

The Annual Report and Accounts of the Charitable Trust Funds held  
by the South Eastern HSC Trust  
for the year ended 31 March 2013

Laid before the Northern Ireland assembly under Article 91(5) of the  
Health and Personal Social Services (NI) Order 1972 by the  
Department of Health, Social Services and Public Safety.

On

01 November 2013

## **Annual Report of the Trustees of the Charitable Trust Funds held by the South Eastern HSC Trust for the year ended 31 March 2013**

### **Background**

Prior to 1 April 1995 the charitable funds of various organisations within the Eastern Health and Social Services Board ('EHSSB') were managed by the EHSSB, as Trustee, under Article 79 of the Health and Personal Social Services Order (Northern Ireland) 1972. On 1 April 1995 these charitable funds were transferred from the Eastern Health and Social Services Board to the individual Trusts and Agency, including those of the Ulster Community and Hospitals Trust and the Down and Lisburn Trust. On 1<sup>st</sup> April 2007 both of the Trusts ceased to exist and became part of the South Eastern HSC Trust.

In order to maximise the total return from investment of the Charitable Trust funds, the Northern Ireland Health and Social Services Charities Common Investment Fund was established by an Order dated 30 March 1995, made by the Department of Health and Social Services under Section 25 of the Charities Act (Northern Ireland) 1964. The charitable funds of the South Eastern HSC Trust are invested within this Common Investment Fund. A committee is in place to manage the operations of the Common Investment Fund.

## **Address of Principal office**

Trust Headquarters  
Ulster Hospital  
Upper Newtownards Road  
Dundonald  
Belfast  
BT23 4AD

## **Names of Trustees**

Under the Health and Personal Social Services (NI) Order 1972, as amended by Article 16 of the Health and Personal Social Services (NI) Order 1991, the Board of the South Eastern HSC Trust are the Trustees of the Charitable Funds. During 2012/13 this constituted the following:

### Non-executive members

C McKenna  
P Davison  
D Flanagan (temporarily stood down wef September 2011)  
F Graham  
D Mann-Kler  
N Mansley  
D O'Hara  
J Trethowan

### Executive members

Mr H McCaughey	Chief Executive
Mr S McGoran	Director of Hospital Services
Mr D Bradley	Acting Director of Adult Services & Prisons Healthcare (1 <sup>st</sup> April to 31 <sup>st</sup> May 2013)
Mr B Whittle	Director of Adult Services & Prisons Healthcare (wef 1 <sup>st</sup> June 2012)
Mr N Guckian	Director of Finance and Estates
Dr C Martyn	Medical Director
Ms C McArdle	Director of Primary Care, Elderly and Nursing
Mr E Molloy	Director of Human Resources
Mr J Simpson	Director of Planning, Information & Performance Management (1 <sup>st</sup> April to 30 <sup>th</sup> September 2012)
Mrs R Coulter	Director of Planning, Information & Performance Management (wef 17 <sup>th</sup> September 2012).
Mr I Sutherland	Director of Children's Services/Social Work

**Auditors**

Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

**Bankers****South Eastern HSC Trust A/C**

Bank of Ireland  
12, Conway Square  
Newtownards  
Co Down  
BT23 4DJ

**Northern Ireland HSS Charities Common Investment A/C**

Bank of Ireland  
Belfast City Branch  
4-8 High Street  
Belfast  
BT1 2BA

**Principal Advisors**

(Advisors in relation to the Common Investment Fund)  
Cunningham Coates Stockbrokers  
19 Donegal Street  
Belfast  
BT1 5BX

## **Structure, governance and management**

The Trust Board have established a Charitable Funds Committee, which is authorised by the Board to undertake any activity within its terms of reference. It is authorised to seek advice from whatever source it deems to be appropriate in order to fulfil its function. Membership of the Charitable Funds Committee during 2012/13 was as follows:

Mr N Guckian	Director of Finance and Estates
Ms C McArdle	Director of Primary Care, Elderly and Nursing
Mr N Mansley	Non-executive Director (Chair)
Mr P Morgan	Assistant Director of Finance
Dr C Martyn	Medical Director

The roles and responsibilities of the Charitable Funds Committee in relation to the management and governance of the Charitable Trust Fund are as follows:

- Management of the Charitable Trust Funds in line with guidance in the Trust's Standing Financial Instructions, Departmental guidance and legislation.
- Ratifying the creation of new funds by the Director of Finance where funds and/or other assets are received from donors in circumstances where the wishes of the donor cannot be accommodated within the scope of an existing fund.
- Make recommendations on the potential for rationalisation of funds within statutory guidelines.
- Ensure that assets in ownership of, or used by, the Charitable Trust Fund will be maintained with the Trust's general estate and inventory of assets.
- Ensure that expenditure from Charitable Trust funds is subject to appropriate value for money considerations including proper procurement procedures where applicable.
- Ensure that Annual Accounts, including a Governance Statement, are prepared in accordance with Department of Health and Social Services and Public Safety (DHSSPS) guidelines and submitted to the Trust Board within agreed timescales.
- Systems and procedures are established to manage risks identified by the Trustees.

## **Objectives and Activities**

The objectives of the South Eastern HSC Trust's Charitable Funds Committee are to ensure that charitable donations received by the Trust are appropriately managed, invested, expended and controlled, in a manner that is consistent with the purposes for which they were given and with the Trust's Standing Financial Instructions, Departmental guidance and legislation.

The current objectives for the year are in line with the defined and specified purpose for which the individual funds were formed. An annual expenditure budget has been set for each individual fund which is based upon the receipts of the previous year. The Charitable Funds Committee met on a regular basis to manage the expenditure and investigate any departures from the agreed budget and purpose.

Charitable funds expenditure for the year has been summarised below:

	£000
Purchase of new equipment	769
Building & refurbishment	69
Staff education and welfare	170
Patient education and welfare	447
Other	21
<b>Total</b>	<b>1,476</b>

**Achievements and Performance**

During the year the Charitable Funds continued to engage in activities commensurate with its objectives. Over £1.4m was expended on charitable activities, in accordance with the Trust’s policies and procedures in relation to expenditure from Charitable Funds. Charitable fund expenditure was used to purchase £769k on new and specialist equipment and £447k on patient’s education and welfare. All expenditure during the year was consistent with the purpose of the funds and used to enhance the care and treatment of clients.

The net market value of funds decreased in the year by £88k.

**Financial Review**

**Introduction**

The financial statements have been prepared in accordance with relevant guidance issued by DHSSPS, and with ‘Accounting and Reporting by Charities’ The Statement of Recommended Practice issued in March 2005.

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

## **Review of the year**

### **Income**

During the year income totalling £576k was received, an increase of £16k from 2011/2012. £382k was received in donations compared to £380k in 2011/12. Investment income is up by £14k from 2011/12, due to increased market returns.

### **Expenditure**

Total direct charitable expenditure for the year amounted to £1,549k, an increase of £868k from 2011/12. Charitable expenditure in 2012/13 on Purchase of equipment and Patient education and welfare was £688k higher than the previous year, due to a major outlay on Cathlab equipment, while spend on Other types of expenditure was £179k more in 2012/13 than in 2011/12.

Governance costs for the financial administration of the fund amounted to £66k.

### **Financial position at year end**

Total fund balances were £7,009k, consisting of £5,669k of restricted funds and £1,279k of unrestricted funds. Endowment funds totalled £61k.

### **Financial Controls**

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

### **Statement of risk**

The management of risk in relation to the Charitable Trust Funds is closely aligned with the South East HSC Trust's risk management procedures. These are outlined in detail in the Governance Statement contained within the Trust Fund's annual financial statements.

### **Reserves policy**

The Charitable Trust Fund does not currently enter into future commitments and so has not created any reserves for this.

### **Investment Policy**

For investment purposes the balances on the Charitable Trust Funds of all Trusts in the Legacy EHSSB area are pooled and invested in the Common Investment Fund.

### **Plans for future periods**

The Charitable Funds Committee has established budgets for all funds managed by the South Eastern HSC Trust, with a balance of £10k or greater. These budgets are

monitored on an ongoing basis. The Trust plans to continue to use the Common Investment Fund for the investment of surplus funds and, as part of that common arrangement, will continue to seek professional advice in relation to the investment of funds in the current uncertain economic climate.

### **Introduction of the Charities Act (NI 2008)**

The Charities Act (NI) 2008 provides the broad legislative framework for charities in Northern Ireland. It established the requirement for a compulsory register of all charities operating in Northern Ireland, it provided a charity test to define what is and what is not a charity, it put in place new requirements for all public collections and it established a Charity Commission. While the legislation provides this broad framework, amendments are required to the legislation which have not yet been approved by the Assembly. There is currently no register in place.

The test to define what constitutes a charity under the legislation requires 2 criteria to be met; namely to be established for charitable purposes and to provide a public benefit. An examination of the Act and the draft guidance from the Charity Commission indicates that the Trust's Endowment & Gifts Funds meet these criteria and will therefore be required to register as a charity once the register comes into existence. This will be progressed with the Charity Commission during 2013/14.



## **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 requires the South Eastern HSC Trust to prepare for each financial year a statement of accounts in respect of endowments and other property held on trust by it in a form determined by the Department of Health, Social Services and Public Safety. The financial statements are prepared on an accruals basis and must provide a true and fair view.

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

- follow the guidance within the HSC Manual of Accounts 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 Charities SORP 2005 have been followed, and disclose and explain any material departures in financial statements.
- keep proper accounting records.
- ensure an effective system of internal control and establishing arrangements for the prevention and detention of fraud and corruption.

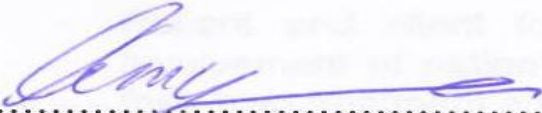
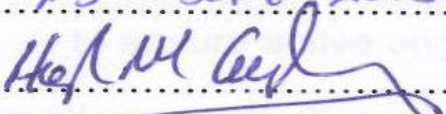
The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Mr Hugh McCaughey of South Eastern Health and Social Care Trust as the Accounting Officer for the South Eastern Health and Social Care 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 South Eastern Health and Social Care Trust's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety.

**CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE**

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 27 to 41) which I am required to prepare on behalf of the South Eastern Health and Social Care Trust have been compiled from and are in accordance with the accounts and financial records maintained by the South Eastern Health and Social Care Trust and in accordance with the accounting policies for HSC Charitable Trust Funds as approved by the Department of Health, Social Services and Public Safety.

  
.....Director of Finance  
25 Sept 2013  
.....Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (page 27 to 41) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

  
.....Chairman  
25<sup>th</sup> Sept 2013  
.....Date  
  
.....Chief Executive  
25<sup>th</sup> Sept 2013  
.....Date

## **GOVERNANCE STATEMENT**

### **Introduction / Scope of Responsibility**

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

The Trust has a number of processes in place to ensure effective working with key stakeholders. These include:

- Service and Budget Agreements with the main commissioning body, the Health and Social Care Board (HSCB), which establish clear specifications for the delivery of health and social care. Performance against these is monitored through a regular schedule of meetings and reporting.
- Compliance with statutory and other requirements set by Department of Health, Social Services and Public Safety (DHSSPS) and the Minister, to whom the Trust is ultimately accountable.
- Patient and client fora for a wide range of our services, to maximise involvement of patients and clients in determining the manner of delivery of their own treatment and care.
- Public board meetings and public consultations on all major service changes, to ensure active engagement with the community we serve.

### **Compliance with Corporate Governance Best Practice**

The South Eastern Health and Social Care Trust applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements by undertaking continuous assessment of its compliance with Corporate Governance best practice. In February/March 2013, the Trust completed a formal baseline assessment of the Department of Health, Social Services & Public Safety's (the Department) document entitled 'Board Governance Self-Assessment Tool' which was issued in December 2012 with a submission date of 30 April 2013. The assessment covered the following 4 areas:-

- 1 - Board composition and commitment;
- 2 - Board evaluation, development and learning;
- 3 - Board insight and foresight; and
- 4 - Board engagement and involvement

Three Board Impact Case Studies were also completed. These covered the areas of - Performance Failure, the Board's role in bringing about change and how the Board has positively shaped the vision and strategy of the Trust.

Each section was broken down into individual criteria and a Red, Amber, Green (RAG) rating was applied. There were a total of 16 criteria – 13 were rated as Green with 3 rated as Amber/Green. These related to section 2 – Board evaluation, learning and development. Areas of non-compliance related to not undertaking an independent evaluation of the effectiveness of the Board and its sub committees on a 3 yearly basis; no formal documented Board Skills Audit and Board development programme in place. A plan was developed detailing the action plans to achieve any areas of non-compliance with good practice and/or red flag areas on completion of the assessment. The assessment tool was formally approved by the Trust Board at its meeting on 27 March 2013 and submitted to the Department by the due date of 30 April 2013.

Subsequent to this work, and in pursuance of its compliance with best practice for Corporate Governance, the Trust plans to review the National Audit Office compliance checklist in respect of the Corporate Governance Code for Central Government Departments: Code of Good Practice 2011 (published by the HM Treasury and the Cabinet Office in July 2011) during 2013/14 to determine its applicability for use by the Trust.

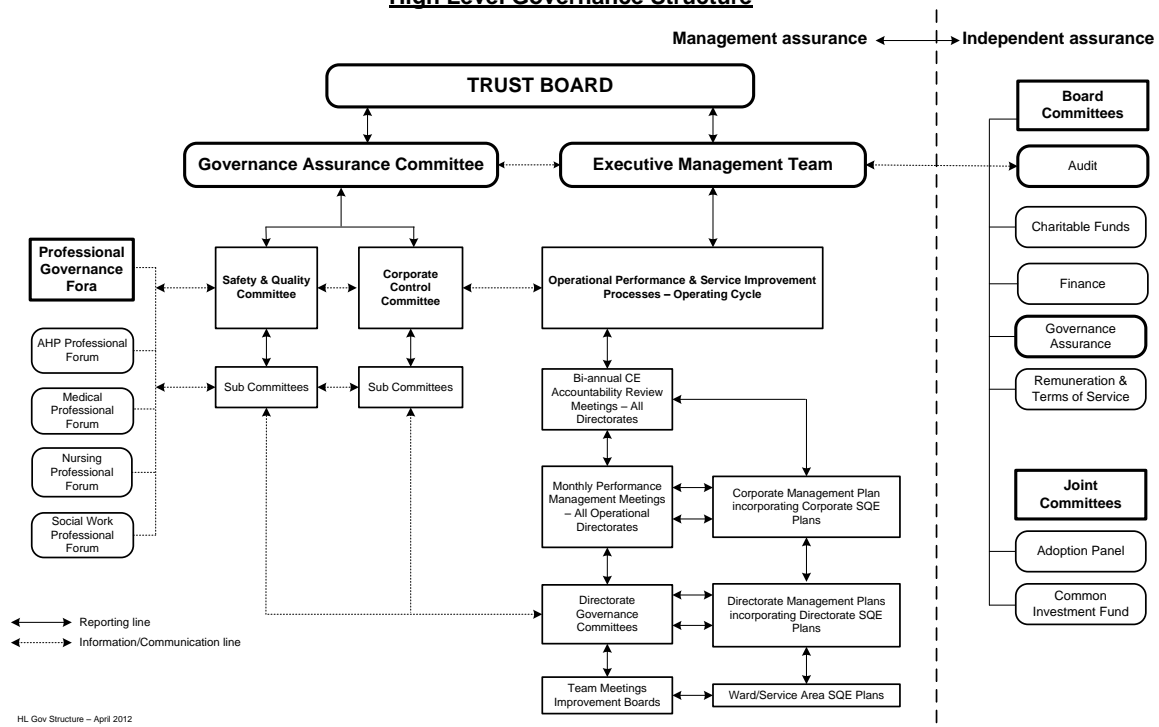
### **Governance Framework**

The South Eastern Health and Social Care Trust has an integrated governance framework in place which links corporate governance (including risk management and organisational controls), safe and effective care (clinical and social care governance), and financial governance. This framework is closely aligned to the Department's Assurance Framework (April 2009). It operates on the four domains outlined in this document namely, Corporate Control, Safety & Quality, Finance and Operational Performance and Service Improvement. This framework is further supported by the Trust's own Assurance Framework, Risk Management and Governance Strategies. The Trust Board has five sub committees:-

- Audit;
- Governance Assurance;
- Charitable Funds;
- Finance; and
- Remuneration.

Attendance records are maintained for all sub committees. Each sub-committee has an approved Terms of Reference and an agreed programme of work which are reviewed on an annual basis to ensure that the committee is discharging its role and performance responsibilities.

**South Eastern Health & Social Care Trust  
High Level Governance Structure**



The Audit Committee, under the chairmanship of a Non-Executive Director, meets not less than 4 times per year in line with its Terms of Reference and Programme of Work. Its main role focuses on the system of internal control and includes a range of functions about Governance and Internal Control, Internal and External Audit, Assurance Functions, Financial Reporting and Value for Money activities. It approves the Internal Audit programme of work which is risk based. It also receives the Head of Internal Audit's Opinion and recommends approval of the draft Governance Statement of the Board. In addition, it reviews progress on implementing internal and external audit recommendations. Following each meeting, the minutes of the Committee are submitted to the Trust Board for information/noting with the Chairman highlighting any specific governance issues for the attention of the Trust Board.

The Audit Committee, on an annual basis, undertakes a review of its effectiveness based on its Terms of Reference. This includes a section on attendance at committee meetings by members. The outcome of this work is reported to the Trust Board. It also provides an Annual Report on the effectiveness of the Committee to the Board.

The Governance Assurance Committee is the lead Board committee for Governance and is supported in this work by two sub committees – the Corporate Control Committee and the Safety & Quality Committee (both meet on a quarterly basis). These committees are further supported by a range of sub committees aligned to both areas. Each subcommittee has agreed terms of reference and annual work plans approved by its parent committee.

The Governance Assurance Committee, under the chairmanship of a Non-Executive Director meets on a quarterly basis to ensure the continued development of this important and essential agenda. The focus of this Committee is to be the overarching strategic committee responsible to the Trust Board on all matters

pertaining to Governance issues. Following each meeting, the minutes of the Committee are submitted to the Trust Board for information/noting with the Chairman highlighting any specific governance issues for the attention of the Trust Board

The Corporate Control Committee supports the work of the Governance Assurance Committee. Its role is to be the overarching strategic committee responsible to the Governance Assurance Committee on all matters pertaining to integrated Corporate Governance issues ie, Financial, Risk Management and other organisational controls. The Chief Executive chairs this committee, which meets on a quarterly basis, and oversees the work of all specialist risk management groups (which may include both clinical and non-clinical groups), the chairpersons of which report directly to the committee. A standing agenda item on the committee's agenda is the management of Risk Registers both Corporate and Directorate. The minutes of the meeting of the Corporate Control are submitted to the Governance Assurance Committee.

In addition, the Safety & Quality Committee supports the work of the Governance Assurance Committee under the joint chairmanship of the Director of Primary Care, Older People and Executive Director of Nursing, the Medical Director and the Director of Children's Services. Its role is to be the main sub-committee of the Governance Assurance Committee responsible for leading the safe and effective care agenda across the Trust.

The Governance Assurance Committee, on an annual basis, undertakes a review of its effectiveness based on its Terms of Reference. This includes a section on attendance at committee meetings by members. The outcome of this work is reported to the Trust Board. It also provides an Annual Report on the effectiveness of the Committee to the Board.

The Corporate Control and Safety & Quality Committees both undertake an annual review of their effectiveness in line with their terms of reference which are presented to the Governance Assurance Committee. A formal presentation on the work of both committees is presented to the Governance Assurance Committee at the year-end about performance during the year and work plans for the incoming year.

### **Charitable Funds Committee structure, governance and management**

The Trust Board has established and authorised the Charitable Funds (CF) Committee to undertake any work within its terms of reference and to seek advice from whatever source it deems appropriate to fulfil its function. The role of the Committee is to oversee the administration, including banking arrangements, of Charitable funds their investment and disbursement. Under its terms of reference the committee will:

- manage charitable funds in line with guidance in the Trust's Standing Financial Instructions, Departmental guidance and legislation
- ratify the creation of new funds and make recommendations for rationalisation of funds
- ensure that assets in ownership of, or used by, the charitable fund will be maintained with the Trust's general estate and inventory of assets

- ensure that funds are not unduly or unnecessarily accumulated
- ensure expenditure from Charitable Funds is subject to appropriate value for money considerations including proper procurement procedures where applicable
- ensure the Annual Accounts (including Governance Statement) are prepared in accordance with DHSSPS guidelines and timescales and submitted to Trust Board
- authorise appropriate policies and procedures in relation to Charitable Funds

The committee plans a programme of work for each year which is progressed by it meeting no fewer than 2 times per year and in conjunction with the work carried on outside of committee meetings. Membership of the committee is as follows:

Non Executive director (Chairman)  
 Director of Finance & Estates  
 Director of Primary Care, Older People & Executive Director of Nursing  
 Assistant Director, Financial Services  
 Medical Director

## **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.

The Trust's business planning process is carried out in accordance with DHSSPS guidance and results in the production of an annual Trust Delivery Plan (TDP). The plan is developed in response to the priorities set out in the Joint Commissioning Plan. Each Trust Director is accountable for delivering against the elements of the TDP that fall within his/her sphere of responsibility. A Corporate Plan (2011-2015) was approved in August 2011. This is delivered on an annual basis by Directorates who compile their annual Directorate Management Plans which then form the basis of the annual Corporate Management Plan; all plans are closely aligned to the objectives set out in the four year Corporate Management Plan. Monitoring of compliance with the Trust Delivery Plan is via the Operating Cycle which includes monthly Performance Monitoring and Improvement meetings for all Operational Directorates and Bi- annual Chief Executive Accountability Review meetings. This also includes compliance with the governance and safety, quality and experience agendas.

## **South Eastern Health and Social Care Trust's capacity to handle risk**

During 2012/2013, the Trust continued to implement its Integrated Governance framework which links corporate governance and risk management (including Organisational controls), safe and effective care (clinical and social care governance), and financial governance. The extant Governance Strategy (March 2012), Board Assurance Framework (March 2011) and Risk Management Strategy (March 2011) continued to be embedded ensuring a cohesive and integrated

approach to the key building blocks of governance and risk management. These documents are reviewed and updated on an annual basis.

The continued focus of these documents is to strengthen and improve the existing systems of internal control. Regular reports on the Board Assurance Framework and Corporate Risk Register were submitted to the Trust Board during the year.

Three operational lead Assistant Directors support the Governance infrastructure (ie Risk Management & Governance, Safe & Effective Care and Social Work, Social Care Governance, Social Work Regulation Improvement). Their key focus during the year was to continue to support the high level and supporting sub committees and the operational Directorates in the delivery of the integrated governance agenda. They also assisted the Lead Director, Governance, in further embedding the extant governance infrastructure.

The Trust also continued to embed its integrated organisational-wide system of risk management which focuses on a single approach to the management of clinical and non-clinical risks. The system is based on the AS/NZS 4360: 2004 standard as directed by the Department of Health, Social Services and Public Safety in July 2002.

A Risk Management Policy and Strategy is available for all staff which details the commitment, process and behaviours expected of Trust staff. There is a clear chain of accountability for managing risk from the Accounting Officer downwards. The responsibilities of the Executive Management Team, Trust Board, Audit Committee, Governance Assurance Committee and other relevant committees and sub committees are clearly defined. There is regular consultation with key stakeholders and partners on risk – the Department, Health and Social Care Board, Regulation Quality and Improvement Authority and the Northern Ireland Prison Service.

In January 2013, Internal Audit, in accordance with the Internal Audit Plan undertook an audit of the Trust's risk management arrangements. They provided satisfactory assurance on the system of internal control over risk management. The Trust has provided a response to the audit report and an action plan has been developed to address the recommendations contained therein.

Staff are trained and equipped to manage risk in a way appropriate to their authority and duties. Risk management support and guidance is made available to staff both in paper format and via the intranet. Managerial staff are clearly accountable for ensuring that appropriate guidance, support and training is available for all their staff. There is on-going training provided by both the Risk Management Directorate and other specialist advisers to embed risk management concepts and tools into everyday business.

During the year the main focus on risk management training was on General Risk Assessment, Corporate and Directorate Risk Registers. In addition, a range of other training was delivered for e.g. Induction, Root Cause Analysis, Incident Reporting, Consent, Emergency Preparedness, Information Governance and NVQ courses. A range of other health and safety training was provided on an on-going basis by specialist advisers for eg fire, manual handling, display screen equipment and waste management, etc.



The Trust promotes an open, just, honest and participative culture in which errors or service failures can be admitted, reported and discussed openly. Incident reporting (including near misses) is the cornerstone of the risk management system. Trust staff are encouraged to undertake individual reporting of near misses, errors or mistakes, and to look critically at their own actions and those of their teams to ensure we can provide good quality services for our patients/clients, staff and visitors. Incident reporting is a key mechanism for quality improvement and is a key component of the governance programme. New policies and procedures were developed in March 2013 for incident reporting and management and these will be rolled out during 2013/2014.

Reports of all Root Cause Analysis Reports and other relevant incidents are widely disseminated within the Trust (and outside, as appropriate) to ensure that all areas learn from other's mistakes.

During the year the work of the Lessons Learnt Sub Committee, chaired by the Chief Executive, was further embedded in the organisation and provides assurance that lessons arising from incidents, complaints, litigation and other reports/review are truly embedded within all levels of the organisation.

In compliance with the Trust's duty of quality, the work of all committees and sub committees will continue to support the development of risk management and safe and effective care systems in order to provide an environment in which users, staff and other stakeholders are protected and where safe, effective, efficient and high quality health and social care is provided.

### **South Eastern Health and Social Care Trust's Risk and Control Framework**

The Trust has an extant Risk Management Strategy, which is based on the principles of the AS/NZS 4360: 2004, and was formally endorsed by the Trust Board at its meeting on 30 March 2011. It is reviewed on an annual basis by the Corporate Control Committee. This document includes the identification of the Trust's Risk Management objectives and the leadership, accountability and working arrangements for risk management through the formation of appropriate organisational structures. It also details the application of the Trust's risk matrix and a definition of acceptable risk. All risks, whether resulting from accidents, incidents, adverse events, hazard reports or any form of risk assessment must be graded in accordance with the risk matrix and entered on the appropriate risk register/s.

The strategy is delivered through the work of the Corporate Control Committee and its supporting sub committees. In addition, Directorates in their individual Directorate Management Plans include a range of governance and risk management initiatives based on the Trust's high-level Governance priorities outlined in the Corporate Management Plan. These plans are monitored via the performance management and accountability framework and an audit of the risk management systems was undertaken by Internal Audit during December to February 2013 - **satisfactory assurance was confirmed.**

There is regular risk management reporting at various levels within the organisation and this is managed primarily through the Planning, Performance and Accountability

Framework. Governance and Risk Management is a key standing agenda item monitored as part of this performance management process.

Reports on Directorate Risk Registers are submitted and discussed on a quarterly basis by the Corporate Control Committee. A similar process is in place for the Corporate Risk Register with the Governance Assurance Committee. A bi-annual report on both registers is received by the Trust Board. There is a clear method of risk identification using the risk assessment and risk register tools/methodologies and upward identification and reporting of risks. Risk appetite/tolerance levels are included within the risk strategy and risk matrix which clearly demonstrates how to escalate risks from department, Directorate and Corporate levels. All significant risks are assessed and ranked and action plans developed to mitigate the risk. A risk owner (manager) is assigned to each risk and has the authority to allocate actions to specific staff. Employees are made aware of their own responsibilities for managing risk via a range of methods – corporate induction, departmental induction, specific risk management awareness and training courses specific to their job roles.

Risk management organisational structures and reporting procedures are in place for verifying that key risk areas are regularly reviewed and reported on and that risk management has been fully incorporated into the corporate planning and decision making processes of the organisation. The Trust has a wide range of communication and consultation mechanisms in existence with relevant stakeholders, both internal and external.

Staff are trained and encouraged to report all incidents (including Information Governance incidents) to ensure the Trust can investigate the reason for an incident occurring and take measures to prevent it happening again. All incidents of an Information Governance nature are reported on a quarterly basis to the Information Governance Steering Committee.

## **Information Risk**

In terms of risks to information, the Trust has a well-established Information Governance Sub Committee (IGSC) which reports to the Corporate Control Committee and is supported in its work by six sub committees. The role of the Information Governance Sub-Committee is to lead, co-ordinate and direct the strategic agenda with regard to Information Governance and Records Management issues within the Trust. It also supports the Trust's Corporate and Directorate objectives and ensures that risks in this area are regularly identified and addressed. Information risks are identified at all levels in the organisation and, where appropriate, are included on the Directorate and/or Corporate Risk Registers.

The Director of Human Resources & Corporate Affairs and the Personal Data Guardians i.e. the Trust's Medical Director and Director of Social Work, Regulation & Inspection are the Trust leads for ensuring compliance with the Data Protection Act 1998, the Code of Practice on Protecting the Confidentiality of Service User Information. The Director of Human Resources & Corporate Affairs is the Trust's nominated Senior Information Risk Owner (SIRO); The deputy SIRO is the Director of Planning, Performance and Informatics. All Assistant Directors have been nominated to the roles of Information Asset Owner (IAO). The appointment of SIRO

and IAO were made under the direction of the DHSSPS as a result of its Data Protection Reviews 2007/08. The Trust's SIROs and IAO's have participated in the DHSSPS regional IAO training programme which concluded in March 2012.

During the year the Information Governance Sub Committee continued, in conjunction with its six supporting working groups, to roll-out a challenging programme of work during 2012/2013. This included, the continuation of an extensive audit of information assets held by each Directorate which has enabled the Information Governance (IG) Department to develop an Information Governance action plan for each Information Asset Owner (Assistant Director) to progress throughout 2012/2013 in accordance with the DHSSPS Information Governance Framework. Each Information Asset Owner has a complete information register for their area/s of responsibility. In addition, the Information Governance Department carried out a validation process of the register of 3rd party electronic transfers of personal information.

A comprehensive suite of Information Governance policies has been approved and is freely available to staff on the intranet for e.g. Data Protection Policy, ICT Security Policy, Code of Practice of Protecting the Confidentiality of Service User Information (DHSSPS), Policy endorsing Code of Practice for Protecting the Confidentiality of Service User Information, Records Management Policy and Records Management Procedures. The DHSSPS's revised Good Management, Good Records Guidance which included an updated Retention and Disposal Schedule has been widely distributed throughout the Trust together with an accompanying synopsis identifying any significant changes to record retention, for ease of staff use.

The Trust has continued to roll-out learning in line with the annual IG training programme. In addition, the Trust has participated in the development of a bespoke Health & Social Care online IG training programme. During 2012/2013, there was an increased demand across Directorates for delivery of data protection training as a result of joint working between the Information Governance Department and each Directorate. Both ICT and Information Governance continued to progress their respective Controls Assurance standards throughout the year resulting in both areas achieving substantive compliance.

The Trust continues to monitor the off-site records storage contract (awarded on 1 March 2012). It also continues to actively progress the destruction of archived records in accordance with Good Management, Good Records, 2011. A number of projects to increase efficiencies in this area such as, the disposal of closed records are being actively implemented.

The Information Governance Team continues to participate in the DHSSPS Information Governance Advisory Group to ensure that the Information Governance agenda is focused to meet the needs of the DHSSPS strategic agenda. One continuing key focus is the review of the Records Management Controls Assurance Standard to ensure alignment with the NHS Information Governance toolkit. The Trust participated in the consultation process with the DHSSPS in the development of a draft Information Management Controls Assurance Standard.

Staff are trained and encourage to report all incidents including (Information Governance) incidents to ensure the Trust can investigate the reasons of an incident

happening again. The Information Governance Steering Group receives quarterly reports on all information governance incidents. In addition, all reported incidents of data loss or confidentiality breach in 2012/2013 have been assessed. While there were several small scale incidents, the impact was limited and procedures were put in place to address future risk in these areas. The incidents did not require reporting to the Information Commissioner.

Any issues specifically identified by the IGSC are managed via the Risk Management & Governance Directorate Risk Register or escalated to the Corporate Risk Register, if appropriate. Regular reports are made to the IGSC, as appropriate.

The Trust is also committed to ensuring the security of information held in electronic form. During the year, the rollout of the action plans to support the Informatics Strategy (June 2009) continued. This strategy clearly defined the Trust's vision for informatics for the period 2009 – 2012. Progress, against work plans detailed within the strategy, is monitored by the Trust's Informatics Programme Board whose membership is representative of all Trust Directorates.

### **Public Stakeholder Involvement**

The Trust regularly interfaces with public stakeholders, where appropriate, with regard to risks which impact on them, for example:-

- Via the Corporate and Directorate Risk Registers – these registers identify risks to the achievement of the overall objectives, including the provision of services, and the range of persons affected by specific risk issues. Summary information about both registers is presented on a bi-annual basis to the Public Trust Board.
- There are a number of sub committees aligned to the Trust's governance structures whereby both patients and clients attend and actively input to discussions about Trust specific issues i.e. the Personal & Public Involvement Sub Committee. The purpose of this engagement is to work with service users to design, deliver and improve services, which would include any associated risk issues. In addition, there is also a Trust-wide User Forum and specific Service User Fora in operation across the Trust which also provide active platforms through which service user engage in decision making, feedback processes and associated risk issues.

### **Assurance**

The Trust has an Assurance Framework (March 2011) which is based on the Department's Assurance Framework (April 2009). This framework provides a strong basis for effective challenge and better informed decision-making at Trust Board level. The framework helps the Trust to improve its systems of internal control. It does this by showing how the evidence for adequate control can be marshalled, tested and strengthened within the Assurance Framework. It forms part of a series of strategies and systems for improving and strengthening practices and governance arrangements so that safe and high quality health and social care are provided to all that need them.

The framework work sits alongside the Corporate Risk Register system and the Controls Assurance process, which underpins all aspects of the business of Health & Social Care (HSC) – clinical and social care, financial and organisational – and which supports the Trust’s governance arrangements.

The commissioning and provision of health and social care services by the Trust requires quality assurance and risk management. They also require organisational governance, such as management of personnel, financial efficiency and systems efficiency, as much as clinical and social care governance; all the various elements of governance need to be managed and this is done via the Assurance Framework, Risk Management and Governance Strategies. All documents are subject to annual review.

A key source of assurance is the reports from Internal Audit. The annual Audit Plan is based on key risks and systems within the organisation. As part of its annual audit programme for 2012/13, Internal Audit reviewed the Trust’s Risk Management and Governance arrangements and in March 2013 reported satisfactory assurance on the system of internal control for Risk Management and Governance.

The quality of the assurance received by the Trust from Internal Audit is reviewed through a regional forum. This group assesses various feedback including external quality assessment (peer review) and other professional aspects of the function.

Trust Board assures itself in relation to information flows through:-

- Provision of Internal Audit Services on a regular basis.
- By regular review of its own effectiveness via Workshops.

The effectiveness of various Sub-Committees of Trust Board is also subject to regular review.

**Controls Assurance Standards**

The South Eastern Health and Social Care 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 2012/13.

The Organisation achieved the following levels of compliance for 2012/13, for those standards relevant to Charitable Funds.

<b>Standard</b>	<b>DHSS&amp;PS Expected Level of Compliance</b>	<b>Trust Level of Compliance</b>	<b>Audited by Internal Audit</b>
<b>Financial Management (Core Standard)</b>	75% - 99% (Substantive)	89%	Yes
<b>Governance (Core Standard)</b>	75% - 99% (Substantive)	95%	Yes
Management of Purchasing and Supply	75% - 99% (Substantive)	83%	Yes
Medical Devices and Equipment Management	75% - 99% (Substantive)	81%	No

<b>Risk Management (Core Standard)</b>	75% - 99% (Substantive)	89%	Yes
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### Sources of Independent Assurance

The South Eastern Health and Social Care Trust obtains Independent Assurance from the following sources:-

### Internal Audit

The South Eastern Health and Social Care 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.

In 2012-13 Internal Audit reviewed the following systems which have relevance to Charitable Funds:

<b>Audit Area</b>	<b>Level of Assurance</b>
Key Financial Controls	Satisfactory
Payroll	Satisfactory
Non-Pay Expenditure	Satisfactory
Bank and Cash	Satisfactory
Budgetary Control	Substantial
General Ledger	Satisfactory
Income	Satisfactory
E-rostering (including related Agency & Locum)	Satisfactory
Management of Contracts	Limited
Cash Management in Social Services Facilities	Satisfactory
Private Patient Income	Satisfactory
Client Monies in the Independent Sector	Satisfactory - Overall  Limited - Stewart Memorial House (incl. Adult Supported Living Scheme).
Risk Management	Satisfactory

In her annual report, the Head of Internal Audit provided the following opinion on the Trust's system of internal control:

“My overall opinion for the year ended 31 March 2013 is that there is a satisfactory system of internal control designed to meet the organisation's objectives. However, Limited assurance has been provided in relation to a small number of specific areas, in particular Management of Contracts”

Management accept all of the audit findings and there are action plans in place to address all findings.

The Trust also receives independent assurance from the following bodies :-

- Northern Ireland Audit Office – Provides an independent opinion in whether the Trusts Public Fund Accounts and Charitable Trust Accounts present a true and fair view in respect of the Trust's financial activities.

### **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 system of internal governance is informed by the work of the internal auditors and the executive managers within the South Eastern Health and Social Care Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their 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 relevant internal mechanisms, Audit Committee, Governance Assurance Committee, Corporate Control Committee and the Safety & Quality Committee, and a plan to address weaknesses and ensure continuous improvement to the system is in place.

The Trust has a robust system of internal control in place within the organisation that supports the achievement of the policies, aims and objectives of the organisation. It is built on a comprehensive set of committees covering all aspects of governance including clinical and social care governance, risk management (including organisational controls) and financial controls.

The Trust Board regularly considers reports contained in the Assurance Framework/Corporate Risk Register faced by all areas within the Trust. This report contains information on levels of assurances, gaps in assurances and controls and actions plans to mitigate any shortfalls.

The Audit Committee met on 4 occasions during the 2012/2013 and regularly considered the effectiveness of internal controls. It approves and endorses the Internal Audit programme of work which is risk based. Regular progress and follow up reports are provided to the Audit Committee. The Audit Committee provides an Annual Report on the effectiveness of the Committee to the Board. It also receives the draft Head of Internal Audit Opinion and recommends approval of the draft Statement of Internal Control to the Board. In addition, it reviews progress on implementing internal and external audit recommendations.

The Governance Assurance Committee met on 4 occasions during 2012/2013 and considers the effectiveness of the Trust's governance arrangements. The Chairman of this Committee is a member of the Audit Committee. Likewise, the Audit Committee Chairman sits on the Governance Assurance Committee. This committee reports to the Trust Board on a quarterly basis and provides assurances on all aspects of Governance (except financial controls). The Governance Assurance Committee provides an Annual Report on the effectiveness of this Committee to the Board.

The Audit Committee is responsible for the financial systems of internal control, and oversees the work and outputs of Internal Audit. It also reports direct to the Trust

Board. The Corporate Control and Safety & Quality Committees and their associated committees form the main strands within the governance framework for the delivery of governance and risk agendas and report to the Governance Assurance Committee.

Non-Executive Directors sit on the Corporate Control and Safety & Quality Committees, Governance Assurance and the Audit Committees. The minutes of all sub committees are shared with the respective parent committee and the minutes of the Audit and Governance Committees are circulated to the Trust Board.

On 30 April 2013, the Trust submitted its self-assessment of the Board Governance Tool (issued in December 2012). An action plan has been developed to address any areas on non-compliance.

The Trust has in place a process for reviewing receipt of external reports/inquiries to ensure that lessons are learnt and actions implemented, as necessary. During the year a number of key reports were received. Baseline assessments were completed and action plans prepared and tracked via the Safety & Quality Committee.

An Internal Audit programme was agreed at the outset of the year and its work plan was informed by an analysis of risk to which the Trust was exposed. Internal Audit undertook 7 Controls Assurance audits – the results are detailed in the table above. The Audit Committee agreed the internal audit plan for period April 2012 to March 2013 at its meeting on 25 April 2012.

The Board Secretary maintains a Register of Declaration of Interests and Register of Interests which is reviewed on annual basis (or sooner, if changes are notified by Board members) and is available on request for members of the public. In addition, Board members provide an annual statement confirming compliance with the Code of Conduct and Accountability.

In conclusion, as Accounting Officer, I am satisfied with the system of internal control within South Eastern Health and Social Care Trust.

## **Internal Governance Divergences**

### Significant Control Divergences

There are no significant control divergences relevant to Charitable Funds.

### New Issues

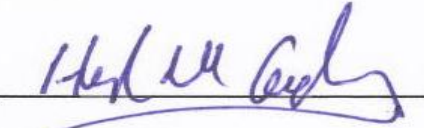
There are no new issues which are relevant to the Charitable Trust Funds.

## **Conclusion**

The South Eastern Health and Social Care Trust has a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of 'charitable' funds, in accordance with Managing Public Money NI.



Further to considering the accountability framework within the Body and in conjunction with assurances given to me by the Head of Internal audit, I am content that the South Eastern Health and Social Care Trust has operated a sound system of internal governance during the period April 2012 to March 2013.

Signed: 

Date: 25<sup>th</sup> Sept 2013

**Hugh McCaughey**  
**Accounting Officer**

## **SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST - CHARITABLE TRUST FUNDS**

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

I certify that I have audited the financial statements of the South Eastern Health and Social Care Trust Charitable Trust Funds for the year ended 31 March 2013 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. These comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out within them.

#### **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 examine, 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 Financial Reporting Council'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 South Eastern Health and Social Care Trust Charitable Trust Funds' circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

#### **Opinion on Regularity**

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

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of South Eastern Health and Social Care Trust's Charitable Trust Funds' affairs as at 31 March 2013 and of its incoming and outgoing resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health, Social Services & Public Safety directions issued thereunder.

### **Opinion on other matters**

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

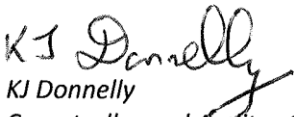
### **Matters on which I report by exception**

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

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

21 October 2013

## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### **Statement of Financial Activities for the year ended 31 March 2013**

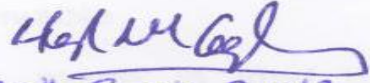
	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total Funds £000	2012 Total Funds £000
<b>INCOMING RESOURCES</b>						
Incoming resources from generating funds						
Voluntary Income	2	17	365	0	382	380
Activities for generating funds						0
Investment income	3	50	144	0	194	180
Incoming resources from charitable activities	4	0	0	0	0	0
Other incoming resources		0	0	0	0	0
<b>Total Incoming Resources</b>		<b>67</b>	<b>509</b>	<b>0</b>	<b>576</b>	<b>560</b>
<b>RESOURCES EXPENDED</b>						
Costs of Generating funds						
Costs of generating voluntary income		0	0	0	0	0
Fundraising trading: Costs of goods sold and other costs		0	0	0	0	0
Investment management costs		0	0	0	0	0
Charitable Activities	6	(826)	(650)	0	(1,476)	(609)
Governance Costs	5	(24)	(49)	0	(73)	(72)
Other Resources Expended		0	0	0	0	0
<b>Total resources expended</b>		<b>(850)</b>	<b>(699)</b>	<b>0</b>	<b>(1,549)</b>	<b>(681)</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(783)</b>	<b>(190)</b>	<b>0</b>	<b>(973)</b>	<b>(121)</b>
<b>TRANSFERS</b>						
Gross transfers between funds	8	0	0	0	0	0
<b>Net Incoming/(Outgoing) Resources before other recognised gains and losses</b>		<b>(783)</b>	<b>(190)</b>	<b>0</b>	<b>(973)</b>	<b>(121)</b>
<b>OTHER RECOGNISED GAINS/LOSSES</b>						
Gains/(losses) on revaluation of fixed assets for charity's own use		0	0	0	0	0
Gains/(losses) on investment assets	12	222	656	0	878	129
<b>Net Movement in Funds</b>		<b>(561)</b>	<b>466</b>	<b>0</b>	<b>(95)</b>	<b>8</b>
<b>Adjustment to add back: Notional Audit Fee</b>		<b>7</b>	<b>0</b>	<b>0</b>	<b>7</b>	<b>6</b>
<b>Net Movement in Funds excluding Notional Audit Fees</b>		<b>(554)</b>	<b>466</b>	<b>0</b>	<b>(88)</b>	<b>14</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Fund balances brought forward at 1 April 2012</b>		<b>1,833</b>	<b>5,203</b>	<b>61</b>	<b>7,097</b>	<b>7,083</b>
<b>Fund balances carried forward at 31 March 2013</b>		<b>1,279</b>	<b>5,669</b>	<b>61</b>	<b>7,009</b>	<b>7,097</b>

The notes at pages 29 to 41 form part of this account.

**SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**  
**Balance Sheet as at 31 March 2013**

	Notes	31 March 2013 £000 £	31 March 2012 £000 £
<b>Fixed Assets</b>			
Intangible assets		0	0
Tangible assets	11	100	100
Heritage assets		0	0
Investments:	12	0	0
Investments		7,751	6,679
Programme related investments		0	0
<b>Total Fixed Assets</b>		<u>7,851</u>	<u>6,779</u>
<b>Current Assets</b>			
Stock		0	0
Debtors	13	82	28
Short term investments and deposits		0	0
Cash at bank and in hand.		5	293
<b>Total Current Assets</b>		<u>87</u>	<u>321</u>
<b>Creditors: Amounts falling due within one year</b>	14.1	(929)	(3)
<b>Net Current Assets/ (Liabilities)</b>		<u>(842)</u>	<u>318</u>
<b>Total Assets less Current Liabilities</b>		7,009	7,097
<b>Creditors: Amounts falling due after more than one year</b>	14.2	0	0
<b>Provision for liabilities and charges</b>		0	0
<b>Net Assets</b>		<u>7,009</u>	<u>7,097</u>
<b>Funds of the Charity</b>			
Restricted income funds	15	5,669	5,203
Endowment funds	15	61	61
Unrestricted income funds	15	1,184	1,738
Unrestricted income funds		95	95
Revaluation reserve			
<b>Total unrestricted funds</b>		<u>1,279</u>	<u>1,833</u>
<b>Total charity funds</b>		<u>7,009</u>	<u>7,097</u>

The notes at pages 29 to 41 form part of this account.

Signed:   
Date: 25th SEPT 2013

**Hugh McCaughey**  
**Accounting Officer**

## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### **Notes to the accounts**

#### **1. Accounting policies**

##### **1(a) Basis of preparation**

The financial statements have been prepared in accordance with 'Accounting and Reporting by Charities' The Statement of Recommended Practice issued in March 2005, and with relevant guidance issued by the DHSSPS.

##### **1(b) Incoming resources**

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

- i) entitlement – arises when a particular resource is receivable or the charity's right becomes legally enforceable;
- ii) certainty – where there is reasonable certainty that the incoming resource will be received;
- iii) measurement – when the monetary value of the incoming resources can be measured with sufficient reliability.

##### **1(c) Incoming resources from legacies**

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

##### **1(d) Gifts in kind**

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

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

### **1(e) Intangible income**

Intangible income (e.g. the provision of free accommodation) is included in the accounts with an equivalent amount in outgoing resources, if there is a financial cost borne by another party. The value placed on such income is the financial cost of the third party providing the resources.

### **1(f) Resources expended and irrecoverable VAT**

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

### **1 (g) Allocation of support costs and overheads**

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

### **1 (h) Costs of generating funds**

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

### **1 (i) Charitable activities**

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

### **1 (j) Governance costs**

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

### **1 (k) Fixed assets**

#### **Capitalisation**

All assets falling into the following categories are capitalised:

- i) computer software licences are capitalised as intangible assets where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £5,000;
- ii) tangible assets which are capable of being used for a period which could exceed one year, and have a cost in equal to or greater than £5,000;

- iii) groups of tangible fixed assets which are interdependent or would normally be provided or replaced as a group with a total value in excess of £5,000 and an individual value of £1,000 or more.
- iv) Heritage assets are capitalised where reliable cost information/sufficiently reliable conventional valuation figures are available. In circumstances where this information is not available or significant costs are involved which may be onerous compared with the additional benefits derived by users of the accounts then these assets will be excluded from the balance sheet with a disclosure in the notes to the accounts (SORP paragraph 283).

## **Valuation**

Intangible fixed assets held for operational use are valued at historical cost. Surplus intangible assets are valued at net recoverable amount. Tangible fixed assets are valued as follows:

- i) land, buildings, installations, and fittings are stated at open market value for their existing use. Valuations are carried out professionally at five-yearly intervals. Between valuations an appropriate index is applied to revalue the assets.
- ii) equipment is valued at estimated net current replacement cost;
- iii) assets in the course of construction are valued at current cost.

## **Depreciation**

Depreciation is charged on a straight line basis on each main class of tangible asset as follows:

- land and assets in the course of construction are not depreciated;
- buildings, installations, and fittings are depreciated on their current revalued amount over the assessed remaining life of the asset as advised by the professional valuers;
- equipment is depreciated evenly over the estimated life of the asset.

## **Impairments**

Impairments, where incurred in the year are separately identified in Note 11 and charged to the funds of the charity where caused by price fluctuations and to the Statement of Financial Activities for the year when the impairment was recognised.

### **1 (l) Donated assets**

Donated Assets are capitalised at their valuation on a full replacement cost basis on receipt and are revalued and depreciated as described above.

### **1 (m) Investment fixed assets**



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

Property assets are not depreciated but are shown at market valuation.

Quoted stocks and shares are included in the balance sheet at mid-market price ex-div.

Other investment fixed assets are included at trustees' best estimate of market value.

### **1 (n) Realised gains and losses**

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

### **1 (o) Funds structure**

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

### **1 (p) Pensions**

The Charitable Trust Fund has no employees.

## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### **2. Analysis of voluntary income**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2013 Funds £000</b>	<b>Total 2012 Funds £000</b>
Donations from individuals	17	198	215	224
Corporate donations	0	0	0	0
Legacies	0	167	167	156
Grants	0	0	0	0
other	0	0	0	0
<b>Total</b>	<b>17</b>	<b>365</b>	<b>382</b>	<b>380</b>

### **3. Gross investment income**

	<b>2013 Total Funds £000</b>	<b>2012 Total Funds £000</b>
<b>Gross income earned from:</b>		
Fixed asset equity and similar investments	194	180
Fixed asset cash on deposit	0	0
Current asset investments	0	0
Other	0	0
<b>Total</b>	<b>194</b>	<b>180</b>

### **4. Incoming resources from charitable activities**

There are no incoming resources from charitable funds.

## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### **5. Allocation of support costs and overheads**

	<b>2013 Total Funds</b>	<b>Allocated to Governance</b>	<b>Charitable activities</b>	<b>Basis of apportionment</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	
Financial Administration	66	0	66	Fully allocated to Charitable Activities
Salaries and related costs	0	0	0	
Staff training	0	0	0	
Staff recruitment	0	0	0	
Office rent	0	0	0	
Internal Audit	0	0	0	
External Audit	7	7	0	Fully allocated to Governance
Telephone/ Postage/ Stationery	0	0	0	
Bank Charges	0	0	0	
Other professional expenses	0	0	0	
Insurance	0	0	0	
Other	0	0	0	
<b>Total</b>	<b>73</b>	<b>7</b>	<b>66</b>	

### **6. Analysis of charitable expenditure**

	<b>Grant funded activity</b>	<b>Support Costs</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Medical research	0	0	0
Purchase of new equipment	769	0	769
Building and refurbishment	69	0	69
Staff education and welfare	170	0	170
Patient education and welfare	447	0	447
Other	21	0	21
<b>Total</b>	<b>1,476</b>	<b>0</b>	<b>1,476</b>

## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### **7. Analysis of grants**

In 2012/2013 grants payable of £577k (£70k 2011/2012) related to expenditure made from charitable trust funds for the purchase of medical equipment. This equipment has been donated to and is for the use by the South Eastern HSC Trust. The unconditional legal title of these assets has been passed to the South Eastern HSC Trust. The expenditure in respect of these items is included in Note 6 under the “purchase of new equipment”.

### **8. Transfers between funds**

There are no transfers between Unrestricted and Restricted Funds during the year.

### **9 Analysis of staff costs:**

No staff costs were incurred during the year.

### **10. Auditor’s remuneration**

The auditor’s remuneration of £7k related solely to the audit with no other additional work undertaken (2012 £6k).

## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### 11. Total tangible fixed assets

	Freehold Land & Buildings	Other interests in Land and Buildings	Computer Equipment	Plant and Machinery	Fixtures, Fittings and Equipment	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>							
Balance at 1 April 2012	100	0	0	0	0	0	100
Additions	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Cost/Valuation at 31 March 2013</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>
<b>Accumulated Depreciation:</b>							
Balance at 1 April 2012	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Charge for the year	0	0	0	0	0	0	0
<b>Balance at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Book Value at 31 March 2012</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>
<b>Net Book Value at 31 March 2013</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>
<b>Historic cost at 31 March 2013</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### 12. Analysis of fixed asset investments

#### 12.1 Investments in a Common Investment Fund

	2013 £000	2012 £000
Market value at 1 April 2012	6,679	6,370
Net cash inflow/(outflow)	0	0
Share of income	194	180
Share of realised gains/(losses)	17	32
Share of unrealised gains/(losses)	861	97
<b>Market value at 31 March 2013</b>	<b>7,751</b>	<b>6,679</b>

#### 12.2 Movement in fixed asset investment

There was no movement in fixed asset investment during the year.

#### 12.3 Market value as at 31 March 2013

	Held in UK £000	Held outside UK £000	2013 Total £000	2012 Total £000
Investment properties	0	0	0	0
Investments listed on Stock Exchange	0	0	0	0
Investments in CIF	7,751	0	7,751	6,679
Investments in a Common Deposit Fund or Investment Fund	0	0	0	0
Unlisted securities	0	0	0	0
Cash held as part of the investment portfolio	0	0	0	0
Investments in connected bodies	0	0	0	0
Other investments	0	0	0	0
<b>Total market value of fixed asset investments</b>	<b>7,751</b>	<b>0</b>	<b>7,751</b>	<b>6,679</b>

## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### 13. Analysis of debtors

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
<b>13.1 Amounts falling due within one year</b>		
Trade debtors	0	0
Prepayments	26	0
Accrued income	0	0
Other debtors	56	28
<b>Total</b>	<u>82</u>	<u>28</u>

### 13.2 Amounts due over one year:

No debtors were due over one year.

### 14. Analysis of creditors

#### 14.1 Amounts falling due within one year

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
Loans and overdrafts	0	0
Trade creditors	0	0
Other creditors	0	0
Accruals	(929)	(3)
Deferred income	0	0
<b>Total</b>	<u>(929)</u>	<u>(3)</u>

#### 14.2 Amounts falling due after more than one year

No creditors were due over one year.

## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### 15 Analysis of charitable funds

	<b>Balance at 1 April 2012 £000</b>	<b>Incoming resources £000</b>	<b>Resources expended £000</b>	<b>Transfers £000</b>	<b>Gains and losses £000</b>	<b>Fund at 31 March 2013 £000</b>
<b>Endowment funds</b>						
Down & Lisburn Endowment Fund	61	0	0	0	0	61
Other (individually less than 5%)	0	0	0	0	0	0
<b>Endowment funds total</b>	61	0	0	0	0	61
<b>Restricted Funds</b>						
Robert Moorhead Bequest	733	30	(96)	0	85	752
McDermot Fund	370	82	(23)	0	53	482
UHD Ethel Agar	864	24	(8)	0	108	988
UHD Coronary Care/Cardiac	0	0	0	0	0	0
LVH Cardiac Fund Fund b	232	161	(103)	0	44	334
Other (individually less than 5%)	3,004	212	(469)	0	366	3,113
<b>Grand Total</b>	5,203	509	(699)	0	656	5,669

Endowment funds are used to generate income whilst maintaining the capital value of the funds. Income earned from these funds are apportioned against all other funds and used for charitable purposes. The endowment funds generated £2k of income from dividends in year.

<b>Analysis of unrestricted and material designated funds</b>	<b>Balance at 1 April 2012 £000</b>	<b>Incoming resources £000</b>	<b>Resources expended £000</b>	<b>Transfers £000</b>	<b>Gains and losses £000</b>	<b>Fund at 31 March 2013 £000</b>
Bangor Hospital General	338	9	(3)	0	42	386
Ulster Hospital General	1,245	48	(764)	0	151	680
Mental Health General	73	4	(10)	0	9	76
Other (individually less than 5%)	177	6	(66)	0	20	137
<b>Total</b>	1,833	67	(843)	0	222	1,279

Some of the opening balances are not the same as the closing balances in the previous year's accounts. This is because the individual funds listed can change year to year dependent on meeting the 'more than 5% of total value' criteria.



## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### **16. Contingencies**

There are no contingent losses or gains.

### **17. Commitments**

There are no material commitments.

### **18. Financial Guarantees**

There are no material guarantees given.

## **SOUTH EASTERN HSC TRUST – CHARITABLE TRUST FUNDS**

### **19 Related party transactions**

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

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

The Charitable Trust has made revenue and capital payments to the South Eastern HSC Trust where the Trustees are also members of the Trust.

The administration of the Trust Funds of the South Eastern HSC Trust is carried out by employees of South Eastern H&SC Trust. The cost to the Trust Funds for the year amounted to £66k (£66k 2011/2012) and is included within Financial Administration in Note 5.