roll out of the new model.

Future plans for this area include: further resolution of CoPE coverage, resourcing issues and procurement guidance (CoPE); pursuit of adequate staff resources (Trust); continued rationalisation of contracts; and implementation of the replacement E-Sourcing platform. Estates have procured and awarded 8 tenders from the introduction of E-sourcing during 2013/14 and so far during 2014/15 have awarded 1 tender and currently processing a further 6 towards award.

In summary, although great efforts have been made, it has not been possible to make any significant progress within the procurement of service and maintenance contracts in the absence of adequate resources being made available both within Estates and at Local/Regional PaLS levels. There is a significant shortfall in procurement capacity, within BSO/PaLS and the Trust, to process all the Estates service and maintenance contracts - the Trust only has one Estates Officer to support the procurement of all of these contracts. This results in the creation of more STA/DACs for longer time periods with escalating approval values increasing the likelihood of a requirement for Permanent Secretary approval. To reduce these incidents occurring Estates prioritise tenders to the COPE and if it is not possible for PaLS to accommodate the request within the required time period, Estates procure where possible. Adoption of the Regional Model will address the lack of clarity and direction which exists regarding PaLS/Estates procurement roles. It will also address the shortfall in resources which has generated on-going difficulties and delays in getting services procured in a timely manner – further exacerbated by the increasing number of challenges to procurements being referred to DLS.

Contract and Procurement Management outside the COPE continue to be highlighted by the Internal Auditor in their follow up reports in 2014/15.

Estates Works Management Improvement Plan

Recommendations arising from BSO Internal Audit (BSOIA) work which commenced in April 2014 have continued to be managed through the Estates Works Management Improvement Plan. All priority 1 recommendations have now been addressed and the majority fully implemented with four partially implemented with agreed plans in place for completion. The majority of others have also been addressed with the few remaining actions being managed through the agreed plan. The status of the recommendations was verified by BSOIA during a follow up audit in 2014/15 and assessed as 61% complete.

Water Borne Risks (Legionella, Pseudomonas etc.)

The Trust continues to manage Water Borne Risks through implementation of the arrangements set out in its Water Safety Plan. A review of these arrangements was carried out in 2013/14 by an independent specialist and a further review was carried out in 2014/15. These audits are in accordance with Departmental requirements and advise the Trust on its compliance. The Water Safety plan has been updated to take into account the new HTM addendum on Pseudomonas and the latest version of the HSE guidance on legionella. The revised water safety plan and the imminent Independent Review report will be shared with HEIG and the PHA.

Based on system performance data and Clinical data the Trust Water Safety Group further refined the Water Sampling programme which was approved for implementation by Trust Board. The financial implications of delivering the water safety plan and specifically the control of legionella remain as a cost pressure under discussion with the commissioner.

Despite extensive efforts, sporadic instances of positive legionella results continue to occur across Craigavon Area Hospital. To combat this, the Water Safety Group approved the installation of a Copper Silver Ionisation water treatment system throughout the hospital. This installation was completed in April 2015 and will provide the Trust with a mechanism to further reduce the likelihood of positive results. In addition, where appropriate, under used outlets have been removed and system flushing has been increased with the support of the Support Services team. This will further reduce the risk of prolific water borne pathogen growth, such as legionella, which can occur in areas of low water use. An STA was in place for an extended period of time to maintain the existing Trust contract in this area over a number of years, but during 2014/15 a procurement exercise was completed with contract award commencing on 1 June 2015.

Trust Estate Risks

The age, condition and nature of the estate continue to pose potential risks and are exacerbated by limited capital investment in major renewal and replacement projects. All key risks are included on the Trust Corporate Risk Register ensuring regular scrutiny and follow up on action plans. The Trust prioritises available funding to the mitigation of these estates risks and continues to pursue additional funding through all appropriate streams. Specific risks include:

Electrical infrastructure, Craigavon Area Hospital: the action plan is focussed around a three phased approach for low/high voltage works and consists of: (1) Installation of Peak Lopping to prevent the risk of power outages on site due to site demand exceeding available NIE supply (complete); and (2) Installation of CHP units to increase on site generation capacity and resilience (to be commissioned March 2015); Installation of new NIE HV supply and upgrade of LV/HV infrastructure (to be completed March 2016).

Fire Safety: Three priority one issues were previously identified relating to completing and keeping updated, fire risk assessments; fire training attendance and record keeping; recording fire safety checks by nominated fire officers. Management accepted the recommendations made and have implemented 4 of the 6 associated actions.

Attendance at Fire Safety Training (as at 31 December 2014) was 69%. The new Fire Prevention Officer posts have been recruited and fire risk assessments have been given a high priority. The Fire Safety Manager took a lead role in conducting a live exercise (ward evacuation at CAH with students from a local college being substituted for patients) which involved all the key agencies (NIFRS, NIAS PSNI, Craigavon Council) – this was the first exercise of its kind undertaken in the Trust and is the culmination of extensive preparation which has been underway for several years now (NFO training; staff training; preparation of Evacuation Plans; Simulation exercises etc.). The exercise was highly successful in building staff awareness/confidence and in strengthening relationships with our partner agencies. A further exercise is being considered for Daisy Hill Hospital in 2015/16. Key learning will be used to further refine processes and plans.

The remaining recommendations will be addressed over an extended time period as the full complement of fire safety officers is put in place.

Business Continuity: The safe delivery of facility based clinical services is heavily reliant upon key estates systems such as electricity, water, medical gas, heating and upon the specialist teams managing those systems. The loss of any of these key systems would almost certainly lead to partial or complete service failure in the associated facility.

The aim of Estate Services Continuity Planning is to ensure that the Trust is able to maintain the highest level of service possible whatever happens to the infrastructure. The Trust may face unplanned interruption to a utility supply (electricity, water, gas, sewerage, etc.), unexpected equipment or service disruption (telecommunications, medical gases, waste disposal, etc.) and civil or environmental incident (pandemics with respect to staffing, weather extremes, floods, etc.). In order to mitigate against loss of clinical services through loss of any of these systems or resources Estates Services is developing a Service Area Recovery Management plan (based on Functional Area Recovery Management Team, Massachusetts Institute of Technology and incorporating aspects of BS 25999 - Business continuity management). Progress in this area is hampered by competing demands on a very limited staff resource.

The Trust has received funding in 2014/15 to address some of the risks identified above but an additional £12 million (approximately) is required to address all the risks identified to date; however, a further constraining factor in enabling these works to be carried out is the capacity of Estates Development Officers. Following approval by the Trust senior management team, two additional officers have been appointed to assist in taking this forward.

Financial Risks

Safeguarding of Residents' Interests

The Trust continues to liaise with the home owners, their legal representatives and external agencies in relation to the issues identified following two adult safeguarding investigations into two independent sector residential homes. The Trust has engaged with families/clients to outline the actions taken by the Trust to date to recoup monies owed to residents and our inability to reach agreement. The Trust continues to cease admissions/respite to the two Homes, the rationale for which has been communicated to the Home Owners. The Trust understands that court processes are on-going between the Home Owners and RQIA.

An implementation officer took up post on 10 March 2014 in order to progress the implementation and embedding of the new case management procedures across directorates and NISAT within Physical Disability & Learning Disability. The procedures have now been implemented since 2 February 2015. An evaluation and assessment of compliance with same will be conducted. The Trust continues to monitor all clients via the case management process and additional controls initiated following two adult safeguarding investigations remain in place.

Compliance by Independent Sector Homes with circular HSS (F) 57/2009

Following the issue of an RQIA report into Oversight of Service Users' Finances in Residential and Supported Living Settings in 2014, the DHSSPS has issued a revised

circular on this area, HSC (F) 8/2015 “Safeguarding of Service Users’ Finances within Residential and Nursing Homes and Supported Living Settings.” This has been issued by the Trust to providers in March 2015 for completion and outstanding responses are currently being chased by the Trust. Both regionally and locally, the importance of adherence to this process has been re-inforced during 2014/15 and performance management arrangements reviewed to address non-compliance going forward.

Clinical and Social Care Risks

Hyponatraemia Enquiry

The Trust contributed to the governance section of the above Enquiry and awaits the learning points and recommendations from that Enquiry during 2015/16.

New Control Issues in 2014/15

Elective Care

The Trust continues to have a number of specialty areas with capacity gaps where no allocation for additional activity was provided in Quarters 3 and 4. This has resulted in increased access times at March 2015 with demand in excess of capacity and backlogs accrued. This position will deteriorate further if no funding is made available for areas with agreed capacity gaps in 2015/16.

Unscheduled Care

The Trust continues to be challenged in respect of significant service demand for unscheduled care services on both acute sites. One site has experienced a 10% increase in unscheduled demand to the Emergency Department. The Trust continues to review the challenge, service profile and design and mitigate risk as it emerges.

Child Sexual Exploitation/Marshall Inquiry/SBNI Thematic Review

The Trust has fully participated in the Marshall Inquiry and Thematic Review into young people. It is involved in work at both a regional and local level to take forward the recommendations of the Marshall Inquiry and has developed strong links with other bodies to both monitor, prevent and treat cases of potential/confirmed child sexual exploitation. The Trust completed a desk top exercise of its young people identified within the Thematic Review. This concluded that the Trust has followed procedures and governance systems; shared all relevant information and had good communication with the PSNI. The Trust is awaiting the final Thematic Review Report. Regional Guidance has been developed on the management of CSE Referrals. CSE is now a standing item on a number of Trust and Regional Fora to ensure appropriate training; improved assessments; interagency working and good governance arrangements.

Estates risks

Estates Staffing

Trust financial contingency measures in 2014/15 meant that a number of vacancies remained unfilled within the Estates Structure during 2014/15. The risk associated with these vacancies and the impact upon the service delivered was reflected on the Trust's Corporate Risk Register during the year. Following a review by the senior management team, approval has been given to proceed to recruit staff to fill a number of these vacancies. It is anticipated that staff will take up post early in 2015/16.

Sewage

There have been on-going issues with blocked sewers in CAH leading to occasional sewage leaks. The main cause is the flushing of inappropriate sanitary items.

Ward managers and Domestic Service are continuing to advise patients of the problems with disposing of inappropriate sanitary items down toilets. Signage and other communications, advising people using the hospital of what not to flush down toilets, have been widely displayed. Estates are also proactively checking and flushing main sewers to mitigate against blockages.

In addition, Estates are in the process of replacing pipe fittings and pipe runs with fusion welded pipe and fittings – this system reduces the likelihood of leaks but cannot prevent the blockages.

Planning and capital teams are to instruct future ward upgrades of the requirement to use fusion weld waste pipe system in all areas of the hospital.

Contract and Procurement Management

Social Care Procurement

It has not been possible to make any significant progress with the procurement of health & social care contracts in the absence of an agreed regional approach to be adopted in light of the new 2015 Public Contract Regulations and the absence of resources being made available within Social Care at both Local and Regional CoPE level.

One priority one issue was identified by Internal audit in 2013/14 which related to the inability to evidence, via the absence of procurement, that value had been obtained in relation to social care contracts. In accepting the recommendations the Trust highlighted action taken within its control and the context for social care procurement that is reliant on an agreed regional approach. As an interim position the Trust has developed a discipline around the roll forward of contracts which provides assurance that:

- That objectives of the provider are/continue to be in line with objectives of the Trust
- That a service specification has been prepared or reviewed defining the service delivery outcomes with clear measures of performance
- That value for money has been examined and efficiencies sought or obtained accordingly.

The Trust will continue to work with the Social Care Procurement Group of the Regional Procurement Board, HSCB to develop an agreed approach for social care procurement in the context of the 2015 Public Contract Regulations and proposed 'Light Touch Regime' for health and social care procurement.

General Contract Management

Due to lack of resource, no progress was possible on the implementation of a central contracts database or improvement in contract management arrangements/training in the Trust during 2014/15. Further new posts are required to establish and maintain a central contracts database. Generating the resources for this investment will require the stand down of other less risk activities. The Trust is currently assessing the source and associated risk attached to alternative actions.

The Trust is also aware that with the new Public Contracts Regulations 2015 and the fall in the EU threshold will result in further pressure on procurement and contract management demands in 2015/16.

Finance Risks

Fraud cases

In 2014/15 there have been 15 reported cases of fraud. In particular there is a serious adverse incident reported by the Trust for which there is an on-going investigation by the Counter Fraud and Probitry Services. The Trust has a zero tolerance approach to fraud, which has resulted in staff dismissals/disciplinary action for inappropriate claims and underworked hours during the year.

One case reported in 2013/14 remains with the Public Prosecution Service for a decision on pursuing prosecution.

An increased incidence of reported cases of alleged financial abuse has continued in 2014/15 to the adult safeguarding team and investigations are initiated as appropriate. As referred to previously, significant work and training has been undertaken on new case management procedures in the Trust and the Trust has also participated in a DHSSPS led group to review the findings of the , RQIA report on "Oversight of Service

Users' Finances in Residential and Supported Living Settings” during 2014/15. The Trust is in the process of implementing the new DHSSPS circular arising from this work.

Transfer of Finance functions to BSO Shared Services Centres

Following the implementation of the Finance, Procurement and Logistics (FPL) and Human Resources, Payroll, Travel and Subsistence System (HRPTS) in the Trust in previous years, the functions for Accounts Receivable, Accounts Payable and Payroll transferred to BSO Shared Services in June 2014, September 2014 and January 2015 respectively.

The Head of Internal Audit reviewed these functions in BSO and limited assurances were received for both Accounts Payable and Payroll Shared Services in September 2014, with a number of priority one issues being raised. Both of these functions were re-visited in the last quarter of 2014/15 and an improved position was reported for Accounts Payable, with an overall satisfactory assurance. However, the Payroll Shared Services Centre has remained as a limited assurance. There have been a number of difficulties experienced with both the HRPTS system itself and Internal Audit have highlighted that improvement is required by BSO Payroll particularly in the areas of: variance checking; management and reporting of overpayments; authorisation and processing of additional payments; management of and assurance over supplier access and responsibilities; and HRPTS access controls and privileges. In addition, throughout 2014/15, the division of roles and responsibilities between BSO Shared Services functions and Trust staff was not clearly defined and documented, thus raising control risk in these transferred functions. The Trust, however, is working closely with BSO Shared Services both at a local and regional level to continue to manage the risks, resolve the issues identified, review performance and embed learning in 2015/16.

The Trust has received correspondence from the Chief Executive of BSO regarding a range of BSO services provided to the Trust in 2014/15, noting a range of limited assurances in respect of Shared Services, Information Management and the Regional Interpreting Service. The Director of Finance of BSO has also issued an assurance report for the quarter ended 31 March 2015. This notes some control weaknesses and non-achievement of KPIs in accounts receivable, payroll and accounts payable. The Trust will continue to monitor progress in the implementation of the audit recommendations in 2015/16.

11. Conclusion

The Trust has a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI. The system operates on a principle of continuous improvement where the performance and effectiveness of governance arrangements are subject to regular review.

As outlined above, the internal audit review of control systems has resulted in a number of limited assurances and a number of priority one issues have been raised with management and extensively examined by the Audit Committee. The findings of these reports and others such as those issued by RQIA will be incorporated into action plans aimed to address the weaknesses/gaps in control.

Further to considering the accountability framework within the Trust and in conjunction with assurances given to me by the Head of Internal Audit, I am content that the Trust has operated a sound system of internal governance during the period 2014/15.

A handwritten signature in blue ink, appearing to read 'P. Clarke', is positioned above a horizontal line.

Accounting officer Date 11 June 2015

SOUTHERN HEALTH AND SOCIAL CARE TRUST

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 Southern Health and Social Care Trust and its group for the year ended 31 March 2015 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise the Consolidated Statements of Comprehensive Net Expenditure, Financial Position, Changes in Taxpayers' Equity, Cash Flows, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the 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 group's and the Southern Health and Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Southern Health and Social Care Trust; 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 expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the group's and of the Southern Health and Social Care Trust's affairs as at 31 March 2015 and of the net expenditure, cash flows and changes in taxpayers' equity 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, Social Services and Public Safety directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Health, Social Services and Public Safety directions made under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended; and
- 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 and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

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

25 June 2015

SOUTHERN HSC TRUST

CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2015

		2015			2014		
	NOTE	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Expenditure							
Staff costs	3.1	(345,067)	0	(345,067)	(339,786)	0	(339,786)
Depreciation	4	(16,171)	0	(16,171)	(14,021)	0	(14,021)
Other Expenditures	4	(242,520)	(261)	(242,781)	(219,982)	(492)	(220,474)
		<u>(603,758)</u>	<u>(261)</u>	<u>(604,019)</u>	<u>(573,789)</u>	<u>(492)</u>	<u>(574,281)</u>
Income							
Income from activities	5.1	27,972	0	27,972	25,930	0	25,930
Other Operating Income	5.2	10,684	350	11,034	12,723	462	13,185
		<u>38,656</u>	<u>350</u>	<u>39,006</u>	<u>38,653</u>	<u>462</u>	<u>39,115</u>
Net Expenditure		(565,102)	89	(565,013)	(535,136)	(30)	(535,166)
Revenue Resource Limit (RRL)	25.1	565,143	0	565,143	531,979	0	531,979
Add back charitable trust fund net expenditure		0	(89)	(89)	0	30	30
Surplus/(Deficit) against RRL		<u>41</u>	<u>0</u>	<u>41</u>	<u>(3,157)</u>	<u>0</u>	<u>(3,157)</u>
OTHER COMPREHENSIVE EXPENDITURE							
Items that will not be reclassified to net operating costs:							
Net (loss)/gain on revaluation of property, plant and equipment	6.1/ 10/ 6.2/ 10	(5,115)	0	(5,115)	15,127	0	15,127
Net gain/(loss) on revaluation of intangibles	7.1/ 10/ 7.2/ 10	0	0	0	0	0	0
Net gain on revaluation of charitable assets		0	167	167	0	69	69
Items that may be reclassified to net operating costs:							
Net gain/(loss) on revaluation of available for sale financial assets		0	0	0	0	0	0
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2015		<u>(570,217)</u>	<u>256</u>	<u>(569,961)</u>	<u>(520,009)</u>	<u>39</u>	<u>(519,970)</u>


The notes on pages 90 to 151 form part of these accounts.

SOUTHERN HSC TRUST

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2015

		2015		2014	
	NOTE	Trust £000s	Consolidated £000s	Trust £000s	Consolidated £000s
Non Current Assets					
Property, plant and equipment	6.1/6.2	284,328	284,328	297,485	297,485
Intangible assets	7.1/7.2	69	69	214	214
Financial assets	8.0	0	2,845	0	2,678
Trade and other receivables	12.0	906	906	1,062	1,062
Total Non Current Assets		285,303	288,148	298,761	301,439
Current Assets					
Assets classified as held for sale	9.0	1,108	1,108	1,285	1,285
Inventories	11.0	2,880	2,880	3,060	3,060
Trade and other receivables	12.0	15,771	15,834	15,789	15,801
Other current assets	12.0	4,526	4,526	2,997	2,945
Financial assets	8.1	0	0	0	100
Cash and cash equivalents	13.0	1,575	1,750	2,168	2,266
Total Current Assets		25,860	26,098	25,299	25,457
Total Assets		311,163	314,246	324,060	326,896
Current Liabilities					
Trade and other payables	14.0	(65,756)	(65,800)	(70,097)	(70,150)
Provisions	16.0	(5,231)	(5,231)	(6,129)	(6,129)
Total Current Liabilities		(70,987)	(71,031)	(76,226)	(76,279)
Non Current Assets plus Net Current Liabilities		240,176	243,215	247,834	250,617
Non Current Liabilities					
Provisions	16.0	(23,888)	(23,888)	(24,136)	(24,136)
Total Non Current Liabilities		(23,888)	(23,888)	(24,136)	(24,136)
Assets less Liabilities		216,288	219,327	223,698	226,481
Taxpayers' Equity					
Revaluation reserve		34,585	34,585	40,540	40,540
SoCNE reserve		181,703	181,703	183,158	183,158
Other reserves - charitable fund		0	3,039	0	2,783
		216,288	219,327	223,698	226,481

The notes on pages 96 to 151 form part of these accounts.

Signed  (Chairman)

Date: 11 June 2015

Signed  (Interim Chief Executive)

Date: 11 June 2015

SOUTHERN HSC TRUST

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	NOTE	SoCNE Reserve £000s	Revaluation Reserve £000s	Charitable Fund £000s	Total £000s
Balance at 1 April 2013		161,331	25,421	2,744	189,496
Changes in Taxpayers Equity 2013-14					
Grant from DHSSPS		556,900	0	0	556,900
Transfers between reserves		8	(8)	0	0
(Comprehensive expenditure for the year)		(535,136)	15,127	39	(519,970)
Transfer of asset ownership		0	0	0	0
Non cash charges - auditors remuneration	4	55	0	0	55
Balance at 31 March 2014		183,158	40,540	2,783	226,481
Changes in Taxpayers Equity 2014-15					
Grant from DHSSPS		562,750	0	0	562,750
Transfers between reserves		840	(840)	0	0
(Comprehensive expenditure for the year)		(565,102)	(5,115)	256	(569,961)
Non cash charges - auditors remuneration	4	57	0	0	57
Balance at 31 March 2015		181,703	34,585	3,039	219,327

The notes on pages 90 to 151 form part of these accounts.

SOUTHERN HSC TRUST

CONSOLIDATED STATEMENT OF CASHFLOW FOR THE YEAR ENDED 31 MARCH 2015

	NOTE	2015 £000s	2014 £000s
Cash flows from operating activities			
Net expenditure after interest		(565,013)	(535,166)
Adjustments for non cash costs		44,688	19,971
(Increase)/Decrease in trade and other receivables		(1,458)	2,627
Decrease in inventories		180	482
(Decrease)/increase in trade payables		(16,210)	5,328
<i>Less movements in payables relating to items not passing through the NEA</i>			
Movements in payables relating to the purchase of property, plant and equipment		11,860	(3,635)
Use of provisions	16	(7,756)	(5,094)
Net cash outflow from operating activities		(533,709)	(515,487)
Cash flows from investing activities			
Purchase of property, plant & equipment	6.1/6.2	(29,956)	(39,487)
Proceeds of disposal of property, plant & equipment		169	46
Proceeds on disposal of assets held for resale		130	0
Movement in Short term investment		100	611
Movement in long term investment value		(167)	(570)
Net cash outflow from investing activities		(29,724)	(39,400)
Cash flows from financing activities			
Grant in aid		562,750	556,900
Movement in Charitable Trust Funds		167	69
Net financing		562,917	556,969
Net (decrease)/increase in cash & cash equivalents in the period		(516)	2,082
Cash & cash equivalents at the beginning of the period	13	2,266	184
Cash & cash equivalents at the end of the period	13	1,750	2,266

The notes on pages 90 to 151 form part of these accounts.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

STATEMENT OF ACCOUNTING POLICIES

1. Authority

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

The accounting policies follow IFRS to the extent that it is meaningful and appropriate to HSC Trusts. Where a choice of accounting policy is permitted, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The Trust's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment.

1.2 Currency and Rounding

These accounts are presented in UK Pounds Sterling. The figures in the accounts are shown to the nearest £1,000.

1.3 Property, Plant and Equipment

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

Recognition

Property, plant and equipment must be capitalised if:

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential will be supplied to, the Trust;
- It is expected to be used for more than one financial year;
- The cost of the item can be measured reliably; and
- The item has cost of at least £5,000; or

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

- collectively, a number of items have a cost of at least £5,000, and individually have a cost of more than £1,000 where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

Valuation of Land and Buildings

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

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

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

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

Fair values are determined as follows:

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Modern Equivalent Asset

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

Assets under Construction (AuC)

Properties in the course of construction for service or administration purposes are carried at cost less any impairment loss. Cost includes professional fees as allowed by IAS 16 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Short Life Assets

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

Revaluation Reserve

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

1.4 Depreciation

No depreciation is provided on freehold land since land has unlimited or a very long established useful life. Items under construction are not depreciated until they are commissioned. Properties that are surplus to requirements and which meet the definition of “non-current assets held for sale” are also not depreciated.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Otherwise, depreciation is charged to write off the costs or valuation of property, plant and equipment and similarly, amortisation is applied to intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. Assets held under finance leases are also depreciated over the lower of their estimated useful lives and the terms of the lease. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used:

Asset Type	Asset Life
Freehold Buildings	Up to 88 years
Leasehold property	Remaining period of lease
IT Assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

1.5 Impairment Loss

If there has been an impairment loss due to a general change in prices, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure within the Statement of Comprehensive Net Expenditure. If the impairment is due to the consumption of economic benefits the full amount of the impairment is charged to the Statement of Comprehensive Net Expenditure and an amount up to the value of the impairment in the revaluation reserve is transferred to the Statement of Comprehensive Net Expenditure Reserve. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

1.6 Subsequent Expenditure

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

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

1.7 Intangible Assets

Intangible assets comprise software and licences. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

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

Recognition

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

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

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

1.8 Donated Assets

With effect from 1 April 2011, DFP changed the policy on Donated Asset Reserves. The Donation Reserve no longer exists. What used to be contained in the Donated Asset Reserve has moved to the Statement of Comprehensive Net Expenditure Reserve (previously known as the General Reserve) and to the Revaluation Reserve. Income for donated assets is now recognised when received.

1.9 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. In order to meet this definition IFRS 5 requires that the asset must be immediately available for sale in its current condition and that the sale is highly probable. A sale is regarded as highly probable where an active plan is in place to find a buyer for the asset and the sale is considered likely to be concluded within one year. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value, less any material directly attributable selling costs. Fair value is open market value, where one is available, including alternative uses. Assets classified as held for sale are not depreciated.

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

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

1.10 Inventories

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

1.11 Income

Operating income relates directly to the operating activities of the Trust and is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

Grant in Aid

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

1.12 Investments

The Trust does not have any investments.

1.13 Other Expenses

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

1.14 Cash and Cash Equivalents

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

1.15 Leases

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

The Trust as lessee

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

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

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

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

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases. Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

1.16 Private Finance Initiative (PFI) Transactions

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

1.17 Financial Instruments

- **Financial assets**

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 goods or services have been delivered. Financial assets are de-recognised when the contractual rights have expired or the asset has been transferred.

Financial assets are initially recognised at fair value.

- **Financial liabilities**

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.

- **Financial risk management**

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

- **Currency risk**

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

- **Interest rate risk**

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

- **Credit risk**

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

- **Liquidity risk**

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

1.18 Provisions

In accordance with IAS 37, provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, it is assumed the settlement is made at the beginning of the year rather than its cessation and its carrying amount is the present value of those cash flows using DFP's discount rate of -1.50% (negative real rate) for 1 year up to and including 5 years, -1.05% (negative real rate) after year 5 up to 10 years and +2.20% in real terms for 10 years or more (+1.30% for employee early departure obligations for all periods).

The Trust has also disclosed the carrying amount at the beginning and end of the period, additional provisions made, amounts used during the period, unused amounts reversed during the period and increases in the discounted amount

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

arising from the passage of time and the affect of any change in the discount rate.

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

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

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with on-going activities of the entity.

1.19 Contingencies

Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to the Assembly separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Assembly. Under IAS 37, the Trust discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

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

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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

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

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

1.20 Employee Benefits

Short-term Employee Benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2015. It is not anticipated that the level of untaken leave will vary significantly from year to year. Untaken flexi leave is estimated to be immaterial to the Trust and has not been included.

Retirement Benefit Costs

Past and present employees are covered by the provisions of the HSC Superannuation Scheme.

The Trust participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the Trust and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DHSSPS. The Trust is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information regarding the HSC Superannuation Scheme can be found in the HSC Superannuation Scheme Statement in the Departmental Resource Account for the Department of Health, Social Services and Public Safety.

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. A full valuation for Resource

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

Accounts purposes as at 31 March 2012 was certified in February 2015 and is used in the 2014/15 accounts.

1.21 Reserves

Statement of Comprehensive Net Expenditure Reserve

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

Revaluation Reserve

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

1.22 Value Added Tax

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

1.23 Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 24 to the accounts.

1.24 Government Grants

Government assistance for capital projects whether from UK, or Europe, are treated as a Government grant even where there are no conditions specifically relating to the operating activities of the entity other than the requirement to operate in certain regions or industry sectors. Such grants (does not include grant-in-aid) were previously credited to a government grant reserve and were released to income over the useful life of the asset.

DFP issued new guidance effective from 1 April 2011. Government grant reserves are no longer permitted. Income is generally recognised when it is received. In exceptional cases where there are conditions attached to the use of the grant, which, if not met, would mean the grant is repayable, the income should be deferred and released when obligations are met. The note to the financial statements distinguishes between grants from UK government entities and grants from European Union

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

1.25 Losses and Special Payments

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

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

1.26 Charitable Trust Account Consolidation

In accordance with IAS 27, the Trust consolidates the accounts of the SHSCT Charitable Trust Funds with the Trust's financial statements. It is important to note, however, the distinction between public funding and the other monies donated by private individuals still exists.

As far as possible, donated funds have been used by the Trust as intended by the benefactor. It is for the Endowments and Gifts Committee within the Trust to manage the internal disbursements. The committee ensures that the charitable donations received by the Trust are appropriately managed, invested, expended and controlled in a manner that is, as far as possible, consistent with the purposes for which they were given and with the Trust's Standing Financial Instructions, Departmental guidance and legislation.

1.27 Accounting Standards that have been issued but have not yet been adopted

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

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A review of the NI financial process, which

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

will bring NI departments under the same adaptation, has been presented to the Executive, but a decision has yet to be made. Should the Executive agree to the recommendations, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards.

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

<u>Directorate</u>	2015			2014		
	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s	Staff Costs £000s	Other Expenditure £000s	Total Expenditure £000s
Children's Services	49,138	20,239	69,377	48,423	19,736	68,159
Acute Hospital Services	154,028	63,528	217,556	151,316	64,971	216,287
Older People's Services	64,674	80,370	145,044	64,392	78,948	143,340
Mental Health and Disability Services	52,129	40,443	92,572	51,274	40,409	91,683
Corporate	25,098	9,423	34,521	24,381	9,968	34,349
Expenditure for Reportable Segments net of Non Cash Expenditure	345,067	214,003	559,070	339,786	214,032	553,818
Non Cash Expenditure			44,688			19,971
Total Expenditure per Net Expenditure Account			603,758			573,789
Income Note 5			38,656			38,653
Net Expenditure			565,102			535,136
Revenue Resource Limit			565,143			531,979
Surplus/(Deficit) against RRL			41			(3,157)

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 2 (continued) ANALYSIS OF NET EXPENDITURE BY SEGMENT

Acute Directorate

- Cancer and clinical services (includes Laboratory & Radiology Services)
- Surgery and Elective Care
- Medicines and Unscheduled Care
- Integrated maternity and Women's Health
- Functional Support Services (includes all hotel services, health records, laundry and CSSD)
- Pharmacy

These services are delivered at the Acute Hospital Sites at Craigavon Area Hospital and Daisy Hill Hospital. Services including outreach clinics, day procedure services and diagnostic services are also delivered on South Tyrone Hospital Site, Lurgan Hospital Site and at Banbridge Polyclinic, Kilkeel and Crossmaglen Health Centres and Armagh Community Hospital.

Directorate of Mental Health and Disability Services

- Provides a range of hospital and community services, including social services, community nursing, home treatment, crisis response, Allied Health Professionals and specialist teams.
- Acute Mental Health Services are provided at the Bluestone Unit, Craigavon and at St Lukes Hospital, Armagh.
- On the St Lukes site there is a long-stay hospital
- Longstone Hospital for Learning Disability patients
- Nursing & residential home, domiciliary, respite and day care services as well as support to tenants who reside in supporting people accommodation
- Trust Transport services

Older People and Primary Care Services

- Domiciliary care, residential and nursing care and dementia support
- District nursing and allied health professionals supporting the elderly population
- Specialist services such as family planning, continence and GP out of hours and minor injuries units and all aspects of supporting people in the community
- Partnership working with Voluntary and community organisations incorporating grant aid payments and community support.

Children and Young People Services

- Includes all health services provided for children and adolescents
- Paediatric wards and special care baby units located in Acute facilities
- Disability services including respite, CAMHS, Children Community nursing of complex needs, Dental services and Allied Health Services
- Corporate Parenting
- Family support, Early Years, Health visiting and school nursing are included together with all Sure Start Projects.
- Social Services Training Unit

Corporate Services

- Office of the Chief Executive, including Trustwide Communication Team
- Finance and Procurement Directorate
- Human Resource Directorate, (including Health & Safety and Occupational Health)
- Performance & Reform (IT, Estates, Corporate Planning and Performance Improvement)
- Medical Directorate (Governance Patient/Client Safety, Medical Management, Clinical Audit and Emergency Planning)

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 3 STAFF NUMBERS AND RELATED COSTS

3.1 Staff Costs	2015		2014	
	Permanently employed staff £000s	Others £000s	Total £000s	Total £000s
Staff costs comprise:				
Wages and salaries	288,406	8,079	296,485	290,508
Social security costs	18,965	0	18,965	19,485
Other pension costs	29,936	0	29,936	30,069
Sub-Total	337,307	8,079	345,386	340,062
Capitalised staff costs	(319)	0	(319)	(276)
Total staff costs reported in Statement of Comprehensive Expenditure	336,988	8,079	345,067	339,786
Less recoveries in respect of outward secondments			(498)	(1,519)
Total net costs			344,569	338,267
			£000s	£000s
Southern HSC Trust			344,569	338,267
Total			344,569	338,267

Staff Costs exclude £319K charged to capital projects during the year (2014: £276k)

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. A full valuation for Resource Accounts purposes as at 31 March 2012 was certified in February 2015 and is used in the 2014/15 accounts.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

3.2 Average number of persons employed

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

	2015		2014
	Permanently employed staff	Others	Total
	No.	No.	No.
Medical and dental	606	64	670
Nursing and midwifery	3,228	4	3,232
Professions allied to medicine	1,077	1	1,078
Ancillaries	705	79	784
Administrative & clerical	1,591	35	1,626
Estates & Maintenance	71	0	71
Social services	1,149	9	1,158
Domiciliary/Homecare Workers	920	0	920
Total average number of persons employed	9,347	192	9,539
Less average staff number relating to capitalised staff costs	(8)	0	(8)
Less average staff number in respect of outward secondments	(11)	0	(11)
Total net average number of persons employed	9,328	192	9,520

Of which:

Southern HSC Trust	9,520
Charitable Trust Fund	0
	9,520

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

3.3 Senior Employees' Remuneration

Details of Senior Employees' Remuneration are shown in the Annual Report.

3.4 Reporting of Early Retirement and Other Compensation Schemes – Exit Packages

Details of early retirement and other compensation schemes – exit packages are shown in the Annual Report.

3.5 Staff Benefits

There were no staff benefits in 2014/15. (2013/14: £Nil)

3.6 Trust Management Costs

	Trust 2015 £000s	Trust 2014 £000s
Trust management costs	20,905	20,213
Income:		
RRL	565,143	531,979
Income per Note 5	38,656	38,653
Non cash RRL for movement in clinical negligence provision	(6,089)	(3,710)
Less interest receivable	(2)	0
Total Income	597,708	566,922
% of total income	3.5%	3.6%

The above information is based on the Audit Commission's definition "M2" Trust management costs, as detailed in HSS (THR) 2/99.

3.7 Retirements due to ill-Health

During 2014/15 there were 13 early retirements from the Trust (2013/14: 13), agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £12k (2013/14: £20k). These costs are borne by the HSC Pension Scheme

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 4 OPERATING EXPENSES

	2015			2014		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Operating Expenses are as follows:-						
Purchase of care from non-HPSS bodies	102,507	0	102,507	103,333	0	103,333
Revenue grants to voluntary organisations	5,375	0	5,375	5,703	0	5,703
Personal social services	6,371	0	6,371	5,757	0	5,757
Recharges from other HSC organisations	1,730	0	1,730	1,954	0	1,954
Supplies and services - Clinical	43,029	0	43,029	41,860	0	41,860
Supplies and services - General	6,530	0	6,530	6,489	0	6,489
Establishment	11,032	0	11,032	13,864	0	13,864
Transport	2,619	0	2,619	2,721	0	2,721
Premises	24,347	0	24,347	22,117	0	22,117
Bad debts	803	0	803	1,516	0	1,516
Rentals under operating leases	835	0	835	850	0	850
Interest charges	0	0	0	10	0	10
BSO services	3,075	0	3,075	2,260	0	2,260
Training	871	0	871	914	0	914
Professional fees	347	23	370	535	26	561
Patients travelling expenses	445	0	445	392	0	392
Costs of exit packages not provided for	182	0	182	178	0	178
Other charitable expenditure	0	238	238	0	466	466
Miscellaneous expenditure	3,905	0	3,905	3,579	0	3,579

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 4 OPERATING EXPENSES (continued)

	2015			2014		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Non cash items						
Depreciation	16,171	0	16,171	14,021	0	14,021
Amortisation	145	0	145	176	0	176
Impairments	21,872	0	21,872	2,035	0	2,035
(Profit) on disposal of property, plant & equipment (excluding profit on land)	(179)	0	(179)	(225)	0	(225)
Loss on disposal of property, plant & equipment (including land)	12	0	12	125	0	125
Provisions provided for in year	6,709	0	6,709	3,981	0	3,981
Cost of borrowing of provisions (unwinding of discount on provisions)	(99)	0	(99)	(197)	0	(197)
Auditors remuneration	57	6	63	55	7	62
Add back of notional charitable expenditure	0	(6)	(6)	0	(7)	(7)
Total	258,691	261	258,952	234,003	492	234,495

During the year the Southern HSC Trust purchased £2,699 (2013/14: £Nil) of non-audit services from its external auditor (NIAO). This related to the National Fraud Initiative exercise.

The Southern HSC Charitable Trust Funds Auditors remuneration of £5,750 (2014 £6,750) related solely to the audit, with no other additional work undertaken.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 5 INCOME

	2015			2014		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
5.1 Income from Activities						
GB/Republic of Ireland Health Authorities	309	0	309	160	0	160
HSC Trusts	214	0	214	235	0	235
Non-HSC:- Private patients	376	0	376	601	0	601
Non-HSC:- Other	1,199	0	1,199	1,204	0	1,204
Clients contributions	25,874	0	25,874	23,730	0	23,730
Total	27,972	0	27,972	25,930	0	25,930
5.2 Other Operating Income						
Other income from non-patient services	9,022	0	9,022	8,270	0	8,270
Seconded staff	498	0	498	1,519	0	1,519
Charitable and other contributions to expenditure by core trust	830	0	830	1,474	0	1,474
Donations / Government grant / Lottery funding for non current assets	130	0	130	383	0	383
Charitable Income received by charitable trust fund	0	241	241	0	369	369
Investment Income	0	109	109	0	93	93
Other Income	202	0	202	1,077	0	1,077
Interest Receivable	2	0	2	0	0	0
Total	10,684	350	11,034	12,723	462	13,185
5.3 Other income						
Income released from conditional grants	0	0	0	0	0	0
Total	0	0	0	0	0	0
TOTAL INCOME	38,656	350	39,006	38,653	462	39,115

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 6.1 Consolidated Property, Plant & Equipment Year Ended 31 March 2015

	Land	Buildings (excluding dwellings)	Dwellings	Assets under Construction	Plant and Machinery (Equipment)	Transport Equipment	Information Technology (IT)	Furniture and Fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation									
At 1 April 2014	37,246	245,005	14,492	9,356	51,016	6,696	23,746	935	388,492
Indexation	0	0	0	0	858	0	0	0	858
Additions	0	8,937	0	9,508	3,435	673	7,820	15	30,388
Donations / Government grant / Lottery funding	0	0	0	0	130	0	0	0	130
Reclassifications	0	6,305	0	(6,305)	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluations	(4,873)	(47,428)	(2,183)	0	37	(312)	(9)	0	(54,768)
Impairment charged to the SoCNE	(5,414)	(16,227)	123	(342)	0	0	0	0	(21,860)
Impairment charged to the revaluation reserve	(120)	(5,827)	(604)	0	0	0	0	0	(6,551)
Reversal of impairments (indexn)	0	0	0	0	0	0	0	0	0
(Disposals)	0	(267)	0	0	(2,156)	(619)	(5,124)	0	(8,166)
At 31 March 2015	26,839	190,498	11,828	12,217	53,320	6,438	26,433	950	328,523

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 6.1 (continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2015

	Land	Buildings (excluding dwellings)	Dwellings	Assets under Construction	Plant and Machinery (Equipment)	Transport Equipment	Information Technology (IT)	Furniture and Fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Depreciation									
At 1 April 2014	4,950	41,480	2,185	0	28,883	3,546	9,243	720	91,007
Indexation	0	0	0	0	503	0	0	0	503
Reclassifications	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Revaluation	(4,950)	(48,124)	(2,500)	0	(45)	(312)	59	0	(55,872)
Impairment charged to the SoCNE	0	0	0	0	0	0	0	0	0
Impairment charged to the revaluation reserve	0	0	0	0	0	0	0	0	0
Reversal of Impairments (indexn)	0	0	0	0	0	0	0	0	0
(Disposals)	0	(14)	0	0	(1,888)	(592)	(5,120)	0	(7,614)
Provided during the year	0	7,935	376	0	3,254	676	3,858	72	16,171
At 31 March 2015	0	1,277	61	0	30,707	3,318	8,040	792	44,195
Carrying Amount									
At 31 March 2015	26,839	189,221	11,767	12,217	22,613	3,120	18,393	158	284,328
At 31 March 2014	32,296	203,525	12,307	9,356	22,133	3,150	14,503	215	297,485

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 6.1 (continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2015

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Asset Financing									
Owned	26,839	189,221	11,767	12,217	22,613	3,120	18,393	158	284,328
Carrying Amount									
At 31 March 2015	26,839	189,221	11,767	12,217	22,613	3,120	18,393	158	284,328
Of which:									
Southern HSC Trust at 31 March 2015	26,839	189,221	11,767	12,217	22,613	3,120	18,393	158	284,328
Charitable trust fund at 31 March 2015	0	0	0	0	0	0	0	0	0
	26,839	189,221	11,767	12,217	22,613	3,120	18,393	158	284,328

Southern HSC Trust at 31 March 2014	32,296	203,525	12,307	9,356	22,133	3,150	14,503	215	297,485
Charitable trust fund at 31 March 2014	0	0	0	0	0	0	0	0	0
	32,296	203,525	12,307	9,356	22,133	3,150	14,503	215	297,485

Of which:

Trust

284,328

Charitable Trust Funds

0

Any fall in value through negative indexation or revaluation is shown as an impairment.

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £Nil (2013/14: £Nil).

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 6.1 (continued) Consolidated Property, Plant & Equipment Year Ended 31 March 2015

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

	2015	2014
	£000s	£000s
Donations	130	383
Government grant	0	0
Lottery funding	0	0

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 6.2 Property, Plant & Equipment Year Ended 31 March 2014

	Land	Buildings (excluding dwellings)	Dwellings	Assets under Construction	Plant and Machinery (Equipment)	Transport Equipment	Information Technology (IT)	Furniture and Fittings	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost or Valuation									
At 1 April 2013	37,673	210,169	13,395	4,359	42,868	5,917	16,142	854	331,377
Indexation	0	17,242	1,063	0	914	0	0	14	19,233
Additions	0	15,945	0	11,400	8,551	956	7,785	81	44,718
Donations / Government grant / Lottery funding	0	39	0	0	344	0	0	0	383
Reclassifications	(450)	3,577	0	(4,894)	193	0	0	4	(1,570)
Other Revaluations	0	0	0	(35)	0	0	0	0	(35)
Revaluation	23	(22)	2	(6)	(33)	(3)	(110)	0	(149)
Impairment charged to the SoCNE	0	(2,292)	0	(1,468)	(445)	0	0	(16)	(4,221)
Reversal of Impairments charged to the Revaluation Reserve	0	(94)	0	0	0	0	0	0	(94)
Reversal of Impairments SoCNE	0	2,137	99	0	106	0	0	0	2,342
(Disposals)	0	(1,696)	(67)	0	(1,482)	(174)	(71)	(2)	(3,492)
At 31 March 2014	37,246	245,005	14,492	9,356	51,016	6,696	23,746	935	388,492

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 6.2 (continued) Property, Plant & Equipment Year Ended 31 March 2014

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Cost or Valuation									
At 1 April 2013	4,978	31,383	1,667	0	26,382	3,072	6,730	643	74,855
Indexation	0	3,165	167	0	666	0	0	11	4,009
Reclassifications	(28)	(119)	0	0	0	0	0	0	(147)
Revaluation	0	3	0	0	(43)	1	(79)	1	(117)
Impairment charged to the SoCNE	0	(6)	0	0	(7)	0	0	(1)	(14)
(Disposals)	0	(86)	(5)	0	(1,209)	(174)	(125)	(1)	(1,600)
Provided during the year	0	7,140	356	0	3,094	647	2,717	67	14,021
At 31 March 2014	4,950	41,480	2,185	0	28,883	3,546	9,243	720	91,007
Carrying Amount At 31 March 2014	32,296	203,525	12,307	9,356	22,133	3,150	14,503	215	297,485
At 1 April 2013	32,695	178,786	11,728	4,359	16,486	2,845	9,412	211	256,522

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 6.2 (continued) Property, Plant & Equipment Year Ended 31 March 2014

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Asset Financing									
Owned	32,296	203,525	12,307	9,356	22,133	3,150	14,503	215	297,485
Carrying Amount									
At 31 March 2014	32,296	203,525	12,307	9,356	22,133	3,150	14,503	215	297,485

Asset financing

Owned	32,695	178,786	11,728	4,359	16,486	2,845	9,412	211	256,522
Carrying Amount									
At 1 April 2013	32,695	178,786	11,728	4,359	16,486	2,845	9,412	211	256,522

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 6.2 (continued) Property, Plant & Equipment Year Ended 31 March 2014

	Land £000s	Buildings (excluding dwellings) £000s	Dwellings £000s	Assets under Construction £000s	Plant and Machinery (Equipment) £000s	Transport Equipment £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
Southern HSC Trust at 31 March 2014	32,296	203,525	12,307	9,356	22,133	3,150	14,503	215	297,485
Southern HSC Trust charitable trust fund at 31 March 2014	0	0	0	0	0	0	0	0	0
Southern HSC Trust at 31 March 2014	32,296	203,525	12,307	9,356	22,133	3,150	14,503	215	297,485

Southern HSC Trust at 31 March 2013	32,695	178,786	11,728	4,359	16,486	2,845	9,412	211	256,522
Southern HSC Trust charitable trust fund at 31 March 2013	0	0	0	0	0	0	0	0	0
Southern HSC Trust at 31 March 2013	32,695	178,786	11,728	4,359	16,486	2,845	9,412	211	256,522

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 7.1 Consolidated Intangible Assets Year Ended 31 March 2015

	Software Licenses £000s	Software £000s	Total £000s
Cost or Valuation			
At 1 April 2014	1,399	0	1,399
Indexation	0	0	0
Additions	0	0	0
Donations / Government grant / Lottery funding	0	0	0
Disposals	0	0	0
At 31 March 2015	1,399	0	1,399
Amortisation			
At 1 April 2014	1,185	0	1,185
Reclassifications	0	0	0
Disposals	0	0	0
Provided during the year	145	0	145
At 31 March 2015	1,330	0	1,330
Carrying Amount			
At 31 March 2015	69	0	69
At 31 March 2014	214	0	214
Asset financing			
Owned	69	0	69
Carrying Amount			
At 31 March 2015	69	0	69

There were no assets funded by Donations/Government Grant or Lottery Funding during the year. (2013/14: £Nil)

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 7.2 Consolidated Intangible Assets Year Ended 31 March 2014

	Software Licenses £000s	Software £000s	Total £000s
Cost or Valuation			
At 1 April 2013	1,399	0	1,399
Indexation	0	0	0
Additions	0	0	0
Donations / Government grant / Lottery funding	0	0	0
Disposals	0	0	0
At 31 March 2014	1,399	0	1,399
Amortisation			
At 1 April 2013	1,009	0	1,009
Reclassifications	0	0	0
Disposals	0	0	0
Provided during the year	176	0	176
At 31 March 2014	1,185	0	1,185
Carrying Amount			
At 31 March 2014	214	0	214
At 31 March 2013	390	0	390
Asset financing			
Owned	214	0	214
Carrying Amount			
At 31 March 2014	214	0	214
Asset financing			
Owned	390	0	390
Carrying Amount			
At 1 April 2013	390	0	390

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 7.2 Consolidated Intangible Assets Year Ended 31 March 2014

Carrying amount comprises:

	Software Licenses £000s	Software £000s	Total £000s
Southern HSC Trust at 31 March 2015	69	0	69
Southern HSC Trust charitable trust fund at 31 March 2015	0	0	0
	<u>69</u>	<u>0</u>	<u>69</u>
Southern HSC Trust at 31 March 2014	214	0	214
Southern HSC Trust charitable trust fund at 31 March 2014	0	0	0
	<u>214</u>	<u>0</u>	<u>214</u>

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 8 FINANCIAL INSTRUMENTS

NOTE 8 Financial Instruments

	Investments £000s	Assets £000s	Liabilities £000s	Investments £000s	Assets £000s	Liabilities £000s
Balance at 1 April	2,678	100	0	2,109	711	0
Additions	0	0	0	500	4	0
Withdrawals	0	(100)	0	0	(615)	0
Revaluations	167	0	0	69	0	0
Balance at 31 March	2,845	0	0	2,678	100	0
Trust						
Charitable trust fund	2,845	0	0	2,678	100	0
	2,845	0	0	2,678	100	0

NOTE 8.1 Market value of investments as at 31 March 2015

	Held in UK £000s	Held outside UK £000s	2015 Total £000s	2014 Total £000s
Investments in a Common Deposit Fund or Investment Fund	2,845	0	2,845	2,678
Total market value of fixed asset investments	2,845	0	2,845	2,678

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

	Land		Buildings		Total	
	2015	2014	2015	2014	2015	2014
	£000s	£000s	£000s	£000s	£000s	£000s
Cost						
At 1 April	0	0	1,482	0	1,482	0
Transfers in	0	0	0	1,570	0	1,570
(Disposals)	0	0	(168)	0	(168)	0
Impairment	0	0	(121)	(88)	(121)	(88)
At 31 March	0	0	1,193	1,482	1,193	1,482
Depreciation						
At 1 April	0	0	197	0	197	0
Transfers in	0	0	0	147	0	147
(Disposals)	0	0	(26)	0	(26)	0
Impairment	0	0	(86)	50	(86)	50
At 31 March	0	0	85	197	85	197
Carrying amount at 31 March	0	0	1,108	1,285	1,108	1,285

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 10 IMPAIRMENTS

	2015		
	Property, Plant & Equipment £000s	Intangibles £000s	Total £000s
Total value of impairments for the period	28,432	0	28,432
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	(6,560)	0	(6,560)
Impairments charged to Statement of Comprehensive Net Expenditure	21,872	0	21,872

	2014		
	Property, Plant & Equipment	Intangibles	Total
Total value of impairments for the period	2,097	0	2,097
Impairments which revaluation reserve covers (shown in Other Comprehensive Expenditure Statement)	(62)	0	(62)
Impairments charged to Statement of Comprehensive Net Expenditure	2,035	0	2,035

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 11 INVENTORIES

Classification	2015			2014		
	Trust £000s	CTF £000s	Consolidated £000s	Trust £000s	CTF £000s	Consolidated £000s
Pharmacy supplies	1,835	0	1,835	1,625	0	1,625
Building & engineering supplies	70	0	70	73	0	73
Fuel	239	0	239	395	0	395
Community care appliances	225	0	225	218	0	218
Laboratory materials	184	0	184	157	0	157
Stationery	0	0	0	6	0	6
Laundry	55	0	55	61	0	61
Other	272	0	272	525	0	525
Total	2,880	0	2,880	3,060	0	3,060

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2015				2014			
	Trust	CTF	Consolidation	Consolidated	Trust	CTF	Consolidation	Consolidated
	£000s	£000s	Adjustments	£000s	£000s	£000s	Adjustments	£000s
			£000s				£000s	
Amounts falling due within one year								
Trade receivables	10,013	0	0	10,013	11,333	0	(47)	11,286
VAT receivable	5,421	0	0	5,421	4,336	0	0	4,336
Other receivables - not relating to fixed assets	337	91	(28)	400	120	59	0	179
Trade and other receivables	15,771	91	(28)	15,834	15,789	59	(47)	15,801
Prepayments and accrued income	4,526	0	0	4,526	2,997	0	(52)	2,945
Other current assets	4,526	0	0	4,526	2,997	0	(52)	2,945

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 12 (continued) TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	Trust	CTF	2015 Consolidation Adjustments	Consolidated	Trust	CTF	2014 Consolidation Adjustments	Consolidated
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Amounts falling due after more than one year								
Trade receivables	906	0	0	906	1,062	0	0	1,062
Trade and other receivables	906	0	0	906	1,062	0	0	1,062
TOTAL TRADE AND OTHER RECEIVABLES	16,677	91	(28)	16,740	16,851	59	(47)	16,863
TOTAL OTHER CURRENT ASSETS	4,526	0	0	4,526	2,997	0	(52)	2,945
TOTAL RECEIVABLES AND OTHER CURRENT ASSETS	21,203	91	(28)	21,266	19,848	59	(99)	19,808

The balances are net of a provision for bad debts of £6,095k (2014: £5,522k).

The Southern HSC Trust did not have any intangible current assets at 31 March 2015 or at 31 March 2014.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 12.1 TRADE RECEIVABLES AND OTHER CURRENT ASSETS: INTRA-GOVERNMENTAL BALANCES

	Amounts falling due within 1 year 2014/15	Amounts falling due within 1 year 2013/14	Amounts falling due after more than 1 year 2014/15	Amounts falling due after more than 1 year 2013/14
	£000s	£000s	£000s	£000s
Balances with other central government bodies	8,085	6,752	906	1,062
Balances with local authorities	2	9	0	0
Balances with NHS /HSC Trusts	269	1,059	0	0
Balances with public corporations and trading funds	0	7	0	0
Intra-government balances	8,356	7,827	906	1,062
Balances with bodies external to government	12,004	10,919	0	0
Total receivables and other current assets at 31 March	20,360	18,746	906	1,062

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 13 CASH AND CASH EQUIVALENTS

	2015			2014		
	Core Trust £000s	CTF £000s	Consolidated £000s	Core Trust £000s	CTF £000s	Consolidated £000s
Balance at 1st April	2,168	98	2,266	96	88	184
Net change in cash and cash equivalents	(593)	77	(516)	2,072	10	2,082
Balance at 31st March	1,575	175	1,750	2,168	98	2,266

The following balances at 31 March were held at

	2015			2014		
	Core Trust £000s	CTF £000s	Consolidated £000s	Core Trust £000s	CTF £000s	Consolidated £000s
Commercial banks and cash in hand	1,575	175	1,750	2,168	98	2,266
Balance at 31st March	1,575	175	1,750	2,168	98	2,266

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2015				2014			
	Trust	CTF	Consolidation	Consolidated	Trust	CTF	Consolidation	Consolidated
	£000s	£000s	Adjustments £000s	£000s	£000s	£000s	Adjustments £000s	£000s
Amounts falling due within one year								
Other taxation and social security	11,342	0	0	11,342	10,516	0	0	10,516
Trade capital payables - property, plant and equipment	7,215	0	0	7,215	19,075	0	0	19,075
Trade revenue payables	16,377	0	0	16,377	16,299	0	0	16,299
Payroll payables	21,310	0	0	21,310	15,023	0	0	15,023
Clinical negligence payables	1,027	0	0	1,027	0	0	0	0
VER payables	538	0	0	538	1,146	0	0	1,146
BSO payables	1,449	0	0	1,449	2,193	0	0	2,193
Other payables	990	72	(28)	1,034	1,422	152	(99)	1,475
Accruals and deferred income	5,508	0	0	5,508	4,423	0	0	4,423
Trade and other payables	65,756	72	(28)	65,800	70,097	152	(99)	70,150

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 14.1 TRADE PAYABLES AND OTHER CURRENT LIABILITIES – INTRA-GOVERNMENT BALANCES

	Amounts falling due within 1 year 2014/15	Restated Amounts falling due within 1 year 2013/14	Amounts falling due after more than 1 year 2014/15	Amounts falling due after more than 1 year 2013/14
	£000s	£000s	£000s	£000s
Balances with other central government bodies	13,332	13,237	0	0
Balances with local authorities	0	0	0	0
Balances with NHS /HSC Trusts	1,434	2,044	0	0
Intra-government balances	14,766	15,281	0	0
Balances with bodies external to government	51,034	54,869	0	0
Total payables and other liabilities at 31 March	65,800	70,150	0	0

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 14.2 Loans

The Southern HSC Trust did not have any loans payable at 31 March 2015 or at 31 March 2014.

NOTE 15 PROMPT PAYMENT POLICY

NOTE 15.1 Public Sector Payment Policy – Measure of Compliance

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

	2015 Number	2015 Value £000s	2014 Number	2014 Value £000s
Total bills paid	172,426	224,108	114,589	208,090
Total bills paid within 30 day or under agreed payment terms	151,068	200,413	101,829	194,388
% of bills paid within 30 day target or under agreed payment terms	87.6%	89.4%	88.9%	93.4%
Total bills paid within 10 day target	121,745	170,785	65,694	152,379
% of bills paid within 10 day target	70.6%	76.2%	57.3%	73.2%

A fall in the compliance against the 30 day target occurred in 2014/15 due to the transition of the Trust's payments function to BSO Accounts Payable Shared Service and the associated embedding of new processes.

15.2 The Late Payment of Commercial Debts Regulations 2002

	£
Amount of compensation paid for payment(s) being late	216
Amount of interest paid for payment(s) being late	149
Total	365

This is also reflected as a fruitless payment in note 26.

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 16 PROVISIONS FOR LIABILITIES AND CHARGES – 2015

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	CSR restructuring	Other	2015
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2014	262	3,949	21,504	0	4,550	30,265
Provided in year	27	165	9,662	0	686	10,540
(Provisions not required written back)	0	0	(3,422)	0	(409)	(3,831)
(Provisions utilised in the year)	(15)	(199)	(6,912)	0	(630)	(7,756)
Cost of borrowing (unwinding of discount)	3	49	(151)	0	0	(99)
At 31 March 2015	277	3,964	20,681	0	4,197	29,119

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 16 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2015

Comprehensive Net Expenditure Account charges	2015 £000s	2014 £'000
Arising during the year	10,540	5,714
Reversed unused	(3,831)	(1,733)
Cost of borrowing (unwinding of discount)	(99)	(197)
Total charge within Operating expenses	6,610	3,784

Analysis of expected timing of discounted flows

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	CSR restructuring	Other	2015
	£000s	£000s	£000s	£000s	£000s	£000s
Not later than one year	14	202	3,911	0	1,104	5,231
Later than one year and not later than five years	61	833	7,670	0	1,953	10,517
Later than five years	202	2,929	9,100	0	1,140	13,371
At 31 March 2015	277	3,964	20,681	0	4,197	29,119

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 16 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2014

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	CSR restructuring	Other	2014
	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2013	268	4,082	22,204	0	5,021	31,575
Provided in year	4	15	5,017	0	678	5,714
(Provisions not required written back)	0	0	(1,046)	0	(687)	(1,733)
(Provisions utilised in the year)	(14)	(218)	(4,410)	0	(452)	(5,094)
Cost of borrowing (unwinding of discount)	4	70	(261)	0	(10)	(197)
At 31 March 2014	262	3,949	21,504	0	4,550	30,265

Provisions have been made for 7 types of potential liability: Clinical Negligence, Employer's and Occupier's Liability, Early Retirement, Injury Benefit, Employment Law, Agenda for Change and Restructuring in connection with Transforming Your Care (TYC). The provision for Early Retirement and Injury Benefit relates to the future liabilities for the Trust based on information provided by the HSC Superannuation Branch. For Clinical Negligence, Employer's and Occupier's claims and Employment Law the Trust has estimated an appropriate level of provision based on professional legal advice. The costs of exit packages associated with TYC are included on the basis of the policy outlined in TYC and HR advice.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 16 (continued) PROVISIONS FOR LIABILITIES AND CHARGES – 2014

Analysis of expected timing of discounted flows

	Pensions relating to former directors	Pensions relating to other staff	Clinical negligence	CSR restructuring	Other	2014
	£000s	£000s	£000s	£000s	£000s	£000s
Not later than one year	14	222	4,299	0	1,594	6,129
Later than one year and not later than five years	60	930	7,442	0	1,976	10,408
Later than five years	188	2,797	9,763	0	980	13,728
At 31 March 2014	262	3,949	21,504	0	4,550	30,265

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 17 CAPITAL COMMITMENTS

	2015	2014
	£000s	£000s
Contracted capital commitments at 31 March not otherwise included in these financial statements		
Property, Plant & Equipment	11,139	29,263
	11,139	29,263

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 18 COMMITMENTS UNDER LEASES

Note 18.1 Operating Leases

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

	2015 £000s	2014 £000s
Obligations under operating leases comprise		
Land & Buildings		
Not later than 1 year	311	0
Later than 1 year and not later than 5 years	659	0
	970	0
Other		
Not later than 1 year	477	757
Later than 1 year and not later than 5 years	797	2,445
	1,274	3,202

Note 18.2 Finance Leases

The Southern HSC Trust did not have any finance leases at 31 March 2015 or at 31 March 2014.

NOTE 18 COMMITMENTS UNDER LESSOR AGREEMENTS

Note 18.3 Operating Leases

Total future minimum lease income under operating leases are given in the table below for each of the following periods.

Obligations under operating leases issued by the Trust comprise:

	2015 £000s	2014 £000s
Land and Buildings		
Not later than 1 year	79	66
Later than 1 year and not later than 5 years	68	83
Later than 5 years	119	153
	266	302

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 19 COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS

19.1 Off balance sheet PFI and other service concession arrangements schemes

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

19.2 On balance sheet (SoFP) PFI Schemes

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

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

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

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 20 OTHER FINANCIAL COMMITMENTS

The Southern HSC Trust did not have any other financial commitments at either 31 March 2015 or 31 March 2014.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 21 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within Trusts in creating risk than would apply to a non public sector body of a similar size, therefore Trusts are not exposed to the degree of financial risk faced by business entities. Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trusts in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

The Southern HSC Trust has not entered into any quantifiable guarantees, indemnities or provided letters of comfort, at either 31 March 2015 or 31 March 2014.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 22 CONTINGENT LIABILITIES

Material contingent liabilities are noted in the table below, where there is a 50% or less probability that a payment will be required to settle any possible obligations. The amounts or timing of any outflow will depend on the merits of each case.

Contingent Liabilities

	2015 £000s	2014 £000s
Clinical negligence	2,045	2,317
Public Liability	5	0
	<hr/>	
Total	2,050	2,317

There are a number of active employment claims against the Trust. The expenditure which may arise from such claims cannot be determined as yet.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 23 RELATED PARTY TRANSACTIONS

The Southern HSC Trust is an Arm's length body of the Department of Health, Social Services and Public Safety and as such the Department is a related party with which the Southern HSC Trust has had various material transactions during the year

- Funding – Revenue Resource Limit of £565,143k (2014: £531,979k) of which the Non Cash Revenue Resource Limit is £44,590k (2014: £19,971k)

During the year, none of the board members, members of key management or other related parties has undertaken any material transactions with the Southern HSC Trust, apart from the transactions with the Department noted.

Interests in the following organisations were declared by non-executive, executive and other Directors and recorded on the Trust's Register of Interests. Where an interest is disclosed, the related party is not involved directly in the award of a contract with the related organisation.

The interests declared and the value of the related party transactions was as follows:

Mrs Roberta Brownlee held two positions:

Board Member of Southern Education and Library Board. The value of payments made by the Southern HSC Trust was £27,987.70 in respect of Social Service clients and funding for Healthy Eating Programmes delivered in the SELB region and £34,564.01 was received by the Trust in respect of salary recharges for joint projects. The total number of transactions was 97 and the balance outstanding at year end was £3,678.02.

School Governor of Royal School, Armagh. The value of transactions between related parties was £335.00 (3 transactions) in respect of Social Service clients. Balance outstanding at year end: £Nil.

Mr Edwin Graham, Committee Member of Enable NI. The value of transactions between related parties was £144,406.59 (26 transactions) in respect of grant payments for respite services and day care. Balance outstanding at year end was £2,253.80.

Mrs Angela McVeigh, has a personal friend who is the owner of Ann's Homecare Domiciliary Care Agency. The value of transactions between related parties was £4,204,764.67 (144 transactions) in respect of Domiciliary Care Provision. The balance outstanding at year end: £320,865.14.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 24 THIRD PARTY ASSETS

The Southern HSC Trust held £7,184k cash at bank and in hand at 31 March 2015 (31 March 2014: £6,659k) which relates to monies held by the Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts. A separate audited account of these monies is maintained by the Trust.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 25 FINANCIAL PERFORMANCE TARGETS

NOTE 25.1 Revenue Resource Limit

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

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

	2015	2014
	Total	Total
	£000s	£000s
HSCB	508,453	500,874
PHA	5,458	4,950
SUMDE & NIMDTA	6,772	6,567
Non cash RRL (from DHSSPS)	44,590	19,971
	<hr/>	<hr/>
Total agreed RRL	565,273	532,362
Adjustment for income received re Donations / Government grant / Lottery funding for non current assets	(130)	(383)
	<hr/>	<hr/>
Total Revenue Resource Limit to Statement Comprehensive Net Expenditure	565,143	531,979

25.2 Capital Resource Limit

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

	2015	2014
	Total	Total
	£000s	£000s
Gross capital expenditure	30,388	44,718
Prepayment for Capital Scheme	1,227	0
(Receipts from sales of fixed assets)	(299)	(46)
	<hr/>	<hr/>
Net capital expenditure	31,316	44,672
	<hr/>	<hr/>
Capital Resource Limit	31,596	45,482
	<hr/>	<hr/>
Underspend against CRL	(280)	(810)

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 25 FINANCIAL PERFORMANCE TARGETS

25.3 Financial Performance Targets

The Southern HSC Trust is required to ensure that it breaks even on an annual basis by containing its net expenditure to within 0.25 % of the Revenue Resource Limit.

	2014/15 £000s	2013/14 £000s
Net Expenditure	(565,102)	(535,136)
RRL	565,143	531,979
Surplus/(Deficit) against RRL	41	(3,157)
Break Even cumulative position(opening)	(2,138)	1,019
Break Even cumulative position (closing)	(2,097)	(2,138)

Materiality Test:

	2014/15 %	2013/14 %
Break Even in year position as % of RRL	0.01%	(0.59)%
Break Even cumulative position as % of RRL	(0.37)%	(0.40)%

The Southern HSC Trust reduced its cumulative overspend by achieving a small surplus in 2014/15. However, as the Trust continues to face a challenging financial position, it is unclear when the cumulative reported overspend will be recovered.

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 26 LOSSES & SPECIAL PAYMENTS

Type of Loss and Special Payment		2014/15		2013/14
		CASES	£	£
Cash Losses				
	Cash Losses – Theft, fraud etc.	0	0	0
	Cash Losses – Overpayments of salaries, wages and allowances	0	0	0
	Cash Losses – Other causes	95	7,208	180
		95	7,208	180
Claims abandoned				
	Waived or abandoned claims	3	54,679	0
		3	54,679	0
Administrative write-offs				
	Bad debts	394	223,305	44,554
		394	223,305	44,554
Fruitless payments				
	Late Payment of Commercial Debt	9	365	9,167
	Other Fruitless payments and constructive losses	2	1,719	344,742
		11	2,084	353,909
Stores Losses				
	Losses of accountable stores through any deliberate act	1	1,800	0
	Other stores losses	0	65,598	28,051
		1	67,398	28,051
Special Payments				
	Compensation payments			
	- Clinical Negligence	89	6,911,848	4,410,217
	- Public Liability	17	101,395	102,005
	- Employers Liability	32	459,081	269,610
		138	7,472,324	4,781,832
	Ex-gratia payments	5	3,571	745
TOTAL		647	7,830,569	5,209,271

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 26 (continued) LOSSES & SPECIAL PAYMENTS

NOTE 26.1 Special Payments

The Southern HSC Trust did not make any special payments or gifts during the financial year (2014: £Nil)

NOTE 26.2 Other Payments

The Southern HSC Trust did not make any other payments during the financial year (2014: £Nil)

NOTE 26.3 Losses and Special Payments over £250,000

Losses and Special Payments over £250,000	Number of Cases	2014/15 £	2013/14 £
Special Payments Clinical Negligence Cases	3	2,989,600	3,084,994
TOTAL	3	2,989,600	3,084,994

SOUTHERN HSC TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

NOTE 27 POST BALANCE SHEET EVENTS

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

DATE AUTHORISED FOR ISSUE

The Accounting Officer authorised these financial statements for issue on 25 June 2015.

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

YEAR ENDED 31 MARCH 2015

SOUTHERN HSC TRUST

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2015

**STATEMENT OF TRUST'S RESPONSIBILITIES IN RELATION TO PATIENTS/RESIDENTS
MONIES**

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, the Trust is required to prepare and submit accounts in such form as the Department may direct.

The Trust is also required to maintain proper and distinct accounting records and is responsible for safeguarding the monies held on behalf of patients/residents and for taking reasonable steps to prevent and detect fraud and other irregularities.

SOUTHERN HEALTH AND SOCIAL CARE TRUST

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

I certify that I have audited the Southern Health and Social Care Trust's account of Monies held on behalf of Patients/ Residents for the year ended 31 March 2015 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

Respective responsibilities of the Trust and auditor

As explained more fully in the Statement of Trust Responsibilities in relation to Patients' and Residents' Monies, the Trust is responsible for the preparation of the account in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health, Social Services and Public Safety's directions made thereunder. My responsibility is to audit, certify and report on the account in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972. 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 account

An audit involves obtaining evidence about the amounts and disclosures in the account sufficient to give reasonable assurance that the account is free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Southern Health and Social Care Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Southern Health and Social Care Trust; and the overall presentation of the account. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Patient's and Resident's Monies account 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 financial transactions recorded in the account conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the financial transactions recorded in the account conform to the authorities which govern them.

Opinion on account

In my opinion:

- the account properly presents the receipts and payments of the monies held on behalf of the patients and residents of the Southern Health and Social Care Trust for the year ended 31 March 2015 and balances held at that date; and

- the account has been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health, Social Services and Public Safety directions issued thereunder.

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 account is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's guidance.

Report

I have no observations to make on this account.


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

25 June 2015

SOUTHERN HSC TRUST

ACCOUNT OF MONIES HELD ON BEHALF OF PATIENTS/RESIDENTS

YEAR ENDED 31 MARCH 2015

Previous Year	<u>RECEIPTS</u>		
£	Balance at 1 April 2014	£	£
4,761,062	1. Investments (at cost)	5,794,912	
1,285,295	2. Cash at Bank	860,443	
6,839	3. Cash in Hand	3,936	6,659,291
6,053,196			
2,672,749	Amounts Received in the Year	2,222,976	
46,809	Interest Received	54,301	2,277,277
8,772,754	TOTAL		8,936,568

<u>PAYMENTS</u>			
2,113,463	Amounts paid to or on Behalf of Patients/Residents		1,752,592
	Balance at 31 March 2015		
5,794,912	1. Investments (at Cost)	6,249,213	
860,443	2. Cash in Bank	930,592	
3,936	3. Cash in Hand	4,171	
6,659,291			7,183,976
8,772,754	TOTAL		8,936,568

Cost Price	Schedule of investments held at 31 March 2015	Nominal Value	Cost Price
£		£	£
5,794,912	Bank of Ireland	6,249,213	6,249,213

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

Director of Finance

Date

Mr J. Walsh
11/06/2015

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

Interim Chief Executive

Date

P. Clarke
11/6/2015

ISBN Number

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