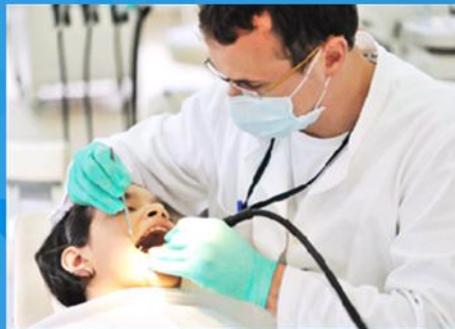




The Regulation and  
Quality Improvement  
Authority

# The Regulation and Quality Improvement Authority Annual Report and Accounts

1 April 2012 to 31 March 2013



Assurance, Challenge and Improvement in Health and Social Care

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**The Regulation and Quality Improvement Authority**

**Annual Report and Accounts**

**1 April 2012 to 31 March 2013**

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, Social Services and Public Safety on 2 August 2013.

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 positive change in health and social care services in Northern Ireland.

### **Our Mission**

To provide independent assurance about the safety, quality and availability of health and social care services in Northern Ireland, encourage continuous improvement in these services and safeguard the rights of service users.

### **Our Values**

- independence
- inclusiveness
- integrity
- accountability
- professionalism
- effectiveness

# RQIA Annual Report and Accounts: 1 April 2012 to 31 March 2013

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## Foreword

The Regulation and Quality Improvement Authority (RQIA) is a non-departmental public body, which provides independent assurance about the safety, quality and availability of health and social care services in Northern Ireland. RQIA fulfils this responsibility by carrying out a planned programme of announced and unannounced inspections, and reviews both health and social care services and independent establishments and agencies.

During 2012-13, RQIA conducted 2,959 announced and unannounced inspections at 1,448 regulated health and social care services, meeting its statutory requirements in relation to the minimum number of inspections for each service.

In our drive for transparency, all RQIA's inspection reports for regulated adult health and social care services and review reports are published on our website. At present some 6,500 RQIA inspection reports can be accessed online at [www.rgia.org.uk](http://www.rgia.org.uk). From 1 April 2012 we also began publishing details of all enforcement activity at registered adult health and social care services.

Responsibility for the regulation of private dental treatment was introduced by an amendment to The Independent Health Care Regulations (Northern Ireland) 2005 in April 2011. By 31 March 2013 RQIA had completed the registration of 349 dental practices providing private dental care or treatment. Additional funding has been secured to enable RQIA to maintain a robust inspection programme across all registered dental practices.

Over the course of the year, RQIA took enforcement action against 35 registered adult health and social care services, four children's residential care homes, and eight private dental practices.

Infection prevention and hygiene inspections at hospitals and other health care facilities in Northern Ireland continued, with 40 inspections across 60 clinical areas during the year. These inspections took place against a backdrop of further reductions in the rates of clostridium difficile and MRSA.

RQIA completed eleven reviews of health and social care services. These included: safeguarding arrangements for children and vulnerable adults in mental health and learning disability hospitals; the care of children under 18 admitted to adult wards; mixed gender accommodation in hospitals; the outbreaks of pseudomonas aeruginosa at neonatal units; and the implementation of the Cardiovascular Service Framework.

These reviews identified important recommendations to improve patient safety and the quality of services, which have relevance in Northern Ireland and beyond. The findings and recommendations of the review of the pseudomonas incidents were widely welcomed, and have led to a programme of actions to reduce risk.

In discharging our statutory responsibilities under the Mental Health (Northern Ireland) Order 1986, RQIA continued to monitor the actions of those charged with safeguarding vulnerable people, including oversight of all applications for detentions and guardianships. We also monitor how organisations performed in managing patients' property and their response to serious incidents involving those receiving treatment or care.

As a designated national preventive mechanism under the United Nations Optional Protocol for the Convention Against Torture (OPCAT), RQIA is required to monitor places of detention. During the year we carried out inspections of psychiatric hospitals and, in conjunction with other regulators, we conducted a series of health care inspections at prisons in Northern Ireland.

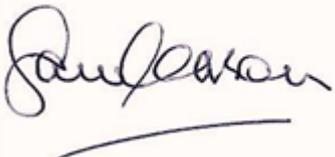
During 2012-13, RQIA maintained effective control of its financial resources met all of its key performance management targets, including successful delivery of the challenging efficiency savings targets and achieving break even on income and expenditure.

The capacity of RQIA to meet its objectives and increased responsibilities depends, above all, on the commitment and dedication of its workforce and the oversight and direction of the Board. In January 2013, RQIA was awarded a Steps to Excellence bronze level recognition at the Ireland Quality Awards.

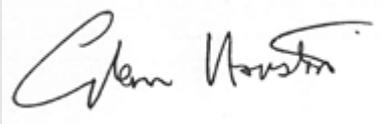
We pay tribute to our staff who have made a significant contribution to meeting our business objectives and acknowledge their skill, professionalism and hard work during the year.

It is in the public interest to ensure that health and social care services in Northern Ireland are subject to independent, proportionate and responsible regulation. RQIA anticipates that its duties will increase further in the years ahead, taking account of the service delivery model detailed in Transforming Your Care. The recommendations of the Francis Report, the public inquiry into the failings at Mid Staffordshire NHS Trust will challenge all HSC organisations. One of the most important learning points from the inquiry will be to make sure that patient experience is the principal consideration in the drive for quality and service improvement.

This Annual Report and Accounts outlines the work of The Regulation and Quality Improvement Authority for the period 1 April 2012 to 31 March 2013, highlighting our key achievements, and we are pleased to present it to you.



**Dr Ian Carson**  
Chairman



**Glenn Houston**  
Chief Executive

## **INTRODUCTION**

The Regulation and Quality Improvement Authority Annual Report and Accounts 2012-13 provide an overview of the organisation's activities over the period 1 April 2012 to 31 March 2013.

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

The Regulation and Quality Improvement Authority (RQIA) is the independent health and social care regulator for Northern Ireland. It is responsible for monitoring and inspecting the availability and quality of health and social care services and encouraging improvements in the quality of these services through its programme of inspections and reviews.

Through its activities, RQIA makes an independent assessment of health and social care services to ensure these are safe, accessible, well managed and meet the required standards. RQIA works to ensure that there is openness, clarity and accountability in the management and delivery of all these functions.

RQIA is responsible for the registration and inspection of a range of regulated health and social care services. These include: nursing homes; residential care homes; children's homes; day care settings; residential family centres; nursing agencies; domiciliary care agencies (both conventional and supported living services); independent hospitals, hospices and clinics; dental practices providing private dental care or treatment; adult placement agencies; voluntary adoption agencies. RQIA also inspects boarding departments in schools.

RQIA also works with statutory health and social care organisations across Northern Ireland to encourage the delivery of high quality services through a planned programme of governance, service and thematic reviews.

RQIA undertakes a range of responsibilities for people with mental ill health and those with a learning disability under The Mental Health (Northern Ireland) Order 1986 as amended by the Health and Social Care (Reform) Act (Northern Ireland) 2009. These include: preventing ill treatment; remedying any deficiency in care or treatment; terminating improper detention in a hospital or guardianship; and preventing or redressing loss or damage to a patient's property.

RQIA also has responsibilities under The Ionising Radiation (Medical Exposure) Regulations Northern Ireland 2000 to inspect services providing radiological procedures including x-rays and radiotherapy. These regulations and the associated inspections are in place to protect service users from inappropriate or unnecessary exposure to radiation.

In its activities, RQIA promotes public and patient involvement to ensure their views, concerns and priorities are taken into account.

## RQIA Board

RQIA has an independent board of 13 members, chaired by Dr Ian Carson. At 31 March 2013 RQIA's Board members were:

- Dr Ian Carson (Chairman)
- Dr Richard Adams
- Ms Geraldine Donaghy
- Mrs Sarah Havlin
- Mrs Lilian Jennett
- Mrs Ruth Laird, CBE
- Mr Allen McCartney
- Professor Patricia McCoy
- Mrs Una O'Kane
- Mr Denis Power
- Mr Colin Reid
- Mr Austin Smith
- Ms Lindsey Smith

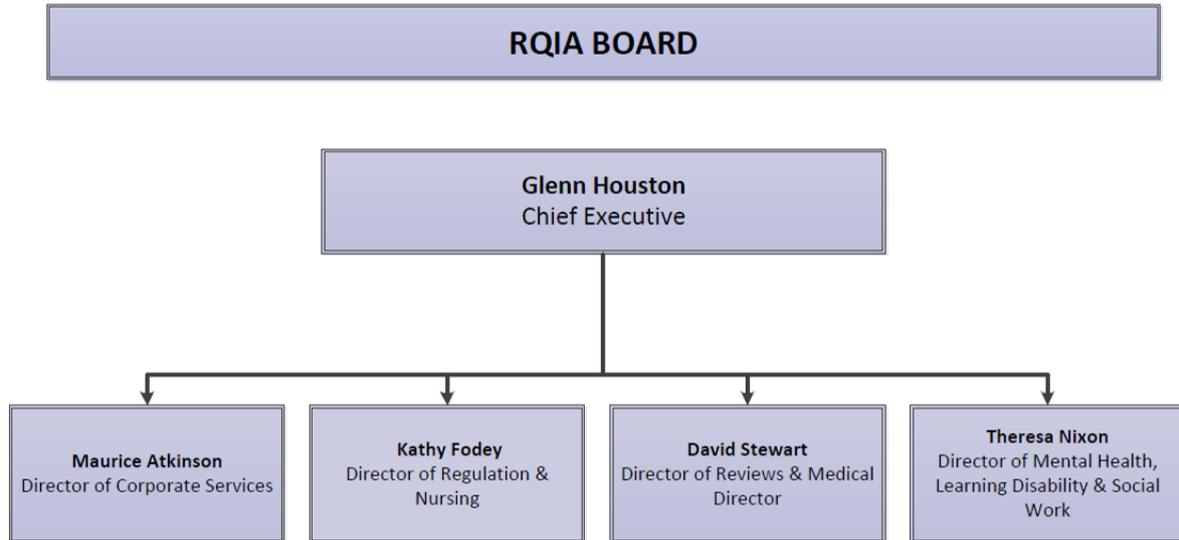


(Front): Una O'Kane, Denis Power, Dr Ian Carson, Chairman, Sarah Havlin, Allen McCartney, Richard Adams, Lilian Jennett; (Back): Patricia McCoy, Colin Reid, Austin Smith, Lindsey Smith, Geraldine Donaghy, Ruth Laird, CBE.

Each board member is appointed by the Minister for Health, Social Services and Public Safety for a four-year term. Board members can serve a maximum of two terms. The terms of five Board members - Dr Richard Adams, Mrs Lilian Jennett, Mr Allen McCartney, Mr Colin Reid and Mr Austin Smith - were extended for a further period from 1 January 2013 to 14 April 2013. A profile of each member is included at Appendix 1.

## RQIA Executive Management Team

Glenn Houston is RQIA's Chief Executive and Accounting Officer. He is responsible to the Board through the Chairman for managing the organisation.



RQIA Executive Team and Chairman: Dr David Stewart, Theresa Nixon, Maurice Atkinson, Glenn Houston (Chief Executive), Dr Ian Carson (Chairman), Kathy Fodey.

The Chief Executive leads RQIA's Executive team, and during the year the following members of staff were in post:

Director of Corporate Services:	Maurice Atkinson
Director of Mental Health and Learning Disability and Social Work	Theresa Nixon
Director of Regulation and Nursing	Phelim Quinn (until 31 October 2012) Muriel Dickson (Acting Director from 1 November 2012 to 31 January 2013) Kathy Fodey (from 1 February 2013)
Director of Reviews and Medical Director	Dr David Stewart

### **Staff**

RQIA has a staff of 147 people (as at 31 March 2013), excluding board members, sessional, bank and agency staff. Our staff are based at our offices in Belfast and Omagh. These staff are responsible for the effective delivery of our work programme and achievement of our corporate objectives.

## MANAGEMENT COMMENTARY

This annual report outlines progress against the four key priorities set out in RQIA's Corporate Strategy 2012-15.

- **Improving Care:** We encourage and promote improvements in the safety, quality and availability of health and social care services
- **Informing the Population:** We publicly report on the safety, quality and availability of health and social care
- **Safeguarding Rights:** We act to protect the rights of all people using health and social care
- **Influencing Policy:** We influence policy and standards in health and social care

## IMPROVING CARE

### Regulation of Services

RQIA's responsibilities for the regulation (registration and inspection) of specified health and social care services are defined in The Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003.

The services subject to regulation are:

- adult placement agencies
- children's homes
- day care settings
- domiciliary care agencies
- independent clinics
- independent hospitals
- nursing agencies
- nursing homes
- private dental practices
- residential care homes
- residential family centres
- voluntary adoption agencies

RQIA also inspects school boarding departments.

The number of services registered with RQIA has increased significantly in recent years. A total of 1,448 services were registered with RQIA at 31 March 2013, an increase of 170 on the previous year. Table 1 details the number of registered services by category and, where appropriate, HSC trust location. Table 2 details the number of registered places in nursing, adult and children's residential care homes, by location (HSC trust area) (at 31 March 2013)

**Table 1: Number of Registered Services by Category and, where applicable, HSC Trust Location (at 31 March 2013)**

Category of Service	Belfast HSC Trust	Northern HSC Trust	South Eastern HSC Trust	Southern HSC Trust	Western HSC Trust	Total
Adult Placement Agencies	1	1		1	1	4
Children's homes	13	11	10	9	9	52
Day Care Settings	30	28	29	39	61	187
Domiciliary Care Agencies*						292**
Independent clinics	17	3	3	4	2	29
Independent hospitals	6	1	1	1	3	12
Independent hospitals - dental treatment	89	79	63	67	51	349
Nursing agencies*						28
Independent Medical Agencies						1
Nursing homes	51	65	60	53	39	268
Residential Care Homes	43	56	56	22	43	220
Residential Family Centres	2					2
Voluntary Adoption Agencies*						4
<b>Overall Total</b>	<b>252</b>	<b>244</b>	<b>222</b>	<b>196</b>	<b>209</b>	<b>1,448</b>

\* Totals include services not aligned to a trust area

\*\* RQIA regulates domiciliary care agencies that provide personal care to people in their own homes. These services fall into two main groupings: services where people receive a conventional domiciliary care service (122 services), and supported living type services (170 services) where people hold tenancies for purpose-provided accommodation and a personal care service is provided to them.

During the year RQIA completed 627 applications for registration, including new services, managers and responsible persons, variations in registration and deregistrations.

Following an amendment to The Independent Health Care Regulations (Northern Ireland) 2005, from April 2011, establishments providing private dental care or treatment became subject to regulation, and were required to be registered by RQIA. By 31 March 2013 349 private dental practices were registered by RQIA; 10 sought exemption from regulation as they provided no private dental treatment; and a further 28 practices were in the process of registration with RQIA.

**Table 2: Number of Registered Places in Nursing, Adult and Children's Residential Care Homes by Location (HSC Trust Area) (at 31 March 2013)**

Category of Service	Belfast HSC Trust	Northern HSC Trust	South Eastern HSC Trust	Southern HSC Trust	Western HSC Trust	Total
Nursing homes	2,050	3,099	2,525	2,357	1,704	11,735*
Residential care homes	1,192	992	1,157	422	678	4,441
Children's homes	90	71	78	55	66	360
Independent hospitals	125	10	0	14	51	200
Independent hospitals – dental treatment	261	232	185	210	151	1,039**
Day care settings	1,685	1,444	1,163	1,282	1,700	7,274***
Residential family centres	35	0	0	0	0	35
<b>Total</b>	<b>5,438</b>	<b>5,848</b>	<b>5,108</b>	<b>4,340</b>	<b>4,350</b>	<b>25,084****</b>

\* including residential places within nursing homes

\*\* registered dental chairs (for private treatments)

\*\*\* maximum number of day care service users per day

\*\*\*\* the total number does not include service users in adult placement agencies, domiciliary care agencies, nursing agencies, independent clinics, independent medical agencies and voluntary adoption agencies which do not have a registered maximum number of service users.

## Inspection Activity

The Regulation and Improvement Authority (Fees and Frequency of Inspections) Regulations (Northern Ireland) 2005 and associated amendments determine the minimum number of inspections for each category of service. RQIA is required to inspect all nursing, adult residential care and residential children's homes on a minimum of two occasions each year, with all other regulated services subject to at least one inspection per year. These inspections may be announced or unannounced, and examine compliance with regulations and the minimum standards in the areas of care, medicines management, estates and finances. RQIA's inspections are conducted by a range of qualified and experienced nurses, social workers, pharmacists, estates and finance officers.

RQIA's approach to inspection is underpinned by principles of good regulation first developed by the Better Regulation Commission, and by the Hampton Principles. The focus of inspections is on encouraging improvement for those using the services.

All services are risk-assessed and reviewed on an ongoing basis - based on regulatory experience and intelligence - such as incident notifications, complaints and whistleblowing, to ensure that RQIA's regulation programme is appropriately focused and proportionate. We also ensure that our efforts are focused on registered providers who are failing to meet the required standards; or who are assessed as high risk or have breached regulations. We aim to ensure that, where appropriate, we take effective intervention, and such services are subject to proportionate and meaningful sanctions.

Each year RQIA's inspection programme is based around a specific range of agreed standards and themes. Particular themes are identified for the annual programme of inspection, and can be informed by our experience of regulating within the sector during the previous twelve months. All services are required to return a self-assessment of compliance with regulation and standards on an annual basis, which is quality assured and validated by RQIA during inspection. In addition, each service is required to provide an annual return on issues such as complaints management. Issues identified during previous inspection activity are also followed up to determine what actions have been taken to address these matters.

During 2012-13, a range of standards were considered during primary care inspections of adult care services. These are outlined in the tables 3, 4, 5 and 6.

**Table 3: Day Care Standards for Primary Care Inspections, 2012-13**

<b>Day Care Inspections</b>	
Standard 6	Responding to service users' behaviour
Standard 12	Transport for service users
Standard 17	Management and control of operations
Inspection Theme	Staffing

**Table 4: Domiciliary Care/ Supported Living Standards for Primary Care Inspections, 2012-13**

<b>Domiciliary Care/ Supported Living Inspections</b>	
Theme 1:	Arrangements are in place for ensuring that staff are competent in tasks allocated, with reference to management of medication
Theme 2	People receive care in their own home
Theme 3:	Service users' money is managed in a safe and lawful manner
Theme 4:	People who live in their own homes are not inappropriately deprived of liberty or subject to inappropriate physical interventions

**Table 5: Nursing Home Standards for Primary Care Inspections, 2012-13**

<b>Nursing Home Inspections</b>	
Standard 25:	Management systems and arrangements are in place that support and promote the delivery of safe, quality care services (only selected criteria will be inspected).
Theme 1	Patients are accommodated in a nursing home which will meet their care needs and ensure that their needs are reviewed regularly.
Theme 2:	Staff are suitably trained, supervised and competent to meet the needs of the patients accommodated and the future plans of the organisation.

**Table 6: Residential Care Home Standards for Primary Care Inspections, 2012-13**

<b>Residential Care Home Inspections</b>	
Standard 8	Residents records and reporting arrangements
Standard 15	Residents money and valuables are safe guarded
Standard 20	Management systems and arrangements are in place that support and promote the delivery of safe, quality care services.
Theme	Governance arrangements undertaken by the registered persons

During announced and unannounced inspections RQIA's inspectors engage with staff, service users, relatives and visiting professionals to form a clear view about the quality of the service being provided. Inspections also focus on the quality of the management of a service, to drive continuous improvement in services. Following an inspection RQIA provides a written report to the service provider, and a quality improvement plan, which makes time bound recommendations for improvement, based on the minimum standards and/or legislative requirements as necessary. The service provider is required to respond, detailing the actions it will take within stated timescales, to make the necessary improvements. This completed quality improvement plan is an integral part of the final inspection report, which is published on RQIA's website.

During 2012-13 RQIA met its statutory requirements by conducting the minimum number of inspections in each registration category. During 2012-13, 2,943 inspections of 1,448 services subject to regulation were conducted by RQIA.

In addition, 335 assessments of documentation received from providers were conducted by inspectors. These were: 269 pharmacy; 64 finance; and two estates assessments.

RQIA also conducted inspections at a number of unregistered services. These included 14 young adult supported accommodation services and two mental health and learning disability services.

**Table 7: Inspection Activity by Category of Service and Type of Inspection for the Period 1 April 2012 to 31 March 2013.**

Inspection type / Service	Care	Estates	Finance	Pharmacy	Total
Adult placement agencies	6				6
Boarding schools	6				6
Children's homes	97	28		18	143
Day care settings	206	69		29	304
Domiciliary care agencies	140	1		6	147
Domiciliary care agencies - supported living	217	2	15	9	243
Independent clinics	44	7			51
Independent hospitals	14	13		10	37
Independent hospitals - dental treatment	423	36			459
Independent medical agencies	1				1
Nursing homes	483	154	47	133	817
Nursing agencies	22				22
Residential care homes	402	177	38	88	705
Residential family centres	2				2
Voluntary adoption agencies*					0
<b>Total</b>	<b>2,063</b>	<b>487</b>	<b>100</b>	<b>293</b>	<b>2,943</b>

\* In accordance with The Regulation and Quality Improvement Authority (Fees and Frequency of Inspections) (Amendment) Regulations (Northern Ireland) 2010, Regulation 3(2), these agencies are inspected on a minimum of once every 3 years.

## Incident Reporting

The Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003 and associated regulations, require service providers to notify RQIA of certain categories of incidents. This information is used to assist with RQIA's risk assessment of a service. Under protocols for safeguarding vulnerable adults and children, RQIA risk assesses each notification to determine what further action is required to ensure the safety, protection and wellbeing of all service users. Follow-up actions may include requests for further information from the service, an investigation or further regulatory activity in the form of inspection or enforcement action as required. During the year 14,785 incident notifications were received by RQIA, of which 69% were risk assessed within a seven day period.

## Enforcement Action in Regulated Services

RQIA is committed to ensuring that all regulated services are safe, effective and compliant with regulations and minimum standards for care. Under The Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003 and associated regulations, a range of sanctions or enforcement measures are available to RQIA to drive improvements in the safety and quality for those using the services.

Where significant or repeated failings are identified, whether through inspection activity or other intelligence – including complaints or whistle-blowing, RQIA may take a range of escalated enforcement actions. These include: improvement notices - linked to minimum care standards; notices of failure to comply with regulations; or further enforcement, including placing conditions of registration, or exercise its authority to seek the urgent closure of a registered service.

RQIA may take prosecution action in conjunction with other enforcement activity. We may also consider prosecution for non-registration when a person carries on or manages an unregistered establishment or agency under the 2003 Order.

### Services Subject to Formal Enforcement Action by RQIA 2012-13

During 2012-13 RQIA undertook enforcement action against 47 services –including nursing, residential care, and children’s homes, domiciliary care agencies, and an independent clinic. These actions included: issuing notices of failure to comply with regulations; notices to place conditions on registration; and to cancel registration. In addition, eight dental practices providing private care and treatment were prosecuted due to their failure to make an application to RQIA for registration. RQIA also referred the dentists responsible for these practices to the General Dental Council.

**Table 8: Enforcement Action during 2012-13**

Category of Service	Number of services Subject to Action
Children’s residential care homes	4
Domiciliary care agencies	9
Independent clinic	1
Nursing homes	14
Independent hospitals - dental treatment	8
Residential care homes	11

A detailed breakdown of enforcement action taken during the year is provided at appendix 2.

As a result of enforcement activity, eight services (five adult services and three children’s services) had conditions placed on their registration during the year (see appendix 3 for details).

When RQIA issues a notice of failure to comply with regulations or a notice of proposal to place conditions of registration, or to refuse or cancel registration, a provider may make representation to RQIA. Representation panels comprise RQIA Board members and directors not been involved in the enforcement decision. During 2012-13 RQIA received representations on six occasions, with the representation being upheld on one occasion and the notices withdrawn.

In March 2013 RQIA’s Board approved its revised Enforcement Policy, which will be introduced from April 2013.

### **Domiciliary Care – Service User Engagement**

In order to engage more effectively with conventional domiciliary care service users, RQIA appointed a user consultation officer in early 2012. During the year the officer consulted with 410 service users or their representatives, as well as reviewing their documentation as part of the inspection of 73 domiciliary care services (60% of such services).

The main issues that emerged from the interviews were in relation to the agency’s documentation; for example care plans containing out of date information, risk assessments not being in the file or log sheets not being appropriately completed. There were a small number of concerns regarding staff attitude, quality of work, length and time of calls, and consistency of staffing. Each issue was passed to the registered managers to be addressed, as well as being noted in the inspection report, and where necessary, included in the quality improvement plan which accompanies each inspection report.

**Table 9: Domiciliary Care – Service User Engagement**

<b>Question</b>	<b>Positive response</b>
Do staff treat you with dignity and respect?	96%
Do you know who to contact regarding concerns about staff?	89%
Do staff stay for the appropriate length of time?	90%
Does the same member of staff normally call?	92%

### **Engagement with Registered Service Providers**

RQIA continued to engage with registered service providers to ensure they were fully informed of RQIA’s planned regulatory activities. In February and March 2013 RQIA held a series of information road shows for registered providers and managers. Each road show focused on a specific sector: nursing homes; residential care homes; domiciliary care agencies (conventional and supported living services); day care settings; and those providing private dental care or treatment. At the events, attended by some 1,300 participants, RQIA shared examples of best practice from the sector, and highlighted learning from the current inspection activity. In addition, providers were updated on RQIA’s key themes and standards which will form the focus of inspection activity for 2013-14.



RQIA Nursing Homes Road Show, February 2013, Rosemary Wilson, HSC Leadership Centre Independent Consultant, Janet Haines Wood Regional Patient Safety Advisor HSC Safety Forum, and Linda Thompson RQIA Inspector/Quality Reviewer, Nursing Homes.

RQIA used the information and intelligence gained from its inspections in the 2012-13 inspection year to inform the focus and themes in the forthcoming inspection year. The associated guidance documents have also been published on RQIA's website.

### Fire Safety Seminar

In late March 2013, RQIA held a seminar focusing on fire safety attended by over 600 registered managers and responsible persons from nursing homes and adult and children's residential care homes. The seminar considered the learning from findings of the fatal accident public inquiry into the deaths of 14 residents in a fire at Rosepark Care Home, Scotland, in 2004. The importance of fire doors and appropriate building controls to prevent the spread of smoke were also highlighted.



RQIA Fire Safety Seminar, March 2013: Colin Todd, Fire Safety Consultant, Jim Devaney, Strathclyde Fire and Rescue, Andrew Black, NI Fire and Rescue Service, Kathy Fodey, RQIA Director of Regulation and Nursing, Phil Cunningham, RQIA Senior Estates Inspector

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

Under the Ionising Radiation (Medical Exposure) (Amendment) Regulations (Northern Ireland) 2010 (IR(ME)R) RQIA inspects services performing x-rays and other radiological procedures, including nuclear medicine, cardiology, radiotherapy and diagnostic imaging services. During 2012-13, RQIA conducted eight IR(ME)R inspections, with support from the Health Protection Agency (HPA). RQIA also undertook a compliance inspection at the Belfast HSC Trust, in response to the notification of incidents relating to unreported x-rays.

The following facilities were inspected:

- 352 Image Centre (diagnostic imaging)
- Bangor Chiropractic (diagnostic imaging)
- Causeway Hospital (diagnostic imaging)
- Craigavon Area Hospital (nuclear medicine)
- Erne Hospital (diagnostic imaging)
- Fortwilliam Specialist Dental Clinic (diagnostic imaging)
- Maghaberry Prison (diagnostic imaging)
- Ulster Hospital (diagnostic imaging)

The reports of these inspections are published on RQIA's website at [www.rqia.org.uk](http://www.rqia.org.uk).

## **Controlled Drug Prescribing**

RQIA, in conjunction with DHSSPS, the Business Services Organisation (BSO) and the HSC Board, has responsibility for determining the validity of all private prescriptions for schedule two and three controlled drugs requests under an amendment to the Misuse of Drugs (Northern Ireland) Regulations 2002. During the year RQIA did not receive any request for approval for private controlled drug prescribing.

## **RQIA Review Activity**

In line with its Three Year Review Programme 2012-15, published in April 2012, RQIA began a new programme of service and thematic reviews. RQIA completed two reviews commissioned by the Minister for Health, Social Services and Public Safety, one commissioned by the DHSSPS, and an additional review initiated by RQIA.

## **RQIA Programmed Service and Thematic Reviews**

During 2012-13, RQIA completed the following planned service and thematic reviews:

- Review of Mixed Gender Accommodation in Hospitals, August 2012
- Review of the Implementation of Promoting Quality Care, October 2012
- Review of the Implementation of the Northern Ireland Single Assessment Tool (Stage Two), November 2012
- Review of the Implementation of the Cardiovascular Service Framework, November 2012
- Baseline assessment of the Care of Children Under 18 Admitted to Adult Wards, December 2012
- Review of Northern Ireland Guardian Ad Litem Agency, March 2013

### **Review of Mixed Gender Accommodation in Hospitals**

In August 2012, RQIA published the findings of its review of Mixed Gender accommodation in hospitals across Northern Ireland. During the review, patients, their relatives and carers identified mixed gender accommodation as an issue that has a significant impact on maintaining privacy and dignity whilst in hospital. In England there is zero tolerance in respect to care in mixed gender accommodation, only two trusts in Northern Ireland had adopted this approach. RQIA made four regional recommendations, including a call for DHSSPS to develop a clear regional policy statement on care in mixed gender accommodation. Individual trust reports were also published making a series of recommendations for each organisation.

### **Review of the Implementation of Promoting Quality Care**

In October 2012, RQIA published its review of the implementation of Promoting Quality Care good practice guidance on the assessment and management of risk in relation to: mental health; learning disability; addiction; child and adolescent mental health; and forensic services. The review makes a series of recommendations for improvement for the DHSSPS, the HSC Board and the HSC trusts.

### **Review of the Implementation of the Northern Ireland Single Assessment Tool (NISAT), (Stage Two)**

RQIA published the second stage of its review of NISAT in November 2012. This focused on the use by staff of the carer's support and needs assessment tool within the older people's programme of care. The review examined training provided to staff in the use of the tool; the impact for staff in its implementation; and the views and experiences of carers assessed using the tool. The review team made 12 recommendations for improvement to the HSC Board and HSC trusts

## **Review of the Implementation of the Cardiovascular Service Framework,**

In November 2012, published its review of the implementation of the cardiovascular service framework. This was the first service specific framework to be developed, and was launched by DHSSPS in 2009, setting out 45 standards for cardiovascular services. RQIA noted widespread support for the framework approach, which was noted to have facilitated improvement and development in cardiovascular services. This included: the establishment of a consultant post for adults with congenital heart disease; a screening programme for abdominal aortic aneurysm; and fast tracking of thrombolysis for stroke patients.

RQIA's report made ten recommendations for the implementation arrangements for future service frameworks. For each framework a regional lead officer should be identified to take forward the implementation process. A small number of high level indicators to monitor progress should be agreed, with suitable data sources identified. RQIA also welcomed the proposed development of a regional cardiovascular clinical network, to include patient involvement, which is an important initiative to build on the momentum that the framework implementation process has established.

## **Baseline Assessment of the Care of Children Under 18 Admitted to Adult Wards in Northern Ireland**

In December 2012, RQIA published its review of arrangements for the provision of care for children under the age of 18 admitted to adult hospital wards. The review found that almost 4,000 children were admitted to adult wards in Northern Ireland over the course of a year. Previous studies elsewhere in the United Kingdom present a clear consensus that when children are admitted to hospital they should be cared for in paediatric settings rather than in adult wards.

The review made 14 recommendations for improvement to service delivery at all hospitals across Northern Ireland. Of particular note was the call for an agreed age limit up to which children should only be admitted to paediatric wards, and for the development of service plans to meet this goal.

## **Independent Review of the Governance Arrangements of the Northern Ireland Guardian Ad Litem Agency (NIGALA)**

In February 2013, RQIA published its independent review of governance arrangements at NIGALA. The review team used NIGALA's six principles of good governance and the Quality Standards for Health and Social Care to examine the effectiveness of leadership, professional and corporate accountability. RQIA made 17 recommendations for consideration by DHSSPS and NIGALA, which provide a framework to further strengthen and improve governance arrangements across the organisation.

## **Reviews Commissioned by the Minister for Health, Social Services and Public Safety**

RQIA also published the reports of two reviews commissioned by the Minister for Health, Social Services and Public Safety: a two phase review on reporting arrangements for radiological investigations, commissioned on 18 February 2011; and an independent review of incidents of pseudomonas aeruginosa in neonatal units in Northern Ireland, commissioned on 30 January 2012.

### **Independent Review of Reporting Arrangements for Radiological Investigations – Phase Two**

In May 2012 RQIA published the second phase of this review, commissioned by the Minister in February 2011 following delays in the reporting of plain x-rays at Altnagelvin and Craigavon hospitals. RQIA's expert review team included advisors from across the UK.

The review examined the circumstances leading to delays in handling and reporting of radiological investigations in the Southern and Western Trusts; and how these delays were managed. RQIA's review team also met with a number of families who described the impact of these delays on their families. This phase of the review made 14 recommendations for improvement, in addition to 12 recommendations made in the first phase, all of which were accepted by the Minister.

### **Independent Review of the Circumstances Contributing to the Occurrences of Pseudomonas Infection within Neonatal Units**

On 31 January 2012 the Minister for Health, Social Services and Public Safety commissioned RQIA to lead an independent review of the circumstances contributing to the occurrences of pseudomonas infection within neonatal units across Northern Ireland. The review focused on the occurrences of pseudomonas which led to the tragic death of one baby in Altnagelvin Hospital and three babies in the Royal Jubilee Maternity Hospital neonatal intensive care unit.

The review team examined the actions and responses of the DHSSPS, the HSC Board, Public Health Agency and the HSC trusts to relevant circulars and advices issued in respect of water sources and potential infection risk to patients.

The second stage of this review was published in late May 2012 and examined governance arrangements and the effectiveness of communications in relation to the pseudomonas incidents. RQIA's independent review team also engaged with families affected by these outbreaks throughout the review.

RQIA's independent review team concluded that there was important learning on how families are communicated with at such a difficult time for them. More systematic and formal communications networks need to be established to ensure that information is not lost and reaches those that need it in a timely manner.

As part of the response to the outbreaks, taps removed from neonatal units were sent to Health Protection Agency laboratories for testing. This study concluded that the same strains of infection that affected babies were also present in components within the taps. This offered the potential for an engineering solution to minimise future occurrences, which will be of benefit to hospitals and their patients worldwide.

In addition to 15 recommendations arising from the interim report, the final report made a further 17 recommendations for action to the Minister, highlighting learning for all organisations involved.

RQIA welcomed the support of the charitable organisations, SANDS and Bliss, for their assistance in support of the families who were affected by the outbreaks during the review.

## **Reviews Commissioned by the Department of Health, Social Services and Public Safety**

### **Safeguarding Arrangements for Children and Vulnerable Adults in Mental Health and Learning Disability Hospitals**

In February 2013, RQIA published its overview report of safeguarding arrangements for children and vulnerable adults in mental health and learning disability hospitals across Northern Ireland, based on inspections of 33 wards. The report highlighted that safeguarding of children and vulnerable adults is a shared responsibility, and that safeguarding arrangements must be effective across a number of dimensions including awareness, prevention, identification and response.

While the review noted that robust policies and procedures for safeguarding were in place across Northern Ireland, these were not always consistently and appropriately applied. Key areas for action by HSC trusts included: addressing variation in thresholds for referring safeguarding concerns; the use of restraint by untrained staff; the application of the correct procedures to protect patients' money and possessions; and appropriate training for staff in vulnerable adults and child protection procedures. The review made 26 recommendations for improvement across Northern Ireland to ensure the safety and wellbeing of this particularly vulnerable group. Individual inspection reports were also published which included recommendations for individual services. RQIA will continue to monitor progress on the recommendations within these reports through its ongoing mental health and learning disability inspection programme.

## Additional Review Initiated by RQIA

### Review of Safeguarding Arrangements for Ralphs Close Residential Care Home

Following allegations of abuse of vulnerable adults at Ralphs Close residential care home during July and August 2012, RQIA undertook an independent review to investigate the safeguarding arrangements in place at the home for adults with a learning disability.

The review report, published in October 2012, made 13 recommendations for improvement for the protection for the vulnerable residents at this home. In parallel with this review RQIA took enforcement action at the home, and the Western Trust achieved compliance with the regulations within the set timescales.

### Infection Prevention and Hygiene Inspection Programme

RQIA's programme of infection prevention/hygiene inspections focus attention on practice in a range of areas crucial for the prevention of health care associated infections and measure compliance with standards. During the year, 40 inspections were conducted at hospitals across Northern Ireland (see table 10)

**Table 10: Infection Prevention/Hygiene inspections 2012-13**

Inspection Type	Number of Inspections	Number of Clinical Areas
Unannounced: acute hospitals	12	31
Unannounced: non-acute hospitals	10	11
Announced: operating theatres *	10	10
Validation visits: augmented care settings	8	8
Total	40	60

\* Conducted as part of RQIA's Review of Hospital Theatre Practice.

It is encouraging to note a continued improvement in compliance levels across Northern Ireland, with almost three-quarters of areas inspected achieving an overall compliant level, and no areas scoring an overall non-compliant level (see table 11).

**Table 11: Overall Compliance Levels for Unannounced Infection Prevention/Hygiene Inspections, 2011-12, 2012-13**

Compliance Level	2011-12 (%)	2012-13 (%)
Compliant	72	73
Partially Compliant	19.5	27
Non-Compliant	8.5	0

All inspection reports are published on RQIA's website and include a quality improvement action plan, detailing the actions being taken by the service provider to address the concerns raised by RQIA. Progress is monitored through further inspection activity. An overview of the findings of inspections undertaken during 2011 and 2012 was also published during the year.

**Table 12: Non-compliance with a Regional Infection Prevention/Hygiene Standard, 2012-13**

Standard	Areas non-compliant with standard
General Environment	4
Patient Linen	2
Sharps	6
Waste	0
Equipment	3
Hygiene Factors	1
Hygiene Practices	3

In early 2012, RQIA was commissioned by the Minister to develop a range of specialised audit tools for augmented care settings following the outbreaks of *Pseudomonas aeruginosa* in neonatal units. In partnership with a range of bodies, including the Public Health Agency, RQIA led the development of a suite of audit tools for these care settings. These tools have been endorsed by DHSSPS, and RQIA will conduct a programme of inspections in augmented care settings during 2013-14.

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

In line with the DHSSPS complaints procedure, responsibility for investigating a complaint about any regulated service rests with the provider. The provider is required by legislation to ensure that complaints are fully investigated and to make every attempt to achieve local resolution. The local HSC trust also has a continuing duty of care to the service user and should assist in resolving complaints by using either expert advisors or acting as an honest broker. This is known as enhanced local resolution. If local resolution is unsuccessful, the complainant can refer their concerns to the Northern Ireland Ombudsman. RQIA's role is to ensure that providers have an appropriate complaints and investigations procedure in place, and to follow up any alleged failure by a provider to comply with regulations and standards.

### **Whistleblowing**

In line with The Public Interest Disclosure (Northern Ireland) Order 1998 and RQIA's responsibilities to ensure maximum protection for vulnerable service users, RQIA treats all reports that indicate potential breaches in regulations and standards seriously. During the year RQIA was contacted by current and former staff members of health and social care services wishing to raise concerns about the quality and safety of services being provided in identified establishments and agencies. RQIA followed up these disclosures, where necessary through unannounced inspections and in certain instances this led to enforcement action to drive improvements in the quality of services. Information and guidance for those employed in health and social care services regarding whistleblowing is available at [www.rqia.org.uk](http://www.rqia.org.uk).

## **INFORMING THE POPULATION**

### **Partnership with Stakeholder Organisations**

Throughout the year, RQIA continued and further developed effective working relationships with DHSSPS, HSC Board, HSC trusts and agencies including the Public Health Agency and Patient and Client Council through regular liaison meetings to discuss areas of common interest.

We also continued to work with a wide range of stakeholders. These included: the Commissioner for Older People for Northern Ireland; Criminal Justice Inspection Northern Ireland; Education and Training Inspectorate; Northern Ireland Commissioner for Children and Young People; Northern Ireland Social Care Council; and, The Prisoner Ombudsman for NI

Since its establishment, RQIA has developed strong partnerships with peer health and social care systems regulators, inspectorates and professional regulatory bodies across the UK and Ireland and in Europe. These provide an opportunity to share best practice in regulation and to benchmark our practice with peer organisations.

### **Political Engagement**

RQIA also continued its engagement with political representatives, through meetings with party political health and social care spokespersons; responses to assembly questions; and appearances before Northern Ireland Assembly statutory committees.

RQIA provided briefings to the Northern Ireland Assembly Committee for Health, Social Services and Public Safety on two occasions in relation to the Independent Review of the Circumstances Contributing to the Occurrences of Pseudomonas Infection within Neonatal Units. On 4 April 2012, RQIA published its interim report on the pseudomonas outbreaks, and led by review chair, Professor Pat Troop, provided the Health Committee with an overview of key findings and recommendations. On the publication of the final review report RQIA again presented evidence to the committee, highlighting the significance of learning from the review for hospitals in Northern Ireland and beyond.

In April 2012, RQIA presented evidence to the Committee for Social Development on the nature of residential services in receipt of special needs management allowance in light of the Department of Social Development's future plans for this funding stream.

## Communication

Throughout the year media interest in all aspects of the work of RQIA continued, with significant coverage of regulation, review and mental health and learning disability activities in print, broadcast and online outlets.

In its engagement with the media, RQIA provided open and comprehensive briefings to ensure a full understanding of the nature, breadth and complexity of health and social care regulation activities.

RQIA continued to develop its website [www.rqia.org.uk](http://www.rqia.org.uk), taking account of user feedback, to ensure relevant information was made available in an accessible and timely manner.



To view current enforcement activity click [here](#).

To use this map, please select a category of care from the left hand side of the page, then using the search function at the top of the page, enter a service name or location

To locate a specific service, enter the name here:

Or browse local services by entering your location here:

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- Residential care homes
- Domiciliary care agency
- Day care setting
- Independent clinic
- Independent hospital
- Nursing agency
- Adult placement agency
- Dental Treatment

Details of all adult regulated services, including copies of all RQIA inspection reports, can be accessed online through an interactive map on RQIA's website [www.rqia.org.uk](http://www.rqia.org.uk).

From April 2012 to 31 March 2013 the RQIA website received almost 170,000 visitors, viewing over 600,000 webpages. In April 2012 we began to publish details of all RQIA enforcement action at regulated adult services online, and during the year these pages received around 35,000 views. The interactive map/inspection reports page received over 165,000 views.

Some 6,500 RQIA inspection reports have been published online, providing easy access for the public to information on the quality of adult regulated services.

## **Patient and Public Involvement**

RQIA's commitment to engaging effectively with the public and our stakeholders to achieve improvements in the safety and quality of services is highlighted within RQIA's Corporate Strategy 2012-15. This approach was strengthened through the established a Patient and Public Involvement (PPI) Forum, which includes lay membership, to lead all RQIA's PPI activities.

RQIA continued to involve patients and the public in a wide range of activities within regulation, review and mental health and learning disability.

During the year RQIA continued to work with care experienced services users in the inspection of children's residential care and respite units, in partnership with the Voice of Young People in Care (VOYPIC) and 6th Sense, a disabled children and young people's participation project sponsored by Barnardos.

In early 2013, RQIA secured funding from the Public Health Agency for two PPI projects. In January 2013 a pilot project began, led by RQIA's mental health and learning disability team to involve care experienced patients in the inspection of hospital wards. The evaluation of this pilot project was positive, and consideration is being given to the continuation of this approach to the inspection of learning disability facilities.

A second project, to engage with families with pre-school children in receipt of domiciliary care, is at the planning stage.

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

As a public body, RQIA is required to respond to requests for information under the Freedom of Information Act 2000 and the Data Protection Act 1998. During the year, RQIA received and responded to 43 freedom of information requests within 20 working days, and 14 subject access requests within 40 calendar days. No personal data incidents were recorded.

## **SAFEGUARDING RIGHTS**

Safeguarding the rights of those using health and social care services is central to RQIA's approach to all of its functions. RQIA places a clear focus on delivering good quality and safe outcomes for service users.

### **Mental Health and Learning Disability**

Under The Mental Health (Northern Ireland) Order 1986, as amended by the Health and Social Care Reform (Northern Ireland) Act 2009, RQIA has a range of 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

RQIA continued to monitor the appropriateness of all applications for detention and guardianship, in line with the provisions of the Mental Health (NI) Order 1986, through an analysis of all prescribed detention and guardianship forms received from HSC trusts. During the year 8,369 detention forms were submitted and scrutinised by RQIA, with an average error rate of 2.2%. In all cases where errors were detected RQIA advised the relevant HSC trust within a 72 hour period.

During RQIA's programme of individual patient experience reviews inspectors met with 138 people subject to detention under the Mental Health (NI) Order 1986, to gain their views on their care. The information gained through these reviews helped inform the focus of subsequent inspections at these services.

A human rights-based approach is embedded in the work of RQIA's Mental Health and Learning Disability team and informs our monitoring role. During the year, 46 inspections were completed at mental health and learning disability facilities, using the human rights theme of protection.

During these inspections, RQIA spoke with around 140 service users, engaged with relatives and carers, and sought the views of nursing staff, health professionals, advocates and other agencies.

In September 2012, the Health Minister launched the Learning Disability Service Framework, and RQIA has identified the standards to be used to assess the safety, quality and availability of services during inspections in 2013-14.

In October 2012 RQIA published a baseline assessment of the administration of Electro-Convulsive Therapy (ECT) in Northern Ireland for the period April 2010 to March 2012. The report noted that this treatment had been administered on over 300 occasions during the period of the review, and that there had been no serious adverse incidents recorded in relation to its administration.

## **Human Rights**

RQIA has adopted a human rights approach, and these principles are embedded in all inspection and review activities. For example, during inspections of regulated services and mental health and learning disability facilities for both adults and children, RQIA inspectors engage directly with service users, relatives and staff with a clear focus on the outcomes for service users.

RQIA is designated as a national preventive mechanism (NPM), under the United Nations Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT). This international human rights treaty aims to strengthen protection for people deprived of their liberty. OPCAT requires NPMs to carry out visits to places of detention, to monitor the treatment of and conditions for detainees and to make recommendations regarding the prevention of ill-treatment. During 2012-13 RQIA visited a range of services including mental health hospitals, prisons and police custody suites under its responsibilities as a designated NPM.

During the year, RQIA worked in partnership with the Care Quality Commission, Mental Welfare Commission, Scotland and Healthcare Inspectorate Wales on the issue of de facto detention, where an individual who, while not formally detained by law, may be deprived of liberty. In the year ahead, further work will be undertaken to determine the extent of practice in mental health facilities.

## **Prison Health and Social Care**

The independent inspection of prisons is part of the mechanism by which the UK fulfils its obligations as a signatory to OPCAT. During 2012-13, in partnership Criminal Justice Inspection Northern Ireland (CJI); Her Majesty's Inspectorate of Prisons (HMIP); and Education and Training Inspectorate (ETI), RQIA undertook a range of inspections at a number of prisons/places of detention in Northern Ireland. These included:

- Ash House Women's Prison
- Hydebank Wood Young Offenders Centre
- Maghaberry Prison
- Police custody suites

In December 2012, a report was published detailing the findings of joint inspection at Maghaberry Prison, which took place in March 2012. The inspection utilised the Healthy Prison Standards, and examined safety, respect, purposeful activity and resettlement. The prison was inspected by a multidisciplinary team of inspectors from RQIA, Criminal Justice Inspection Northern Ireland, Her Majesty's Inspectorate of Prisons for England and Wales, and the Education and Training Inspectorate. The report concluded that standards had improved in the three years since the previous inspection, and 16 recommendations were made in relation to the provision of health and social care services at the prison.

## **Equality**

In August 2012 RQIA submitted its annual progress report on Section 75 of the Northern Ireland Act 1998 and Section 49A of The Disability Discrimination (Northern Ireland) Order 2006 to the Equality Commission. During the year RQIA continued to implement its equality and disability action plans.

## **INFLUENCING POLICY**

RQIA's work has contributed to the development of regional policies and guidance.

During the year RQIA influenced policy through its regulation, review and mental health and learning disability activities:

RQIA published two reports of the review of pseudomonas infections in neonatal units in Northern Ireland. The Minister accepted all the recommendations made by the review team and action plans were put in place for their implementation. The findings of this review were also shared with national organisations, including the Health Protection Agency, to inform the development of relevant policies and procedures.

In July 2012 A Maternity Strategy for Northern Ireland 2012-2018 was published, which was a key recommendation of the RQIA review of intrapartum care.

RQIA published the findings of a review of the care of children in adult wards in December 2012. This review recommended that a standard age should be agreed for all hospitals to admit children to paediatric units. In March 2013, the HSC Board announced that, by 2015, plans would be implemented for all paediatric services to admit children up to their 16th birthday.

In early 2013 RQIA was advised that that a radiology network is to be established for Northern Ireland, in line with the recommendations of the RQIA review of reporting arrangements for radiological investigations.

Through its regulation activities RQIA identified a need for an amendment to fees and frequencies of inspection regulations to address anomalies in the registration of independent health care services providing prescribed treatments. RQIA also highlighted the need for published minimum standards for independent health care services.

During the year RQIA attended regular meetings with DHSSPS to address the implications of the new proposed mental health capacity legislation.

### **Development of Standards and Guidelines**

During the year, RQIA led on the development of a set of tools for inspecting Infection Control and Hygiene arrangements in augmented care settings which have been endorsed for application from 2013-14 onwards.

During the year, RQIA participated in a Guidelines, Audit and Implementation Network (GAIN) funded project to develop palliative and end of life care guidelines for nursing and residential care homes. The project team included membership from a range of HSC bodies and independent health and social care providers. These guidelines are due for publication during 2013.

During the year, RQIA participated in a Public Health Agency led project to develop guidelines to support the needs of lesbian, gay, bisexual and transgender (LGBT) people in care homes, day care centres and those in receipt of domiciliary care. Other key partners in this project include: Age NI; UNISON; The Rainbow Project; Lesbian Advocacy Services Initiative; and independent health care providers. It is anticipated that the guidelines will be published during 2013.

### **Responses to Consultations**

During the year, RQIA responded to a number of consultations which were relevant to the work of RQIA. These included a response to Transforming Your Care: From Vision to Action, which outlined the Health Minister's proposals for change across a range of service areas including mental health services, statutory residential homes, acute services and primary care.

## **CORPORATE ACTIVITIES**

### **Strategic Performance Management**

Following comprehensive consultation with stakeholders, RQIA developed its Corporate Strategy 2012-15, which details what RQIA aims to achieve during the three year period, and what people can expect the outcome of our work to mean to them.

The Corporate Strategy is underpinned by an annual business plan. Corporate performance reports on progress in delivering the strategic objectives in the plan were presented to RQIA's Board on a quarterly basis.

RQIA's Business Plan 2012-13 identified 86 actions for the year. Seventy four actions were completed by 31 March 2013, and a report detailing how the outstanding actions would be addressed was prepared for RQIA's Board. During the year, RQIA's Business Plan 2013-14 was developed and approved by the RQIA Board and the DHSSPS. The plan also incorporated a range of specific requirements at the request of DHSSPS as actions for the year ahead.

The Risk Management Strategy 2011-13 sets out RQIA's approach to ensuring the effective identification and management of risks to the delivery of corporate objectives. During the year, these risks were monitored and managed by the Board through consideration of the Corporate Risk Assurance Framework Report.

To ensure continuity of service in an unplanned emergency situation, RQIA tested its business continuity plan and revised the plan to reflect learning from this event.

### **Steps to Excellence Programme**

RQIA has developed its Steps to Excellence Programme (STEP) to drive a series of service improvements across the organisation, in line with the EFQM business excellence model. Following an independent assessment in November 2012, RQIA achieved the Steps to Excellence bronze level of recognition in the Ireland Quality Awards. This reflects RQIA's progress in delivering on its strategy, and embedding a culture of continuous improvement across the organisation.

Based on feedback from the EFQM assessment, work commenced on identifying a range of organisation-wide improvement initiatives that will be taken forward over the coming years.

An Improvement and Efficiency Operational Plan 2012-13 was developed. This identified how improvements and comprehensive spending review (CSR) efficiency savings would be delivered throughout the year. Work continued on a LEAN project, an improvement initiative to streamline RQIA's regulation (registration and inspection) processes. A series of new standardised business processes were identified and these were embedded into organisational working practices during the year.

## **People**

During the year a draft Human Resources and Organisational Development Strategy was developed, and progress continued in working towards the achievement of Investors in People (IiP) accreditation.

A new human resources, payroll, travel and subsistence (HRPTS) system was implemented in March 2013 as part of a HSC-wide modernisation project.

A staff survey was conducted in late 2012 across all HSC organisations including RQIA to examine a range of issues, including: team working; work-life balance; value, respect and involvement; and learning and development. The results of this survey will be available during 2013.

The management of sickness absence continued throughout the year, with sickness absence recorded at 4.96% against a target of 4.8%. During the year, staff turnover was recorded at 6%, with 9 people leaving the organisation. Recruitment at RQIA also continued, including the appointment of a new Director of Regulation and Nursing in February 2013.

RQIA is committed to a partnership approach to working with staff, in conjunction with the trade unions and professional associations through its Joint Negotiating and Consultative Forum (JNCF). The JNCF met several times 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.

## **Information and Communication Technology**

A new internal ICT team was established in October 2012, which replaced an outsourced ICT support service. The aim of the new team is to support the organisation through the provision of a professional, customer focused range of services.

During the year, significant progress was made in the specification and procurement of a new ICT system for use by the Regulation and Mental Health and Learning Disability directorates. A preferred bidder for the development of the system was selected, and it is anticipated that the new system will be developed and implemented during 2013-14.

## **Sustainable Development**

During the past year, RQIA developed a sustainable development action plan (SDAP) and associated delivery plan. RQIA's commitment to sustainable development is also highlighted in the Corporate Strategy 2012-2015. A number of new initiatives were introduced during the year, including: a corporate travel scheme for bus and rail transport; cycle to work scheme; recycling all office waste; reduction of electricity consumption; and, the introduction of energy efficient photocopier systems. RQIA's objective is to achieve organisational goals in an increasingly sustainable manner.

## Complaints about RQIA

During the year, six complaints were received about RQIA relating to the work of the organisation and our staff. These were handled in line with RQIA's complaints policy, and all were satisfactorily resolved through local resolution. To ensure learning from complaints, RQIA disseminates any lessons learned to its staff, the Audit Committee and Board..

## Financial Summary

### Income

Fees and recharged costs	889,643
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### Expenditure

Staff costs	6,073,952
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Other operating expenses	<u>1,402,021</u>
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Total Expenditure	7,475,973
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Net Expenditure	6,586,330
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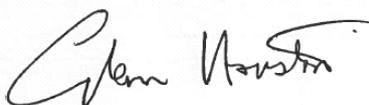
Revenue Resource Limit	6,588,932
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Surplus	<u><u>2,602</u></u>
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Capital expenditure amounted to £134,036 which was financed by the DHSSPS.

## Going Concern Basis

As illustrated in our Statement of Financial position, RQIA operates with a net liability position, largely generated by our trade and other payables liability compared to a small capital asset base. As a non-departmental public body, RQIA is mainly funded through the DHSSPSNI. As DHSSPS funding will continue for the foreseeable future this ensures that the preparation of our accounts as a going concern is the correct basis.



**Glenn Houston**  
Chief Executive

**Date: 4 July 2013**

## **Appendix 1 Board Members' Profiles**

**Dr Ian Carson** MB BCH BAO, MD, FFARCSI was appointed as RQIA Chairman in June 2006. Dr Carson is a former Deputy Chief Medical Officer with the Department of Health Social Services and Public Safety, holding this post from 2002 to his retirement in April 2006. He lives in Belfast.

**Dr Richard Adams** was appointed to the Board in January 2005, and reappointed for a further four years in January 2009. He is also a member of RQIA's Audit Committee. Richard was Chief Executive of Forensic Science Northern Ireland between 1996 and 2003. He lives in Belfast.

**Ms Geraldine Donaghy** was appointed to the Board in September 2005 and reappointed for a further four years in September 2009. She is a member of the Audit Committee and Public Participation Implementation and Monitoring Group. Geraldine has worked for over 25 years in the community and voluntary sector and is a Board member of the Community Foundation for Northern Ireland. She lives in Newry.

**Mrs Sarah Havlin** was appointed to RQIA's Board in December 2011 for a four-year term as the legal member. A solicitor by profession, Sarah is a freelance legal consultant. She holds several quasi-judicial positions on tribunals/appeals panels and also carries out formal arbitration and mediation work. She is a visiting tutor at Queen's University and a law lecturer with the Open University. Sarah is a member of RQIA's Appointments and Remuneration Committee. She lives in Bangor.

**Mrs Lilian Jennett** was appointed to the Board in January 2005, and reappointed for a further four years in January 2009. Lilian is a member of the Audit Committee and of the Public Participation Implementation and Monitoring Group. Lilian is currently employed on a part-time basis by the Department of Social Development. She is also a member of the Probation Board Northern Ireland. She lives in Richhill.

**Mrs Ruth Laird CBE** was appointed to the Board in September 2005, reappointed for a further four years in September 2009 and is Chair of the Audit Committee. Ruth has 30 years' experience in human resource management and organisational development in the public, private and voluntary sectors and is a chartered member of the Institute of Personnel and Development. She was a civil service commissioner until June 2012 and a judicial appointments commissioner until July 2012. Ruth is a parole commissioner; a member of the council of the University of Ulster; and a national trustee and Northern Ireland Chair of Barnardo's. She lives in Newtownards.

**Mr Allen McCartney** was appointed to the RQIA Board in January 2005, and reappointed for a further four years in January 2009. He is also a member of the Appointments and Remuneration Committee. Allen is currently a self-employed business consultant. He is also a lay magistrate and an Independent Board Member of the Department for Regional Development. He lives in Belfast.

**Professor Patricia McCoy** was appointed to the Board in September 2005 and reappointed for a further four years in September 2009. She is also a member of the Appointments and Remuneration Committee. Patricia is Emeritus Professor of Physiotherapy at the University of Ulster having lectured there until her retirement in 2001. She is also a Fellow of the Chartered Society of Physiotherapy. She lives in Holywood.

**Mrs Una O’Kane** was appointed to the Board in September 2005 and reappointed for a further four years in September 2009, and is a member of the Appointments and Remuneration Committee. A former headmistress of St Mary’s Grammar School in Magherafelt, Una is currently vice chair of the Staff Commission for Education and Library Boards and Governor of St Patrick’s College Maghera and St Pius X College, Magherafelt. She lives in Magherafelt.

**Mr Denis Power** was appointed to RQIA’s Board in December 2011 for a four-year term as the financial member. Denis has a background in credit and operational risk management, quality assurance and project management, and prior to his retirement in 2012, was a senior manager with the First Trust Bank, a Division of AIB Group (UK) plc.. Denis is a member of RQIA’s Audit Committee. He is also a trustee of Titanic Foundation Limited, Chair of its audit committee, and a director of Springboard Opportunities Ltd. Denis lives in Lisburn.

**Mr Colin Reid** was appointed to the Board in January 2005, and reappointed for a further four years in January 2009. Colin is Policy and Public Affairs Manager for NSPCC. He is a social worker by profession and represents NSPCC on the Strategic Management Board of Public Protection Arrangements for Northern Ireland and is an executive member of the Northern Ireland Association of Social Workers (NIASW). He lives in Hillsborough.

**Mr Austin Smith** was appointed to the Board in January 2005, and reappointed for a further four years in January 2009. He is also a member of the Audit Committee. Prior to his retirement in 2004 Austin was Global Director of Human Resources for DuPont Sabanci Polyester Europe B.V, based in the Netherlands. Austin is a fellow of the Chartered Institute of Personnel Development. He lives in Londonderry.

**Ms Lindsey Smith** was appointed to RQIA’s Board in December 2011 for a four-year term as a lay member. Lindsey is a self-employed organisational development consultant, working with the public, private and voluntary sectors, providing leadership and management development, business improvement interventions, change management and executive coaching. She is a chartered member of the Institute of Personnel and Development. Lindsey is a part-time associate lecturer in change management, organisational behaviour and human resources at the University of Ulster. She is also a governor for the Belfast Metropolitan College. Lindsey was previously the Head of the Identity and Passport Service for Northern Ireland. She lives in Belfast.

## Appendix 2: Enforcement Action 1 April 2012-31 March 2012

Name of Service and Category (Provider)	Date of issue	Details of notice Failure to Comply (FTC) Notice of Proposal (NOP) Notice of Decision (NOD)	Date of Compliance
40 Pettigo Road Residential Home, Kesh (Praxis Care Group/ Challenge)	5 October 2012	One notice of failure to comply with regulations issued, relating to: monthly monitoring visits.	8 November 2012
47 Somerton Road Nursing Home, Belfast (Somerton Homes Ltd)	1 February 2013	Two notices of failure to comply with regulations issued, relating to: provision of statement of fees and payment; record of financial arrangements.	Ongoing at 31 March 2013
Ailsa Lodge Nursing Home, Carnalea, Bangor (Ailsa Lodge)	26 June 2012	Three notices of failure to comply with regulations relating to: care (two notices); staff training.	18 July 2012
Ardaveen Manor, Domiciliary Care Agency Bessbrook (Southern HSC Trust)	25 September 2012	Three notices of failure to comply with regulations issued, relating to: protection of vulnerable adults; use of restrictive practices; care planning; staffing.	26 October 2012
Ardmaine (Nursing) Care Home, Newry (Four Seasons (No 8) Limited)	23 November 2012	Four notices of failure to comply with regulations issued, relating to: infection risk/prevention; privacy and dignity of residents; furnishings; estates issues.	16 January 2013 (two notices) 21 February 2013 (two notices)
Ard Na Grainde Residential Care Home, Randalstown (Ard Na Grainde)	22 May 2012	Five notices of failure to comply with regulations issued relating to: management and finances (two notices); records (two notices); staffing.	31 May 2012 (two notices) 20 June 2012 (two notices) 29 June 2012 (one notice)

Name of Service and Category (Provider)	Date of issue	Details of notice Failure to Comply (FTC) Notice of Proposal (NOP) Notice of Decision (NOD)	Date of Compliance
Aughnacloy House Nursing Home, Lurgan (MD Healthcare Ltd)	21 November 2012  21 December 2012	Three notices of failure to comply with regulations issued, relating to: assessment of patient needs; staffing issues; nursing plans.  One notice of failure to comply with regulations issued, relating to: medicines management.	16 January 2013 (two notices)  28 January 2013 (one notice)  18 February 2013
Autism Initiatives, Domiciliary Care Agency, Boyd's Row, Armagh (Autism Initiatives)	9 July 2012  8 August 2012  10 September 2012  8 October 2012	Two notices of failure to comply with regulations issued relating to: safeguarding; care planning.  Notice of proposal to impose conditions of registration.  Notice of decision to impose conditions of registration.  Conditions of registration placed on service  Conditions of registration removed.	24 July 2012 (one notice)       15 February 2013
Bawn Cottage Residential Care Home, Hamiltonsbawn (Mr and Mrs Wylie)	6 November 2012  26 March 2013	Two notices of proposal to cancel the registration of the registered providers and registered manager  Following consideration of a formal representation by the registered providers, RQIA has advised the registered persons of its decision to lift the notices of proposal to cancel their registration.	
Carlingford Lodge (Nursing) Care Home, Warrenpoint (Priory (Warrenpoint) Ltd)	28 November 2012	Two notices of failure to comply with regulations issued, relating to: staffing; recruitment.	21 December 2012
Carnhill Hostel Domiciliary Care Agency, Londonderry (Western HSC Trust)	1 June 2012	Six notices of failure to comply with regulations issued relating to: statement of purpose; patient finances; records management; monitoring reports; staff training.	4 July 2012 (five notices)  29 August 2012 (one notice)

Name of Service and Category (Provider)	Date of issue	Details of notice Failure to Comply (FTC) Notice of Proposal (NOP) Notice of Decision (NOD)	Date of Compliance
Cherry Tree Nursing and Residential Home, Carrickfergus (Cherry Tree House)	5 November 2012	Four notices of failure to comply with regulations issued, relating to: care and treatment; assessment of patient needs; nursing plans; staffing and staff supervision.	28 January 2013
Clandeboyne (Nursing) Care Home, Bangor (Four Seasons Health Care)	6 February 2013	Four notices of failure to comply with regulations issued, relating to: health and safety; the assessment of patient needs; patient and nursing plans; staffing.	Ongoing at 31 March 2013
DDCA Carepoint NI Domiciliary Care Home (Darkley and District Community Association)	10 May 2012	One notice of failure to comply with regulations issued relating to: supplying domiciliary care workers to vulnerable people in their own homes before Access NI checks had been received.	17 May 2012
Dympna House Residential Care Home, Belfast (St John of God Association)	25 June 2012  23 July 2012  1 September 2012	Notice of proposal to cancel registration of St John of God Association as registered provider. This related to its management of the home with sufficient care, competence and skill with regard to size, statement of purpose, number and needs of residents. Medicines management.  Notice of decision to cancel registration of St John of God Association as registered provider.  RQIA deregistered St John of God Association as provider of care at Dympna House Residential Care Home.	1 September 2012
Edgewater Lodge Orlock Suite, Nursing Home, Donaghadee (Four Seasons Health Care)	19 June 2012	Four notices of failure to comply with regulations issued relating to: food and fluids; patient risk assessments; assessment of patient's needs; patient's care plans.	19 July 2012 (two notices)  17 August 2012 (two notices)
The Gables Residential Care Home, Antrim (The Gables)	8 November 2012	Three notices of failure to comply with regulations issued, relating to: residents' agreements; fees and payments; records of residents financial arrangements.	6 December 2012
Golan View Residential Home, Omagh (Golan View)	6 September 2012	Four notices of failure to comply with regulations issued, relating to: management of the home, records management, staffing; fire safety.	3 October 2012

Name of Service and Category (Provider)	Date of issue	Details of notice Failure to Comply (FTC) Notice of Proposal (NOP) Notice of Decision (NOD)	Date of Compliance
Hebron House Residential Care Home, Markethill (Mr and Mrs Wylie)	6 November 2012  26 March 2013	Two notices of proposal to cancel the registration of the registered providers and registered manager  Following consideration of a formal representation by the registered providers, RQIA has advised the registered persons of its decision to lift the notices of proposal to cancel their registration.	
Kilwee Care (Nursing) Home, Dunmurry (Merit Retail Limited)	25 June 2012	Notice of proposal to cancel registration of Merit Retail Limited with respect to Kilwee Care Home in relation to six breaches of regulations	26 July 2012 Notice of proposal withdrawn.
Kintyre Park Domiciliary Care Agency, Ballymena (Northern HSC Trust)	5 April 2012	Four notice of failure to comply with regulations issued relating to: protection of vulnerable adults; staff training and records; evaluation of the quality of the service.	8 May 2012
Lansdowne Nursing Home, Belfast (Four Seasons Health Care)	3 December 2012	Three notices of failure to comply with regulations issued, relating to: health and safety; assessment of patient needs; staffing.	31 January 2012 (two notices)  8 February 2013 (one notice)
Maine Nursing Home, Randalstown (Adarra Developments Ltd)	21 March 2013	Two notices of failure to comply with regulations issued, relating to: measures to prevent patients being harmed, suffering abuse or being placed at risk of harm or abuse; notifications of adverse events to RQIA.	Ongoing at 31 March 2013
Molinos Service Domiciliary Care Agency, Belfast (St John of God Association)	25 June 2012  23 July 2012  1 September 2012	Notice of proposal to cancel registration of St John of God Association as registered provider in relation to Molinos Service. The notice related to the management of the agency with regard to its size, statement of purpose, and the number and needs of the service user, manage the agency with sufficient care, competence and skill.  Notice of decision to cancel registration of St John of God Association as registered provider in relation to Molinos Service.  RQIA deregistered St John of God Association as provider with respect to Molinos House Domiciliary Care Agency.	1 September 2012:

Name of Service and Category (Provider)	Date of issue	Details of notice Failure to Comply (FTC) Notice of Proposal (NOP) Notice of Decision (NOD)	Date of Compliance
Novara House Domiciliary Care Agency, Portadown (Southern HSC Trust)	27 April 2012	Three notices of failure to comply with regulations issued relating to: statement of purpose; and monthly summary report records.	25 May 2012
Origin Fertility Care, Belfast (Origin Fertility Care)	22 September 2011  30 July 2012	Condition of registration: The responsible person must ensure that the registered manager informs RQIA of all incidents in Origin Fertility Care within 24 hours of occurrence.  Conditions of registration removed.  Notice of proposal to impose conditions of registration to cease further admissions.	14 February 2013  11 October 2012
Owenvale Court Residential Care Home, Belfast (St John of God Association)	16 April 2012  14 May 2012  25 June 2012	Notice of proposal to cancel registration of St John of God Association as registered provider. Management of the home with sufficient care, competence and skill with regard to size, statement of purpose, number and needs of residents.  Notice of decision to cancel registration of St John of God Association as registered provider.  RQIA deregistered St John of God Association as provider of care at Owenvale Court.	25 June 2012
Parkanaur College Residential Care Home, Dungannon (Thomas Doran Trust)	24 May 2012  7 June 2012	Four notices of failure to comply with regulations issued relating to: suitable adaptations for access to corridors/doorways for residents; notifying RQIA of building works; ensuring areas of the home is free from hazards and failure to undertake a health and safety risk assessment at the home and ensuring a suitable and sufficient fire risk assessment is undertaken at the home.  Six notices of failure to comply with regulations issued relating to: management; records (two notices); staffing; state of repair of the home; and statutory monitoring visits.	24 May 2012 (two notices); 31 May 2012 and 25 June 2012  14 June 2012 05 July 2012 02 August) (four notices)
Praxis Care Group Domiciliary Care Agency, Lurgan (Praxis)	16 May 2012	Two notices of failure to comply with regulations issued relating to: absence of agency's manager not notified to RQIA and evaluation of the quality of the services arranged by the agency.	23 May 2012 (one notice)  15 June 2012 (one notice)

Name of Service and Category (Provider)	Date of issue	Details of notice Failure to Comply (FTC) Notice of Proposal (NOP) Notice of Decision (NOD)	Date of Compliance
Prime Care Domiciliary Care Agency, Belfast (Prime Care)	15 August 2012	Notices of failure to comply with regulations. Two notices relating to staff training, appraisal and supervision, and associated records.	15 November 2012
Ralph's Close Residential Care Home, Londonderry (Western HSC Trust)	9 August 2012  22 August 2012	Three notices of failure to comply with regulations issued, relating to: the protection, health and safety of residents; provision of suitable staff and staff training.  Two notices of failure to comply with regulations issued, relating to: use of restrictive practices; notifiable events.	28 August 2012 (one notice)  5 October 2012 (one notice)  22 October 2012 (one notice)  28 August 2012 (one notice)  5 October 2012 (one notice)
Seaview House Nursing Home , Bangor (Ms R F Gilmore)	7 August 2012	Four notices of failure to comply with regulations issued relating to: patient's nursing plans; staffing; risks to patient's health; reviewing patient's needs.	3 October 2012 (two notices)  1 November 2012 (two notices)
Three Islands Nursing Home (Mr D McAteer and Mrs A McAteer)	25 January 2013	Five notices of failure to comply with regulations issued relating to: patient fees; treatment and services; bedding and furnishings; financial accounts; décor and fire safety.	25 March 2013 (five notices)

Name of Service and Category (Provider)	Date of issue	Details of notice Failure to Comply (FTC) Notice of Proposal (NOP) Notice of Decision (NOD)	Date of Compliance
Woodmount Nursing Home, Strabane (Woodmount)	1 May 2012  8 June 2012	Five notices of failure to comply with regulations issued relating to: proper provision for nursing, health, welfare treatment and supervision of patients; ; needs of patients assessed and reviewed by suitably trained person; number of suitably qualified, competent and experienced persons to meet needs of patients; written nursing plan prepared by nurse in consultation with patient.  Notice of proposal to impose conditions of registration. No admissions until further notice, reports of senior management monitoring visits provided to RQIA within three working days of the visits having been completed.	1 June 2012 (one notice)  5 July 2012 (four notices) and NOP withdrawn.
Strawberry Fields Residential Care Home, Randalstown (Strawberry Fields)	22 May 2012:	Six notice of failure to comply with regulations issued relating to: fire safety; in relation to fees(two notices); recruitment of staff; management of service; staffing.	28 May 2012 (one notice)  01 June 2012 (two notices)  19 June 2012 (one notice)  26 June 2012 (one notice)  29 June 2012 (one notice)

### Enforcement at Children's Residential Care Services

RQIA does not publish details of enforcement action at registered children's services. However, during 2012-13 four children's homes were served with a total of six notices of failure to comply with regulations.

Three children's homes, all operated by health and social care trusts, each received one notice relating to the statement of purpose for the service. Two achieved compliance in line with deadlines set by RQIA, while one service had a condition of registration to prevent further admissions to the service placed in July 2012. The service achieved compliance with regulations in March 2013 and the condition of registration was lifted. A further children's service, operated by an independent provider, was served three notices relating to welfare, care and protection issues; statutory notifications; and ensuring an environment free from hazard or risks. The service achieved compliance within the one week deadline placed by RQIA.

### Appendix 3: Conditions of Registration in place during 2012-13

Service	Condition of Registration	Conditions placed - Date	Compliance achieved - Date
Origin Fertility Clinic, Belfast (Ms J Hall)	To inform RQIA of all incidents in Origin Fertility Care within 24 hours of occurrence.	22 September 2011*	14 February 2013
Rose Martha Court Nursing Home, Ballymena (Kathryn Homes Ltd)	No referrals for admissions to be accepted by the home until such time that the RQIA is satisfied that compliance has been achieved with the matters specified in RQIA failure to comply notice. The reports of senior management monitoring visits and Regulation 29 visits are to be provided to RQIA within three working days of the visits having been completed.	20 February 2012*	9 May 2012
Croft Lodge Residential Care Home, Ballymena (Mr B Magee)	Until further notice, no further admissions to be made to the home.	7 March 2012*	25 May 2012
Owenvale Court Residential Care Home (St John of God Association (SJOGA))	No referrals for new admissions are to be accepted by the home until such time that RQIA is satisfied that compliance has been achieved with the matters specified in RQIA failure to comply notice RCH/1648/08/2011-12. The reports of senior management monitoring visit and Regulation 29 visits are to be provided to RQIA within three working days of the visits being completed. The reports should evidence compliance with respect to Regulations 13(1)(a) and 13(4)(b) (c),(b) of the Residential Care Homes Regulations (NI) 2005.	4 May 2012*	25 June 2012  SJOGA ceased to be the registered provider of Owenvale Court. Care Circle took over its management on that date.
Kilwee Nursing Home, Belfast (Merit Retail Ltd)	No referrals for new admissions until such time that RQIA is satisfied that compliance has been achieved with the matters specified in RQIA failure to comply notices NH/11940/01/2011-2012 and NH/11940/03/2011-2012 Senior management monitoring visit reports and Regulation 29 visit reports are to be provided to RQIA within three working days of the visits having been completed until such time that RQIA is satisfied that compliance has been maintained in respect of regulation 13(1)(a),(b) and 20(1) of the Nursing Homes Regulations (NI) 2005. The reports should evidence compliance	22 May 2012*	5 October 2012

Three children's service had a condition placed on registration for no further admissions.

<b>Service</b>	<b>Condition of Registration</b>	<b>Conditions placed - Date</b>	<b>Compliance achieved - Date</b>
Children's Home	No new admissions until further notice	13 April 2012*	17 September 2012
Children's Home	No new admissions until further notice	25 May 2012*	15 November 2012.
Children's Home	No new admissions until further notice	20 July 2012	4 March 2013

\* The enforcement action that led to conditions of registration being placed on these services commenced during 2011-12, and therefore is not captured within Appendix 2.

## **DIRECTORS' REPORT**

### **Brief History and Statutory Background**

Provision for a Health and Personal Social Services Regulation and Improvement Authority was made on 1 September 2003 under Part II of The Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003. It is known as, The Regulation and Quality Improvement Authority (RQIA).

The Health and Personal Social Services (Quality, Improvement and Regulation) (Order 2003) (Commencement No.3 and Transitional Provisions) (Northern Ireland) Order 2005 made the provisions of the 2003 Order, effective from 1 April 2005. RQIA is a non-departmental public body, established by DHSSPS from 1 April 2005 as part of DHSSPS's drive to see clear standards applied, with accountability for high quality delivery held at a local level.

RQIA has responsibility for registering health and social care services in Northern Ireland, monitoring and inspecting their availability and quality, and encouraging improvements in the quality of those services.

Under The Mental Health (Northern Ireland) Order 1986, as amended by the Health and Social Care Reform (Northern Ireland) Act 2009, RQIA has a range of responsibilities for people with a mental ill health and those with a learning disability.

### **Principal Activities**

In discharging its responsibilities, RQIA exercises two main functions.

- to inspect the quality of health and social care services provided by health and social care (HSC) bodies in Northern Ireland. These inspections take the form of reviews of clinical and social care governance arrangements within HSC bodies
- to regulate (register and inspect) a wide range of health and social care services delivered by HSC bodies and by the independent sector. The regulation of services is based on minimum care standards introduced for Northern Ireland to ensure that service users know what quality of services they can expect to receive and that service providers have a benchmark against which to measure the quality of their services.

Registration, inspection and enforcement is carried out to consistent standards across Northern Ireland, for the HSC and independent sectors alike.

## **Chairman and Chief Executive**

The Chairman of RQIA is responsible to the Minister for Health and Social Services and Public Safety. Dr Ian Carson was Chairman during 2012-13.

The Chief Executive is an officer of RQIA and not a member of the Board. The Chief Executive is responsible to the Board, through the Chairman, for managing RQIA as a corporate body. The post holder has specific financial responsibilities and duties for which he or she is accountable to the DHSSPS Permanent Secretary in his or her role as the designated Accounting Officer of RQIA's sponsor department. Glenn Houston was appointed as Chief Executive on 1 March 2009. He is designated as the Accounting Officer for 2012-13 and has responsibility for the Annual Report and Accounts for the financial year to 31 March 2013.

## **The Board of the RQIA**

Appointments to the Board are made with the agreement of the Minister for Health, Social Services and Public Safety. There are no specific qualifications required for appointment. Each person is appointed to act in a personal capacity, and not to represent any particular interest or group.

The following Board members were reappointed for a second four-year term on 1 January 2009. This second term was subsequently extended until the 13 April 2013:

Dr Richard Adams  
Mrs Lilian Jennett  
Mr Allen McCartney  
Mr Colin Reid  
Mr Austin Smith

The following Board members were reappointed for a second 4 year term on the 1 September 2009:

Ms Geraldine Donaghy  
Mrs Ruth Laird CBE  
Professor Patricia McCoy  
Mrs Una O'Kane

The following Board members were appointed on the 19 December 2011 for a four year term:

Mrs Sarah Havlin  
Mr Denis Power  
Ms Lindsey Smith

Dr Ian Carson was first appointed as a Board member and Chairman on 1 June 2006 and was re-appointed for a second term on 1 June 2010.

## **Board Committee Structure and Composition**

**1 April 2012 to 31 March 2013**

Audit Committee

Mrs Ruth Laird CBE (Chairman)  
Dr Richard Adams  
Ms Geraldine Donaghy  
Mrs Lilian Jennett  
Mr Denis Power  
Mr Austin Smith

Appointments and Remuneration  
Committee

Dr Ian Carson (Chairman)  
Ms Sarah Havlin  
Mr Allen McCartney  
Professor Patricia McCoy  
Mrs Una O’Kane

### **Role of the Board**

The Board has corporate responsibility: for ensuring that RQIA complies with statutory and administrative requirements for the use of public funds; to fulfil the aims and objectives set by DHSSPS; and for promoting the efficient and effective use of staff and other resources. The Board's responsibilities include:

- establishing the overall strategic direction of RQIA within the policy and resources framework set by DHSSPS
- informing DHSSPS of any changes that may affect the strategic direction of RQIA and the attainability of its targets together with any remedial action required
- ensuring that RQIA operates within the limits of its statutory authority and any delegated authority agreed with DHSSPS
- receiving and reviewing regular financial information and informs DHSSPS of any concerns
- making certain that high standards of corporate governance are observed at all times including the use of an independent audit committee to address key financial and other risks
- appointing a chief executive with the approval of DHSSPS and set performance objectives and remuneration terms linked to these objectives

## **Register of Interests**

RQIA maintains a register of interests. This register details interests which may conflict with the management responsibilities of members of RQIA, senior managers and staff and is recorded as necessary. Information held on the register may be obtained by application to the following address:

Director of Corporate Services  
The Regulation and Quality Improvement Authority  
9<sup>th</sup> Floor  
Riverside Tower  
5 Lanyon Place  
Belfast  
BT1 3BT

## **Pension Scheme for All Staff**

Details of the scheme for staff and the treatment of pension liabilities in the accounts are included in the Remuneration Report section of this document and also in Accounting Note 1.20.

## **Auditors**

Under Schedule 1, paragraph 12 (4) of The Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003, the Comptroller and Auditor General has been appointed as auditor of RQIA. NIAO has engaged ASM to perform the audit fieldwork. The notional cost of the audit of the 2012-13 annual accounts was £14,000. During 2012-13 RQIA made one payment to NIAO for work outside their audit responsibilities. This totalled £1,175 and related to NIAO's input to the National Fraud Initiative.

The Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that it is made known to RQIA's auditors. So far as the Accounting Officer is aware, there is no relevant audit information of which RQIA's auditors have not been advised.

The Internal Audit Unit of the HSC Business Services Organisation is appointed to provide the internal audit service to the RQIA. The cost for 2012-13 was £14,531. All reports by internal and external audit are considered by the Audit Committee.

## **Payment policies**

RQIA has sought to meet the government's prompt payment compliance target that 95% of invoices should be paid within 30 days or agreed payment terms. RQIA paid 95.8% of invoices within this target during 2012-13.

On the 16 March 2013 new legislation came into force requiring all public authorities to pay suppliers within 30 calendar days of receipt of an undisputed invoice. Circular HSC (F) 19/2013 brought this into force in the HSC from 3<sup>rd</sup> of April 2013. Monitoring in 2013-14 will reflect this new 30 calendar day target.

This amended legislative target does not remove the Northern Ireland Executive's commitment to pay suppliers within 10 days whenever possible. RQIA makes every effort to meet this more demanding target and to pay its suppliers as quickly as possible.

The Late Payment of Commercial Debts Regulations 2002 provide qualifying businesses with a statutory right to claim interest on the late payment of commercial debt. During the year, RQIA incurred £213 of charges in relation to 12 overdue invoices.

### **Related party transactions**

These are disclosed at Note 23 to the accounts.

### **Research and development**

RQIA did not carry out any research and development work.

### **Charitable donations**

RQIA did not receive or make any charitable donations.

### **Fixed Assets**

Transactions during the year relating to fixed assets are set out at Notes 6 and 7 to the financial statements.

### **Sickness Absence Data**

Sickness absence data is included in the People section of the RQIA Annual Report.

### **Personal Data Related Incidents**

There were no reported incidents of loss of personal data.

### **Commitments under PFI Contracts**

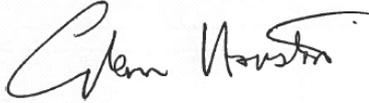
RQIA does not have any commitments under PFI contracts.

### **Post Balance Sheet Events**

Any such events are disclosed at Note 27 to the financial statements.

## **Annual Accounts**

Under The Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003, RQIA is to prepare a statement of accounts for each financial year. An Accounts Direction issued by the Department of Health, Social Services and Public Safety (DHSSPS), dated 3 August 2010, required that RQIA should prepare annual accounts for the year ended 31 March 2010 and subsequent financial years.



**Glenn Houston**  
**Chief Executive**

**Date: 4 July 2013**

## **REMUNERATION REPORT**

### **Remuneration Report for the Year Ended 31 March 2013**

#### **Scope of the Report**

This remuneration report sets out the overall remuneration policy of the Regulation and Quality Improvement Authority (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 the Department of Health, Social Services and Public Safety (DHSSPS). Standing Orders specify that the Appointments and Remuneration Committee is comprised of RQIA's Chairman and at least three board members. The membership for 2012/13 is detailed in the Directors' Report above.

The Committee considers the remuneration policy as directed by circular HSS (SM) 3/2001 issued by the DHSSPS 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 his with the Chairman. At the end of each year, performance is assessed and a performance pay award is considered on the basis of that performance. Any award is approved by the Chairman of the Board and endorsed by the Board's Appointments and Remuneration Committee. There are no elements of senior executives' pay award that are not subject to performance conditions.

#### **Contracts of Employees**

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.

#### **Notice Periods**

Up to 3 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.

## **Retirement Age**

Under the Equality (Age) Regulations (Northern Ireland) 2006 employees are now able to request to work beyond age 65 years. Occupational pensions are normally effective from age 60 years.

## **Compensation for Premature Retirement**

In accordance with DHSSPS circular HSS (S) 11/83 and subsequent supplements, there is provision within the HSC Superannuation Scheme for premature retirement with immediate payment of superannuation benefits and compensation for eligible employees on the grounds of:

- efficiency of the service
- redundancy
- organisational change

Employers who retire staff early on any of the above grounds must pay the following:

- the basic pension plus increases up to normal retirement age
- the enhancement element of the pension plus increases for as long as this remains in payment
- the enhancement element of the lump sum
- the actuarial charge for payment of the basic lump sum before normal retirement age

There is also provision within the scheme for early retirement with benefits on health grounds subject to confirmation of permanent incapacity by HSC Medical Advisors.

## **Senior Executives with Date of Appointment**

- Glenn Houston, Chief Executive - 1 March 2009.
- Maurice Atkinson, Director of Corporate Services - 1 October 2008.
- Theresa Nixon, Director of Mental Health & Learning Disability - 17 October 2005.
- Dr David Stewart, Director of Reviews - 1 November 2007.
- Kathy Fodey, Director of Regulation - 1 February 2013.
- Phelim Quinn, Director of Regulation - 3 October 2005 to 30 October 2012.

## Senior Executives' Salary and Pension Entitlement

The salary and the value of any taxable benefits in kind of RQIA senior executives were as follows (Audited):

Name	2012/13			2011/12		
	Salary	Bonus or Performance Pay	Benefits in Kind (to nearest £100)	Salary	Bonus or Performance Pay	Benefits in Kind (to nearest £100)
	£'000	£'000	£	£'000	£'000	£
Glenn Houston	105 - 110	-	-	100 - 105	-	-
Maurice Atkinson	65 - 70	-	-	60 - 65	-	-
Kathy Fodey * <sup>2</sup>	10 - 15 (60-65 Full Year Equivalent)	-	-	-	-	-
Theresa Nixon	70 - 75	-	-	70 - 75	-	-
David Stewart	145 - 150	-	-	145 - 150	-	-
Phelim Quinn * <sup>1</sup>	45 - 50 (75-80 Full Year Equivalent)	-	-	75 - 80	-	-

\*<sup>1</sup> Phelim Quinn, The Director of Regulation, resigned in 2012/13 leaving RQIA on the 31 October 2012.

\*<sup>2</sup> Kathy Fodey joined RQIA as the Director of Regulation on the 1<sup>st</sup> February 2013. Therefore there are no prior year figures recorded.

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. No such benefits were paid in 2012/13 or 2011/12. Similarly no bonuses or exit packages were awarded in 2012/13 or 2011/12.

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 (Audited):

	Total Remuneration 2012/13	Total Remuneration 2011/12
<b>Highest Earners Total Remuneration (Bands of £5K)</b>	£145K - £150K	£145K - £150K
<b>Median Total Remuneration</b>	£40,157	£38,851
<b>Ratio</b>	3.67	3.80

In 2012/13 the banded remuneration of the highest paid Director was £145K - £150K which is unchanged from 2011/12. The median employee in 2012/13 was a Band 7 which also remains unchanged from 2011/12.

The median full-time remuneration reported grew from £38,851 to £40,157 which decreased the highest to median pay ratio to 3.67. This change does not represent a change in pay policy as neither the highest earner nor the median B7 staff member received a pay award in 2012/13, but instead represents incremental drift in the Band 7 pay grade.

In 2012/13 and 2011/12 no RQIA staff received remuneration in excess of the highest paid Director. Staff remuneration ranged from £5K – £10K to £145K - £150K.

The calculation on total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. The calculation does not include employer pension contributions and the cash equivalent transfer value of pensions. In 2012/13 RQIA did not make any severance or non-consolidated performance related pay payments or provide any benefits-in-kind.

The pension entitlements of RQIA senior executives are as follows (Audited):

Name	Real Increase in Pension and related lump sum at age 60 (Bands of £2,500)	Accrued Pension at age 60 as at 31/03/13 and related lump sum (Bands of £5,000)	Cash Equivalent Transfer Value (CETV) at 31/03/13	Cash Equivalent Transfer Value (CETV) at 31/03/12	Real increase in CETV	Employer Contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Glenn Houston	5.0 - 7.5	170 - 175	864	790	29	-
Maurice Atkinson	2.5 - 5.0	70 - 75	351	316	17	-
Kathy Fodey	N/A	0	0	N/A	N/A	-
Theresa Nixon	2.5 - 5.0	105 - 110	541	493	20	-
David Stewart	0.0 - 2.5	265 - 270	1424	1362	7	-
Phelim Quinn	N/A	N/A	N/A	523	N/A	-

Comparative figures are not applicable where a senior executive was not employed by RQIA at 31 March 2012 or has left during 2012/13.

### 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 DHSSPS. During 2012/13 RQIA paid £579K into the HSC superannuation scheme. 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. A full valuation as at 31 March 2008 was completed in 2010/11.

Further information regarding the HSC Superannuation Scheme can be found in the HSC Superannuation Scheme Statement in the Departmental Resource Account for the Department of Health, Social Services and Public Safety.

The costs of early retirements are met by the RQIA and charged to the Statement of Comprehensive Net Expenditure Account at the time the RQIA commits itself to the retirement. No early retirements occurred in 2012/13.

### **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 include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the HSS 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 and framework prescribed by the Institute and Faculty of Actuaries.

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. The figure does not include 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.

### **Other**

There are no elements of the remuneration package which are not cash. There is no compensation payable to former senior executives. There have been no awards of compensation made to past senior executives.

## Appointment of Chairman and Members of the Authority

The Chairman of RQIA and board members are appointed by the DHSSPS 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.

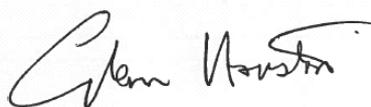
## Remuneration of Chairman and Members of RQIA

The amounts paid in 2012/13 together with those for the previous year are detailed in the following table (Audited):

Name	2012/13		2011/12	
	Remuneration Bands of £5,000	Benefits in Kind (to nearest £100)	Remuneration Bands of £5,000	Benefits in Kind (to nearest £100)
	£'000	£	£'000	£
Dr Ian Carson	15 - 20	-	15 - 20	-
Richard Adams	5 - 10	-	5 - 10	-
Lilian Jennett	5 - 10	-	5 - 10	-
Allen McCartney	5 - 10	-	5 - 10	-
Colin Reid	5 - 10	-	5 - 10	-
Austin Smith	5 - 10	-	5 - 10	-
Geraldine Donaghy	5 - 10	-	5 - 10	-
Ruth Laird	5 - 10	-	5 - 10	-
Patricia McCoy	5 - 10	-	5 - 10	-
Una O'Kane	5 - 10	-	5 - 10	-
Sarah Havlin*	5 - 10	-	0 - 5	-
Denis Power*	5 - 10	-	0 - 5	-
Lindsey Smith*	5 - 10	-	0 - 5	-

\* S Havlin, D Power and L Smith joined RQIA's Board during 2011/12. The full year equivalent in 2011/12 for each of these board members was £5000 – £10,000.

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



**Glenn Houston**  
Chief Executive

**Date: 4 July 2013**

## **STATEMENT OF ACCOUNTING OFFICER RESPONSIBILITIES**

Under the Health and Personal Social Services (Quality improvement and Regulation) (Northern Ireland) 2003, the Department of Health, Social Services and Public Safety has 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, Social Services and Public Safety including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- Make judgements and estimates on a reasonable basis.
- State whether applicable accounting standards as set out in FReM have been followed, and disclose and explain any material departures in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that 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, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Glenn Houston of The Regulation and Quality Improvement Authority 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, Social Services and Public Safety.

## **GOVERNANCE STATEMENT**

### **1. Introduction / Scope of Responsibility**

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, Social Services and Public Safety (DHSSPS).

As Chief Executive I am accountable to the RQIA 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 the DHSSPS. 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 the RQIA Board, the corporate strategy and business plan in context of the Department's wider strategic aims, Departmental requirements and current PSA objectives and targets.

The Chief Executive provides a formal report to the RQIA 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 six times a year and a number of Board Workshops are held during the year to develop strategic issues of importance.

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.

The Chair and Chief Executive along with members of the RQIA Executive Management Team (EMT) attend biannual accountability reviews with the Permanent Secretary, Chief Medical Officer, Director of Safety Quality and Standards and other senior executives of DHSSPS.

The Chief Executive and Directors attend bimonthly liaison meetings with Sponsor Branch (DHSSPS) to discuss matters of strategic importance relating to regulation and quality improvement across health and social care.

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

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 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.

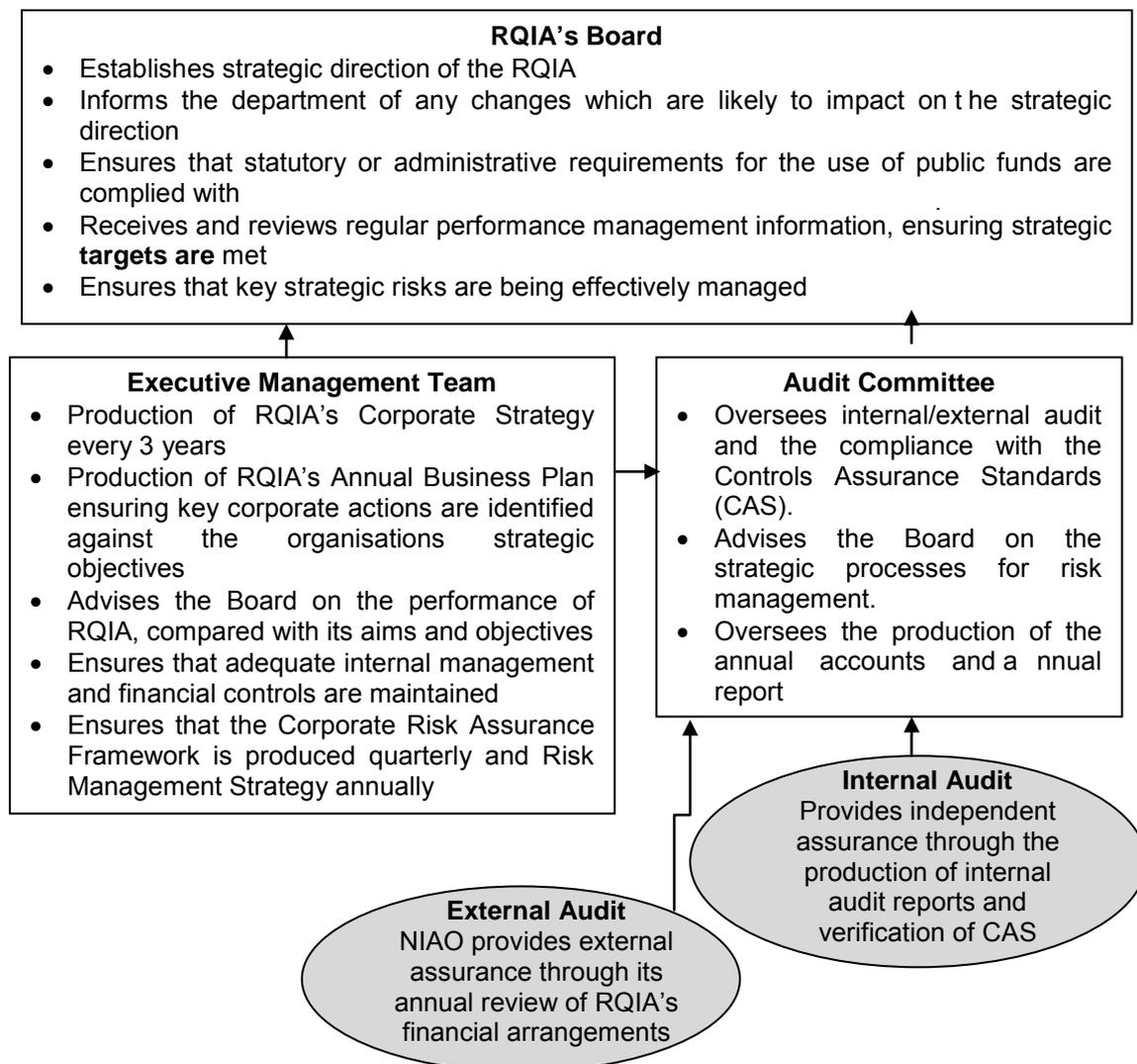
The Board of RQIA exercises strategic control over the operation of the organisation through a system of corporate governance which includes:

- 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 which is reviewed and agreed by the Board;
- 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; and
- production of RQIA's Property Asset Management Report

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 page:



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

- Audit Committee Self-Assessment – September 2012
- Self-assessment against the Governance Controls Assurance Standard – March 2013
- The Board Governance Self-Assessment Tool – May 2013

The outcomes of the self-assessments showed that RQIA continues to follow best practice in Corporate Governance. RQIA also provided Audit Committee members with training and development 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 inspect and review services and to report its findings to the Department of Health, Social Services and Public Safety (DHSSPS).

As an ALB, RQIA's approach to governance mirrors the Seven Principles of Standards in Public - the 'Nolan Principles'.

RQIA demonstrates accountability to the DHSSPS 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;
- its public Board Meetings
- 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; and
- having a robust and accessible complaints process.

## **Board Responsibility**

RQIA has an independent board of 13 members including the Chairman. Each board member is appointed by the Minister for Health, Social Services and Public Safety 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 the 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 the 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;
- monitoring the performance of the Chief Executive and his 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 debates issues and makes evidence-based decisions based on appropriate, accurate and timely information and advice from the Executive Management Team (EMT).
- 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.
- 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 to 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.

RQIA has a data quality assurance process in place which provides the Board with assurance that data collected and information provided to them is fit for purpose, robust and of a consistently high standard.

### **Audit Committee Responsibility**

The Board has established an Audit Committee as a Committee of the Board to support them in their 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 of 5 non-executive Board members, including the 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 Statement on Internal Control;
- 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 external audit's management letter;
- assurances relating to the corporate governance requirements for the organisation;
- (where appropriate) proposals for appointments for either Internal or External Audit services and for the commissioning of non-audit services from contractors who provide audit services;
- 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.

### **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 objectives, general functions and duties and exercising its legal powers;
- developing plans, programmes and policies for Board approval;
- delivering RQIA's services in line with targets and performance indicators agreed by the Board;
- developing the RQIA's relationships with key stakeholders;
- communicating RQIA's plans and achievements to stakeholders, RQIA's staff, DHSSPS and the general public;
- acting as RQIA's Accounting Officer, reporting to the DHSSPS 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 their role and responsibilities as set out in this governance statement.

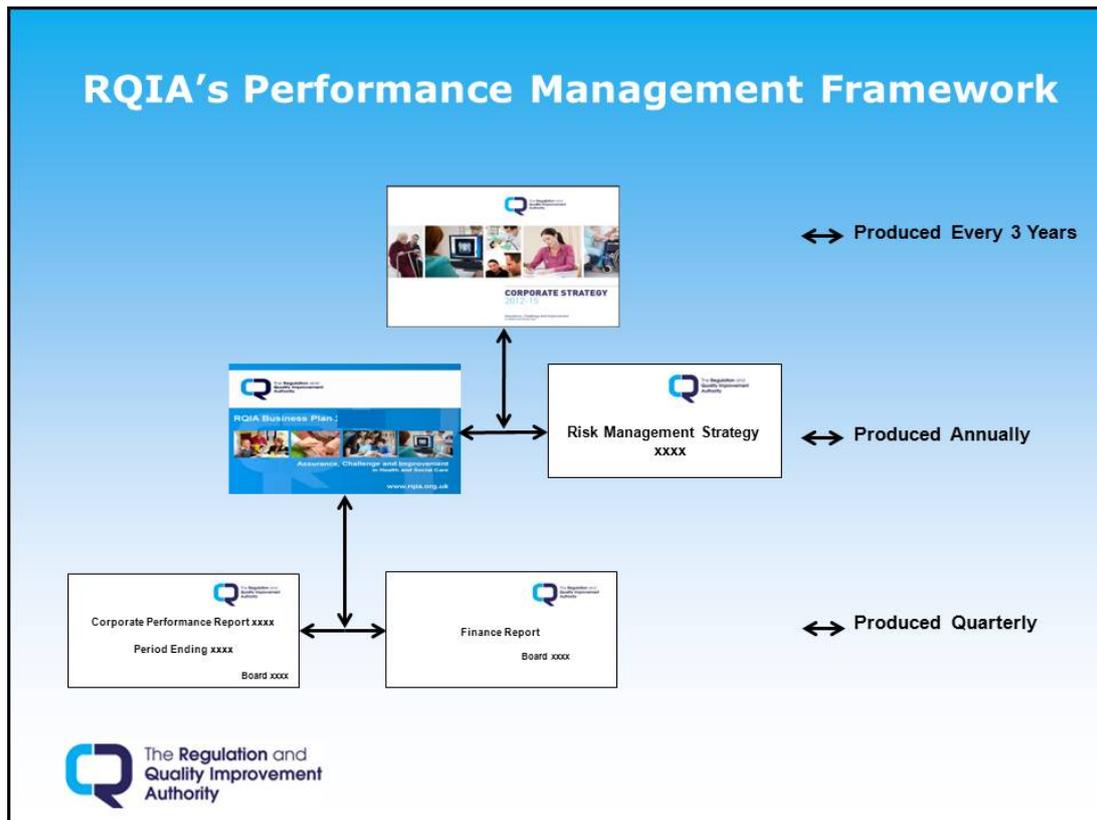
#### **4. Business Planning and Risk Management**

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

RQIA's Performance Management Framework brings together the Strategy, Business Plan, Risk Management Strategy, Finance Reports and Corporate Performance Reports. The framework follows the plan-do-review-revise cycle and presents an integrated model consisting of the following four key constituent elements:

- Where we want to be
- How will we do it
- How are we doing
- How we need to act differently

The diagram in the next page demonstrates how RQIA's three 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 the RQIA website.

The Risk Management Strategy outlines an overall approach to risk management that addresses the current risks facing the 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. The RQIA Board provides leadership through its governance arrangements, annual reviews, approval of the Risk Management Strategy and Corporate Risk Assurance Framework reports, and has oversight of the risk management process through the Audit Committee.

## 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, encryption of portable media and adherence to corporate security policies for ICT and Data Protection. RQIA also achieved substantive compliance with the HSC CAS in Records Management and ICT during 2012/13.

RQIA has nominated a Personal Data Guardian, Senior Information Risk Owner, Information Asset Owner and information Asset Assistants. It has appointed a Head of Information and an Information Governance and Records Manager.

All RQIA officers are provided with induction and annual training in information and ICT policies and procedures and have relevant clauses in the contracts of employment. Board members have also received training in information governance. RQIA is committed to the principles of the DHSSPSNI Code of Confidentiality and the Protocol for Information sharing and is a registered data controller with the ICO.

RQIA has introduced a suite of information and ICT policies 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 DHSSPSNI Information and Analysis Unit on statutory processing of DPA and FOI requests
- DHSS Controls Assurance Standards
- Internal Audit
- Governance Statement

## **6. 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. It engages with services users and carers using a variety of methods (as appropriate) including, one to one meetings, questionnaires and focus groups. It gathers information from a user/carer/stakeholder perspective for the purpose of making clear and informed judgments when assessing associated risks.

RQIA also engages with stakeholders at a corporate level. This allows it to plan activities in advance and to take into consideration the views of the public, service users and carers. During 2011-12 RQIA engaged with its external stakeholders to develop and agree the RQIA Corporate Strategy 2012-15 and Three Year Review programme 2012-15, by way of hosting a number of pre-consultation and consultation events.

RQIA embeds Personal and Public Involvement (PPI) as a fundamental part of its work. During 2012/13 RQIA progressed a number of actions flowing from the PPI Annual Plan. Key Actions included:

- Active involvement of service user views in conventional domiciliary care agency inspection

- Completion of inspection of Children’s Residential Homes using Peer Reviewers from VOYPIC and Sixth Sense
- Completion of a programme of patient experience reviews of those people subject to detention under the Mental Health (NI) Order 1986
- Review of the approach to and the involvement by lay reviewers in carrying out the Review programme
- Introduction of lay involvement in RQIA’s PPI Forum
- RQIA continues to contribute to the regional standardisation work in relation to PPI
- RQIA determined its approach to include lay reviewer input during Hygiene and Infection Prevention and Control inspections for the 2013/14 inspection year

## **7. Assurance**

Assurances on the effectiveness of the system of internal control 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 by considerations made by the external auditors in their management letter and other reports.

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

- Executive 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 the departmental guidance.
- Internal audit is provided by the Internal Audit Unit of BSO which operates to defined standards and whose work is informed by an analysis of risk to which RQIA is exposed. There is continued coverage of the financial systems through its finance review, corporate risk-based audit and governance audits.
- A Service Level Agreement exists with the Business Services Organisation to provide human resources, equality, internal audit, finance, legal and procurement services to RQIA and assurance concerning the operation of these systems is provided annually by its Chief Executive;
- The report by the external auditor to those charged with governance;
- An audit action plan charting progress in implementing the agreed recommendations of internal and external audit reports is regularly reviewed by the Audit Committee which also advises on the review of the effectiveness of the system of internal control, and is presented to the Board for noting.

### **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 2012/13.

RQIA achieved the following levels of compliance for 2012/13:

<b>Standard</b>	<b>DHSSPS Expected Level of Compliance</b>	<b>Level of Compliance</b>	<b>Reviewed by</b>
<b>Financial Management</b> (Core Standard)	75% - 99% (Substantive)	80% Substantive	Internal Audit Unit BSO
<b>Management of Purchasing &amp; Supply</b> (Core Standard)	75% - 99% (Substantive)	82% Substantive	Internal Audit Unit BSO
<b>Governance</b> (Core Standard)	75% - 99% (Substantive)	87% 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> (Core Standard)	75% - 99% (Substantive)	86% Substantive	Internal Audit Unit BSO
<b>Security Management</b>	75% - 99% (Substantive)	88% Substantive	Internal Audit Unit BSO
<b>Fire Safety</b>	75% - 99% (Substantive)	88% Substantive	Internally within RQIA
<b>Records Management</b>	75% - 99% (Substantive)	91% Substantive	Internally within RQIA
<b>Information Communications Technology</b>	75% - 99% (Substantive)	82% Substantive	Internally within RQIA
<b>Human Resources</b>	75% - 99% (Substantive)	86% Substantive	Internally within RQIA

## **8. Sources of Independent Assurance**

The RQIA obtains Independent Assurance from:

- Internal Audit
- Northern Ireland Audit Office (NIAO)

### **Internal Audit**

RQIA has an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the body is exposed. Annual audit plans are based on this analysis.

In 2012-13 Internal Audit reviewed the following systems:

- Risk Management – (satisfactory level of assurance received)
- Registration (Dental) - (satisfactory level of assurance received)
- Reviews - (satisfactory level of assurance received)
- Mental Health Order Inspection Programmes - (satisfactory level of assurance received)
- Information & Communication Technology - (satisfactory level of assurance received)
- Financial Review - (limited level of assurance received)

In the annual report, the Internal Auditor reported that there is a satisfactory system of internal control designed to meet the Authority's objectives. There were a range of significant (priority one) weaknesses in control identified relating to the on-going issues with the implementation of the new Finance Procurement and Logistics (FPL)

and Human Resource, Payroll, Travel and Subsistence (HRPTS) systems. RQIA plans to take action to address the recommendations from the internal audit report. Concerns in relation to FPL have been discussed at length at various Board Meetings and Audit Committees since January 2013. At the request of the Board and Audit Committee the Chief Executive wrote to BSO in March and May 2013 and DHSSPS in May 2013 to escalate these concerns.

Priority two and three weaknesses in control were identified in a small number of areas. Recommendations to address these control weaknesses have been or are being implemented.

### **Northern Ireland Audit Office**

The financial audit of RQIA was undertaken by the Northern Ireland Audit Office (NIAO) who has engaged ASM to perform the audit fieldwork. NIAO's approach to the 2012-13 Audit was executed in accordance with the Audit Strategy presented to the Audit Committee in January 2013. The Report for those Charged with Governance was issued in June 2013.

NIAO provided an unqualified audit opinion. However there was one priority one weaknesses in control identified in relation to the migration to the new finance and payroll system which is currently being addressed as described in the internal audit section of this report.

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

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal governance. My review of the effectiveness of the 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.

## **10. Internal Governance Divergences**

During 2011-12 Internal Audit (BSO) in completion of an agreed plan of audits did not identify any significant (priority one) weakness in control.

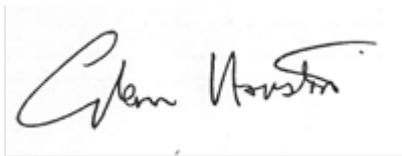
The implementation of the new FPL System is one strand in the HSC-wide Business Services Transformation Project (BSTP). FPL went live in RQIA in November 2012. However, problems with the system in relation to training provided to core users and issues with the performance, functionality and stability of the system were encountered from the very beginning. The concerns and risks associated with FPL resulted in a new risk being added to RQIA's Corporate Risk Assurance Framework Report in January 2013. The risk in relation to FPL was re-classified from a Medium to a High Risk Rating in May 2013.

Internal Audit has provided a “*limited assurance*” in relation to the Financial Review 2012/13. This means that “*there is considerable risk that the system will fail to meet its objectives. Prompt action is required to improve the adequacy and effectiveness of risk management, control and governance.*” Internal Audit identified a range of Priority 1 weaknesses in relation to on-going issues with the implementation of the new FPL and HRPTS systems. Similarly, NIAO was not able to provide the normal assurances in relation to Business Service Organisation (BSO) new systems and processes this year. This resulted in a priority one recommendation in relation to the migration to the new finance and payroll system. In response to the Internal and External Audit reports, RQIA has identified a number of key actions to address the weaknesses in internal control emanating from the implementation of FPL.

## **11. 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 the Body and in conjunction with assurances given to me by the Head of Internal audit, I am content that the RQIA has operated a sound system of internal governance during the period 2012 -13.



**Glenn Houston**  
**Chief Executive**

**Date: 4 July 2013**

## **REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

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

I certify that I have audited the financial statements of the Regulation and Quality Improvement Authority for the year ended 31 March 2013 under the Health and Personal Social Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of 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 Remuneration Report that is described in that report as having been audited.

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

As explained more fully in the Statement of the Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to examine, certify and report on the financial statements in accordance with the Health and Personal Social Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Financial Reporting Council's Ethical Standards for Auditors.

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

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

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

#### **Opinion on Regularity**

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

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

In my opinion:



- the financial statements give a true and fair view of the state of the Regulation and Quality Improvement Authority's affairs as at 31 March 2013 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Health and Personal Social Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003 and Department of Health, Social Services and Public Safety directions issued thereunder.

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

In my opinion:

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

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

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

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

#### **Report**

I have no observations to make on these financial statements.

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

10 July 2013

**The Regulation and Quality Improvement  
Authority Statement of Accounts**

**For the year ended 31 March 2013**

**STATEMENT OF COMPREHENSIVE NET EXPENDITURE  
for the year ended 31 March 2013**

	Note	2013 £	2012 £
<b>Expenditure</b>			
Staff costs	3.1	(6,073,952)	(5,822,990)
Depreciation	4	(50,348)	(46,606)
Other expenditures	4	(1,351,673)	(1,416,648)
		<u>(7,475,973)</u>	<u>(7,286,244)</u>
<b>Income</b>			
Income from activities	5.1	0	0
Other income	5.2	889,643	1,206,869
Deferred income	5.3	0	0
		<u>889,643</u>	<u>1,206,869</u>
<b>Net Expenditure</b>		<b><u>(6,586,330)</u></b>	<b><u>(6,079,375)</u></b>
Revenue Resource Limit (RRL)	25.1	6,588,932	6,072,364
<b>Surplus / (Deficit) against RRL</b>		<b><u>2,602</u></b>	<b><u>(7,011)</u></b>
<b>OTHER COMPREHENSIVE EXPENDITURE</b>			
	Note	2013 £	2012 £
Net gain/(loss) on revaluation of property, plant and equipment	6.1/6.2/10	1,541	0
Net gain/(loss) on revaluation of intangibles	7.1/7.2/10	0	0
Net gain/(loss) on revaluation of available for sales financial assets		0	0
<b>TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2013</b>		<b><u>(6,584,789)</u></b>	<b><u>(6,079,375)</u></b>

The notes on pages 78 to 107 form part of these accounts.

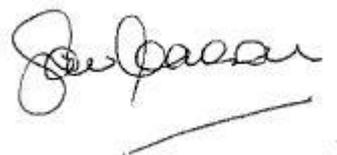
**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2013**

	Note	2013		2012	
		£	£	£	£
<b>Non Current Assets</b>					
Property, plant and equipment	6.1/6.2	257,770		172,990	
Intangible assets	7.1/7.2	<u>4,000</u>		<u>13,333</u>	
<b>Total Non Current Assets</b>			261,770		186,323
<b>Current Assets</b>					
Trade and other receivables	12.0	17,700		13,834	
Other current assets	12.0	31,268		21,301	
Cash and cash equivalents	13.0	<u>8,063</u>		<u>24,127</u>	
<b>Total Current Assets</b>			57,031		59,262
<b>Total Assets</b>			<u><b>318,801</b></u>		<u><b>245,585</b></u>
<b>Current Liabilities</b>					
Trade and other payables	14.0	(1,394,054)		(510,589)	
Other liabilities	14.0	<u>0</u>		<u>0</u>	
<b>Total Current Liabilities</b>			(1,394,054)		(510,589)
<b>Non Current Assets plus/less Net Current Assets / Liabilities</b>			<u><b>(1,075,253)</b></u>		<u><b>(265,004)</b></u>
<b>Non Current Liabilities</b>					
<b>Total Non Current Liabilities</b>			0		0
<b>Assets less Liabilities</b>			<u><b>(1,075,253)</b></u>		<u><b>(265,004)</b></u>
<b>Taxpayers' Equity</b>					
Revaluation reserve		1,541		0	
SoCNE reserve		<u>(1,076,794)</u>		<u>(265,004)</u>	
			<u><b>(1,075,253)</b></u>		<u><b>(265,004)</b></u>



**Glenn Houston  
Chief Executive**

**Date: 4 July 2013**



**Ian Carson  
Chairman**

**Date: 4 July 2013**

The notes on pages 78 to 107 form part of these accounts.

**STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2013

	Note	2013 £	2012 £
<b>Cash flows from operating activities</b>			
Net expenditure after interest		(6,586,330)	(6,079,375)
Adjustments for non cash costs	25.1	74,131	83,024
(Increase)/decrease in trade and other receivables	12.0	(13,833)	5,281
<b>Less movements in receivables relating to items not passing through the SCNE</b>			
Movements in receivables relating to the sale of property, plant and equipment		0	0
Movements in receivables relating to the sale of intangibles		0	0
Movements in receivables relating to finance leases		0	0
Movements in receivables relating to PFI and other service concession arrangement contracts		0	0
(Increase)/decrease in inventories		0	0
Increase/(decrease) in trade payables		883,465	143,598
<b>Less movements in payables relating to items not passing through the SCNE</b>			
Movements in payables relating to the purchase of property, plant and equipment		(38,355)	(27,285)
Movements in payables relating to the purchase of intangibles		0	0
Movements in payables relating to finance leases		0	0
Movements in payables relating to PFI and other service concession arrangement contracts		0	0
Use of provisions		0	0
<b>Net cash outflow from operating activities</b>		<b>(5,680,922)</b>	<b>(5,874,757)</b>
<b>Cash flows from investing activities</b>			
(Purchase of property, plant & equipment)	6	(95,682)	(15,202)
(Purchase of intangible assets)		0	0
Proceeds of disposal of property, plant & equipment		0	0
Proceeds on disposal of intangibles		0	0
Proceeds on disposal of assets held for resale		0	0
<b>Net cash outflow from investing activities</b>		<b>(95,682)</b>	<b>(15,202)</b>
<b>Cash flows from financing activities</b>			
Grant in aid		5,760,540	5,910,000
Cap element of payments - finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		0	0
<b>Net financing</b>		<b>5,760,540</b>	<b>5,910,000</b>
<b>Net increase (decrease) in cash &amp; cash equivalents in the period</b>		<b>(16,064)</b>	<b>20,041</b>
<b>Cash &amp; cash equivalents at the beginning of the period</b>	13	<b>24,127</b>	<b>4,086</b>
<b>Cash &amp; cash equivalents at the end of the period</b>	13	<b>8,063</b>	<b>24,127</b>

The notes on pages 78 to 107 form part of these accounts.

**STATEMENT OF CHANGES IN TAXPAYERS EQUITY  
for the year ended 31 March 2013**

	Note	SoCNE Reserve	Revaluation Reserve	Total
		£	£	£
<b>Balance at 31 March 2011</b>		(115,949)	0	(115,949)
<b>Changes in Taxpayers Equity 2011-12</b>				
Grant from DHSSPS		5,910,000	0	5,910,000
Transfers between reserves		0	0	0
(Comprehensive expenditure for the year)		(6,079,375)	0	(6,079,375)
Transfer of asset ownership		0	0	0
Non cash charges - auditors remuneration	4	20,320	0	20,320
<b>Balance at 31 March 2012</b>		(265,004)	0	(265,004)
<b>Changes in Taxpayers Equity 2012-13</b>				
Grant from DHSSPS		5,760,540	0	5,760,540
Transfers between reserves		0	0	0
(Comprehensive expenditure for the year)		(6,586,330)	1,541	(6,584,789)
Transfer of asset ownership		0	0	0
Non cash charges - auditors remuneration	4	14,000	0	14,000
<b>Balance at 31 March 2013</b>		(1,076,794)	1,541	(1,075,253)

The notes on pages 78 to 107 form part of these accounts.

## **NOTE 1 - STATEMENT OF ACCOUNTING POLICIES**

### **1. Authority**

These accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety based on guidance from the Department of Finance and Personnel's Financial Reporting manual (FReM) and in accordance with the requirements of The Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003.

The accounting policies follow International Financial Reporting Standards (IFRS) to the extent that it is meaningful and appropriate to 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.

#### **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 where appropriate.

#### **1.2 Currency and Rounding**

These accounts are presented in UK Pounds sterling.

#### **1.3 Property, Plant and Equipment**

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

##### **Recognition**

Property, plant and equipment must be capitalised if:

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

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

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

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

### **Assets Under Construction (AUC)**

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees as allowed by IAS 23 for assets held at fair value. 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.

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

Items under construction are not depreciated until they are commissioned.

### **1.5 Impairment loss**

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

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

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

Intangible assets, such as software licences, are amortised over 5 years as short life 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 Donated assets**

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

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

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

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

### **1.10 Inventories**

RQIA does not hold any inventories.

### **1.11 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 and the Health and Social Care Board are accounted for as grant in aid and are reflected through the Statement of Comprehensive net Expenditure Reserve.

### **1.12 Investments**

RQIA does not have any investments.

### **1.13 Other expenses**

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

### **1.14 Cash and cash equivalents**

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

cash with insignificant risk of change in value. RQIA holds no cash equivalent investments.

### **1.15 Leases**

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

#### **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.

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

RQIA has no PFI transactions.

### **1.17 Financial instruments**

#### **Financial assets**

Financial assets are recognised on the balance sheet 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.

#### **Financial liabilities**

Financial liabilities are recognised on the balance sheet 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. Due to our relationships with HSC Commissioners, and the manner in which we 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 too 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.

### **1.18 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 the 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 the 31 March 2012 or the 31 March 2013.

### **1.19 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.

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.

RQIA had no contingent liabilities or assets at 31 March 2013.

## **1.20 Employee benefits**

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

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. Untaken flexi leave is estimated to be immaterial 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 DHSSPS. 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, Social Services and Public Safety.

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. A full valuation as at 31 March 2008 was completed in 2010-11.

## **1.21 Reserves**

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

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

### **Revaluation Reserve**

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

## **1.22 Value Added Tax**

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.

### **1.23 Third party assets**

RQIA does not hold material assets belonging to third parties.

### **1.24 Government Grants**

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

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

### **1.25 Losses and Special Payments**

Losses and special payments are items that the Northern Ireland 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 RQIA not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which reports amounts on an accruals basis with the exception of provisions for future losses.

### **1.26 Accounting standards that have been issued but have not yet been adopted**

Under International Accounting Standard (IAS) 8 there is a requirement to disclose those standards issued but not yet adopted.

The International Accounting Standards Board (IASB) have issued new and amended standards (IFRS 10, IFRS 11 & IFRS 12) that affect the consolidation and reporting of subsidiaries, associates and joint ventures. These standards have an effective date of January 2013, and EU adoption is due from 1 January 2014. The application of these IFRS changes is subject to further review by Treasury and the other Relevant Authorities before due process consultation.

Accounting boundary IFRS' are currently adapted in the FReM so that the Westminster departmental accounting boundary is based on ONS control criteria, as designated by Treasury. A review of the NI financial process is currently under discussion with the NI Executive. Should this go ahead, the impact on DHSSPS and its Arms length bodies is expected to focus around the disclosure requirements under IFRS 12.

RQIA's 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.

**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 decisions on that basis. RQIA therefore reports on a single operational segment basis.

### NOTE 3 - STAFF NUMBERS AND RELATED COSTS

#### 3.1 - Staff Costs

Staff Costs comprise:

Staff costs comprise:	2013			2012
	Permanently employed staff £	Others £	Total £	Total £
Wages and salaries	4,947,057	180,017	5,127,074	4,883,371
Social security costs	411,563		411,563	383,541
Other pension costs	578,980		578,980	556,078
<b>Sub-Total</b>	<b>5,937,600</b>	<b>180,017</b>	<b>6,117,617</b>	<b>5,822,990</b>
Less Capitalised staff costs	43,665		43,665	0
<b>Total staff costs reported in Statement of Comprehensive Expenditure</b>	<b>5,893,935</b>	<b>180,017</b>	<b>6,073,952</b>	<b>5,822,990</b>
Less recoveries in respect of outward secondments			49,128	43,511
<b>Total net costs</b>			<b>6,024,824</b>	<b>5,779,479</b>

Staff costs represent 82% of RQIA's expenditure.

#### 3.2 - Average number of persons employed

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

	2013			2012
	Permanently employed staff No.	Others No.	Total No.	Total No.
Administrative & clerical	140	8	148	143
<b>Total average number of persons employed</b>	<b>140</b>	<b>8</b>	<b>148</b>	<b>143</b>
Less average staff number relating to capitalised staff costs	1		1	0
Less average staff number in respect of outward secondments	1		1	1
<b>Total net average number of persons employed</b>	<b>138</b>	<b>8</b>	<b>146</b>	<b>142</b>

### **3.3 - Senior Employees' Remuneration**

Details of senior employees' remuneration are included within the remuneration report.

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

There were no early retirements or awards of any compensation packages in 2012/13 or 2011/12.

### **3.5 - Staff Benefits**

RQIA does not make any payments in relation to staff benefits.

### **3.6 - Trust Management Costs**

Not applicable to RQIA.

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

During 2012/13 there were no early retirements agreed on the grounds of ill-health. Therefore there are no additional pension liabilities to be borne by the HSC Pension Scheme.

## NOTE 4 - OPERATING EXPENSES

Operating Expenses are as follows:

	2013	2012
	£	£
<b>Operating Expenses are as follows:-</b>		
Supplies and services - General	41,029	29,972
Establishment	343,772	321,716
Premises	187,017	167,658
Bad debts	0	0
Rentals under operating leases	203,290	207,447
BSO services	190,864	149,114
Training	77,679	79,003
ICT Maintenance	116,949	211,300
ICT Hardware and Software	78,934	55,075
Miscellaneous expenditure	88,357	158,945
<b>Non cash items</b>		
Depreciation	50,348	46,606
Amortisation	9,333	13,151
Loss on disposal of property, plant & equipment (including land)	449	2,947
Loss on disposal of intangibles	0	0
Auditors remuneration	14,000	20,320
<b>Total</b>	<b><u>1,402,021</u></b>	<b><u>1,463,254</u></b>

During 2012/13 RQIA made one payment to NIAO for work outside their Audit Responsibility. This related to NIAO's input to the National Fraud Initiative.

## NOTE 5 - INCOME

### 5.1 - Income from Activities

RQIA did not receive income from activities in 2012/13 or 2011/12.

### 5.2 - Other Operating Income

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other income from non-patient services	5,409	14,878
Seconded staff	50,211	43,511
Donations / Government grant / Lottery funding for non current assets	0	0
Other income from Fees Levied on registered bodies	834,023	1,148,480
<b>Total</b>	<b>889,643</b>	<b>1,206,869</b>

### 5.3 - Deferred income

RQIA did not receive any deferred income in 2012/13 or 2011/12.

## NOTE 6 – PROPERTY, PLANT & EQUIPMENT

### 6.1 – Property, plant & equipment – year ended 31 March 2013

	<b>Plant and Machinery (Equipment)</b>	<b>Asset Under Construction</b>	<b>Information Technology (IT)</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	£	£	£	£	£
<b>Cost or Valuation</b>					
At 1 April 2012	103,729	0	281,558	103,325	488,612
Indexation	0	0	0	1,808	1,808
Additions	0	89,779	44,257	0	134,036
Disposals	0	0	(5,362)	0	(5,362)
At 31 March 2013	<b>103,729</b>	<b>89,779</b>	<b>320,453</b>	<b>105,133</b>	<b>619,094</b>
<b>Depreciation</b>					
At 1 April 2012	83,583	0	216,735	15,304	315,622
Indexation	0	0	0	267	267
Disposals	0	0	(4,913)	0	(4,913)
Provided during the year	7,120	0	32,715	10,513	50,348
At 31 March 2013	<b>90,703</b>	<b>0</b>	<b>244,537</b>	<b>26,084</b>	<b>361,324</b>
<b>Carrying Amount</b>					
At 31 March 2013	<b>13,026</b>	<b>89,779</b>	<b>75,916</b>	<b>79,049</b>	<b>257,770</b>
At 31 March 2012	<b>20,146</b>	<b>0</b>	<b>64,823</b>	<b>88,021</b>	<b>172,990</b>
<b>Asset financing</b>					
Owned	13,026	89,779	75,916	79,049	257,770
<b>Carrying Amount</b> At 31 March 2013	<b>13,026</b>	<b>89,779</b>	<b>75,916</b>	<b>79,049</b>	<b>257,770</b>

None of RQIA's assets were purchased through finance leases or HP contracts.

## 6.2 – Property, plant & equipment – year ended 31 March 2012

	<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 2011	103,729	286,766	136,927	527,422
Indexation	0	0	0	0
Additions	0	15,676	26,811	42,487
Disposals	0	(20,884)	(60,413)	(81,297)
At 31 March 2012	<b>103,729</b>	<b>281,558</b>	<b>103,325</b>	<b>488,612</b>
<b>Depreciation</b>				
At 1 April 2011	76,462	202,838	68,065	347,365
Indexation	0	0	0	0
Disposals	0	(17,936)	(60,413)	(78,349)
Provided during the year	7,121	31,833	7,652	46,606
At 31 March 2012	<b>83,583</b>	<b>216,735</b>	<b>15,304</b>	<b>315,622</b>
<b>Carrying Amount</b>				
At 31 March 2012	<b>20,146</b>	<b>64,823</b>	<b>88,021</b>	<b>172,990</b>
At 1 April 2011	<b>27,267</b>	<b>83,928</b>	<b>68,862</b>	<b>180,057</b>
<b>Asset financing</b>				
Owned	20,146	64,823	88,021	172,990
<b>Carrying Amount</b> At 31 March 2012	<b>20,146</b>	<b>64,823</b>	<b>88,021</b>	<b>172,990</b>
<b>Asset financing</b>				
Owned	27,267	83,928	68,862	180,057
<b>Carrying Amount</b> At 1 April 2011	<b>27,267</b>	<b>83,928</b>	<b>68,862</b>	<b>180,057</b>

**NOTE 7 - INTANGIBLE ASSETS**

**7.1 – Intangible assets – year ended 31 March 2013**

	<b>Software Licenses</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost or Valuation</b>		
At 1 April 2012	141,623	141,623
At 31 March 2013	<b>141,623</b>	<b>141,623</b>

**Amortisation**

At 1 April 2012	128,290	128,290
Indexation	0	0
Provided during the year	9,333	9,333
At 31 March 2013	<b>137,623</b>	<b>137,623</b>

**Carrying Amount**

At 31 March 2013	<b>4,000</b>	<b>4,000</b>
At 31 March 2012	<b>13,333</b>	<b>13,333</b>

**Asset financing**

Owned	4,000	4,000
<b>Carrying Amount</b>		
At 31 March 2013	<b>4,000</b>	<b>4,000</b>

## 7.2 – Intangible assets – year ended 31 March 2012

	<b>Software Licenses</b> £	<b>Total</b> £
<b>Cost or Valuation</b>		
At 1 April 2011	141,623	141,623
At 31 March 2012	<b>141,623</b>	<b>141,623</b>
<b>Amortisation</b>		
At 1 April 2011	115,139	115,139
Provided during the year	13,151	13,151
At 31 March 2012	<b>128,290</b>	<b>128,290</b>
<b>Carrying Amount</b>		
At 31 March 2012	<b>13,333</b>	<b>13,333</b>
At 1 April 2011	<b>26,484</b>	<b>26,484</b>

### Asset financing

Owned	13,333	13,333
<b>Carrying Amount</b> At 31 March 2012	<b>13,333</b>	<b>13,333</b>

### Asset financing

Owned	26,484	26,484
<b>Carrying Amount</b> At 1 April 2011	<b>26,484</b>	<b>26,484</b>

**NOTE 8 - FINANCIAL INSTRUMENTS**

RQIA is a non-departmental public body funded by its sponsor body in the DHSSPS and holds no powers to borrow funds or invest surplus funds. RQIA does not hold any financial instruments and is not exposed to credit, interest rate, or currency risk.

**NOTE 9 - ASSETS CLASSIFIED AS HELD FOR SALE**

RQIA did not hold any assets classified as held for sale in 2012/13 or 2011/12.

**NOTE 10 - IMPAIRMENTS**

There were no impairments in 2012/13.

**NOTE 11 - INVENTORIES**

RQIA does not hold any inventories.

## NOTE 12 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS

### 12.1 - Trade receivables and other current assets

	2013 £	2012 £
<b>Amounts falling due within one year</b>		
Trade receivables	17,700	13,834
<b>Trade and other receivables</b>	<u>17,700</u>	<u>13,834</u>
Prepayments and accrued income	31,268	21,301
<b>Other current assets</b>	<u>31,268</u>	<u>21,301</u>
<b>Amounts falling due after more than one year</b>		
Trade and other receivables	0	0
Prepayments and accrued income	0	0
<b>Other current assets falling due after more than one year</b>	<u>0</u>	<u>0</u>
<b>Total Trade and Other Receivables</b>	<u>17,700</u>	<u>13,834</u>
<b>Total Other Current Assets</b>	<u>31,268</u>	<u>21,301</u>
<b>Total Receivables and other Current Assets</b>	<u><u>48,968</u></u>	<u><u>35,135</u></u>

### 12.2 - Trade receivables and other current assets: Intra-Government balances

	Amounts falling due within 1 year 2012/13 £	Amounts falling due within 1 year 2011/12 £	Amounts falling due after more than 1 year 2012/13 £	Amounts falling due after more than 1 year 2011/12 £
Balances with other central government bodies	0	0	0	0
Balances with NHS /HSC Trusts	12,753	1,350	0	0
<b>Intra-government balances</b>	<u>12,753</u>	<u>1,350</u>	<u>0</u>	<u>0</u>
Balances with bodies external to government	36,215	33,785	0	0
<b>Total receivables and other current assets at 31 March</b>	<u><u>48,968</u></u>	<u><u>35,135</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

## NOTE 13 - CASH AND CASH EQUIVALENTS

	2013 £	2012 £
Balance at 1st April	24,127	4,086
Net change in cash and cash equivalents	(16,064)	20,041
<b>Balance at 31st March</b>	<b>8,063</b>	<b>24,127</b>
<b>The following balances at 31 March were held at</b>	<b>2013 £</b>	<b>2012 £</b>
Commercial banks and cash in hand	8,063	24,127
<b>Balance at 31st March</b>	<b>8,063</b>	<b>24,127</b>

## NOTE 14 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

### 14.1 - Trade payables and other current liabilities

	2013 £	2012 £
<b>Amounts falling due within one year</b>		
Other taxation and social security	223,239	0
Trade capital payables - property, plant and equipment	73,794	35,439
Trade revenue payables	272,982	238,511
Payroll payables	103,521	127,046
BSO payables	695,745	109,593
Other payables	24,773	0
<b>Trade and other payables</b>	<b>1,394,054</b>	<b>510,589</b>
<b>Other current liabilities</b>	<b>0</b>	<b>0</b>
<b>Total payables falling due within one year</b>	<b>1,394,054</b>	<b>510,589</b>
<b>Amounts falling due after more than one year</b>		
<b>Total non current other payables</b>	<b>0</b>	<b>0</b>
<b>Total Trade Payables and Other Current Liabilities</b>	<b>1,394,054</b>	<b>510,589</b>

## 14.2 - Trade payables and other current liabilities - Intra-government balances

	Amounts falling due within 1 year 2012/13	Amounts falling due within 1 year 2011/12	Amounts falling due after more than 1 year 2012/13	Amounts falling due after more than 1 year 2011/12
	£	£	£	£
Balances with other central government bodies	918,984	109,593	0	0
Balances with local authorities	1,588	2,267	0	0
Balances with NHS /HSC Trusts	753	35,061	0	0
Balances with public corporations and trading funds	0	0	0	0
<b>Intra-government balances</b>	<b>921,325</b>	<b>146,921</b>	<b>0</b>	<b>0</b>
Balances with bodies external to government	472,729	363,668		0
<b>Total payables and other liabilities at 31 March</b>	<b>1,394,054</b>	<b>510,589</b>	<b>0</b>	<b>0</b>

## 14.3 – Loans

RQIA did not have any loans payable at either 31 March 2013 or 31 March 2012.

## NOTE 15 - PROMPT PAYMENT POLICY

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

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

	2013 Number	2013 £	2012 Number	2012 £
Total bills paid	948	1,301,475	967	964,432
Total bills paid within 30 day target or under agreed payment terms	908	1,210,600	930	884,133
% of bills paid within 30 day target or under agreed payment terms	<u>95.8%</u>	<u>93.0%</u>	<u>96.2%</u>	<u>91.7%</u>
Total Bills Paid since 1st November 2012	315	633,575		
Total bills paid within 10 day target or under agreed payment terms	214	507,972		
% of bills paid within 10 day target or under agreed payment terms	<u>67.9%</u>	<u>80.2%</u>		

Implementation of new HSC Finance systems in November 2012 enabled reporting against the 10 day target as set out in Managing Public Money. Therefore the 10 day section in the table above covers November to March only.

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

Amount of compensation paid for payment(s) being late	£ 175
Amount of interest paid for payment(s) being late	38
<b>Total</b>	<u>213</u>

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

## **NOTE 16 - PROVISIONS FOR LIABILITIES AND CHARGES - 2013 & 2012**

RQIA did not hold any provisions in 2012/13 or 2011/12.

## **NOTE 17 - CAPITAL COMMITMENTS**

RQIA had no contracted capital commitments at 31 March 2013 not otherwise included in these financial statements.

## **NOTE 18 - COMMITMENTS UNDER LEASES**

### **18.1 - Operating Leases**

Total future minimum lease payments under operating leases are given in the table below.

	2013 £	2012 £
<b>Obligations under operating leases comprise</b>		
<b>Buildings</b>		
Not later than 1 year	193,800	193,800
Later than 1 year and not later than 5 years	775,200	775,200
Later than 5 years	568,126	761,926
	<u>1,537,126</u>	<u>1,730,926</u>
<b>Other</b>		
Not later than 1 year	8,716	3,702
Later than 1 year and not later than 5 years	14,721	3,487
Later than 5 years	0	0
	<u>23,437</u>	<u>7,189</u>

### **18.2 - Finance Leases**

RQIA does not hold any finance leases.

### **18.3 - Lessor Commitments**

RQIA does not act as a lessor.

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

### **19.1 - Off balance sheet PFI and other service concession arrangements schemes**

RQIA has no commitments under PFI or other service concession arrangement contracts.

#### **NOTE 20 - OTHER FINANCIAL COMMITMENTS**

RQIA did not have any other financial commitments at either 31 March 2013 or 31 March 2012.

#### **NOTE 21 - FINANCIAL GUARANTEES, INDEMNITIES AND LETTERS OF COMFORT**

RQIA is a non-departmental public body funded by its sponsor body in the DHSSPS and holds no powers to borrow funds or invest surplus funds. Therefore RQIA does not require or hold any financial guarantees, indemnities or letters of comfort. Similarly RQIA has not provided any guarantees, indemnities or letters of comfort.

#### **NOTE 22 - CONTINGENT LIABILITIES**

RQIA has no contingent liabilities.

#### **NOTE 23 - RELATED PARTY TRANSACTIONS**

RQIA is a non-departmental public Body sponsored by the Department of Health, Social Services and Public Safety (DHSSPS) and is regarded as a related party.

During the 2012/13 RQIA has had various material transactions with the DHSSPS and with other entities for which the DHSSPS is regarded as the parent department, particularly with the Business Services Organisation (BSO) which provides financial, human resources, procurement and legal 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.

#### **NOTE 24 - THIRD PARTY ASSETS**

RQIA did not hold any third party assets at the 31 March 2013.

## NOTE 25 - FINANCIAL PERFORMANCE TARGETS

### 25.1 - Revenue Resource Limit

RQIA is given a Revenue Resource Limit which it is not permitted to overspend. The Revenue Resource Limit (RRL) for RQIA is calculated as follows:

	<b>2013</b>	<b>2012</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
HSCB	0	21,676
DHSSPS (excludes non cash)	6,514,801	5,967,664
Non cash RRL (from DHSSPS)	74,131	83,024
<b>Total Revenue Resource Limit to Statement</b>	<hr/>	<hr/>
<b>Comprehensive Net Expenditure</b>	<b>6,588,932</b>	<b>6,072,364</b>
	<hr/> <hr/>	<hr/> <hr/>

### 25.2 - Capital Resource Limit

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

	<b>2013</b>	<b>2012</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Gross capital expenditure	134,036	42,487
(Receipts from sales of fixed assets)	0	0
Net capital expenditure	<hr/>	<hr/>
	134,036	42,487
Capital Resource Limit	137,346	45,000
<b>Overspend/(Underspend) against CRL</b>	<hr/>	<hr/>
	<b>(3,310)</b>	<b>(2,513)</b>
	<hr/> <hr/>	<hr/> <hr/>

**NOTE 25.3 - Financial Performance Targets**

RQIA is required to ensure it breaks even on an annual basis by containing its net expenditure to within £20,000 of RRL limits.

	<b>2012/13</b>	<b>2011/12</b>
	<b>£</b>	<b>£</b>
Net Expenditure	(6,586,330)	(6,079,375)
RRL	6,588,932	6,072,364
Surplus / (Deficit) against RRL	<u>2,602</u>	<u>(7,011)</u>
Break Even cumulative position(opening)	(21,987)	(14,976)
Break Even cumulative position (closing)	<u><u>(19,385)</u></u>	<u><u>(21,987)</u></u>

**Materiality Test:**

	<b>2012/13</b>	<b>2011/12</b>
	<b>%</b>	<b>%</b>
Break Even in year position as % of RRL	<u>0.04%</u>	<u>-0.12%</u>
Break Even cumulative position as % of RRL	<u>-0.29%</u>	<u>-0.36%</u>

## NOTE 26 - LOSSES & SPECIAL PAYMENTS

Type of loss and special payment	2012-13		2011-12	
	No. of Cases	£	No. of Cases	£
<b>Cash losses</b>				
Theft, fraud etc				
Overpayments of salaries, wages and allowances				
Other causes				
<b>Claims abandoned</b>				
Waived or abandoned claims				
<b>Administrative write-offs</b>				
Bad debts	2	430	0	0
Other				
	<b>2</b>	<b>430</b>	<b>0</b>	<b>0</b>
<b>Fruitless payments</b>				
Late Payment of Commercial Debt	12	213	1	30
Other fruitless payments and constructive losses	0	0		0
	<b>12</b>	<b>213</b>	<b>1</b>	<b>30</b>
<b>Stores &amp; Inventory losses</b>				
Losses of accountable stores through any deliberate act	0	0	1	520
Other stores losses				
Other Equipment & Property	2	449	8	2,947
	<b>2</b>	<b>449</b>	<b>9</b>	<b>3,467</b>
<b>Special Payments</b>				
Compensation payments				
- Clinical Negligence				
- Public Liability				
- Employers Liability				
- Other				
Ex-gratia payments	0	0	1	20
Extra contractual				
Special severance payments				
<b>TOTAL</b>	<b>16</b>	<b>1,092</b>	<b>11</b>	<b>3,517</b>

### 26.1 - Special Payments

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

## NOTE 27 - POST BALANCE SHEET EVENTS

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

**NOTE 28 - DATE AUTHORISED FOR ISSUE**

The accounting officer authorised these financial statements for issue on 10 July 2013.







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