

**PUBLIC HEALTH AGENCY  
ANNUAL ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2012**



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**FOR THE YEAR ENDED 31 MARCH 2012**

*Laid before the Northern Ireland Assembly  
under Schedule 2, para 17(5) of the Reform Act for the Regional Agency, by the  
Department of Health, Social Services and Public Safety.*

*on*

**29<sup>th</sup> June 2012**

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## **PUBLIC HEALTH AGENCY**

### **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **FOREWORD**

These accounts for the year ended 31 March 2012 have been prepared in a form determined by the Department of Health, Social Services and Public Safety (DHSSPS) based on guidance from the Department of Finance and Personnel's Financial Reporting Manual (FReM) and in accordance with the requirements of the Health and Social Care (Reform) Act (Northern Ireland) 2009.

## **PUBLIC HEALTH AGENCY**

### **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **STATEMENT OF ACCOUNTING OFFICER RESPONSIBILITIES**

Under the Health and Social Care (Reform) Act (Northern Ireland) 2009, the Department of Health, Social Services and Public Safety has directed the Public Health Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Public Health Agency, of its income and expenditure, changes in taxpayers equity and cash flows for the financial year.

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

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

The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Dr Eddie Rooney of the Public Health Agency (PHA) as the Accounting Officer for the Public Health Agency. The responsibilities of an Accounting Officer, including his responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the PHA's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety.

**PUBLIC HEALTH AGENCY**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

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

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 22-57) which I am required to prepare on behalf of the Public Health Agency have been compiled from and are in accordance with the accounts and financial records maintained by the Health and Social Care Board on behalf of the Public Health Agency and with the accounting standards and policies for HSC bodies approved by the Department of Health, Social Services and Public Safety.

Paul Cummings

Director of Finance



13<sup>th</sup> June 2012

Date

I certify that the Annual Accounts set out in the financial statements and notes to the accounts (pages 22-57) are prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

Mary McMahon

Chairman



13<sup>th</sup> June 2012

Date

E P Rooney

Chief Executive



13 June 2012

Date

## **PUBLIC HEALTH AGENCY**

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

I certify that I have audited the financial statements of the Public Health Agency for the year ended 31 March 2012 under the Health and Social Care (Reform) Act (Northern Ireland) 2009. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### **Respective responsibilities of the Accounting Officer and auditor**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with the Health and Social Care (Reform) Act (Northern Ireland) 2009. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

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

#### **Opinion on Regularity**

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

#### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of the Public Health Agency's affairs as at 31 March 2012 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Health and Social Care (Reform) Act (Northern Ireland) 2009 and Department of Health, Social Services and Public Safety directions issued thereunder.

#### **Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department of Health, Social Services and Public Safety directions made under the Health and Social Care (Reform) Act (Northern Ireland) 2009; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

#### **Report**

I have no observations to make on these financial statements.

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

*25* June 2012

## **PUBLIC HEALTH AGENCY**

### **ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **STATEMENT ON INTERNAL CONTROL**

##### *Scope of Responsibility*

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

As Chief Executive, I exercise my responsibility by ensuring that an adequate system for the identification, assessment and management of risk is in place. I have in place a range of organisational controls, commensurate with officers' current assessment of risk, designed to ensure the efficient and effective discharge of PHA business in accordance with the law and departmental direction. Every effort is made to ensure that the objectives of the PHA are pursued in accordance with the recognised and accepted standards of public administration.

A range of processes and systems (including SLAs, representation on board and Governance and Audit Committee and regular formal meetings between senior officers) are in place to support the close working between the PHA and its partner organisations, primarily the Health and Social Care Board and the Business Services Organisation, as they provide essential services to the PHA (including finance) and in taking forward the health and wellbeing agenda.

Systems are also in place to support the inter-relationship between the PHA and the DHSSPS, through regular meetings and submitting regular reports.

##### *The purpose of the system of internal control*

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

- identify and prioritise the risks to the achievement of organisational policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Public Health Agency for the year ended 31 March 2012, and up to the date of the approval of the Annual Report and Annual Accounts and accords with Department of Health, Social Services and Public Safety guidance.

The board of the Public Health Agency exercises strategic control over the operation of the organisation through a system of corporate governance, including:

- A schedule of matters reserved for board decisions, some of which may have been delegated to Committees;

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

- A scheme of delegation, which devolves decision making authority within set parameters to the Chief Executive and other officers;
- Standing Orders and Standing Financial Instructions, which set out the PHA's governance regulations;
- The operation of a Governance and Audit Committee (comprised of Non Executive Directors) to assure adherence to those regulations;
- The operation of a Remuneration and Terms of Service Committee (also comprised of Non Executive Directors) to ensure appropriate remuneration of Senior Executives and Consultants within Departmental policy;
- An Assurance Framework which provides systematic assurances required by the PHA board on the effectiveness of the system of internal control by highlighting the reporting and monitoring mechanisms that are necessary in discharging the PHA's functions and duties; and
- A Corporate Risk Register.

### **Financial Control Framework and Assurance**

The system of internal financial control was based on the systematic regular monitoring of financial information, comprehensive administrative procedures including appropriate segregation of duties and a formal framework of structured delegation and associated accountability.

In particular it included:

- Comprehensive budgeting systems with an Annual Financial Plan, which was reviewed and agreed by the Board;
- Regular reviews by the board of periodic annual financial reports, which indicated financial performance against the forecast on the main areas of PHA activity;
- Setting targets to measure financial and other performances;
- Clearly defined capital investment control guidelines to safeguard assets;
- As appropriate, formal delegated budget management processes; and
- Systematic scrutiny by an independent internal audit.

All legal services for the PHA are acquired from Business Services Organisation (BSO) Legal Services Directorate and no other independent legal services are used.

## STATEMENT ON INTERNAL CONTROL (Cont'd)

### Internal Audit

The PHA has secured an independent internal audit function which operates to the Government Internal Audit Standards (GIAS) 2011 and whose work is informed by an analysis of risk to which the PHA is exposed. The annual internal audit work plan is approved by the Governance and Audit Committee at the beginning of the year. During 2011/12 Internal Audit reviewed the following systems and processes:

- PHA financial review
- Management of Contracts
- Voluntary organisations expenditure
- Health Protection
- Personal and Public Involvement
- Risk Management
- Information Governance

The assurances given by the Internal Auditor are categorised into substantial, satisfactory, limited and unacceptable. In each report the Internal Auditor gave an opinion on each of the above areas and has concluded that the PHA's system of internal controls was satisfactory.

However, while the financial review audit gave overall satisfactory assurance it provided limited assurance on adherence to internal procedures in respect of the use of external management consultants. While recognising that the PHA had provided guidance to staff on the use of management consultants, internal audit recommended that additional training should be provided. The PHA is addressing this through the inclusion of explicit training on the use of external management consultants through the mandatory financial governance and procedures training currently underway. In addition the PHA has set up robust mechanisms to manage the use of external management consultants and to monitor this, with regular reports to the PHA Management Team.

One priority one recommendation was made within the information governance report, relating to the completion of a data flow exercise identifying where data is transferred outside the PHA to ensure appropriate controls are in place. The PHA is currently addressing this recommendation; data flow analysis is currently underway across all Directorates and will be complete by 30 June 2012. Progress is reported to the Information Governance Steering Group and Governance and Audit Committee.

One priority one recommendation was made within the management of contracts report, relating to a legacy contract. The PHA is working with BSO Procurement and Logistics Service (PALS) to address this. Additionally, all staff will be reminded to ensure that all contracts are reviewed, ensuring that appropriate contracts are in place and that proper procurement guidance is followed.

A number of priority 2 recommendations have been identified which management are actively progressing towards full implementation. This process will be monitored by the Internal Auditor and reported to the Governance and Audit Committee in the mid and end of year assurance statements.

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

In addition a verification exercise on a number of Controls Assurance Standards has been completed by the Internal Auditor and details can be found within the Controls Assurance Standards section of this document.

Internal audit have also carried out a follow up report on progress against recommendations from 2010/11. Of these 84% were fully implemented, a further 12% partially implemented and 4% (3 recommendations) not yet implemented. Actions are being taken to fully implement these remaining recommendations.

With regard to the wider control environment the PHA has in place a range of organisational controls, commensurate with the current assessment of risk, designed to ensure the efficient and effective discharge of its business in accordance with the law and departmental direction. Every effort is made to ensure that the objectives of the PHA are pursued in accordance with the recognised and accepted standards of public administration. For example the PHA's HR policies are based on the principle of equality of opportunity and controls are in place to ensure that all related decisions are taken in accordance with relevant legislation.

### **External Audit**

In the Report to Those Charged with Governance (RTTCWG) dated 31 March 2011, the Comptroller and Auditor General gave an unqualified audit opinion on the financial statements and the regularity opinion of the PHA's accounts, with 2 priority 1 issues being raised namely:

- Reliance on Third Party Organisations (Business Services Organisation)
- Contract Issues in respect of PHA Staffing

The related recommendations have been implemented during 2011/12 but will be subject to on-going monitoring by the PHA.

All other recommendations raised in the RTTCWG have been proactively progressed by management, reported by the Director of Finance and reviewed by the Governance and Audit Committee at each meeting throughout 2011/12.

### ***Capacity to handle risk***

The PHA has continued to discharge its functions in a way that ensures risks are managed as effectively and efficiently as possible to meet corporate objectives and to continuously improve the quality of services.

The PHA has a designated executive member of the board with responsibility for risk management. The corporate risk register is reviewed quarterly by the Agency Management Team and Governance and Audit Committee. The Governance and Audit Committee has reported regularly to the Agency board on a range of governance issues including risk. The corporate risk register is brought to a PHA board meeting at least annually.

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

During 2011/12 training and support was provided to staff who are actively involved in reviewing and co-ordinating the review of the Directorate and Corporate risk registers. A system has been established whereby the Senior Operations Manager meets with the planning and project managers supporting each Directorate and Division at the end of each quarter to ensure feedback and consistency in the review of the risk registers.

During the period, training sessions were also provided to acquaint all PHA staff with organisational protocols on corporate issues such as, health and safety and security, financial governance and procedures, and equality.

Annual fire safety awareness training was delivered to staff and fire evacuation exercises were undertaken in each of the PHAs facilities and within those where PHA staff are located in Health and Social Care Board (HSCB) facilities. Additionally, a Fire Risk Assessment and Health and Safety Assessment have been completed for all PHA facilities.

### **The risk and control framework**

The PHA has established an Assurance Framework which is closely linked to the four HSC performance and assurance dimensions as set out in the DHSSPS Framework Document produced in September 2011 namely:

1. Corporate Control – the arrangements by which the PHA directs and controls its functions and relates to stakeholders.
2. Safety and Quality – the arrangements for ensuring that health and social care services are safe and effective and meet patients' needs.
3. Finance – the arrangements for ensuring the financial stability of the PHA, for ensuring value for money and ensuring that resources allocated by the Minister/DHSSPS are deployed fully in achievement of agreed outcomes.
4. Operational Performance and Service Improvement – the arrangements for ensuring the delivery of Governance and Ministerial targets and required service improvements.

The Assurance Framework provides the systematic assurance required by the Agency board on the effectiveness of the system of internal control by highlighting the reporting and monitoring mechanisms that are necessary to ensure that the PHA carries out its functions.

### **Managing Risk**

During 2011/12 the PHA prepared and adopted a new Risk Management Strategy and Policy. This document explicitly outlines the PHA risk management process which is a 5 stage approach – risk identification, risk assessment, risk appetite, addressing risk and recording and reviewing risk, as follows:

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

### **Stage 1 - Risk Identification**

Risks are identified in a number of ways and at all levels within the organisation (corporately, by directorate and by individual staff members). Risks can present as external factors which impact on the organisation but which the organisation may have limited control over, or operational which concern the service provided and the resources/processes available and utilised.

Organisation risk is related to the organisation's objectives (as detailed in the Corporate Strategy and Corporate Business Plan). Each risk identified is correlated to at least one of the corporate objectives. Risks are also aligned with the relevant performance and assurance dimensions as identified in the DHSSPS Framework Document.

### **Stage 2 - Risk Assessment**

After risks are identified they are they assessed to establish:

The **impact** that the risk would have on the business should it occur, and

The **likelihood** of the risk materialising.

The PHA is committed to adhering to best practice in the identification and treatment of risks. The AS/NZS 4360:2004 "5x5" Risk Matrix is used along with a Risk Analysis Tools Impact Table which gives detail of the impact definitions to be used when assessing each identified risk.

### **Stage 3 - Risk Appetite**

The organisation carefully considers the risk appetite – i.e. the extent of exposure to risk that is judged tolerable and justifiable. There will be times when it is necessary to accept a level of risk in order to progress with business. Risk appetite is built into the risk assessment process as outlined above.

### **Stage 4 - Addressing the Risk**

Whilst there are four traditional responses to addressing risk (terminate, tolerate, transfer and treat), in practice within the PHA the vast majority of risks are managed via the "Treat" or "Tolerate" route – both of which are underpinned by the identification of an action plan to reduce and ultimately eliminate the risk.

### **Stage 5 - Recording and Reviewing Risk**

Within the PHA the risk management process is recorded and evidenced through the maintenance of Risk Registers.

To ensure the robustness of the PHA's system of internal control, fully functioning risk registers at both directorate and corporate levels are reviewed and updated on a regular basis, ensuring that risks are managed effectively and efficiently to meet-corporate objectives and to continuously improve the quality of services.

Processes are established within each directorate enabling risks to be identified, controls and/or gaps in controls highlighted and where relevant action to be taken to mitigate the risk. Directors and senior officers also identify risks which require to be escalated to the corporate risk register.

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

The directorate and corporate risk registers are reviewed and updated on a quarterly basis; the corporate risk register is approved the Agency Management Team and by the Governance and Audit Committee as a standing item on each Governance and Audit Committee meeting. It is brought to the full PHA public board at least once during the year, and during 2011/12 this was in March 2012.

### **Information Risk**

During the period the PHA has established the following Information Governance Structure. The Director of Operations as Senior Information Risk Owner (SIRO) is the focus for the management of information risk at board level. The Director of Public Health as the Personal Data Guardian (PDG) has responsibility for ensuring that the PHA processes satisfy the highest practical standards for handling personal data. Assistant Directors as Information Asset Owners (IAO's) are responsible for managing and addressing risks associated with the information assets within their function and provide assurance to the SIRO on the management of those assets. The SIRO, IAOs and the PDG all attended specialised training during 2011/12.

PHA has established an Information Governance Steering Group (IGSG) with the primary role of leading the development and implementation of the Information Governance framework across the organisation, including ensuring that action plans arising from internal and external audit reports and controls assurance standards assessments are progressed. The Group is chaired by the SIRO and membership includes all the IAOs, PDG, a non-executive board member and relevant governance staff. The IGSG meets quarterly, and provides a report to the Governance and Audit Committee.

During 2011/12 the PHA developed an Information Governance Strategy setting out the framework to ensure that the PHA meets its obligations in respect of information governance, embedding this at the heart of the organisation and driving forward improvements in information governance within the PHA. The Strategy covers the 3 year period from April 2012 to March 2015 and will be supported by annual Action Plans setting out how it will be implemented. Alongside this a Records Management Strategy, with an associated action plan has been developed.

The PHA 'Connect' intranet provides staff with easy access to the latest PHA policies, news and resources. Through the use of this site the PHA ensures that all staff have access to information governance policies and procedures.

Information risks are incorporated in the Corporate and Directorate Risk Registers and control measures are identified and reviewed as required.

### **Bribery Act**

The DHSSPS issued circular HSC (F) 02/2012 on 4 January 2012 setting out guidance on the implementation of the Bribery Act and encouraging all organisations to consider their own arrangements for preventing bribery from occurring and bringing such actions to the Governance & Audit Committee. In response to this the PHA has identified the Director of Operations as the lead director and an action plan has been approved by AMT. Key actions taken to date have included:

- writing to BSO to clarify the anti-bribery actions taken on the PHA's behalf in all areas of the SLA,

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

- The Fraud Policy and Response Plan, Whistleblowing Policy, Standing Orders and Standing Financial Instructions have been updated in light of the Bribery Act.
- Mandatory Fraud and Financial Governance training has been undertaken, which includes a section on the key elements of the Bribery Act and the implications for all staff. This training will be complete early in the new financial year.
- Awareness training for Executive and Non Executive Board members has been arranged for 19 April 2012.

### **Business Continuity**

Significant investment has been made this year into bringing the PHA's Business Continuity Plan in line with BS25999 standards. A project team, led by the PHA Operations Directorate, was established with representatives from all Directorates to take forward an extensive review of the existing PHA Business Continuity Plan. Additionally the PHA engaged support from DFP Business Consultancy Services to provide expert assistance. Given that the PHA relies on both the BSO and HSCB for the provision of core services, both organisations were represented on the project team.

A key element of the project was to ensure that relevant staff received training on business continuity planning, to ensure the development of an appropriate and workable business continuity plan and to assist in embedding business continuity management in the culture of the organisation.

The outcome of this work has been the production of a PHA Business Continuity Policy Statement, a Business Impact Assessment report and a revised and tested Business Continuity Plan, which identifies, those functions deemed as being 'business critical' and provides detail as to how these functions will be dealt with during a serious interruption.

### **Emergency Preparedness**

The PHA has led on the development of joint Emergency Preparedness & Response Arrangements with the HSCB and the BSO; a Joint Response Plan was approved by each of the organisations' senior management teams in March 2011, which was then approved by Board in September 2011. An update on progress was given to Governance and Audit Committee in October 2011.

These arrangements set out the operational processes to be followed in order to assess and action the appropriate level of joint response required by the three organisations on notification of a potential major incident in Northern Ireland. The arrangements reflect the roles and responsibilities of the respective organisations as outlined in the DHSSPS Policy Circular HSC (PHD) Communication 1/2010.

The responsibility for leading on emergency preparedness and response falls to the Health Protection division within the PHA. A joint emergency preparedness working group, with representation from BSO, PHA and HSCB, meets regularly to oversee the development and testing of the emergency preparedness plan. The plan was activated in response to the Pseudomonas Outbreak on 22<sup>nd</sup> January 2012 and an EOC was fully operational from 23<sup>rd</sup> January to the 16<sup>th</sup> February. A debrief into the response was held on the 29<sup>th</sup> February 2012 and as a result of the incident and subsequent debrief the plan will be reviewed and refined.

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

During 2011/12 a number of specialist training workshops were developed for key staff from the PHA, HSCB and BSO. This included 'loggist' and EOC Management training run by specialised emergency planning training company. PHA and PSNI also jointly ran a large-scale inter-agency CBRN conference and workshop in October 2011. The workshop and associated actions will ensure greater collaboration between first responders in the event of a CBRN event occurring in NI.

All staff were given general awareness of the Joint Response Emergency Plan through the mandatory operational training. Key PHA staff within this area of expertise are also required to work with HSCB colleagues in relation to the performance management of HSC Trusts in relation to Emergency Preparedness and response.

During 2011/2012 the Emergency Preparedness achieved a Controls Assurance Standards substantive compliance. Further work in enhancing this level of preparedness will be carried out in the coming year.

### **Stakeholder Involvement**

The Director of Nursing and Allied Health Professionals has responsibility for leading on Personal and Public Involvement (PPI), supported by the Assistant Director of AHPs & PPI along with the Regional Lead officer for PPI.

The PHA has a number of legislative and leadership obligations and responsibilities in respect of PPI emerging from sections 19 and 20 of the Health and Social Care (Reform) Act (Northern Ireland) 2009, the 2007 PPI Policy Guidance from the Department and other drivers such as PfA and the Commissioning Plan Direction.

Cognisant of these, the PHA has

- Secured approval for its Consultation Scheme.
- Completed its PPI Strategy & is developing an Action Plan to Guide and Direct PPI across the organisation.
- Dedicated staff appointed to lead, guide and support PPI internally and externally.
- Established, facilitated and supported the Regional HSC PPI Forum, driving forward the PPI agenda across the HSC. Under the Leadership of the PHA and through the work of its staff, models of best practice are being shared, training needs and options are being examined, indicative standards, measurement and performance management methodologies are being explored.
- Established a joint PPI working group with the HSCB to take PPI forward throughout our respective organisations.
- Undergone an audit of PPI and is addressing the associated recommendations.

### **Complaints Management**

The PHA's complaints procedures are set out in its "Standards and Guidelines for Handling and Monitoring of Complaints", which is available on the PHA internet and intranet sites. The operation and effectiveness of the PHA Complaints policy and procedure is monitored by the Governance and Audit Committee.

## STATEMENT ON INTERNAL CONTROL (Cont'd)

### Controls Assurance Standards

During 2011/12 the Public Health Agency systematically self assessed its level of compliance with the applicable Controls Assurance Standards. The levels of compliance achieved by the PHA are set out in the table below:

Standard	DHSSPS Expected Level of Compliance	Level of Compliance 2011/12	Verified by Internal Audit
Buildings, land, plant and non-medical equipment	75% - 99% (Substantive)	79% (Substantive)	-
Decontamination of medical devices	75% - 99% (Substantive)	N/A	-
Emergency Planning	75% - 99% (Substantive)	83% (Substantive)	-
Environmental Cleanliness	75% - 99% (Substantive)	N/A	-
Environment Management	75% - 99% (Substantive)	75% (Substantive)	-
<b>Financial Management (Core Standard)</b>	75% - 99% (Substantive)	86% (Substantive)	BSO IA
Fire Safety	75% - 99% (Substantive)	90% (Substantive)	BSO IA
Fleet and Transport Management	75% - 99% (Substantive)	N/A	-
Food Hygiene	75% - 99% (Substantive)	N/A	-
<b>Governance (Core Standard)</b>	75% - 99% (Substantive)	79% (Substantive)	BSO IA
Health & Safety	75% - 99% (Substantive)	78% (Substantive)	-
Human Resources	75% - 99% (Substantive)	84% (Substantive)	-
Infection Control	75% - 99% (Substantive)	N/A	-
Information Communication Technology	75% - 99% (Substantive)	79% (Substantive)	-
Management of Purchasing and Supply	75% - 99% (Substantive)	81% (Substantive)	-
Medical Devices and Equipment Management	75% - 99% (Substantive)	N/A	-
Medicines Management	75% - 99% (Substantive)	N/A	-
Records Management	75% - 99% (Substantive)	75% (Substantive)	BSO IA
Research Governance	75% - 99% (Substantive )	80% (Substantive)	-
<b>Risk Management (Core Standard)</b>	75% - 99% (Substantive)	78% (Substantive)	BSO IA
Security Management	75% - 99% (Substantive)	83% (Substantive)	BSO IA
Waste Management	75% - 99% (Substantive)	78% (Substantive)	-

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

### **Review of Effectiveness**

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditor and the executive managers within the Public Health Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the External Auditor in his management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board and Governance and Audit Committee. A plan to address weaknesses and ensure continuous improvement to the system is in place.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes:

### **PHA board**

The overall responsibility for ensuring that the PHA operates an effective system of internal control resides with the PHA board. This is managed through the Chief Executive as Accounting Officer.

The board is responsible for:

- (a) the management of its activities in accordance with laws and regulations; and
- (b) the establishment and maintenance of a system of internal control designed to give reasonable assurance that:
  - assets are safeguarded;
  - waste and inefficiency are avoided;
  - reliable financial information is produced; and
  - value for money is continuously sought.

### **Governance and Audit Committee**

The Governance and Audit Committee provides an assurance to the board of the PHA on the adequacy and effectiveness of the system of internal controls in operation within the PHA. It assists the board in the discharge of its functions by providing an independent and objective review of:

- all control systems;
- the information provided to the board;
- compliance with law, guidance and Code of Conduct and Code of Accountability; and
- governance processes within the board.

Internal and external audit have a vital role in providing assurance on the effectiveness of the system of internal control. The Governance and Audit Committee receives reviews and monitors reports from Internal and External Audit. Internal and External Audit representatives are also in attendance at all Governance and Audit Committee meetings. There have been no other explicit review/assurance mechanisms during 2011/12.

The Chair of the Governance and Audit Committee reports to the Board on a regular basis on the work of the Committee.

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

### **Progress on prior year Significant Internal control Issues**

#### **Issues from prior year that are no longer significant control issues**

##### **RPA/ Staffing**

During 2011/12 the PHA completed the population of the RPA structures.

##### **Information Governance and Records Management**

During 2011/12 the PHA made significant progress in the area of information governance and records management, including the identification of a Senior Information Risk Owner and Information Asset Owners. An Information Governance Steering Group and Records Management Working Group was established to drive this agenda forward. A PHA governance manager (information governance) took up post in May 2011. Significant work has been taken during the year to address the recommendations from the 2010/11 information governance internal audit report and records management controls assurance standard assessment.

The 2011/12 information governance internal audit report provided the PHA with satisfactory assurance, and substantive compliance was achieved against the records management controls assurance standard.

##### **Services from HSCB and BSO**

During 2011/12 there were fewer difficulties experienced in the services provided by both BSO and HSCB, as systems and processes became embedded. Additionally improved communication through regular meetings with senior HSCB and BSO staff, and the provision of a regular assurance statement provided by BSO finance through HSCB finance, has provided greater assurance to the PHA and ensured that any issues can be resolved on a timely basis.

##### **Finance and taking forward the PHA agenda**

The PHA achieved financial breakeven at the 31 March 2012, and was able to take forward its key areas of work during 2011/12. The PHA has received its allocation letter for 2012/13, which will enable the PHA to progress and further develop its work of reducing health and wellbeing inequalities, and addressing core health improvement and protection issues during 2012/13.

#### **Issues from prior year that continue to be a significant control issue**

##### **Accommodation**

During 2011/12, the Chief Executive and Senior Operations staff moved from Ormeau Avenue to Linenhall street, Belfast, enabling the Chief Executive to be located in the same facility as all his Directors and Assistant Directors as well as the core head quarters functions. This has resulted in better communication and more efficient working. In order to accommodate all the Belfast staff Alexander House has been retained as well as Ormeau avenue, however more appropriate use has been made of both facilities.

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

The Ormeau Avenue facility does however remain a significant control issue. While the PHA has continued to work with Health Estates, Legal Directorate and the landlord to agree an action plan and remedial works in respect of the defects noted in the previous Statement on Internal Control, serious issues have emerged at the end of March 2012. Theft of lead from the roof has resulted in a high risk of significant rain water penetration and potential for break-in and theft. Added to this the landlord appears to be in financial difficulties, resulting in problems getting essential work carried out and the provision of essential services. This is creating potential health and safety issues for staff as well as uncertainties regarding the ability to continue working from Ormeau Avenue and potentially Alexander House (which depends on Ormeau Avenue for telephony and IT links).

In mitigation the PHA is working closely with its legal advisors (BSO Directorate of Legal Services) and Health Estates who hold the lease for Ormeau Avenue. Following a health and safety assessment being carried out, and having taken advice from the Directorate of Legal Services and Health Estates, the PHA decided that the only option, due to the health and safety risk, was to urgently decant all staff out of Ormeau Avenue. Working with Health Estates and HSCB, temporary accommodation has been identified in Linenhall Street and Glendinning House. Initially this will be for 2 weeks only while Health Estates liaise with DFP to identify potential longer term accommodation in Belfast while keeping the condition of Ormeau Avenue under review. However this will depend on the availability of alternative accommodation and the time required to ensure that it is operational (IT links etc) along with subsequent inspections and condition reports in respect of Ormeau Baths. The PHA and Health Estates are also endeavouring to keep in contact with the landlord.

### **New Significant Control Issues**

#### **Business Cases**

Following the submission of business cases seeking retrospective approval from DHSSPS for the recruitment of staff associated with a range of programmes, the Chief Executive requested internal audit to review PHA processes for the approval of posts. This related to the recruitment of 31 posts, which have subsequently been approved by the DHSSPS. The appointment of staff without appropriate prior agreement contravenes the PHA Standing Financial Instructions and presents a risk to the PHA of overspend on our budget or that internal funds will require reprioritisation to meet unapproved demands.

The internal audit report provides clear recommendations to enable the strengthening of controls. The PHA will take all appropriate actions to implement these.

#### **Use of external management consultants**

The Internal Audit Financial Review report while providing overall satisfactory assurance provided limited assurance over the use external consultants due to instances of non compliance with DHSSPS guidance and an instance identified where an external consultant was engaged without ministerial approval.

## **STATEMENT ON INTERNAL CONTROL (Cont'd)**

The PHA issued guidance on use of management consultants in October 2010, updated guidance in July 2011 and a new revised process in September 2011. The latter was also placed on the PHA intranet site (Connect). This is currently being reinforced to all staff through the financial governance and procedures training (being provided jointly by Finance and Operations). This training is mandatory for all staff and records of attendance are held. All staff should be trained by September 2012.

Additionally management reports on use of management consultants are brought on a regular basis to the Agency Management Team.

### **New Office of the First Minister and Deputy First Minister (OFMDFM) Campaign advertising protocol.**

Following Executive approval Government Advertising Unit have recently issued a new protocol for ensuring Ministerial approval is secured for all future advertising campaigns across Executive Departments, NDPBs and ALB's. The outworking of this protocol will involve both a business case approach and a series of consultations and approvals being provided by Department Officials prior to submission to Minister. Only when Ministerial approval has been secured will the PHA be in a position to commit to the development of a Public Information Campaign.

The operational impact of this protocol is likely to mean that campaign development programmes will be lengthened in duration and this will cause some pressures during 2012/13 in ensuring that prioritised campaigns are delivered and budgets fully spent by year end. As this is a new process Operations directorate will monitor the situation closely and provide regular updates to AMT in order to manage the potential risk.

### **Pseudomonas review**

PHA led the regional HSC operational response to Pseudomonas Aeruginosa in neonatal units in January 2012. RQIA are conducting an Independent Review of the response and PHA will fulfill any responsibilities regarding implementation of recommendations from that Review.

### **Interruption of ICT Services**

Along with a number of other HSC organisations, the PHA experienced a significant impact on business in January 2012 due to a prolonged interruption to ICT services. This was particularly problematic for the Health Protection Duty Room, especially as this occurred during the pseudomonas incident. BSO reported the loss of data for a single database hosted in the HSC Data Centres as a Serious Adverse Incident (SAI).

The PHA wrote to the BSO Chief Executive expressing concern that such a major fault occurred with no back-up resulting in the loss of a full working day, and requested assurance on the resilience of the IT infrastructure along with plans to address weaknesses and ensure business continuity. In his response, the BSO Chief Executive outlined the steps being taken to address this issue, including the establishment of a Review Team to oversee an audit to:

## STATEMENT ON INTERNAL CONTROL (Cont'd)

- Provide assurance on the adequacy and robustness of the ITS Data Centres Backup and Recovery processes.
- Identify all ITS supported systems and review backup and recovery arrangements to identify potential weaknesses in these processes.
- review backup processes to ensure they are adequately managed, monitored and tested.

It is understood that this review will report in April 2012.

The occurrence of ICT failures is unpredictable, and outside the control of the PHA. The PHA will however continue to seek assurance from the BSO in respect of ICT services.

### Information Security

Following articles published in the media in October 2011 which indicated that there may have been unauthorised removal of documents containing confidential personal information about individuals and staff the HSCB notified the Information Commissioner's Office. Subsequently the HSCB engaged the Cabinet Office Leak Investigation Team to undertake an investigation into this matter. The HSCB Chief Executive wrote to all staff in the HSCB and in the PHA on 5 December 2011 to advise them of this investigation.

The investigation concluded that it was highly probable that specific files relating to personal and confidential information had been copied from HSCB or PHA records and that consequently the source was likely to have been a member or former member of staff.

The investigation team also confirmed that effective information governance arrangements were in place, however, identified a number of measures to strengthen the security of the building and protect the integrity of records held.

The PHA recognises the importance of protecting personal information, and continues to remind staff of the importance of handling sensitive personal and other confidential information appropriately. Both organisations will continue to take robust and appropriate steps to ensure that patients and staff have confidence that when they provide personal information it will be protected.



Chief Executive as Accounting Officer



Date

## PUBLIC HEALTH AGENCY

### STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2012

	NOTE	2012 £000s	2011 £000s
<b>Expenditure</b>			
Staff costs	3.1	(14,894)	(12,580)
Depreciation	4.0	(63)	(58)
Other Expenditure	4.0	(36,234)	(33,519)
		(51,191)	(46,157)
<b>Income</b>			
Income from activities	5.1	229	636
Other Income	5.2	279	185
Deferred Income	5.3	0	0
		508	821
<b>Net Expenditure</b>		<b>(50,683)</b>	<b>(45,336)</b>
<b>Revenue Resource Limit (RRL) Issued (to)</b>			
Belfast HSC Trust		(9,636)	(9,183)
South Eastern HSC Trust		(2,990)	(1,902)
Southern HSC Trust		(3,858)	(3,918)
Northern HSC Trust		(5,319)	(4,943)
Western HSC Trust		(5,072)	(4,361)
NIAS HSC Trust		(47)	(5)
<b>Total RRL issued</b>		(26,922)	(24,312)
<b>Total Commissioner Resources Utilised</b>		(77,605)	(69,648)
<b>RRL's received from DHSSPS</b>	25.1	77,796	69,712
<b>Surplus/(Deficit) against RRL</b>		<b>191</b>	<b>64</b>
 <b>OTHER COMPREHENSIVE EXPENDITURE</b>			
	NOTE	2012 £000s	2011 £000s
Net gain on revaluation of Property, Plant and Equipment	6.1/6.2/10	0	12
Net (loss) on revaluation of intangibles	7.1/7.2/10	0	(2)
<b>TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2012</b>		<b>(50,683)</b>	<b>(45,326)</b>

The notes on pages 26-57 form part of these accounts.

## PUBLIC HEALTH AGENCY

### STATEMENT of FINANCIAL POSITION as at 31 March 2012

		2012		Restated 2011		Restated 2010	
NOTE	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Non Current Assets</b>							
Property, Plant and Equipment	6.1/6.2	282		229		199	
Intangible Assets	7.1/7.2	0		0		3	
Financial Assets	8.0	0		0		0	
Trade and other Receivables	12.0	0		0		0	
Other Current Assets	12.0	0		0		0	
<b>Total Non-Current Assets</b>			282		229		202
<b>Current Assets</b>							
Assets classified as held for sale	9.0	0		0		0	
Inventories	11.0	0		0		0	
Trade and other Receivables	12.0	1,371		2,553		710	
Other Current Assets	12.0	26		19		24	
Financial Assets	8.1	0		0		0	
Cash and cash equivalents	13.0	311		169		111	
<b>Total Current Assets</b>			1,708		2,741		845
<b>Total Assets</b>			<u>1,990</u>		<u>2,970</u>		<u>1,047</u>
<b>Current Liabilities</b>							
Trade and other Payables	14.0	(8,819)		(10,927)		(16,754)	
Other Liabilities	14.0	0		0		0	
Provisions	16.0	0		0		0	
<b>Total Current Liabilities</b>			<u>(8,819)</u>		<u>(10,927)</u>		<u>(16,754)</u>
<b>Non Current Assets plus/less Net Current Assets/Liabilities</b>			<u>(6,829)</u>		<u>(7,957)</u>		<u>(15,707)</u>
<b>Non-Current Liabilities</b>							
Provisions	16.0	0		0		0	
Other Payables > 1 yr	14.0	0		0		0	
Financial Liabilities	8.0	0		0		0	
<b>Total Non Current Liabilities</b>			<u>0</u>		<u>0</u>		<u>0</u>
<b>Assets Less Liabilities</b>			<u>(6,829)</u>		<u>(7,957)</u>		<u>(15,707)</u>
<b>Taxpayers' Equity</b>							
Revaluation Reserve		34		34		23	
SoCNE Reserve		(6,863)		(7,991)		(15,730)	
			<u>(6,829)</u>		<u>(7,957)</u>		<u>(15,707)</u>

The notes on pages 26-57 form part of these accounts.

Signed Mary McMahon  
(Chairman)

*Mary McMahon*

Date

*13<sup>th</sup> June 2012*

Signed E P Rooney  
(Chief Executive)

*E P Rooney*

Date

*13 June 2012*

**PUBLIC HEALTH AGENCY**

**STATEMENT of CASH FLOWS for the year ended 31 March 2012**

	Note	2012 £000s	2011 £000s
<b>Cash flows from operating activities</b>			
Net expenditure after interest		(50,683)	(45,336)
Adjustments for non cash costs	4	81	77
(Increase)/Decrease in trade & other receivables	12	1,175	(1,838)
(Decrease) in trade payables	14	(2,108)	(5,828)
Movements in payables relating to the purchase of property, plant and equipment	14	(95)	(13)
Use of provisions	16	0	0
<b>Net Cash inflow/(outflow) from operating activities</b>		(51,630)	(52,937)
<b>Cash flows from investing activities</b>			
(Purchase of property, plant & equipment)	6	(22)	(64)
<b>Net cash outflow from investing activities</b>		(22)	(64)
<b>Cash flows from financing activities</b>			
Grant in aid		51,793	53,059
<b>Net financing</b>		51,793	53,059
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		142	58
<b>Net increase/(decrease) in cash and cash equivalents at the beginning of the period</b>	13	169	111
<b>Cash and cash equivalents at the end of the period</b>	13	311	169

The notes on pages 26-57 form part of these accounts.

**PUBLIC HEALTH AGENCY**

**STATEMENT of CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2012**

	Note	SoCNE Reserve £000s	Revaluation Reserve £000s	Total £000s
<b>Balance at 31 March 2010</b>		(15,730)	23	(15,707)
<b>Restated balance at 1 April 2010</b>		<b>(15,730)</b>	<b>23</b>	<b>(15,707)</b>
<b>Changes in reserves 2010/11</b>				
Grant from DHSSPS		53,059	0	53,059
Transfers between reserves		0	0	0
(Comprehensive expenditure for the year)		(45,338)	11	(45,327)
Non cash Charges – auditors remuneration	4	18	0	18
<b>Balance at 31 March 2011</b>		<b>(7,991)</b>	<b>34</b>	<b>(7,957)</b>
<b>Changes in Taxpayers' Equity 2011/12</b>				
Grant from DHSSPS		51,793	0	51,793
Transfers between reserves		0	0	0
(Comprehensive expenditure for the year)		(50,683)	0	(50,683)
Non cash Charges – auditors remuneration	4	18	0	18
<b>Balance at 31 March 2012</b>		<b>(6,863)</b>	<b>34</b>	<b>(6,829)</b>

The notes on pages 26-57 form part of these accounts.

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### 1. STATEMENT OF ACCOUNTING POLICIES

##### 1.1 Authority

These accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety based on guidance from the Department of Finance and Personnel's Financial Reporting manual (FreM) and in accordance with the requirements of Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003 and the Health and Social Care (Reform) Act (Northern Ireland) 2009. The accounting policies follow IFRS to the extent that it is meaningful and appropriate to the Public Health Agency (PHA). Where a choice of accounting policy is permitted, the accounting policy which has been judged to be most appropriate to the particular circumstances of the PHA for the purpose of giving a true and fair view has been selected. The PHA's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

##### 1.2 Accounting convention

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

##### 1.3 Currency and Rounding

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

##### 1.4 Property, Plant and Equipment

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

###### *Recognition*

Property, plant and equipment must be capitalised if:

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

## **PUBLIC HEALTH AGENCY**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

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

#### **Valuation of Land and Buildings**

The PHA does not hold any land and buildings. The premises occupied by the PHA are leased by the Department of Health, Social Services and Public Safety on behalf of the PHA.

#### **Short Life Assets**

Short life assets are not indexed. Short life is defined as a useful life of up to and including 5 years. Short life assets are carried at depreciated historic cost as this is not considered to be materially different from fair value and are depreciated over their useful life.

Where estimated life of fixtures and equipment exceed 5 years, suitable indices will be applied each year and depreciation will be based on indexed amount.

#### **Revaluation Reserve**

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

### **1.5 Depreciation**

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

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

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

Asset Type	Asset Life
IT Assets	3 – 10 years
Intangible assets	3 – 10 years
Other Equipment	3 – 15 years

#### 1.6 Impairment loss

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

#### 1.7 Subsequent expenditure

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

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

#### 1.8 Intangible assets

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

- the technical feasibility of completing the intangible asset so that it will be available for use;
- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

#### *Recognition*

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the PHA's business or which arise from contractual or other legal rights. Intangible assets are considered to have a finite life. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the PHA; where the cost of the asset can be measured reliably. All single items over £5,000 in value must be capitalised while intangible assets which fall within the grouped asset definition must be capitalised if their individual value is at least £1,000 each and the group is at least £5,000 in value.

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

Intangible assets acquired separately are initially recognised at fair value.

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

#### **1.9 Donated assets**

The PHA had no donated assets in either 2011/12 or 2010/11.

#### **1.10 Non-current assets held for sale**

The PHA had no non-current assets held for sale in either 2011/12 or 2010/11.

#### **1.11 Inventories**

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks. The PHA had no inventories in either 2011/12 or 2010/11.

#### **1.12 Income**

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

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### *Grant in aid*

Funds received from the Department of Health and Social Services and Public Safety are accounted for as grant in aid and are reflected through the Statement of Comprehensive Net Expenditure Reserve.

#### **1.13 Investments**

The PHA did not hold any investments in 2011/12 or 2010/11.

#### **1.14 Other expenses**

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

#### **1.15 Cash and cash equivalents**

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

#### **1.16 Leases**

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

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

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

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

The PHA did not hold any Finance Leases or act as a Lessor in 2011/12 or 2010/11.

#### **1.17 Private Finance Initiative (PFI) transactions**

The PHA had no PFI transactions in either 2011/12 or 2010/11.

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### 1.18 Financial instruments

##### *Financial assets*

Financial assets are recognised on the Statement of Financial Position (SoFP) when the PHA becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred. Financial assets are initially recognised at fair value.

##### *Financial liabilities*

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

##### *Financial risk management*

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

##### *Currency risk*

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

##### *Interest rate Risk, Credit Risk and Liquidity*

The PHA receives the majority of its income from the DHSSPS and has limited powers to borrow or invest and therefore has low exposure to credit or liquidity risks or interest rate fluctuations.

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### 1.19 Provisions

In accordance with IAS 37, Provisions are recognised when the PHA has a present legal or constructive obligation as a result of a past event, it is probable that the PHA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using Department of Finance and Personnel's discount rate of 2.2% in real terms.

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

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

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

The PHA had no provisions at 31 March 2012 or 31 March 2011.

#### 1.20 Contingencies

Under IAS 37, the PHA discloses contingent liabilities where there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the PHA, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

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

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

The PHA had no contingences at 31 March 2012 or 31 March 2011.

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### 1.21 Employee benefits

##### *Short-term employee benefits*

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2008 and reviewed by way of a sample survey on an annual basis thereafter. It is not anticipated that the level of untaken leave will vary significantly from year to year. Untaken flexi leave is estimated to be immaterial to the PHA and has not been included.

##### *Retirement benefit costs*

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

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the SoFP date and updates it to reflect current conditions. The 31 March 2008 valuation has been used in the 2011/12 accounts.

#### 1.22 Reserves

##### **Statement of Comprehensive Net Expenditure Reserve**

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

##### **Revaluation Reserve**

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

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### **1.23 Value Added Tax**

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

#### **1.24 Third Party Assets**

Assets belonging to third parties are not recognised in the accounts since the PHA has no beneficial interest in them. The PHA currently holds £nil assets relating to third parties.

#### **1.25 Government Grants**

The PHA had no Government Grants in either 2011/12 or 2010/11.

#### **1.26 Losses and Special Payments**

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

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

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

Under IAS 8 there is a requirement to disclose those standards issued but not yet adopted.

Management has reviewed the new accounting policies that have been issued but are not yet effective, nor adopted early for these accounts. Management consider these are unlikely to have a significant impact on the accounts in the period of the initial application.

#### **1.28 Change in Accounting Policy/Prior Year Restatement**

There were no changes in Accounting Policy during 2011/12

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 2. ANALYSIS of NET EXPENDITURE by SEGMENT**

The PHA has identified 3 segments: Commissioning, Family Health Services (FHS) and Administration. Net expenditure is reported by segment as detailed below:

	Note	2012 £'000s	2011 £'000s
<b>Summary</b>			
<b>Net Expenditure</b>			
Commissioning	2.1	59,029	50,425
FHS	2.2	1,314	1,749
Agency Administration	2.3	17,262	17,474
<b>Total Commissioner Resources Utilised</b>		<b>77,605</b>	<b>69,648</b>

**2.1 Commissioning**

**Expenditure**

<b>HSC Trust</b>			
Belfast HSC Trust	SoCNE	9,636	9,183
South Eastern HSC Trust	SoCNE	2,990	1,902
Southern HSC Trust	SoCNE	3,858	3,918
Northern HSC Trust	SoCNE	5,319	4,943
Western HSC Trust	SoCNE	5,072	4,361
NIAS HSC Trust	SoCNE	47	5
Other Providers	4.1/4.2	32,336	26,749
		<b>59,258</b>	<b>51,061</b>

**Income**

Income from activities	5.1	229	636
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**Commissioning Net Expenditure**

**59,029      50,425**

**2.2 FHS**

**Expenditure**

Family Health Services Expenditure	4.1	1,314	1,749
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**Income**

	5.1	0	0
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**FHS Net Expenditure**

**1,314      1,749**

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ANNUAL ACCOUNTS 31 MARCH 2012**

**2.3 Agency administration**

	Note	<b>2012</b> <b>£'000s</b>	<b>2011</b> <b>£'000s</b>
<b>Expenditure</b>			
Salaries & wages	3.1	14,894	12,580
Operating expenditure	4.2	2,566	5,002
Non Cash costs - External Auditors Remuneration	4.3	18	18
Depreciation	4.3	63	59
		17,541	17,659
<b>Income</b>			
Staff secondment recoveries	3.1	227	169
Operating income	5.2	52	16
		279	185
<b>Administration Net Expenditure</b>		<b>17,262</b>	<b>17,474</b>

PUBLIC HEALTH AGENCY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE 3. STAFF NUMBERS AND RELATED COSTS

3.1 Staff Costs

	2012			2011
	Total	Permanently employed staff	Others	Total
Staff costs comprise:	£000s	£000s	£000s	£000s
Wages and salaries	12,511	11,155	1,356	10,505
Social security costs	1,007	1,007	0	832
Other pension costs	1,376	1,376	0	1,243
<b>Sub-Total</b>	<b>14,894</b>	<b>13,538</b>	<b>1,356</b>	<b>12,580</b>
Capitalised staff costs	0		0	0
<b>Total staff costs reported in Statement of Comprehensive Expenditure</b>	<b>14,894</b>	<b>13,538</b>	<b>1,356</b>	<b>12,580</b>
Less recoveries in respect of outward secondments	227			169
<b>Total net costs</b>	<b>14,667</b>			<b>12,411</b>

Staff Costs exclude £Nil charged to capital projects during the year (2011 £Nil)

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

3.2 Average number of persons employed

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

	2012			2011
	Total	Permanently employed staff	Others	Total
	No.	No.	No.	No.
Commissioning of Health and Social Care	302	265	37	242
Less average staff number in respect of outward secondments	3	3	0	3
<b>Total net average number of persons employed</b>	<b>299</b>	<b>262</b>	<b>37</b>	<b>239</b>

PUBLIC HEALTH AGENCY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE 3. STAFF NUMBERS AND RELATED COSTS

3.3a Senior Employees' Remuneration

The salary, pension entitlements and the value of any taxable benefits in kind of the most senior members of the PHA were as follows:

Name	2011/12			2010/11			2011/12				
	Salary £000s	Bonus / Performance pay £000	Benefits in Kind (Rounded to nearest £100)	Salary £000s	Bonus / Performance pay £000	Benefits in Kind (Rounded to nearest £100)	Real increase in pension and related lump sum at age 60 £000s	Total accrued pension at age 60 and related lump sum £000s	CETV at 31/03/11 £000s	CETV at 31/03/12 £000s	Real increase in CETV £000s
<b>Non-Executive Members</b>											
M McMahon	30 - 35	0	100	30-35	0	100	0	0	0	0	0
J Erskine	5 - 10	0	200	5-10	0	100	0	0	0	0	0
J Harbison	5 - 10	0	0	5-10	0	0	0	0	0	0	0
M Karp	5 - 10	0	100	5-10	0	100	0	0	0	0	0
T Mahaffy	5 - 10	0	0	5-10	0	0	0	0	0	0	0
C Mullaghan (Leaver 31/5/11)	0 - 5	0	0	5-10	0	0	0	0	0	0	0
S Nicholl (Leaver 31/5/11)	0 - 5	0	0	5-10	0	0	0	0	0	0	0
R Orr	5 - 10	0	0	5-10	0	0	0	0	0	0	0
P Porter (Appointed 14/11/2011)	0 - 5	0	100	0	0	100	0	0	0	0	0
W Ashe (Appointed 13/02/12)	0 - 5	0	0	0	0	0	0	0	0	0	0
<b>Executive Members</b>											
E P Rooney	115-120	0	500	120-125	0	100	0 - 2.5 pension	5 - 10 pension	50	81	31
C Harper	145 - 150	0	0	130-135	0	400	2.5 - 5 pension 10 - 12.5 lump sum	35 - 40 pension 110 - 115 lump sum	491	636	145
E McClean	75 - 80	0	1,200	80-85	0	300	0 - 2.5 pension - 2.5 lump sum	15 - 20 pension 55 - 60 lump sum	369	407	38
M Hinds	100-105	0	300	100-105	0	600	0 - 2.5 pension 0 - 2.5 lump sum	10 - 15 pension 40 - 45 lump sum	217	254	37

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### 3.3a Senior Employees' Remuneration (continued)

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

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

CETVs are calculated within the guidelines prescribed by the institute and Faculty of Actuaries.

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

#### 3.3b Median Salary

	2012 £	2011 £
Band of Highest Paid Director Total Remuneration	147,500	132,500
Median Salary	34,622	35,125
<b>Median Total Remuneration Ratio</b>	<b>4.3</b>	<b>3.8</b>

The median salary ratio has increased by 0.5 due to a change to the remuneration of the most highly paid Director.

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 3. STAFF NUMBERS AND RELATED COSTS**

**3.4 Reporting of early retirement and other compensation scheme - exit packages**

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2012	2011	2012	2011	2012	2011
£10,000 - £25,000	0	0	1	1	1	1
£25,000 - £50,000	0	0	0	0	0	0
£50,000 - £100,000	0	0	0	1	0	1
<b>Total number of exit packages by type</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Total resource cost</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>125</b>	<b>41</b>	<b>125</b>

Redundancy and other departure costs will be paid in accordance with the provisions of the HSC Pension Scheme Regulations and the Compensation for Premature Retirement Regulations, statutory provisions made under the Superannuation Act 1972. Exit costs are accounted for in full in the year in which the exit package is approved and agreed and are included as operating expenses at note 4. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

**3.5 Staff Benefits**

The PHA had no staff benefits in 2011/12 or 2010/11.

**3.6 Retirements Due To Ill-Health**

During 2011/12 there were no early retirements from the PHA agreed on the grounds of ill-health.

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 4. OPERATING EXPENSES**

**4.1 Commissioning**

	<b>2012</b>	<b>2011</b>
	<b>£000s</b>	<b>£000s</b>
General Medical Services/FHS	1,314	1,749
Other providers of healthcare and personal social services	28,166	21,665
Capital grants to voluntary organisations	0	0
<b>Total Commissioning</b>	<b>29,480</b>	<b>23,414</b>

**4.2 Operating Expenses are as follows:**

Supplies and services - General	70	75
Establishment	1,673	4,042
Transport	64	53
Premises	622	688
Bad debts	0	0
Rentals under operating leases	137	144
Research & development expenditure	4,170	5,084
<b>Total Operating Expenses</b>	<b>6,736</b>	<b>10,086</b>

**4.3 Non cash items**

Depreciation	63	58
Amortisation	0	1
Impairments	0	0
Auditors remuneration	18	18
<b>Total non cash items</b>	<b>81</b>	<b>77</b>
<b>Total</b>	<b>36,297</b>	<b>33,577</b>

During the year the PHA purchased no non audit services from its external auditor (NIAO).

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 5. INCOME

##### 5.1 Income from Activities

	2012 £000s	2011 £000s
Income from Big Lottery	130	126
Research & Development	98	303
Stroke Development	0	80
Programme Income	1	113
Other Income	0	14
<b>Total</b>	<b>229</b>	<b>636</b>

##### 5.2 Other Operating Income

	2012 £000s	2011 £000s
Other income	52	16
Seconded staff	227	169
Charitable and other contributions to expenditure	0	0
<b>Total</b>	<b>279</b>	<b>185</b>

##### 5.3 Deferred income

Income released from conditional grants	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>TOTAL INCOME</b>	<b>508</b>	<b>821</b>

PUBLIC HEALTH AGENCY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

NOTE 6.1 Property, plant & equipment - year ended 31 March 2012

	Plant and Machinery (Equipment) £000s	Information Technology (IT) £000s	Furniture and Fittings £000s	Total £000s
<b>Cost or Valuation</b>				
At 1 April 2011	1	646	320	967
Indexation	0	0	0	0
Additions	0	116	0	116
Reclassifications	0	0	0	0
Transfers	0	0	0	0
Revaluation	0	0	0	0
(Impairments)	0	0	0	0
Reversal of impairments (indexn)	0	0	0	0
(Disposals)	0	(21)	0	(21)
At 31 March 2012	<b>1</b>	<b>741</b>	<b>320</b>	<b>1,062</b>

**Depreciation**

At 1 April 2011	1	430	307	738
Indexation	0	0	0	0
Reclassifications	0	0	0	0
Transfers	0	0	0	0
Revaluation	0	0	0	0
(Impairments)	0	0	0	0
Reversal of impairments (indexn)	0	0	0	0
(Disposals)	0	(21)	0	(21)
Provided during the year	0	58	5	63
At 31 March 2012	<b>1</b>	<b>467</b>	<b>312</b>	<b>780</b>

**Carrying Amount**

At 31 March 2012	<b>0</b>	<b>274</b>	<b>8</b>	<b>282</b>
At 31 March 2011	<b>0</b>	<b>216</b>	<b>13</b>	<b>229</b>

**Asset financing**

Owned	0	274	8	282
<b>Carrying Amount</b>				
At 31 March 2012	<b>0</b>	<b>274</b>	<b>8</b>	<b>282</b>

The total amount of depreciation charged in the Statement of Comprehensive Net Expenditure Account in respect of assets held under finance leases and hire purchase contracts is £Nil (2011 £Nil)

The fair value of assets funded from donations, government grants and lottery was £Nil.

PUBLIC HEALTH AGENCY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE 6.2 Property, plant & equipment - year ended 31 March 2011

	<b>Machinery (Equipment) £000s</b>	<b>Information Technology (IT) £000s</b>	<b>Furniture and Fittings £000s</b>	<b>Total £000s</b>
<b>Cost or Valuation</b>				
At 1 April 2010	0	605	310	915
Indexation	0	0	0	0
Additions	0	76	0	76
Reclassifications	0	0	0	0
Transfers	0	0	0	0
Revaluation	1	(35)	10	(24)
(Impairments)	0	0	0	0
Reversal of impairments (indexation)	0	0	0	0
(Disposals)	0	0	0	0
At 31 March 2011	<b>1</b>	<b>646</b>	<b>320</b>	<b>967</b>
<b>Depreciation</b>				
At 1 April 2010	0	430	286	716
Indexation	0	0	0	0
Reclassifications	0	0	0	0
Transfers	0	0	0	0
Revaluation	1	(52)	15	(36)
(Impairments)	0	0	0	0
Reversal of impairments (indexation)	0	0	0	0
(Disposals)	0	0	0	0
Provided during the year	0	52	6	58
At 31 March 2011	<b>1</b>	<b>430</b>	<b>307</b>	<b>738</b>
<b>Carrying Amount</b>				
At 1 April 2010	<b>0</b>	<b>175</b>	<b>24</b>	<b>199</b>
At 31 March 2011	<b>0</b>	<b>216</b>	<b>13</b>	<b>229</b>
<b>Asset financing</b>				
Owned	0	216	13	229
<b>Carrying Amount</b>				
At 31 March 2011	<b>0</b>	<b>216</b>	<b>13</b>	<b>229</b>
<b>Asset financing</b>				
Owned	0	175	24	199
<b>Carrying Amount</b>				
At 1 April 2010	<b>0</b>	<b>175</b>	<b>24</b>	<b>199</b>

The fair value of assets funded from donations, government grants or lottery was £Nil.

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 7. INTANGIBLE ASSETS**

**NOTE 7.1 Intangible assets - year ended 31 March 2012**

<b>Cost or Valuation</b>	<b>Licenses £000s</b>	<b>Technology £000s</b>	<b>Total £000s</b>
At 1 April 2011	20	17	37
Indexation	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	0	0	0
At 31 March 2012	<b>20</b>	<b>17</b>	<b>37</b>

**Amortisation**

At 1 April 2011	20	17	37
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	0	0	0
(Impairments)	0	0	0
(Disposals)	0	0	0
Provided during the year	0	0	0
At 31 March 2012	<b>20</b>	<b>17</b>	<b>37</b>

**Carrying Amount**

At 31 March 2012	<b>0</b>	<b>0</b>	<b>0</b>
At 31 March 2011	<b>0</b>	<b>0</b>	<b>0</b>

**Asset Financing**

Owned	0	0	0
<b>Carrying Amount</b> At 31 March 2012	<b>0</b>	<b>0</b>	<b>0</b>

The fair value of assets funded from donations, government grants or lottery was £Nil.

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 7.2 Intangible assets - year ended 31 March 2011**

<b>Cost or Valuation</b>	<b>Software Licenses £000s</b>	<b>Information Technology £000s</b>	<b>Total £000s</b>
At 1 April 2010	25	0	25
Indexation	0	0	0
Additions	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	(5)	17	12
(Impairments)	0	0	0
(Disposals)	0	0	0
<b>At 31 March 2011</b>	<b>20</b>	<b>17</b>	<b>37</b>

<b>Amortisation</b>			
At 1 April 2010	22	0	22
Indexation	0	0	0
Reclassifications	0	0	0
Transfers	0	0	0
Revaluation	(3)	17	14
(Impairments)	0	0	0
(Disposals)	0	0	0
Provided during the year	1	0	1
<b>At 31 March 2011</b>	<b>20</b>	<b>17</b>	<b>37</b>

<b>Carrying Amount</b>			
At 1 April 2010	3	0	3
At 31 March 2011	0	0	0

<b>Asset Financing</b>			
Owned	0	0	0
<b>Carrying Amount</b>			
At 31 March 2011	0	0	0

<b>Asset Financing</b>			
Owned	0	0	0
<b>Carrying Amount</b>			
At 1 April 2010	0	0	0

The fair value of assets funded from donations, government grants or lottery was £nil.

## **PUBLIC HEALTH AGENCY**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

#### **NOTE 8. FINANCIAL INSTRUMENTS**

##### **8.1 Financial Instruments**

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

#### **NOTE 9. ASSETS CLASSIFIED AS HELD FOR SALE**

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

The PHA did not hold any assets classified as held for sale in 2011/12 or 2010/11.

#### **NOTE 10. IMPAIRMENTS**

The PHA had no impairments in 2011/12 or 2010/11.

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 11. INVENTORIES**

The PHA did not hold any inventories at 31 March 2012 or 31 March 2011.

**NOTE 12. TRADE RECEIVABLES AND OTHER CURRENT ASSETS**

	<b>2012</b>	<b>Restated 2011</b>	<b>Restated 2010</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Amounts falling due within one year</b>			
Trade receivables	249	2,164	520
VAT receivable	349	389	190
Other receivables	773	0	0
<b>Trade and other receivables</b>	1,371	2,553	710
Prepayments and accrued income	26	19	24
<b>Other current assets</b>	26	19	24
<b>Amounts falling due after more than one year</b>			
<b>Trade and other Receivables</b>	0	0	0
<b>Other current assets falling due after more than one year</b>	0	0	0
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	1,371	2,553	710
<b>TOTAL OTHER CURRENT ASSETS</b>	26	19	24
<b>TOTAL RECEIVABLES AND OTHER CURRENT ASSETS</b>	1,397	2,572	734

The balances are net of a provision for bad debts of £Nil (2011 £Nil and 2010 £Nil)

PUBLIC HEALTH AGENCY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE 12. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

12.1 Trade receivables and other current assets: Intra-Government balances

Name	Amounts falling due within 1 year 2011/12 £000s	Amounts falling due within 1 year 2010/11 £000s	Restated Amounts falling due within 1 year 2009/10 £000s	Amounts falling due after more than 1 year 2011/12 £000s	Amounts falling due after more than 1 year 2010/11 £000s	Restated Amounts falling due after more than 1 year 2009/10 £000s
Balances with other central government bodies	1,209	1,654	236	0	0	0
Balances with local authorities	3	3	0	0	0	0
Balances with NHS /HSC Trusts	115	27	210	0	0	0
Balances with public corporations and trading funds	0	0	0	0	0	0
Intra-Government Balances	1,327	1,684	446	0	0	0
Balances with bodies external to government	70	888	288	0	0	0
<b>Total Receivables and other current assets at 31 March</b>	<b>1,397</b>	<b>2,572</b>	<b>734</b>	<b>0</b>	<b>0</b>	<b>0</b>

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 13. CASH AND CASH EQUIVALENTS**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Balance at 1st April	169	111	8,155
Net change in cash and cash equivalents	142	58	(8,044)
<b>Balance at 31st March</b>	<b>311</b>	<b>169</b>	<b>111</b>

**The following balances at 31 March were held at**

	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Commercial banks and cash in hand	311	169	111
<b>Balance at 31st March</b>	<b>311</b>	<b>169</b>	<b>111</b>

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 14. TRADE PAYABLES AND OTHER CURRENT LIABILITIES**

	<b>2012</b>	<b>Restated</b>	<b>Restated</b>
	<b>£000s</b>	<b>2011</b>	<b>2010</b>
		<b>£000s</b>	<b>£000s</b>
<b>Amounts falling due within one year</b>			
Other taxation and social security	524	0	0
VAT payable	0	0	0
Trade capital payables - property, plant and equipment	107	12	24
Trade revenue payables	3,998	1,708	7,531
Payroll payables	315	247	991
RPA payables	0	0	326
BSO payables	53	2,590	6,858
Other payables	249	1,128	814
Accruals and deferred income	3,573	5,242	210
<b>Trade and other payables</b>	<b>8,819</b>	<b>10,927</b>	<b>16,754</b>
<b>Other current liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total payables falling due within one year</b>	<b>8,819</b>	<b>10,927</b>	<b>16,754</b>
<b>Amounts falling due after more than one year</b>			
<b>Total non current other payables</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>	<b>8,819</b>	<b>10,927</b>	<b>16,754</b>

PUBLIC HEALTH AGENCY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

NOTE 14. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

14.1 Trade payables and other current liabilities - Intra-government balances

Name	Amounts falling due within 1 year		Restated Amounts falling due within 1 year		Amounts falling due after more than 1 year		Restated Amounts falling due after more than 1 year	
	2011/12 £000s	2010/11 £000s	2009/10 £000s	2011/12 £000s	2010/11 £000s	2009/10 £000s	2010/11 £000s	2009/10 £000s
Balances with other central government bodies	1,765	1,071	4,376	0	0	0	0	0
Balances with local authorities	410	436	0	0	0	0	0	0
Balances with NHS /HSC Trusts	1,111	3,027	7,540	0	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0	0	0	0	0
Intra-Government Balances	3,286	4,534	11,916	0	0	0	0	0
Balances with bodies external to government	5,533	6,393	4,838	0	0	0	0	0
<b>Total Payables and other liabilities at 31 March</b>	<b>8,819</b>	<b>10,927</b>	<b>16,754</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 15. PROMPT PAYMENT POLICY

##### 15.1 Public Sector Payment Policy - Measure of Compliance

The Department requires that the PHA pays their non HSC trade creditors in accordance with the Better Payments Practice Code and Government Accounting Rules. The PHA's payment policy is consistent with the Better Payments Practice Code and Government Accounting rules and its measure of compliance is:

	2012 Number	2012 Value £000s	2011 Number	2011 Value £000s
Total bills paid	10,851	35,654	8,943	35,715
Total bills paid within 30 day target or under agreed payment terms	10,018	34,781	8,477	33,734
% of bills paid within 30 day target or under agreed payment terms	<b>92.32%</b>	<b>97.55%</b>	<b>94.79%</b>	<b>94.45%</b>

##### 15.2 The Late Payment of Commercial Debts Regulations 2002

	£
Amount of Compensation paid for payment(s) being late	44
Amount of Interest paid for payment(s) being late	0
<b>Total</b>	<b>44</b>

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

#### NOTE 16. PROVISIONS FOR LIABILITIES AND CHARGES

The PHA had no provisions for liabilities and Charges at 31 March 2012 or 31 March 2011.

#### NOTE 17. CAPITAL COMMITMENTS

The PHA did not have any capital commitments at 31 March 2012 or 31 March 2011.

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 18. COMMITMENTS UNDER LEASES**

**18.1 Operating Leases**

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

<b>Obligations under operating leases comprise</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Land</b>			
Not later than 1 year	0	0	0
Later than 1 year and not later than 5 years	0	0	0
Later than 5 years	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Buildings</b>			
Not later than 1 year	137	144	158
Later than 1 year and not later than 5 years	479	460	460
Later than 5 years	0	84	176
	<b>616</b>	<b>688</b>	<b>794</b>
<b>Other</b>			
Not later than 1 year	0	0	0
Later than 1 year and not later than 5 years	0	0	0
Later than 5 years	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>

**18.2 Finance Leases**

The PHA had no finance leases in 2011/12 or 2010/11

**18.3 Operating Leases**

The PHA had no lessor obligations in either 2011/12 or 2010/11.

**NOTE 19. COMMITMENTS UNDER PFI AND OTHER SERVICE CONCESSION ARRANGEMENT CONTRACTS**

The PHA had no commitments under PFI or service concession arrangements in either 2011/12 or 2010/11.

**NOTE 20. OTHER FINANCIAL COMMITMENTS**

The PHA did not have any other financial commitments at either 31 March 2012 or 31 March 2011.

**NOTE 21. FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT**

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

The PHA did not have any financial instruments at either 31 March 2012 or 31 March 2011.

## PUBLIC HEALTH AGENCY

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012

#### NOTE 22. CONTINGENT LIABILITIES

The PHA had no contingent liabilities in 2011/12 or 2010/11.

#### NOTE 23. RELATED PARTY TRANSACTIONS

The PHA is an arms length body of the Department of Health, Social Services and Public Safety and as such the Department is a related Party with which the HSC body has had various material transactions during the year.

Dr Jeremy Harbison, Non-Executive Director, is also a Pro-Chancellor of the University of Ulster which is an organisation likely to do business with the HSC in future.

During the year, none of the board members, members of the key management staff or other related parties has undertaken any material transactions with the PHA.

#### NOTE 24. THIRD PARTY ASSETS

The PHA held £nil cash at bank and in hand at 31 March 2012 relating to third parties.

#### NOTE 25. Financial Performance Targets

##### 25.1 Revenue Resource Limit

**The PHA is given a Revenue Resource Limit which it is not permitted to overspend**

The Revenue Resource Limit (RRL) for PHA is calculated as follows:

	<b>2012</b>	<b>2011</b>
	<b>Total</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>
DHSSPS (excludes non cash)	77,715	69,635
Other Government Departments	0	0
Non cash RRL (from DHSSPS)	81	77
<b>Total Revenue Resource Limit to Statement</b>	<b>77,796</b>	<b>69,712</b>
<b>Comprehensive Net Expenditure</b>	<b>77,796</b>	<b>69,712</b>

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 25. FINANCIAL PERFORMANCE TARGETS**

**25.2 Capital Resource Limit**

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

	<b>2012</b>	<b>2011</b>
	<b>Total</b>	<b>Total</b>
	<b>£000s</b>	<b>£000s</b>
Gross capital expenditure	116	76
(Receipts from sales of fixed assets)	0	0
Net capital expenditure	116	76
Capital Resource Limit	122	76
<b>Overspend/(Underspend) against CRL</b>	<b>(6)</b>	<b>0</b>

**25.3 Financial Performance Targets**

The PHA is required to ensure that it breaks even on an annual basis by containing its net expenditure to within 0.25% of RRL limits.

	<b>2011/12</b>	<b>2010/11</b>
	<b>£000s</b>	<b>£000s</b>
Net Expenditure	(77,605)	(69,648)
RRL	77,796	69,712
Surplus / (Deficit) against RRL	191	64
Break Even cumulative position(opening)	242	178
Break Even cumulative position (closing)	433	242

**Materiality Test:**

	<b>2011/12</b>	<b>2010/11</b>
	<b>%</b>	<b>%</b>
Break Even in year position as % of RRL	0.25%	0.09%
Break Even cumulative position as % of RRL	0.56%	0.35%

The PHA has met its requirement to contain net resource outturn to within +/- 0.25% of it's agreed Revenue Resource Limit (RRL), as per DHSSPS circular HSC (F) 21/2012.

**PUBLIC HEALTH AGENCY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2012**

**NOTE 26. LOSSES & SPECIAL PAYMENTS**

<b>TYPE OF LOSS</b>		<b>NO. OF CASES</b>	<b>VALUE £</b>
1	Cash Losses - Theft, fraud etc	0	0
2	Cash Losses - Overpayments of salaries, wages and allowances	0	0
3	Cash Losses - Other causes (including unvouched and incompletely vouched payments)	0	0
4	Nugatory and fruitless payments		
	i. Abandoned capital Schemes	0	0
	ii. Late Payment of Commercial Debt	5	44
	iii. Other	0	0
5	Bad debts and claims abandoned	2	110
6	Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc.		
	i. Bedding and linen	0	0
	ii. Other equipment and property	0	0
7	Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)	0	0
8	Stores and Inventory Losses - Deterioration in store	0	0
9	Stores and Inventory Losses - Stocktaking discrepancies	0	0
10	Stores and Inventory Losses - Other causes		
	i. Bedding and linen	0	0
	ii. Other equipment and property	0	0
11	Compensation payments (legal obligation)		
	i. Clinical Negligence	0	0
	ii. Public Liability	0	0
	iii. Employers Liability	0	0
12	Ex-gratia payments - Compensation payments (including payments to patients and staff)	0	0
13	Ex-gratia payments - Other payments	0	0
14	Extra statutory payments	0	0
15	a. Losses sustained as a result of damage to buildings and fixtures arising from bomb	0	0
	b. Damage to vehicles	0	0
<b>TOTAL</b>		<b>7</b>	<b>154</b>

There are no losses or special payments awaiting Departmental approval.

**26.1 Special Payments**

There were no special payments or gifts made during the year.

**NOTE 27. POST BALANCE SHEET EVENTS**

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

**NOTE 28. DATE AUTHORISED FOR ISSUE**

The Accounting Officer authorised these financial statements for issue on 25 June 2012.







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