

**The Regulation and Quality Improvement Authority
Annual Report and Accounts
1 April 2011 - 31 March 2012**

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 3 August 2012.

The Regulation and Quality Improvement Authority 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 2011 - 31 MARCH 2012

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Foreword

The Regulation and Quality Improvement Authority (RQIA) provides independent assurance about the safety, quality and availability of health and social care services in Northern Ireland.

During 2011-12, RQIA conducted 2,678 announced and unannounced inspections at 1,278 regulated health and social care services, meeting its statutory requirements in relation to the minimum number of inspections for each service. Central to all our inspection activity is the protection, safety and wellbeing of service users. Each published inspection report includes a quality improvement plan aimed at addressing issues identified during inspections. When RQIA identifies breaches of regulations we are unequivocal in our approach to enforcement. Over the course of the year RQIA took enforcement action against 28 registered services.

From 1 April 2011, RQIA undertook responsibility for the regulation of private dental treatment. During the year 174 dental practices were registered, with a view to completing regulation of all practices during 2012.

Infection prevention and hygiene inspections at hospitals and other health care facilities in Northern Ireland also continued, with inspections across 75 clinical areas during the year. These inspections took place against a backdrop of falling rates of clostridium difficile and MRSA.

In line with our planned review programme, we completed a series of reviews of health and social care services. These included reviews of sensory support services; the Northern Ireland Single Assessment Tool (NISAT); and implementation of Protocol for the Joint Investigation of Alleged and Suspected Cases of Abuse of Vulnerable Adults. We also responded to ministerial requests to conduct reviews of reporting arrangements for radiological investigations; and of incidents of *pseudomonas aeruginosa* in neonatal units in Northern Ireland. These reviews identified important recommendations to improve patient safety and the quality of services, which have relevance in Northern Ireland and beyond.

All RQIA's inspection and review reports are published on our website. At present some 5,000 RQIA reports can be accessed by the public at www.rqia.org.uk, and from April 2012 details of enforcement activity will also be available online.

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, we are obliged 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 2011-12, RQIA consulted with a wide range of stakeholders on the development of a new three year corporate strategy and a new three year review programme for the period 2012-15, both of which were published in March 2012.

In September 2011, following consultation with staff, RQIA implemented a new organisational structure with the purpose of facilitating the effective delivery of our core functions.

In 2011-12, RQIA met all of its performance management targets, including having delivered on the challenging efficiency savings targets and achieving break even on income and expenditure.

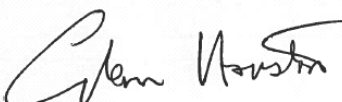
The capacity of RQIA to meet its objectives and increased responsibilities depends, above all, on the commitment and dedication of its workforce and the oversight and direction of the Board. We wish to pay tribute to our staff who have made a significant contribution to meeting the business objectives of the organisation and to acknowledge their skill, professionalism and hard work during the course of the year.

RQIA anticipates that its duties will increase further in the years ahead, taking account of changes in the pattern of service delivery as outlined in Northern Ireland's recently published blueprint for health and social care - Transforming Your Care. This also reflects the public interest in ensuring that health and social care services in Northern Ireland are subject to independent, proportionate and responsible regulation.

The Annual Report and Accounts outlines the work of the Regulation and Quality Improvement Authority, highlighting the key achievements during the year, and we are pleased to present it to you.

A handwritten signature in black ink, appearing to read 'Ian Carson', with a horizontal line underneath.

Dr Ian Carson
Chairman

A handwritten signature in black ink, appearing to read 'Glenn Houston', with a horizontal line underneath.

Glenn Houston
Chief Executive

INTRODUCTION

The Regulation and Quality Improvement Authority Annual Report and Accounts 2011-12 provide an overview of the organisation's activities over the period 1 April 2011 to 31 March 2012.

The Regulation and Quality Improvement Authority

The Regulation and Quality Improvement Authority (RQIA) is the independent health and social care regulator and quality improvement body 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; adult placement agencies; voluntary adoption agencies; and independent hospitals, hospices and clinics.

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 a responsibility for the inspection of services providing radiological procedures such as x-rays and radiotherapy. The Ionising Radiation (Medical Exposure) Regulations Northern Ireland 2000, are in place to protect service users from inappropriate or unnecessary exposure to radiation.

In its activities, RQIA promotes participation and partnership approaches with service providers and service users alike, to ensure their views are taken into account.

RQIA Board

RQIA has an independent board of 13 members including the Chairman, Dr Ian Carson. 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. In December 2011, three new members were appointed to the Board. They are: Sarah Havlin, legal member; Denis Power, financial member; and Lindsey Smith, lay member.



RQIA Board Members

(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.

The full membership of the RQIA Board is listed below, and profiles of each member are included at Appendix 1:

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

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 RQIA. The Chief Executive leads RQIA's Executive team:

- Maurice Atkinson, Director of Corporate Services
- Theresa Nixon, Director of Mental Health and Learning Disability and Social Work
- Phelim Quinn, Director of Regulation and Nursing
- David Stewart, Director of Reviews and Medical Director



RQIA Executive Team: Maurice Atkinson, Glenn Houston, Chief Executive, Theresa Nixon, Phelim Quinn, Dr David Stewart.

Staff

RQIA has a staff of 139 (132.73 full time equivalent, excluding board members, bank and agency staff), based at offices in Belfast and Omagh, who 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 2009-12.

- **Improving Care:** we encourage and promote improvements in the safety, quality and availability of services through the regulation and review of health and social care.
- **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 services.
- **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 specific 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 (from 1 April 2011)
- 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 1,278 services were registered with RQIA at 31 March 2012, an increase of 204 on the previous year. On 1 April 2011 RQIA undertook responsibility for the regulation of dental practices in Northern Ireland which provide private treatment and care. Table 1 details the number of registered services by category and, where appropriate, HSC trust location.

Table 1 details the number of registered services by category and, where appropriate, HSC trust location (at 31 March 2012)

Type 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	12	11	10	9	10	52
Day Care Settings	30	28	29	42	61	190
Domiciliary Care Agencies*						284
Independent clinics	19	2	4	4	2	31
Independent hospitals	6	1	1	1	3	12
Independent hospitals - dental treatment	47	43	38	25	21	174
Nursing agencies*						26
Nursing homes	51	65	59	50	39	264
Residential Care Homes	45	59	59	25	47	235
Residential Family Centres	2					2
Voluntary Adoption Agencies*						4
Overall Total	213	210	200	157	184	1,278*

*Totals include services not aligned to a trust area

During the year RQIA completed 478 applications for registration, including new services, managers and responsible persons, variations in registration and deregistrations.

Private Dental Regulation

Following an amendment to The Independent Health Care Regulations (Northern Ireland) 2005, from 1 April 2011, establishments providing private dental care or treatment became subject to regulation, and were required to be registered by RQIA. Prior to 1 April 2011, RQIA provided application packs to all dental practices in Northern Ireland, and engaged fully with individual practices and representative bodies through a series of information events. By 31 March 2012 174 private dental practices were registered by RQIA; 7 had sought exemption from regulation as they provided no private dental treatment; and a further 163 were in the process of registration. At 31 March 2012, 40 practices had not made an application for registration. Dental practices which did not apply to register or submit a certificate of exemption are in breach of legislation.

Southern Cross Health Care

During the course of the last year RQIA engaged with the HSC Board and HSC trusts in dealing with the consequences of the financial crisis impacting on the former Southern Cross Healthcare. The company provided services for 26 nursing and residential care homes across Northern Ireland providing almost 1,300 registered places. In working collaboratively with the other statutory agencies RQIA was able to ensure that there was minimal impact on service users during the period of transition of ownership and registration to the five new providers of the 26 services. RQIA continues to work with the HSC Board and trusts in the identification and management of any potential future service closures as a result of financial or other instabilities.

Table 2 details the number of registered places in nursing, residential care and children's homes by HSC trust area (at 31 March 2012)

Type of establishment	Belfast HSC Trust	Northern HSC Trust	South Eastern HSC Trust	Southern HSC Trust	Western HSC Trust	Total
Nursing Home	2,051	3,057	2,479	2,297	1,712	11,596*
Residential Care Home	1,270	1,025	1165	467	757	4,684
Children's Home	84	71	78	57	69	359
Total	3,405	4,153	3,722	2,821	2,538	16,639

*Including 815 residential places within nursing homes

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 of 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 place service users at risk of harm, to ensure effective

intervention and that, where appropriate, they 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 also 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 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 the year RQIA was contacted by current and former staff members of regulated services wishing to raise concerns about the quality and safety of services being provided in identified establishments and agencies. 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. RQIA followed up these reports with a series of unannounced inspections as required, which in some instances led to the issuing of requirements and enforcement action. In March 2012 the Minister published a letter providing guidance for staff wishing to raise concerns under the public interest disclosure order. RQIA published this letter on its website, along with further guidance for staff wishing to raise concerns under the Order.

In August 2011, RQIA published its Overview Inspection Report on Young People Placed in Leaving Care Projects and Health and Social Care Trusts' 16 Plus Transition Teams. This work was undertaken following the identification of concerns that some looked after children, aged 16 and 17 years, were living in supported accommodation known as out of care placements. These included homeless hostels, bed and breakfast accommodation and houses of multiple occupancy. A number of these facilities were operating outside any regulatory framework. Particular concerns related to the condition of the premises; safeguarding of the young people residing in these settings; and the quality of support being provided.

RQIA made a number of recommendations, including:

- The DHSSPS should review the legislative framework and publish the minimum standards required to ensure that the regulation of these projects is appropriately maintained.
- The HSC Board should make sure that HSC trusts fulfil their obligations as corporate parents in respect of young people who are looked after and residing in these projects.
- It was agreed by DHSSPS that these projects should become part of a formal system of regulation and be inspected annually.

RQIA further developed its system for the reporting analysis and use of information on incidents within registered services. Under the 2003 Order there is a legal obligation for services to report on a range of notifiable events to RQIA. The system developed by RQIA ensures that all incidents are viewed and assessed by inspectors within seven days. This information is used to assist with the ongoing risk assessment of services and may prompt a request for further information, an investigation or further follow-up inspection.

RQIA also collected information for 100% of registered establishments and agencies on how they manage complaints within their services. An analysis of this information will be provided in a further more detailed annual report on the regulation of services to be published later in 2012.

RQIA met its statutory requirements by conducting the minimum number of inspections in each registration category. Where RQIA identified particular concerns about the safety or quality of a service, additional inspections took place. During 2011-12, 2,676 inspections of 1,278 services subject to regulation were conducted by RQIA.

RQIA embarked on a range of further improvement initiatives. These included a series of information events for registered providers in February 2012. The events were attended by over 1,200 participants and highlighted learning from the current inspections, information on the focus of inspection activity for 2012-13 and showcased a range of best practice initiatives. RQIA also published a range of guidance documents on its website aimed at assisting service providers to improve their services.

In conjunction with the HSC Safety Forum, RQIA has assisted in the development of a nursing home safety collaborative. This collaborative, working in the first instance with eight nursing homes, aims to reduce the number of falls through the use of service improvement methods promoted by the Institute for Healthcare Improvement. It is anticipated that the collaborative can be expanded into other areas of care practice within the homes in the forthcoming year, and that the scheme can also be promoted across a wider range of nursing and residential care homes.

RQIA, in conjunction with an extensive range of health and social care providers made application to the Guidelines, Audit and Implementation Network (GAIN) for the development of palliative and end of life care guidelines in nursing and

residential care homes. The application was successful and it is anticipated that the guidelines will be published in autumn 2012, along with an implementation programme. RQIA also commenced work with a multiagency group for the development of guidelines aimed at raising awareness and assisting staff working within nursing and residential homes to meet the specific needs of lesbian, gay, bisexual and transgender service users.

Table 3 sets out inspection activity by category of service and type of inspection for the period 1 April 2011 to 31 March 2012.

Inspection type / Service	Care	Estates	Finance	Pharmacy	Total
Adult Placement Agency	5				5
Boarding School	6				6
Children's Home	99	34		22	155
Day Care Setting	206	68		42	316
Domiciliary Care Agency	321		3	10	334
Independent Clinic	37	24	3	1	65
Independent Hospital	17	16	1	1	35
Private Dental Service	277	4	18		299
Nursing Home	484	134	30	154	802
Nursing Agency	26		1		27
Residential Care Home	369	135	20	104	628
Residential Family Centre	3				3
Voluntary Adoption Agency	3				3
Total	1,853	415	76	334	2,678

In addition, 358 assessments of documentation received from providers were conducted by inspectors. These were: one care; 74 estates; one finance; and 282 pharmacy assessments.

In order to improve the way RQIA gathers information from service users, RQIA appointed a service user engagement officer for conventional domiciliary care agencies in October 2011. In January 2012, the post holder commenced a programme of engagement with service users, and it is anticipated that the officer will engage with service users from 50% of such agencies during the forthcoming inspection year.

RQIA continued its work with services users in children's residential and respite units, in partnership with VOYPIC and Sixth Sense. In December 2011, RQIA was commended in the Northern Ireland Commissioner for Children and Young People (NICCY) Participation Awards 2011 for its engagement work in relation to peer review in the statutory regulation and inspection of children's homes for young people with disabilities.

RQIA has used the information and intelligence gained from its inspections in the 2011-12 inspection year to inform the focus and themes in the forthcoming inspection year.

During 2011-12, a range of standards were considered during primary care inspections of adult care services. These are outlined in the tables 4,5, 6 and 7.

Table 4 Day Care Standards for Primary Care Inspections, 2011-12

Day Care Inspections	
Standard 1	Service users' views and comments shape the quality of services and facilities provided by the day care setting.
Standard 5	Each service user has an up to date assessment of needs with regard to services provided in the centre.
Standard 6	Each service user has an up to date and comprehensive care plan.

Table 5 Domiciliary Care/ Supported Living Standards for Primary Care Inspections, 2011-12

Domiciliary Care/ Supported Living Inspections	
Standard 1	The views of service users and their carers / representatives shape the quality of services provided by the agency.
Standard 3	Referral arrangements ensure the service user's identified needs can be met by the agency.
Standard 6	The agency contributes to the review of the service user's care plan.
Standard 14	Service users are protected from abuse.

Table 6 Nursing Home Standards for Primary Care Inspections, 2011-12

Nursing Home Inspections	
Standard 1	Patients' views and comments shape the quality of services and facilities provided by the home.
Standard 10	Responses to patients are appropriate and based on an understanding of individual patient's conduct, behaviour and means of communication.
Standard 16	Patients are protected from abuse.

Table 7 Residential Care Home Standards for Primary Care Inspections, 2011-12

Residential Care Home Inspections	
Standard 1	Residents' views and comments shape the quality of services and facilities provided by the home.
Standard 2	Contact with family, friends and local community is facilitated for residents.
Standard 23	Staff are trained for their roles and responsibilities.

Enforcement Action (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.

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 is unequivocal in its recourse to enforcement and prosecution where regulations have been breached or where an offence has been committed. During 2011-12 RQIA undertook enforcement action against 28 services –including nursing, residential care, and children’s homes, domiciliary care agencies, and an independent clinic. These actions included the issuing of improvement notices, notices of failure to comply with regulations, and notices to place conditions on registration. During the year, RQIA issued enforcement notices to:

- 4 children’s homes
- 6 domiciliary care agencies
- 1 independent clinic
- 6 nursing homes
- 11 residential care homes

As a result of enforcement activity RQIA also placed conditions on the registration of three services. These were:

Table 8 Conditions of Registration

Service	Date	Condition of Registration
Croft Lodge Residential Care Home	February 2012	No further admissions to be made to the home until further notice.
Origin Fertility Clinic	September 2011	To inform RQIA of all incidents in Origin Fertility Care within 24 hours of occurrence.
Rose Martha Court Nursing Home	February 2012	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.

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

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, for example nuclear medicine, cardiology, radiotherapy and diagnostic imaging. During 2011-12, six formal IR(ME)R inspections of health care facilities were completed, with support from the Health Protection Agency (HPA), and two other facilities were visited to consider local arrangements. The following facilities were inspected;

- Antrim Area Hospital, Nuclear Medicine
- Belfast City Hospital, Cardiology
- Belfast City Hospital, Radiotherapy
- Craigavon Area Hospital, Diagnostic Imaging
- Royal Victoria Hospital School of Dentistry, Diagnostic Imaging
- Ulster Independent Clinic, Diagnostic Imaging

The reports of these inspections are published on RQIA's website at 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 received one request for approval for private controlled drug prescribing, which was granted.

RQIA Review Activity

In line with its Three Year Review Programme 2009-12, RQIA continued to progress its programme of service and thematic reviews, in addition to two reviews commissioned by the Minister for Health, Social Services and Public Safety.

RQIA Programmed Service and Thematic Reviews

During 2011-12, RQIA completed planned reviews of: the Northern Ireland Single Assessment Tool (NISAT); implementation of Protocol for the Joint Investigation of Alleged and Suspected Cases of Abuse of Vulnerable Adults; sensory support services; readiness for revalidation in primary care; and mixed gender accommodation.

Review of Child Protection Arrangements in Northern Ireland (Overview Report)

In July 2011, RQIA published an overview report of its review of child protection services in Northern Ireland conducted from 2008-11. This final overview report took account of the responses from the HSC trusts and HSC Board to RQIA's recommendations during the course of the review.

Specific outcomes of the review were the development of a range of regional policies and procedures, designed to address quality, coordination and consistency of approach to child protection. The outcomes of the reviews are having a positive impact on the delivery of child protection services across Northern Ireland.

Review of the Northern Ireland Single Assessment Tool (Stage One)

In October 2011, RQIA published the first stage of a four stage review of the Northern Ireland Single Assessment Tool (NISAT). This set out the position of each health and social care trust in terms of planning, access, referral, and care management assessment processes in place for older people prior to the implementation of NISAT. Further stages of this review will examine: training involved in the introduction and implementation of NISAT; an audit of the carer's support and needs assessment component of NISAT; and an evaluation of the benefits of NISAT from the perspective of the trusts, practitioners, service users and carers.

Review of Sensory Support Services in Northern Ireland

In December 2011, RQIA published the report of its Review of Sensory Support Services in Northern Ireland. The review examined the impact and effectiveness of the Quality Standards for Social Work and Rehabilitation in Sensory Support Services (2007). The review team found that while significant progress had been made in addressing the rights and needs of those with sensory support requirements in Northern Ireland in recent years, further work was required. This related in particular to information provision, strategy, policy and staff training for sensory support services. The review also highlighted the need to involve service users in the development of services. This report was also published in large print, audio and signed versions. These are available on request from RQIA.

Review of Readiness for Revalidation in Primary Care in Northern Ireland

In December 2011, RQIA published the findings of its review of new arrangements introduced by the General Medical Council (GMC) in 2009 to implement a programme of revalidation for all doctors with effect from late 2012. RQIA examined the arrangements in Northern Ireland to support revalidation of general medical practitioners in primary care settings. The review team concluded that the Health and Social Care Board and Northern Ireland Medical and Dental Training Agency have strong leadership in place, with staff committed to ensuring that revalidation for primary care doctors is successfully introduced in Northern Ireland.

Review of Implementation of Protocol for the Joint Investigation of Alleged and Suspected Cases of Abuse of Vulnerable Adults

In February 2012, RQIA published the report of its Review of the Implementation of the Protocol for the Joint Investigation of Alleged or Suspected Cases of Abuse of Vulnerable Adults, conducted in partnership with the Criminal Justice Inspection. The review team noted that effective working relationships have been established at operational and strategic level within the partner organisations, particularly between trusts and the PSNI.

The team noted that the establishment of a local adult safeguarding partnership in each trust has fundamentally changed the governance of adult protection services. In addition, the work streams under the Northern Ireland Adult Safeguarding Partnership have brought a clearer focus on the safeguarding and protection of vulnerable adults. The review made a range of recommendations for those organisations involved, reinforcing the need to adhere to the guidance within the protocol in relation to governance, training and record keeping.

Review of Mixed Gender Accommodation

During 2011-12 RQIA completed a review commissioned by DHSSPS to examine the processes put in place by HSC trusts in relation to the management of care in mixed gender accommodation. In Northern Ireland, care in mixed gender accommodation has been identified as a concern by DHSSPS as a result of a number of serious adverse incidents (SAIs) reported by trusts in wards where there has been mixed gender care. Currently there are no equivalent standards in Northern Ireland to those in England, where there is a zero tolerance policy in respect of care in mixed gender accommodation. The review report, which makes a number of recommendations for improvement, is due for publication in early 2012-13.

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

RQIA also undertook 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.

RQIA Independent Review of Reporting Arrangements for Radiological Investigations - Phases One and Two)

In February 2011, the Minister for Health, Social Services and Public Safety commissioned this review following delays in the reporting of plain x-rays at Altnagelvin and Craigavon hospitals. RQIA's review team included expert advisors from across the UK, including Dr Nicola Strickland, Registrar of the Royal College of Radiologists. The first phase examined governance arrangements across the five HSC trusts to assure patient safety and protection with regard to handling and reporting on radiological investigations. RQIA published the first phase of this review in August 2011, making 12 recommendations for improvement.

The second phase of 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, which was completed in December 2011, made 14 further recommendations for improvement.

RQIA 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, chaired by Professor Pat Troop, focused on the occurrences of pseudomonas which led to the tragic death of a baby in Altnagelvin Hospital and the tragic deaths of three babies in the Royal Jubilee Maternity Hospital's neonatal intensive care unit.



Pseudomonas Review Team: Graeme Marsh, Dr Michael Kelsey, Mae Nugent, Dr Iain Laing, Professor Pat Troop, Dr David Stewart.

It also 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. An interim report was presented to the Minister on 31 March 2012. A final report will be presented to the Minister in late May 2012 for publication thereafter.

Infection Prevention and Hygiene Inspection Programme

Robust infection prevention and hygiene practices are key to reducing the risk of health care associated infection, and building public confidence in health and social care services. This year's inspections were conducted against new Regional Healthcare Hygiene and Cleanliness Standards at acute, community, and mental health and learning disability hospitals across Northern Ireland. RQIA's inspectors examined both front-line practice at ward level, and the policies and procedures to support the effective delivery of good infection control and hygiene practice.

During the year RQIA completed 40 infection prevention and hygiene inspections across 75 clinical areas. It was encouraging to note that the majority of areas examined demonstrated compliance with the standards. Hand hygiene practice amongst staff was generally good, supported by evidence of appropriate hand hygiene practices and effective use of personal protective equipment. However, the ward environment, patient equipment and appropriate disposal of sharps presented a significant challenge in a number of areas.

Where issues of concern were identified, these were brought to the immediate attention of the trust. Following each inspection, trusts were asked to respond to the findings with a quality improvement plan, detailing the actions to be taken within clearly defined timescales.

In 2011-12, RQIA's process for publication of infection prevention and hygiene inspection reports was revised. Reports are now published on RQIA's website on receipt of the completed quality improvement action plan. These describe the actions being taken by the service provider to address the issues of concern raised within the reports. RQIA continues to monitor progress in this area through further inspection activity.

Table 9 Overall Compliance Levels for Infection Prevention and Hygiene Inspections 2011-12

Compliance Level	% of Areas Reaching Compliance Level
Compliant	72.0%
Partially Compliant	19.5%
Non-Compliant	8.5%

In January 2012, to address issues raised following the outbreaks of pseudomonas aeruginosa in neonatal units, RQIA was commissioned by the Minister to develop a range of specialised audit tools for augmented care settings including neonatal units. This work is due for completion early in 2012-13.

In early 2012, RQIA's infection prevention and control, independent health care and estates inspectors conducted joint inspections of endoscopy units in regulated independent healthcare facilities, along with representatives of DHSSPS Health Estates Investment Group.

INFORMING THE POPULATION

Promoting the Activities of RQIA

RQIA conducted a wide range of activities where it engaged with key stakeholders, including service users and carers, and the providers of a wide range of health and social care services.

In May and June 2011 RQIA's Chairman and Executive Management Team presented at four pre-consultation workshops held at Ballymena, Lisburn, Omagh and Armagh. These events were attended by almost 200 stakeholders and aimed to support the development of RQIA's draft corporate strategy and draft review programme. Three further workshops were held with HSC organisations, other regulatory organisations and DHSSPS.

In November 2011, RQIA hosted the 11th conference of the European Partnership of Supervisory Organisations (EPSO) in Belfast. This learning event was attended by almost 40 health and social regulators from across Europe, sharing best practice in regulation.



Delegates at the EPSO Conference, Belfast.

RQIA also hosted the second biennial meeting of the United Kingdom Heads of Inspectorate Forum, which was addressed by the Minister for Justice.

In March 2012, in partnership with the Northern Ireland Social Care Council (NISCC), the Social Care Institute for Excellence (SCIE) and the Patient and Client Council (PCC), RQIA hosted Joining up the Jigsaw, the fourth annual user carer conference in Lisburn. The conference was organised and led by a committee of service users, and included a number of presentations highlighting the importance of service user engagement in health and social care.

In each case, the feedback from those attending the events was overwhelmingly positive.



Joining up the Jigsaw, User Carer Conference, Lisburn
David Silcock, Health Minister Edwin Poots, MLA, Dr Ian Carson.

Throughout the year, RQIA continued and further developed effective working relationships with DHSSPS and the HSC Board, trusts and agencies through regular liaison meetings to discuss areas of mutual interest.

RQIA also maintained effective partnerships with peer health and social care systems regulators and inspectorates; with professional regulatory bodies across the UK and Ireland; and other key stakeholders, including the Commissioner for Children and Young People and the Commissioner for Older People for Northern Ireland.

RQIA also continued its engagement with political representatives, through appearances before Northern Ireland Assembly Health Committee providing evidence on the unannounced inspection of Prison Healthcare: Hydebank Wood Young Offenders Centre and Ash House Women's Prison; and the Office of the First Minister and deputy First Minister Committee on RQIA's role in investigating complaints and its relationship with the Northern Ireland Ombudsman; responses to assembly questions; and meetings with party health spokespersons.

RQIA's commitment to engaging effectively with the public and our stakeholders was reflected in the progress made in implementing the Public Participation Strategy 2009-12. This included engagement with a range of service users in review and inspection activity; and events to highlight aspects of the work of RQIA.

During the year there was significant interest in the work of RQIA from print, broadcast and online media. This included regulation, review and mental health and learning disability activities.

RQIA continued to develop its website www.rqia.org.uk, to ensure relevant information was made available in a timely and accessible manner. During the year there were around 145,000 visits to the website.

By the year end some 5,000 inspection reports were available online, providing ready access for the public to information on the quality of adult regulated services. Access to relevant information for those wishing to apply for registration with RQIA was also made available online during the year, including registration application forms and associated policy guidance. In line with RQIA's responsibilities as a designated body under the Public Interests Disclosure (NI) Order 1998, RQIA provided information and guidance for those employed in health and social care services regarding whistleblowing.

Freedom of Information and Data Protection Requests

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 2011-12, RQIA received and responded to 22 freedom of information requests within 20 working days, and eight subject access requests within 40 calendar days.

SAFEGUARDING RIGHTS

Safeguarding the rights of those using health and social care services is central to RQIA's approach to all its activities, including regulation, review and mental health and learning disability duties. RQIA places a clear focus on delivering good quality outcomes for service users, which are safe and compliant with standards.

RQIA is designated as a national preventive mechanism (NPM) under the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT). This is an international human rights treaty designed 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 2011-12 RQIA visited mental health hospitals and prisons in pursuit of its responsibilities as a designated NPM.

Mental Health and Learning Disability

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

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

In 2009 RQIA's Board established the Mental Health and Learning Disability Expert Advisory Panel to assess and provide assurance to the Board that RQIA has assumed and fully discharged the functions of the former Mental Health Commission as set out in The Mental Health (Northern Ireland) Order 1986. The panel provided a report to the Board outlining that RQIA was fully meeting its requirements under the Mental Health Order. In May 2011 RQIA's Board noted the significant progress made over the previous two years where RQIA had strengthened and improved this scrutiny and oversight, and agreed that the panel had completed its remit. It was agreed that updates on mental health and learning disability progress would be reported to RQIA's Board through quarterly corporate performance reports.

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 forms received from HSC trusts. During the year 8,210 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. RQIA also undertook a review of the experience of both guardians and those subject to guardianship across HSC trusts, the findings of which will be published during 2012-13.

During RQIA's programme of individual patient experience reviews inspectors met with 204 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.

During the year, the provision of advocacy services in mental health and learning disability hospitals in Northern Ireland was examined and a number of recommendations for improvement were made in the report which can be accessed on RQIA's website.

RQIA was also involved in the monitoring and oversight of care and treatment of a number of patients at the request of the high court.

A human rights-based approach is embedded in the work of RQIA's Mental Health and Learning Disability team and informs our monitoring role. This includes patient experience reviews, inspections and reviews. During the year, 28 inspections were completed at mental health and learning disability facilities, using the human rights theme of fairness. A further 21 inspections using the human rights theme of protection were also carried out.

During these inspections, RQIA spoke with over 300 service users, engaged with relatives and carers, and also sought the views of nursing staff, health professionals, advocates and other agencies.

In this engagement RQIA assessed the quality of the care and facilities, and validated self-assessment returns from trusts. As a result of these inspections quality improvement plans have been provided by trusts highlighting how they will address RQIA's recommendations.

Incident Reporting

Under the 2003 Order and associated regulations, service providers are required to notify RQIA of certain categories of incidents. 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.

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 2011-12 RQIA undertook a range of inspections at a number of prisons in Northern Ireland. Where necessary, RQIA worked in partnership with other inspectorates including: Criminal Justice Inspection Northern Ireland (CJI); Her Majesty's Inspectorate of Prisons (HMIP); and Education and Training Inspectorate (ETI).

In October 2011, RQIA published its report of an unannounced inspection of prison healthcare at Hydebank Wood Young Offenders' Centre and Ash House Women's Prison, which was conducted in March 2011.

In addition, two joint inspections were published following up on findings from a previous health care inspection conducted by HMIP in 2007. The joint inspections reported the findings of HMIP, CJI and RQIA, on aspects of prison healthcare at Hydebank Wood Ash House Women's Prison and Hydebank Wood Young Offenders' Centre.

In February 2012 RQIA published the findings of an unannounced inspection by RQIA's infection prevention and hygiene team of landings 3 and 4 at Roe House, Maghaberry Prison in August 2011. The focus for the inspection, conducted in partnership with CJI, was to assess the progress made in addressing recommendations from a previous inspection in July 2010, and to determine how environmental issues were being managed in relation to a dirty protest at the prison. Also, in early 2012 CJI published its report of an inspection, conducted with RQIA, on the Treatment of Vulnerable Prisoners by Northern Ireland Prison Service.

Each published report makes a series of recommendations for a range of organisations involved in the delivery of health care in prisons.

In March 2012, RQIA participated in a joint inspection of Maghaberry Prison with CJI, ETI and HMIP, and the findings of this inspection will be published during 2012-13.

Equality

In June 2011, RQIA submitted its new equality scheme to the Equality Commission for Northern Ireland. RQIA also prepared its annual progress report on Section 75 of the Northern Ireland Act 1998 and Section 49A of The Disability Discrimination (Northern Ireland) Order 2006 and submitted this to the Equality Commission in September 2011.

INFLUENCING POLICY

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

Through the review programme, recommendations can impact of the development of future policy.

As a result of a recommendation in RQIA's review of intrapartum care in 2010, DHSSPS published its maternity services strategy during 2011-12. This report now formally endorses recommendations made by RQIA in its review of intrapartum care.

In its recommendations in the review of child and adolescent mental health services (CAMHS), RQIA also called for clarification from DHSSPS on the service model for CAMHS. During the year DHSSPS consulted on a service model in line with that recommendation.

RQIA's review of radiology services recommended the development of a new regional strategy for imaging services, which is to be taken forward by DHSSPS.

In response to RQIA's review of sensory support services, DHSSPS and the HSC Board have commenced programmes of improvement and performance management in this area.

In early 2012, significant work was carried out in respect of the regulation of supported living services with the provision of personal care, which are subject to regulation under the domiciliary care agency regulations. This activity included: formal communication with DHSSPS and the HSC Board on issues relating to the quality and safety of supported living services, and discussions on the commissioning of such services and the accompanying regulatory framework; and dissemination of inspection themes and guidance into the sector on issues pertaining to tenancy, financial protections and restrictive practices.

RQIA finalised an approach for the oversight of jointly commissioned schemes for children and young people in leaving and after schemes with the HSC Board and DHSSPS. This approach was developed in response to prior inspection and policy work carried out by RQIA in 2010, following agreement with the DHSSPS, HSC Board and NI Housing Executive on the approach to the oversight of these services. The remaining services were inspected and a programme of inspections for 2012-13 was agreed.

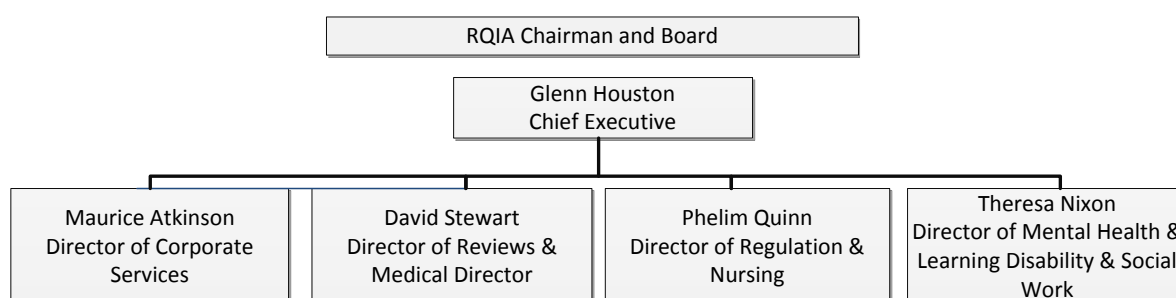
During the year, RQIA responded to a number of consultations, including:

- Consultation on Proposed Tools for Risk Assessment and Management in Dementia Services
- DHSSPS Child and Adolescent Mental Health Services: A Service Model
- DHSSPS Draft Maternity Strategy
- DHSSPS HSC Framework document
- DHSSPS Learning Disability Service Framework
- DHSSPS Minimum Standards for Child Minding and Day Care for Children under Age 12
- DHSSPS Physical and Sensory Disability Strategy
- DHSSPS 10 Year Quality Strategy
- DHSSPS Transforming Your Care: consultation on the future of health and social care services in Northern Ireland
- NISCC Continuous Learning Framework for Social Care Workers and Post Registration Training and Learning Requirements
- Promoting Quality Care Dementia Addendum
- Review of the Code of Practice on Protecting the Confidentiality of Service User Information
- The Safeguarding Board for Northern Ireland Regulations 2011

CORPORATE ISSUES

People

In September 2011, following extensive consultation with RQIA's Board and staff, a new organisational structure was introduced. Dedicated directorates were established for regulation, review, mental health and learning disability, and corporate services. In addition, an Office of the Chief Executive was formed to include corporate communications and complaints management. The organisational structure is outlined below.



Staff development remained a priority to ensure RQIA's staff are appropriately skilled to undertake their duties. This included a comprehensive development programme on regulation for improvement for all inspection staff. Work also commenced on the development of an action plan to prepare the organisation for achievement of Investors in People (IiP) accreditation.

A number of new policies were introduced during the year. These included an ICT security policy and associated procedures, and a working from home policy.

The effective management of sickness absence continued throughout the year, with sickness absence recorded at 3.17% against a target of 4.8%. During the year, staff turnover was recorded at 5%, with seven people leaving the organisation.

Governance and Accountability

RQIA's Board is responsible for setting the strategic direction. The Board meets in public five times each year at locations across Northern Ireland. Delivery of the strategic direction set by the Board and the leadership and control of day-to-day operations are the responsibility of the Executive Management Team. RQIA's audit committee has a scrutiny and advisory role relating to accounting procedures, financial reporting, internal controls and risk management. This operates in accordance with its terms of reference and the HM Treasury Audit Committee Handbook. The Audit Committee meets formally four times each year. In relation to governance, RQIA is informed both by the Management Statement and Financial Memorandum (MSFM) agreed with the DHSSPS.

This sets out the broad operational framework and its individual policies. During the year, RQIA's Corporate Risk Assurance Framework Report was reviewed, updated and reported to the Audit Committee and Board on a regular basis.

Business Planning

RQIA's Board received quarterly progress reports on key performance indicators (KPIs) linked to RQIA's annual business plan and strategic objectives. During the year RQIA's Risk Management Strategy for 2011-12 was revised to reflect the new organisational structures, and the Risk Management Strategy for 2012-13 was approved by RQIA's Board.

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.

Following a series of pre-consultation events in May and June 2011, RQIA developed a draft Corporate Strategy 2012-15, which was subject to full public consultation from September to December 2011. RQIA's Corporate Strategy 2012-15 was approved by RQIA's Board in February 2012.

Business Improvement

In early 2012, a LEAN project was initiated to streamline RQIA's regulation processes. A series of new standardised business processes were identified, and these will be embedded into organisational working practices during 2012-13.

RQIA also developed a Steps to Excellence Programme (STEP), to drive a series of improvements across the organisation in line with the EFQM business excellence model.

Controls Assurance

During 2011-12 RQIA had achieved substantive compliance with the following controls assurance standards: governance; risk management; financial management; health and safety; Information and communication technology; human resources; and records management, fire safety and management of purchasing and supply.

Complaints about Health and Social Care Services

In line with the DHSSPS complaints procedure, responsibility for investigating a complaint about any health and social care service provided by a regulated establishment or agency 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.

Complaints about RQIA

During the year two 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. To ensure learning from complaints, RQIA disseminates lessons learned as a result of complaints to its staff.

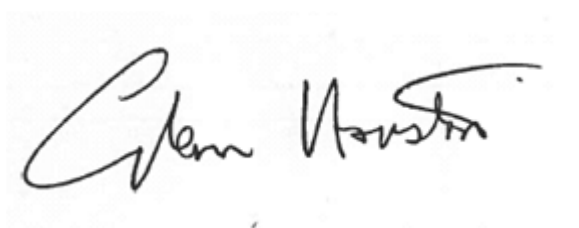
Financial Summary

<u>Income</u>	
Fees and recharged costs	1,206,869
<u>Expenditure</u>	
Staff costs	5,822,990
Other operating expenses	1,463,254
Total Expenditure	7,286,244
Net Expenditure	6,079,375
Revenue Resource Limit	6,072,364
Deficit	<u>(7,011)</u>

Capital expenditure amounted to £42,487, 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, (NDPB) RQIA is mainly funded through the DHSSPSNI. As Departmental 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: 5 July 2012

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 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. Ruth is also a judicial appointments commissioner; a civil service commissioner; a parole commissioner; and a member of the council of the University of Ulster. Ruth has recently been appointed as a national trustee and incoming 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 is a senior manager with the First Trust Bank, a Division of AIB Group (UK) plc. and has a background in credit and operational risk management, quality assurance and project management. Denis is also a member of RQIA’s Audit Committee. He 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 2011-31 March 2012

Name of Service and Category	Date of issue	Details of notice Improvement Notice (IN) Failure to Comply (FTC) Notice of Proposal (NOP) Notice of Decision (NOD)	Date of Compliance
Advanced Community Care Domiciliary Care Agency, Belfast	11 April 2011 16 May 2011 16 June 2011	3 x FTC: Staffing; Records; Staff Training (Compliance required by 16 May 2011) NOP to place conditions on registration (Right to make representation expires 13 June 2011) NOD to place conditions on registration (Right to make representation expires 14 July 2011)	8 July 2011
Autism Initiatives, Domiciliary Care Agency, Belfast	27 May 2011	4 x FTC: Staff training; Care Plans; Adult protection policy (Compliance required by 27 June 2011)	28 June 2011
Autism Initiatives, Domiciliary Care Agency, Newcastle	2 March 2012	1 x FTC: Breach of statement of purpose (Compliance required by 16 March 2012)	16 March 2012
Ballymaconnell Nursing Home, Bangor	15 March 2012	5 x FTC: Food and fluids, Health and welfare, care and treatment of residents, Assessment of patient's needs, Written Nursing plan and patient plan in respect of health and welfare, Suitably qualified, competent and experienced staffing (Compliance required by 16 April 2012)	Ongoing as at 31 March 2012
The Brook Domiciliary Care Agency, Coleraine	22 February 2012	4 x FTC: (i) Care, Service user assessments and care plans, Evaluating quality of service; (ii) Staff training and appraisal (Compliance required by: (i) 4 April 2012 (ii): 16 May 2012)	Ongoing as at 31 March 2012
Brooklands Nursing Home, Killeel	24 January 2012 28 February 2012	4 x FTC: (i) Infection prevention, Staffing; (ii) Estates (furnishing) , Fitness of premises (Compliance required by: (i) 20 February 2012; (ii) 22 April 2012) Compliance achieved with infection prevention on 20 February 2012 NOP to impose conditions of registration (Right to make representation expires 27 March 2012)	Ongoing as at 31 March 2012
Camphill Glencraig Residential Care Home, Craigavad	5 March 2012	2 x FTC Staffing recruitment procedures, Staffing records (Compliance required by 2 April 2012)	Ongoing as at 31 March 2012

The Cara Private Residential Care Home, Rasharkin	21 March 2012	NOP: Cancellation of the registration of registered provider and registered manager (Notice period for making representation expires 18 April 2012)	Ongoing as at 31 March 2012
Cedarhurst Lodge Residential Care Home, Belfast	9 January 2012	1 x FTC: Pharmacy issues (Compliance required by 9 February 2012)	15 February 2012
Clanrye Residential Care Home, Larne	31 January 2012	3 x FTC: Management, Staff Appraisal and training, Notification of incidents (Compliance required by 28 February 2012)	28 February 2012
Clanrye Residential Care Home, Larne	21 February 2012	NOP to cancel registration: Risk assessment, fire management plan (Notice period for making representation expires 20 March 2012)	20 March 2012
Clanrye Residential Care Home, Larne	9 March 2012	2 x FTC: Health and welfare, care and treatment of residents, Resident records (Compliance required by 6 April 2012)	Ongoing as at 31 March 2012
Croft Lodge Residential Care Home, Ballymena	25 October 2011 1 December 2011 20 January 2012	3 x FTC: (i) Care Records (ii), Staffing Levels (Compliance required by (i) 25 November 2011 and (ii) 25 January 2012) Compliance on staffing levels achieved 26 January 2012 NOP to place conditions on registration (Right to make representation expires 29 December 2011) NOD issued to place conditions on registration (Right to make representation expires)	Conditions of Registration imposed 7 March 2012
Croft Lodge Residential Care Home, Ballymena	6 January 2012	1 x FTC: Financial issues (resident's monies) (Compliance required by 6 February 2012)	6 February 2012
Dympna House Residential Care Home, Belfast	23 February 2012	3 x FTC: (i) Health and welfare of residents; (ii) Visits by registered provider, Notifications of death, illness and other events (Compliance required by: (i) 15 February 2012, (ii) 9 March 2012)	9 March 2012
Greenvale House Nursing Home Castlewellan	20 October 2011	1 x FTC: Management, storage, records of medicines (Compliance required by 18 January 2012)	18 January 2012
Hebron House Residential Care Home, Markethill	23 December 2011	2 x FTC: Financial issues (resident's monies) (Compliance required by 17 January 2012)	17 January 2012
Hollybank Supported Living Domiciliary Care Magherafelt	28 February 2012	2 x FTC Staff training and appraisal, Evaluating and improving quality of service (Compliance required by: 24 April 2012)	Ongoing as at 31 March 2012

Kilwee Care (Nursing) Home, Dunmurry	20 February 2012	4 x FTC: (i) Care, Staffing, (ii) Staffing recruitment procedures and checks, Staffing records (Compliance required by: (i) 19 March 2012; (ii) 2 April 2012)	Ongoing as at 31 March 2012
	23 March 2012	NOP to impose conditions of registration (Notice period for making representation expires 20 April 2012)	
Laurel Lodge Private Residential Care Home, Rasharkin	21 March 2012	NOP: Cancellation of the registration of registered provider and registered manager (Notice period for making representation expires 18 April 2012)	Ongoing as at 31 March 2012
Origin Fertility Clinic, Belfast Independent Clinic	4 July 2011	1 x FTC: Quality of treatment and other services: - identifying, recording, analysing and learning from adverse incidents (Compliance required by 23 August 2011)	Conditions of Registration imposed 22 September 2011
	25 August 2011	NOP to place conditions on registration (Right to make representation expires 22 September 2011)	
	22 September 2011	NOD to place conditions on registration	
Owenvale Court Residential Care Home, Belfast	11 July 2011	3 x IN: Management, storage, records of medicines (Compliance required by 31 August 2011)	31 August 2011
	1 February 2012	7 x FTC: (i) Staff Training, Care Records, Management (ii) Health, welfare and safety of residents, Staffing levels, Notification of incidents (Compliance required by (i) 15 February 2012 (ii) 29 February 2012)	Ongoing as at 31 March 2012
		Compliance achieved by 29 February 2012	
	1 February 2012	NOP to impose conditions of registration (Right to make representation expires 29 February 2012)	
	6 February 2012	1 x FTC: Medicines management (Compliance required by: 5 March 2012)	
	8 March 2012	NOP to place conditions on registration (Notice period for making representation expires 5 April 2012)	
Ratheane Private Nursing Home, Coleraine	12 January 2012	2 x FTC: Pharmacy issues, Management (Compliance required by 7 March 2012)	Ongoing as at 31 March 2012
	7 March 2012	NOP to place conditions on registration (Right to make representation expires 4 April 2012)	

Redford Residential Care Home, Cullybackey	28 February 2012	2 x FTC: Fitness of registered provider, Fitness of registered manager (Compliance required by: 27 May 2012)	Ongoing as at 31 March 2012
Rose Martha Nursing Home, Ballymena	1 November 2011 22 December 2011 20 January 2012	1 x FTC: Staffing levels (Compliance required by 13 December 2011) NOP to place conditions on registration (Right to make representation expires 20 January 2012) NOD to place conditions on registration:	Conditions of Registration imposed 7 March 2012
St Oliver's Unit Nazareth House Residential Care Home, Londonderry	10 January 2012	2 x FTC: Care issues, Management issues (Compliance required by 10 February 2012)	10 February 2012
24 Inch View Supported Living Scheme, Domiciliary Care Agency Londonderry	8 March 2012	2 x FTC: Staff training and appraisal, Evaluating and improving quality of service (Compliance required by 8 May 2012)	Ongoing as at 31 March 2012

During 2011-12 four children's homes were served with a total of four notices of failure to comply with regulations, in relation to breaches in their statements of purpose. Two homes achieved compliance within stated timescales; enforcement was ongoing at one home as at 31 March 2012, with compliance required by early April 2012; and a notice of proposal to place conditions of registration was issued to another home where compliance had not been achieved.

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 the Department'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 the availability and quality of it and encouraging improvements in the quality of those services. From 1 April 2011 this includes the registration and inspection of private dental practices.

From 1 April 2009 RQIA assumed the responsibilities and functions of the Mental Health Commission which ceased to exist from that date.

Principal Activities

In discharging its responsibilities, RQIA will exercise two main functions.

- Firstly, it will inspect the quality of health and social care services provided by Health and Social Care Services (HSC) bodies in Northern Ireland. These inspections will take the form of reviews of clinical and social care governance arrangements within HSC bodies
- Secondly, RQIA will 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, complaints investigation and enforcement is carried out to consistent standards across Northern Ireland with the regulated services provided by both the HSC and independent sectors being treated in the same way.

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 throughout 2011-12.

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. As the designated Accounting Officer the post-holder has specific financial responsibilities and duties for which he or she is accountable to the Permanent Secretary of the DHSSPS in his or her role as the Accounting Officer of RQIA's sponsor Department. Mr Glenn Houston was appointed as Chief Executive on 1 March 2009. He is designated as the Accounting Officer for 2011-12 and has responsibility for the Annual Report and Accounts for the financial year to 31 March 2012.

The Board of the RQIA

Appointments to the board are made with the agreement of the Minister responsible for the DHSSPS. 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 re-appointed on 1 January 2009 having completed their first four-year term:

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

The following board members were re-appointed on the 1 September 2009 having completed their first four-year term:

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

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

Mr Denis Power
Ms Lindsey Smith
Mrs Sarah Havlin

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 2011 to 31 March 2012

Audit Committee

Mrs Ruth Laird (Chairman)
Dr Richard Adams
Mr Colin Reid (left 1/9/11)
Ms Geraldine Donaghy
Mr Austin Smith
Mrs Lilian Jennett (Joined 1/9/11)
Mr Denis Power (Joined 1/1/12)

Appointments and Remuneration Committee

Dr Ian Carson (Chairman)
Mr Allen McCartney
Professor Patricia McCoy
Mrs Una O'Kane
Ms Sarah Havlin (Joined 1/1/12)

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 and fulfils 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
- Receives and reviews 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
- Appoint 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
9th 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. The notional cost of the audits of the 2011-12 annual accounts was £20,320. RQIA made no payments to NIAO for work outside their audit responsibilities.

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 2011-12 was £14,308. 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 96.2% of invoices within this target.

In December 2008 the Department of Health issued best practice guidance to support businesses in the current economic situation for the payment of valid invoices within a 10 day target; RQIA makes every effort to meet this more demanding target. However, monitoring continues on the basis of payment within 30 days or agreed payment terms.

The Late Payment of Commercial Debts Regulations 2002 provides qualifying businesses with a statutory right to claim interest on the late payment of commercial debt. During the year RQIA incurred £30 of charges in relation to 1 overdue invoice.

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 was one official notification to the Information Commissioners Office (ICO) in 2011-12 regarding the electronic transmission of sensitive data to an incorrect email address. The Information Commissioner noted that RQIA had in place policies and procedures that could have prevented this disclosure from occurring and that staff were aware and had received training in these policies. The commissioner concluded that they would not take enforcement action on this occasion.

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.

REMUNERATION REPORT

Remuneration Report for the Year Ended 31 March 2012

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. Departmental guidance in 2011-12 introduces a requirement to disclose 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 2011-12 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 given on the basis of that performance. This 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' remuneration 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 three months' notice is to be provided by either party except in the event of summary dismissal. There is nothing to prevent either party waiving the right to notice or from accepting payment in lieu of notice.

Retirement Age

Prior to 1 October 2006, employees were required to retire at age 65 years, but with the introduction of 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.
- Phelim Quinn, Director of Regulation - 3 October 2005.
- Theresa Nixon, Director of Mental Health and Learning Disability - 17 October 2005.
- David Stewart, Director of Reviews - 1 November 2007.

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	2011/12			2010/11		
	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	100 - 105	-	-	100 - 105	-	-
Maurice Atkinson *	60 - 65	-	-	55 - 60* (60 - 65 Full Year Equivalent)	-	-
Phelim Quinn	75 - 80	-	-	75 - 80	-	-
Theresa Nixon	70 - 75	-	-	65 - 70	-	-
David Stewart	145 - 150	-	-	145 - 150	-	-

* The prior year reduction in M Atkinson's salary relates to an approved period of unpaid leave.

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 2011-12 or 2010-11. Similarly no bonuses or exit packages were awarded in 2011-12 or 2010-11.

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 2011/12	Total Remuneration 2010/11
Highest Earners Total Remuneration (Bands of £5K)	£145K - £150K	£145K - £150K
Median Total Remuneration	£38,851	£38,851
Ratio	3.8	3.8

The banded remuneration of the highest paid director in RQIA in the financial year 2011-12 was £145K - £150K which was unchanged from 2010-11. In 2011-12 this was 3.8 times the median remuneration of the workforce, which was £38,851. In 2010-11 this was also 3.8 times and the median remuneration was also £38,851.

The unchanged position illustrates the pay freeze experienced by both RQIA's highest paid Director and RQIA's median paid staff. RQIA reorganised its Directorate structures and responsibilities during 2011-12, however the skill mix of staff remained largely unchanged.

In 2011-12 and 2010-11 no employees received remuneration in excess of the highest paid director. Remuneration ranged from £0K – £5K 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 2011-12 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 31/03/12 and related lump sum (Bands of £5,000)	Cash Equivalent Transfer Value (CETV) at 31/03/12	Cash Equivalent Transfer Value (CETV) at 31/03/11	Real increase in CETV	Employer Contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Glenn Houston	2.5 - 5.0	160 - 165	790	702	88	-
Maurice Atkinson	2.5 - 5.0	65 - 70	316	270	46	-
Phelim Quinn	0.0 - 2.5	115 - 120	523	450	73	-
Theresa Nixon	0.0 - 2.5	95 - 100	493	440	53	-
David Stewart	-2.5 - 0.0	260 - 265	1362	1260	102	-

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 2011-12 RQIA paid £556K 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 balance sheet date and updates it to reflect current conditions. The 31 March 2008 valuation will be used in the 2011-12 accounts.

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 2011-12.

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 RQIA

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 .

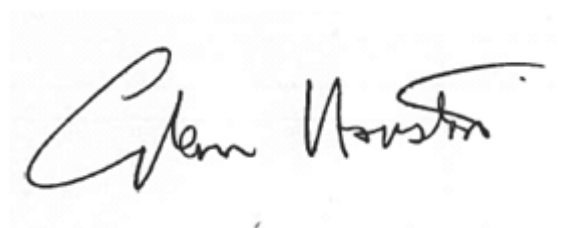
Remuneration of Chairman and Members of RQIA

The amounts paid in 2011-12 together with those for the previous year are detailed in the following table (Audited):

	2011/12		2010/11	
Name	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*	0 - 5	-	-	-
Denis Power*	0 - 5	-	-	-
Lindsey Smith*	0 - 5	-	-	-

* S Havlin, D Power and L Smith joined RQIA's Board on 19 December 2011. The full year equivalent remuneration falls within the range £5,000 - £10,000.

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



Glenn Houston
Chief Executive

Date: 5 July 2012

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.

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

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

The accountability arrangements between RQIA and DHSSPS are set out in a Management Statement and Financial Memorandum issued by DHSSPS, agreed by RQIA and signed by both parties. I was designated as Accounting Officer of RQIA by the Permanent Secretary and HSC Chief Executive in a letter dated 21 April 2009.

The Purpose of the System of Internal Control

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

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

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

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; and,
- the establishment and operation of an effective audit 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, and
- as appropriate, formal budget management disciplines

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 and annual audit plans are based on this analysis. In 2011-12 Internal Audit reviewed the following systems:

- Financial Review
- Risk Management (Including management of complaints made against RQIA)
- Mental Health Detention Forms
- Inspections (Regulated Sector Services)
- Registration
- Year End Controls Assurance Verification

In her annual report, the Internal Auditor reported that there is a satisfactory system of internal control designed to meet RQIA's objectives.

There were no significant (priority one) weakness in control identified. 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.

With regard to the wider control environment RQIA has in place a range of organisational controls, commensurate with the current assessment of risk, designed to ensure the efficient and effective discharge of its business in accordance with the law and departmental direction. Every effort is made to ensure that the objectives of RQIA are pursued in accordance with the recognised and accepted standards of public administration. For example:

- recruitment and selection is based on the principle of equality of opportunity and controls are in place to ensure that all such decisions are taken in accordance with the relevant legislation; action has been taken to meet the requirements of disability and equality legislation;
- information is made widely available to stakeholders through Board meetings held in public, the use of a web-site and media briefings on specific issues.

Capacity to Handle Risk

Leadership is given to the risk management process by the RQIA Board, Audit Committee and Executive Team. The Executive Team has developed a corporate risk assurance framework report which is reviewed, updated and reported upon regularly. The directorates within RQIA have developed and continually review directorate risk registers which provide a clear linkage between directorate and

corporate risks. The RQIA Board provides leadership through the governance arrangements. It annually reviews and approves the Risk Management Strategy and the corporate risk assurance framework reports and has oversight of the risk management process by the Audit Committee.

RQIA has adapted to changes in the risk environment through measures such as:

- the development of the Risk Management Strategy subject to annual review and approval from RQIA's Board;
- the provision of assurance to the Board through the identification of sources of assurances received both internally and externally and by determining gaps in controls or assurances where action is needed.; and,
- strengthening of its incident reporting and performance management arrangements.

The RQIA Risk Management Strategy was approved during quarter 4 2011-12, for 2011-12 and 2012-13 and the Risk Management Procedures were reviewed based on the strategy. Staff continue to receive risk management training through induction and briefings at staff meetings annually.

The Risk and Control Framework

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.

RQIA has corporate and departmental risk registers in operation. The Executive Team reviews and updates the corporate risk assurance framework report, which is then presented to the Audit Committee and Board on a quarterly basis. The corporate risk assurance framework report is a combination of the corporate risk register and assurance framework. It brings together, for RQIA's Board / Audit Committee's attention, the principal risks which could affect the achievement of RQIA's strategic objectives. Risks are also discussed by each directorate and the directorate risk registers are updated on a regular basis.

Risks to RQIA's corporate and directorate objectives are systematically identified and prioritised using a matrix that evaluates impact/likelihood, the effectiveness of current controls, actions to mitigate the risks and the willingness and capacity of the organisation to bear risk.

The management and control of the risk of loss of electronic information is being safeguarded via 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.

In respect of the use of independent legal providers external to the Directorate of Legal Services of the Business Services Organisation, confirmation is given that RQIA is compliant with extant Departmental guidance, in particular, HSS (F) 67/2006 - Payments in respect of Litigation and Legal Services.

RQIA engages, with a wide range of public and other stakeholders as part of our routine inspection and review programmes. We ensure that we engage with services users and carers using a variety of methods (as appropriate) including, one to one meetings, questionnaires and focus groups. We do this to gather information from a user/carer/stakeholder perspective which allows us to make clear and informed judgments when assessing risks which impact on them.

In addition, RQIA also engages with stakeholders at a corporate level. This allows us to plan our activities in advance and to take into consideration the views of the public, service users and carers and act upon the risks which they have identified.

Controls Assurance Standards

RQIA assessed its compliance with the applicable Controls Assurance Standards (CAS) which was defined by the Department and against which a degree of progress is expected in 2011-12.

RQIA achieved the following levels of compliance for 2011-12

Standard	DHSS&PS Expected Level of Compliance	Level of Compliance	Reviewed by
Financial Management (Core Standard)	75% - 99% (Substantive)	85% Substantive	Internal Audit Unit BSO
Governance (Core Standard)	75% - 99% (Substantive)	86% Substantive	Internal Audit Unit BSO
Risk Management (Core Standard)	75% - 99% (Substantive)	90% Substantive	Internal Audit Unit BSO
Management of Purchasing & Supply	75% - 99% (Substantive)	81% Substantive	Internal Audit Unit BSO
Fire Safety	75% - 99% (Substantive)	88% Substantive	Internal Audit Unit BSO
Records Management	75% - 99% (Substantive)	88% Substantive	Internally within RQIA
Health Safety	75% - 99% (Substantive)	88% Substantive	Internally within RQIA
Information Communications Technology	75% - 99% (Substantive)	81% Substantive	Internally within RQIA
Human Resources	75% - 99% (Substantive)	86% Substantive	Internally within RQIA

Review of Effectiveness

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal 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.

The main elements of the maintenance and review of the effectiveness of the system of internal control are:

- Executive managers regularly review performance against the controls assurance standards
- Internal audit is sourced from 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 my review of the effectiveness of the system of internal control, which is noted by the Board.

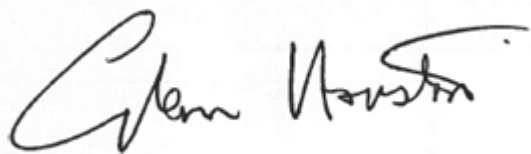
Progress on prior year Significant Internal Control Issues

Actions that have been implemented to deal with significant control issues are:

- The ICT Disaster Recovery (DR) Plan was incorporated into RQIA's Business Continuity Plan. DR was implemented in two phases. Phase 1 - implement a network link to the HSC wide area network was completed during Quarter 1 2011-12. Phase 2 – Implementation of DR arrangements by 3rd party ICT provider commenced when the link to HSC WAN was enabled on 1st November 2011. The 3rd party ICT provider completed the remaining work and testing of the solution at the end of March 2012.

New Significant Controls Issues

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



Glenn Houston
Chief Executive

Date: 5 July 2012

THE 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 2012 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 Changes in Taxpayers' Equity, the Statement of Cash Flows, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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

Opinion on Regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Regulation and Quality Improvement Authority's affairs as at 31 March 2012 and of the net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and

- the financial statements have been properly prepared in accordance with the Health and 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 the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

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

27 July 2012

The Regulation and Quality Improvement Authority
Statement of Accounts for the Year Ended 31 March 2012

STATEMENT of COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2012

	Note	2012 £	2011 £
Expenditure			
Staff Costs	3.1	(5,822,990)	(5,961,109)
Depreciation	4.0	(46,606)	(84,211)
Other Expenditure	4.0	(1,416,648)	(1,418,907)
		<u>(7,286,244)</u>	<u>(7,464,227)</u>
Income			
Income from Activities	5.1	0	0
Other Income	5.2	1,206,869	938,603
Deferred income	5.3	0	0
		<u>1,206,869</u>	<u>938,603</u>
Net Expenditure		<u>(6,079,375)</u>	<u>(6,525,624)</u>
Revenue Resource Limit (RRL)	25.1	6,072,364	6,524,084
Deficit against RRL		<u>(7,011)</u>	<u>(1,540)</u>

OTHER COMPREHENSIVE EXPENDITURE

	Note	2012 £	2011 £
Net gain/(loss) on Revaluation of Property, Plant and Equipment	6.1/6.2/10	0	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
TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2012		<u>(6,079,375)</u>	<u>(6,525,624)</u>

The notes on pages 60 to 86 form part of these accounts.

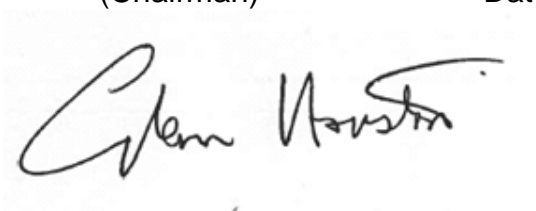
STATEMENT of FINANCIAL POSITION as at 31 March 2012

		2012		2011	
	NOTE	£	£	£	£
Non Current Assets					
Property, plant and equipment	6.1/6.2	172,990		180,057	
Intangible assets	7.1/7.2	<u>13,333</u>		<u>26,484</u>	
Total Non Current Assets			186,323		206,541
Current Assets					
Trade and other receivables	12.0	13,834		21,061	
Other current assets	12.0	21,301		19,355	
Cash and cash equivalents	13.0	<u>24,127</u>		<u>4,086</u>	
Total Current Assets			59,262		44,502
Total Assets			<u>245,585</u>		<u>251,043</u>
Current Liabilities					
Trade and other payables	14.0	(510,589)		(366,991)	
Other liabilities	14.0	<u>0</u>		<u>0</u>	
Total Current Liabilities			(510,589)		(366,991)
Non Current Assets plus/less Net Current Assets / Liabilities			<u>(265,004)</u>		<u>(115,948)</u>
Total Non Current Liabilities			0		0
Assets less Liabilities			<u><u>(265,004)</u></u>		<u><u>(115,948)</u></u>
Taxpayers' Equity					
Revaluation reserve		0		0	
SoCNE Reserve		(265,004)		(115,948)	
			<u><u>(265,004)</u></u>		<u><u>(115,948)</u></u>



Signed Ian Carson
(Chairman)

Date: 5 July 2012



Signed Glenn Houston
(Chief Executive)

Date: 5 July 2012

The notes on pages 60 to 86 form part of these accounts.

STATEMENT of CASH FLOWS for the year ended 31 March 2012

	Note	2012 £	2011 £
Cash flows from operating activities			
Net expenditure after interest		(6,079,375)	(6,525,624)
Adjustments for non cash costs	25.1	83,024	90,476
(Increase)/decrease in trade and other receivables	12	5,281	122,894
Less movements in receivables relating to items not passing through the SCNE			
Movements in receivables relating to the sale of property, plant & 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	14	143,598	(28,103)
Less movements in payables relating to items not passing through the SCNE			
Movements in payables relating to the purchase of property, plant & equipment	14	(27,285)	12,392
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	16	0	0
Net cash outflow from operating activities		(5,874,757)	(6,327,965)
Cash flows from investing activities			
(Purchase of property, plant & equipment)		(15,202)	(24,705)
(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
Net Cash (Outflow) from investing activities		(15,202)	(24,705)
Cash flows from financing activities			
Grant in aid		5,910,000	6,348,000
Cap element of payments - finance leases and on balance sheet (SoFP) PFI and other service concession arrangements		0	0
Net financing		5,910,000	6,348,000
Net increase (decrease) in cash & cash equivalents in the period		20,041	(4,670)
Cash & cash equivalents at the beginning of the period	13	4,086	8,756
Cash & cash equivalents at the end of the period	13	24,127	4,086

The notes on pages 60 to 86 form part of these accounts.

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

	Note	SoCNE Reserve £	Revaluation Reserve £	Govt. Grant Reserve £	Total £
Balance at 31 March 2010		41,195	0	43,845	85,040
Changes in taxpayers equity 2010-11					
Grant from DHSSPS		6,348,000	0	0	6,348,000
Government Grant Reserve - transfer to net expenditure for depreciation (Comprehensive expenditure for the year)		0	0	(43,844)	(43,844)
Non cash charges - auditors remuneration	4	(6,525,624)	0	0	(6,525,624)
		20,480	0	0	20,480
Balance at 31 March 2011		(115,949)	0	1	(115,948)
Changes in taxpayers equity 2011-12					
Grant from DHSSPS		5,910,000	0	0	5,910,000
Adjustments (Comprehensive expenditure for the year)		(6,079,375)	0	(1)	(1)
Non cash charges - auditors remuneration	4	(6,079,375)	0	0	(6,079,375)
		20,320	0	0	20,320
Balance at 31 March 2012		(265,004)	0	0	(265,004)

The notes on pages 60 to 86 form part of these accounts.

NOTES TO THE ACCOUNTS for the year ended 31 March 2012

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 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.

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

These accounts are presented in UK Pounds sterling.

1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise equipment, furniture & fittings, and Information Technology.

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 balance sheet 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.

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 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 should also be depreciated over their estimated useful lives. The estimated useful life of an asset is the period over which RQIA expects to obtain economic benefits or service potential from the asset. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. The following asset lives have been used.

Asset Type	Asset Life
Equipment	3 – 5 years
Information technology	3 – 5 years
Furniture and Fittings	3 – 15 years

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. 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 General 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 to 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 comprise software and licences. 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, can be 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.

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 historic cost is used (as all RQIA's intangible assets are short life assets).

1.8 Donated Assets

RQIA does not hold any donated assets.

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 reserves.

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. RQIA has no such deposits or other cash equivalents in the form of investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.15 Leases

RQIA as lessee

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

The 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

RQIA has no powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing RQIA in undertaking activities. Therefore RQIA is exposed to little credit, liquidity or market risk.

- 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 no 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 contracts with other public sector bodies, RQIA has low exposure to credit risk.

- Liquidity risk

Since RQIA receives the majority of its funding through the Department 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 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 31 March 2012.

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 2012.

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. This cost has been estimated using the results of a management survey to ascertain leave balances as at 31 March 2012. It is not anticipated that the level of untaken leave will vary significantly from year to year.

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. The actuary reviews the most recent actuarial valuation at the balance sheet date and updates it to reflect current conditions. The 31 March 2008 valuation will be used in the 2011-12 accounts.

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 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 has issued new guidance effective from 1 April 2011 under which 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.

This change did not have any significant impact on RQIA's accounts. RQIA's government grant reserve was depleted in 2010-11 and restatement of the 2010-11 figures is not required.

1.25 Losses and Special Payments

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

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had 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 IAS 8 there is a requirement to disclose those standards issued but not yet adopted.

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

1.27 Change in Accounting Policy and Prior Year Restatement

As disclosed in Note 1.24 above, from 1 April 2011 government grant reserves are no longer permitted. This change did not have any significant impact on RQIA's accounts and a prior year restatement was not required.

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:

	Total	2012 Permanently employed staff	Others	2011 Total
	£	£	£	£
Wages & Salaries	4,883,371	4,792,269	91,102	5,016,590
Social Security costs	383,541	383,541		375,697
Other Pension costs	556,078	556,078		568,822
Total staff costs reported in Statement of Comprehensive Net Expenditure	5,822,990	5,731,888	91,102	5,961,109
Less recoveries in respect of outward secondments	43,511			87,231
Total net costs	5,779,479			5,873,878

No staff costs were charged to capital during 2011-12.

3.2 - Average Number of Persons Employed

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

	Total	2012 Permanently employed staff	Others	2011 Total
	No.	No.	No.	No.
Administrative and Clerical	143	138	5	144
Total Average Number of Persons Employed	143	138	5	144
Less average staff number in respect of outward secondments	1	1	0	2
Total Net Average Number of Persons Employed	142	137	5	142

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 2011-12 or 2010-11.

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 2011-12 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:

	2012 £	2011 £
Supplies and services – General	29,972	26,823
Establishment	321,716	380,790
Premises	167,658	118,618
Bad debts	0	1,530
Rentals under operating lease	207,447	219,486
BSO services	149,114	137,430
Training	79,003	21,181
ICT maintenance	211,300	172,068
ICT hardware and software	55,075	135,510
Miscellaneous expenditure	158,945	155,362
Non Cash Items		
Depreciation	46,606	84,211
Amortisation	13,151	28,042
Loss on disposal of property, plant & equipment (including Land)	2,947	1,587
Loss on disposal of intangibles	0	0
Auditors remuneration	20,320	20,480
Total	1,463,254	1,503,118

There were no non audit services purchased from RQIA's external auditor (NIAO) during 2011-12.

Following a review of expenditure in 2011-12, some areas of operating expenses have been re-categorised to provide greater transparency. The 2010-11 figures have been adjusted accordingly. Total operating expenditure for the prior year remains unchanged.

NOTE 5 - INCOME

5.1 - Income from Activities

RQIA did not receive income from activities in 2011-12 or 2010-11.

5.2 - Other Operating Income

	2012 £	2011 £
Other income from non-patient services – Misc Income	14,878	9
Seconded staff	43,511	87,231
Government grant reserve transfer for depreciation	0	43,844
Other Income from fees levied on registered bodies	1,148,480	807,519
Total	1,206,869	938,603

5.3 - Deferred Income

RQIA did not receive any deferred income in 2011-12 or 2010-11.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

6.1 – Property, Plant and Equipment – Year Ended 31 March 2012

	Plant and Machinery (Equipment) £	Information Technology (IT) £	Furniture and Fittings £	Total £
Cost or Valuation				
At 1 April 2011	103,729	286,766	136,927	527,422
Additions	0	15,676	26,811	42,487
(Disposals)	0	(20,884)	(60,413)	(81,297)
At 31 March 2012	103,729	281,558	103,325	488,612
Depreciation				
At 1 April 2011	76,462	202,838	68,065	347,365
(Disposals)	0	(17,936)	(60,413)	(78,349)
Provided during the year	7,121	31,833	7,652	46,606
At 31 March 2012	83,583	216,735	15,304	315,622
Carrying Amount				
At 31 March 2012	20,146	64,823	88,021	172,990
At 31 March 2011	27,267	83,928	68,862	180,057

Asset Financing

Owned	20,146	64,823	88,021	172,990
Carrying Amount At 31 March 2012	20,146	64,823	88,021	172,990

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

6.2 – Property, Plant and Equipment – Year Ended 31 March 2011

	Plant and Machinery (Equipment) £	Information Technology (IT) £	Furniture and Fittings £	Total £
Cost or Valuation				
At 1 April 2010	103,729	312,313	136,927	552,969
Additions		12,313		12,313
(Disposals)		(37,860)		(37,860)
At 31 March 2011	103,729	286,766	136,927	527,422
Depreciation				
At 1 April 2010	55,644	183,370	60,413	299,427
(Disposals)		(36,273)		(36,273)
Provided during the year	20,818	55,741	7,652	84,211
At 31 March 2011	76,462	202,838	68,065	347,365
Carrying Amount				
At 31 March 2011	27,267	83,928	68,862	180,057
At 1 April 2010	48,085	128,943	76,514	253,542

Asset Financing

Owned

27,267	83,928	68,862	180,057
27,267	83,928	68,862	180,057

Carrying Amount

At 31 March 2011

Asset Financing

Owned

48,085	128,943	76,514	253,542
48,085	128,943	76,514	253,542

Carrying Amount

At 1 April 2010

NOTE 7 - INTANGIBLE ASSETS

7.1 – Intangible Assets – Year Ended 31 March 2012

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

Asset Financing

Owned	13,333	13,333
Carrying Amount At 31 March 2012	13,333	13,333

7.2 – Intangible Assets – Year Ended 31 March 2011

	Software Licenses £	Total £
Cost or Valuation		
At 1 April 2010	141,623	141,623
At 31 March 2011	141,623	141,623
Amortisation		
At 1 April 2010	87,097	87,097
Provided during the year	28,042	28,042
At 31 March 2011	115,139	115,139
Carrying Amount		
At 31 March 2011	26,484	26,484
At 1 April 2010	54,526	54,526
Asset Financing		
Owned	26,484	26,484
Carrying Amount		
At 31 March 2011	26,484	26,484
Asset Financing		
Owned	54,526	54,526
Carrying Amount		
At 1 April 2010	54,526	54,526

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 2011-12 or 2010-11.

NOTE 10 - IMPAIRMENTS

There were no impairments in 2011-12.

NOTE 11 - INVENTORIES

RQIA does not hold any inventories.

NOTE 12 - TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2012 £	2011 £
Amounts Falling Due Within One Year		
Trade receivables	13,834	21,061
Trade and Other Receivables	<u>13,834</u>	<u>21,061</u>
Prepayments and accrued income	21,301	19,355
Other Current Assets	<u>21,301</u>	<u>19,355</u>
Amounts Falling Due After More Than One Year	0	0
Total Trade and Other Receivables	<u>13,834</u>	<u>21,061</u>
Total Other Current Assets	<u>21,301</u>	<u>19,355</u>
Total Receivables and Other Current Assets	<u><u>35,135</u></u>	<u><u>40,416</u></u>

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

Name	Amounts falling due within 1 year 2011-12 £	Amounts falling due within 1 year 2010-11 £	Amounts falling due after more than 1 year 2011-12 £	Amounts falling due after more than 1 year 2010-11 £
Balances with other central government bodies	0	0	0	0
Balances with NHS / HSC Trusts	1,350	12,269	0	0
Intra-Government Balances	<u>1,350</u>	<u>12,269</u>	<u>0</u>	<u>0</u>
Balances with bodies external to government	33,785	28,147	0	0
Total Receivables and Other Current Assets at 31 March	<u><u>35,135</u></u>	<u><u>40,416</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

NOTE 13 - CASH AND CASH EQUIVALENTS

	2012 £	2011 £
Balance at 1st April	4,086	8,756
Net change in cash and cash equivalents	20,041	(4,670)
Balance at 31 March	24,127	4,086

The following balances at 31 March were held at	2012 £	2011 £
Commercial banks and cash in hand	24,127	4,086
Balance at 31 March	24,127	4,086

NOTE 14 - TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2012 £	2011 £
Amounts Falling Due Within One Year		
Trade capital payables - property, plant and equipment	35,439	8,154
Trade revenue payables	238,511	136,657
Payroll payables	127,046	137,470
BSO payables	109,593	84,710
Trade and Other Payables	510,589	366,991
Other Current Liabilities	0	0
Total Payables Falling Due Within One Year	510,589	366,991
Amounts Falling Due After More Than One Year		
Total Non Current Other Payables	0	0
Total Trade Payables and Other Current Liabilities	510,589	366,991

The 2011 figures have been restated to reflect the disaggregation of The Business Services Organisation (BSO) payables from trade revenue payables. Prior year total trade and other payables remain unchanged.

14.1 - Trade Payables and Other Current Liabilities - Intra-government Balances

	Amounts falling due within 1 year 2011-12 £	Amounts falling due within 1 year 2010-11 £	Amounts falling due after more than 1 year 2011-12 £	Amounts falling due after more than 1 year 2010-11 £
Balances with other central government bodies	109,593	84,710	0	0
Balances with local authorities	2,267	9,033	0	0
Balances with NHS / HSC Trusts	35,061	85,670	0	0
Intra-Government Balances	146,921	179,413	0	0
Balances with bodies external to government	363,668	187,578	0	0
Total Payables and Other Liabilities at 31 March	510,589	366,991	0	0

Following a review in 2011-12, some trade payables have been re-categorised to provide greater transparency. The 2010-11 figures have been adjusted accordingly. Total payables and other liabilities for the prior year remain unchanged.

14.2 - Loans

RQIA did not have any loans payable at either 31 March 2012 or 31 March 2011.

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:

	2012 Number	2012 Value £	2011 Number	2011 Value £
Total bills paid	967	964,432	972	1,045,773
Total bills paid within 30 day target or under agreed payment terms	930	884,133	923	1,018,883
% of bills paid within 30 day target or under agreed payment terms	96.2%	91.7%	95.0%	97.4%

The measure of prompt payment compliance required by the Department only includes non-HSC trade payable invoices. The 2011 values and numbers have been restated to comply with this measure.

15.2 - The Late Payment of Commercial Debts Regulations 2002

	£
Amount of Compensation paid for payment(s) being late	20
Amount of Interest paid for payment(s) being late	10
Total	30

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

NOTE 16 - PROVISIONS FOR LIABILITIES AND CHARGES - 2012 AND 2011

RQIA did not hold any provisions in 2011-12 or 2010-11.

NOTE 17 - CAPITAL COMMITMENTS

RQIA had no contracted capital commitments at 31 March 2012 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 for each of the following periods.

Obligations Under Operating Leases Comprise	2012 £	2011 £
Buildings		
Not later than 1 year	193,800	189,763
Later than 1 year and not later than 5 years	775,200	759,050
Later than 5 years	761,926	935,815
	<u>1,730,926</u>	<u>1,884,628</u>
Other		
Not later than 1 year	3,702	6,863
Later than 1 year and not later than 5 years	3,487	5,195
Later than 5 years	0	0
	<u>7,189</u>	<u>12,058</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

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 2012 or 31 March 2011.

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 as such, the Department is regarded as a related party.

During 2011-12 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 2012.

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:

	2012 Total £	2011 Total £
HSCB	21,676	121,808
DHSSPS (excludes non cash)	5,967,664	6,311,800
Non cash RRL (from DHSSPS)	83,024	90,476
Total RRL to Statement of Comprehensive Net Expenditure	6,072,364	6,524,084

25.2 - Capital Resource Limit

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

	2012 Total £	2011 Total £
Gross capital expenditure	42,487	12,313
(Receipts from sales of fixed assets)	0	0
Net capital expenditure	42,487	12,313
Capital Resource Limit	45,000	26,000
Overspend/(Underspend) against CRL	(2,513)	(13,687)

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.

	2011-12 £	2010-11 £
Net Expenditure	(6,079,375)	(6,525,624)
RRL	6,072,364	6,524,084
Surplus / (Deficit) against RRL	<hr/> (7,011)	<hr/> (1,540)
Break Even cumulative position(opening)	(14,976)	(13,436)
Break Even cumulative position (closing)	<hr/> (21,987)	<hr/> (14,976)

Materiality Test:

	2011-12	2010-11
Break Even in year position as % of RRL	<hr/> -0.12%	<hr/> -0.02%
Break Even cumulative position as % of RRL	<hr/> -0.36%	<hr/> -0.23%

NOTE 26 - LOSSES AND SPECIAL PAYMENTS

Type of Loss	No. of Cases	Value £
1 Cash Losses - Theft, fraud etc.		
2 Cash Losses - Overpayments of salaries, wages and allowances		
3 Cash Losses - Other causes (including unvouched and incompletely vouched payments)		
4 Nugatory and fruitless payments		
i. Abandoned capital Schemes		
ii. Late Payment of Commercial Debt	1	30
iii. Other		
5 Bad debts and claims abandoned		
6 Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc.		
i. Bedding and linen		
ii. Other equipment and property	1	520
7 Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc.)		
8 Stores and Inventory Losses - Deterioration in store		
9 Stores and Inventory Losses - Stocktaking discrepancies		
10 Stores and Inventory Losses - Other causes		
i. Bedding and linen		
ii. Other equipment and property	8	2947
11 Compensation payments (legal obligation)		
i. Clinical Negligence		
ii. Public Liability		
iii. Employers Liability		
12 Ex-gratia payments - Compensation payments (including payments to patients and staff)		
13 Ex-gratia payments - Other payments	1	20
14 Extra statutory payments		
15a. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion.		
b. Damage to vehicles		
Total	11	3,517

Breakdown of Capital Write Offs

8 Laptops damaged beyond repair and 1 was stolen.

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 27 July 2012.