



The **Regulation** and  
**Quality Improvement**  
Authority

## **ANNUAL REPORT AND ACCOUNTS**

1 APRIL 2017 TO 31 MARCH 2018

The Regulation and Quality Improvement Authority, Copyright 2018

You may reuse this document/publication (not including logos) free of charge in any format or medium under the terms of the Open Government License. To view this license, please visit <http://www.nationalarchives.gov.uk/doc/open-government-licence>.

Any enquires regarding this document/publication or for further details about the reuse of the information in this document please write to: RQIA, Riverside Tower, 5 Lanyon Place, Belfast, BT1 3BT; or email: [malachy.finnegan@rqia.org.uk](mailto:malachy.finnegan@rqia.org.uk)

This document/publication is also available on RQIA's website at [www.rqia.org.uk](http://www.rqia.org.uk).

**The Regulation and Quality Improvement Authority**  
**Annual Report and Accounts**  
**for the Year Ended 31 March 2018**

Laid before the Northern Ireland Assembly under Article 3 (2) and Schedule 1, paragraph 12 (5) of The Health and Personal Social Services (Quality, Improvement and Regulation)(Northern Ireland) Order 2003 by the Department of Health on 10 July 2018.

The Regulation and Quality Improvement Authority (RQIA) was established under The Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003.

### **Our Vision**

To be a driving force for improvement in the quality of health and social care services in Northern Ireland.

### **Our Purpose**

The Regulation and Quality Improvement Authority (RQIA) is the independent health and social care regulator in Northern Ireland. We provide assurance about the quality of care, challenge poor practice, promote improvement, safeguard the rights of service users and inform the public through the publication of our reports.

### **Our Values**

RQIA has four core values that underpin how we work. In all that we do we will be FAIR – fair and accountable and act with integrity and respect. We live these values in how we do behave with service users, providers, carer and the general public and in how we act with each other.

**RQIA Annual Report and Accounts  
for the Year Ended 31 March 2018**

<b>SECTION 1: PERFORMANCE REPORT</b>	<b>7</b>
<b>Contents</b>	<b>Page</b>
<b>Foreword</b>	<b>5</b>
<b>(i) Overview</b>	<b>8</b>
Statement from the Chief Executive	8
Purpose and Activities of RQIA	9
Key Sectoral Issues and Risks Affecting the Achievement of RQIA's Objectives	10
Risks which Could Affect the Going Concern Principle	11
Performance Overview	11
<b>(ii) Performance Analysis</b>	<b>18</b>
Regulation	18
Mental Health and Learning Disability	27
Prison Health Care	29
Human Rights	30
Hospital Inspections	31
RQIA Review Activity	34
RQIA Clinical Audit Programme	36
Complaints and Whistleblowing	36
People	39
Financial Summary	41
Partnership Working	41
Communication	43
Influencing Policy	45
Corporate Activities	46
Social, Community and Environmental Matters	48

<b>SECTION 2: ACCOUNTABILITY REPORT</b>	49
i. Governance Report	50
ii. Remuneration and Staff Report	68
iii. Accountability and Audit Report	79
<b>SECTION 3: ANNUAL ACCOUNTS</b>	83
Statement of Comprehensive Net Expenditure	84
Statement of Financial Position as at 31 March 2018	85
Statement of Cashflows for the Year Ended 31 March 2018	86
Statement of Changes in Taxpayers' Equity	87
Notes to the Accounts	88
<b>APPENDICES</b>	
Appendix 1: Enforcement Action: 1 April 2017 - 31 March 2018	109
Appendix 2: Conditions of Registration as a result of Enforcement Action	109
Appendix 3: Prosecutions	114
Appendix 4: RQIA Board Members' Profiles (as at 31 March 2018)	116
	117

## FOREWORD

As Northern Ireland's independent regulator of health and social care services, the Regulation and Quality Improvement Authority (RQIA) has a clear vision for how we support and ensure care is safe, effective, compassionate and well-led. We believe that people in Northern Ireland should experience a better quality of services as a result of our inspections, audits and reviews.

We are committed to working closely with providers of health and social care services so that they can deliver improved care. We also are dedicated to hearing and acting on the experiences of patients, clients, families and carers. It is only by working in partnership with users and providers of care that we can encourage and influence improvement.

The role of a regulator is challenging, as it requires us to balance supporting providers to deliver a quality service, which safeguards all those in receipt of these services, against taking decisions to pursue enforcement actions - which can ultimately lead to the closure of a service.

We ensure transparency in our work by publishing the findings of our work, including around 2,500 inspection and review reports over the past year. Each report highlights examples of good practice and identifies areas for improvement in the services we regulate, and across Northern Ireland's five health and social care trusts.

We value the involvement of the public in our work, and during the year we worked to increase lay involvement in our inspections and reviews, bringing a fresh perspective to these activities.

Our Corporate Strategy for the period 2017-2021, which aims to support the achievement of our strategic themes, takes account of the overarching priorities for health and social care detailed in the Bengoa report (Systems, Not Structures - Changing Health and Social Care, 2016) and Health and Wellbeing 2026: Delivering Together (Department of Health (DoH), 2016).

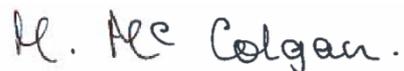
The recommendations from Sir John O'Hara, in his report into the Inquiry into Hyponatraemia-Related Deaths (2018), will also have a significant impact on health and social care across Northern Ireland. We welcome our key role in leading an independent assurance process, through overseeing the sustainable implementation of these recommendations.

During the year, we began an internal programme of transformation and reform to consider how best to structure our organisation to deliver our priorities into the future, and to ensure we are best placed to respond to the changing external environment. In the year ahead we will maintain a focus on improving our leadership, people, customer relations and processes, to make it easier to do business with and within RQIA.

I wish to pay tribute to our former Chair, Dr Alan Lennon, OBE, who passed away in November 2017, for his contribution to RQIA's development. I also congratulate Chief Executive, Olive Macleod, who was awarded an OBE for services to nursing in the New Year's Honours.

Finally, I thank our staff, led by Olive Macleod, for their ongoing commitment and dedication to meeting our objectives, and the Board for its effective governance oversight of RQIA.

RQIA Annual Report and Accounts 2017-18 provides an overview of our work and achievements during this period. On behalf RQIA's Board, I am pleased to present this report to you.

A handwritten signature in black ink that reads "M. McColgan." The signature is written in a cursive, slightly slanted style.

**Professor Mary McColgan OBE**  
**Acting Chair**  
**5 July 2018**

## **SECTION 1**

# **PERFORMANCE REPORT**

# OVERVIEW

## Statement from the Chief Executive

The Regulation and Quality Improvement Authority's Annual Report and Accounts provide an overview of our activities and performance from 1 April 2017 to 31 March 2018.

During this time, RQIA's key achievements include:

- 85% of our 20 business plan actions assessed as complete, with three actions to be addressed through our 2018-19 business plan.
- We met our statutory requirements by conducting the minimum number of inspections in each registration category in line with legislation. We conducted over 2,500 inspections of health and social care services and places of detention including mental health wards and prisons. This included over 500 additional inspections to gather additional information or to respond to intelligence/concerns about a service.
- We discharged our responsibilities in respect of people with mental ill health or a learning disability through our oversight of detention and guardianship.
- Our programme of hospital inspections, which included inspections of acute hospitals, augmented care wards and infection prevention and control.
- Ongoing review and clinical audit programme, including six reviews initiated by RQIA and four reviews commissioned by the Department of Health; and eight clinical audits.
- During 2017-18, we took enforcement action in respect of 24 services. This included: the closure of a nursing home as a result of systemic care failings and serious concerns in relation to the management of the home; and the Department of Health accepting our recommendation to implement a special measure to strengthen governance and assurance arrangements within the Northern Ireland Ambulance Service Trust as a result of concerns identified by RQIA. We also provided substantial evidence to the Commissioner for Older People's inquiry into a care home in Northern Ireland



**Olive Macleod**  
**Chief Executive**

**5 July 2018**

## Purpose and Activities of the Regulation and Quality Improvement Authority

RQIA, as Northern Ireland's independent health and social care (HSC) regulator, aims to assure public confidence in health and social care through independent, proportionate and responsible regulation.

We monitor and inspect the availability and quality of health and social care services and encourage improvements in their quality through our programme of inspection, investigation and review.

We make an independent assessment of these services, to determine if the care being delivered is safe, effective and compassionate. We also consider whether these services are well led, and meet the required standards (see figure 1).

**Figure 1: How we assess services**



In our work with health and social care organisations throughout Northern Ireland, including the HSC Board, trusts and agencies, we encourage the delivery of high quality services through our ongoing and planned programme of governance, service and thematic reviews.

We have a range of responsibilities for people with mental ill health and those with a learning disability under mental health legislation.

We also inspect services providing radiological procedures including x-rays and radiotherapy under ionising radiation (medical exposure) regulations to protect service users from inappropriate or unnecessary exposure to ionising radiation.

RQIA is also a prescribed organisation under public interest disclosure legislation that provides protection to people wishing to whistleblow about concerns or wrongdoings in their own workplace. Every disclosure is taken seriously, and we work to ensure that any risks to service users are addressed by the relevant organisation.

We also inspect hospitals as part of an ongoing programme, which aim to drive improvements for all those using these services. These include: acute hospital inspections, which examine in detail the quality of care and leadership within specific wards or clinical areas; infection prevention/hygiene inspections at a range of health and social care facilities, primarily hospitals; and augmented care inspections where we examine clinical areas where patients are at a higher risk of developing an infection. We publish the findings from our inspections, highlighting areas of good practice and issues of concern.

RQIA is also responsible for the oversight of health and social care in places of detention. These include children's secure accommodation, mental health and learning disabled facilities, and prisons. In addition, as one of four organisations in Northern Ireland designated by the United Kingdom government as a national preventive mechanism (NPM), we work to protect the rights of all those in places of detention.

We are committed to listening to and responding to the views and opinions of the public. We listen to the views of those who use Northern Ireland's health and social care services and use this information in our assessments of the quality of these services.

### **Key Sectoral Issues and Risks Affecting the Achievement of RQIA's Objectives**

RQIA's Board is responsible for ensuring that it has effective systems in place for governance, essential for the achievements of its organisational objectives. Our corporate risk assurance framework provides the structure by which our board's responsibilities are delivered.

The corporate risk assurance framework identifies potential risks to the achievement of our organisational objectives and describes key controls through which these risks are managed and details the assurance on their effectiveness. This framework provides our Board with confidence that the systems, policies and people are operating effectively, are subject to appropriate scrutiny and demonstrates that it is informed about key organisational risks.

Throughout the year, our corporate risk assurance framework was regularly reviewed and scrutinised by our Board, audit committee and executive management team. At 31 March 2018 there were 11 identified areas of risk.

This framework also sets out the organisation's arrangements to mitigate each identified potential risk and is available at [www.rqia.org.uk](http://www.rqia.org.uk).

## **Risks Which Could Affect the Going Concern Principle**

RQIA's financial statements are prepared on the basis that its business will continue to operate in the foreseeable future without the need or intention on the part of management to significantly curtail its operational activities. Therefore, it is assumed that RQIA will continue to settle its obligations in the normal course of business.

The outlook for 2018-19 is increasingly constrained, particularly in respect of resource funding. The Northern Ireland budget, which the Secretary of State announced in March 2018, provides the clarity needed to allow departments to plan for the incoming financial year.

The purpose of this statement was to provide clarity to departments as to the basis for its allocations in the absence of an Executive, so that permanent secretaries can plan and prepare to take more detailed decisions in that light. The departmental allocations set out by the Secretary of State provide the basis on which departments are now planning for 2018-19. The budget is supported by revenue-raising and flexibilities from the UK Government. This includes £25m generated by increasing the regional rate, and a decision to allow £100m of existing funding (normally ring-fenced for capital) to be invested in ongoing public service provision, enabling departments to further protect and preserve key services.

This budget provides an increase for the Department of Health over the comparable actual funding levels in 2017-18, although given that cost pressures are increasing at a greater rate, challenges remain in meeting demand.

RQIA has completed a robust assessment of the principal risks facing the organisation, including those that would threaten the delivery of its statutory functions, through the continuous review and scrutiny of the corporate risk assurance framework. The corporate risk assurance framework provides an explanation of how these principal risks have been managed and mitigated.

Having considered the potential risks to the organisation, and the mitigating actions that it has in place, RQIA considers that there is limited risk to its ability to continue as a going concern during 2018-19.

## **Performance Overview**

This annual report comes at the end of the first year of RQIA's Corporate Strategy 2017-21, which identifies four strategic themes:

1. Encourage Quality Improvement in Health and Social Care
2. Use sources of information effectively
3. Engage and involve service users and stakeholders
4. Deliver Operational Excellence

During 2017-18, RQIA reported corporate performance to the RQIA Board through quarterly performance reports to monitor progress against each of the actions and supporting measures as set out in RQIA's Business Plan 2017-18.

During the year, RQIA made significant progress in the delivery of the strategic themes as set out in Table 1

**Table 1: Progress against RQIA's Strategic Themes**

<b>STRATEGIC THEME 1</b>	
<b>Encourage quality improvement in health and social care services</b>	
<b>Action</b>	<b>Performance</b>
<p><b>Action 1.1</b> Complete the planned programme of activity for 2017/18 in respect of registration, inspection, reviews and audits</p>	<p>100% of planned inspections of regulated services completed which equates to 2,568 inspections.</p> <p>100% of planned Healthcare inspections completed which equates to 54 inspections.</p> <p>100% of inspections completed in MHL D Wards which equates to 56 inspections.</p> <p>100% of planned clinical audits completed.</p> <p>Review programme delivered on target with the exception of one review (deferred until 2018-19)</p> <p>The number of areas for improvement stated twice or more in 2017/18 was 758 which is a decrease of 13% from the previous year.</p>
<p><b>Action 1.2</b> Review and evaluate the evidence for an inspection assessment framework in facilitating improvement</p>	<p>Project reported findings during 2017-18, which will inform the further development of RQIA's inspection framework.</p>
<p><b>Action 1.3</b> Develop proposals for the Review Programme post-2018</p>	<p>Arrangements for review programme developed.</p>
<p><b>Action 1.4</b> Develop a template report to enable the publication of an annual summary of the quality of services inspected, reviewed and audited by RQIA (the first report will be produced in relation to 2017-18)</p>	<p>The template report was not completed in 2017/18. A working group commenced in Quarter 1 2018/19 to take forward this piece of work.</p>
<p><b>Action 1.5</b> Provide advice and guidance to service providers on quality improvement systems</p>	<p>Service providers are provided with comprehensive verbal and written feedback in relation to areas for quality improvement during and after inspections.</p> <p>RQIA has published a range of service provider advice documents which are published on RQIA's website.</p> <p>RQIA dedicates a duty inspector during business hours which is the point of contact to deal with all service provider enquiries.</p>

<b>STRATEGIC THEME 1</b>	
<b>Encourage quality improvement in health and social care services</b>	
<b>Action</b>	<b>Performance</b>
<p><b>Action 1.6</b> Participate as an active partner in the design and development of an Improvement Institute / System for Northern Ireland</p>	<p>RQIA is a member of the Critical Friends Group which was established to critically challenge and provide senior guidance and governance oversight to the design process of improvement.</p> <p>RQIA's Medical Director participates in meetings of the Design Collaborative progressing work of the Improvement Institute/System.</p>
<p><b>Action 1.7</b> Produce a proposal for the consideration by the RQIA Board regarding the independent evaluation of the hospital inspection programme</p>	<p>An independent external review of the hospital inspection programme was completed in 2016. This review evaluated the systems and process used as part of the inspection process.</p> <p>Proposal presented to RQIA Board and did not proceed.</p>

<b>STRATEGIC THEME 2</b>	
<b>Use sources of information effectively</b>	
<b>Action</b>	<b>Performance</b>
<p><b>Action 2.1</b> Develop and implement a prioritised Plan aligned to the Information Scoping Exercise completed in 2016/17</p>	<p>27 actions that were due to be implemented by the year end were achieved</p>
<p><b>Action 2.2</b> Foster strategic alliances with other system regulators and improvement bodies both regionally and nationally</p>	<p>RQIA has progressed a range of Memorandums of Understanding (MoUs) with a number of partners including the signing off of MoUs with the Northern Ireland Public Service Ombudsman, HSC Honest Broker Service and Nursing and Midwifery Council.</p> <p>RQIA has continued to work closely with other system regulators and system bodies and has collaborated in a number of joint events and workshops.</p>
<p><b>Action 2.3</b> Review and revise RQIA's Inspection Planning Tool (IPT) in the context of changes in Fees and Frequency of Inspection Regulations</p>	<p>Pilot Risk Adjusted, Dynamic and Responsive RADaR inspection framework was developed, which will be tested and refined during 2018-19.</p>

<b>STRATEGIC THEME 2</b>	
<b>Use sources of information effectively</b>	
<b>Action</b>	<b>Performance</b>
<p><b>Action 2.4</b> Strengthen arrangements to capture the voice of service users and their families/carers, to include stakeholder reference group, lay assessors and through engagement during inspections</p>	<p>RQIA has engaged with the Voice of the Young People in Care organisation (VOYPIC) to explore how both organisations could work collaboratively to promote the voice of young people in children's services in Northern Ireland. A workshop will be hosted by RQIA in 2018/19 to develop a three year participation strategy to secure young people's involvement in all aspects of our children's services work.</p> <p>Posters for display in care homes developed and distributed to highlight RQIA's role in inspecting these services, and to encourage service users and visitors to tell RQIA about their experience in these homes.</p>
<p><b>Action 2.5</b> Commence implementation of a project to develop and implement an integrated MHLD information system to replace the existing legacy systems following approval of the Outline Business Case from DoH</p>	<p>The MHLD Information System Outline Business Case was approved by the Department of Health in November 2017. A formal PRINCE2 project was initiated in Quarter 4 2017/18.</p>

<b>STRATEGIC THEME 3</b>	
<b>Engage and involve service users and stakeholders</b>	
<b>Action</b>	<b>Performance</b>
<p><b>Action 3.1</b> Develop and implement a Communications and Engagement Strategy taking account of HSC PPI Standards to increase the 'publics' awareness of the role and function of RQIA</p>	<p>RQIA's Communications and Engagement Strategy 2018-2021 approved by Board in March 2018.</p>
<p><b>Action 3.2</b> Increase the number of stakeholders and lay assessors actively designing / participating in our programmes of work</p>	<p>Target for involvement of lay assessors in inspection achieved.</p>

<b>STRATEGIC THEME 3</b>	
<b>Engage and involve service users and stakeholders</b>	
<b>Action</b>	<b>Performance</b>
<p><b>Action 3.3</b> Partner with the Innovation Lab (Department of Finance) to explore opportunities to work with our stakeholders to collaboratively redesign our activities</p>	<p>RQIA's Chief Executive met with the Innovation Lab during 2017/18. The Innovation Lab partnered with RQIA to host a joint workshop with RQIA staff in October 2017. Further Collaborative work is planned in 2018/19.</p>
<p><b>Action 3.4</b> Examine and explore opportunities to use technology to facilitate feedback from service providers, service users and their families / carers e.g. pilot the use of e-questionnaires</p>	<p>100% of service providers have signed up to exchange draft reports and QIPs with 99.8% of service providers with portal log ins by the end of 2017/18.</p>

<b>STRATEGIC THEME 4</b>	
<b>Deliver operational excellence</b>	
<b>Action</b>	<b>Performance</b>
<p><b>Action 4.1</b> Implement the Workforce Plan aligned to the Workforce Review carried out in 2016-17</p>	<p>The workforce Review was completed in April 2017 with preliminary findings presented to the RQIA Board in July 2017.</p> <p>A 5 week consultation, with all RQIA staff, was completed on 10 November 2017.</p> <p>RQIA has restructured the organisation into two Directorates:</p> <ul style="list-style-type: none"> <li>• Quality Improvement</li> <li>• Assurance</li> </ul> <p>A Business Unit has been established to provide the support services to the two Directorates.</p>
<p><b>Action 4.2</b> Develop and implement an Organisational Development (OD) Plan aligned to the Investors in People (IiP) assessment</p>	<p>RQIA successfully achieved IiP status using the new standard "Generation 6" during 2017/18.</p> <p>The HSC Leadership Centre has commenced the development of an RQIA Organisational Development Plan using the recommendations to come out of the IiP assessment.</p>

<b>STRATEGIC THEME 4</b>	
<b>Deliver operational excellence</b>	
<b>Action</b>	<b>Performance</b>
<p><b>Action 4.3</b> Implement a project to prepare for ISO 9001:2015 assessment and achieve accreditation</p>	<p>All milestones from the ISO9001:2015 Project Plan were implemented on target.</p> <p>RQIA achieved ISO9001:2015 certification in December 2017.</p>
<p><b>Action 4.4</b> Achieve financial balance and implement zero based budgeting</p>	<p>At year end there was an underspend of £36,825, which fell outside the breakeven target of £20,000. During the year RQIA carried out a Workforce Review which necessitated holding a number of vacant posts unfilled in order to ensure flexibility in restructuring the organisation and achieving the benefits of the review. This coupled with non-pay slippage resulted in RQIA incurring a significant in-year underspend.</p> <p>Zero based budgeting deferred until restructure completed.</p>

# PERFORMANCE ANALYSIS

## REGULATION

### Regulation of Services

RQIA is responsible for the registration and inspection (regulation) of a range of health and social care services. At 31 March 2018, 1,448 services were registered with RQIA (see Table 2 for details), an increase of 20 from the previous year. We also inspect 23 young adult supported housing services and six school boarding departments each year, however, these services are not required to register with RQIA.

**Table 2: Number of Registered Services by HSC Trust at 31 March 2018**

Type of Service	BHSCT	NHSCT	SEHSCT	SHSCT	WHSCT	Total
Adult Placement Agencies						4
Children's Homes	12	7	10	8	8	45
Day Care Settings	29	23	22	28	56	158
Domiciliary Care Agencies - Conventional						113
Domiciliary Care Agencies - Supported Living						181
Independent Clinics	3		1	1		5
Independent Hospitals	26	10	7	8	10	61
Independent Hospitals - Dental Treatment	94	85	67	73	59	378
Independent Medical Agencies						5
Nursing Agencies						37
Nursing Homes	46	67	54	49	32	248
Residential Care Homes	43	58	53	21	34	209
Residential Family Centres	1					1
Voluntary Adoption Agencies						3
<b>Total</b>	<b>254</b>	<b>250</b>	<b>214</b>	<b>188</b>	<b>199</b>	<b>1,448</b>

When registering care homes, day care settings, residential family centres and independent hospitals we specify the maximum number of places a service is registered to accommodate. In the case of dental treatment we specify the maximum number of chairs (see Table 3 for details).

**Table 3: Maximum Number of Registered Places by Service Type at 31 March 2018**

Type of Service	Number of Registered Places/Chairs (where applicable)
Adult Placement Agencies	N/A
Children's Homes	298
Day Care Settings	6,527
Domiciliary Care Agencies	N/A
Domiciliary Care Agencies –Supported Living Services	N/A
Independent Clinics	N/A
Independent Hospitals	197
Independent Hospitals – Dental Treatment	1,192
Independent Medical Agencies	N/A
Nursing Agencies	N/A
Nursing Homes	11,362
Residential Care Homes	4,643
Residential Family Centres	15
Voluntary Adoption Agencies	N/A

### Registration Activity

This year, RQIA processed 865 applications for changes to the registration of services. These included the registration of new services, managers or providers (606); variations to existing registrations (220); and deregistration of services (39).

During 2017-18, the total number of residential homes across Northern Ireland increased by 14. While this number had steadily decreased in each year from 2013 to 2017, this can be attributed to the registration of residential beds in nursing homes as new residential homes. Otherwise, the total number of residential homes would have fallen by four.

Overall, the northern and south eastern trusts had the greatest increase in services, with five each; Belfast Trust had an increase of three services; Southern Trust an increase of one; and numbers in Western HSCT remained unchanged on the previous year. The greatest increase in registered services for any service type by trust was eight additional residential homes in the Northern Trust.

A decrease of four domiciliary care agencies (3.4%) may be attributed to the impact of the new tender arrangements (particularly the Western Trust), which substantially reduced the number of domiciliary care agencies which that trusts contract with. It is likely that the number of conventional DCA may decrease further if these tender arrangements take place in other trusts. Agencies which do not obtain trust contracts may close (if they do not have private clients), or alternatively may be taken over by other larger companies, which is a trend we have already seen.

### **Inspection Activity**

Our approach to regulation aligns with the Better Regulation Commission's principles of good regulation, and the Hampton Principles. We aim to be: transparent; accountable; proportionate; consistent; and targeted. Our inspections examine compliance with regulations and care standards, and assess: is care safe, effective and compassionate. We also consider whether the service is well led, as it is our experience that where a service has a strong manager, the care delivery meets the standard rightly expected by the public.

We are required to inspect every care home (nursing, adult and children's residential care) at least twice a year, while we inspect all other services at least once each year (with the exception of voluntary adoption agencies, which are inspected once every three years). During 2017-18, we met this statutory requirement. We may conduct additional inspections at any time where we wish to gather further information about a service, or when we are responding to intelligence or concerns.

During 2017-18, we conducted 2,510 inspections of services (see Table 4). In addition to our inspection visits, we also conducted 21 financial assessments and 43 medicines management assessments.

We have a team of experienced nurses, social workers, pharmacists, estates and finance officers, who examine care, medicines management, estates issues, and arrangements for safeguarding service users' finances.

The majority of our care inspections are unannounced, taking place with no advance notice to the provider. At nursing homes and adult and children's residential care homes over 95% of our care inspections are unannounced.

Where a service may need to reschedule patient appointments to facilitate an inspection, or where we are following up on enforcement action, we may notify the provider of our intention to visit.

**Table 4: Inspection Activity by Category of Service and Type of Inspection for the Period 1 April 2017 to 31 March 2018**

Category of Service	Care	Estates	Finance	Pharmacy	Total
Adult Placement Agency (APA)	4				4
Children's Homes (CH)	92	5		22	119
Day Care Setting (DCS)	162	6			168
DCA-Conventional	125				125
DCA-Supported Living	184		3		187
Independent Clinic (IC)	5				5
Independent Hospital (IH)	70	8		4	82
Independent Hospital (IH) - Dental Treatment	394	8			402
Independent Medical Agency (IMA)	5				5
Nursing Homes (NH)	392	85	29	225	731
Nursing Agency (NA)	38			1	39
Residential Care Homes	419	39	49	104	611
Residential Family Centre	1				1
School Boarding Department	6				6
Voluntary Adoption Agency	2				2
Young Adult Supported Housing	23				
<b>Total</b>	<b>1,922</b>	<b>151</b>	<b>81</b>	<b>356</b>	<b>2,510</b>

In terms of our other inspections, the majority of estates inspections (78%) are announced, as we may need to engage with specialist non-care personnel, such as architects, fire safety or engineering staff; whilst the vast majority of medicines management inspections (97%) are unannounced. (See Table 5 for details).

**Table 5: Breakdown of Announced/Unannounced Inspection by Specialism (1 April 2017 - 31 March 2018)**

Specialism	Announced	Unannounced	Total	Announced %	Unannounced %
Care	564*	1358	1922	29%	71%
Estates	118	33	151	78%	22%
Finance	18	63	81	22%	78%
Pharmacy	9	347	356	3%	97%

\* includes 464 inspections at dental surgeries and independent hospitals

At present, the Department of Health is reviewing the fees and frequency of inspection regulations. This may result in changes to the frequency of inspections across a range of service categories and changes in registration fees. It is anticipated that the new regulations will take effect from 2019-20.

## Quality Improvements for Service Users

In every aspect of our work, our aim is to drive and support quality improvements for all those using health and social care services in Northern Ireland. We use our expertise and experience, and specific intelligence about each service - such as incident notifications, complaints and whistleblowing information - to ensure that our programme of inspection is appropriately focused. Our regulatory response is proportionate to the risks we may identify.

We also follow up any issues highlighted in previous inspections, to consider what has been done to address these matters, and to decide what further actions may be required.

During each inspection we engage with a wide range of people to provide us with a comprehensive insight into the quality of service. We speak with the people in receipt of care and their friends and relatives; staff members – management, front-line and ancillary staff; and visiting professionals – including GPs, district nurses, social workers, allied health professionals, and HSC trust care teams.



In early 2018, in response to people raising concerns about services we sought ways of improving how we can engage with service users and visitors. We sought the views of people with relatives in care settings to develop a poster highlighting RQIA's role in inspecting these services, and encouraging service users and visitors to tell us about their experience in these homes. The resulting poster was then distributed for display in every nursing and residential care home in Northern Ireland.

## Guidance for Service Providers

In March 2018, in partnership with the Northern Ireland Social Care Council (NISCC) and the Nursing and Midwifery Council (NMC), RQIA held workshops for managers of regulated services in Newtownabbey and Enniskillen, attended by over 200 delegates. At the events we provided a range of guidance to support registered managers in their work.

This included details of RQIA's expectations of the registered manager; induction for new managers; the role of NMC; and continuous professional development for social workers.



Delegates at RQIA's joint workshops with NISCC and NMC at Newtownabbey and Enniskillen

### **Supporting Quality Improvement**

To support continuous improvement in services, at the end of every inspection we give the provider verbal feedback on our findings, including details of any issues that requires their immediate attention. This is followed up with a written report that includes a quality improvement plan, setting out areas for improvement, aligned to relevant care standards, and/or service specific regulations.

We require the service to provide their response, detailing their proposed actions to address our recommendations and requirements, within a stated timescale. We publish this as an integral part of our inspection report on our website at: [www.rqia.org.uk/inspections](http://www.rqia.org.uk/inspections). Our latest inspection report should also be freely available from the service.

### **Incident Reporting**

In line with legislation, providers of regulated services are required to notify RQIA of certain categories of incidents that occur within their service. The types of incidents that are notifiable vary by service category and may include: accidents; illness; injury; misconduct; deaths; and those requiring police involvement. This information provides RQIA with invaluable intelligence in relation to each service.

During 2017-18, we received 19,338 incident notifications. Our inspector for the service risk assesses each notification to determine if any action is required to ensure the safety, protection and wellbeing of all those using this service. Our regulatory response may include inspection or enforcement, or we may contact the service provider for further information. Where there are safeguarding concerns, investigations will be led by the relevant health and social care trust or the Police Service for Northern Ireland in line with Adult Safeguarding Policy Prevention and Protection in Partnership, July 2015, or the Co-operating to Safeguard Children and Young People in Northern Ireland, March 2016.

## **Enforcement Action in Regulated Services**

RQIA is committed to ensuring that every regulated health and social care service complies with service-specific regulations and care standards. Where a service breaches regulations, or fails to meet the required care standards, RQIA will take appropriate action.

We may take enforcement action against a regulated service where significant and/or repeated failings are identified, whether through our inspection activity or through intelligence such as concerns, complaints or whistleblowing

We have a range of powers and enforcement measures available to drive improvements in safety and quality for all those using the services. In line with the principles of good regulation, any intervention by RQIA aims to be proportionate to the identified and assessed risk. These include:

- areas for improvement linked to regulations, care standards, detailed in inspection reports, quality improvement plans
- an improvement notice - where a service is failing to meet relevant standards
- a notice of failure to comply with regulations - where a service is in breach of regulations
- a notice of proposal, which sets out the action(s) RQIA intends to take with respect to cancellation of registration, variation, imposing or removing conditions on registration.
- a notice of decision confirming actions outlined in a notice of proposal
- cancellation of registration
- an urgent procedure for cancellation of registration, where we believe there is a serious risk to a person's life, health or wellbeing

We may take prosecution action in parallel with other enforcement activity. We may also consider prosecution for failure to register when a person is providing an unregistered service, which is subject to regulation, to ensure compliance with legislation and for the protection of those availing of the service.

RQIA may recommend that the Department of Health takes special measures in relation to a HSC service provider to improve services, where there are significant failings in the way it is being run.

## **Services Subject to Formal Enforcement Action**

During 2017-18, RQIA took formal enforcement action in relation to breaches in regulation at registered health and social care services on 26 occasions. Table 6 provides a breakdown of these actions.

**Table 6: Escalated Enforcement Action during 2017-18**

<b>Category of Service</b>	<b>Number of occasions enforcement action taken</b>	<b>Number of services in receipt of enforcement action</b>
Private dental practices	4	4
Children's residential care	1	1
Day care setting	1	1
Domiciliary care agencies	3	3
Northern Ireland Ambulance Service Trust	3	3
Nursing homes	9	8
Residential care homes	5	4
<b>Total</b>	<b>26</b>	<b>24</b>

Our actions included issuing: improvement notices; notices of failure to comply with regulations; and notices to place conditions of registration on services. Concerns identified included those relating to the quality of care provision; recruitment; staffing; management and governance; management of service users finances; estates and fire safety. Details of all enforcement action are provided at Appendix 1. Details of services subject to conditions of registration as a result of enforcement are provided at Appendix 2.

In late August 2017, for the first time, RQIA sought an urgent order for the closure of a service through the courts. Ashbrooke Care Home, a nursing home operated by Runwood Homes Ltd, in Enniskillen was closed, due to systemic care failings identified by RQIA inspectors, and serious concerns in relation to the management of the home. In September 2017, Runwood Homes Ltd who operated this service challenged this decision through the Care Tribunal, part of the Northern Ireland Courts and Tribunal Services, with a hearing set for June 2018. However, this appeal was withdrawn by Runwood Homes Ltd in April 2018. Dunmurry Manor, another service operated by this provider was subject to an investigation by the Commissioner for Older People, and his findings will be published during 2018-19.

In March 2018, the Department of Health accepted RQIA's recommendation to implement a special measure to strengthen governance and assurance arrangements within the Northern Ireland Ambulance Service Trust (NIAS). This was as a result of insufficient progress to address issues identified by RQIA during inspections of a number of ambulance stations across Northern Ireland in July 2017 and February 2018. Here, RQIA identified concerns relating to governance and infection prevention/hygiene practice. RQIA recommended the secondment into NIAS of a senior practitioner with experience in infection prevention/control and governance and assurance for a period of three months in the first instance.

During the year, we prosecuted one unregistered service, providing treatments using certain classes of laser or intense pulsed light (IPL), which received a fine of £600 plus costs. Details of this service are provided at Appendix 3.

## **RQIA's Service Provider Portal**

In 2017-18, we continued to work on the development and roll-out of RQIA's web portal. This specially designed website allowed the secure transfer of information between RQIA and a range of health and social care services. This includes communication relating to our inspection reports and incident notification. A successful, phased, roll-out was completed in October 2017, with online and telephone support being provided to all services. In March 2018, 99.5% of all notifications made to RQIA by registered services were received via our web portal.

## **Service User Engagement**

We are committed to involving service users and their representatives in our inspections. This can be challenging where services such as domiciliary care are delivered in people's own homes, in supported living and adult placement settings. To ensure we hear the views of those in receipt of this care, our user consultation officer, spoke to over 800 service users or their representatives by telephone, or with their permission, in their own homes, where we also reviewed documentation, including records of the care provided.

In the majority of cases it is encouraging to note a high level of satisfaction from service users and their representatives about their domiciliary care. However, a small number of concerns were raised, relating to: staff attitude; quality of work; length of calls; missed calls; timekeeping; and consistency of staffing.

To drive improvements, this feedback is shared with our inspectors and noted in our inspection reports. Any concerns identified are followed up with the management of the service, and where necessary, addressed through the quality improvement plan within the inspection report.

## **Development Work on RQIA's Inspection Methodology**

In partnership with the Queen's University of Belfast, RQIA reviewed and evaluated evidence, including findings from previous work by The Health Foundation, for the effectiveness of an inspection assessment framework in facilitating improvements in quality of care outcomes in health and social care.

Results indicated that the effectiveness of specific rating scales for improving care quality cannot be reliably assessed on the basis of existing evidence as their impact has not been systematically investigated.

Findings from the project are being used to inform the development of our inspection framework in the future.

## **Risk Adjusted, Dynamic and Responsive (RADaR) Framework for Inspections**

During 2016, the Department of Health consulted on proposed amendments to The Regulation and Improvement Authority (Fees and Frequency of Inspections) Regulations (Northern Ireland) 2005. The proposed changes, which are likely to be introduced from April 2019, include moving from a minimum of two inspections of care homes per year to a minimum of one, to allow RQIA to target inspection resources where they are most needed.

To support this, in partnership with Ulster University, we initiated a project to review data held within RQIA and wider sources, to assess the potential to identify risk within nursing and residential care homes in the first instance. This has resulted in the development of a risk-adjusted, dynamic and responsive (RADaR) framework to identify, quantify and respond to regulatory risks more robustly. It will identify those services where the quality of care is poor or changing and as such may require additional inspection. This will enable RQIA to focus its resources on organisations, sectors and issues that present the highest regulatory risk and ensure our inspection programme is appropriately focused and proportionate.

During 2017-18 a pilot RADaR inspection framework was developed, which will be tested and refined during 2018-19, prior to its development for use across all RQIA's inspection programmes.

## **MENTAL HEALTH AND LEARNING DISABILITY**

RQIA has a range of legislative responsibilities for people with mental ill health and those with a learning disability. These are:

- preventing ill treatment
- remedying any deficiency in care or treatment
- terminating improper detention in a hospital or guardianship
- preventing or redressing loss or damage to a patient's property

In Northern Ireland there are 56 mental health and learning disability inpatient wards and six electroconvulsive therapy suites. During the year, we conducted 57 inspections at these services. In addition to our planned programme of unannounced inspections, we also conduct inspections in response to concerns identified through whistleblowing and other intelligence. In each inspection we considered: is care safe?; is care effective?; is care compassionate?; and is the service well led?

During our inspections we met with around 200 patients who were admitted on a voluntary basis or were subject to detention, to hear their views on their care. We also engaged with over 40 relatives and some 300 staff members, who also provided a valuable insight into these services.

In our reports, which are available on at [www.rqia.org.uk/inspections](http://www.rqia.org.uk/inspections), we highlight areas of good practice and, where necessary, identify areas for improvement. We also publish short easy read reports for these services.

We monitor all serious adverse incidents (SAIs) relating to patients who are known to mental health and learning disability services, including those in prisons. During the year, we reviewed recommendations relating to 116 SAI investigations. Where there were concerns relating to deficiencies in care or treatment, these were followed up to ensure appropriate learning from these incidents.

We have a statutory responsibility to screen a range of forms from health and social care trusts under the Mental Health Order, including those relating to detention and assessment of patients. During the year we examined over 11,000 forms and followed up any errors, including any improper detentions with the relevant trust.

We also have a responsibility to safeguard the rights of detained patients who refuse their prescribed treatment, or do not have the capacity to consent to treatment. In delivering this responsibility, we appoint experienced consultant psychiatrists as second opinion appointed doctors (SOADs) to provide a second opinion on the proposed treatment. They also provide an additional level of safeguarding by assessing whether the views and rights of the patient have been taken into account. During the year, over 330 second opinions were sought in relation to the administration of psychotropic medicine and electro convulsive therapy (ECT).

### **Sharing Best Practice with Mental Health and Learning Disability Service Providers**

During the year, RQIA held a number of events for providers of mental health and learning disability services to share best practice and support improvements across these services.

In October 2017, RQIA hosted a workshop, Supporting Families and Dementia Care in Northern Ireland, with carers and representatives from local HSC trusts, sharing examples of best practice in acute settings, including dementia champions model and the patient-centred model.



RQIA's Supporting Families and Dementia Care in Northern Ireland workshop

In January 2018, in partnership with the Royal College of Psychiatrists in Northern Ireland, we held our annual joint workshop with a range of presentations from consultant psychiatrists, and a personal perspective from Hamish Elvidge founder of the Matthew Elvidge Trust on sharing information to save lives.



Delegates and speakers at the joint RQIA Royal College of Psychiatrists workshop

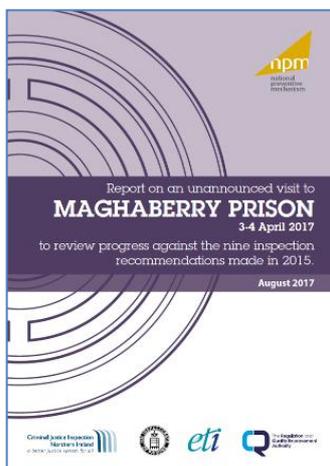
## PRISON HEALTH CARE

RQIA is responsible for the oversight of health care in places of detention, including Northern Ireland's prisons, where care is provided by the South Eastern Health and Social Care Trust.

RQIA's prison inspections are conducted jointly as part of a multidisciplinary team including representatives from RQIA, Criminal Justice Inspection Northern Ireland (CJI), Her Majesty's Inspectorate of Prisons (HMIP) and Education and Training Inspectorate (ETI).

### Maghaberry Prison, April 2017

In early April 2017, a multidisciplinary team, including RQIA inspectors conducted a two-day unannounced inspection at Maghaberry Prison to review progress against nine recommendations made following an inspection in 2015. While we noted work to improve the prison's performance, shortcomings were found in the care and support provided to the most vulnerable prisoners.



The team had significant concerns around the management and care of men at risk of self-harming, with lessons not learned, despite critical reports into deaths in custody and serious self-harm at the prison. Ongoing work to tackle illicit drugs in the prison was noted, however the misuse of prescription medication remained an issue.

We were also concerned to find the prison was being used as a safe place by the courts while mental health assessments took place. We recommended the departments of justice and health should develop an agreed pathway to prevent admissions to prison for such assessment.

In relation to healthcare, the commitment and actions taken by the South Eastern Health and Social Care Trust were commended. A GP clinical lead had been appointed and missed appointments had decreased significantly, and support for prisoners with long-term health conditions had also been developed.

### **Magilligan Prison, June 2017**



In June 2017, the joint prison inspection team welcomed improvements seen since the previous inspection at Magilligan Prison

The team welcomed the innovative work undertaken to improve provision for disabled and older prisoners and improvements in relation to health care. They also noted that health services had improved and that mental health provision was particularly good for prisoners experiencing depression, self-harm or mental health problems.

However, we were concerned that there was no integrated drugs and alcohol strategy to address the needs of prisoners with substance misuse or addiction problems and to reduce the supply and use of illicit drugs at the prison.

The team stressed the continued need for prison to maintain a focus on delivering positive outcomes for prisoner and senior leaders in the Prison Service were encouraged to seek to transfer and replicate this positive practice within Northern Ireland's the other prisons.

### **HUMAN RIGHTS**

RQIA's inspection and review activities place a clear focus on human rights principles, and in our work we aim to highlight the link between the quality practice, patient experience and outcomes.

Under the United Nations Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT), RQIA is designated by the UK government as a national preventive mechanism (NPM). This protocol aims to strengthen protections for people deprived of their liberty. As part of these duties, we inspect places of detention to monitor the treatment of and conditions for detainees and to make recommendations regarding the prevention of ill-treatment. In taking forward these responsibilities, RQIA visited a range of services including mental health hospitals, children in secure accommodation, and prisons.

## HOSPITAL INSPECTIONS

During the year RQIA continued its programme of hospital inspections across Northern Ireland, which included infection prevention and hygiene inspections; and inspections of acute hospitals and augmented care services.

Table 7 below provides details of our inspections.

**Table 7: RQIA Unannounced Hospital Inspections 2017-18**

<b>Inspection Type</b>	<b>Number of Inspections</b>	<b>Number of Clinical Areas</b>
Acute Hospital	4	10
Augmented Care	7	7
Infection Prevention and Hygiene	4	6
<b>Total</b>	<b>15</b>	<b>23</b>

In all these inspections in areas where there is good ward and service leadership these are reflected in their strong performance in terms of quality and safety.

### **Acute Hospital Inspection Programme**

In 2017 – 18, our healthcare team continued RQIA’s programme of acute hospitals inspection with unannounced inspections at Causeway (Coleraine); Royal Belfast Hospital for Sick Children; and South West Acute (Enniskillen).

At each hospital we inspect a number of clinical areas, where we assessed if care was safe, effective and compassionate, and the quality of leadership and management at the service.

We wish to provide assurance to the public, and in our reports we highlight what is working well, and where improvements are needed. Our focus is on improving the quality of care and reducing harm to patients.

During each inspection, we visit a number of specific clinical areas. Our inspections are unannounced and we give no advance notice of the time or date of our visits. To ensure we provide a clear view of the overall performance of each area inspected, we examine the hospital environment; observe practice; speak to patients, families and staff; and examine evidence including: patient records, policies and other relevant documentation.

In addition to RQIA inspectors, our teams include doctors, nurses, pharmacists and allied health professionals - who are engaged in the daily delivery of health and social care services elsewhere in Northern Ireland, as peer reviewers.

Equally important is the involvement of lay assessors - service users and members of the public, who bring a fresh insight and a public focus to our inspections.

In our inspections we observed: hardworking, compassionate staff; good multidisciplinary teamwork; a range of quality improvement initiatives in progress for example - food service, patient flow, end of life care, elderly care, and patient feedback; and ongoing learning from previous RQIA inspections. We also noted the impact of nursing staff shortages and gaps in medical cover; and issues relating to access to allied health professionals, social workers and pharmacy staff at certain times.

Patients and relatives told us that they were happy with their care, which respected privacy and dignity. However, some highlighted challenges for nursing staff during busy periods.

### **Augmented Care**

RQIA inspect a range of clinical areas where patients are at a higher risk of developing an infection. These are known as augmented care areas, and include: neonatal and special care baby units; paediatric intensive care; adult intensive care, including cardiac; burns units; renal (dialysis) units; renal transplant units; high dependency; haematology; and oncology services.

During 2017-18, we completed our programme of inspection at the seven neonatal units across Northern Ireland, which found they are working to comply with regional audit tools in governance, clinical practices and cleanliness and infection prevention and control, with staff committed to improvement.

### **Infection Prevention and Hygiene Inspection Programme**

Our programme of infection prevention/hygiene inspections, take an intelligence-based approach, with a clear focus on practice in areas crucial to the prevention of health care associated infections.

During 2017-18, we were pleased to report that no clinical area inspected was assessed as minimally compliant (a score below 75%) with specific regional healthcare hygiene and cleanliness standards. However, a reduction in the number of areas achieving a compliant level of assessment (a score over 85%) indicates the need for a continued focus on the achievement of best practice standards. (see tables 8 and 9 below for details of overall compliance and compliance with individual standards.)

We publish reports of our findings on our website, which include details of the actions being taken by the service in response to concerns we have highlighted. Where we have specific concerns relating to a particular service we may conduct a follow-up inspection.

**Table 8: Overall Compliance Levels for Unannounced Infection Prevention/ Hygiene Inspections, 2012-18\***

Overall Compliance	2013-14 (%)	2014-15 (%)	2015-16 (%)	2016-17 (%)	2017-18 (%)
<b>Compliant</b>	88	91	85	100	83
<b>Partial Compliance</b>	12	7	10	-	17
<b>Minimal Compliance</b>	-	2	5	-	-

\* Excludes the augmented care and hospital inspection programme inspections, which were inspected against separate, specific standards

**Table 9: Compliance with Individual Regional Healthcare Hygiene and Cleanliness Standards\*, 2017 - 18**

Inspection Standard	Number of areas compliant with inspection standard	Number of areas partially compliant with inspection standard	Number of areas minimally-compliant with inspection standard
General Environment	5	1	-
Patient Linen	6	-	-
Sharps	5	-	1
Waste	6	-	-
Patient Equipment	5	1	-
Hygiene Facilities	6	-	-
Hygiene Practices	6	-	-
<b>Total</b>	<b>39</b>	<b>2</b>	<b>1</b>

\* Excludes the augmented care and hospital inspection programme inspections, which were inspected against separate standards.

### **Ionising Radiation (Medical Exposure) Regulations**

Under the Ionising Radiation (Medical Exposure) (Amendment) Regulations (Northern Ireland) 2010 (IR(ME)R), RQIA conducts a programme of inspections of services performing x-rays and other radiological procedures. These include nuclear medicine, radiotherapy and diagnostic imaging services. During the year, RQIA conducted three IR(ME)R inspections, with support from Public Health England (PHE) (see Table 10). All RQIA's IR(ME)R inspection reports are published on RQIA's website at [www.rqia.org.uk](http://www.rqia.org.uk).

**Table 10: IR(ME)R Inspections 2017-18**

Facility	Date
Orthoderm – Alliance Medical Diagnostic	16 January 2018
Kingsbridge CT Scanning Centre Diagnostic	17 January 2018
Altnagelvin Cancer Centre Radiotherapy	31 January 2018

## **RQIA REVIEW ACTIVITY**

2017-18 was the final year of RQIA's three review programme, which had been developed during 2014-15. Our planned programme builds on the work carried out in our previous reviews, and covers a wide range of both hospital and community-based services. During the year, we concluded work from this programme, and in response to learning over this period, we moved to develop a rolling one-year programme. This comprises in-depth reviews, which respond to current events, and others that meet the emerging and developing needs of our wide range of stakeholders.

In planning and reporting on the findings of our reviews, we focus on whether care is safe, effective and compassionate; and the quality of leadership within a service. The findings from each review are submitted to the Department of Health for their attention and consideration.

RQIA's review programme includes those initiated by RQIA and others commissioned by the Department of Health. During 2017-18, work continued on six reviews initiated by RQIA. These examined:

- Emergency Mental Health Service Provision across Northern Ireland
- General Paediatric Surgery in Northern Ireland
- Governance Arrangements for Child Protection in the HSC in Northern Ireland: Phase I
- Implementation of the Developing Better Eyecare Partnerships Strategy
- Out of Hours General Practitioner Service
- Services for Children with a Disability

We also worked on four reviews commissioned by the Department of Health, which examined:

- Governance in Independent / Private Hospitals
- Implementation of NICE Clinical Guideline CG 174: Intravenous Fluid Therapy in Adults in Hospital
- Service Frameworks
- Use of Restraint and Seclusion

It is anticipated that we will publish our findings from these reviews during 2018-19.

During the year, we published the findings of two reviews. These examined: the regional plastic surgery service; and the implementation of the Dental Hospital Inquiry Action Plan (July 2013). In addition to a detailed report, we also published a short summary leaflet, highlighting our key findings.

## RQIA Review of Northern Ireland's Plastic Surgery Service



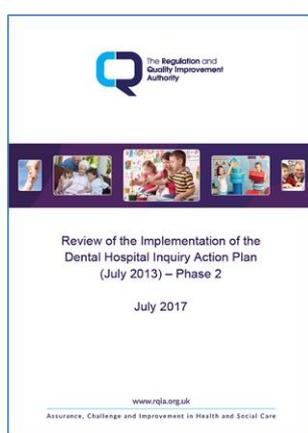
In June 2017, we published the findings of RQIA's Review of the Regional Plastic Surgery Service in Northern Ireland. The plastic surgery service provides treatment to people of all ages with a wide range of conditions, including cancer, congenital conditions, burns and trauma.

During this review, we found that the service is unable to meet its targets for urgent referrals, and is not complying with joint orthopaedic – plastic surgery best practice standards.

The review team noted that due to a shortage of trained surgeons, access to microsurgical breast reconstruction was limited. The commissioning direction for this service was published ten years ago, and since then there has been a significant increase in demand from cancer and trauma cases, impacting on capacity to deliver non-urgent elective cases.

The review team considered that the service needs assistance to meet increasing demand, and improved opportunities for doctors in training in all aspects of plastic surgery. We made 10 recommendations to support improvement to take the service forward in the future. These included a call for a single service, funded to employ additional consultant plastic surgeons to meet the increasing demands.

## RQIA Review of the Implementation of the Royal Dental Hospital's Inquiry Action Plan



In 2013, an independent inquiry into the Royal Dental Hospital made a series of recommendations for improvement at the service.

In 2017, RQIA returned to the Dental Hospital, where we noted insufficient progress to address the outstanding actions. RQIA's review team made five recommendations to the Belfast Trust to support the full implementation of the 2013 Dental Hospital Inquiry Action Plan.

## **RQIA CLINICAL AUDIT PROGRAMME**

RQIA's audit team promotes safety and quality in health and social care through quality improvement, clinical audits and the development of guidelines. Outcomes for patients, clients and carers are improved through the development and integration of regional guidelines and audit, and their implementation by HSC organisations.

During 2017-2018 the audit team published the results of an audit relating to medicines reconciliation on the immediate discharge document. We also published guidelines on the rehabilitation of patients with metastatic spinal cord compression assessment.

Work was ongoing on a range of audits and guidelines (see below), which are due to be published during 2018-19:

- Northern Ireland asthma audit
- Standardisation of physical and mental health monitoring and recording in line with shared care guidance for those with a diagnosis of adult attention deficit hyperactivity disorder (ADHD) on stimulants in Belfast outpatient clinics
- Planning birth at home in Northern Ireland
- The use of mid-urethral tapes for the management of urinary stress incontinence
- Implementation of an electronic method to improve quality of physical health monitoring in patients with mental health conditions
- How current practice of Prostate Specific Antigen (PSA) testing fits with local and national guidelines
- Quality improvement project to reduce the delays in medication administration and improve communication in the committal process in HMP Maghaberry
- Performance audit of ultrasound imaging systems within Northern Ireland

## **COMPLAINTS AND WHISTLEBLOWING**

### **Complaints about Health and Social Care Services**

Under regional guidance for complaints published by the Department of Health in 2009 (Complaints in Health and Social Care: Standards and Guidelines for Resolution and Learning), complaints about any health and social care service must, in the first instance be investigated by the provider of the service. The provider is required by legislation to ensure that complaints are fully investigated and to make every attempt to achieve local resolution. Local HSC trusts have a continuing duty of care to the service user, and may also assist in resolving complaints through enhanced local resolution.

Complainants can also receive advice and support in pursuing a complaint from the Patient and Client Council (PCC) at freephone: 0800 917 0222 or email: [info.pcc@hscni.net](mailto:info.pcc@hscni.net).

Where local resolution is unsuccessful, a complainant can refer their concerns to the Northern Ireland Public Service Ombudsman (NIPSO). NIPSO can be contacted at freephone: 0800 343 424, or visit the Ombudsman's website at: <https://nipso.org.uk/nipso/>.

## Help and Advice on Raising a Concern about a Care Service

While RQIA does not have legal powers to investigate complaints about health and social care services, we take every concern brought to our attention seriously. If a concern is raised with us about a health and social care service, we will use this information to inform our inspection or review work. We share the information received with our inspectors for the service, to determine whether there are any potential breaches of regulation or of standards and guidelines, or if any other issues that require the attention of RQIA.



In early 2018, we published two new guides which provide simple guidance on raising a concern or complaint about an independent service, (for example, a care home or domiciliary care agency) or about a health and social care service such as a hospital or mental health facility.

Each guide provides advice on how to raise a concern about a service, and details of organisations that can help you – including local health and social care trusts and the Patient and Client Council. If a complainant is dissatisfied with the service's response to their complaint, they may raise this matter with the Northern Ireland Public Service Ombudsman for their consideration.

Through our regulatory activities, RQIA also ensures that each provider has a complaints and investigations procedure in place. Where a complaint relates to a service not subject to regulation, such as a hospital or a mental health facility, we seek an assurance from the relevant health and social care trust that it has taken appropriate steps to address the complaint. Where relevant, we may use this intelligence to inform our hospital inspection programme or the work of our mental health and learning disability team.

## **Complaints and Whistleblowing about RQIA**

During 2017-18, we received six complaints or expressions of dissatisfaction relating to the RQIA, which were managed in line with our complaints policy and procedure. Four of these complaints were resolved to the satisfaction of the complainant at Stage 1 of this policy. The other two complaints progressed to a review by the Stage 2 complaints panel, which determined that the complaints were not upheld.

These complainants were advised that if they remained dissatisfied with the outcome at Stage 2, they may wish to refer their complaint to the Northern Ireland Public Services Ombudsman, in writing, within six months of RQIA's final response.

To ensure learning from every complaint, RQIA disseminates all lessons from complaints to its staff.

During 2017-18 anonymous whistleblowing allegations were received by the Department of Health regarding RQIA. An independent review panel was established to consider this information, and following an investigation these allegations were unsubstantiated. The panel recommended that measures were put in place to ensure staff can raise concerns openly, and also utilise existing policies, including our grievance procedures.

## **Whistleblowing**

Under public interest disclosure legislation, anyone wishing to raise concerns about wrongdoing in their workplace can bring these to the attention of RQIA. During the year, we were contacted by telephone, email and in writing by around 140 staff, from a range of statutory and independent health and social care settings, who wished to raise concerns about the quality and safety of the services being provided in their own workplace. These included: concerns around the quality of care provision, issues relating to staffing, and how services were being managed and general care concerns. While many staff provided their name and contact details, allowing us to seek further information on their concerns, others wished to remain anonymous.

This information provides RQIA with invaluable intelligence and insight into services, and we treat every instance of whistleblowing seriously. In each case we considered the information carefully to determine what action was required. We followed up these disclosures and sought assurances that the concerns were being addressed in an appropriate manner. Where necessary, we conducted unannounced inspections, to determine whether there were any concerns in relation to the quality and safety of care. In a number of cases this led to formal enforcement action to address the concerns identified and drive improvements in the quality for those using these services. In other cases we found no evidence to substantiate the allegations.

## PEOPLE

### RQIA's Board and Staff

RQIA has an eleven member independent board, with Professor Mary McColgan, OBE, as acting chair. Each board member is appointed by the Department of Health/Health Minister for a four-year term, and may serve a maximum of two terms.

#### RQIA's Board Members as at 31 March 2018



Prof Mary McColgan OBE



Mrs Sarah Havlin



Mr Seamus Magee OBE



Mr Gerry McCurdy



Dr Norman Morrow



Mr Robin Mullan



Miss Patricia O'Callaghan



Mr Denis Power



Ms Lindsey Smith

A short profile of each board member is included at Appendix 4.

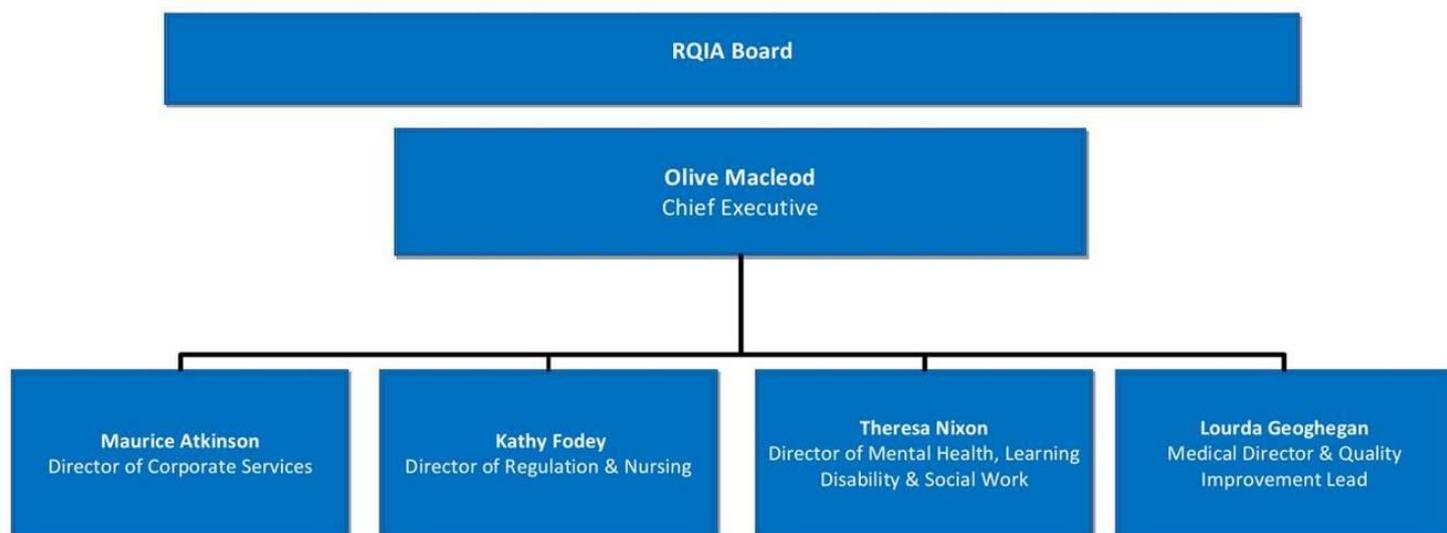
In April 2017 Dr John Jenkins, CBE, and Daniel McLarnon concluded their appointment to the board after one term in office; Alan Lennon died in November 2017; and in December 2017 Stella Cunningham resigned from the board for personal reasons. At 31 March 2018 there were two vacancies on the board.

### RQIA Executive Management Team

RQIA's five member executive management team is led by Olive Macleod, Chief Executive and Accounting Officer.

The Chief Executive is responsible to the Board, through the Chairman, for managing the organisation. Four directors manage the activities of their directorates (see Figure 2 below). Details of senior employees' remuneration are included within the remuneration report. RQIA does not make any payments in relation to staff benefits.

**Figure 2: Senior Management Structures 2017-18**



RQIA's Executive Management Team 2017-18:  
Dr Lourda Geoghegan, Theresa Nixon; Olive Macleod,  
Kathy Fodey, and Maurice Atkinson

During 2017-18 we began workforce review to consider how best to structure RQIA to deliver our priorities into the future. We wish to continue to improve our leadership, people, customer relations and processes, to make it easier to do business with and within RQIA, and align our people resources to ensure we are best placed to respond to the changing external environment. It is anticipated that the new structures, placing a clear focus on assurance and quality improvement will be introduced during 2018-19.

## **Our Staff**

RQIA has a staffing complement of 129 people (118.59 whole time equivalent), excluding board members, bank and agency, responsible for the effective delivery of our work programme and the achievement of our corporate objectives. RQIA's Belfast office accommodates the majority of staff, while a small number of staff are based in a regional office in Omagh, Co Tyrone.

## **FINANCIAL SUMMARY**

RQIA has an annual budget of £7,762,370, which comprises £6,854,398 funding from DoH, and £907,972 fee income. During 2017-18 staff costs were £5,994,833 and other expenditure costs were £1,730,712.

At year end there was an underspend of £36,825. This surplus fell outside the breakeven target of £20,000. During 2017-18, RQIA carried out a Workforce Review, which necessitated holding a number of vacant posts unfilled, in order to ensure flexibility in restructuring the organisation and achieving the benefits of the review. This, coupled with non-pay slippage and an increase in other income, resulted in RQIA incurring an irregular in-year underspend. RQIA incurred pay slippage £278k, non-pay slippage £57k and an increase in other income £18k. A non-recurring easement £300k was approved by DoH in November 2017, and a further easement was requested in March 2018. Due to the lateness of the second easement, only £16k was approved by DoH, resulting in an end of year £36,825 surplus.

## **PARTNERSHIP WORKING**

RQIA has developed strong and effective partnerships with its peer organisations include health and social care systems regulators, inspectorates and professional regulatory bodies across the UK and Ireland. Through this engagement we have an opportunity to share best practice in regulation and to benchmark our work with peer organisations.

At a local level, we continue to build on the positive relationships with our sponsor body – the Department of Health, and other health and social care organisations including: the HSC Board, HSC trusts, the Public Health Agency; Northern Ireland Social Care Council; Patient and Client Council; NI Guardian Ad Litem Agency; NI Practice and Education Council for Nursing and Midwifery and Northern Ireland Medical and Dental Training Agency. We participate in regular one-to-one liaison meetings to discuss areas of common interest and issues of concern.

We also work in partnership with other stakeholders including: Criminal Justice Inspection Northern Ireland; Education and Training Inspectorate; Her Majesty's Inspectorate of Prisons; Northern Ireland Commissioner for Children and Young People; the Commissioner for Older People for Northern Ireland; and The Prisoner Ombudsman for Northern Ireland.

During the year we also continued constructive engagement with a range of stakeholder representative organisations, including: the Independent Health and Care Providers); UK Homecare Association; British Dental Association; and the Association for Real Change.

To support cooperation in joint working and information sharing, RQIA developed new memoranda of understanding with the Nursing and Midwifery Council, and an information sharing protocol with the NI Public Services Ombudsman.



Colleagues from NMC (left) and Care Inspectorate Scotland (right) with RQIA

We met with staff representative bodies regularly to discuss issues affecting staff across RQIA, including NIPSA, UNISON, Unite and the Royal College of Nursing (RCN), through our Joint Negotiating and Consultative Forum (JNCF).

### **Political Engagement**

RQIA continued its engagement with political representatives, through meetings with party political health and social care spokespersons.

In partnership with the GMC, Pharmaceutical Society of Northern Ireland, NISCC, Patient and Client Council, and Northern Ireland Confederation for Health and Social Care, RQIA continued its attendance at the main political party conferences. These provide us with an opportunity to engage directly with party members, local councillors, MLAs and MPs on our ongoing work, and to highlight RQIA's relationships with other systems and professional regulatory bodies.

### **Personal and Public Involvement**

RQIA's Corporate Strategy 2017-21 clearly states our commitment to engage and involve service users and stakeholders to ensure they are at the heart of our activities, supporting us to improve our effectiveness.

In our inspections and reviews we work to involve our team of committed lay assessors to observe the care patients receive and to interview patients, their relatives or carers about their experience of the service.

Our lay assessors are members of the public who bring their own experience, fresh insight and a public focus to our assessment of health and social care services. This provides an invaluable perspective on care quality and provision which adds great value to our inspection and review activities.

RQIA is committed to effective engagement with the public and stakeholders to achieve improvements in the safety and quality of services, and personal and public involvement (PPI) is fundamental to how we meet our objectives.

## **COMMUNICATION**

In March 2018, RQIA's Communications and Engagement Strategy 2018-2021 was approved by our Board. This strategy provides a framework to support the further development of RQIA's communications and engagement to increase awareness of RQIA's role and achievements and to increase stakeholder involvement in our activities.

### **Media Engagement**

Throughout 2017-18, there was considerable media interest in all aspects of the work of RQIA, with significant coverage of regulation, review and mental health and learning disability activities in print, broadcast and online outlets.

A number of issues drew particular media attention, including the emergency closure of a care home in Enniskillen and our statement on the impact of nursing shortages across health and social care.

In all our engagement with the media, we provide open and detailed briefings to ensure that we clearly communicate the nature and complexity of our activities, and also the extent of our legislative powers.

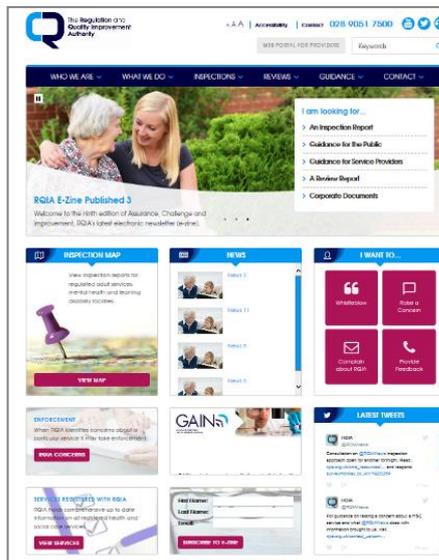
This provides a valuable platform to bring information on RQIA's role and current activities to a wider audience.

### **Digital Communication**

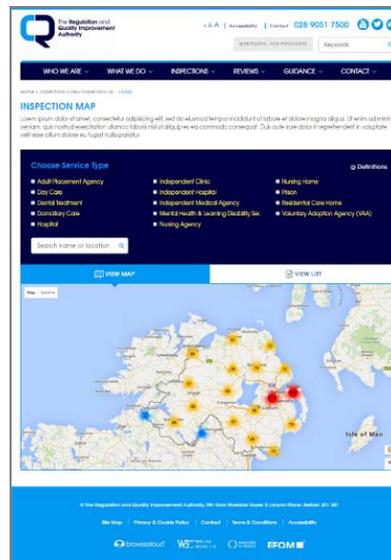
RQIA's main digital communication platform is our website, [www.rqia.org.uk](http://www.rqia.org.uk). This provides access to our latest news; almost 9,000 inspection reports for adult regulated services, hospitals, mental health wards and prisons; details of enforcement action; guidance for service providers and the public; our review reports; and guidance on complaints and whistleblowing.

Our site is Browsealoud enabled to ensure it is fully accessible to those with sensory issues, dyslexia or low literacy, or English as a second language. This allows visitors to have pages simplified, magnified, speech enabled or translated into a range of languages.

During 2017-18, [www.rqia.org.uk](http://www.rqia.org.uk) visits to our site increased by 22% to 165,000 visitors, with over half a million webpage views. The inspection report pages attracted over 200,000 views during this period, an increase of almost 50%.



RQIA's home page: [www.rqia.org.uk](http://www.rqia.org.uk)



RQIA's Inspection Map provides access to all our inspection reports

There was continued interest in our enforcement actions, with over 23,000 page views. Pages providing guidance to support anyone wishing to raise a concern about a health and social care service were accessed over 6,000 times during 2017-18

## Social Media

During the year, RQIA placed an increased focus on communication via our Twitter account: [@RQIANews](https://twitter.com/RQIANews). In response to stakeholder feedback, we posted all our public statements on Twitter to allow our followers direct access to our latest news. We also provided guidance on where to source information about our work including details of recently published inspection reports; opportunities to participate in the work of RQIA; and our engagement with stakeholders. During the year we increased our followers by around 45% to almost 2,500.

## Engagement

During the year, RQIA met with a range of representative groups and fora to discuss the role of RQIA and opportunities for joint working to increase engagement with those in receipt of health and social care services.



RQIA's Communications Officer, David Silcock discusses our work at a Pensioner's Parliament event

RQIA also committed to attending the 2018 Pensioners Parliament programme, which commenced in March, with events in each council area across Northern Ireland.

These events have provided RQIA with an opportunity to engage directly with older people and their representative organisations.

## INFLUENCING POLICY

### Review Recommendations

Through our reviews, we continue to contribute to a wide range of improvement initiatives across health and social care in Northern Ireland by engaging, not only with those organisations subject to review, but also service users, staff working across the HSC, professional bodies, royal colleges, voluntary and community organisations.

Our reviews are undertaken by teams, which include experts from across the UK, and we present our findings to the Minister for Health/Department of Health for their consideration and endorsement.

Our recommendations aim to support and drive quality improvements across Northern Ireland for those in receipt of these services. In addition, our recommendations also aim to influence policy in a range of areas across health and social care.

### Development of Standards and Guidelines

During the year, RQIA engaged with the Department for Communities in its review of Special Needs Management Allowance (SNMA), which a number of residential care homes in Northern Ireland currently receive.

We also engaged with DoH Mental Capacity Act (Northern Ireland) 2016 Implementation Reference Group, on the Act's draft code of practice and associated regulations, to support its implementation.

## Responses to Consultations

RQIA responded to a number of consultations, relevant to the work of RQIA. These included:

- Consultation on the draft Safeguarding Board Northern Ireland (SBNI) Strategic Plan 2018 – 2022 (SBNI)
- Consultation on the introduction of Regulations for the compulsory registration of social care workers who work in domiciliary care, supported living and day care settings (Department of Health).
- Competition and Markets Authority (CMA) market study into residential and nursing care homes for older people (CMA)

## CORPORATE ACTIVITIES

### Strategic Performance Management

RQIA's Corporate Strategy 2017-21 sets out our vision, core values and strategic objectives. It was developed in the context of the Northern Ireland Executive's Draft Programme for Government Framework 2016–21, Health and Wellbeing 2026: Delivering Together (Department of Health, 2016), ongoing financial constraints and HSC reform.

Four key themes are identified within our strategy:

- **Encourage quality improvement in health and social care services** - RQIA will use its powers under the 2003 Order to encourage quality improvement in health and social care services, support service providers and assure quality.
- **Use sources of information effectively** - RQIA will deliver independent scrutiny of health and social care services, targeted on the basis of assessed risk and prioritised need.
- **Engage and involve service users** - RQIA is committed to a human rights based approach to our work to ensure that people remain at the heart of our activities and are involved in supporting us to improve the effectiveness of what we do.
- **Deliver operational excellence** - RQIA is committed to developing our staff and using our resources effectively and efficiently to sustain an organisational culture of learning and continuous improvement

Our corporate strategy is supported by an annual Business Plan, which includes detailed specific actions, timescales and associated resources to deliver these objectives. We present quarterly corporate performance reports to RQIA's Board, providing progress on the delivery of the actions identified within the annual business plan.

At 31 March 2018, we reported 85% of our 20 business plan actions assessed as complete, with three actions to be addressed through our 2018-19

RQIA's Risk Management Strategy 2017-18 sets out our approach to ensuring the effective identification and management of risks to deliver RQIA's corporate objectives. During the year, risks were monitored and managed by RQIA's Board through consideration of the Corporate Risk Assurance Framework Report.

## **Business Continuity Planning**

To ensure continuity of service in an unplanned emergency situation, RQIA has a business continuity plan which is tested on an annual basis. To reflect learning from these tests, RQIA produces an action plan and revises the plan as necessary.

## **Equality**

During 2017-18, RQIA continued to implement its equality and disability action plans. In September 2017, RQIA's annual progress report on Section 75 of the Northern Ireland Act 1998 and Section 49A of The Disability Discrimination (Northern Ireland) Order 2006 was approved by our Board and submitted to the Equality Commission.

## **ISO Accreditation**



Following a programme of improvement work within RQIA, in late 2017 our business processes were audited by an accredited International Organization for Standardization (ISO) certification body, and in February 2018 RQIA achieved ISO 9001 accreditation. This international quality management standard recognises the robust governance systems and processes in place across RQIA.

This accreditation provides evidence internally to RQIA's staff and board and to our external stakeholders that we have robust governance systems and processes in place to deliver our core functions to the quality international standard ISO 9001:2015.

To ensure a continued focus on maintaining this standard within RQIA, our processes are subject to ongoing audit.

## **Freedom of Information and Data Protection**

As a public body, RQIA is required to respond to requests for information under the Data Protection Act 1998 and the Freedom of Information Act 2000.

During 2017-18, RQIA received 34 requests under freedom of information, and 27 were responded to within 20 working days. Under the Data Protection Act, five subject access requests were also received, and four were responded to within 40 calendar days.

During the year, there were no personal data related incidents that were required to be reported to the Information Commissioner's Office.

In preparation for the introduction of the General Data Protection Regulation (GDPR), which will apply from May 2018, RQIA ensured that decision makers and key staff were aware of this change in the law and its likely impact. We mapped the personal information we process, documented our legal basis for doing so, updated our privacy notice to inform individuals of our processes, and their rights. We also worked with the Business Services Organisation to introduce revised policies and procedures, which set out our responsibilities under GDPR.

### **Annual Quality Report 2016-17**

On 9 November 2017, World Quality Day, in partnership with other HSC organisations in Northern Ireland, we published RQIA's Annual Quality Report, highlighting our achievements in quality improvement during 2016-17.

### **SOCIAL, COMMUNITY AND ENVIRONMENTAL MATTERS**

Throughout the year, RQIA continued its focus on energy reduction, recycling office waste, promotion of healthy lifestyles and use public transport. In 2017-18, we established a health and wellbeing group to coordinate our activities in this area. These included:

- introduction of an online health and wellbeing hub as an information resource to support staff.
- participation in a number of healthy lifestyle challenges including: Active Belfast Challenge in conjunction with Public Health Agency, Belfast HSC Trust, Business Services Organisation, Belfast City Council and Sustrans; and Global Corporate Challenge.
- awareness and learning events for staff with a focus on diabetes, dyslexia; stress management; personality disorders; disability in the workplace; and suicide awareness.
- blood donation sessions for employees of organisations accommodated at Riverside Tower, Belfast
- charity collections, including a MacMillan coffee morning.



**Olive Macleod**  
**Chief Executive**

**5 July 2018**

## **SECTION TWO**

### **Accountability Report**

**i. GOVERNANCE REPORT**

**a. Statement of Accounting Officer Responsibilities**

Under the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003, the Department of Health directed RQIA 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 RQIA of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year. In preparing the financial statements the Accounting Officer is required to comply with the requirements of Government Financial Reporting Manual (FREM) and in particular to: Observe the Accounts Direction issued by the Department of Health, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis; Make judgements and estimates on a reasonable basis; State whether applicable accounting standards as set out in FReM have been followed, and disclose and explain any material departures in the financial statements; Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that RQIA will continue in operation; Keep proper accounting records which disclose with reasonable accuracy at any time the financial position of RQIA; Pursue and demonstrate value for money in the services RQIA provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, as Principal Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Olive Macleod as the Accounting Officer for RQIA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding RQIA's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health.

**b. Governance Statement**

**1. Introduction / Scope of Responsibility**

The Board of RQIA is accountable for internal control. As Accounting Officer and Chief Executive of RQIA, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisation's strategic priorities, statutory obligations and business objectives, whilst safeguarding the public funds and assets for which I am responsible, in accordance with the responsibilities assigned to me by the Department of Health (DoH).

As Chief Executive I am accountable to RQIA's Board for the day-to-day operations and management of RQIA and as the designated Accounting Officer I am accountable to the Permanent Secretary of DoH. I am personally responsible for safeguarding the public funds for which I am responsible and for ensuring propriety and regularity in the handling of those funds. As Chief

Executive and Accounting Officer, I establish, in agreement with the Department and RQIA's Board, the corporate strategy and business plan in the context of the Department's wider strategic aims, Departmental Requirements and current Public Sector Agreement (PSA) objectives and targets.

The Chief Executive provides a formal report to RQIA's Board covering matters of strategic importance, including updates on key targets and business objectives, information on enforcement actions, progress in respect of planned and commissioned reviews, serious incidents, complaints and whistleblowing. Board meetings are held at least six times a year.

The Chief Executive chairs a weekly meeting of the Executive Management Team which provides strategic oversight of all operational issues impacting on the day to day management of the organisation.

RQIA is Northern Ireland's independent regulator of health and social care services. Our ongoing work programme aims to provide assurance about the safety, quality and availability of these services through: our planned programme of announced and unannounced inspections of regulated services, mental health and learning disability wards, hospitals, and places of detention across Northern Ireland; and our reviews of both health and social care services and independent establishments and agencies. In carrying out its role RQIA has developed strong and effective partnerships with other health and social care systems regulators, inspectorates, professional regulatory bodies. Arm-Length Bodies, Trusts and HSCB.

The Chair and Chief Executive attend bi-annual accountability reviews with the Permanent Secretary. The Chief Executive and Directors attend bi-monthly liaison meetings with DoH to discuss matters of strategic importance relating to regulation and quality improvement across the health and social care.

## **2. Compliance with Corporate Governance in Central Government Departments: Code of Good Practice NI 2013**

RQIA applies the principles of good practice in corporate governance and continues to further strengthen its governance arrangements. RQIA does this by undertaking continuous assessment of its compliance with corporate governance best practice by the RQIA Board's assessment against the Board Governance Self-Assessment Tool and by ensuring that it has proper and independent assurances on the soundness and effectiveness of the systems and processes in place for meeting its objectives and delivering appropriate outcomes.

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

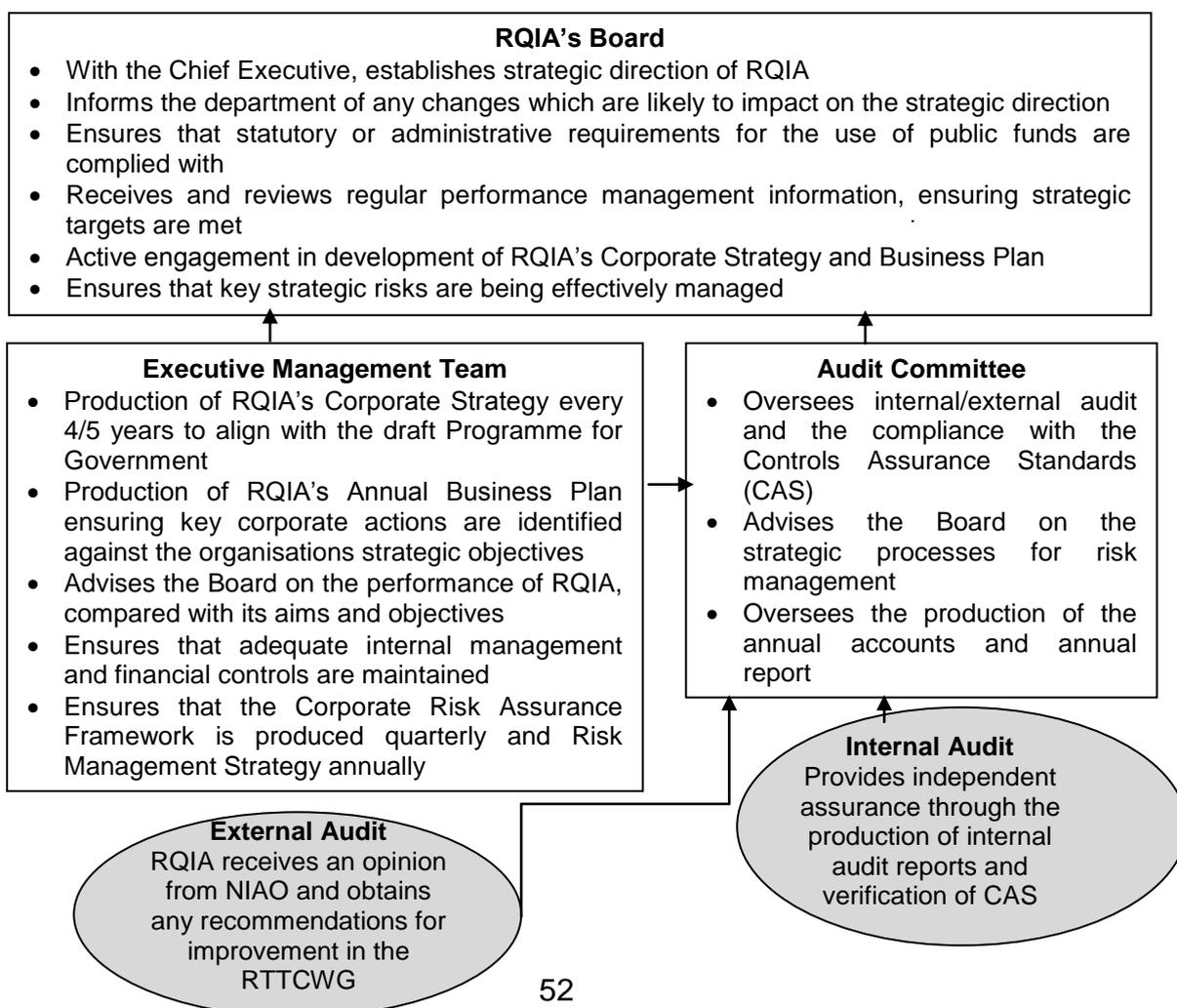
- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which delegates decision making authority, within set parameters, to the Chief Executive and other officers;

- standing orders and standing financial instructions;
- the establishment and operation of an effective audit committee; and
- the establishment and operation of an effective appointments and remuneration committee.

The system of internal financial control is based on a framework of production of regular financial information, robust administrative procedures including the segregation of duties and a system of delegation and accountability, supported by key management oversight processes. In particular, it includes:

- comprehensive budgeting systems with an annual budget;
- regular reviews by the Board of periodic financial reports which indicate financial performance against the forecast;
- setting and monitoring targets of financial and other performance measures;
- clearly defined capital investment control guidelines;
- as appropriate, formal budget management disciplines;
- production of RQIA's Property Asset Management Report; and
- production of RQIA's Annual Report and Accounts.

A robust structure of accountability and responsibility is required as part of a control environment (i.e. governance, risk management and internal control). The respective responsibilities in relation to corporate governance are detailed in the following chart and sections.



RQIA assessed its compliance with best practice in Corporate Governance using the following tools:

- Audit Committee Self-Assessment
- Self-assessment against the Governance Controls Assurance Standard
- The Board Governance Self-Assessment Tool

The outcomes of the self-assessments showed that RQIA continues to follow best practice in Corporate Governance.

### **3. Governance Framework**

RQIA recognises that to deliver its strategic aims, objectives and priorities successfully, it needs sound corporate governance arrangements in place. Corporate governance is founded in statute, policies, processes, systems, organisational culture and behaviours, and together they provide a system for the way in which an organisation is directed, administered, controlled and goes about its business. RQIA's governance framework sets out the roles, responsibilities and procedures for the effective and efficient conduct of its business. As an Arms-Length Body (ALB) RQIA is committed to governance excellence and is accountable for its decisions and activities.

#### **RQIA's Responsibility**

RQIA is a non-departmental public body, and provides independent assurance about the safety, quality and availability of health and social care services in Northern Ireland. RQIA is also responsible for encouraging improvements in the quality of these services.

RQIA works within a robust statutory framework. The Health and Personal Social Services (Quality, Improvement and Regulation) (NI) Order 2003, provides a statutory mandate to RQIA, and defines its roles and functions. RQIA has a statutory duty to conduct inspections, investigations and reviews of services and to report its findings to DoH. As an ALB, RQIA's approach to governance mirrors the Seven Principles of Standards in Public Life - the 'Nolan Principles'.

RQIA demonstrates accountability to DoH through:

- RQIA's Annual Report which is laid before the NI Assembly;
- annual auditing of RQIA's accounts by the NIAO;
- independent scrutiny of RQIA's procedures and processes through BSO Internal Audit;
- publicly reporting performance in respect of its corporate goals and business targets;
- consulting before introducing major new policies or operational practices;
- Board meetings open to the public;
- publishing information regarding the operation of the Board, and where appropriate minutes of meetings and reports;
- quarterly production of RQIA's Corporate Risk Assurance Framework;
- having a robust and accessible complaints process; and
- production of an annual Quality Report.

## **Board Responsibility**

RQIA has an independent board of eleven non-executive members including the acting Chair, which is a reduction from thirteen in 2016/17. Each board member is appointed by the Minister for Health, for an initial four-year term. Board members can serve a maximum of two terms.

The Board is ultimately responsible for all that RQIA does. In order for RQIA to discharge its responsibilities appropriately and effectively, day-to-day and operational management is delegated to the Chief Executive. A number of matters, however, remain reserved to the Board. These are:

- ensuring that RQIA fulfills its statutory objectives, general functions and duties and appropriately exercises the legal powers vested in it, under the Health and Personal Social Services (Quality, Improvement and Regulation) (NI) Order 2003 and other legislation;
- determining the overall strategic direction of RQIA within resource limits;
- active engagement in the development of the Corporate Strategy and Business Plan;
- monitoring the performance of the Chief Executive and her team, holding them to account for the exercise of their delegated powers and delivery against plans and budgets;
- promoting and protecting RQIA's values, integrity, and reputation; and
- ensuring high standards of governance which command the confidence of all of RQIA's staff and stakeholders.

In fulfilling its responsibilities, the Board pays particular attention to:

- maximising the impact and effectiveness of RQIA;
- identifying and managing risks and harnessing opportunities;
- listening and responding to stakeholders;
- ensuring its independence;
- ensuring the prudent use of public funds; and
- ensuring RQIA acts fairly, responsibly, transparently, proportionately and ethically.

In exercising the responsibilities set out above, Board members are required to meet the following obligations:

- the Board acts collectively in making decisions;
- the Board actively pursues learning and self-development opportunities;
- the Board expects the Executive Management Team (EMT) to provide appropriate, accurate and timely information and advice to enable informed decision making;
- the Board seeks to achieve consensus on major decisions. However, where this is not possible, collective decisions will be based on a majority vote with the Chair holding a casting vote; and
- the Board delegates authority through the Chief Executive to the EMT and staff, for the efficient and effective operation of RQIA and prudent use of public funds.

The Board has established clear levels of delegated authority within which:

- some decisions are reserved exclusively for the Board;
- the Chief Executive is empowered to make decisions and delegate authority to the EMT and staff for the day-to-day operation of RQIA; and
- the Chief Executive is required to escalate high risk and /or high impact issues for the timely attention and consideration of the Board.

A total of six Board meetings were held during 2017/18 with an average of 87% of Board Members in attendance. In addition, three Board workshops took place in 2017/18, addressing strategic issues facing the organisation. The Board met on 12 October 2017 to complete the Board Governance Self-Assessment Tool, assessing the performance of the Board. This assessment concluded that RQIA can provide assurance in relation to the various leading indicators of effective Board governance.

<b>Attendance at 2017/18 Board Meetings and Workshops</b>		
	<b>Board Meetings (Total 6)</b>	<b>Board Workshops (Total 3)</b>
Prof. Mary McColgan	6	3
Denis Power	6	3
Lindsey Smith	6	2
Patricia O'Callaghan	6	3
Dr Norman Morrow	5	3
Seamus Magee	3	2
Robin Mullan	6	3
Gerry McCurdy	6	2
Sarah Havlin	4	2
Stella Cunningham (Left in 2017/18)	1	1

### **Audit Committee Role and Performance**

The Audit Committee, as a Committee of the Board, assist in discharging its responsibilities for issues of risk control and governance. The Audit Committee reviews the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs, and reviews the reliability and integrity of these assurances.

The Audit Committee comprises six non-executive Board members, including the Audit Committee Chairman. The Audit Committee Chairman and members are appointed to the Audit Committee as per Standing Orders 5.3 and 5.4.

The Audit Committee advises the Board and Accounting Officer on:

- the strategic processes for risk management, internal control, governance and the mid-year Assurance Statement and the Governance Statement;
- the adherence to accounting policies, the preparation of annual accounts and the annual report of the organisation, including the process for review of the accounts prior to submission for audit and the extent of adjustments arising from audit findings;
- the planned activity and recommendations of both internal and external auditors;
- adequacy of management response to issues identified by internal audit activity, and those included in the external auditor's report to those charged with governance;
- assurances relating to the corporate governance requirements for the organisation;
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations;
- the extent to which processes and procedures provide value for money;
- a periodic review of its own effectiveness and an annual review of its own terms of reference; and
- consideration of write off of losses and authorisation of special payments before submission to the Board for approval.

The Audit Committee met four times during 2017-18 with an average of 88% in attendance. The Audit Committee completed the Audit Committee self-assessment checklist on 19 October 2017 which concluded that RQIA can provide assurance of compliance with the good practice principles in the checklist.

<b>Attendance at 2017/18 Audit Committee Meetings</b>	
<b>Board Member</b>	<b>Audit Committee Meetings (Total 4)</b>
Denis Power	4
Patricia O'Callaghan	4
Lindsey Smith	4
Robin Mullan	3
Gerry McCurdy	3
Seamus Magee	3

## **The Appointment and Remuneration Committee Role and Performance**

The main functions of the Committee are:

- Consider and agree the broad policy for the appointment and pay (remuneration) of the Chief Executive and second tier officers. This will include the basic pay principles and overall approach to remuneration including governance and disclosure.
- In considering this policy, take account of all factors, which it decides are necessary, including the provisions of any national agreements for staff where appropriate. The objective of this policy shall be to ensure that the senior management of RQIA are:
  - remunerated at a level sufficient to attract, retain and motivate senior staff of the quality required, whilst avoiding paying more than necessary for the purpose; and
  - provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the organisation.
- Consider and recommend to RQIA, the framework or broad policy for the pay (remuneration) of staff below second tier level, including the policy or broad approach for pay uplifts for RQIA staff and pension policies.
- Be informed of, and review any major changes in employee benefit structures, including pensions, throughout RQIA.
- Monitor and evaluate the performance of the Chief Executive and agree targets for pay progression and any performance related pay schemes operated by RQIA.
- Within the terms of the agreed policy, receive reports from the Chief Executive on the total individual remuneration package of each Director including, where appropriate, bonuses and incentive payments. These packages shall be determined within the framework or policy set by the DoH.
- Agree the framework or broad policy for the terms and conditions of service for Directors, including termination payments and compensation commitments, taking account of such national guidance as is appropriate.
- Consider and recommend to RQIA disciplinary and grievance procedures applicable to and possible disciplinary action involving the Chief Executive including the dismissal of the post-holder.

The Appointments and Remuneration Committee met once during 2017-18 with three out of three Board Members (100%) in attendance.

## **Chief Executive and EMT Responsibility**

The Chief Executive has delegated authority for the day-to-day management of RQIA. The Chief Executive is responsible for leading the EMT and staff in:

- fulfilling RQIA's statutory responsibilities including the general functions and duties specified in the Management Statement and Financial Memorandum;
- developing plans, programmes and policies for Board approval including the Corporate Strategy, Review Programme and Annual Business Plan;
- delivering RQIA's services in line with targets and performance indicators agreed by the Board;
- developing RQIA's relationships with key stakeholders;
- communicating RQIA's plans and achievements to stakeholders, RQIA's staff, DoH and the general public;
- acting as RQIA's Accounting Officer, reporting to the DoH on the use of public funds and with personal accountability and responsibility for RQIA's:
  - propriety and regularity;
  - prudent and economical administration;
  - avoidance of waste and extravagance;
  - efficient and effective use of available resources; and
  - the organisation, staffing and management of RQIA.
- ensuring that the EMT:
  - acts within the levels of authority delegated by the Board, escalating any high risk and /or high impact issues for the timely attention and consideration of the Board;
  - provides accurate and timely information to enable the Board to fulfill its governance responsibilities effectively; and
  - supports the Board in fulfilling its role and responsibilities as set out in this governance statement.

## **4. Business Planning and Risk Management**

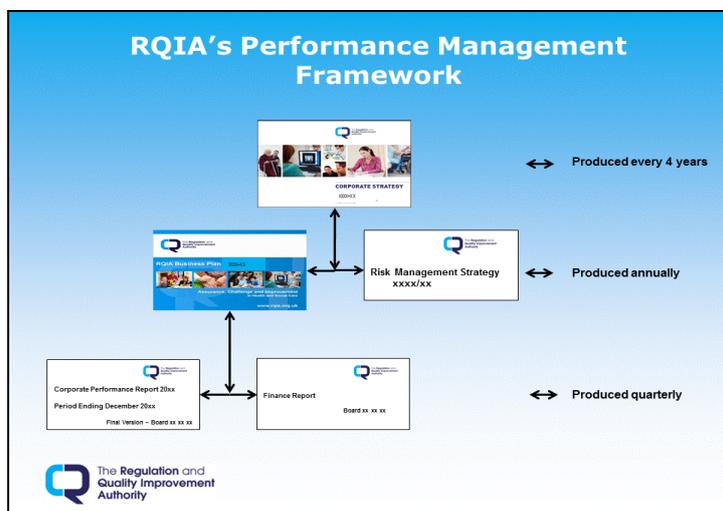
Business planning and risk management are at the heart of governance arrangements to ensure that statutory obligations and ministerial priorities are properly reflected in the management of business at all levels within RQIA.

RQIA is actively scoping the potential impact of a 'no deal' outcome from the UK-EU negotiations on the services it provides, in line with the information provided by the Department. The process will continue to be refined as more clarity emerges on the detail of the final agreement.

The Northern Ireland Assembly was dissolved from 26 January 2017 with an election taking place on 2 March 2017, on which date Ministers ceased to hold office. An Executive was not formed following the 2 March 2017 election. As a consequence, the Northern Ireland Budget Act 2017 was progressed through Westminster, receiving Royal Assent on 16 November 2017, followed by the Northern Ireland Budget (Anticipation and Adjustments) Act 2018 which received Royal Assent on 28 March 2018.

The authorisations, appropriations and limits in these Acts provide the authority for the 2017-18 financial year and a vote on account for the early months of the 2018-19 financial year as if they were Acts of the Northern Ireland Assembly.”

RQIA’s Performance Management Framework brings together the Corporate Strategy, Annual Business Plan, Risk Management Strategy, Finance Reports and Corporate Performance Reports. The diagram below demonstrates how RQIA’s four year strategy is delivered through the annually produced Risk Management Strategy and Business Plan which sets out how RQIA intends to deliver its strategic objectives through time bound business actions and also details how it intends to use the resources at its disposal. The status of the Business Plan actions, measures of success and current financial positions are presented quarterly to RQIA’s Board for approval.



The Corporate Performance Report enables the Board to assess how RQIA is performing against the achievement of strategic objectives. It is produced quarterly and is presented to the Board for discussion and approval. It is also made available to RQIA’s stakeholders on RQIA’s website.

The Risk Management Strategy outlines an overall approach to risk management that addresses the current risks facing RQIA in pursuing its strategy, which will also facilitate the effective recognition and management of such risks.

Leadership for risk management is provided by the Board, Audit Committee and EMT. The EMT has developed a Corporate Risk Assurance Framework report which is reviewed, updated and reported upon regularly. Directorates within RQIA develop and review continually directorate specific risk registers which provide a clear linkage between directorate and corporate risks. RQIA Board provides leadership through its governance arrangements, annual reviews, approval of the Risk Management Strategy and Corporate Risk Assurance Framework reports with a specific focus on a review and challenge of the corporate risks on a quarterly basis, and has oversight of the risk management process through the Audit Committee.

During 2017-18 ten new risks were added to the Corporate Risk Assurance Framework report and 3 risks were de-escalated to the appropriate Directorate Risk Registers. Each risk added to the Corporate Risk Assurance Framework Report is assessed to determine the likelihood and impact of the risk occurring and appropriate mitigating actions were agreed with the EMT and Board.

The Risk Management Strategy and Risk-On-A-Page procedures are available to all staff to support them with understanding their risk management roles and responsibilities. Compulsory Risk Awareness E-learning is completed by all staff every three years.

## **5. Information Risk**

The management and control of the risk of loss of electronic information is safeguarded by the provision of secure remote access to a protected ICT environment. Staff adhere to the corporate security policies for ICT and Data Protection. RQIA also achieved substantive compliance with the HSC CAS in Information Management and ICT during 2017/18.

RQIA has a nominated Personal Data Guardian, Senior Information Risk Owner, Information Asset Owner and Information Asset Assistants.

All RQIA officers are provided with induction and annual training in information and ICT policies and procedures and have relevant clauses in their contracts of employment. RQIA is committed to the principles of the DoH Code of Confidentiality and the Protocol for Information sharing and is a registered data controller with the Information Commissioners Office (ICO).

RQIA has in place a suite of information and ICT policies which are reviewed every three years, including:

- Information and ICT Security Policy
- Use of Electronic Mail (E-mail) Policy
- Use of the Internet Policy
- Use of ICT Equipment Policy
- Records Management Policy
- Retention and Disposal of Documents Schedule
- Version Control Policy and Guidelines for Electronic Documents
- Information Incident Reporting Policy

RQIA has the following reporting and accountability mechanisms in place

- Reporting to DoH Information and Analysis Unit on statutory processing of DPA and FOI requests
- DoH Controls Assurance Standards
- Internal Audit
- Governance Statement

RQIA is on target for GDPR compliance by the 25 May 2018 deadline. (This target was achieved.) Compliance with the new standards under GDPR will be monitored regularly by RQIA's EMT.

## **6. Fraud**

RQIA takes a zero tolerance approach to fraud in order to protect and support our key public services. Zero-tolerance also means that there will be a thorough investigation of all allegations or suspicions of fraud and robust action will be taken where fraud is proven in line with RQIA's Fraud Response Plan. We have put in place an Anti-Fraud Policy and Fraud Response Plan to outline our approach to tackling fraud, define staff responsibilities and the actions to be taken in the event of suspected or perpetrated fraud, whether originating internally or externally to the organisation. Our Fraud Liaison Officer (FLO) promotes fraud awareness, co-ordinates investigations in conjunction with the BSO counter Fraud and Probity Services team and provides advice to personnel on fraud reporting arrangements. All staff are provided with mandatory fraud awareness training in support of the Anti-Fraud Policy and Fraud Response plan, which are kept under review and updated as appropriate every three years.

## **7. Public Stakeholder Involvement**

RQIA engages with a wide range of members of the public and other stakeholders as part of its routine inspection and review programmes. RQIA engages with services users and carers using a variety of methods (as appropriate) including, one to one meetings, questionnaires and focus groups. RQIA gathers information from a user/carer/stakeholder perspective for the purpose of making clear and informed judgments when assessing associated risks.

As part of our ongoing engagement programme, RQIA has met with a range of stakeholder representative groups to discuss our ongoing work programme and we have also attended a number Pensioners Parliament Events. In March 2018, RQIA Board approved our Communications and Engagement Strategy 2018-21, which sets out our future priorities.

## **8. Assurance**

Assurances on the effectiveness of the system of internal control are informed by the work of the internal auditors and EMT who have responsibility for the development and maintenance of the internal control framework, and by considerations made by the external auditors in their report to those charged with governance.

The key elements of assurance in relation to the effectiveness of the system of internal control are:

- Senior managers review performance regularly against the actions and measures of success within RQIA's Annual Business Plan.

- Ten controls assurance standards are reviewed annually against departmental guidance.
- Internal audit services are provided by the Internal Audit Unit of BSO. There is continued coverage of the financial systems through RQIA's corporate risk-based and governance audits.
- A Service Level Agreement (SLA) exists with the Business Services Organisation to provide human resources, organisational development, equality, internal audit, H&S, facilities, information governance, ICT, finance, legal and procurement services to RQIA and assurance concerning the operation of these systems is provided annually by its Chief Executive.
- In relation to the SLA annual monitoring meetings are held. Meetings are held with the service leads to discuss requirements and feedback about performance provided through the annual customer service questionnaires.
- The report to those charged with governance issued by the external auditor.
- An audit action plan charting progress in implementing the agreed recommendations of internal and external audit reports is regularly reviewed by RQIA's EMT and Audit Committee.

## Controls Assurance Standards

RQIA assessed its compliance with the applicable Controls Assurance Standards which were defined by the Department and against which a degree of progress is expected in 2017/18.

RQIA achieved the following levels of compliance for 2017/18:

Standard	DoH Expected Level of Compliance	Level of Compliance	Reviewed by
<b>Financial Management</b> (Core Standard)	75% - 99% (Substantive)	88% Substantive	Internal Audit Unit BSO
<b>Management of Procurement &amp; Supply</b>	75% - 99% (Substantive)	82% Substantive	Internally within RQIA
<b>Governance</b> (Core Standard)	75% - 99% (Substantive)	82% Substantive	Internal Audit Unit BSO
<b>Risk Management</b> (Core Standard)	75% - 99% (Substantive)	88% Substantive	Internal Audit Unit BSO
<b>Health &amp; Safety</b>	75% - 99% (Substantive)	85% Substantive	Internally within RQIA
<b>Security Management</b>	75% - 99% (Substantive)	89% Substantive	Internally within RQIA
<b>Fire Safety</b>	75% - 99% (Substantive)	89% Substantive	Internal Audit Unit BSO
<b>Information Management</b>	75% - 99% (Substantive)	87% Substantive	Internally within RQIA
<b>Information Communications Technology</b>	75% - 99% (Substantive)	76% Substantive	Internally within RQIA
<b>Human Resources</b>	75% - 99% (Substantive)	86% Substantive	Internally within RQIA

## **9. Sources of Independent Assurance**

### **NIAO**

The financial audit of RQIA was undertaken by the Northern Ireland Audit Office (NIAO). NIAO's approach to the 2017/18 Audit was delivered in accordance with the Audit Strategy and presented to the Audit Committee in March 2018.

### **Internal Audit - Business Services Organisation (BSO)**

BSO Internal Audit's primary objective is to provide an independent and objective opinion to the Accounting Officer, Board and Audit Committee on the adequacy and effectiveness of the risk, control and governance arrangements. The basis of this independent and objective opinion is the completion of the Annual Internal Audit Plan.

In 2017-18 Internal Audit reviewed the following systems:

- Financial Review - (satisfactory level of assurance received)
- Governance & Boards Effectiveness - (satisfactory level of assurance received)
- Regulated Services - Inspections Nursing Homes - (satisfactory level of assurance received)
- Information Governance - (limited level of assurance received)

There were no priority one weaknesses in control identified in relation to the 2017/18 Audit Programme however Information Governance achieved a limited level of assurance. The Information Governance audit recommendations and associated actions are detailed in section 10 'Significant Internal Control Issues'. Active follow up of identified weaknesses will be monitored by RQIA's EMT and Audit Committee. In the annual report the Head of Internal Audit reported that there is a satisfactory system of internal control designed to meet the Authority's objectives.

## **10. Review of Effectiveness of the System of Internal Governance**

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal governance. My review of the effectiveness of the system of internal governance is informed by the work of the internal auditors and the executive managers within RQIA who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

## **11. Significant Internal Control Issues**

### **Update on prior year control issues which were reported in the Mid-Year Statement and are now resolved**

#### **Issue**

A priority 1 weakness was identified during an audit of RQIA's Risk Management in relation to the frequency of review of the Corporate and Directorate Risk Registers. Audit noted that the frequency of formal review of risks at EMT meetings should be examined and it was recommended that risk management should be included as a monthly standing item on the agenda for EMT meetings.

#### **RQIA Response**

The Corporate Risk Assurance Framework Report continues to be reviewed and updated by the EMT, Audit Committee and RQIA Board every quarter. The Directorate Risk Registers are now presented and reviewed monthly at the EMT meetings on a rolling basis and any implications for the Corporate Risk Assurance Framework is considered.

#### **Issue**

A priority 1 weakness was identified during an audit of inspections of dental services, independent hospitals, clinics and medical agencies. In the Independent Healthcare Team the peer review process is that all reports are peer reviewed by another inspector but a formal peer review template is only completed for 1 in 3 of these reviews. 1 in 10 should be reviewed by the Senior Inspector or the Head of Programme. On review of the Senior Inspector or Head of Programme review it was noted that on a month by month basis the 1 in 10 target had not been achieved for 5 of the 9 months (June, August, October, November and December).

#### **RQIA Response**

The formal Peer Review Template is completed for 1 in 3 and 1 in 10 reports, as per the Peer Review Process. The Independent Healthcare Team has agreed a 2017/18 Plan of Peer Reviews by Senior Inspectors / Head of Programme. Approximately 450 inspections are included in the plan for 2017/2018 (from 1 April 2017 to 31 March 2018). Targets are reviewed and scrutinised on a quarterly basis by the Director of Reviews and Independent Healthcare Team.

#### **Issue**

A priority 1 weakness was identified during an audit of Financial Review in relation to internal hospitality. There was no contract in place for the provider used to provide catering for events at RQIA. The gross expenditure in the 12 month period until January 2017 was £10,277.39. Whilst there are budgetary control procedures in place, Management do not monitor spend against individual contracted sums as recorded per the Contracts Register.

**RQIA Response**

RQIA has developed a new Hospitality Procedure which was issued to all staff in June 2017. The procedure is based on ceasing use of the internal catering provider and includes guidance on ordering items of hospitality using Hospitality Request forms; and ordered by PaLS stock.

**Issue**

The following Priority 1 weakness was identified during an audit of GAIN in relation to the governance arrangements which have not fully evolved during the period of transition. The GAIN committee has met twice (April and October 2016) and following the October meeting its Terms of Reference have now been agreed. Sub-committees are not yet established. While there is evidence of integration of GAIN into the Reviews Directorate management arrangements, there is scope to further integrate with other areas of RQIA business, such as Regulation.

**RQIA Response**

Following a review by management, there has been full integration of GAIN into the Reviews Directorate in RQIA. RQIA Board approval of new governance arrangements was obtained in May 2017. In line with the new arrangements, the GAIN Committees were stood down. Going forward, consideration and approvals for Audit, Guidelines and Quality Improvement work will be via a Selection Panel (to include RQIA staff and external HSC representation). The Team now operates under RQIA's Financial Memorandum and Management Statement.

**Issue**

The following Priority 1 weakness was identified during an audit of GAIN. GAIN has identified 25 guidelines which require review to ascertain whether current practices across the region comply. Internal Audit noted that 17 of these have actually been reviewed or superseded, while actions on a further eight are outstanding. They also noted that there were a number of incomplete audits commissioned in previous financial years, some dating back to 2012/13. There is no formal plan in place to ensure that following the issue of new local guidelines, there is a clinical audit automatically scheduled after an appropriate period of time.

**RQIA Response**

Guidelines between 2009 and 2016 have been scoped in respect of the need for review – currently eight. Some guidelines have served their purpose and some reached their natural conclusion. The GAIN team has implemented a plan reducing the number of guidelines and have consulted with previous project guideline development groups (where feasible) and professional groups across the HSC

### **Issue**

Internal Audit were commissioned by RQIA to undertake a review of Governance and Board Effectiveness, focusing specifically on engagement with Board and executive members, to establish whether roles and responsibilities are clear and exercised in line with RQIA's Standing Orders. Their report contained one Key Recommendation i.e. "There is a need for RQIA to take proactive positive action to improve relationships between the Executive and the Board. Developing clarity and better understanding of roles and responsibilities is required; as well as improving communication and interaction between members and the EMT. There is a need to develop trust and confidence in professional opinions, whilst maintaining a strong challenge function at Board level."

### **RQIA Response**

This recommendation was fully accepted. A facilitated Board/Executive Management Team workshop was convened in June 2017 to consider the Report in detail. An action plan was developed and its implementation was reported to the RQIA Board and DoH. A further BSO Internal Audit of Governance and Board Effectiveness completed in 2017/18 achieved a satisfactory level of assurance.

### **Issue**

An internal audit of RQIA Responsibilities under the Mental Health Order was undertaken in October 2015 and a Priority one weakness was identified in relation to the information systems available to support the full range of work of the Mental Health & Learning Disability Directorate. Internal Audit recommended that RQIA should progress the development of a business case for a new information system for approval by DoH.

### **RQIA Response**

The MHLD IS Business Case has been approved. An iConnect Project Manager (including the MHLD Information System project) was appointed in February 2018, capital funding has been secured and a formal implementation project has been established. The BSO (Internal Audit) Year End Follow-up of Outstanding Internal Audit Recommendations report, completed in March 2018, assessed this recommendation as fully implemented.

## **Identification of New Issues**

### **Issue – Internal Audit Review of Information Governance**

A BSO Internal Audit of Information Governance achieved a limited level of assurance. Limited assurance was provided on the basis that since the transfer of some Information Governance services to BSO, RQIA has not taken appropriate ownership for the management and handling of information. This has included ensuring that information assets are identified, owners allocated, risks assessed and all details subsequently recorded on a comprehensive Information Asset Register.

While BSO only presented a GDPR action plan in December 2017, it was evident that the required steps have not yet been taken by RQIA in the areas that remain within its responsibility to ensure readiness to meet the enhanced requirements.

### **Response**

The recommendations from the Internal Audit of Information Governance have been fully accepted. All actions to address the recommendations from the audit have either been delivered or are on target for implementation. The progress of the implementation of the recommendations and associated actions are monitored through RQIA's EMT and Audit Committee.

### **Issue – BSO Payroll Shared Services**

BSO is responsible for providing RQIA with a range of services through Service Level Agreements (SLAs). The Head of Internal Audit presented the HIA Annual Report on the system of internal control for the year ended 31 March 2018 to the RQIA Audit Committee. However, to date, significant weaknesses in control continue to be identified in the audits relating to Payroll Shared Services. These include: management of customer queries and variance monitoring processes have not improved since the last audit; a full suite of operating procedures is not yet complete; underpayment of employers superannuation have not been resolved; and delays in implementing the national living wage in the HSC NI, which have resulted in the HMRC fines being levied to HSCNI organisations.

### **Response**

BSO's Management have accepted all of the recommendations in the Payroll Shared Services audit report and have agreed a range of actions to address these control weaknesses. BSO Internal Audit will complete a further audit of Payroll Shared Services in 2018/19 and its findings will be reported to the RQIA Audit Committee.

## **12. Conclusion**

RQIA has a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI.

Further to considering the accountability framework within RQIA and in conjunction with assurances given to me by the Head of Internal audit, I am content that RQIA has operated a sound system of internal governance during the period 2017/18.



**Olive Macleod**  
**Chief Executive**

**Date: 5 July 2018**

## ii REMUNERATION AND STAFF REPORT

### Remuneration Report for the Year Ended 31 March 2018

#### Scope of the Report

This Remuneration Report sets out the overall remuneration policy of RQIA and its application to Board Members and senior executives. It also discloses the payments (in specified bands as required) made to Board Members and Senior Executives together with the pension entitlements of the latter. In line with Departmental guidance introduced in 2011-12, a disclosure is also made in relation to the ratio between the salary of the highest paid director and the salary of the median member of staff.

#### Remuneration Policy

The Appointments and Remuneration Committee of the Board has been given delegated functions in Standing Orders including the monitoring of the remuneration of senior executives in accordance with the guidance issued by DoH. The Appointments and Remuneration Committee for 2017-18 is detailed in the Directors' Report and membership includes:

- Prof Mary McColgan, OBE
- Sarah Havlin
- Dr Norman Morrow, OBE

The Committee considers the remuneration policy as directed by Circular HSS (SM) 3/2001 issued by DoH in respect of Senior Executives which specifies that they are subject to the HSC Individual Performance Review system. Within this system, each participant agrees objectives with the Chief Executive and the Chief Executive agrees hers with the Chairman. At the end of each year performance is assessed and a performance pay award is recommended on the basis of that performance. This recommendation is submitted to the Chairman of the Board for approval and to the Board's Appointments and Remuneration Committee for endorsement. There are no elements of senior executives' remuneration that are not subject to performance conditions.

#### Contracts of Employees and Notice Periods

HSC appointments are made on the basis of the merit principle in fair and open competition and in accordance with all relevant legislation and Circular HSS (SM) 3/2001. Unless otherwise stated the employees covered by this report are appointed on a permanent basis, subject to satisfactory performance.

Up to three months' notice is to be provided by either party except in the event of summary dismissal. There is nothing to prevent either party waiving the right to notice or from accepting payment in lieu of notice. Two members of staff left RQIA in 2017-18 under the Voluntary Exit Scheme.

### **2017-18 Senior Executives with Date of Appointment**

- Olive Macleod, Chief Executive – 1 July 2016.
- Maurice Atkinson, Director of Corporate Services - 1 October 2008.
- Kathy Fodey, Director of Regulation - 1 February 2013.
- Theresa Nixon, Director of Mental Health and Learning Disability - 17 October 2005.
- Lourda Geoghegan, Medical Director and Quality Improvement Lead – 2 January 2017

### **Hutton Fair Pay Review Disclosure (Audited Information)**

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisations workforce. This relationship is detailed in the table below:

	<b>Total Remuneration 2017-18</b>	<b>Total Remuneration 2016-17</b>
<b>Highest Earners Total Remuneration (Bands of £5k)</b>	£95K-£100K	£95K-£100K
<b>Median Total Remuneration</b>	£37,403	£37,033
<b>Ratio</b>	2.67	2.67

In 2017-18 the banded remuneration of the highest paid Director was £95K - £100K. The median employee in 2017-18 was a Band 7 point 6.

In 2017-18 and 2016-17 no member of RQIA staff received remuneration in excess of the highest paid director.

The median remuneration increased in 2017-18 by £370. This small increase has resulted in no change in the median to highest earner ratio compared with 2016-17.

## Senior Executives Remuneration (Audited Information)

The salary, pension benefits, and the value of any taxable benefits in kind of RQIA senior executives are as follows:

2017-18					
Name	Salary	Bonus or Performance Pay	Benefits in Kind (to nearest £100)	Pension Benefits	Total
	£'000	£'000	£	£'000	£'000
Olive Macleod	80 - 85	-	2	9	90 - 95
Maurice Atkinson	70 - 75*	-	2	5	75 - 80
Kathy Fodey	60 - 65	-	1	16	80 - 85
Theresa Nixon	70 - 75	-	1	-	70 - 75
Lourda Geoghegan	95 - 100	-	2	21	120 - 125

The salaries noted above exclude the 2016-17 and 2017-18 pay award.

Pension figures are not available for any senior executive over the normal retiring age.

\*This salary band excludes a severance package paid March 2018. Mr M Atkinson left under the Voluntary Exit Scheme on 30 March 2018 and received a compensation payment of £124k.

2016-17					
Name	Salary	Bonus or Performance Pay	Benefits in Kind (to nearest £100)	Pension Benefits	Total
	£'000	£'000	£	£'000	£'000
Glenn Houston Left 4 May 2016	Actual 10-15 Full year equivalent 110 - 115	-	-	-	10 - 15
Olive Macleod Start Date 1 July 2016	Actual 60-65 Full year equivalent 80 - 85			66	125 - 130
Maurice Atkinson	70 - 75	-	-	8	75 - 80
Kathy Fodey	60 - 65	-	-	16	80 - 85
Theresa Nixon	70 - 75	-	-	11	80 - 85
David Stewart Left scheme 31 March 2016 Left RQIA 30 September 2016	Actual 70 - 75 Full year equivalent 145 - 150	-	-	-	70 - 75
Lourda Geoghegan Start Date 2 January 2017	Actual 20 - 25 Full year equivalent 95 - 100			70	90 - 95

Benefits in kind refer to any taxable non-cash benefits provided by an employer to its staff. No bonus payments or benefits in kind were given in 2016/17 or 2015/16. The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual during 2016/17.

The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights. The total band of remuneration figure excludes any severance packages. There was one senior executive who accepted a severance payment through the voluntary exit scheme March 18. There were no severance payments made in 2016-17 to any senior executive. Where the in-year accrued pension benefit has declined or where its growth has been exceeded by the employee's personal pension contribution a negative figure will be reported. The total remuneration banding reported does not include employer pension contributions or the cash equivalent transfer value of pensions.

### **Appointment of Chairman and Members of RQIA's Board**

The Chairman of RQIA and Board Members are appointed by the DoH under the terms of the founding legislation of RQIA and in line with the Code of Practice for appointments to Public Bodies issued by the Commissioner for Public Appointments for Northern Ireland. Appointments to the Board of RQIA have been made as set out in the Directors' Report above.

### **Remuneration of Chairman and Members of RQIA's Board (Audited Information)**

The amounts paid to Board members in 2017-18 are detailed below including any prior year remuneration.

Name	2017/18		2016/17	
	Remuneration £'000	Benefits in kind (to nearest £100)	Remuneration £'000	Benefits in kind (to nearest £100)
Alan Lennon	10 - 15	-	15 - 20	-
Mary McColgan	15 - 20	-	5 - 10	-
Stella Cunningham	0 - 5	-	5 - 10	-
Sarah Havlin	5 - 10	-	5 - 10	-
John Jenkins	0 - 5	-	5 - 10	-
Seamus Magee	5 - 10	-	5 - 10	-
Gerry McCurdy	5 - 10	-	5 - 10	-
Daniel McLarnon	-	-	5 - 10	-
Norman Morrow	5 - 10	-	5 - 10	-
Robin Mullan	5 - 10	-	5 - 10	-
Patricia O'Callaghan	5 - 10	-	5 - 10	-
Denis Power	5 - 10	-	5 - 10	-
Lindsey Smith	5 - 10	-	5 - 10	-

In April 2017 Dr John Jenkins, CBE, and Daniel McLarnon concluded their appointment to the board after one term in office; Alan Lennon died in November 2017; and in December 2017 Stella Cunningham resigned from the board for personal reasons. At 31 March 2018 there were two vacancies on the board.

As non-executive members do not receive pensionable remuneration, there are no entries in respect of pensions.

Full details of Board Members appointments can be found in the Directors' Report.

### Senior Executives Pension Entitlements (Audited Information)

The pension entitlements of RQIA senior executives are as follows:

Name	Real Increase in Pension and related lump sum at 60 (Bands of £2,500)	Accrued Pension at age 60 as at 31/03/18 and related lump sum (Bands of £5,000)	Cash Equivalent Transfer value (CETV) at 31/03/18*	Cash Equivalent Transfer Value (CETV) at 31/03/17*	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Olive Macleod	0.0-2.5 plus lump sum 0.0 -2.5	20-25 plus lump sum 60-65	486	450	19
Maurice Atkinson	0.0-2.5 plus lump sum 0.0-2.5	20-25 plus lump sum 70-75	531	499	14
Kathy Fodey	0.0-2.5 plus lump sum 0.0-2.5	15-20 plus lump sum 35-40	357	329**	16
Lourda Geoghegan Start Date 2 Jan 17	0.0-2.5 less lump sum 0.0-2.5	15-20 plus lump sum 35-40	272	247	17

\* The CETV figures at 31 March 2018 and at 31 March 2017 have been supplied by HSC Pension Branch.

\*\* HSC Pension Branch revised Kathy Fodey's CETV at 31 March 2017.

Pension figures are not available for any senior executive over the normal retiring age.

## **HSC Superannuation Scheme**

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in 2017-18 accounts.

## **Cash Equivalent Transfer Values**

A cash equivalent transfer value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

The CETV figures and the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the 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**

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.

## Early Retirement and Other Compensation Schemes

Redundancy and other departure costs have been paid in accordance with the provision 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 3. Where early retirements have been agreed, the additional costs are met by the employing authority and not by the HSC pension scheme. During 2017-18 two staff accepted Voluntary Exit Scheme (VES) packages. There were no early retirements in 2017/18 and four early retirements during 2016-17). Ill-health retirement costs are met by the pension scheme and are not included in the table.

### Reporting of Early Retirement and Other Compensation – Exit Packages (Audited Information)

Exit package cost band	Number of compulsory 2018	Number of compulsory 2017	Number of other departures 2018	Number of other departures 2017	Total number of exit packages 2018	Total number of exit packages 2017
<£10,000				1		1
£10,000 - £25,000				4		4
£25,001 - £50,000				2		2
£50,001 - £100,000			1	1	1	1
£100,001-£125,000			1		1	
<b>Total number exit packages by type</b>			<b>2</b>	<b>8</b>	<b>2</b>	<b>8</b>
<b>Total resource cost £000's</b>			<b>195</b>	<b>243</b>	<b>195</b>	<b>243</b>

## Staff Report

### Staff Costs (Audited Information)

	2017-18			2016-17
	Permanently employed staff	Others	Total	Total
Wages and Salaries	4,779,154	122,208	4,901,362	5,296,608
Social Security Costs	455,921		455,921	498,152
Other Pension Costs	637,550		637,550	703,130
<b>Sub-Total</b>	<b>5,872,625</b>	<b>122,208</b>	<b>5,994,833</b>	<b>6,497,890</b>
Capitalised staff costs	-	-	-	-
<b>Total Staff costs reported in Statement of Comprehensive Expenditure</b>	<b>5,872,625</b>	<b>122,208</b>	<b>5,994,833</b>	<b>6,497,890</b>
Less Recoveries in respect of outward secondments			-	-
<b>Total Net Costs</b>			<b>5,994,833</b>	<b>6,497,890</b>

Staff costs have been disclosed in Note 3 (page 94).

### Average Number of Whole Time Equivalent Persons Employed (Audited Information)

	2018			2017
	Permanently employed staff No.	Others No.	Total No.	Total No.
Administrative and clerical	127	7	134	143
<b>Total average number of persons employed</b>	<b>127</b>	<b>7</b>	<b>134</b>	<b>143</b>
Less average staff number relating to capitalised staff costs	0	0	0	0
Less average staff number in respect of outward secondments	0	0	0	0
<b>Total net average number of persons employed</b>	<b>127</b>	<b>7</b>	<b>134</b>	<b>143</b>

During the year, staff turnover was recorded at 10% (16.5% in 2016-17), with 17 people leaving the organisation.

RQIA employs 129 people (as at 31 March 2018), excluding board members, bank and agency staff.

The gender profile of our staff is outlined in the table below.

#### **Staff Composition by Gender and Banding**

<b>Band/ Gender</b>	<b>Male (No)</b>	<b>Female (No)</b>	<b>Male (%)</b>	<b>Female (%)</b>
<b>Band 2</b>	-	1	0.00	100.00
<b>Band 3</b>	3	16	15.79	84.21
<b>Band 4</b>	1	8	11.11	88.89
<b>Band 5</b>	2	10	16.67	83.33
<b>Band 6</b>	1	3	25.00	75.00
<b>Band 7</b>	16	36	30.77	69.23
<b>Band 8A</b>	2	10	16.67	83.33
<b>Band 8B</b>	1	4	20.00	80.00
<b>Senior Executive</b>	0	3	0.00	100.00
<b>Medical and Dental</b>	3	2	60.00	40.00
<b>Grand Total</b>	29	93	23.77	76.23

#### **Sickness absence**

During 2017-18, 2,043 days were lost through sickness, an absence rate of 7.48% against a target of 4.36%. This compares to a rate of 4.32% in 2016-17. This figure includes a significant level of long term sickness absence. RQIA manages all sickness absence in line with its attendance management policy and associated procedures.

#### **Staff policies**

RQIA has a duty of care to its entire staff and this is supported with a comprehensive range of human resources policies and procedures. In addition, RQIA ensures compliance with relevant employment legislation in this area, including: Section 75 of the Northern Ireland Act, the Disability Discrimination Act 1995 and The Disability Discrimination (Northern Ireland) Order 2006.

RQIA is committed to working with the Equality Commission in all aspects of equality and diversity in employment and occupation. RQIA is an Equal Opportunity Employer and its policies and procedures are developed in line with equality legislation to ensure equal treatment for all.

To ensure that staff are equipped to deliver against the objectives within RQIA's Business Plan, organisational learning development activities continued throughout the year. This included a range of mandatory and job-specific training for staff across RQIA. RQIA ensured that all staff have equal access to all career and organisational learning development opportunities in line with RQIA's Equality of Opportunity policy and the Agenda for Change terms and conditions.

RQIA remains committed to a partnership approach to working with staff in conjunction with trade union representatives through its Joint Negotiating and Consultative Forum. The forum continued to meet during the year, acting as a reference group for good practice and a focus for consultation and negotiation on policies and issues affecting the organisation.

RQIA works with its office landlord to ensure that health and safety at work for its staff remains a priority of the organisation. During 2017-18 BSO Shared Services undertook a health and safety risk assessment at RQIA's offices in Belfast, and we also completed a fire risk self-assessment for our offices in Belfast and Omagh. RQIA's health and wellbeing group supports the organisation in ensuring staff have access to opportunities that help promote their mental and physical wellbeing.

### **Expenditure on consultancy**

During 2017-18 there was £3,600 expenditure on consultancy.

### **Off-payroll Engagements**

During 2017-18 there were no qualifying off-payroll engagements.

### **Staff Benefits**

There were no staff benefits for the year ended 31 March 2018.

### **Retirements due to ill-health**

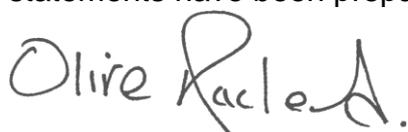
During 2017-18 there were no early retirements from RQIA agreed on the grounds of ill-health.

### **Going Concern**

The financial statements of RQIA are produced on the going concern basis in accordance with applicable accounting standards in a form directed by the DoH with the consent of the Department of Finance.

As of 31 March 2018, RQIA had a negative statement of financial position, where the liabilities were greater than the assets by £267k. These and other liabilities will be met by future grant in aid, received from and approved annually by DoH.

DoH Funding for 2018-19 has now been approved. Therefore, the future financing of RQIA is expected to be met by DoH. In this context, the financial statements have been prepared on the going concern basis.



**Olive Macleod**  
**Chief Executive**

**Date: 5 July 2018**

### iii ACCOUNTABILITY AND AUDIT REPORT

#### Funding Report

##### Compliance with Regularity of Expenditure Guidance (Audited Information)

RQIA adheres to the Departmental guidance and FREM. During 2017-18 there has been no evidence of irregular expenditure.

As far as the Accounting Officer is aware, there is no relevant audit information of which RQIA's auditors are unaware, and the Accounting Officer has taken all the steps that she ought to have taken to make herself aware of any relevant audit information and to establish that RQIA's auditors are aware of that information. The Accounting Officer confirms that the Annual Report and Accounts as a whole is fair, balanced and understandable and that she takes personal responsibility for the Annual Report and Accounts and the judgements required for determining it is fair, balanced and understanding.

##### Remote Contingent Liabilities (Audited Information)

At 31 March 2018, RQIA had no remote contingent liabilities.

##### Statement of Losses and Special Payments

During 2017-18 RQIA had no losses and special payments incurred over the limits proscribed in Managing Public Money Northern Ireland, as set out in the table below.

##### LOSSES AND SPECIAL PAYMENTS

Type of loss and special payment	2017-18		2016-17	
	No. of Cases	£	No. of Cases	£
Administrative write-offs Bad debts	7	2,608	24	1,885
<b>TOTAL</b>	<b>7</b>	<b>2,608</b>	<b>24</b>	<b>1,885</b>

##### Special Payments

There were no other special payments or gifts made during 2017-18.

##### Other Payments and Estimates

There were no other payments made during the year and none in 2016-17.

##### Losses and Special Payments over £250,000

There were no losses or special payments over £250,000.

##### Fees and Charges (Audited Information)

See Note 4 Income for details.



**Olive Macleod**  
Chief Executive

**Date: 5 July 2018**

**THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY  
THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND  
AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

**Opinion on financial statements**

I certify that I have audited the financial statements of the Regulation and Quality Improvement Authority for the year ended 31 March 2018 under the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; 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 Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Regulation and Quality Improvement Authority's affairs as at 31 March 2018 and of the Regulation and Quality Improvement Authority's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003 and Department of Health directions issued thereunder.

**Opinion on regularity**

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

**Basis of opinions**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Regulation and Quality Improvement Authority in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

**Other Information**

The Board and the Accounting Officer are responsible for the other information included in the annual report. The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in the report as having been audited, and my audit certificate and report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Responsibilities of the Board and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003.

I am required to obtain 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

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

**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 parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

**Report**

I have no observations to make on these financial statements.



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

6 July 2018

**THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

**THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

**ANNUAL ACCOUNTS FOR THE  
YEAR ENDED 31 MARCH 2018**

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## STATEMENT of COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2018

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values of non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	NOTE	2018 £	2017 £
<b>Income</b>			
Income from activities	4.1	-	-
Other Income (Excluding interest)	4.2	907,972	890,184
Deferred income	4.3	-	-
<b>Total operating income</b>		<b>907,972</b>	<b>890,184</b>
<b>Expenditure</b>			
Staff costs	3	(5,994,833)	(6,497,890)
Purchase of goods and services	3	(678,575)	(685,978)
Depreciation, amortisation and impairment charges	3	(254,490)	(225,263)
Provision expense	3	-	-
Other expenditure	3	(797,647)	(890,366)
<b>Total operating expenditure</b>		<b>(7,725,545)</b>	<b>(8,299,497)</b>
<b>Net Expenditure</b>		<b>(6,817,573)</b>	<b>(7,409,313)</b>
Finance income	4.2	-	-
Finance expense	3	-	-
<b>Net expenditure for the year</b>		<b>(6,817,573)</b>	<b>(7,409,313)</b>
Revenue Resource Limit (RRL) received from DoH	24.1	6,854,398	7,416,444
<b>Surplus/(Deficit) against RRL</b>		<b>36,825</b>	<b>7,131</b>
<b>OTHER COMPREHENSIVE EXPENDITURE</b>			
	NOTE	2018 £	2017 £
<b>Items that will not be reclassified to net operating costs:</b>			
Net gain/(loss) on revaluation of property, plant & equipment	5.1, 5.2	(357)	-
Net gain/(loss) on revaluation of intangibles	6.1,6.2	-	-
Net gain/(loss) on revaluation of financial instruments	7/8	-	-
<b>Items that may be reclassified to net operating costs:</b>			
Net gain/(loss) on revaluation of investments		-	-
<b>TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2018</b>		<b>(6,817,930)</b>	<b>(7,409,313)</b>

The notes on pages 88-107 form part of these accounts.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## STATEMENT of FINANCIAL POSITION as at 31 March 2018

This statement presents the financial position of RQIA. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	NOTE	2018		2017	
		£	£	£	£
<b>Non Current Assets</b>					
Property, plant and equipment	5.1/5.2	123,390		224,840	
Intangible assets	6.1/6.2	405,901		556,135	
Financial assets	7	-		-	
Trade and other receivables	12	-		-	
Other current assets	12	-		-	
<b>Total Non Current Assets</b>			<b>529,291</b>		<b>780,975</b>
<b>Current Assets</b>					
Assets classified as held for sale	9	-		-	
Inventories	10	-		-	
Trade and other receivables	12	62,677		71,554	
Other current assets	12	31,359		22,858	
Intangible current assets	12	-		-	
Financial assets	7	-		-	
Cash and cash equivalents	11	23,125		18,260	
<b>Total Current Assets</b>			<b>117,161</b>		<b>112,672</b>
<b>Total Assets</b>			<b>646,452</b>		<b>893,647</b>
<b>Current Liabilities</b>					
Trade and other payables	13	(913,958)		(511,398)	
Other liabilities	13	-		-	
Intangible current liabilities	13	-		-	
Financial liabilities	7	-		-	
Provisions	15	-		-	
<b>Total Current Liabilities</b>			<b>(913,958)</b>		<b>(511,398)</b>
<b>Total assets less current liabilities</b>			<b>(267,506)</b>		<b>382,249</b>
<b>Non Current Liabilities</b>					
Provisions	15	-		-	
Other payables > 1 yr	13	-		-	
Financial liabilities	7	-		-	
<b>Total Non Current Liabilities</b>			<b>-</b>		<b>-</b>
<b>Total assets less total liabilities</b>			<b>(267,506)</b>		<b>382,249</b>
<b>Taxpayers' Equity and other reserves</b>					
Revaluation reserve		2,681		3,038	
SoCNE Reserve		(270,187)		379,211	
<b>Total equity</b>			<b>(267,506)</b>		<b>382,249</b>

The financial statements on pages 83-86 were approved by the Board on 5 July 2018 and were signed on its behalf by:

Signed *H. Mc Colgan* Acting Chair      Signed *Oliver Reel* Chief Executive

The notes on pages 88-107 form part of these accounts.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## STATEMENT of CASH FLOWS for the year ended 31 March 2018

The Statement of Cash Flows shows the changes in cash and cash equivalents of RQIA during the reporting period. The statement shows how RQIA generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by RQIA. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to RQIA's future public service delivery.

	NOTE	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net surplus after interest/Net operating expenditure		(6,817,573)	(7,409,313)
Adjustments for non cash costs		268,746	237,263
Decrease/(increase) in trade and other receivables		376	4,725
<i>Less movements in receivables relating to items not passing through the NEA</i>			
Movements in receivables relating to the sale of property, plant & equipment		-	-
Movements in receivables relating to the sale of intangibles		-	-
Movements in receivables relating to finance leases		-	-
Movements in receivables relating to PFI and other service concession arrangement contracts		-	-
(Increase)/decrease in inventories		-	-
Increase/(decrease) in trade payables		402,560	28,276
<i>Less movements in payables relating to items not passing through the NEA</i>			
Movements in payables relating to the purchase of property, plant & equipment and intangibles		37,449	65,926
Movements in payables relating to finance leases		-	-
Movements on payables relating to PFI and other service concession arrangement contracts		-	-
Use of provisions	15	-	-
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(6,108,442)</b>	<b>(7,073,123)</b>
<b>Cash flows from investing activities</b>			
(Purchase of property, plant & equipment)	5	(50,109)	(128,575)
(Purchase of intangible assets)	6	(12,540)	(12,309)
Proceeds of disposal of property, plant & equipment		-	-
Proceeds on disposal of intangibles		-	-
Proceeds on disposal of assets held for resale		-	-
<b>Net cash outflow from investing activities</b>		<b>(62,649)</b>	<b>(140,884)</b>
<b>Cash flows from financing activities</b>			
Grant in aid		6,175,956	7,216,736
Capital element of payments - finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		-	-
<b>Net financing</b>		<b>6,175,956</b>	<b>7,216,736</b>
<b>Net increase (decrease) in cash &amp; cash equivalents in the period</b>		<b>4,865</b>	<b>2,729</b>
<b>Cash &amp; cash equivalents at the beginning of the period</b>	11	<b>18,260</b>	<b>15,531</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	11	<b>23,125</b>	<b>18,260</b>

The notes on pages 88-107 form part of these accounts.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## STATEMENT of CHANGES in TAXPAYERS' EQUITY for the year ended 31 March 2018

This statement shows the movement in the year on the different reserves held by RQIA, analysed into 'Statement of Comprehensive Net Expenditure Reserve' (i.e. those reserves that reflect a contribution from the Department of Health). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The SoCNE Reserve represents the total assets less liabilities of RQIA, to the extent that the total is not represented by other reserves and financing items.

	NOTE	SoCNE Reserve £	Revaluation Reserve £	Total £
<b>Balance at 31 March 2016</b>		<b>559,788</b>	<b>3,038</b>	<b>562,826</b>
<b>Changes in Taxpayers Equity 2016-17</b>				
Grant from DoH		7,216,736	-	7,216,736
Other reserves movements including transfers		-	-	-
(Comprehensive expenditure for the year)		(7,409,313)		(7,409,313)
Transfer of asset ownership		-	-	-
Non cash charges - auditors remuneration	3	12,000	-	12,000
<b>Balance at 31 March 2017</b>		<b>379,211</b>	<b>3,038</b>	<b>382,249</b>
<b>Changes in Taxpayers Equity 2017-18</b>				
Grant from DoH		6,175,956	-	6,175,956
Other reserves movements including transfers		-	-	-
(Comprehensive expenditure for the year)		(6,817,573)	(357)	(6,817,930)
Transfer of asset ownership		(17,281)	-	(17,281)
Non cash charges - auditors remuneration	3	9,500	-	9,500
<b>Balance at 31 March 2018</b>		<b>(270,187)</b>	<b>2,681</b>	<b>(267,506)</b>

The notes on pages 88-107 form part of these accounts

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### STATEMENT OF ACCOUNTING POLICIES

#### 1. Authority

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

The accounting policies follow IFRS to the extent that it is meaningful and appropriate to the Regulation and Quality Improvement Authority (RQIA). Where a choice of accounting policy is permitted, the accounting policy which has been judged to be most appropriate to the particular circumstances of RQIA for the purpose of giving a true and fair view has been selected. RQIA's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts, unless otherwise stated. The financial statements of RQIA are produced on the going concern basis in accordance with applicable accounting standards in a form directed by the DoH with the consent of the Department of Finance.

#### 1.1 Accounting convention

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

#### 1.2 Currency

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

#### 1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise Plant & Machinery (Equipment), Information Technology, Furniture and Fittings, and Assets Under Construction.

#### Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the entity;
- 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 building, ward or unit, irrespective of their individual or collective cost.

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### Valuation of Land and Buildings

RQIA does not own any land or buildings nor does it occupy any provided to it by DoH.

### Assets Under Construction (AUC)

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Assets are revalued and depreciation commences when they are brought into use.

### 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.

## 1.4 Depreciation

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

Asset Type	Asset Life
Equipment	3 – 5 years
Information Technology	3 – 5 years
Furniture and Fittings	3 – 15 years
Intangible assets	3 – 10 years

## 1.5 Impairment loss

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

The reversal of the impairment loss is credited firstly to the Statement of Comprehensive Net Expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

### 1.6 Subsequent expenditure

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

### 1.7 Intangible assets

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

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

Intangible assets, such as software licences, are normally amortised over 5 years as short life of assets.

#### Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of RQIA'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, RQIA; 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.

### 1.8 Non-current assets held for sale

RQIA does not hold any non-current assets for sale.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 1.9 Inventories

RQIA does not hold any inventories.

### 1.10 Income

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

#### **Grant in aid**

Funding received from other entities, including the Department of Health are accounted for as grant in aid and are reflected through the Statement of Comprehensive Net Expenditure Reserve.

### 1.11 Investments

RQIA does not have any investments.

### 1.12 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.

### 1.13 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. RQIA holds no cash equivalent investments.

### 1.14 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.

#### **RQIA as lessee**

RQIA does not hold any Finance 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.

#### **RQIA as lessor**

RQIA does not act as a lessor.

### 1.15 Private Finance Initiative (PFI) transactions

The RQIA has had no PFI transactions during the year.

### 1.16 Financial instruments

#### **Financial assets**

Financial assets are recognised on the Statement of Financial Position when RQIA 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.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### **Financial liabilities**

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

Financial liabilities are initially recognised at fair value.

### **Financial risk management**

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the relationships with HSC Commissioners, and the manner in which they are funded, financial instruments play a more limited role within RQIA in creating risk than would apply to a non-public sector body of a similar size, therefore RQIA is not exposed to the degree of financial risk faced by business entities.

RQIA 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 RQIA in undertaking activities. Therefore the HSC is exposed to little credit, liquidity or market risk.

### **Currency risk**

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

### **Interest rate risk**

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

### **Credit risk**

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

### **Liquidity risk**

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

## **1.17 Provisions**

In accordance with IAS 37, provisions are recognised when RQIA has a present legal or constructive obligation as a result of a past event, it is probable that RQIA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

RQIA had no provisions at either 31 March 2018 or 31 March 2017.

## **1.18 Contingencies**

Under IAS 37, RQIA 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 RQIA, 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.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

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 RQIA. 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.

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

### 1.19 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 determined using individual's salary costs applied to their unused leave balances determined from a report of the unused annual leave balance as at 31 March 2018. 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 RQIA and has not been included.

#### Retirement benefit costs

RQIA participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both RQIA and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DoH. RQIA 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.

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

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the Statement of Financial Position date and updates it to reflect current conditions. The 2016 valuation for the HSC Pension scheme updated to reflect current financial conditions (and a change in financial assumption methodology) will be used in the 2017-18 accounts

### 1.20 Reserves

#### Statement of Comprehensive Net Expenditure Reserve

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

#### Revaluation Reserve

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 1.21 Value Added Tax

RQIA, as a non-departmental public body, cannot recover VAT incurred through the central VAT agreement.

VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets.

### 1.22 Third party assets

RQIA does not hold material assets belonging to third parties.

### 1.23 Government Grants

The note to the financial statements distinguishes between grants from UK government entities and grants from European Union.

### 1.24 Losses and Special Payments

Losses and special payments are items that the 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 HSC bodies 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.

### 1.25 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.

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

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A similar review in NI, which will bring NI departments under the same adaptation, has been carried out and the resulting recommendations were agreed by the Executive in December 2016. With effect from 2020-21, the accounting boundary for departments will change and there will also be an impact on departments around the disclosure requirements under IFRS 12. ALBs apply IFRS in full and their consolidation boundary may change as a result of the new Standards

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 2 ANALYSIS OF NET EXPENDITURE BY SEGMENT

The core business and strategic purpose of RQIA is to monitor the availability, organisation and standards of health and social care services in Northern Ireland and act as a driving force in promoting improvements in the quality of these services. RQIA's Board acts as the chief operating decision maker, receives financial information on RQIA as a whole, and makes decision on that basis. RQIA therefore reports on a single operational segment basis.

### NOTE 3 EXPENDITURE

	2018	2017
	£	£
<b>Operating expenses are as follows:-</b>		
Staff costs: <sup>1</sup>		
Wages and Salaries	4,901,362	5,296,608
Social security costs	455,921	498,152
Other pension costs	637,550	703,130
Supplies and services – general	37,491	52,580
Establishment	227,480	256,250
Premises	187,839	168,768
Rentals under operating leases	228,332	272,184
Miscellaneous	111,295	124,228
Training	28,445	56,936
ICT Maintenance	41,464	81,128
ICT Hardware and Software	41,649	40,647
Staff Substitution	157,441	187,778
BSO Services	400,530	323,845
<b>Total Operating Expenses</b>	<b>7,456,799</b>	<b>8,062,234</b>
<b>Non cash items</b>		
Depreciation	79,056	65,732
Amortisation	175,434	159,531
Loss on disposal Information Technology (IT)	4,756	-
Auditors Remuneration	9,500	12,000
<b>Total non cash items</b>	<b>268,746</b>	<b>237,263</b>
<b>Total</b>	<b>7,725,545</b>	<b>8,299,497</b>

<sup>1</sup> Further detailed analysis of staff costs is located in the Staff Report on page 76 within the Accountability Report.

During the year the RQIA purchased no non audit services from its external auditor (NIAO) (2016/17: £Nil).

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 4 INCOME

#### 4.1 Income from Activities

The RQIA did not receive income from activities in 2017-18 and 2016-17.

#### 4.2 Other Operating Income

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other income from non-patient services	545	703
Other income from fees levied on registered bodies	907,427	889,481
<b>TOTAL INCOME</b>	<b>907,972</b>	<b>890,184</b>

#### 4.3 Deferred income

The RQIA did not receive any deferred income in 2017-18 or 2016-17

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 5.1 Property, plant and equipment - year ended 31 March 2018

	Assets under Construction £	Plant and Machinery (Equipment) £	Information Technology (IT) £	Furniture and Fittings £	Total £
Cost or Valuation					
At 1 April 2017	-	35,599	377,969	107,312	520,880
Indexation	-	-	-	(1,291)	(1,291)
Additions	-	-	-	-	-
Transfers	-	-	(31,247)	-	(31,247)
Disposals	-	-	(44,002)	-	(44,002)
At 31 March 2018	-	35,599	302,720	106,021	444,340

Depreciation					
At 1 April 2017	-	35,599	190,892	69,549	296,040
Indexation	-	-	-	(934)	(934)
Transfers	-	-	(13,966)	-	(13,966)
Disposals	-	-	(39,246)	-	(39,246)
Provided during the year	-	-	68,357	10,699	79,056
At 31 March 2018	-	35,599	206,037	79,314	320,950

Carrying Amount	Assets under Construction £	Plant and Machinery (Equipment) £	Information Technology (IT) £	Furniture and Fittings £	Total £
At 31 March 2018	-	-	96,683	26,707	123,390
At 31 March 2017	-	-	187,077	37,763	224,840

#### Asset financing

Owned	-	-	96,683	26,707	123,390
<b>Carrying Amount At 31 March 2018</b>	-	-	<b>96,683</b>	<b>26,707</b>	<b>123,390</b>

#### Asset financing

Owned	-	-	187,077	37,763	224,840
<b>Carrying Amount At 31 March 2017</b>	-	-	<b>187,077</b>	<b>37,763</b>	<b>224,840</b>

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

In terms of asset financing, RQIA owns all assets carried. None of RQIA's assets were purchased through finance lease, PFI or other service concession arrangements.

All of RQIA assets are funded through a capital allocation from DoH.

**THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**NOTE 5.2 Property, plant and equipment - year ended 31 March 2017**

	<b>Assets under Construction</b> £	<b>Plant and Machinery (Equipment)</b> £	<b>Information Technology (IT)</b> £	<b>Furniture and Fittings</b> £	<b>Total</b> £
<b>Cost or Valuation</b>					
At 1 April 2016	336,394	35,599	332,162	107,312	811,467
Additions	-	-	50,109	-	50,109
Transfers	(336,394)	-	-	-	(336,394)
Disposals	-	-	(4,302)	-	(4,302)
At 31 March 2017	-	35,599	377,969	107,312	520,880

**Depreciation**

At 1 April 2016	-	35,598	140,194	58,818	234,610
Disposals	-	-	(4,302)	-	(4,302)
Provided during the year	-	1	55,000	10,731	65,732
At 31 March 2017	-	35,599	190,892	69,549	296,040

**Carrying Amount**

	<b>Assets under Construction</b> £	<b>Plant and Machinery (Equipment)</b> £	<b>Information Technology (IT)</b>	<b>Furniture and Fittings</b> £	<b>Total</b> £
At 31 March 2017	-	-	187,077	37,763	224,840
At 31 March 2016	336,394	1	191,968	48,494	576,857

**Asset Financing**

Owned	-	-	187,077	37,763	224,840
<b>Carrying Amount At 31 March 2017</b>	-	-	187,077	37,763	224,840

**Asset Financing**

Owned	336,394	1	191,968	48,494	576,857
<b>Carrying Amount At 1 April 2016</b>	336,394	1	191,968	48,494	576,857

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 6.1 Intangible assets - year ended 31 March 2018

	<b>Software Licenses £</b>	<b>Information Technology £</b>	<b>Asset under Construction £</b>	<b>Total £</b>
<b>Cost or Valuation</b>				
At 1 April 2017	<b>119,466</b>	<b>814,546</b>	-	<b>934,012</b>
Additions	-	-	25,200	25,200
Transfers	-	-	-	-
	-	-	-	-
At 31 March 2018	<b>119,466</b>	<b>814,546</b>	<b>25,200</b>	<b>959,212</b>

#### Depreciation

At 1 April 2017	<b>86,380</b>	<b>291,497</b>	-	<b>377,877</b>
Provided during the year	12,525	162,909	-	175,434
At 31 March 2018	<b>98,905</b>	<b>454,406</b>	-	<b>553,311</b>

#### Carrying Amount

	<b>Software Licenses £</b>	<b>Information Technology £</b>	<b>Asset under Construction £</b>	<b>Total £</b>
At 31 March 2018	<b>20,561</b>	<b>360,140</b>	<b>25,200</b>	<b>405,901</b>
At 31 March 2017	<b>33,086</b>	<b>523,049</b>	-	<b>556,135</b>

#### Asset Financing

Owned	20,561	360,140	25,200	405,901
<b>Carrying Amount At 31 March 2018</b>	<b>20,561</b>	<b>360,140</b>	<b>25,200</b>	<b>405,901</b>

#### Asset Financing

Owned	33,086	523,049	-	556,135
<b>Carrying Amount At 31 March 2017</b>	<b>33,086</b>	<b>523,049</b>	-	<b>556,135</b>

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

In terms of asset financing, RQIA owns all assets carried. None of the RQIA's assets were purchased through finance lease, PFI or other service concession arrangements.

All of RQIA assets are funded through a capital allocation from DoH.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 6.2 Intangible assets - year ended 31 March 2017

	<b>Software Licenses £</b>	<b>Information Technology £</b>	<b>Total £</b>
<b>Cost or Valuation</b>			
At 1 April 2016	119,466	453,303	572,769
Additions	-	24,849	24,849
Transfers	-	336,394	336,394
At 31 March 2017	<b>119,466</b>	<b>814,546</b>	<b>934,012</b>

#### Amortisation

At 1 April 2016	73,855	144,491	218,346
Provided during the year	12,525	147,006	159,531
At 31 March 2017	<b>86,380</b>	<b>291,497</b>	<b>377,877</b>

#### Carrying Amount

	<b>Software Licenses £</b>	<b>Information Technology £</b>	<b>Total £</b>
At 31 March 2017	<b>33,086</b>	<b>523,049</b>	<b>556,135</b>
At 1 April 2016	<b>45,611</b>	<b>308,812</b>	<b>354,423</b>

#### Asset financing

Owned	33,086	523,049	556,135
<b>Carrying Amount At 31 March 2017</b>	<b>33,086</b>	<b>523,049</b>	<b>556,135</b>

#### Asset financing

Owned	45,611	308,812	354,423
<b>Carrying Amount At 1 April 2016</b>	<b>45,611</b>	<b>308,812</b>	<b>354,423</b>

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 7 FINANCIAL INSTRUMENTS

As the cash requirements of RQIA are met through Grant-in-Aid provided by the Department of Health, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body.

The majority of financial instruments relate to contracts to buy non-financial items in line with RQIA's expected purchase and usage requirements and RQIA is therefore exposed to little credit, liquidity or market risk.

### NOTE 8 IMPAIRMENTS

RQIA had no impairments in 2017-18 or 2016-17.

### NOTE 9 ASSETS CLASSIFIED AS HELD FOR SALE

RQIA did not hold any assets classified as held for sale at either 31 March 2018 or 31 March 2017.

### NOTE 10 INVENTORIES

RQIA did not hold any inventories for resale at either 31 March 2018 or 31 March 2017.

### NOTE 11 CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Balance at 1 April	18,260	15,531
Net change in cash and cash equivalents	4,865	2,729
<b>Balance at 31 March</b>	<b>23,125</b>	<b>18,260</b>

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

	2018	2017
	£	£
Commercial Banks and cash in hand	23,125	18,260
<b>Balance at 31 March</b>	<b>23,125</b>	<b>18,260</b>

The bank account is operated by Business Services Organisation (BSO) on behalf of RQIA.

**THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

**NOTE 12 TRADE RECEIVABLES, FINANCIAL AND OTHER ASSETS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade receivables	23,318	33,460
Other receivables	39,359	38,094
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>62,677</b>	<b>71,554</b>
Prepayments	31,359	22,858
Accrued income	-	-
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>31,359</b>	<b>22,858</b>
<b>TOTAL RECEIVABLES AND OTHER CURRENT ASSETS</b>	<b>94,036</b>	<b>94,412</b>

The balances are net of a provision for bad debts of £Nil (2016/17: £Nil).

**NOTE 13 TRADE PAYABLES, FINANCIAL AND OTHER LIABILITIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade capital payables – property, plant and equipment and intangibles	25,200	62,649
Trade revenue payables	312,625	290,149
Payroll payables	248,390	106,522
BSO payables	5,335	52,078
Other payables	322,408	-
<b>Trade and other payables</b>	<b>913,958</b>	<b>511,398</b>
<b>Total payables falling due within one year</b>	<b>913,958</b>	<b>511,398</b>
<b>Amounts falling due after more than one year</b>	-	-
<b>Total non current other payables</b>	-	-
<b>TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>	<b>913,958</b>	<b>511,398</b>

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 14 PROMPT PAYMENT POLICY

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

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

	<b>2018 Number</b>	<b>2018 Value £</b>	<b>2017 Number</b>	<b>2017 Value £</b>
Total bills paid	1,133	2,731,632	1,432	4,097,786
Total bills paid within 30 day target	1,077	2,688,508	1,371	3,959,098
<b>% of bills paid within 30 day target</b>	<b>95%</b>	<b>98%</b>	<b>96%</b>	<b>97%</b>
Total bills paid within 10 day target	884	2,466,455	1,176	3,757,114
<b>% of bills paid within 10 day target</b>	<b>78%</b>	<b>90%</b>	<b>82%</b>	<b>92%</b>

The figures for 2017 included payments to DHSSPS HSC Pension Scheme. From 2018 such payments are not included within the data used to calculate the prompt payment statistics.

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

There was no interest payable arising from claims made by businesses under this legislation.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 15 PROVISIONS FOR LIABILITIES AND CHARGES

RQIA had no provisions for liabilities and charges at either 31 March 2018 or 31 March 2017.

### NOTE 16 CAPITAL COMMITMENTS

	2018	2017
	£	£
<b>Contracted capital commitments at 31 March otherwise not included in these financial statements</b>		
Property, plant & equipment	-	-
Intangible assets	256,804	-
	<u>256,804</u>	<u>-</u>

The contracted capital commitment £256,804 at 31 March 18 relates exclusively to the Mental Health & Learning Disability information system.

### NOTE 17 COMMITMENTS UNDER LEASES

#### 17.1 Finance Leases

RQIA had no finance leases at either 31 March 2018 or 31 March 2017

#### 17.2 Operating Leases

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

	2018	2017
	£	£
<b>Obligations under operating leases comprise</b>		
<b>Buildings</b>		
Not later than one year	243,390	262,350
Later than one year but not later than five years	470,423	769,419
Later than five years	-	-
	<u>713,813</u>	<u>1,031,769</u>
<b>Other</b>		
Not later than 1 year	371	2,569
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>371</u>	<u>2,569</u>

#### 17.3 Commitments under Lessor Agreements - Operating Leases

RQIA did not act as a lessor at either 31 March 18 or 31 March 17.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 18 COMMITMENTS UNDER PFI CONTRACTS AND OTHER SERVICE CONCESSION ARRANGEMENTS

#### 18.1 Off balance sheet PFI contracts and other service concession arrangements.

RQIA had no commitments under PFI and other concession arrangement contracts at 31 March 2018 or 31 March 2017.

#### 18.2 On balance sheet (SoFP) PFI Schemes

RQIA had no on balance sheet (SoFP) PFI and other service concession arrangements schemes at 31 March 2018 or 31 March 2017.

### NOTE 19 OTHER FINANCIAL COMMITMENTS

RQIA did not have any other financial commitments at 31 March 2018 or 31 March 2017

### NOTE 20 FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT

Due to the manner in which RQIA is funded, financial instruments play a more limited role than would apply to a non-public sector body of a similar size, therefore RQIA is not exposed to the degree of risk faced by business entities. RQIA has no 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 RQIA in undertaking activities. Therefore RQIA is exposed to little credit, liquidity or market risk.

RQIA did not have any financial instruments at either 31 March 2018 or 31 March 2017.

### NOTE 21 CONTINGENT LIABILITIES.

The RQIA did not have any quantifiable contingent liabilities at 31 March 2018 or 31 March 2017.

### NOTE 22 RELATED PARTY TRANSACTIONS

RQIA is an arm's length body of the Department of Health and as such the Department is a related party.

During 2016-17 and 2017-18 RQIA has had various material transactions with the DoH and with other entities for which the DoH is regarded as the parent department, particularly with the Business Services Organisation (BSO) which provides financial, human resources, procurement, legal, IT and corporate services to RQIA through Service Level Agreements.

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### NOTE 23 THIRD PARTY ASSETS

RQIA held no assets at either 31 March 2018 or 31 March 2017 belonging to third parties.

### NOTE 24 Financial Performance Targets

#### 24.1 Revenue Resource Limit

RQIA is given a Revenue Resource Limit which it is not permitted to overspend.

The Revenue Resource Limit for RQIA is calculated as follows:

	<b>2018</b>	<b>2017</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
DoH (excludes non cash)	6,585,652	7,179,181
Non cash RRL (from DoH)	268,746	237,263
<b>Total Revenue Resource Limit to Statement of Comprehensive Net Expenditure</b>	<b>6,854,398</b>	<b>7,416,444</b>

#### 24.2 Capital Resource Limit

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Gross capital expenditure by RQIA (Receipts from sales of fixed assets)	25,200	74,958
Net capital expenditure	-	-
Capital Resource Limit	25,200	74,832
Overspend/(Underspend) against CRL	-	126

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

### 24.3 Financial Performance Targets

RQIA is required to ensure that it breaks even on an annual basis by containing its net expenditure to within +/-0.25% of RRL or £20,000, whichever is greater.

	2017-18 £	2016-17 £
Net Expenditure	(6,817,573)	(7,409,313)
RRL	6,854,398	7,416,444
Surplus/(Deficit) against RRL	<u>36,825</u>	<u>7,131</u>
Break Even cumulative position (opening)	(12,021)	(19,152)
Break Even Cumulative position (closing)	<u>24,804</u>	<u>(12,021)</u>

### Materiality Test:

	2017-18 %	2016-17 %
Break Even in year position as % of RRL	<u>0.54%</u>	<u>0.10%</u>
Break Even cumulative position as % of RRL	<u>0.36%</u>	<u>-0.16%</u>

RQIA did not meet its requirements to contain net resource outturn within +/-0.25% of RRL or £20,000, whichever is greater.

During 2017/18 RQIA carried out a Workforce Review which necessitated holding a number of vacant posts unfilled in order to ensure flexibility in restructuring the organisation and achieving the benefits of the review. This coupled with non-pay slippage resulted in RQIA incurring an irregular in-year underspend. A non-recurring easement was approved by DoH in Nov 17 and a further easement was requested in March 18. Due to the lateness of the second easement this was not approved by DoH.

### NOTE 25 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period having material effect on the accounts.

### DATE OF AUTHORISED ISSUE

The Accounting Officer authorised these financial statements for issue on 6 July 2018.

**THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018**

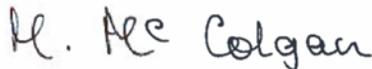
**CERTIFICATES OF CHAIRMAN AND CHIEF EXECUTIVE**

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 84-107) which I am required to prepare on behalf of the Regulation and Quality Improvement Authority have been compiled from and are in accordance with the accounts and financial records maintained by the Regulation and Quality Improvement Authority and with the accounting standards and policies for HSC bodies approved by the DoH.



**Chief Executive**  
**5 July 2018**

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 84-107 as prepared in accordance with the above requirements have been submitted to and duly approved by RQIA's Board.



**Acting Chair**  
**5 July 2018**

## Appendix 1: Enforcement Action: 1 April 2017 - 31 March 2018

Name of Service and category (provider)	Date of Issue	Details of RQIA enforcement action	Date of compliance
Alpine House Residential Care Home, Bangor (Mr S Bogun)	14 June 2017	Three notices of failure to comply with regulations, relating to repair and maintenance, hygiene and fire safety.	11 July 2017
Alpine House Residential Care Home, Bangor (Mr S Bogun)	6 February 2018	One notice of failure to comply with regulations, relating to AccessNI checks and NISCC registration.	5 March 2018
Angels Recruitment Agency Ltd. Domiciliary Care Agency, Londonderry (Dan James Duddy)	11 April 2017 31 May 2017 3 July 2017 9 August 2017	Two notices of failure to comply with regulations, relating to staff induction and quality monitoring. Notice of proposal to place three conditions of registration Notice of decision to place three conditions of registration Three conditions of registration placed on service (see appendix 3 for details).	6 June 2017 (one notice) 11 July 2017 (one notice)  Ongoing at 31 March 2018
Ashbrooke Care Home, Nursing Home, Enniskillen (Runwood Homes Ltd.)	18 August 2017 14 September 2017	Urgent Order to cancel registration of Runwood Homes Ltd. in respect of Ashbrooke Care Home Appeal lodged with Care Tribunal	18 August 2017 Ongoing at 31 March 2018
Bramblewood Care Centre Nursing Home, Bangor (Mrs B Kelly, Burnview Healthcare Ltd)	31 May 2017	One notice of failure to comply with regulations issued, relating to estates issues.	30 June 2017
Breffni House (Residential Care Home), Belfast (Mr M Uprichard, Breffni House Ltd)	14 June 2017	One notice of failure to comply with regulations issued, relating to residents' finances.	27 July 2017

Name of Service and category (provider)	Date of Issue	Details of RQIA enforcement action	Date of compliance
Dunmurry Manor Nursing Home, Dunmurry (Runwood Homes Ltd)	26 October 2016	Three notices of failure to comply with regulations issued, relating to quality monitoring and governance systems and patient records.	27 January 2017 (one notice)
	6 February 2017	Notice of proposal to place three conditions of registration	
	10 March 2017	Notice of decision to place three conditions of registration	
	13 April 2017	Three conditions of registration placed on service (see appendix 3 for details).	31 July 2017
Edelweiss Dental Strangford, Enniskillen (Mr Klaus Viestig)	27 April 2017	One notice of failure to comply with regulations, relating to AccessNI checks.	28 June 2017
Foreglen Community Association Day Care Service, Foreglen (Ms A Hegarty, Foreglen Community Association)	25 April 2016	Two notices of failure to comply with regulations issued, relating to whistleblowing, staff induction and staff training and development policies and procedures; Access NI checks	5 August 2016 (one notice)
	15 June 2016	Notice of proposal to place three conditions of registration	
	25 July 2016	Notice of decision to place three conditions of registration	
	16 August 2016	Appeal lodged with Care Tribunal	10 February 2017 (two conditions).
	16 January 2017	Care Tribunal appeal withdrawn. Three conditions of registration placed on service (see appendix 3 for details).	
		Service de-registered, following application for voluntary cancellation of registration.	1 October 2017
Glenabbey Manor Residential Care Home, Newtownabbey (Runwood Homes Ltd)	27 February 2018	Three notices of failure to comply with regulations, relating to notification of incidents, records and monthly monitoring visits,  Notice of proposal to place one condition of registration	27 March 2018

Name of Service and category (provider)	Date of Issue	Details of RQIA enforcement action	Date of compliance
Keady Dental Surgery, Keady (Mr E and Mrs A M Mallon)	24 March 2017	One notice of failure to comply with regulations issued, relating to Access NI checks.	4 April 2017
Knockmoyle Lodge (Nursing Home), Omagh (Mr John O'Donnell)	4 July 2017	One notice of failure to comply with regulations, relating to management arrangements.	12 December 2017
	11 September 2017	Notice of proposal to place three conditions of registration	
	11 October 2017	Notice of decision to place three conditions of registration	
	10 November 2017	Three conditions of registration placed on service (see appendix 3 for details).	
Knockmoyle Lodge (Nursing Home), Omagh (Mr John O'Donnell)	11 September 2017	One notice of failure to comply with regulations, relating to AccessNI checks.	10 November 2017
Leabank NH, Ballycastle (Macklin Care Homes)	27 February 2018	One improvement notice, relating to patient records.	Ongoing at 31 March 2018
Lisadian House Nursing Home (Elim Trust Corporation), Hillsborough	20 October 2017	One notice of failure to comply with regulations, relating to care.	18 January 2018
E McCann Dental Practice, Omagh (Mr E McCann)	18 December 2015	Notice of proposal to place one condition of registration	28 November 2017
	20 January 2016	Notice of decision to place one condition of registration	
	17 February 2016	One conditions of registration placed on service (see appendix 3 for details)	
McCann and Haran Dental Clinic, Omagh (Mr E McCann, Mr M Haran)	18 December 2015	Notice of proposal to place one condition of registration	28 November 2017
	20 January 2016	Notice of decision to place one condition of registration	
	17 February 2016	One conditions of registration placed on service (see appendix 3 for details)	

Name of Service and category (provider)	Date of Issue	Details of RQIA enforcement action	Date of compliance
Mertoun Park Residential Care Home, Holywood (Belfast HSC Trust)	30 March 2017	Two notices of failure to comply with regulations issued, relating to fire safety and variations to registration.	19 April 2017
NI Ambulance Service Bangor Ambulance Station (Mr Shane Devlin)	2 October 2017	Two improvement notices issued, relating to governance and Infection prevention/hygiene	7 November 2017(one notice)  Ongoing at 31 March 2018
NI Ambulance Service Broadway Ambulance Station (Mr Shane Devlin)	2 October 2017	Two improvement notices issued, relating to governance and Infection prevention/hygiene	7 November 2017(one notice)  Ongoing at 31 March 2018
NI Ambulance Service Craigavon Ambulance Station (Mr Shane Devlin)	19 February 2018	Two improvement notices issued, relating to governance and Infection prevention/hygiene	29 March 2018(one notice)  Ongoing at 31 March 2018
Rathowen (Nursing Home), Tandragee (Mr D J Watt)	20 July 2017  29 September 2017  31 October 2017	Two notices of failure to comply with regulations, relating to recruitment processes and quality monitoring  Notice of proposal to place two conditions of registration  Notice of decision to place two conditions of registration	1 November 2017 Application for voluntary closure  24 November 2017 Service deregistered
Redburn Clinic Nursing Home (Spa Nursing Home), Ballynahinch	25 October 2017	One notice of failure to comply with regulations, relating to care	20 December 2017
Support Care Recruitment Ltd DCA, Belfast (Mr P Jinga)	26 May 2017	One notice of failure to comply with regulations issued, relating to staff recruitment	14 July 2017
TW Care Services Ltd Domiciliary Care Agency, Ballymena	28 March 2018	One notice of failure to comply with regulations, relating to recruitment practices and AccessNI checks.	Ongoing at 31 March 2018

## **Enforcement at Children's Residential Care Services**

During the year RQIA took enforcement action in relation to one children's residential home. On 13 July 2017, a service operated the Belfast Trust received one notice of failure to comply with regulations in relation to a breach in its statement of purpose. Compliance was achieved on 31 August 2017.

## Appendix 2: Conditions of Registration as a result of Enforcement Action

Service	Condition of Registration/ Deregistration	Date action took effect	Additional Information
Angels Recruitment Agency Ltd. Domiciliary Care Agency, Londonderry (Dan James Duddy)	Three conditions of registration: 1. Angels Recruitment Ltd will not accept any new referrals for domiciliary care. 2. Angels Recruitment Ltd will review the management and governance arrangements for all records held by the agency. 3. Angels Recruitment Ltd must establish robust systems and processes for the selection and recruitment of domiciliary care workers	9 August 2017	Ongoing at 31 March 2018
Dunmurry Manor Nursing Home, Dunmurry (Runwood Homes Ltd)	Three conditions of registration: 1. Admissions will cease until compliance achieved with specific actions stated in FTC notices (01) and (02) have been fully met. (02) Ensure that a nurse manager, with sufficient clinical and management experience is working in the home on a day-to-day basis to ensure the quality and safety of care practice and service delivery to patients (03). The registered provider must ensure that reg 29 monthly reports are provided to RQIA within three working days of the visits/reports having been completed. The condition will continue until such times that RQIA is satisfied that the home is operating in sustained compliance with the Nursing Homes Regulations (NI) 2005 and DHSSPS Care Standards for Nursing Homes 2015.	13 April 2017	31 July 2017
Foreglen Community Association Day Care Service, Foreglen (Ms A Hegarty, Foreglen Community Association)	Three conditions of registration: 1. Recruit a manager who has the qualifications, skills and experience necessary for managing the day care setting. 2. Registered person must ensure that appropriate arrangements are in place to recruit staff and volunteers and that these arrangements are embedded in practice. 3. Ensure that appropriate arrangements are in place to monitor matters set out in Day Care Settings Regulations Schedule 3.	16 January 2017	10 February 2017 Compliance achieved with two conditions.  1 October 2017 Service de-registered, following application for voluntary cancellation of registration.

Service	Condition of Registration/ Deregistration	Date action took effect	Additional Information
Knockmoyle Lodge Nursing Home, Omagh (Mr John O'Donnell)	<p>Three conditions of registration:</p> <ol style="list-style-type: none"> <li>1. Admissions to Knockmoyle Lodge will cease until compliance with the specific actions stated in FTC/NH/1208/2017-18/01 dated 4 July 2017 have been fully met.</li> <li>2. The registered provider must ensure that a nurse manager, with sufficient clinical and management experience, is working in the home on a day to day basis to ensure the quality and safety of care practice and service delivery to patients.</li> <li>3. The registered provider must ensure that regulation 29 monthly reports and copies of any other monitoring reports are provided to RQIA within three working days of the visits/reports having been completed. The condition will continue until such time that RQIA is satisfied that the home is operating in sustained compliance with the Nursing Regulations (NI) 2005 and the Care Standards for Nursing Homes 2015.</li> </ol>	10 November 2017	15 December 2017
E McCann Dental Practice, Omagh (Mr E McCann)	<p>One condition of registration:</p> <ol style="list-style-type: none"> <li>1. Conditions placed by the General Dental Council on the registration of Mr Eamonn McCann must be adhered to.</li> </ol>	17 February 2016	28 November 2017 Condition of registration removed, following General Dental Council removing conditions placed on Mr McCann's professional registration.
McCann and Haran Dental Clinic, Omagh (Mr E McCann, Mr M Haran)	<p>One condition of registration:</p> <ol style="list-style-type: none"> <li>1. Conditions placed by the General Dental Council on the registration of Mr Eamonn McCann must be adhered to.</li> </ol>	17 February 2016	28 November 2017 Condition of registration removed, following General Dental Council removing conditions placed on Mr McCann's professional registration.

### Appendix 3: Prosecution of Unregistered Services

In Northern Ireland, beauty clinics providing services using certain classes of laser or intense pulsed light (IPL) treatments are required to register with RQIA. During 2017-18, one service was convicted of failing to register with RQIA, and treating clients with unregistered cosmetic laser and/or intense pulsed light (IPL) equipment:

Service	Service Provider	Date	Court	Fine
Trim Tone Tan	Ms Alanna Weir	3 April 2017	Magherafelt Magistrates Court	£600 plus costs

#### **Appendix 4: RQIA Board Members' Profiles (as at 31 March 2018)**

**Mrs Sarah Havlin** was appointed to RQIA's Board in December 2011, and was reappointed for a further four-year term in December 2015. Sarah is a member of RQIA's appointments and remuneration committee and the appointment panel for Part II Medical Practitioners and Second Opinion Appointed Doctors. She is a solicitor by profession, and is currently the Northern Ireland Certification Officer for Trade Unions and Employers' Associations - a regulatory and judicial role within industrial relations. Sarah also acts as an independent adjudicator and arbitrator across a range of legal proceedings, including as an independent assessor for complaints and serious adverse incidents for the Health and Social Care Board.

**Mr Seamus Magee, OBE**, was appointed to RQIA's board in April 2014 for a four-year term. He is a member of RQIA's audit committee. Prior to his retirement, Seamus was head of the Electoral Commission in Northern Ireland. He is a Charity Commissioner for Northern Ireland and serves on the board of the Victims and Survivors Service. He is a member of the Law Society Client Complaints Committee; and is a member of the board of governors at Assumption Grammar, Ballynahinch.

**Professor Mary McColgan, OBE**, Acting Chair, was appointed to RQIA's board in April 2013 for a four-year term, and is currently acting Chair. Prior to her retirement, Mary was head of school of sociology and applied social studies at Ulster University, and is now Emerita Professor at the university.

**Mr Gerry McCurdy** was appointed to the RQIA Board in July 2014 for a four year term. He is a member of RQIA's Audit Committee. Prior to his retirement, Gerry was the Northern Ireland Director of the Food Standards Agency. He is currently an external consultant in food safety for the United Nations and the World Bank, and has worked on international projects in Europe and Asia. He is also a member of international certification body Global Trust's Impartiality Committee.

**Dr Norman Morrow, OBE**, was appointed to RQIA's board in May 2014 for a four-year term. Prior to his retirement, he was Chief Pharmaceutical Officer for Northern Ireland. He has previously served as an Independent Assessor for the Commissioner for Public Appointments in Northern Ireland and is currently a Board member of Belfast Bible College.

**Mr Robin Mullan** was appointed to RQIA's board in May 2014 for a four-year term. He is a member of RQIA's audit committee. He is the former chief executive and accounting officer of Peamount Healthcare. He is also a member of the Probation Board for Northern Ireland and chairs its corporate resources committee; and a commissioner with the Equality Commission for Northern Ireland, where he is a member of its audit and risk committee.

**Miss Patricia O'Callaghan** was appointed to RQIA's board in April 2013 for a four-year term and reappointed for a further term in April 2017. She is a member of RQIA's audit committee and the appointment panel for Part II Medical Practitioners and Second Opinion Appointed Doctors. Patricia is a registered nurse, and prior to her retirement, she was director of head and skeletal services at the Belfast Health and Social Care Trust. She also a member of the Industrial Court to the Department for the Economy.

**Mr Denis Power** was appointed to RQIA's board in December 2011, and reappointed for a further four years in December 2015. Denis is chair of RQIA's audit committee and a member of the appointment panel for Part II Medical Practitioners and Second Opinion Appointed Doctors. Prior to his retirement, Denis held senior management positions in the banking sector. He is currently a trustee of Titanic Foundation Ltd; a director of Springboard Opportunities Ltd; and an independent member on the Board at The Executive Office. Denis chairs the audit and risk committees for each organisation.

**Ms Lindsey Smith** was appointed to RQIA's board in December 2011, and reappointed for a further four years in December 2015. She is a member of RQIA's audit committee. Lindsey is a self-employed organisational development consultant, executive coach and experienced facilitator, and a part-time associate lecturer at Ulster University and Queens University, Belfast. Lindsey is also a board member for the Health and Safety Executive Northern Ireland.





**The Regulation and Quality Improvement Authority**  
**9th Floor, Riverside Tower, 5 Lanyon Place, Belfast BT1 3BT**

Telephone: (028) 9536 1111  
info@rqia.org.uk | www.rqia.org.uk | @RQIANews

---

Assurance, Challenge and Improvement in Health and Social Care