

AGENDA

**64th Meeting of the Public Health Agency board to be held on
Thursday 17 April 2014, at 1:30pm,
Public Health Agency, Conference Rooms,
12/22 Linenhall Street, Belfast, BT2 8BS**

No	Time	Item	Paper	Sponsor
1.	1:30	Welcome and Apologies		Chair
2.	1:30	Declaration of Interests		Chair
3.	1:30	Minutes of the PHA board Meeting held on 20 March 2014		Chair
4.	1:35	Matters Arising		Chair
5.	1:40	Chair's Business		Chair
6.	1:45	Chief Executive's Business		Chief Executive
7.	1:50	Local Government: Development of Community Planning		Mr McClean
8.	2:20	Finance Update <ul style="list-style-type: none"> • PHA Financial Performance Report 	PHA/01/04/14 (for Noting)	Mr Harkin
9.	2:30	Governance & Audit Committee Update <ul style="list-style-type: none"> • Minutes of 6 February 2014 meeting • Verbal briefing from Chair 	PHA/02/04/14 (for Noting)	Mrs Erskine
10.	2:40	HSC Research and Development Division Update	PHA/03/04/14 (for Noting)	Dr Harper
11.	3:00	Management Statement / Financial Memorandum	PHA/04/04/14 (for Noting)	Mr McClean

12. 3:10 PHA Procurement Plan

PHA/05/04/14 Mr McClean
(for Noting)

13. 3:45 Any Other Business

14. **Date, Time and Venue of Next Meeting**

Thursday 15 May 2014

1:30pm

Conference Rooms 3/4

Public Health Agency

12-22 Linenhall Street

Belfast

BT2 8BS

MINUTES

**Minutes of the 63rd Meeting of the Public Health Agency board
held on Thursday 20 March 2014 at 1:30pm,
in Public Health Agency, Conference Rooms,
12/22 Linenhall Street, Belfast, BT2 8BS**

PRESENT:

- | | |
|-----------------------|-------------------------------------------------------|
| Ms Mary McMahon | - Chair |
| Dr Eddie Rooney | - Chief Executive |
| Mrs Pat Cullen | - Director of Nursing and Allied Health Professionals |
| Dr Carolyn Harper | - Director of Public Health/Medical Director |
| Mr Edmond McClean | - Director of Operations |
| Alderman William Ashe | - Non-Executive Director |
| Mr Brian Coulter | - Non-Executive Director |
| Mrs Julie Erskine | - Non-Executive Director |
| Mr Thomas Mahaffy | - Non-Executive Director |
| Alderman Paul Porter | - Non-Executive Director |

IN ATTENDANCE:

- | | |
|------------------------|-------------------------------------------------------------------|
| Ms Cara Anderson | - Assistant Director of Commissioning, HSCB (<i>for item 9</i>) |
| Mr Simon Christie | - Assistant Director of Finance, HSCB |
| Mrs Fionnuala McAndrew | - Director of Social Care and Children, HSCB |
| Mr Dean Sullivan | - Director of Commissioning, HSCB (<i>for item 9</i>) |
| Mr Robert Graham | - Secretariat |

APOLOGIES:

- | | |
|----------------------|------------------------------------------------------|
| Dr Jeremy Harbison | - Non-Executive Director |
| Mrs Miriam Karp | - Non-Executive Director |
| Mr Owen Harkin | - Director of Finance, HSCB |
| Mrs Joanne McKissick | - External Relations Manager, Patient Client Council |

		Action
36/14	Item 1 – Apologies	
36/14.1	The Chair welcomed everyone to the meeting and noted apologies from Dr Jeremy Harbison, Mrs Miriam Karp, Mr Owen Harkin and Mrs Joanne McKissick.	

37/14 Item 2 - Declaration of Interests

37/14.1 The Chair asked if anyone had interests to declare relevant to any items on the agenda. None were declared.

38/14 Item 3 – Minutes of the PHA Board Meeting held on 20 February 2014

38/14.1 The minutes of the previous meeting, held on 20 February 2014, were approved as an accurate record of the meeting. The minutes were duly signed by the Chair.

39/14 Item 4 – Matters Arising

32/14 HCAI Report

39/14.1 In response to the queries raised at the last meeting, Dr Harper advised that the MRSA figures have been reviewed with the Western Trust. She said the issues related to the decolonisation of patients and ensure adherence to procedures. She added that the focus was now on community settings.

39/14.2 Dr Harper added that MRSA is regularly discussed at meetings with Medical Directors. However, it was noted that the MRSA figures have now reduced greatly and it would be difficult to achieve a further reduction, but a workshop was being organised with HSC Trusts to review this.

40/14 Item 5 – Chair’s Business

40/14.1 The Chair advised that she had attended an event organised by the Patient Client Council regarding an e-learning system which could potentially be used as part of PPI. She said that she had also attended the launch of Flourish, a churches’ initiative working within the community.

40/14.2 The Chair had attended the NICON conference which had featured interesting contributions from patients. She said that the talks at the conference had shown that there is a highly motivated workforce within the HSC who are striving to do the right thing for patients and do it well.

40/14.3 The Chair noted that Board member Thomas Mahaffy had sent

an e-mail requesting an update on social clauses and procurement and advised that there would be an update at a future meeting, with attendance of representatives from BSO.

41/14 Item 6 – Chief Executive’s Business

41/14.1 The Chief Executive said that he had attended an event in Templepatrick regarding the e-health strategy and noted the wide range of work going on in this area. He also informed the Board that he had attended a 2-day conference on “Delivering Safer Care”, which had been a success for PHA.

42/14 Item 7 – Finance Update PHA Financial Performance Report (PHA/01/03/14)

42/14.1 Mr Christie said that the Finance Report for the period up to 31 January showed a deficit of £105k within programme expenditure, and a surplus of £400k within management and administration costs. However, this surplus would be re-invested within programmes. He said that 29% of the PHA’s budget was due to be spent within the last two months of the year, but he said that finance staff were liaising with budget managers and working to ensure that the expenditure could be processed.

42/14.2 Mr Christie said that the issues regarding Lifeline were being worked through, but should not affect the projected break-even position. He finished the report by saying that the prompt payment figures were continuing to show a cumulative improvement.

42/14.3 Mrs Erskine expressed her concern about the rising costs of the Lifeline contract. Mr Christie said that Lifeline is a demand-led service, but that there is a 3-year value on the contract and that the contract will be managed to that value. The Chief Executive added that PHA was reviewing the contract, but acknowledged that there was learning for PHA with regard to demand-led services. He said that discussions have been taking place with Lifeline to ensure that a quality service was being provided.

42/14.4 Alderman Porter asked whether PHA would be in a similar year next year in terms of having to expend additional funds for this service. He asked whether an in-depth report could be provided. Dr Harper said that PHA was currently reviewing the activity

reports provided by Lifeline and obtaining evidence to substantiate the volume of calls being invoiced. She added that a clinical audit is being undertaken of the volume of calls and to ensure the appropriateness of the work Lifeline is undertaking in keeping with the contract.

42/14.5 The Chief Executive acknowledged that this is an important issue, and PHA needed to ensure that the funding for Lifeline is being used appropriately. However, as demand tends to fluctuate, it may be necessary to make adjustments. He assured the Board that PHA is taking an in-depth review of the financial aspects.

42/14.6 Mr Coulter asked about the projected slippage in the overall PHA programme budget and queried whether the slippage was intentional and how it was intended that it would be used. The Chief Executive said that PHA has a complex budget as it is dealing with many organisations and that each year PHA attempts to anticipate where additional cost pressures may arise. He said that work remains ongoing to finalise the PHA's Investment Template for 2014/15 and that the main variances exist in those demand-led services. With regard to surplus funds, the Chief Executive said that PHA works to ensure that any surplus funding is used appropriately. Mr Coulter said that he felt that more information is required on where slippage has been generated.

42/14.7 Mr Christie echoed the comments of the Chief Executive and assured the Board that the generation of slippage is not intentional, and that PHA strives to achieve a break-even position, and that the organisation is held to account by DHSSPS in terms of its financial management.

42/14.8 Members noted the Finance Report.

43/14 Item 8 – Programme Expenditure Monitoring System (PEMS) Report (PHA/02/03/14)

43/14.1 Mr McClean presented the latest PEMS Report and advised that following a recent allocation, there had been a slight increase in PHA's overall operational budget. He said that the amount in negotiation has been reduced to £18k. He advised that there was a slight under-investment in smoking cessation services.

43/14.2 The Chair asked whether there was an increased demand for smoking cessation services during the running of PHA's public information campaigns. She believed that the anti-smoking campaign should be a continuous one. Dr Harper acknowledged that smoking is thought to contribute to half of health inequalities and results in 2,300 deaths per year in Northern Ireland. She added that there is a clear correlation between the campaigns and increase in the demand for services. Following the last campaign, a decline had been noted in the demand.

43/14.3 Mr McClean said that PHA is required to further reduce its advertising expenditure, but that a refresh will be undertaken of the current campaign. Mr Coulter asked if PHA used social media. Mr McClean confirmed this and indicated that the PHA always seeks to use the most appropriate form of media to reach its target audience.

43/14.4 Alderman Ashe asked if PHA can measure the success of its campaigns. Mr McClean said that data is available of numbers of individuals who have quit smoking and Dr Harper added that figures can be obtained in terms of the percentage of individuals who have quit once they have accessed services. Alderman Ashe said that the issue was individuals taking up smoking in the first instance. Dr Harper said that this is an angle that PHA is pursuing.

43/14.5 Mr Coulter asked when the Lifeline contract was due to expire. Mr McClean confirmed that this was in 2015. Alderman Porter queried the reduction in advertising and felt that advertising companies would struggle without government advertising. Mr McClean indicated that considerable effort was expended in ensuring it used the right media and that this was bought far enough in advance to get the best rates.

43/14.6 Members noted the PEMS Report.

44/14 Item 9 – Draft Commissioning Plan (PHA/03/03/14)

44/14.1 The Chair welcomed Dean Sullivan and Cara Anderson to the meeting. She said that this was the sixth Commissioning Plan to be developed, and approved by the PHA and she acknowledged that there had been improvements in the process over the six

years. She added that members had already had two opportunities to consider the Plan at Board workshops.

- 44/14.2 The Chief Executive reminded members of PHA's role in the approval of the Plan and that approval could only be given following an assurance that due regard had been given to PHA's advice during the development of the Plan and that the final Plan had taken account of that advice.
- 44/14.3 Mr Sullivan advised members that the draft Commissioning Plan had been developed following receipt of the Commissioning Plan Direction from DHSSPS in December 2013. He said that the Direction contained seven strategic priorities and a range of ministerial targets. He added that the draft Plan sought to respond to these targets and priorities as well as key HSCB and PHA priorities, and four issues highlighted by the Patient Client Council.
- 44/14.4 Mr Sullivan explained that the development of the Plan had been a team effort, with extensive input from PHA, as well as from all directorates within HSCB at local and regional level. He advised that there was no separate TYC Plan, and that local plans had been built into this one Plan. Mr Sullivan drew members' attention to the financial challenges associated with the delivery of the Plan and said that these remained the subject of ongoing discussions with DHSSPS.
- 44/14.5 Mr Sullivan said that the Plan had been approved by the Board of the HSCB at its meeting on 13 March, and that he was seeking PHA approval, not of publication of the Plan, for submission to DHSSPS as a fit for purpose response to the Commissioning Plan Direction. He said that HSCB has been working closely with DHSSPS to identify the costs associated with the Plan, and that it is ultimately a ministerial decision in terms of how the gap can be reduced, but that HSCB has discharged its responsibility.
- 44/14.6 The Chief Executive invited Executive Directors from PHA to provide assurance to the Board that due regard had been taken of their advice.
- 44/14.7 Dr Harper said that from her perspective, the development of the Plan had been a team effort, and that she was content with what was being proposed.

- 44/14.8 Mrs Cullen also agreed that the compilation of the Plan had been a team effort and from a nursing, AHP and PPI perspective, she was content to approve it.
- 44/14.9 Mr McClean advised that he felt that the Plan reflected the requirements of DHSSPS Commissioning Directions.
- 44/14.10 The Chair invited Non-Executive Directors to comment on the draft Plan.
- 44/14.11 Alderman Ashe asked about how the Plan would ensure that waiting times would be reduced and how it will make a real difference for service users. Mr Sullivan said that within the Plan, there are targets, at both regional and local level and that these are also within Trust delivery plans, therefore any targets set by the Minister will be monitored and managed.
- 44/14.12 Mr Coulter believed that the Plan was a robust response to the Commissioning Directions, noting the constraints that this presented. Mr Coulter said that he would have preferred to have seen discrete identification of areas relating to TYC and the “shift left” but he acknowledged that it was an integrated plan. With regard to the financial outlook, he queried if the Plan had taken account of unforeseen emergencies, noting that in the current financial year HSC Trusts were facing a significant financial shortfall. He asked if any reprioritisation of areas within the Plan had been undertaken. Finally, he expressed concern at the lack of evidence base in social care areas.
- 44/14.13 Mr Sullivan acknowledged the issue of contingency and felt that there was an element of contingency built into the Plan. He sought to give an assurance that the Plan being presented today has taken account of the difficulties within the system and that any saving targets are robust and that what is being asked of Trusts can be realistically delivered. In terms of reprioritising, he said that no reprioritisation has yet taken place, as the draft Plan seeks to fulfil all aspects of the Commissioning Plan Direction.
- 44/14.14 Mrs McAndrew agreed that in relation to an evidence base in social care, there is an ongoing debate in terms of what can be measured, but she explained that funding has been provided from DHSSPS to allow research to be undertaken and that HSCB

is working with R&D colleagues in PHA to develop a strategy for how research can be taken forward in this area.

- 44/14.15 Mrs Erskine said that she had attended the two workshops and that from talking to staff who had been involved in the groundwork for developing the draft Plan, she was assured that due regard had been taken of PHA advice, however she expressed concerns about the financial situation. She thanked all those staff who had been involved in the development of the Plan.
- 44/14.16 Mr Mahaffy expressed his thanks to those who had compiled the draft Plan. He said that he remained concerned at the lack of an assessment of the impact of the Plan on equality or any assessment of current and unmet need. He felt that equality considerations had been relegated from the decision making section of the Plan to the implementation section. He expressed dissatisfaction that the Plan seeks to deliver on TYC which raises a range of issues, mainly the potential privatisation of aspects of the HSC.
- 44/14.17 Mr Mahaffy asked about the options for financial stability and whether the revisions in this section had been driven by a change in policy as this could raise issues with regard to health inequalities. Mr Sullivan explained that this section had been revised as some of the suggestions previously made were outwith the remit of HSCB. The Chief Executive advised that this issue had been raised by PHA members at one of the earlier workshops and that he was pleased that this section had been revised following PHA's concerns.
- 44/14.18 Mr Mahaffy noted that an overall decision had been made in the Equality Screening regarding the need to carry out an EQIA, but not for each individual Programme of Care. Mr Sullivan said that HSCB is aware of its equality obligations and that it would ensure that these are discharged appropriately. He said that HSCB would work with provider organisations to complete full impact assessments where required. Ms Anderson added that if a full EQIA were required to be completed, this would add three months to the process of developing the Plan. Mr Mahaffy felt that there would be merit in having discussions to address some of these concerns.

- 44/14.19 Alderman Porter said that within the Plan, some of the targets needed to be reviewed. Mr Sullivan agreed that there should be greater rigour with regard to some of the targets and agreed to review these.
- 44/14.20 The Chair advised members that the Patient Client Council had written to her and outlined their approval of the draft Plan but there was an acknowledgement of the financial difficulties.
- 44/14.21 The Chief Executive said that the next steps would be that the Plan would be forwarded to DHSSPS for consideration and that if the Plan required to be amended, that an amended Plan would be brought to the PHA Board for consideration and approval. Mr Sullivan said that the final Plan would include some capital projects.
- 44/14.22 Members approved the draft Plan to be submitted to DHSSPS as a fit for purpose response to the Commissioning Plan Direction, with the exception of Mr Mahaffy who expressed his dissent on the basis of his earlier comments.
- 45/14 Item 10 – Board Governance Self-Assessment Tool (PHA/04/03/14)**
- 45/14.1 Mr McClean presented the completed self-assessment tool and explained that following correspondence from DHSSPS in November 2013, PHA was required to complete the questionnaire.
- 45/14.2 Mrs Erskine thanked Rosemary Taylor and Robert Graham for their work in helping to complete the questionnaire but expressed her concern that there is little feedback from DHSSPS regarding the completed questionnaires.
- 45/14.3 The Chief Executive said that the completion of the questionnaire is a positive way of PHA ensuring that it is complying with its governance requirements and identifies areas where there may be gaps in practice. Mr McClean agreed that the findings of the questionnaire show how much PHA has achieved.
- 45/14.4 Mrs Erskine said that an action plan will be completed as part of the questionnaire with action owners identified.

45/14.5 Members approved the self-assessment questionnaire for forwarding to DHSSPS.

46/14 Item 11 – Update on Inter-Sectoral Programme Boards

46/14.1 The Chief Executive gave an overview of the three areas for which it was proposed that programme boards be established, namely child development, local government and older people.

46/14.2 The Chief Executive acknowledged that each group is at a different stage in terms of its operation, but requested that members nominate themselves for the group in which they are most interested. In terms of reporting arrangements, he suggested that regular reports should be brought to the Board.

47/14 Item 12 – Any Other Business

47/14.1 There was no other business and the Chair drew the meeting to a close.

48/14 Item 13 – Date and Time of Next Meeting

Date: Thursday 17 April 2014

Time: 1:30pm

Venue: Public Health Agency

Conference Rooms

2nd Floor

12-22 Linenhall Street

Belfast

BT2 8BS

Signed by Chair: _____

Date: _____

PHA Board Report

February 2014

Income

	<i>Page Reference</i>	Annual £000s	Year to Date £000s
Department Allocation*		94,335	83,561
Income from Other Sources		832	784
Total Income		95,167	84,345

Expenditure

Non-Trust Programme	2	42,863	35,659
Trusts & BSO	3	32,605	29,677
PHA Administration	4	19,530	17,744
Total Expenditure		94,998	83,080
Surplus/(Deficit)		169	1,265

* The Annual Allocation is net of £120k which is to be returned to DHSSPS in respect of ring-fenced funding for SBNI.

Position Synopsis:

The Allocation noted above has been reduced in anticipation of £120k being retracted by DHSSPS, this is in respect of funding for SBNI which is not required in year.

After review of all budgets, PHA is anticipating a small underspend at the year end of £169k.

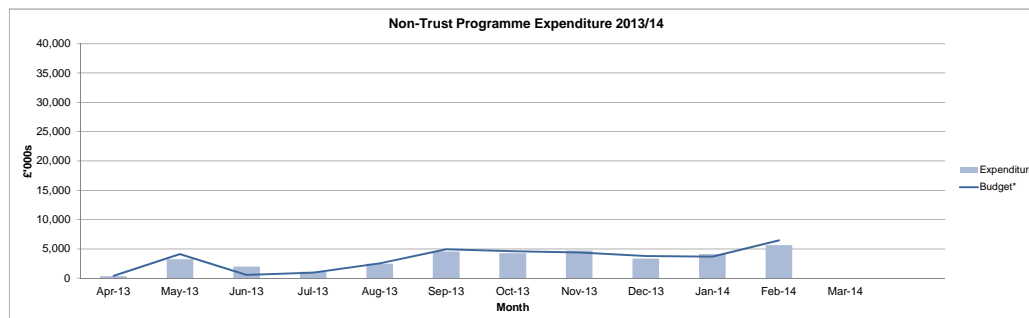
Year to date the financial position shows a surplus of £1.3m, this is a increase of £1m since January 2014. The movement largely relates to the non Trust Programme budget. In the January 2014 report these budgets showed a deficit of £106k and this month the position has moved to a surplus of £673k .

The Management and Administration surplus has increased by £192k since the last report.

It is planned that any surplus generated within Administration budgets will be set against the planned over commitment within programme expenditure for 2013/14 (taking into account the Lifeline Service Pressure), which has been taken into account in the full year breakeven position as shown.

There remains a total of £7.3m of the overall budget to be spent in March; £6m of profiled programme spend and £1.3m of current underspends. Budget Managers have advised that this is expected to be utilised.

Non-Trust Programme Spend



	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total
Budget	409	4,100	564	945	2,533	4,926	4,598	4,379	3,767	3,669	6,442		36,332
Expenditure	332	3,211	1,979	1,109	2,470	4,523	4,250	4,702	3,337	4,082	5,664		35,659
Surplus/(Deficit)	77	889	(1,415)	(164)	63	403	348	(323)	430	(413)	779	0	673

Surplus/(Deficit) made up as follows:

Health Improvement - Belfast LCG	(79)	202	(413)	48	114	3	77	67	(24)	3	46		43
Health Improvement - South East LCG	145	142	(223)	247	(305)	45	23	(59)	(56)	75	352		386
Health Improvement - North LCG	0	(13)	(6)	(144)	231	43	(49)	(77)	(20)	(5)	170		129
Health Improvement - South LCG	(54)	748	(659)	(65)	(142)	145	121	(195)	120	(23)	(44)		(47)
Health Improvement - West LCG	12	120	(202)	46	377	(21)	(171)	(82)	(7)	(30)	53		94
Health Improvement - Lifeline Contract	0	(3)	(64)	(30)	(34)	(28)	(102)	128	(100)	(320)	(86)		(638)
Health Improvement - Smoking Cessation	16	0	(21)	(76)	58	(15)	(5)	0	26	16	79		78
Health Protection	0	(68)	20	(31)	(30)	24	11	80	41	(31)	174		192
Service Development & Screening	(2)	(21)	(22)	(37)	(76)	86	90	(9)	89	(22)	(62)		13
Research & Development	39	2	(22)	8	(64)	(5)	262	(184)	12	5	(53)		0
Campaigns	0	(217)	232	(110)	(45)	66	74	6	(60)	(95)	182		34
Nursing	0	(3)	(35)	(20)	(21)	60	16	2	20	14	(33)		(0)

Additional Internally generated slippage towards programme pressures 389 0 0 389

Position Synopsis:

The current position shows an underspend of £673k at the end of February 2014 based on profiles shared by budget managers and the PEM system used by PHA to plan commitments. The Financial Management team have met with Budget Managers in February to review remaining budget (£6m) and assumptions regarding expenditure.

Budget Holders have assured that all budgets with the exception of Lifeline and Nicotine Replacement Therapy will breakeven at year end. Lifeline is expected to overspend by approximately £700k and NRT is anticipated to underspend by £250k approx. These variances have been taken into account in planning for the year end financial position.

It is important to note that according to the budget profile provided, £6m of programme budgets are expected to be expended during March. In addition to this there is £0.7m of slippage on the programme budgets to date and the surplus of £0.6m from Management and Administration which is to be redirected to fund pressures in programme areas. This gives a total of £7.3m which is required to be spent in March 2014 to ensure a breakeven position for PHA.

PHA Management Team continues to scrutinise in detail the emerging pressure with respect to the Lifeline Service. HSCB Financial Management team are being regularly briefed in order to allow an assessment of the potential financial impact that the pressure may have on the year end financial position.

Revenue Resource Limits (RRLs) to Trusts

February 2014

	Annual Budget (per revised SBAs) £'000s	Budget to Date £'000s	Variance from Annual Budget £'000s	<u>Main Reasons for Increase in Funding</u>
Western Trust	5,065	5,794	729	
Northern Trust	5,663	6,439	776	
Belfast Trust	10,672	11,443	771	A small amount of funding has been retracted from the Trust in February as a result of monitoring which showed that some Health Improvement schemes were not performing as expected.
South Eastern Trust	2,808	3,284	476	
Southern Trust	4,403	4,796	393	
BSO	621	621	0	
Funding identified to Trusts but not yet allocated	-	227	227	
Total	29,232	32,605	3,373	

PHA Administration

February 2014

	Total Budget <u>£'000's</u>	Budget <u>£'000's</u>	Current Month Expenditure <u>£'000's</u>	Variance <u>£'000's</u>	Budget <u>£'000's</u>	Year to Date Expenditure <u>£'000's</u>	Variance <u>£'000's</u>
Salaries & Wages	17,042	1,627	1,417	211	15,960	15,519	441
Goods & Services	2,487	383	403	(20)	2,376	2,226	150
Total Administration	19,530	2,011	1,820	191	18,336	17,744	592

Position Synopsis:

At the end of February 2014, the expenditure on salaries is showing a surplus of £441k against budget. This is after £120k of unutilised budget from Safeguarding Board for Northern Ireland (SBNI), has been returned to DHSSPS. The position has increased since last month due to additional funding for Clinical Excellence Awards.

The YTD variance for Goods and Services budgets has remained relatively static.

HSCB Financial Management on behalf of PHA invested significant time investigating and recoding accruals for invoices received which were uncoded by Shared Services. This issue has been raised with BSO and they have undertaken to resolve it.

The surplus generated within PHA Administration budgets will be redirected to fund pressures within programme areas.

Prompt Payment Statistics

	February 2014 Value £'000	February 2014 Volume of Invoices	Cumulative position as at 28/2/14 £'000	Cumulative position as at 28/2/14 Volume of Invoices
Total bills paid (relating to Prompt Payment target)	492	204	7,852	4,299
Total bills paid on time (within 30 days or under other agreed terms)	480	179	6,994	3,719
Percentage of bills paid on time	97.6%	87.7%	89.1%	86.5%

A number of inconsistencies had been found within the prompt payment figures initially supplied by the Business Services Organisation (BSO). These were based on a regional template report which incorrectly categories some traders for PHA. Work continues with BSO to fully resolve for year end reporting which may require an adjustment to these reported figures.

With regard to performance on the prompt payment target, the PHA have been making good progress in utilising the new systems to clear invoices promptly. The February position shows that 97.6% of the total value of invoices paid were within 30 days, relating to 87.7% of the total volume of invoices. The full year position by volume of invoices is 86.5% and by value is 89.1%. While the recent performance has been exceptional, the cumulative position has been impacted by delayed clearance of invoices in Q1 & Q2 of 2013/14, while the new system processes were bedding in.

An analysis of those not paid within the 30 day target for 2013/14 to date, shows that these invoices are typically lower in value with an average value of £1,482 / invoice. While all invoices are followed up with users on a monthly basis, a special focus on these lower value invoices is now in place.

In addition it should be noted that as at February 2014, PHA have been paying 66.7% of all invoices within 10 days of receipt by BSO, despite delays in scanning invoices by the Shared Service Centre.

MINUTES

**Minutes of the Governance and Audit Committee
Thursday 6 February 2014 at 10 am,
held in Conference Room, 18 Ormeau Avenue, Belfast,
2nd Floor, Linenhall Street, Belfast, BT2 8HS**

PRESENT:

Mrs Julie Erskine	(Chair)
Mr Thomas Mahaffy	Non-Executive Director
Alderman Paul Porter	Non-Executive Director
Mr Brian Coulter	Non-Executive Director
Mrs Miriam Karp	Non-Executive Director

IN ATTENDANCE:

Mr Edmond McClean	Director of Operations
Miss Rosemary Taylor	AD Planning & Operational Services
Mr Simon Christie	AD Finance, HSCB
Ms Dorinnia Carville	Northern Ireland Audit Office
Mr Martin Pitt	Pricewaterhouse Coopers
Mr David Charles	Internal Audit, BSO
Mr Mark Anderson	Sponsor Branch DHSSPSNI
Ms Una Turbitt	PHA, (for Item 12)
Mrs Cathy McAuley	Secretariat

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| 1/14 | Item 1 – Welcome and Apologies
Mrs Erskine welcomed everyone to the meeting. |
| 2/14 | Item 2 – Declaration of Interests
Mrs Erskine asked if anyone had any interests to declare relevant to any items on the agenda.

None were declared. |
| 3/14 | Item 3 – Chair’s Business
Mrs Erskine advised there would be a change to the membership of the committee following the June |

meeting as she would be standing down as Chair and would be replaced by Mr Brian Coulter.

Mrs Erskine advised members that the Information Governance Steering Group meeting would be held on 26 March 2014 and that she would be attending this meeting.

4/14 Item 4 – Minutes of the GAC Meeting held on 5 December 2013

Members agreed the minutes of the GAC meeting held on 5 December 2013 as an accurate record of the meeting.

5/14 Item 5 – Matters Arising

GAC/59/12/13 – Corporate Business Continuity Plan was approved at the PHA Board Meeting on 19 December 2013.

6/14 Item 6.1 – Corporate Risk Register

Mr McClean presented the Corporate Risk Register as at 31 December 2013 for approval and summarised the report as follows;

One new 'high' risk grading has been added;

- Corporate Risk 30 - Management of the Lifeline Contract.

Two risks have been removed;

- Corporate Risk 19 – Insufficiency of Directorate Staff working regionally to meet programme demands.
- Corporate Risk 24 – Introduction of new BSTP systems (de-escalated to Operations Directorate Risk Register).

One risk 'reduced from high to medium;

- Corporate Risk 18 – Ensuring Continuity of Website Communication.

Mr Coulter asked about risk 25; PHA Accommodation. Mr McClean explained that up until the 31 December 2013 the lease for the new PHA Belfast accommodation had not been signed.

Mrs Karp asked about risk 30; Management of the Lifeline Contract. Mr McClean advised that following discussions with Contact and senior management regarding demand management and Invoicing, it was appropriate to put this item back on to the risk register.

Mrs Karp asked if there were concerns surrounding the quality of service. Mr McClean said that Dr Carolyn Harper had recently commissioned a clinical audit of the Lifeline contract, this was expected to be completed in the near future and the findings will be discussed with Directors.

Mr Christie assured the committee that the Lifeline contract was a high priority and that he was content with the robust contingency arrangements which had been put in place. Mrs Erskine thanked Mr Christie for the assurance given to the committee.

Members approved the Corporate Risk Register.

7/14 Item 6.2 – Review of Standing Orders

Members approved the revised Standing Orders and recommended they are taken forward to the PHA board.

8/14 Item 6.3 – Review of Standing Financial Instructions

Members approved the revised Standing Financial Instructions and recommended they are taken forward to the PHA Board for approval.

9/14 Item 6.4 – Review of PHA Scheme of Delegated Authority

Mr Christie presented the annual review of the Scheme of Delegated Authority (SODA) and summarised the proposed changes. He added this had been updated taking account of the introduction of the new finance system.

Alderman Porter asked if the revised changes would impact negatively on staff profiles. Mr Christie explained the levels of authority were low and would not have any impact on job descriptions or job profiles.

Mr Coulter said he was supportive of the changes. He asked if any risk assessments had been documented. Mr Christie explained that as the changes had no significant impact a risk assessment was not applicable.

Members approved the revised SODA and recommended it to the PHA Board for approval.

10/14 Item 7 – Information Governance Update

Miss Taylor gave a verbal update. She advised that the Information Governance Controls Assurance Standard self assessment was being completed. The PHA has made good progress in information governance however electronic records management will be a gap. A new information governance action plan will be developed and will be brought back to GAC. She added exemption from criteria 18-27 (relating to clinical records) has been requested and confirmation is awaited from DHSSPS.

Miss Taylor added E-Learning training had been rolled out to staff including; Records Managements and Data Protection SIROs and IAO training is being organised regionally.

Members noted the update.

11/14 Item 8 – Internal Audit Progress Report

Mr Charles gave a summary of the progress report and advised the Directorate audit on Finance and Human Resources Management had received a satisfactory level of assurance and that four priority two weaknesses were identified.

Mr Charles added the scope of the audit was to select a sample of approval of annual leave, absence and travel expenses which have to be completed through the manager self-service within (HRTPS) and invoices which have to be approved within the FPL system.

Mr Charles advised the committee that all recommendations had been accepted by management.

Members noted the report.

12/14 Item 9.1 – Report to those Charged with Governance Progress Report

Mr Christie presented the progress report on the implementation of recommendations of the report to those charged with governance and summarised the report to members.

Members noted the report.

13/14 Item 9.2 – Fraud Liaison Officer Report Update

Mr Christie gave a summary of the report which detailed no new cases of suspected fraud reported. He added the existing two cases had been closed resulting in no live cases outstanding at this time.

Members noted the report.

14/14 Item 9.3 – Timetable for the Annual Accounts and Report Process

Mr Christie advised that the Department had not yet issued a circular setting out the timetable for Statutory reporting, auditing, laying and publishing process for 2013/14 covering Annual Accounts, Governance Statement, and the Annual Report. However it is expected that the dates will be similar to last year.

He summarised the working draft timetable and the key dates for PHA. He asked members to note the timetable and process.

Members noted the report and process.

15/15 Item 9.4 – BSTP Update

Mr Christie presented the progress report on BSTP and advised there had been continued improvement in many areas although one area had deteriorated; Human Resources, Payroll, Travel and Subsistence (HRTPS). He added all outstanding areas continue to be kept under review and in particular shared services.

He summarised the report and action plan highlighting

prompt payment he advised that a significant improvement had been made and that processes were in place and that work continued with colleagues in BSO. Other areas highlighted were quality of financial information, efficiency of manual payments, system administration and training.

Alderman Porter expressed concern regarding reliance on shared services and suggested that the Chief Executive of BSO, David Bingham be invited to a future meeting of the committee.

Mrs Erskine acknowledged members concerns and said she would be willing to arrange another meeting with the Chair BSO to raise members concerns.

Mr McClean said he and Mr Christie had met with Mr Paddy Anderson, BSO to highlight numerous concerns.

Mr Christie assured the committee while there are problems, BSO performance has improved over the previous four years, however they are currently working through a very significant change process. Mr Christie has written to the BSO Director of Customer Service.

Members agreed to defer their decision to meet with BSO until after the next meeting.

Members noted the BSTP update.

16/14 Item 10 – External Audit: PHA Strategy

Mr Pitt presented the PHA Audit Strategy to members for noting and gave a verbal update on the audit approach and highlighted the three significant risks Voluntary Organisations, BSTP and procurement.

Members noted the Audit Strategy.

17/14 Item 11 – Audit Committee Self-Assessment Checklist

Mrs Erskine presented the Board Governance Self-Assessment Tool to members for noting and asked for comments to be forwarded to Ms Rosemary Taylor by

All

14 February 2014.

Members noted the Board Governance Self-Assessment checklist.

18/14 Item 12 – SBNI Generic Standards Audit: Section 12, Safeguarding Board (NI) Act 2011

Ms Una Turbitt joined the meeting to give members an overview of the findings from the recent audit.

Ms Turbitt said that the audit which had been conducted had been useful and had flagged up four areas where further actions were required for PHA. These were in the areas of e-learning, training, PHA Safeguarding Policy and PHA's role in campaigns.

Members noted the audit.

19/14 Item 13 – Items to be brought to PHA Board

GAC/02/02/14 – Review of Standing Orders

GAC/03/02/14 – Review of Standing Financial Instructions

GAC/04/02/14 – Review of Scheme of Delegated Authority (SODA)

Mr McClean


20/14 Item 14 – Date of next meeting

Date: 10 April 2014

Time: 10:00 am

Venue: Conference Room 3 & 4
2nd Floor, 12-22 Linenhall Street
Belfast
BT2 8HS

PUBLIC HEALTH AGENCY BOARD PAPER

Date of Meeting	17 April 2014
Title of Paper	HSC Research and Development Division Update
Agenda Item	10
Reference	PHA/03/04/14
Summary	
<p>PowerPoint presentation update on HSC R&D Division achievements during 2013-14 and a look forward to planned highlights in 2014-15.</p>	
Equality Screening / Equality Impact Assessment	N/A
Recommendation / Resolution	For Noting
Director's Signature	
Title	Director of Public Health
Date	8 April 2014



Public Health
Agency

HSC R&D Division Update

Dr Janice Bailie
HSC R&D Division
Public Health Agency
17 April 2014



HSC R&D Division: Who are we?

- Funded by DHSSPS
- Sits within Directorate of Public Health of the PHA
- Administer research funding budget as part of general functions
- Other UK equivalents
 - National Institute for Health Research (NIHR)
 - CSO Chief Scientists Office (NHS Research Scotland)
 - NISCHR National Institute for Social Care and Health Research



R&D Division: What do we do?

- To co-ordinate regional R&D strategy for the HSC
 - Current HSC R&D Strategy extended until end 2013
 - New HSC R&D Strategy in development by DHSSPS
 - Implementation Plan to follow from PHA R&D Division
- To administer the HSC R&D Fund
 - In 2013-14 a total of £12.2m was administered by HSC R&D Division
 - This funded research in health and social care across the HSC
- To lead on the regional research governance agenda
- To encourage participation in research across HSC
- To support researchers to seek & secure research funding

Not to undertake research, but to facilitate others to do so



HSC R&D Key Achievements 2013-14

HSC R&D Division are funding partners in a number of ongoing and new initiatives (examples):

- 5-year renewal of funding for Centre of Excellence in Public Health (Total for QUB Centre £3m; £150k over 5 years from HSC R&D Fund)
- HSC R&D partnership with Economic & Social Research Council (ESRC) to fund a NI Administrative Data Research Centre (£7M total; £750k over 5 years from HSC R&D Fund)
- Overall total investment: HSC R&D Fund £3m, leverage £24m for Health & Social Care Research in Northern Ireland
- Our investment in posts to support improved working with HSC



HSC R&D Key Achievements 2013-14

Key delivery mechanism for clinical research through networks and infrastructure:

- NI Clinical Research Network (NICRN) – 21,406 patients recruited to 272 trials to January 2014; new Mental Health Interest Group
- NI Cancer Trial Centre & Network – joint funded with CRUK, recently renewed for further 4 year period
- NI Public Health Research Network – 216 members, actively generating successful research funding proposals
- Launch of the NI Clinical Research Facility – NICOLA study
- NI Clinical Trials Unit received full UKCRC accreditation; supporting NETSCC applicants
- NI Biobank –focused on cancer tissues; providing samples to local and external research groups; using pathology archive



HSC R&D Key Achievements 2013-14

HSC R&D Division funding awards made in a number of different modes:

- Commissioned Calls
 - Dementia Care – 3 awards made in partnership with The Atlantic Philanthropies
 - Telemonitoring NI – 1 award – still under consideration
 - Personal & Public Involvement – expecting submission of PPI enabling award in due course – possible partnership with PCC
 - Dead Cool Smoking Prevention Intervention – 1 award in partnership with Cancer Focus



HSC R&D Key Achievements 2013-14

Building Research Capacity

- 5 Doctoral Fellowships commenced in 2013-14
- 5 Cochrane Fellowships awarded to carry out systematic reviews
- 1 NIHR Fellowship awarded – palliative care

Innovation & Knowledge Exchange

- Knowledge Transfer/Exchange scheme building momentum – 5 awards made and second call issued – 14 proposals awaiting evaluation

Opportunity-led Commissioned Awards

- Research supported in partnership up to 50:50 when another funder in place eg Co-sleeping with SBNI



HSC R&D Key Achievements 2013-14

Support for researchers to source external funding:

- DHSSPS investment to National Institute for Health Research (NETSCC) funding pot of £100m/annum
- First report to DHSSPS on NETSCC funding to Northern Ireland – positive outcome with encouraging return on investment
- Increasing numbers of applications led by Chief Investigators in Northern Ireland to NETSCC. Total awards funded £4.5m, leveraged from an investment of £1.3m (until 31.12.13)
- An Enabling Awards scheme is in place to support applicants in preparing proposals for NIHR award schemes – first award made March 2014 & 7 further proposals under consideration
- ResearchFish first submission period completed to collect outputs, data analysis commencing



HSC R&D Key Achievements 2013-14

- Encouraging participation of HSC Bodies in EU Framework Programmes – Horizon 2020; 2013-14 income £350K
- Re-established links with HSCB Social Care Directorate in relation to developing Social Care Research Strategy and encouraging research in social work & social care
- Ongoing Programme of Personal Public Involvement (PPI) activities including training and participation in research priority-setting groups and evaluation panels
- Initial workshop to facilitate PHA in identifying research priorities



Plans for 2014-15

- Implementation Plan following issue of HSC R&D Strategy – including:
 - Communication strategy for HSC R&D Division
 - Review of research infrastructure support
 - Pursue new partnership funding eg SEUPB
 - Ongoing support for researchers in securing national and international funding
 - Work to attract more clinical trials to Northern Ireland through improved links with industry
 - Refine research governance agenda – UK-wide working with Health Research Authority; CSO, Scotland and NISCHR, Wales
 - Monitoring outputs & impacts via ResearchFish – embed in award T&C and promote compliance



Plans for 2014-15

- Promote & support researchers to participate in NETSCC Programmes – eg through Enabling Awards
- Build momentum in HSC to participate in EU Framework Programmes eg through travel bursaries; training events
- Work with PHA colleagues on relevant programmes eg Early Intervention Transformation Programme; Obesity; Breastfeeding; Suicide (follow up to recent EME national call; Feb 2014)
- Further work with PHA to identify research priorities
- Further work with HSCB to identify a way forward for social work/social care possibly towards a commissioned research call in priority areas
- Support events eg DPH Scientific Conference (June 16; theme Diversity), International Clinical Trials Day (20 May); NCI Cancer Consortium Conference (date TBC)



- Thanks for your attention
- List of funded awards provided
- Questions??



HSC R&D Division's Awards 2013-14

Cochrane Fellowship Awards

Title
Interventions for enhancing adherence to treatment in adults with bronchiectasis
Interventions for cognitive impairment due to cancer treatment
The use of standing frames to enhance quality of life in Duchenne Muscular Dystrophy
Anger management for aggressive behaviour in children and adolescents
Antidepressant and antipsychotic medications for children with autism spectrum disorder

Knowledge Exchange

Title
Maximising the impact of an innovative preconception counselling resource for women with diabetes
Improving quality of life in nursing and residential homes by implementing an evidence-based programme of best practice and person-centred care
Improving health outcomes for those with Trauma-Related chronic and severe trauma disorders through service development by transferring NICTT research and practice-based knowledge to the new Victims and Survivors Service & DHSSPSNI
A web-delivered physical activity tool to support pre-diabetics to increase their physical activity levels: the "each step counts tool"
Responding to child sexual exploitation: learning for policy and practice in Northern Ireland

GParts Awards

Title
Choosing Tomorrow's Doctors – Does the performance of candidates in MMIs predict future performance during their medical school career?
'Simple Steps' to a healthier pregnancy; A physical activity intervention in overweight and obese pregnant women to aid weight management during pregnancy.

Dementia Care Awards

Title
Pain assessment and management for patients with advanced dementia nearing the end of life
Promoting informed decision making and effective communication through advance care planning for people living with dementia and their family carers
Risk communication in Dementia Care

NIHR Fellowship

Title
Deciding not to dialyse in advanced chronic kidney disease - Health related quality of life, decision making, costs and impact on carers

Doctoral Fellowships

Title
Clinical utility of 3D power Doppler ultrasound and maternal biomarkers in the prediction of pre-eclampsia in high risk pregnancies
Do statins improve survival in stage II and III colon cancer and does this effect differ by TP53 or KRAS gene mutation status?
Investigation of Aspirin as a novel therapy for the Acute Respiratory Distress Syndrome
Impact of structured education on psychological stress to overcome a barrier to injectable treatment for type 2 diabetes. A randomised controlled trial
The development of the respiratory epithelial innate immune response to Respiratory Syncytial Virus (RSV) infection in term and premature newborns
Exploring the role of naturally occurring prostate calcifications as an alternative to surgically implanted fiducial markers for Image guided radiotherapy

Commissioned Research – Cancer Focus Post Primary Intervention (Tobacco Call)

Title
A randomised controlled trial evaluation of the Dead Cool (Cancer Focus NI) smoking cessation/prevention programme in schools

Enabling Awards

Title
Venovenous extracorporeal carbon dioxide removal (W-ECCO2R) in adults with respiratory failure
An evaluation of a multifaceted intervention to reduce antimicrobial prescribing in care home residents: a cluster randomised controlled trial (REducing Antimicrobials in Care Homes (REACH)]- an exploratory and scoping study (Response to Antimicrobial Resistance Themed call; Health Services and Delivery Research funding stream)
Early switch to oral antibiotic therapy in patients with low risk neutropenic sepsis

Opportunity Led Projects

Title
Infant Death and Co-Sleeping
Microbial community composition in the airways of patients with chronic lung infection
MeASURE - Systematic Review of Outcome Measures in Autism
REVIVE Study

Health Economics Fellowship

Title
Ms Ethna McFerran

NCI Summer Courses

Molecular Prevention (4 - 8 August 2014)

Dr Maurice Loughrey

Dr Susan Fetherston

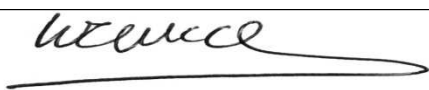
Ms Ethna McFerran

Principles and Practice of Cancer Prevention and Control (7 July – 1 August 2014)

Dr Maurice Loughrey

Ms Leanne McCourt

PUBLIC HEALTH AGENCY BOARD PAPER

Date of Meeting	17 April 2014
Title of Paper	Management Statement / Financial Memorandum
Agenda Item	11
Reference	PHA/04/04/14
Summary	
<p>It is a standard requirement of <i>Managing Public Money Northern Ireland</i> that departments must agree a DFP-approved Management Statement/Financial Memorandum (MS/FM) with each of its arm's length bodies (ALBs).</p> <p>Section 1.1.8 states that the MS/FM is required to be brought to the PHA Board annually for noting.</p> <p>No changes have been made to the MS/FM since it was last approved by the Board in June 2013.</p> <p>The Board is asked to note the MS/FM.</p>	
Equality Screening / Equality Impact Assessment	N/A
Recommendation / Resolution	For Noting
Director's Signature	
Title	Director of Operations
Date	9 April 2014

**REGIONAL AGENCY FOR PUBLIC HEALTH AND SOCIAL WELL-BEING:
MANAGEMENT STATEMENT**

May 2013

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1. INTRODUCTION

1.1 This document

- 1.1.1 Subject to the legislation noted below, this *Management Statement* establishes the framework, agreed with the Department of Health, Social Services and Public Safety (the sponsor Department), within which the Regional Agency for Public Health and Social Well-being, commonly known as the Public Health Agency, (hereafter referred to as the PHA) will operate. The term 'Department' is used to include the authority of both the Department and its Minister. Only in those cases where reference is intended to his/her personal authority (see, principally, Section 3.1) is the Minister specified.
- 1.1.2 The associated *Financial Memorandum* sets out in greater detail certain aspects of the financial provisions which the PHA shall observe. However the *Management Statement* and the associated *Financial Memorandum* do not convey any legal powers or responsibilities, nor do they comprise the totality of the guidance, directives etc which have applied and (as determined by the Sponsor Department) continue to apply to the PHA.
- 1.1.3 The document shall be reviewed by the sponsor Department at least every five years. However, due to changes being considered to the business planning process it is likely that the first review will take place during the 2013-14 financial year.
- 1.1.4 In addition, the PHA or the Department may propose amendments to this document at any time. Any such proposals by the PHA shall be considered in the light of evolving Departmental policy aims, operational factors and the record of the PHA itself. The guiding principle shall be that the extent of flexibility and freedom given shall reflect both the quality of the PHA's internal controls to achieve performance and its operational needs. The Department shall determine what changes, if any, are to be incorporated in the

document. Legislative provisions shall take precedence over any part of the document. Significant variations to the document shall be cleared with DFP after consultation with the PHA, as appropriate. (The determination of those issues that are “significant” will be made by the Department and DFP on a case by case basis).

- 1.1.5 This MS/FM has been approved by DFP Supply, and signed and dated by the Department after consultation with the PHA.
- 1.1.6 Any question regarding the interpretation of the document shall be resolved by the Department after consultation with the PHA and, as necessary, with DFP (and OFMDFM if appropriate).
- 1.1.7 Copies of this document and any subsequent substantive amendments shall be placed in the Library of the Assembly. Copies shall also be made available to members of the public on the PHA website.
- 1.1.8 A copy of the MS/FM for the PHA should be given to all newly appointed Board Members, senior executive staff and departmental sponsor staff on appointment. Additionally the MS/FM should be tabled for the information of Board members at least annually at a full meeting of the Board. Amendments made to the MS/FM should also be brought to the attention of the full Board on a timely basis.

1.2 PHA: founding legislation, functions, duties etc

- 1.2.1 The PHA is established under section 12 (1) of the Health and Social Care (Reform) Act (Northern Ireland) 2009 (hereafter referred to as the Act). The PHA does not carry out its functions on behalf of the Crown.
- 1.2.2 The PHA is established for the purposes specified in section 13 of the Act. The PHA’s general powers etc are listed in Schedule 2 to the Act.

1.3 ClassificationError! Bookmark not defined.

1.3.1 For policy/administrative purposes the PHA is classified as a Health and Social Care body (akin to an executive non-departmental public body) and for national accounts purposes is classified to the central government sector.

2. AIMS, OBJECTIVES AND TARGETS

2.1 Overall aim

2.1.1 The overall aim of the PHA is to improve the health and social well-being of the population and the quality of care provided, and to protect the population from communicable disease or emergencies or other threats to public health. As well as the provision or securing of services related to those functions, the PHA will commission or undertake programmes of research, health awareness and promotion etc.

2.1.2 This aim will be delivered through three core functions of the PHA:

- Securing the provision of and developing and providing programmes and initiatives designed to secure the improvement of the health and social well-being of and reduce health inequalities between, people in Northern Ireland;
- Protecting the community (or any part of the community) against communicable disease and other dangers to health and social well-being, including dangers arising on environmental or public health grounds or arising out of emergencies; and
- providing professional input to the commissioning of health and social care services which meet established quality standards and which support innovation.

2.1.3 The PHA also has a general responsibility for promoting improved partnership working with local government and other public sector organisations to bring about real improvements in public health and social well-being on the ground and anticipating the new opportunities offered by community planning.

2.2 Objectives and key targets

2.2.1 The PHA's performance framework is determined by the Department in the light of its wider strategic aims and of current Programme for Government objectives and targets. The PHA's key targets, standards and actions are defined by the Department within Commissioning Directions and approved by the Minister. The Department also determines, by direction, the format and broad content of the Commissioning Plan, which is to be drawn up by the HSCB in accordance with section 8 of the Act, i.e. in consultation with the PHA, having due regard for any advice or information provided by the Agency, and published only with its approval. The Commissioning Plan explains how the PHA will meet each of the targets, standards and actions for which it is deemed by the Department to have sole or lead responsibility. The document will also set out the PHA's contribution to the commissioning process through its professional medical expertise.

2.3 Relationship with the Safeguarding Board for Northern Ireland

2.3.1 The Safeguarding Board NI (SBNI) was established under the Safeguarding Board (Northern Ireland) Act 2011 and is a separate entity from the PHA. However the PHA acts as a corporate host for the Safeguarding Board NI (SBNI), supporting the SBNI by providing HR, Financial and other corporate support functions.

- 2.3.2 The PHA is not accountable for how the SBNI discharges its statutory objectives and functions, but is accountable to the Department for its discharge of corporate host obligations undertaken on behalf of SBNI. In acting as a corporate host the provisions of this MS/FM apply to activities undertaken on behalf of the SBNI.
- 2.3.3 The respective responsibilities of the Department, PHA and SBNI are set out in a Memorandum of Understanding dated 11 September 2011 a copy of which is attached at Appendix 2.

3. RESPONSIBILITIES AND ACCOUNTABILITY

3.1 The Minister

- 3.1.1 The Minister is accountable to the Assembly for the activities and performance of the PHA. His/Her responsibilities include:
- approving the Commissioning Plan;
 - keeping the Assembly informed about the PHA's performance, as part of the HSC system;
 - carrying out responsibilities specified in the founding legislation, including appointments to the PHA's Board and the laying of its annual report and accounts before the Assembly; and
 - approving the remuneration scheme for non-executive Board members and setting the annual pay increase each year under these arrangements.

3.2 The Accounting Officer of the sponsor Department

- 3.2.1 The Sponsor Department's Accounting Officer (the 'Departmental Accounting Officer') has designated the Chief Executive as the PHA's Accounting Officer, and may withdraw the Accounting Officer

designation if he/she believes that the incumbent is no longer suitable for the role. The respective responsibilities of the Departmental Accounting Officer and the Accounting Officers of arm's length bodies are set out in Chapter 3 of *Managing Public Money Northern Ireland* (MPMNI).

3.2.2 In particular, the Departmental Accounting Officer shall ensure that:

- the PHA's plans support the Department's wider strategic aims and will contribute, as appropriate, to the achievement of Programme for Government Commitments, Departmental requirements, Commissioning Plan Directions, standards and actions;
- the financial and other management controls applied by the Department to the PHA are appropriate and sufficient to safeguard public funds, and that the PHA's compliance with those controls is effectively monitored ("public funds" include not only any funds granted to the PHA by the Assembly but also any other funds falling within the stewardship of the PHA); and
- the internal controls applied by the PHA conform to the requirements of regularity, propriety and good financial management.

3.2.3 The Departmental Accounting Officer is also responsible for ensuring that arrangements are in place to:

- continuously monitor the PHA's activities to measure progress against approved targets, standards and actions, and to assess compliance with safety and quality, governance, risk management and other relevant requirements placed on the organization;
- address significant problems in the PHA, making such interventions as he/she judges necessary;
- periodically carry out an assessment of the risks both to the Department's and the PHA's objectives and activities;

- inform the PHA of relevant Government policy in a timely manner; and
- bring concerns about the activities of the PHA to the full PHA Board, requiring explanations and assurances that appropriate action has been taken.

3.2.4 The Health Development Policy Branch within the Department is the sponsoring team for the PHA, forming its primary point of contact with the Department on non-financial management and performance. Regarding such matters, the team is the primary source of advice to the Minister on the discharge of his/her responsibilities in respect of the PHA. It also supports the Departmental Accounting Officer on his/her responsibilities towards the PHA.

3.2.5 The relationship between the PHA and its Departmental sponsoring team, based on the principles of good public administration, is articulated through direction, guidance on good practice as notified to the PHA. The salient requirements are described at Appendix 1.

3.2.6 On financial matters, the primary point of Departmental contact for the PHA is Finance Directorate. That Directorate also supports the Departmental Accounting Officer on his/her responsibilities towards the PHA as regards accounting arrangements, budgetary control and other financial matters. In doing so, Finance Directorate liaises as appropriate with Health Development Policy Branch.

3.3 The Chief Executive's rôle as Accounting Officer

3.3.1 The Chief Executive, as the PHA's Accounting Officer, is personally responsible for safeguarding the public funds of which he/she has charge; for ensuring propriety and regularity in the handling of those funds; and for the day-to-day operations and management of the PHA. In addition, he/she should ensure that the PHA as a whole is run on the

basis of the standards (in terms of governance, decision-making and financial management) set out in Box 3.1 to MPMNI.

3.3.2 In addition, the Chief Executive must, within three months of appointment, attend the training course 'An introduction to Public Accountability for Accounting Officers'.

3.3.3 Responsibilities for accounting to the Assembly include:

- signing the accounts, and being responsible for ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Department or DFP;
- signing a Statement of Accounting Officer's responsibilities, for inclusion in the annual report and accounts;
- signing a Governance Statement regarding the PHA's system of internal control, for inclusion in the annual report and accounts;
- sign a mid-year assurance statement on the condition of the PHA's system of internal control;
- acting in accordance with the terms of this document and with the instructions and relevant guidance in MPMNI and other instructions and guidance issued from time to time by the Department and DFP; and
- giving evidence, normally with the Accounting Officer of the Department, if summoned before the Public Accounts Committee on the use and stewardship of public funds by the PHA.

3.3.4 Particular responsibilities to the Department include:

- establishing, with the approval of the Department, the PHA's Corporate and Business Plans in support of the Department's wider strategic aims and objectives and targets in the Programme for Government and the Minister's Commissioning Directions;

- contributing, in accordance with section 8 of the Act, to the establishment by the HSCB of the Commissioning Plan in support of the Department's wider strategic aims and objectives and targets in the Programme for Government and Commissioning Directions;
- informing the Department of the PHA's progress in helping to achieve the Department's wider strategic aims and objectives, and relevant targets in the Programme for Government and Commissioning Directions, while demonstrating how resources are being used to achieve those objectives;
- ensuring that timely forecasts and monitoring information on performance and finance are provided to the Department, including prompt notification of overspends or underspends and that corrective action is taken;
- notifying to the Department any significant problems, whether financial or otherwise, and whether detected by internal audit or by other means, as appropriate and in timely fashion;
- ensuring that a system of risk management, based on Departmental guidance) is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets;
- ensuring that an effective system of programme and project management and contract management is maintained;
- ensuring compliance with the Northern Ireland Public Procurement Policy;
- reporting on compliance with controls assurance and quality standards to the Department;
- ensuring that an Assurance Framework is developed and maintained;

- ensuring that a business continuity plan is developed and maintained;
- ensuring that effective procedures for handling complaints about the PHA are established and made widely known within the PHA;
- ensuring that effective procedures for handling adverse incidents are established and made widely known within the PHA;
- ensuring that an Equality Scheme is in place, reviewed and equality impact assessed as required by the Equality Commission and OFMDFM;
- ensuring that Lifetime Opportunities is taken into account;
- ensuring that the requirements of the Data Protection Act 1998 are complied with;
- ensuring that the requirements of the Freedom of Information Act 2000 are complied with and that a publication scheme is in place which is reviewed as required and placed on the website; and
- ensuring that the requirements of relevant statutes, court rulings, and departmental directions are fully complied with.

Responsibilities to the Board of the PHA

3.3.5 The Chief Executive is responsible for:

- advising the Board on the discharge of its responsibilities as set out in this document, in the founding legislation and in any other relevant instructions and guidance that may be, or have been, issued from time to time;
- advising the Board on the PHA's performance compared with its aims and objectives;

- ensuring that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that standard financial appraisal techniques are followed; and
- taking action in line with Section 3.8 of *MPMNI* if the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity, or does not represent prudent or economical administration, efficiency or effectiveness.

3.4 The Chief Executive's role as Consolidation Officer

- 3.4.1 For the purposes of Whole of Government Accounts, the Chief Executive of the PHA is normally appointed by DFP as the PHA's Consolidation Officer.
- 3.4.2 As the PHA's Consolidation Officer, the Chief Executive shall be personally responsible for preparing the consolidation information, which sets out the financial results and position of the PHA; for arranging its audit; and for sending the information and the audit report to the Principal Consolidation Officer nominated by DFP.
- 3.4.3 As Consolidation Officer, the Chief Executive shall comply with the requirements of the PHA Consolidation Officer Memorandum as issued by DFP and shall, in particular:
- ensure that the PHA has in place and maintains sets of accounting records that will provide the necessary information for the consolidation process; and
 - prepare the consolidation information (including the relevant accounting and disclosure requirements and all relevant consolidation adjustments) in accordance with the consolidation instructions and directions ["Dear Consolidation Officer" (DCO) and

“Dear Consolidation Manager” (DCM) letters] issued by DFP on the form, manner and timetable for the delivery of such information.

3.5 Delegation of the Chief Executive’s duties

3.5.1 The Chief Executive may delegate the day-to-day administration of his/her Accounting Officer responsibilities to other employees in the PHA. However, he/she shall not assign absolutely to any other person any of the responsibilities set out in this document.

3.6 The Chief Executive’s role as Principal Officer for Ombudsman cases

3.6.1 The Chief Executive of the PHA is the Principal Officer for handling cases involving the Northern Ireland Commissioner for Complaints. As Principal Officer, he/she shall inform the Permanent Secretary of the sponsor Department of any complaints about the PHA accepted by the Ombudsman for investigation, and about the PHA’s proposed response to any subsequent recommendations from the Ombudsman.

3.7 The PHA’s Board

3.7.1 Board members are appointed by the Minister, following an open competition in accordance with the Code of Practice issued by the Commissioner for Public Appointments for Northern Ireland. The established departmental practice is that initial appointments are usually for a four year period. Re-appointment for a second term of appointment can be considered.

3.7.2 The Board must ensure that effective arrangements are in place to provide assurance on risk management, governance and internal

control. The Board must set up an Audit Committee, which complies with the requirements of DAO 07/07 and any subsequent relevant guidance, is chaired by an independent non-executive member, and comprising solely independent members, to provide independent advice on the effectiveness of the internal control and risk management systems.

3.7.3 The Board has corporate responsibility for ensuring that the PHA fulfils the aims and objectives set by the Department/Minister, and for promoting the efficient, economic and effective use of staff and other resources by the PHA. To this end, and in pursuit of its wider corporate responsibilities, the Board shall:

- establish the overall strategic direction of the PHA within the policy and resources framework determined by the Department/Minister;
- ensure that the PHA's performance fully meets its aims and objectives as efficiently and effectively as possible;
- ensure that the Department is kept informed of any changes which are likely to impact on the strategic direction of the PHA or on the attainability of its targets, and determine the steps needed to deal with such changes;
- ensure that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority set by the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account all relevant guidance issued by DFP and the Department or other relevant authority;
- ensure that it receives and reviews regular financial information concerning the management of the PHA; is informed in a timely manner about any concerns about the activities of the PHA; and

provides positive assurance to the Department that appropriate action has been taken on such concerns;

- constructively challenge the PHA's executive team in their planning, target setting and delivery of performance;
- ensure that an executive member of the Board has been allocated lead responsibility for risk management;
- demonstrate high standards of corporate governance at all times, including using the independent audit committee (see paragraph 3.7.2) to help the Board to address the key financial and other risks facing the PHA; and
- appoint a Chief Executive to the PHA and, in consultation with the Department, set performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use of public monies.

3.8 The Chair's personal responsibilities

3.8.1 The chair is appointed by the Minister, following an open competition in accordance with the Code of Practice issued by the Commissioner for Public Appointments for Northern Ireland. The established departmental practice is that initial appointments are usually for a four year period. Re-appointment for a second term of appointment can be considered.

3.8.2 The Chair is accountable to the Minister through the Departmental Accounting Officer. Communications between the PHA Board and the Minister should normally be through the Chair (who will ensure that the other Board members are kept informed of such communications). He/she is responsible for ensuring that the PHA's policies and actions support the Department's wider strategic policies, and that the PHA's

affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the PHA.

3.8.3 In addition, the Chair has the following leadership responsibilities:

- formulating the Board's strategy for discharging its duties;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the Department,
- ensuring that risk management is regularly and formally considered at Board meetings;
- promoting the efficient, economic and effective use of staff and other resources;
- encouraging high standards of regularity and propriety;
- representing the views of the Board to the general public; and
- ensuring that the Board meets at regular intervals throughout the year and that the minutes accurately record the decisions taken and, where appropriate, the views of individual board members. Meetings must be open to the public, the public should be advised of meetings through the press and the minutes must be placed on the PHA website after formal approval.

3.8.4 The Chair has also:

- ensure that all members of the Board, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities, and receive appropriate induction training, including on the financial management, risk management and reporting requirements of public sector bodies and on any material differences which may exist between private and public sector practice;

- advise the Department of the needs of the PHA when Board vacancies arise, with a view to ensuring a proper balance of professional, financial or other expertise;
- assess, annually, the performance of individual Board members. Board members will be subject to ongoing performance appraisal, with a formal assessment being completed by the Chair of the Board at the end of each year. Members will be made aware that they are being appraised, the standards against which they will be appraised and will have an opportunity to contribute to and view their report. The Chair of the Board will also be appraised on an annual basis by the Departmental Accounting Officer or another official acting on their behalf;
- ensure that a Code of Practice for Board members is in place, based on the 'Code of Conduct and Code of Accountability for Board members of Health and Social Care Bodies'.

3.9 The individual Board member's responsibilities

3.9.1 Individual Board members shall act in accordance with their wider responsibilities as members of the Board – namely to:

- comply at all times with the Code of Practice (see paragraph 3.8.4) adopted by the PHA and with the rules relating to the use of public funds and to conflicts of interest;
- not misuse information gained in the course of their public service for personal gain or for political profit, nor seek to use the opportunity of public service to promote their private interests or those of connected persons or organizations; and to declare publicly and to the Board any private interests that may be thought to conflict with their public duties;

- comply with the Board's rules on the acceptance of gifts and hospitality, and of business appointments as set out in the Financial Memorandum; and
- act in good faith and in the best interests of the PHA.

3.10 Consulting service users and other interest groups

3.10.1. The PHA will, in accordance with Sections 18-20 of the Act, work in partnership with its patients, clients, other service users and carers, and with other interest groups, to commission or deliver the services for which it has responsibility, to agreed standards. It will consult regularly to develop a clear understanding of their needs and expectations of its services, actively seeking out comment from patients, clients, other service users and carers, and from interest groups, in working to deliver a high quality, safe and accessible service. It will disseminate public information about the services for which it is responsible.

3.10.2. The PHA will, in carrying out its equality duties, consult in a timely, open and inclusive way and in accordance with the Equality Commission's guiding principles. It will monitor its policies to ensure that as each policy is revised it promotes greater equality of opportunity.

3.10.3. The PHA must prepare its own consultation scheme which is to be submitted to the Department for approval and reviewed regularly.

4. PLANNING, BUDGETING AND CONTROL

4.1 The Corporate/Business Plan

The process for developing and approving annual business plans is subject to review and change. It is envisaged that this Management Statement will be reviewed again when the business planning process has been agreed.

- 4.1.1 Consistent with the timetable for Northern Ireland Executive Budgets, the PHA shall submit annually to the sponsor Department a draft of the Corporate Plan covering up to three years ahead. Plans will be subject to Departmental approval. The PHA shall have agreed with the sponsor Department the issues to be addressed in the Plan and the timetable for its preparation. The Plan will be subject to Departmental approval.
- 4.1.2 The Plan shall reflect the PHA's statutory duties and, within those duties, the priorities set from time to time by the Minister. The Plan shall, to the extent required by the Department, demonstrate how the PHA contributes to the achievement of the Department's strategic aims and Programme for Government objectives. Its contents will also reflect the sponsor Department's decisions on policy and resources taken in the context of the Executive's wider policy and spending priorities and decisions.
- 4.1.3 The Corporate Plan, amplified as necessary, shall inform the Business Plan. The Business Plan shall include key targets and milestones for the year immediately ahead and shall be linked to budgeting information so that resources allocated to achieve specific objectives can be readily identified by the sponsor Department.
- 4.1.4 The Plans will include the following, as directed by the Department:
- Key objectives and associated key performance targets (financial and non-financial) for the forward years, and the strategy for

achieving those objectives; forward years, and its strategy for achieving those objectives;

- alternative scenarios to take account of factors which may significantly affect the execution of the plan, but which cannot be accurately forecast;
- a forecast of expenditure and income, taking account of guidance on resource assumptions and policies provided by the sponsor Department. These forecasts should represent the PHA's best estimate of all its available income i.e. not just grant or grant-in-aid; and
- other matters as specified by the sponsor Department

4.15 The Corporate/Business Plan shall be published by the PHA and made available on its website. A summary version shall be made available to staff.

4.2 The PHA's contribution to the Commissioning Plan

4.2.1 In exercising the powers conferred on it by Section 8 (3) of the Act, the Department sets out the Minister's instructions to commissioners in an annual commissioning direction. The commissioning direction sets the framework within which the HSCB (including its LCGs) and the PHA will commission health and social care.

4.2.2 Section 8 of the Act requires the HSCB, in respect of each financial year, to prepare and publish a commissioning plan in full consultation with, and having due regard to any advice or information provided by, the PHA. The commissioning direction specifies the form and content of the commissioning plan in terms of the services to be commissioned and the resources to be deployed. The plan may not be published unless approved by the PHA. In the unlikely event of failure to agree

the commissioning plan, the matter is referred to the Department for resolution.

- 4.2.3 The plan will also include delivery plans for those Commissioning Direction targets which the HSCB or PHA is deemed by the Department to be in the lead.
- 4.2.4 The Department's presumption is that all of the standards and targets in Priorities for Action are both achievable and affordable. By exception, the Commissioning Plan should indicate where both the HSCB and PHA believe a particular standard or target not to be achievable and/or affordable, explaining their belief and proposing actions, within existing resources, to mitigate the problems envisaged.
- 4.2.5 The Commissioning Plan will demonstrate how the totality of revenue resources has been committed to individual organisations, disaggregated by Local Commissioning Group.
- 4.2.6 The Commissioning Plan will be subject to Ministerial approval.
- 4.2.7 The PHA will provide the Department with a quarterly assessment of the progress being made in the delivery of the Department's wider strategic aims and objectives, and relevant targets in the current Programme for Government and Commissioning Directions, and demonstrating how resources are being used to achieve those objectives, for those areas for which the PHA is identified as being responsible.
- 4.2.8 Drawing as appropriate on the views and information supplied by the PHA, the HSCB will provide the Department with a quarterly assessment of the progress being made in the delivery of relevant targets where there is joint responsibility.

4.2.9 The Commissioning Plan shall be published by the HSCB, with the agreement of the PHA. A copy of the Plan shall be available on the PHA's website, and a summary version shall be made available to its staff.

4.3 Reporting performance to the Department

4.3.1 The PHA shall operate management information and accounting systems which enable it to review, in a timely and effective manner, its financial and non-financial performance against the budgets and targets set out in the approved PHA corporate and business plans and in the Commissioning Plan. Regarding the latter, this requirement applies, as appropriate, both to those targets for which the PHA has lead responsibility (such as screening and health protection) and to those where its support or collaboration is deemed necessary for performance monitoring and service improvement purposes.

4.3.2 The PHA shall take the initiative in informing the Department of changes in external conditions which make the achievement of its objectives more or less difficult, or which may require a change to the budget or objectives as set out in the Commissioning Plan or Corporate/Business Plan.

4.3.3 The PHA's performance in meeting its Commissioning Plan and Corporate/Business Plan objectives shall be reported to the Department as part of the accountability review process.

4.3.4 The PHA shall take the initiative in informing the Department of changes in external conditions which make the achievement of objectives more or less difficult, or which may indicate a change to the budget or objectives as set out in the Corporate/Business plan.

4.3.5 Senior Departmental officials will hold biannual accountability reviews with the PHA to discuss the PHA's overall performance, its current and future activities, any policy developments relevant to those activities

safety and quality, financial performance and corporate control/risk management performance.

4.3.6 The PHA's performance against key Departmental/Ministerial targets shall be reported in the PHA's annual report and accounts.

4.3.7. The PHA is also responsible for monitoring and reporting to the Department on:

- Trust compliance with professional standards for medical, nursing and allied health professionals e.g. professional regulation and training and development; and
- Compliance with statutory supervision requirements; and
- Safety and quality aspects of PHA contracts with voluntary and community sector providers.

4.3.8 The Department will, at its discretion, request evidence of progress against key objectives.

5 BUDGETING PROCEDURES

5.1 The PHA's budgeting procedures are set out in the *Financial Memorandum*.

5.2 Internal audit

5.2.1 The PHA shall establish and maintain arrangements for internal audit in accordance with FD (DFP) 07/09 the Treasury's *Government Internal Audit Standards (GIAS)*, HSS(F)21/03 *Internal Audit Arrangements between a Sponsoring Department and its Non-Departmental Public Bodies* and HSS(F)13/2007 *Model HPSS Financial Governance Documents* or subsequent Government standards and guidelines.

5.2.2 Those arrangements shall also comply with the Department's requirements on foot of HSC (F) 11/2010 which promulgated DAO

(DFP) 01/10 *Internal Audit Arrangements between Departments and Arm's Length Bodies*. These include:

- having input to the PHA's planned internal audit coverage, to ensure that shared assurance requirements (in relation to risk areas/topics) are built into the PHA's audit plan and audit strategy;
- arrangements for the receipt of audit reports, assignment reports, the Head of Internal Audit's annual report and opinion etc;
- arrangements for the completion of Internal and External Assessments of the PHA's internal audit function against GIAS including advising that the sponsor Department reserves a right of access to carry out its own independent reviews of internal audit in the PHA; and
- the right of access to all documents prepared by the PHA's internal auditor, including where the service is contracted out. Where the PHA's audit service is contracted out the PHA should stipulate this requirement when tendering for the services.

5.2.3. The PHA shall consult with the Department to ensure that the latter is satisfied with the competence and qualifications of the Head of Internal Audit and that the requirements for approving the appointment are in accordance with GIAS and relevant DFP guidance.

5.3 Audit Committee

5.3.1 The PHA shall set up an independent audit committee as a committee of its Board, in accordance with the Cabinet Office's Guidance on Codes of Practice for Public Bodies (FD (DFP) 03/06 refers) and in line with the Audit Committee Handbook DAO (DFP) 07/07.

5.3.2 The sponsor Department will attend one PHA audit committee meeting per organisation, per year, as an observer and will not participate in any Audit Committee discussion.

5.3.3 The Audit Committees meeting agendas and papers shall be forwarded as soon as possible to the sponsoring team.

5.3.4 The sponsor department will review the PHA's audit committee terms of reference. The PHA shall notify the sponsor department of any subsequent changes to the audit committee's terms of reference.

5.4 Fraud

5.4.1 The PHA should include arrangements for preventing, countering and dealing with fraud by:

- assessing, identifying, evaluating, and responding to fraud risks;
- ensuring the Audit Committee formally considers the anti-fraud measures in place;
- reporting immediately all suspected or proven frauds, including attempted fraud to the sponsor Department; and
- complying with all guidance issued by the Department.

5.4.2 The sponsor department will report suspected and actual frauds immediately to DFP and the C&AG. In addition the PHA shall forward to the sponsor Department the annual fraud return, commissioned by DFP, on fraud and theft suffered by the PHA.

5.4.3 The sponsor department will review the PHA's Anti-Fraud Policy and Fraud Response Plan. The PHA shall notify the sponsor department of any subsequent changes to the policy or response plan.

Additional Departmental access to the PHA

5.5.1 In addition to the right of access referred to in paragraph 5.2.3 above, the Department shall have a right of access to all the PHA's records, meetings and personnel for purposes such as audits, operational investigations, and as the Departmental Accounting Officer sees fit (subject to any relevant legal restrictions).

6. EXTERNAL ACCOUNTABILITY

6.1 The annual report and accounts

- 6.1.1 After the end of each financial year the PHA shall publish as a single document an annual report of its activities together with its audited annual accounts. The report shall also cover the activities of any corporate bodies under the control of the PHA. A draft of the report shall be submitted to the Department two weeks before the proposed publication date although it is expected that the department and the PHA will have had extensive pre-publication discussion on the content of the report prior to formal submission to the department.
- 6.1.2 The report and accounts shall comply with the most recent version of the Government Financial Reporting Manual (FReM) issued by DFP. The accounts shall be prepared in accordance with any relevant statutes and the specific Accounts Direction issued by the Department.
- 6.1.3 The report and accounts shall outline the PHA's main activities and performance during the previous financial year and set out in summary form the PHA's forward plans. Information on performance against key financial targets shall be included in the notes to the accounts, and shall therefore be within the scope of the audit.
- 6.1.4 The report and accounts shall be laid before the Assembly and made available, in accordance with the guidance on the procedures for presenting and laying the combined annual report and accounts as prescribed in the relevant finance circular issued by the Department.
- 6.1.5 Due to the potential accounting and budgetary implications, any changes to accounting policies or significant estimation techniques underpinning the preparation of annual accounts shall require the prior written approval of the Department.

6.2 External audit

- 6.2.1 The Comptroller and Auditor General (C&AG) audits the PHA's annual accounts and passes the accounts to the Department who shall lay them before the Assembly. For the purposes of audit the C&AG has a statutory right of access to relevant documents, as provided for in Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003.
- 6.2.2 The C&AG has agreed to liaise with the PHA on who – the NIAO or a commercial auditor – shall undertake the actual audit on his behalf. The final decision rests with the C&AG.
- 6.2.3 The C&AG have agreed to share with the Department, information identified during the audit process and the audit report (together with any other outputs) at the end of the audit. This shall apply, in particular, to issues which impact on the Department's responsibilities in relation to financial systems within the PHA. The C&AG will also consider, where asked, providing Departments and other relevant bodies with Regulatory Compliance Reports and other similar reports which the Department may request at the commencement of the audit and which are compatible with the independent auditor's role.

6.3 VFM examinations

- 6.3.1 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the PHA has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents, as provided for under Articles 3 and 4 of the Audit and Accountability (Northern Ireland) Order 2003. Where making payment of a grant, or drawing up a contract, the PHA should ensure that it includes a clause which makes the grant or contract conditional upon the recipient or contractor

providing access to the C&AG in relation to documents relevant to the transaction including those relevant to matters of professional competence, misconduct etc. Where subcontractors are likely to be involved, it should also be made clear that the requirements extend to them.

7. STAFF MANAGEMENT

7.1 General

- 7.1.1. Within the arrangements approved by the Department, the PHA shall have responsibility for the recruitment, retention and motivation of its staff. To this end the PHA shall ensure that:
- its rules for the recruitment and management of staff create an inclusive culture in which diversity is fully valued; where appointment and advancement is based on merit; and where there is no discrimination on grounds of gender, marital status, domestic circumstances, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
 - the level and structure of its staffing, including grading and numbers of staff, are appropriate to its functions and the requirements of efficiency, effectiveness and economy as agreed by the Department;
 - the performance of its staff at all levels is satisfactorily appraised;
 - its staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the PHA's objectives;
 - proper consultation with staff takes place on key issues affecting them;
 - adequate grievance and disciplinary procedures are in place;

- whistle blowing procedures consistent with the Public Interest Disclosure (Northern Ireland) Order 1998, as amended, are in place;
- a code of conduct for staff is in place based on Annex 5A of Public Bodies: A Guide for NI Departments (available at www.afmdni.gov.uk). This code should be copied to the sponsor team.

8. REVIEWING THE ROLE OF THE PHA

8.1 The role of, and justification for the PHA shall be reviewed periodically, in accordance with the business needs of the sponsor Department and the PHA. Reference should be made to Chapter 9 of the Public Bodies: a Guide for Northern Ireland Departments.

Signed: _____ Date: _____

On behalf of the PHA

Signed: _____ Date: _____

On behalf of the Department

1. Documentary requirements

1.1 Documentation to be copied to the Sponsor Branch for information

Monthly (or as the occasion arises)

- Board meeting papers (including draft minutes) for each meeting as and when issued to Committee members
- Audit Committee papers (including draft minutes) for each meeting as and when issued to Committee members
- Assurance Committee papers (including draft minutes) for each meeting as and when issued to Committee member

Annually

- Register of Board members' interests
- The annual report, with the draft submitted to the Department two weeks before the publication date (*separate timetable for the annual accounts, Governance Statement etc, set by Finance Directorate*)
- The Assurance Framework (annually)

Once and then when revised

- Code of Conduct for Board members
- Code of Practice for staff
- Audit Committee Terms of Reference
- Audit Strategy
- Assurance/Governance Committee Terms of Reference
- Complaints procedure
- Anti-Fraud Policy
- Fraud Response Plan
- Whistle-blowing procedures

- Grievance and Disciplinary procedures
- Equality scheme
- Publication scheme
- Consultation Scheme
- Business Continuity Plan

1.2 Documentation to be copied to the Sponsor Branch for consideration/ comment/ approval

Quarterly

- Report on quarterly assessment of progress being made in the delivery of the Commissioning Plan's aims and objectives

Bi-annual

- Corporate Risk Register every six months

Annually

- Annual Governance Statement
- Mid-year Assurance Statement (by end-October)
- Annual report on Compliance with Controls Assurance Standards
- Annual Internal Audit work-plan
- Internal Audit Progress Report
- Annual Fraud return
- Corporate Plan (including the Business Plan) must be produced and approved by the Department
- an annual Commissioning Plan established by the HSCB but approved by the PHA
- The Head of Internal Audit's end-of-year and mid-year opinion on risk management, control and governance

Once

- Inspection reports by external bodies (e.g. RQIA, MHRA), as specified in directions
- Internal Audit reports with less than satisfactory assurance
- NIAO management letters

**Financial Memorandum
for the
Public Health Agency**

May 2013

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I. INTRODUCTION

- 1 This *Financial Memorandum* sets out certain aspects of the financial framework within which the Public Health Agency (PHA) is required to operate
- 2 The terms and conditions set out in the combined *Management Statement* and *Financial Memorandum* may be supplemented by guidelines or directions issued by the DHSSPS/Minister in respect of the exercise of any individual functions, powers and duties of the PHA.
- 3 The PHA shall satisfy the conditions and requirements set out in the combined document, together with such other conditions as the DHSSPS/Minister may from time to time impose.

II. THE PHA'S INCOME AND EXPENDITURE - GENERAL

The Departmental Expenditure Limit (DEL)

- 4 The PHA's current and capital expenditure form part of the sponsoring Department's Resource DEL and Capital DEL respectively.

Expenditure not proposed in the budget

- 5 The PHA shall not, without prior written Departmental approval, enter into any undertaking to incur any expenditure which falls outside the PHA's delegations or which is not provided for in the PHA's annual budget as approved by the DHSSPS.

Procurement

- 6 The PHA's procurement policies shall reflect the public procurement policy adopted by the Northern Ireland Executive in May 2002 (refreshed May 2009); Procurement Guidance Notes; and any other guidelines or guidance issued by Central Procurement Directorate (CPD) and the Procurement Board. The PHA shall also ensure that it complies with any relevant EU or other international procurement rules.
- 7 Regional Supply Service (RSS), within the Business Services Organisation (BSO), shall carry out procurement activity on behalf of the PHA, governed by a documented Service Legal Agreement. Periodic reviews of the Agency's procurement activity should be undertaken. The results of such review will be shared with DHSSPS.

Competition

- 8 Contracts shall be awarded on a competitive basis and tenders accepted from suppliers who provide best value for money overall.

Single tender action is the process where a contract is awarded to an economic operator (i.e. supplier, contractor) without competition. In light of their exceptional nature, all single tender actions should be subject to PHA Accounting Officer approval. It is advisable that the PHA seek an assurance from BSO, or their legal adviser, to provide assurance for the Accounting Officer that the use of single tender action is legitimate in a particular case. Further information is published in

Procurement Guidance Note 02/10 on the 'Award of Contracts without a Competition'.
www.cpdni.gov.uk/index/guidance-for-purchasers/guidance-notes.htm

9. The PHA shall send to the DHSSPS after each financial year a report for that year explaining any contracts above £5,000 in which competitive tendering was not employed.

Best Value for money

- 10 Procurement by the PHA of works, supplies and services shall be based on best value for money, ie the optimum combination of whole life cost and quality (or fitness for purpose) to meet the PHA's requirements. Where appropriate, a full option appraisal shall be carried out before procurement decisions are taken.

Timeliness in paying bills

- 11 The PHA shall collect receipts and pay all matured and properly authorised invoices in accordance with Annex 4.5 and Annex 4.6 of *Managing Public Money Northern Ireland* and any guidance issued by DFP or the sponsor Department.

Novel, contentious or repercussive proposals

- 12 The PHA shall obtain the approval of the DHSSPS, and DFP, before:

- incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff benefits;
- making any significant change in the scale of operation or funding of any initiative or particular scheme previously approved by the DHSSPS;
- making any change of policy or practice which has wider financial implications (eg because it might prove repercussive among other public sector bodies) or which might significantly affect the future level of resources required. (The DHSSPS will advise on what constitutes "significant" in this context).

Risk management/Fraud

- 13 The PHA shall ensure that the risks it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and shall develop a risk management strategy, in accordance with the Treasury guidance *Management of Risk: A Strategic Overview (The "Orange Book")*.
- 14 The PHA shall take proportionate and appropriate steps to assess the financial and economic standing of any organisation or other body with which it intends to enter into a contract or to which it intends to give grant or grant-in-aid.
- 15 The PHA shall adopt and implement policies and practices to safeguard itself against fraud and theft, in line with DFP's guide *Managing the Risk of Fraud*.

16 All cases of attempted, suspected or proven fraud shall be reported to the DHSSPS who shall report it to DFP and the NIAO as soon as they are discovered, irrespective of the amount involved.

Wider markets

17 In accordance with the wider markets policy, the PHA shall seek to maximise receipts from non-Consolidated Fund sources, provided that this is consistent with (a) the PHA's main functions (b) its corporate plan as agreed with the DHSSPS. DHSSPS will confirm with the DFP Supply Officer that such proposed activity is appropriate.

Fees and charges

18 Fees or charges for any services supplied by the PHA shall be determined in accordance with Chapter 6 of MPMNI.

III. THE PHA'S INCOME

Grant-in-aid

19 Grant-in-aid will be paid to the PHA in monthly instalments, on the basis of need. The PHA shall submit a monthly written application to the DHSSPS forecasting its cash requirements and shall certify that the conditions applying to the use of revenue fund have been observed to date and that further grant-in-aid is now required for purposes appropriate to the PHA's functions.

20 The PHA should have regard to the guidance in DAO(DFP)04/03 and to the general principle enshrined in Annex 5.1 of *Managing Public Money Northern Ireland* that it should seek grant-in-aid according to need.

21 Cash balances accumulated during the course of the year shall be kept at the minimum level consistent with the efficient operation of the PHA. Grant-in-aid not drawn down by the end of the year shall lapse. However, where draw-down of grant-in-aid is delayed to avoid excess cash balances at year-end, the DHSSPS will make available in the next financial year (subject to approval by the Assembly of the relevant Estimates provision) any such grant-in-aid required to meet any liabilities at year end, such as creditors.

Fines and taxes as receipts

22 Most fines and taxes (including levies and some licences) do not provide additional DEL spending power and should be surrendered to the DHSSPS.

Receipts from sale of goods or services

23 Receipts from the sale of goods and services (including certain licences), rent of land, and dividends normally provide additional DEL spending power. If a body wishes to retain a receipt or utilise an increase in the level of receipts, it must gain the prior approval of DHSSPS.

24 If there is any doubt about the correct classification of a receipt, the PHA shall consult the DHSSPS, which may consult DFP as necessary.

Interest earned

25 Interest earned on cash balances cannot necessarily be retained by the PHA. Depending on the budgeting treatment of this receipt, and its impact on the PHA's cash requirement, it may lead to commensurate reduction of grant-in-aid or be required to be surrendered to the NI Consolidated Fund via DHSSPS. If the receipts are used to finance additional expenditure by the PHA, DHSSPS will need to ensure it has the necessary budget cover.

Unforecast changes in in-year income

26 If the negative DEL income realised or expected to be realised in-year is less than estimated, the PHA shall, unless otherwise agreed with the DHSSPS, ensure a corresponding reduction in its gross expenditure so that the authorised provision is not exceeded. [NOTE: For example, if the PHA is allocated £100 resource DEL provision by its DHSSPS and expects to receive £10 of negative DEL income, it may plan to spend a total of £110. If income (on an accruals basis) turns out to be only £5 the PHA will need to reduce its expenditure to £105 to avoid breaching its budget. If the PHA still spends £110 the DHSSPS will need to find £5 of savings from elsewhere within its total DEL to offset this overspend.]

27 If the negative DEL income realised or expected to be realised in the year is more than estimated, the PHA may apply to the DHSSPS to retain the excess income for specified additional expenditure within the current financial year without an offsetting reduction to grant-in-aid. The DHSSPS shall consider such applications, taking account of competing demands for resources, and will consult with DFP in relation to any significant amounts. If an application is refused, any grant-in-aid shall be commensurately reduced or the excess receipts shall be required to be surrendered to the NI Consolidated Fund via the DHSSPS.

Build-up and draw-down of deposits

28 The PHA shall comply with the rules that any DEL expenditure financed by the draw-down of deposits counts within DEL. The PHA shall maintain and manage cash balances as working balances only. These shall be held at a minimum level throughout the year. Any interest earned on overnight deposits must be returned to the DHSSPS.

29 The PHA shall ensure that it has the necessary DEL provision for any expenditure financed by draw-down of deposits.

Proceeds from disposal of assets

30 Disposals of land and buildings are dealt with in Section VI below.

Gifts and bequests received

31 The PHA is free to retain any gifts, bequests or similar donations, subject to paragraph 34. These shall be treated as receipts and must be notified to the DHSSPS. [NOTE: Donated assets do not attract a cost of capital charge, and a release from the donated assets reserve should offset depreciation in the operating cost statement.] The latest FReM requirements should be applied]

32 Before accepting a gift, bequest, or similar donation, the PHA shall consider if there are any associated costs in doing so or any conflicts of interests arising. The PHA shall keep a written record

of any such gifts, bequests and donations and of their estimated value and whether they are disposed of or retained.

Borrowing

33 Normally the PHA will not be allowed to borrow but when doing so shall observe the principles set out in Chapter 5 and the associated annexes of MPMNI when undertaking borrowing of any kind. The PHA shall seek the approval of the DHSSPS and, where appropriate, DFP, to ensure that it has any necessary authority and budgetary cover for any borrowing or the expenditure financed by such borrowing. Medium or long term private sector or foreign borrowing is subject to the value for money test in *Section 5.7 of MPMNI*.

34 Any expenditure by the PHA financed by borrowing counts in DEL

IV. EXPENDITURE ON STAFF

Staff costs

35 Subject to its delegated levels of authority the PHA shall ensure that the creation of any additional posts does not incur forward commitments which will exceed its ability to pay for them.

Pay and conditions of service

36 The staff of the PHA, whether on permanent or temporary contract, shall be subject to levels of remuneration and terms and conditions of service (including superannuation) as approved by the DHSSPS and DFP. The PHA has no delegated power to amend these terms and conditions.

37 Current terms and conditions for staff of the PHA are those set out in its Employee Handbook. The PHA shall provide the DHSSPS and DFP with a copy of the Handbook and subsequent amendments.

38 Annual pay increases of PHA staff must be in accordance with the annual FD letter on Pay Remit Approval Process and Guidance issued by DFP. Therefore, all proposed pay awards must have prior approval of DHSSPS and the Minister for Finance before implementation.

39 The travel expenses of Board Members shall be tied to the rates allowed to senior staff of the PHA. Reasonable actual costs shall be reimbursed.

40 The PHA shall operate a performance-related pay scheme which shall form part of the general pay structure approved by the DHSSPS and DFP.

41 The PHA shall comply with the EU directive on contract workers [Fixed Term Employees Regulations (Prevention of Less Favourable Treatment)].

Pensions; redundancy/compensation

42 The PHA's staff shall be eligible for a pension provided by:

- Either the Health and Social Care Superannuation Scheme or the Health and Social Care Pension Scheme.

43 Staff may opt out of the occupational pension scheme provided by the PHA. However, the employer's contribution to any personal pension arrangement, including a stakeholder pension, shall be limited to the national insurance rebate level.

44 Any proposal by the PHA to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the approval of the DHSSPS and DFP. Proposals on severance payments must comply with Annex A.4.13.9 of *Managing Public Money Northern Ireland*.

V. NON-STAFF EXPENDITURE

Economic appraisal

45 The PHA is required to apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending or saving public money, including European Union (EU) funds, and any other decisions or proposals that involve changes in the use of public resources. For example, appraisal must be applied irrespective of whether the relevant public expenditure or resources:

- a. involve capital or current spending, or both;
- b. are large or small;
- c. are above or below delegated limits(see Appendix A).

46 Appraisal itself uses up resources. The effort that should go into appraisal and the detail to be considered is a matter for case-by-case judgement, but the general principle is that the resources to be devoted to appraisal should be in proportion to the scale or importance of the objectives and resource consequences in question. Judgement of the appropriate effort should take into consideration the totality of the resources involved in a proposal.

General guidance on economic appraisal that applies to the PHA can be found in:

- Northern Ireland Guide to Expenditure Appraisal and Evaluation (NIGEAE) – see <http://www.dfpni.gov.uk/eag>
- The HM Treasury Guide, *The Green Book: Appraisal and Evaluation in Central Government*, and
- The Capital Investment Manual.

Capital expenditure

47 Subject to being above an agreed capitalisation threshold, all expenditure on the acquisition or creation of fixed assets shall be capitalised on an accruals basis in accordance with relevant accounting standards. Expenditure to be capitalised shall include the (a) acquisition, reclamation or laying out of land; (b) acquisition, construction, preparation or replacement of buildings and other structures or their associated fixtures and fittings; and (c) acquisition, installation or replacement of movable or fixed plant, machinery, vehicles and vessels.

48 Proposals for large-scale individual capital projects or acquisitions will normally be considered within the PHA's corporate and business planning process. Subject to paragraph 52, applications for approval within the corporate/business plan by the DHSSPS and, DFP if necessary, shall be supported by formal notification that the proposed project or purchase has been examined and duly

authorised by the Board. Regular reports on the progress of projects shall be submitted to the DHSSPS.

49 Approval of the corporate/business plan does not obviate the PHA's responsibility to abide by the economic appraisal process.

50 Within its approved overall resources limit the PHA shall, as indicated in the attached Appendix on delegations, have delegated authority to spend up to £50,000 on any individual capital project or acquisition. Beyond that delegated limit, the DHSSPS' and where necessary, DFP's prior authority must be obtained before expenditure on an individual project or acquisition is incurred.

Transfer of funds within budgets

51 Unless financial provision is subject to specific Departmental or DFP controls (eg, where provision is ring-fenced for specific purposes) or delegated limits, transfers between budgets within the total capital budget, or between budgets within the total revenue budget, do not need Departmental approval. The one exception to this is that, due to HM Treasury controls, any movement into, or out, of depreciation and impairments within the resource budget will require departmental and possibly DFP approval. [NOTE: Under resource budgeting rules, transfers from capital to resource budgets are not allowed.]

Lending, guarantees, indemnities; contingent liabilities; letters of comfort

52 The PHA shall not, without the DHSSPS' and where necessary, DFP's prior written consent, lend money, charge any asset or security, give any guarantee or indemnities or letters of comfort, or incur any other contingent liability (as defined in Annex 5.5 of MPMNI), whether or not in a legally binding form.

Grant or loan schemes

53 Unless covered by a delegated authority, all proposals to make a grant or loan to a third party, whether one-off or under a scheme, together with the terms and conditions under which such grant or loan is made shall be subject to prior approval by the DHSSPS, and where necessary DFP. If grants or loans are to be made under a continuing scheme, statutory authority is likely to be required. Within its approved overall resource limit the PHA shall have delegated authority to make a grant to a third party.

54 The terms and conditions of a grant or loan to a third party shall include a requirement on the receiving organisation to prepare accounts and to ensure that its books and records in relation to the grant or loan are readily available for inspection by the PHA, the DHSSPS and the C&AG.

55 See also below under the heading *Recovery of grant-financed assets* (paragraphs 79-81).

Gifts made, write-offs, losses and other special payments

56 Proposals for making gifts or other special payments (including issuing write-offs) outside the delegated limits set out in the **Appendix A** of this document must have the prior approval of the DHSSPS and where necessary DFP.

57 Losses shall not be written off until all reasonable attempts to make a recovery have been made and proved unsuccessful.

58 Gifts by management to staff are subject to the requirements of HSC(F)50/2012 or the latest Departmental guidance.

Leasing

59 Prior Departmental approval must be secured for all property and finance leases. The PHA must have capital DEL provision for finance leases and other transactions which are, in substance, borrowing (paragraphs 35-36 above).

60 Before entering into any lease (including an operating lease) the PHA shall demonstrate that the lease offers better value for money than purchase.

Public/Private Partnerships

61 The PHA shall seek opportunities to enter into Public/Private Partnerships where this would be more affordable and offer better value for money than conventional procurement. Where cash flow projections may result in delegated spending authority being breached, the PHA shall consult the DHSSPS. PHA should also ensure that it has the necessary budget cover.

62 Any partnership controlled by the PHA shall be treated as part of the PHA in accordance with guidance in the FReM and consolidated with it [subject to any particular treatment required by the FReM]. Where the judgment over the level of control is difficult the DHSSPS will consult DFP (who may need to consult with the Office of National Statistics over national accounts treatment).

Subsidiary companies and joint ventures

63 The PHA shall not establish subsidiary companies or joint ventures without the express approval of the DHSSPS and DFP. In judging such proposals the DHSSPS will have regard to the Department's wider strategic aim[s] objective and current Public Service Agreement.

64 For public expenditure accounts purposes any subsidiary company or joint venture controlled or owned by the PHA shall be consolidated with it in accordance with guidance in the FReM subject to any particular treatment required by the FReM. Where the judgment over the level of control is difficult, the DHSSPS will consult DFP (who may need to consult with the Office of National Statistics over national accounts treatment). Unless specifically agreed with the DHSSPS and DFP, such subsidiary companies or joint ventures shall be subject to the controls and requirements set out in this *Management Statement* and *Financial Memorandum*, and to the further provisions set out in supporting documentation.

Financial investments

65 The PHA shall not make any investments in traded financial instruments without the prior written approval of the DHSSPS, and, where appropriate, DFP, nor shall it aim to build up cash balances or net assets in excess of what is required for operational purposes. Funds held in bank accounts or as financial investments may be a factor for consideration when grant-in-aid is determined. Equity shares in ventures which further the objectives of the PHA shall equally be subject to Departmental and DFP approval unless covered by a specific delegation.

Unconventional financing

66 The PHA shall not enter into any unconventional financing arrangement without the approval of the DHSSPS and DFP.

Commercial insurance

67 The PHA shall not take out any insurance without the prior approval of the DHSSPS and DFP, other than third party insurance required by the Road Traffic (NI) Order 1981 (as amended) and any other insurance which is a statutory obligation or which is permitted under Annex 4.5 of MPMNI.

68 In the case of a major loss or third-party claim, DHSSPS shall liaise with the PHA about the circumstances in which, in the case of a major loss or third-party claim, an appropriate addition to budget out of the DHSSPS' funds and/or adjustment to the PHA's targets shall be considered. DHSSPS will liaise with DFP Supply where required in such cases.

Payment/Credit Cards

69 The PHA, in consultation with the DHSSPS, shall ensure that a comprehensive set of guidelines on the use of payment cards (including credit cards) is in place. Reference should be made to HSS(F)11/2003.

Hospitality

70 The PHA, in consultation with the DHSSPS, shall ensure that a comprehensive set of guidelines on the provision of hospitality is in place. Reference should be made to DAO(DFP) 10/06 (revised).

Use of Consultants

71 The PHA shall adhere to the guidance issued by DFP, as well as any produced by the DHSSPS in relation to the use of consultants. Please see the delegated limits set out in **Appendix A**.

72 PHA will provide DHSSPS with an annual statement on the status of all consultancies completed and/or started in each financial year.

73 Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

VI. MANAGEMENT AND DISPOSAL OF FIXED ASSETS

Register of assets

74 The PHA shall maintain an accurate and up-to-date register of its fixed assets.

Disposal of assets

75 The PHA shall dispose of assets which are surplus to its requirements. Assets shall be sold for best price, taking into account any costs of sale. Generally assets shall be sold by auction or competitive tender [unless otherwise agreed by the DHSSPS], and in accordance with the principles in MPMNI.

76 All receipts derived from the sale of assets (including grant financed assets, see below) must be declared to the DHSSPS, which will consult with DFP, if necessary, on the appropriate treatment.

Recovery of grant-financed assets

77 Where the PHA has financed expenditure on capital assets by a third party, the PHA shall set conditions and make appropriate arrangements to ensure that any such assets individually above a value of £500 are not disposed of by the third party without the PHA's prior consent.

78 The PHA shall therefore ensure that such conditions and arrangements are sufficient to secure the repayment of the NI Consolidated Fund's due share of the proceeds of the sale, in order that funds may be surrendered to the DHSSPS.

79 The PHA shall ensure that if the assets created by grants made by the PHA cease to be used by the recipient of the grant for the intended purpose, a proper proportion of the value of the asset shall be repaid to the PHA for surrender to the DHSSPS. The amounts recoverable under the procedures in paragraphs 77-78 above shall be calculated by reference to the best possible value of the asset and in proportion to the NI Consolidated Fund's original investment(s) in the asset.

VII. BUDGETING PROCEDURES

Setting the annual budget

80 Each year, in the light of decisions by the DHSSPS on the PHA's updated draft corporate plan, the DHSSPS will send to the PHA:

- a formal statement of the annual budgetary provision allocated by the DHSSPS in the light of competing priorities across the DHSSPS and of any forecast income approved by the DHSSPS;

and

- a statement of any planned change in policies affecting the PHA.

81 The PHA's approved annual commissioning plan will take account both of its approved funding provision and of any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any DHSSPS funding and/or other income over the year. These elements will form part of the approved business plan for the year in question.

82 Any grant-in-aid provided by the DHSSPS for the year in question will be voted in the DHSSPS' Estimate and will be subject to Assembly control.

General conditions for authority to spend

83 Once the PHA's budget has been approved by the DHSSPS [and subject to any restrictions imposed by Statute/the Minister /this MSFM], the PHA shall have authority to incur expenditure approved in the budget without further reference to the DHSSPS, (delegated limits are subject to the requirements of HSC(F)67/2012 or the latest Departmental guidance) on the following conditions:

- the PHA shall comply with the delegations set out in **Appendix A** of this document. These delegations shall not be altered without the prior agreement of the DHSSPS and DFP;
- the PHA shall comply with the conditions set out in paragraph 12 above regarding novel, contentious or repercussive proposals;
- inclusion of any planned and approved expenditure in the PHA's budget shall not remove the need to seek formal Departmental [and where necessary, DFP] approval where such proposed expenditure is above the delegated limits set out in **Appendix A** or is for new schemes not previously agreed; and
- the PHA shall provide the DHSSPS with such information about its operations, performance individual projects or other expenditure as the DHSSPS may reasonably require (see paragraph 87 below).

Providing monitoring information to the DHSSPS

84 The PHA, or the HSC Board and BSO on behalf of the PHA, shall provide the DHSSPS with, as a minimum, information on a monthly basis which will enable the satisfactory monitoring by the DHSSPS of:

- the PHA's cash management;
- its draw-down of any grant-in-aid;
- the expenditure for that month;
- forecast outturn by resource headings; and
- other data required for the DFP Outturn and Forecast Outturn Return.

VIII. BANKING

Banking arrangements

85 The PHA is a member of the HSC 'pool' of bank accounts. The PHA's Accounting Officer is responsible for ensuring that the PHA's banking arrangements are in accordance with the requirements of Annex 5.7 of *MPMNI*. This responsibility remains even within the current banking pool arrangements. In particular, he/she shall ensure that the arrangements safeguard public funds and that their implementation ensures efficiency, economy and effectiveness.

86 He/she shall therefore ensure that:

- these arrangements are suitably structured and represent value-for-money. The HSC pool of accounts will be comprehensively reviewed at least every three to five years;
- sufficient information about banking arrangements is supplied to the DHSSPS' Accounting Officer to enable the latter to satisfy his/her own responsibilities;
- the PHA's banking arrangements shall be kept separate and distinct from those of any other person or organisation; and
- adequate records are maintained of payments and receipts and adequate facilities are available for the secure storage of cash.

IX. COMPLIANCE WITH INSTRUCTIONS AND GUIDANCE

Relevant documents

87 The PHA shall comply with the following general guidance documents:

- This document (both the *Financial Memorandum* and the *Management Statement*);
- *Managing Public Money Northern Ireland (MPMNI)*;
- *Public Bodies - a Guide for NI Departments* issued by DFP;
- *Government Internal Audit Standards*, issued by DFP
- The document *Managing the Risk of Fraud* issued by DFP;
- The Treasury document *The Government Financial Reporting Manual (FReM)* issued by DFP;
- Relevant Dear Consolidation Officer and Dear Consolidation Manager letters issued by DFP;
- *Regularity Propriety and Value for Money* issued by Treasury;
- The Consolidation Officer Letter of Appointment, issued by DFP;
- Other relevant guidance and instructions issued by DFP in respect of Whole of Government Accounts;
- Other relevant instructions and guidance issued by the central Departments (DFP/OFMDFM) including Procurement Board and CPD guidance;
- Specific instructions and guidance issued by the DHSSPS;
- Recommendations made by the Public Accounts Committee, or by other Assembly/Parliamentary authority, which have been accepted by the Government and which are relevant to the PHA.

X. REVIEW OF FINANCIAL MEMORANDUM

88 The *Management Statement* and *Financial Memorandum* will normally be reviewed at least every five years.

89 DFP Supply will be consulted on any significant variation proposed to the *Management Statement* and *Financial Memorandum*.

Signed: _____ Date: _____

On behalf of the PHA

Signed: _____ Date: _____

On behalf of the Department

APPENDIX A

DELEGATED EXPENDITURE LIMITS

GENERAL

These delegated expenditure limits have been agreed by the Department and the Department of Finance and Personnel and are subject to the requirements of HSC(F)67/2012 or the latest Departmental guidance.

1. PURCHASING ALL GOODS AND SERVICES

Table 1 Delegated Authority for the Purchase of Goods and Services
(All costs exclude VAT)

THRESHOLDS	NUMBER/TYPE OF TENDER REQUIRED	AUTHORISATION
Up to £5,000	Price check may be required (see DFP document PGN 04/12)	The Chief Executive/The appropriate officer as notified to the DHSSPS
>£5,000 - £30,000	4 Selected Tenders	The Chief Executive/The appropriate officer as notified to the DHSSPS
> £30,000 – EU Thresholds	Publicly advertised tender competition	The Chief Executive/The appropriate officer as notified to the DHSSPS

Economic Appraisal

The principles of economic appraisal should be applied in all cases where expenditure is proposed, whether the proposal involves capital or current expenditure, or both. The effort put into economic appraisal should be commensurate with the size or importance of the needs or resources under consideration. However, the PHA should undertake a comprehensive business case of all projects involving expenditure of £250,000 and over.

Where the minimum number of quotation/tenders is not obtained

For any purchase where the minimum number of quotations/tenders is not obtained the purchase may proceed if the accounting officer is satisfied that every attempt has been made to obtain competitive offers and that value for money will be achieved. In these cases the accounting officer should complete a report, and records of all correspondence should be retained on file, including any justification given and/or approvals obtained.

2. CAPITAL PROJECTS

The Chief Executive or appropriate officer as notified to the DHSSPS, may authorise capital expenditure on discreet capital projects of up to £50,000. Capital projects over this amount require the approval of the DHSSPS, and may be subject to quality assurance by the Department of Finance and Personnel if requested.

Any novel and/or potentially contentious projects, regardless of the amount of expenditure, require the approvals of the DHSSPS and DFP.

3. DISPOSAL OF SURPLUS EQUIPMENT

See paragraphs 78 - 79

4. LEASE AND RENTAL AGREEMENTS

See paragraphs 64-65

5. APPROVAL OF INFORMATION TECHNOLOGY PROJECTS

The appraisal of Information Technology (IT) projects should include the staffing and other resource implications.

The principles of appraisal, evaluation and management apply equally to proposals supported by information communication technology (ICT) as to all other areas of public expenditure. ICT-enabled projects should be appraised and evaluated according to the general guidance in the Northern Ireland Guide to Expenditure Appraisal and Evaluation ([NIGEAE](#)) and managed using the new [Successful Delivery \(NI\)](#) guidance which was issued in June 2009.

The purchase of IT equipment and systems should be in line with the guidance Procedures and Principles for Application of Best Practice in Programme/Project Management (PPM), (available at www.dfpni.gov.uk/successful-delivery) and be subject to competitive tendering unless there are convincing reasons to the contrary. The form of competition should be appropriate to the value and complexity of the project, and in line with the Procurement Control Limits in Table 1. Delegated authority for each IT project is set out in Table 2.

Table 2 Delegation Arrangements for Information Technology Projects, Systems and Equipment (as per HSC(F)67/2012)
(All costs exclude VAT)

THRESHOLDS	AUTHORISATION
Up to £50,000 capital cost <u>and</u> up to £250,000 total costs	The Chief Executive/The appropriate officer as notified to the DHSSPS
Projects over £250,000	The Chief Executive with prior approval from the DHSSPS

6. ENGAGEMENT OF CONSULTANTS

General

The PHA has authority to appoint consultants for a **single contract** without recourse to the DHSSPS up to a **total** cost of £10,000, and subject to any guidance as may be issued by DFP or the DHSSPS. While Departmental approval is not required for consultancy assignments below £10,000, the PHA must notify the Department in advance of any proposal to engage external consultants. Where the PHA intends to appoint consultants via a Direct Award Contract the approval of the Departmental Accounting Officer must be secured in advance, regardless of cost.

The PHA will provide the DHSSPS with a quarterly statement on the status of all consultancies completed and/or started in each financial year.

Care should be taken to avoid actual, potential, or perceived conflicts of interest when employing consultants.

Economic appraisal

A full but proportionate business case should be prepared for all consultancy assignments, regardless of cost.


7. LOSSES AND SPECIAL PAYMENTS

Losses and special payments limits have been agreed by the Department and the Department of Finance and Personnel and are subject to the requirements of HSC(F)50/2012 or the latest Departmental guidance.

A summary note of the losses in any financial year should be included in the PHA's accounts.

Details of all losses and special payments should be recorded in a Losses and Special Payments Register, which will be available to auditors. The Register should be kept up-to-date and should show evidence of the approval by the appropriate officer as notified to the DHSSPS for amounts below the delegated limits, and the DHSSPS, where appropriate.

PUBLIC HEALTH AGENCY BOARD PAPER

Date of Meeting	17 April 2014
Title of Paper	PHA Procurement Plan
Agenda Item	12
Reference	PHA/05/04/14
Summary	
<p>The Procurement Plan attached sets out the various programme areas where PHA is refreshing its contracts for non-Trust services over the next 4 years. This is being done in a way consistent with EU procurement requirements, within the framework set by Central Procurement Department and with advice and guidance from BSO Procurement and Logistics Services and Legal colleagues.</p> <p>A briefing on some of the key issues that PHA is addressing in taking forward this work will be provided to Members at the meeting.</p>	
Equality Screening / Equality Impact Assessment	N/A
Recommendation / Resolution	For Noting
Director's Signature	
Title	Director of Operations
Date	10 April 2014

