



# **Annual Report and Accounts**

**1 April 2009 - 31 March 2010**

**Regulation and Quality Improvement Authority Annual Accounts  
For the year ended 31 March 2010**

*The Accounting Officer authorised these  
financial statements for issue*

*on*

*26 July 2010*

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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*

*6 August 2010*

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

### **Our Purpose**

The Regulation and Quality Improvement Authority (RQIA) was established to monitor the availability, organisation and standards of health and social care services in Northern Ireland and to be a driving force in promoting improvements in the quality of these services.

### **Our Vision**

Safe, effective and high quality health and social care services for everyone in Northern Ireland.

### **Our Values**

The RQIA is:

- independent
- accessible
- inclusive
- accountable
- honest
- fair

### **Our Principles**

The RQIA will:

- respect every person's right to timely, high quality care
- promote choice
- listen to and work with service users and providers
- encourage learning and innovation
- challenge practice where the need for change is demonstrated
- operate with integrity

## FOREWORD

The Regulation and Quality Improvement Authority (RQIA) is the independent health and social care regulatory body for Northern Ireland. RQIA was established in 2005 under the Health and Personal Social Services (Quality, Improvement and Regulation)(Northern Ireland) Order 2003.

The vision of RQIA is to be a driving force for positive change in health and social care in Northern Ireland. RQIA has a general duty to encourage improvements in the quality of services commissioned and provided by health and social care (HSC) organisations and by independent providers. RQIA takes an evidenced-based approach to its activities, recognising and reporting on good practice, whilst calling services to account where improvements are necessary.

In 2009, RQIA in partnership with key stakeholders developed and consulted on its corporate strategy for the period 2009-12. A programme of planned reviews for this period was also developed, which includes reviews across all our areas of responsibility. This programme will contribute to the publication of an overall assessment of health and social care in 2012.

During the year, RQIA reviews included child protection, maternity services, blood safety and intravenous sedation in general dental practice. Our review teams draw on the expertise of leading clinicians and managers from across the United Kingdom and include lay reviewer involvement. All review findings are published and are accessible on RQIA's website at [www.rqia.org.uk](http://www.rqia.org.uk).

RQIA continued its programme of hygiene inspections of wards and clinical areas in hospitals across Northern Ireland. RQIA is liaising with the Regional Review Team established by the Department of Health, Social Services and Public Safety (DHSSPS) to drive further improvement and to make sure that the action plans submitted by the five HSC trusts in response to the hygiene inspections are being implemented. RQIA will continue this programme of work in 2010-11, based on revised standards for cleanliness and control of infection.

RQIA met its statutory responsibilities with regard to the minimum number of inspections of 931 registered establishments and agencies, with 2,586 inspections in the course of the year. Where serious or persistent issues were identified, RQIA increased the frequency of inspections and, when necessary, reverted to enforcement action to secure a satisfactory outcome for the safety and wellbeing of all those using regulated services.

On 1 April 2009, RQIA assumed responsibility for the functions previously discharged by the former Mental Health Commission. This now forms an integral part of our activities. RQIA is also designated as a national preventive mechanism under the provisions of the Optional Protocol to the Convention Against Torture (OPCAT) and is one of four bodies in Northern Ireland holding this important designation. In support of these responsibilities RQIA has

adopted a human rights-based approach to its activities and is developing policies to take this forward.

In March 2010 responsibility for the monitoring, inspecting and enforcement of the Ionising Radiation (Medical Exposure) Regulations (known as IR(ME)R) came into effect. This requires RQIA to undertake regular inspections of a range of facilities providing ionising radiation, including radiology and radiotherapy services, breast screening services, community dental clinical and dental surgeries. RQIA is working in conjunction with the Health Protection Agency in taking this programme forward in the year ahead.

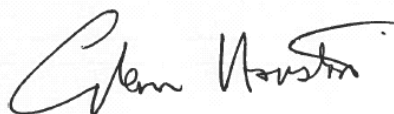
RQIA has developed effective relationships with the newly established Health and Social Care Board, the Public Health Agency and the Patient and Client Council. In addition, RQIA continues to work effectively with the DHSSPS and with regulatory bodies at local, national and international level with a shared interest in the provision of effective health and social care.

The capacity of RQIA to meet its objectives and increased responsibilities depends, above all, on the commitment and dedication of its staff and Board and we wish to pay tribute to them for their skill, professionalism and hard work during the course of the year.

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.



**Dr Ian Carson**  
**Chairman**



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

## **INTRODUCTION**

This Annual Report and Accounts presents an overview of the main activities of the Regulation and Quality Improvement Authority (RQIA) during the period 1 April 2009 to 31 March 2010.

### **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 it makes an independent assessment of health and social care services to ensure these are 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 services.

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; and independent hospitals, hospices and clinics.

Through service and themed reviews, RQIA also works with health and social care organisations across Northern Ireland to encourage the delivery of high quality services.

Under the Health and Social Care (Reform) Act (Northern Ireland) 2009 the functions of the former Mental Health Commission transferred to RQIA on 1 April 2009. RQIA now undertakes a range of responsibilities for people with a mental illness and those with a learning disability. 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.

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

### **RQIA Board**

The Board has a complement of 13 independent members. It is chaired by Dr Ian Carson. Each board member is appointed by the Minister of Health, Social Services and Public Safety (the Minister) for a term of 4 years. There was one retirement at the end of the preceding year and two during 2009/10. These vacancies have not yet been filled.

## Executive Team

The Chief Executive, Glenn Houston, is responsible to the Board, through the Chairman, for managing RQIA as a corporate body, and as Accounting Officer to the Permanent Secretary of the Department of Health, Social Services and Public Safety (DHSSPS).

The Executive Team of the RQIA at 31 March 2010:

- Mr Glenn Houston, Chief Executive
- Mr Maurice Atkinson, Director of Corporate Services
- Ms Theresa Nixon, Director of Quality Assurance and Chief Social Work Advisor
- Mr Phelim Quinn, Director of Operations and Chief Nurse Advisor
- Dr David Stewart, Medical Director and Director of Service Improvement

## Staffing Profile

RQIA's staff are key to the delivery of the organisation's corporate objectives and increasingly challenging work programme. During 2009/10 the average whole time equivalent staff numbers were: 130 permanent and 6 temporary. They were based at offices in Belfast and Omagh. These numbers do not include RQIA's board members, bank or sessional staff.

## MANAGEMENT COMMENTARY

During 2009 RQIA developed its corporate strategy for the period 2009-12. This was developed in consultation with a wide range of stakeholders and with guidance from RQIA's board and staff. We are committed to continuing dialogue with service users and carers, service providers and public representatives about the quality and safety of health and social care services in Northern Ireland.

The corporate strategy sets out RQIA's key priorities for the period 2009-12. This report outlines progress against the four core activities identified within the strategy which are critical to the success of RQIA. These are:

- **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.

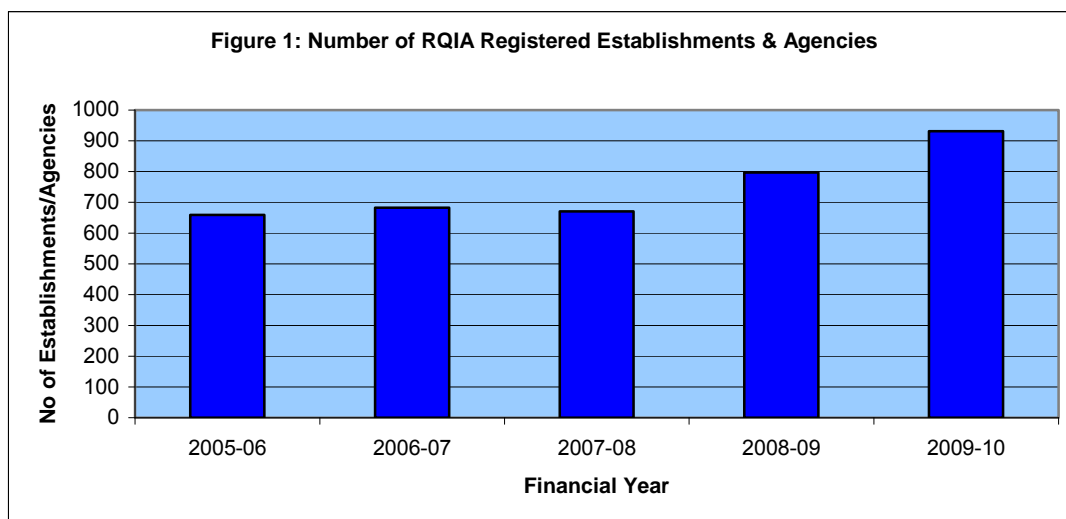


## IMPROVING CARE

Under The Health and Personal Social Services (Quality, Improvement and Regulation)(Northern Ireland) Order 2003 RQIA is responsible for the regulation (registration and inspection) of a wide range of health and social care services. These include:

- Adult placement agencies
- Children's homes
- Day care settings
- Domiciliary care agencies
- Independent clinics
- Independent hospitals
- Nursing agencies
- Nursing homes
- Residential care homes
- Residential family centres

Since RQIA came into existence on 1 April 2005, the number of registered establishments and agencies has increased significantly (see Figure 1). During the past two years there was a considerable increase in the number of services subject to regulation by RQIA, with the addition of domiciliary care agencies, day care settings, residential family centres and adult placement agencies.



At 31 March 2010 a total of 936 establishments and agencies were registered with RQIA, an increase from 797 on 31 March 2009. Table 1 details the number of services by type and geographical location.

<b>Table 1: Establishments/agencies registered (as at 31 March 2010)</b>						
<b>Type of establishment</b>	<b>BHSCT</b>	<b>NHSCT</b>	<b>SEHSCT</b>	<b>SHSCT</b>	<b>WHSCT</b>	<b>Total</b>
Nursing homes	53	61	52	49	38	<b>253</b>
Residential care homes	45	59	61	27	46	<b>238</b>
Children's homes	12	12	9	10	10	<b>53</b>
Independent clinics	15	2	3	4	2	<b>26</b>
Independent hospitals / hospices	4	1	1	1	2	<b>9</b>
Day Care Settings	14	6	16	16	22	<b>74</b>
Residential Family Centres	2	1				<b>3</b>
Adult Placement Agencies		3		1		<b>4</b>
<b>Total at 31 March 2010</b>	<b>145</b>	<b>145</b>	<b>142</b>	<b>108</b>	<b>120</b>	<b>660</b>

<b>Table 1a: Establishments/agencies registered (as at 31 March 2010)</b>						
<b>Type of establishment</b>						<b>Total</b>
Nursing agencies*						<b>22</b>
Domiciliary Care Agencies*						<b>249</b>
<b>Total at 31 March 2010</b>						<b>271*</b>

\* *Nursing and domiciliary care agencies operate regionally and are not aligned to a trust area.*

Table 2 details the number of registered places in nursing, residential care and children's homes by trust area.

<b>Table 2: Establishments/agencies registered places at 31 March 2010</b>						
<b>Type of establishment</b>	<b>BHSCT</b>	<b>NHSCT</b>	<b>SEHSCT</b>	<b>SHSCT</b>	<b>WHSCT</b>	<b>NI Total</b>
Nursing homes	2,160	2,682	1,997	2,120	1,622	<b>10,581*</b>
Residential care homes	1,289	1,025	1,267	481	765	<b>4,827</b>
Children's homes	84	75	78	56	69	<b>362</b>
<b>Total</b>	<b>3,533</b>	<b>3,782</b>	<b>3,342</b>	<b>2,657</b>	<b>2,456</b>	<b>15,770**</b>

\* Total includes 568 residential care beds within nursing homes

\*\* The overall bed figure includes those beds in newly registered services and those reclassified.

### **Newly Registered Establishments/Agencies**

The following tables detail new registrations (Table 3) and deregistrations (Table 4) in 2009-10.

<b>Table 3: New Establishments/Agencies registered during 2009-10</b>						
<b>Establishment/Agencies</b>	<b>BHSCT</b>	<b>NHSCT</b>	<b>SEHSCT</b>	<b>SHSCT</b>	<b>WHSCT</b>	<b>Total</b>
Nursing homes				1	2	<b>3</b>
Residential care homes			1			<b>1</b>
Independent clinics	2			2	1	<b>5</b>
Day Care Settings	9	5	10	8	20	<b>52</b>
Residential Family Centres	1					<b>1</b>
Adult Placement Agencies		1		1		<b>2</b>
<b>TOTAL</b>	<b>12</b>	<b>6</b>	<b>11</b>	<b>12</b>	<b>23</b>	<b>64</b>

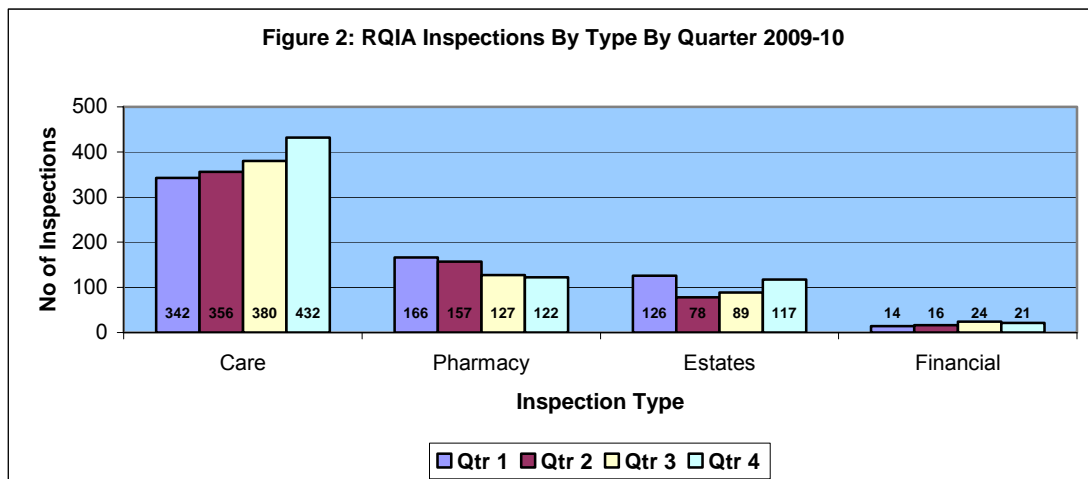
Nursing and domiciliary care agencies operate regionally and are not aligned to a trust area. In addition to the new registrations shown in Table 3 above, there were 161 new Domiciliary Care Agencies and 1 Nursing Agency registered during 2009/10.

**Table 4: Establishments/Agencies de-registered during 2009-10**

Establishment / Agencies	BHSCT	NHSCT	SEHSCT	SHSCT	WHSCT	Total
Nursing homes					1	1
Residential care homes	2	36	5	22		65
Children's homes	1				1	2
Day Care Settings				1		1
<b>TOTAL</b>	<b>3</b>	<b>36</b>	<b>5</b>	<b>23</b>	<b>2</b>	<b>69</b>

Nursing and domiciliary care agencies operate regionally and are not aligned to a trust area. In addition to the de-registrations shown in Table 4 above, there were 22 Domiciliary Care Agencies and 1 Nursing Agency de-registered during 2009/10. Included in the Residential Care Homes category are 56 small homes that had been re-categorised as Adult Placement Agencies and therefore de-registered and re-registered under their new category.

RQIA employs teams of inspectors, including nurses, social workers, pharmacists, estates and finance officers to carry out a range of inspections across all regulated services. The Regulation and Improvement Authority (Fees and Frequency of Inspections) Regulations (Northern Ireland) 2005 and associated amendments detail the minimum number of inspections for all identified establishments and agencies. During the year RQIA met its statutory obligations under these regulations, conducting 2,586 inspections. Table 5 provide a breakdown of inspection activity by service for the period 1 April 2009 to 31 March 2010.



**Table 5: Inspections completed 1 April 2009 - 31 March 2010  
by service category and inspection discipline**

<b>Category</b>	<b>Care</b>	<b>Pharmacy</b>	<b>Estates</b>	<b>Finance</b>	<b>Other</b>	<b>Total 2009-10</b>
Adult Placement Agency	5					5
Boarding School	12	3				15
Children's	121	36	30			187
Day Care Setting	68	39	85	1		193
Domiciliary Care Agency	248	79	2	1		330
Independent Clinic	22	3	22			47
Independent Hospital	14	9	7			30
Nursing Home	503	275	133	41	3	955
Nursing Agency	21	3				24
Residential Care Home	509	119	130	40		798
Residential Family Centre	1		1			2
<b>Total 2009-10</b>	<b>1,524</b>	<b>566</b>	<b>410</b>	<b>83</b>	<b>3</b>	<b>2,586</b>

## Inspection Methodology

In planning for inspection activity during 2009-10, RQIA identified a number of selected inspection standards for each of the regulated service areas. Table 6 details these by care setting.

<b>Table 6: Selected Inspection Standards by Care Setting, 2009-10</b>	
<b>Care Setting</b>	<b>Standards Inspected</b>
Domiciliary Care Agencies	Referral Arrangements Staff Recruitment Staff Training Protection from Abuse
Adult Placement Agencies	Referral Arrangements Staff Recruitment Staff Training Protection from Abuse
Residential Care Homes	Needs Assessment Care Planning Care Review Recruitment of staff Infection Control (unannounced inspection theme)
Day Care	Needs Assessment Care Planning Management and Control of Operations Recruitment of Staff
Nursing Homes	Nursing Care Care records Staffing Recruitment Infection Control (unannounced inspection theme)

During the year tools and processes were further developed for the inspection of these services. These included new or enhanced self-assessment, inspection workbooks, inspection guidance, a matrix for the measurement of achievement against standards, inspection feedback and user surveys.

In February 2010, RQIA engaged with over 850 service providers at information sessions held around Northern Ireland to outline the enhanced processes for inspection and to provide guidance on the focus of inspection activities for 2010-11. Feedback from the sessions was very positive. A series of guidance documents has also been produced for providers outlining the process of inspection and the evidence required to illustrate compliance with standards. This aims to ensure that both providers and inspectors are able to prepare for and carry out inspection in an effective and informed manner, which helps to drive a culture of continuous improvement. In March 2010 training sessions were also held for inspectors to ensure a consistent approach to inspection across RQIA.

## **Enforcement Activity**

RQIA has access to a number of enforcement tools. These range from issuing recommendations linked to minimum standards, legislative requirements, notices of failure to comply with regulations, through to enforced closure. In our inspection reports we highlight the improvements required, and the service must respond to these with a quality improvement plan, which explains how it will meet these requirements.

Throughout the year RQIA issued notices of failure to comply with regulations on three occasions. These related to breaches of statement of purpose at two children's homes and issues relating to care and staffing at a nursing home.

Two providers - a nursing home and a children's home - failed to achieve compliance within legislative timescales. As a result RQIA escalated enforcement action, placing conditions of registration on these homes. Two nursing homes issued with notices of failure to comply with regulations in late 2008-09 achieved compliance within the timescales set by RQIA.

## **Ionising Radiation (Medical Exposure) Regulations (IR(ME)R)**

On 15 March 2010 responsibility for the monitoring and inspection of Ionising Radiation (Medical Exposure) (Amendment) Regulations (Northern Ireland) 2010 (IR(ME)R) transferred to RQIA. These regulations are in place to protect individual service users against the dangers of inappropriate exposure to radiation during medical diagnosis and treatment. An inspection programme which includes diagnostic radiology, nuclear medicine, radiotherapy, dental clinics and chiropractors has been developed and will be reported on in open inspection reports during 2010-11.

## **RQIA Review Activity**

RQIA has a key role in assuring the quality of services provided by the Health and Social Care Board and the health and social care trusts and agencies. RQIA conducts reviews to ensure that care services comply with a range of standards frameworks and The Quality Standards for Health and Social Care (DHSSPS, March 2006).

In conducting reviews, RQIA uses a range of approaches including self-assessment, validation visits by panels of independent experts and the involvement of lay people. On completion of a review, RQIA publicly reports its findings and where necessary, makes recommendations for improvement in services. We also ensure that the Minister is made aware of the outcomes and recommendations of reviews. In parallel, RQIA works with service providers on addressing shortcomings in services, to ensure that lessons are learned and improvements are made to the quality of health and social care for service users.

Following a consultation process with key stakeholders including service users, the public and other HSC bodies, RQIA has developed a three-year

review programme of governance, mental health and learning disability, primary care and inspection reviews. The programme identifies 20 reviews scheduled for the period 2009-12. These have been balanced and prioritised under the themes of people, place, programme and policy. RQIA will keep the programme under review and will make sure that in addition to the planned programme, there will be capacity to respond to emerging needs. On completion, the resulting reviews will form an overall assessment of health and social care in Northern Ireland.

## **Review of Child Protection Services in Northern Ireland**

In November 2009 RQIA published its findings of the first phase of its independent review of child protection services in Northern Ireland. Focusing on recommendations from the DHSSPS overview report 'Our children and young people - our shared responsibility' (January 2007), the review also took account of relevant child protection standards and recommendations from other child protection reports, including the O'Neill and Toner reports. This phase of the review focused on corporate leadership and accountability; the views of service users; and record keeping within child protection services in each health and social care trust.

Findings of the first three stages of the review included:

- trusts had clear lines of reporting and policies and procedures in place
- shortfalls were identified in practice in a number of gateway and family support teams
- a number of concerns relating to risk assessment of referrals to identify potential child protection cases
- concerns in relation to the quality of record keeping, and supervision of staff
- good practice in a number of gateway teams who were working well within regional guidelines
- a very high uptake of the new multidisciplinary assessment protocol for child protection

During the review RQIA worked in partnership with VOYPIC (Voice of Young People in Care) to seek the views of parents involved with family support services and parents who had experience of child protection services. Parents indicated that while there was not always sufficient relevant information on services, in many cases service users provided positive feedback about their experiences.

RQIA expect all trusts to follow up on specific recommendations contained within their reports, and to consider building upon examples of best practice observed in their own trust and in other areas.

Further review activity is currently underway, focusing on assessments of frontline services, supervision of professionals involved in child protection and interagency working. Reports on these issues will be published during 2010.



## **Review of Intravenous Sedation Use in General Dental Practice**

In May 2009 RQIA published the findings of a review of intravenous sedation use in general dental practice. The review team identified significant variability in the quality of intravenous sedation provision and compliance with NPSA Safety Bulletin Reducing the risk of overdose with midazolam (a sedation drug used for this purpose) injection in adults, issued by DHSSPS in December 2008; and inconsistencies in the provision of training for dental teams.

To address these concerns, specific recommendations were made to individual practices at the time of inspection and RQIA made a number of recommendations for action by the DHSSPS and the Health and Social Care Board.

Due to the levels of concerns identified within this initial review, a further review of intravenous sedation use in general dental practice was undertaken by RQIA later in the year. The findings of this further review will be published during 2010.

## **Review of Intrapartum Care Services**

In March 2010, RQIA completed the review of care for women during labour and delivery which was carried out by an independent panel of leading national experts in obstetrics, anaesthetics and midwifery.

Intrapartum services were reviewed against the Safer Childbirth: Minimum Standards for the Organisation and Delivery of Care in Labour, published by the Royal Colleges of Obstetricians and Gynaecologists, Midwives, Anaesthetists, and Paediatricians and Child Health. The review also took account of DHSSPS circular (2008), Lessons from Independent Reviews of Maternal Deaths and Maternity Services.

Key recommendations from the review team included:

- the need to maintain appropriate levels of obstetric, anaesthetic and midwifery cover
- all trusts to audit and review their midwifery staffing levels on an annual basis
- all trusts should provide all staff with protected time for mandatory training
- the development of an overall strategy for the maternity services across Northern Ireland

RQIA also noted many positive comments from mothers who responded to a patient survey carried out as part of the review.

## **Review of Blood Safety**

In 2009 RQIA carried out a review of the implementation of the National Patient Safety Agency (NPSA) Right Patient Right Blood safety notice. Each

year, around 60,000 units of blood components are used in Northern Ireland for the treatment of chronic disorders, for people undergoing operations and in emergency situations.

The report found that trusts and independent healthcare facilities in Northern Ireland have good operational control of blood transfusion and compliance with the NPSA's safety notice has been substantially achieved. RQIA made a number of recommendations which aim to assist health and social care providers to deliver the highest levels of service and quality.

### **Pathway to Secure Accommodation**

During the year RQIA inspected the care pathways of a group of ten young people from across Northern Ireland who had been presented to a restriction of liberty panel as in need of a place in secure accommodation. Using an integrated social work and human rights based approach, the inspection explored the care pathways of these young people, and analysed the experiences of both the young people and professional staff. The findings highlight both the positive aspects of journeys through the care system as well as identifying deficits in the quality of service provision that require ongoing improvement.

Key findings included:

- a need for earlier and more effective intervention with this group.
- the need for 'helping' services to engage with young people in a more effective and meaningful way
- a greater need for specialist services within Northern Ireland
- a need for greater sharing of practice learning and development across all HSC trusts

Copies of all RQIA review reports are available on RQIA's website at [www.rqia.org.uk](http://www.rqia.org.uk).

### **Controlled Drug Prescribing**

An amendment to the Misuse of Drugs (Northern Ireland) Regulations 2002 which came into force in July 2006 make it a requirement that all private prescriptions for schedule two and schedule three controlled drugs must be written on a dedicated private controlled drug prescription form (PCD1) issued by the Business Services Organisation (BSO). RQIA, in conjunction with DHSSPSNI Medicines Inspectorate, BSO and HSC Board Prescribing Advisor, have final responsibility for determining the validity of these requests. During the year RQIA received eight requests for approval for private controlled drug prescribing, five requests were granted and three refused.

## **Infection Prevention / Hygiene Inspection Programme**

During 2009-10, acute hospitals, mental health units and maternity units were subject to RQIA's programme of unannounced infection control/hygiene inspections, with a total of 61 wards and clinical areas inspected.

Following the publication of RQIA reports for all acute hospitals in November 2009, the Minister for Health, Social Services and Public Safety established a regional review group. This group included representation from RQIA and conducted an audit of the implementation of quality improvement plans provided by trusts in response to previous inspections.

RQIA has also been involved in the review of DHSSPS's Cleanliness Matters Strategy and is part of the departmental reference group to develop new health care, hygiene and cleanliness standards. To facilitate this work during December 2009 to March 2010 there were no further unannounced inspections of hospital wards / clinical areas. RQIA's infection prevention / hygiene inspection programme is due to recommence with a series of reaudits in May 2010.

## **Supported Accommodation for Young People**

During the year RQIA identified three unregulated facilities accommodating young people aged 16 and 17 and providing care and support. Following inspections in May and June 2009 two facilities voluntarily closed, and a third applied for registration as a children's home.

A further 13 facilities across Northern Ireland were identified as providing accommodation for young people aged 16 and 17 and who are homeless in care or leaving care. These facilities currently operate within the interim joint commissioning arrangements agreed with DHSSPS and the Northern Ireland Housing Executive (NIHE), incorporating Supporting People funding, and are not registered with RQIA. RQIA has planned a programme of inspections of these facilities in June 2010.

## **Service Improvement: Incident Reporting Project**

New arrangements for the reporting, recording and analysis of incidents from the regulated sector to RQIA have been designed and roll out commenced in January 2010. All new incidents are risk assessed to determine the necessary follow up action by RQIA inspectors.

## **INFORMING THE POPULATION**

### **Web-based Register**

To support RQIA in making all inspection reports accessible to the public through the RQIA website, RQIA developed a specification and proposal for a web-based version of the register of regulated establishments. During 2010-11 all open inspection reports will be made available online. Inspection reports can also be requested from the individual service provider or by contacting RQIA at [info@rqia.org.uk](mailto:info@rqia.org.uk), or telephone (028) 9051 7500.

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

During the year RQIA responded to 34 freedom of information (FOI) requests. All but one, which required input from external bodies, were responded to within the required timescale.

Under the Data Protection Act six requests were made for personal information held by RQIA, all of which were responded to within the required timescale.

### **Promoting the work of RQIA**

During 2009/10 there was continued print and broadcast media interest in the work of RQIA, with a focus on regulation, enforcement and review activity across a wide range of services. The profile of the organisation also benefited from the launch of a number of inspection and review reports, including unannounced hygiene inspections and the reviews of intravenous sedation in general dental practice and of child protection.

Engagement with political representatives also continued during the year with meeting with health spokespersons from the main political parties, and representatives from the Northern Ireland Assembly Health Committee. RQIA also attended a number of Health Committee meetings, providing evidence on the infection control/hygiene inspection programme and the Review of Child Protection in Northern Ireland.

To ensure that its staff and service providers were fully informed on H1N1 pandemic influenza (swine flu), significant additional content was added to the RQIA website and appropriate written information was issued to support regulated services in meeting their obligations at that time. This was also supported with regular written and verbal updates for RQIA staff. A business continuity plan and communications plan were prepared to deal with the potential impact of swine flu on RQIA activities.

## **Awareness of the work of RQIA**

RQIA continued its engagement with key stakeholders including service providers and service users and carers. A series of road shows on the new methodology of inspection took place in February 2010, attended by almost 900 providers from nursing homes, residential care homes, day care settings and domiciliary care agencies. In addition, RQIA organised a joint conference for service users and carers, attended by over 170 people, in partnership with the Northern Ireland Social Care Council (NISCC) and the Social Care Institute for Excellence (SCIE). The Conference entitled *Is Partnership Working?* showcased examples of best practice in public participation and user engagement across the three organisations.

Following the development of a Public Participation Strategy in 2008-09, there is an increased awareness of public participation across RQIA, which has resulted in a better understanding of RQIA's regulation and review activities.

These included:

- survey of new mothers as part of the Review of Intrapartum Care
- public consultation on the RQIA Corporate Strategy 2009-12
- public engagement work with support from the Patient and Client Council (PCC) on the GP Out of Hours Service Review
- the establishment of a Mental Health and Learning Disability advocates network
- patient experience reviews to engage directly with detained mental health service users, making recommendations to trusts based on the information gathered
- work in partnership with the Voice of Young People in Care (VOYPIC) to engage with looked after young people and their families as part of Child Protection Review
- involvement of care experienced young people in the inspection of children's services
- development of user friendly questionnaires for people with learning disabilities in partnership with the Association for Real Change (ARC) development of facilitation skills training for RQIA's Agencies team staff in partnership with ARC and Beeches Management Centre, with input from service users with a learning disability

RQIA also worked closely with other HSC bodies in the newly formed Personal and Public Involvement (PPI) Regional Forum to create opportunities to work collaboratively on PPI issues across Northern Ireland.

Regular liaison forums took place with each of the five HSC trusts where discussion included a focus on the trusts' provision and interface with regulated sectors services. RQIA also met with trust managers of mental health and learning disability services on issues relating to RQIA's functions under the Mental Health Order. Liaison meetings also commenced with the HSC Board and plans are in place for regular liaison meetings with the Public Health Agency and the Patient Client Council. Regular meetings also took

place with key representative groups from the independent sector including the Independent Health Care Providers and the UK Healthcare Association.

In the last year RQIA has had a number of constructive meetings with a range of other regulators and oversight bodies in Northern Ireland and across the UK and Europe, sharing best practice in regulation. These included meetings with social care regulators as part of the Celtic Network, and with health care regulators through the Five Nations group.

In 2009 RQIA joined the European Partnership of Supervisory Organisations (EPSO), considering issues of common interest to health and social care regulators including risk management, complaints handling and human rights.

# **SAFEGUARDING RIGHTS**

## **Responsibilities under Mental Health Legislation**

On 1 April 2009 the functions of the former Mental Health Commission transferred to RQIA under the Health and Social Care (Reform) Act (Northern Ireland) 2009. Our key responsibilities for people with a mental illness and those with a learning disability include:

- 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

To take forward the duties under the Mental Health (Northern Ireland) Order 1986, RQIA established a number of panels/working groups. These include:

- Guardianship Panel
- Medical Panel
- Advocacy Forum

The Advocacy Forum met on four occasions to develop communication links and build relationships with advocates as key partners in the scrutiny and assessment of services to people with a mental disorder or learning disability.

## **Patient Experience reviews**

Throughout the year RQIA developed and piloted a series of formal contact sessions with patients detained under the Mental Health (Northern Ireland) Order 1986. Thirty-three psychiatric wards were visited and 118 detained patients interviewed. Patients discussed issues based on Improving the Patient and Client Experience standards and human rights indicators. Overall the level of care and treatment provided to detained patients was found to be satisfactory, however, a number of common issues were identified:

- patients not always aware of their rights under detention
- patients not actively involved in care planning
- little evidence of regular patients' forum meetings
- insufficient time with primary nurse
- variance in opportunity to attend multidisciplinary team (MDT) meetings
- privacy issues

Recommendations to address these issues were made to the five trusts.

## **Contribution to the development of new mental health legislation**

RQIA continues to make constructive contribution to the drafting of the new Northern Ireland single Mental Health Bill, and has made contribution to the DHSSPS steering group in determining RQIA's role in the new legislation.

## **A Human Rights-based Approach to Regulation**

During the year the RQIA Board endorsed the development of a human rights based approach to all of its work. This approach to regulation was also recommended by the UK Department of Justice during 2009.

Key achievements during the year included:

- appointment of a human rights advisor
- training of RQIA Board and identified staff groups
- organising and lead facilitation of a multiagency round table discussion on deaths in custody
- commencement of RQIA's sub-strategy for health and social care in prisons which has included meetings with ex-prisoner groups
- development of a set of human rights indicators as a framework for the inspection of mental health and learning disability services, this has included a range of clinical and care indicators against which services can be inspected
- ongoing human rights inputs to the review of pathways to secure accommodation for children and young people
- planning for the incorporation of rights-based approach into policies and training
- planning and implementation of an assessment framework for the joint inspection of health and social care in prisons
- ongoing liaison with a range of key academic, legal and HSC stakeholders in the promotion of RQIA HR based approach
- presentation at a range of stakeholder events

## **Optional Protocol to the Convention Against Torture (OPCAT)**

During 2009 RQIA was designated as a National Preventive Measure (NPM) under OPCAT. As a result RQIA has a responsibility to inspect places of detention across Northern Ireland providing health and social care. The main purpose of the designation is to ensure that people within places of detention are not subject to inhumane or degrading treatment. RQIA will report to the UK central coordinating committee on its inspection findings in July 2010.

## **Equality issues**

RQIA continues to meet requirements under section 75 of the Northern Ireland Act (1998) by carrying out equality screening on all new policies and procedures, and ensuring due attention is paid to equality issues by all staff.



## **INFLUENCING POLICY**

During the year the work of RQIA has contributed to the development of a range of regional policies and guidance. These include:

- Guidelines and Audit Implementation Network (GAIN) guidance on the management of mastitis
- guidelines for care homes on the care of residents with diabetes
- regional standards for environmental hygiene and infection control
- DHSSPS's announcement on the development of a regional strategy for maternity services in Northern Ireland
- DHSSPSNI has formed a regional advisory team on hospital hygiene and infection control, and is reviewing hygiene standards following the series of RQIA unannounced infection prevention/hygiene inspections
- Further development of a range of regional guidelines for child protection services.

## **OTHER ISSUES**

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

On 1 April 2009 DHSSPS introduced a new complaints procedure for all health and social care services in Northern Ireland. In the first instance, 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 as commissioner of the care 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**

In 2009-10 five new complaints were made against RQIA. These related to the publication of an inspection report; the publication of a pre-registration report; actions taken by RQIA following allegations about a service; handling of a complaint in relation to a residential care home; and the attitude of a member of staff during an unannounced inspection. All of the above complaints have been fully investigated and the complainants have been advised of the outcomes, and no further action was required.

### **Absence Management**

RQIA is committed to the appropriate management of sickness absence and the achievement of the optimum attendance at work. During the year sickness absence was recorded at 4.6%. Staff awareness sessions and workshops on absence management took place during the year. All episodes of sickness are managed to ensure that the appropriate level of support is in place to meet individual need.

### **HSC Staff Survey**

RQIA staff participated in a HSC wide staff survey in November 2009. The results of this survey will be available during 2010-11 and an action plan will be developed to address any issues raised within the survey.

## **Business Planning**

In 2009, in consultation with stakeholders and with guidance from board members and staff, RQIA developed a draft Corporate Strategy for the period 2009-12. Following a 13 week consultation period the final strategy was approved by RQIA's Board in November 2009. A Business Plan for 2010-11, aligned to the three-year corporate strategy was also developed during the year, and approved by RQIA's Board in March 2010.

Throughout the year, RQIA monitored its performance against the objectives set out in the 2009-10 Business Plan with quarterly reports presented to the Board.

RQIA's Corporate Strategy 2009-12 and annual business plans are available at [www.rqia.org.uk](http://www.rqia.org.uk).

## **Governance and Accountability**

The overall direction of RQIA is the responsibility of its Board which meets in public six 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 senior executive team. Various matters relating to accounting procedures, financial reporting, internal controls and risk management are the responsibility of the Audit Committee. This operates in accordance with its terms of reference and the HM Treasury Audit Committee Handbook. It meets formally at least four times a year. In relation to governance, RQIA is informed both by the Management Statement and Financial Memorandum (MSFM) agreed with the Department of Health, Social Services and Personal Safety (DHSSPS) – which sets out the broad operational framework – and its individual policies. In 2009-10 RQIA developed a Corporate Risk Assurance Framework Report which is reviewed, updated and reported to the Audit Committee and Board on a regular basis.

## Financial Summary

A summary of the income, revenue and capital expenditure and its financing is as follows:

	£
<u>Income</u>	
Fees and re-charged costs	931,418
<u>Expenditure</u>	
Staff costs	5,427,324
Other operating expenses	1,537,798
Net Revenue	<hr/>
Expenditure	6,033,704
<u>Financing from DHSSPS</u>	6,025,965
<u>Deficit</u>	<hr/> <hr/> -7,739

Income was made up of statutory fees payable by registered providers of services of £768,135 together with re-charged staff costs and sundry items of £163,283 making up the total of £931,418.

Capital expenditure amounted to £133,035 which was financed by DHSSPS.

This summary is provided on a memorandum basis only. The full audited accounts may be found in the second part of this report.



## **ANNUAL ACCOUNTS**

Under the Health and Social Care Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003 the RQIA is required 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 29 December 2004 required that the RQIA should prepare annual accounts for the period 1 April 2004 to 31 March 2005 and subsequent financial years.

## **DIRECTORS' REPORT**

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

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

The Health and Social Care Services (Quality, Improvement and Regulation) (Order 2003) (Commencement No.3 & Transitional Provisions) (Northern Ireland) Order 2005 made the provisions of the 2003 Order effective from 1 April 2005. The 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. The 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 2009 RQIA has assumed the responsibilities and functions of the Mental Health Commission which ceased to exist from that date.

### **Principal Activities**

In discharging its responsibilities, the 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, the 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 the RQIA is responsible to the Minister for Health and Social Services and Public Safety. Dr Ian Carson was Chairman throughout 2009/10.

The Chief Executive is an officer of the RQIA and not a member of the Board. The Chief Executive is responsible to the Board, through the Chairman, for managing the 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 the RQIA's sponsor Department. Mr Glenn Houston was appointed as Chief Executive on 1 March 2009. He is designated as the Accounting Officer for 2009/10 and has responsibility for the Annual Report and Accounts for the financial year to 31 March 2010.

## **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  
Dr Connor Mulholland  
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

Dr Ian Carson was appointed as a board member and Chairman on 1 June 2006.

Three Board members retired in 2009/10 on the following dates:

Dame Joan Harbison	1 April 2009
Dr Connor Mulholland	1 August 2009
Dr Jim Jamison	1 September 2009

## **Board Committee Structure and Composition**

### **1 April to 12 November 2009**

Audit Committee	Mr Allen McCartney (Chairman) Dr Richard Adams Professor Patricia McCoy Mrs Una O’Kane Mr Colin Reid
Governance and Risk Management Sub Committee	Professor Patricia McCoy (Chairman) Dr Connor Mulholland (to 1 Aug 09) Mr Colin Reid Mr Austin Smith
Appointments and Remuneration Committee	Dr Ian Carson (Chairman) Mrs Lilian Jennett Ms Geraldine Donaghy Dr Jim Jamison (to 1 Sept 09) Mrs Ruth Laird

### **12 November 2009 to 31 March 2010**

Audit Committee	Mrs Ruth Laird (Chairman) Dr Richard Adams Mr Colin Reid Ms Geraldine Donaghy Mr Austin Smith
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The role and functions of the Governance and Risk Management Sub-committee were subsumed into those of the Audit Committee in accordance with changes made in Standing Orders approved by the Board on 12 November 2009.

Appointments and Remuneration Committee	Dr Ian Carson (Chairman) Mr Allen McCartney Professor Patricia McCoy Mrs Una O’Kane
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## **Role of the Board**

The Board has corporate responsibility for ensuring that the 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 the Authority and the attainability of its targets together with any remedial action required
- Ensuring that the 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**

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

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

### **Pension Scheme for All Staff**

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

### **Auditors**

Under Schedule 1, paragraph 12 (4) of the Health and Social Care Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003, the Comptroller and Auditor General has been appointed as auditor of the RQIA. The notional cost of the audits of the 2008/09 shadow IFRS accounts and the 2009/10 annual accounts was £19,603.

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 the RQIA's auditors. So far as the Accounting Officer is aware, there is no relevant audit information of which the 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 2009/10 was £14,129. All reports by Internal and External Audit are considered by the Audit Committee. There was no remuneration paid to the Auditors for non-audit work.

### **Payment policies**

The RQIA has sought to meet the Government's prompt payment compliance target that 95% of invoices should be paid within 30 days. RQIA paid 92.7% of invoices within thirty day target of the receipt of goods or services and a valid invoice.

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.

The Late Payment of Commercial Debts Regulations 2002 provides small businesses with a statutory right to claim interest on the late payment of commercial debt. During the year the RQIA incurred no interest payments.

### **Related party transactions**

These are disclosed at Note 24 to the accounts.

### **Research and development**

The RQIA did not carry out any research and development work.

### **Charitable donations**

The RQIA did not receive or make any charitable donations.

### **Fixed Assets**

Transactions during the year relating to fixed assets are set out at Notes 7 and 8 to the financial statements.

### **Sickness Absence Data**

Sickness Absence data is included in the 'Absence Management' section of the RQIA Annual Report which precedes the Annual Accounts.

### **Personal Data Related Incidents**

There were no reported incidents of loss of personal data.

**Commitments under PFI Contracts**

RQIA does not have any commitments under PFI contracts.

None

**Post Balance Sheet Events**

Any such events are disclosed at Note 28 to the financial statements.

## **REMUNERATION REPORT**

### **Remuneration Report for the Year Ended 31 March 2010**

#### **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.

#### **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 provide that the Appointments and Remuneration Committee is comprised of the RQIA Chairman and four board members; the membership for 2009/10 is given 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 3 months notice is to be provided by either party except in the event of summary dismissal. There is nothing to prevent either party waiving the right to notice or from accepting payment in lieu of notice.

## **Retirement Age**

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 on 1 March 2009.
- Maurice Atkinson: Director of Corporate Services on 1 October 2008.
- Phelim Quinn: Director of Operations on 3 October 2005.
- Theresa Nixon: Director of Quality Assurance on 17 October 2005.
- David Stewart: Medical Director on 1 November 2007.

## Senior Executives' Salary and Pension Entitlement (Audited)

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

Name	2009/10		2008-2009	
	Salary incl. Performance related pay Bands of £5,000	Benefits in kind nearest £100	Salary incl. Performance related pay Bands of £5,000	Benefits in kind nearest £100
	£'000s	£	£'000s	£
Glenn Houston	95 - 100	-	05 - 10	-
Maurice Atkinson	60 - 65	-	25 - 30	-
Phelim Quinn	65 - 70	-	60-65	-
Theresa Nixon	65 - 70	-	60-65	-
David Stewart	145 - 150	-	145-150	-

In the cases of Glenn Houston and Maurice Atkinson the 2008/09 salary figures represent the payments made for 1 month and 6 months respectively when they were employed by RQIA.

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 2009/10.

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

Name	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 and related lump sum	Cash equivalent transfer value (CETV) at 31 March 2009	Cash equivalent transfer value (CETV) at 31 March 2010	Real increase in CETV after adjustment for inflation and changes to market investment factors	Employer contribution to partnership pension account incl. Risk benefit cover Nearest £100
	Bands of £2,500	Bands of £5,000	£'000	£'000	£'000	£
Glenn Houston	5.0 - 7.5	135 - 140	624	703	24	-
Maurice Atkinson	2.5 - 5.0	55 - 60	244	279	15	-
Phelim Quinn	2.5 - 5.0	80 - 85	367	415	16	-
Theresa Nixon	2.5 - 5.0	85 - 90	396	445	18	-
David Stewart	2.5 - 5.0	230 - 235	1,122	1,234	14	-

### 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. The 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 the RQIA and charged to the Net Expenditure Account at the time the RQIA commits itself to the retirement.

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. An interim valuation as at 31 March 2006 was completed in the summer of 2009 and has been used for the 2008/09 accounts. The next valuation will be as at 31 March 2008 and will be used in the 2009/10 accounts.

## **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures 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. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## **Other**

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



### Appointment of Chairman and Members of the Authority

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

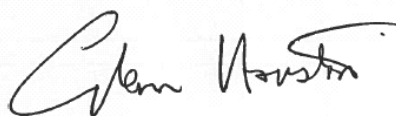
### Remuneration of Chairman and Members of RQIA (Audited)

The amounts paid in 2009/10 together with those for the previous year are as follows:

Name	2009/10		2008-2009	
	Remuneration	Benefits in kind	Remuneration	Benefits in kind
	Bands of £5,000	in kind nearest £100	Bands of £5,000	in kind nearest £100
	£'000s	£	£'000s	£
Dr Ian Carson	15-20	-	15-20	-
Richard Adams	5-10	-	5-10	-
Lilian Jennett	5-10	-	5-10	-
Connor Mulholland (retired 1/8/09)	0-5	-	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	-
Joan Harbison (retired 1/4/09)	-	-	5-10	-
Jim Jamison (retired 1/9/09)	0-5	-	5-10	-
Ruth Laird	5-10	-	5-10	-
Patricia McCoy	5-10	-	5-10	-
Una O'Kane	5-10	-	5-10	-

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

Chief Executive:



Date: 8 July 2010

## **STATEMENT OF THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES**

- 1 Under the Health and Social Care Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003 the Regulation and Quality Improvement Authority is required to prepare financial statements for each financial year in the form and on the basis determined by the Department of Health, Social Services and Public Safety (DHSSPS) conforming to the requirements of the Department of Finance and Personnel (DFP).
- 2 The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of RQIA, and of its income and expenditure, cash flows and changes in reserves for the financial year.
- 3 DHSSPS has appointed the Chief Executive as Accounting Officer of the Authority with responsibility for preparing RQIA's financial statements and for transmitting them to DHSSPS and the Comptroller and Auditor General.
- 4 In preparing the financial statements RQIA is required to comply with relevant legislation, the accounts directions issued by DHSSPS including the Financial Reporting Manual, DFP guidance, and in particular to:
  - a observe the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
  - b make judgements and estimates on a reasonable basis;
  - c state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
  - d prepare the accounts on a going concern basis, unless it is inappropriate to presume that RQIA will continue in operation;
- 5 The responsibilities of the Chief Executive as Accounting Officer are set out in the Accounting Officer's Memorandum issued to the Chief Executive by the Permanent Secretary of DHSSPS. The Accounting Officer's personal responsibility includes the propriety and regularity of the public finances for which he is answerable, for keeping of proper records, prudent and economical administration, the avoidance of waste and extravagance, and the efficient and effective use of all the resources in his charge. The Accounting Officer is also responsible for safeguarding the assets of RQIA and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

## **STATEMENT ON INTERNAL CONTROL**

### **Scope of responsibility**

The Board of RQIA is responsible for internal control. As Chief Executive and Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's aims and objectives as set out in the corporate strategy, and annual business plan whilst safeguarding public funds and assets for which I am personally responsible, in accordance with the duties and responsibilities assigned to me by the Department of Health, Social Services and Public Safety (DHSSPS).

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 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 ongoing process designed to:

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

RQIA's system of internal control was in place for the year ended 31 March 2010, up to the date of approval of the annual report and accounts and accords with Department of Finance and Personnel's 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 delegated 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 regular financial information, administrative procedures including the segregation of duties and a system of delegation and accountability. 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 obtains its internal audit function from the Internal Audit Unit of the Business Services Organisation of the HSC. This Unit operates to defined standards and its work is informed by an analysis of risk to which RQIA is exposed. The annual audit plan is based on this analysis. In 2009-2010 Internal Audit completed the following work:

- financial review;
- corporate risk-based audits - arrangements for statutory notification of incidents and concerns by service providers;
- governance audits of performance management, mental health functions, risk management and information governance;
- controls assurance audits on financial management, governance, risk management and records management;

In her annual report, the Internal Auditor reported that, "for the year ended 31 March 2010, there is a satisfactory system of internal control designed to meet the Authority's objectives."

Two significant (priority one) weaknesses in control were identified where limited assurance was given, relating to budgetary control and notification of incidents and concerns. Recommendations to address them are being implemented.

With regard to the wider control environment, RQIA has in place a range of organisational controls designed to ensure the efficient and effective discharge of its business in accordance with statutory requirements 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, its reviews of the corporate risk assurance framework report and through oversight of the risk management process by the Audit Committee.

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

- 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;
- the setting up of a Mental Health and Learning Disability advisory panel;
- the documentation of procedures for payments in respect of legal and litigation services;
- revision of its counter-fraud policy and procedures.; and,
- strengthening of its incident reporting and performance management arrangements.

Staff have been made aware of the requirements of risk management at Directorate team meetings. Two key members of staff received formal risk management training in 2009/10 and further training is to be given to all staff in 2010/11.

## **The risk control framework**

### **Risk Management**

RQIA's risk management procedures are based on Departmental guidance. These procedures will be replaced by RQIA's risk management strategy during 2010/11, ensuring compliance with the risk management core assurance standard (CAS) and the HM Treasury Orange Book.

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.

There has been no loss of sensitive, personal or confidential data in 2009/10. 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. Compliance with the DHSS CAS in ICT is being assessed. The risk of paper-based information loss is being mitigated via the implementation of a Corporate Records Improvement Strategy, substantive compliance with the HSC CAS in Records Management, satisfactory compliance with Information Governance Internal Audit, mandatory training of all staff in DPA, FOI and Corporate Records Management Procedures.

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.

BSO carries out functions on behalf of RQIA through service level agreements in respect of finance, human resources and equality, procurement, and legal services. The systems that are used by BSO are subject of an annual assurance statement from its Chief Executive. Service Level Agreements are also in place with Staff Care, the Beeches Management Centre and Regional Medical Physics for the provision of services to RQIA.

### **Maintenance and Development of the Risk Management and Review Processes**

The Board has overall responsibility for risk management, with the Directors, under the leadership of the Chief Executive, responsible for implementing the strategy.

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 Board on a bi-monthly 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 discussed by each directorate and updated on a regular basis.

### **Controls Assurance Standards**

<b>Standard</b>	<b>DHSS&amp;PS Expected Level of Compliance</b>	<b>Level of Compliance</b>	<b>Reviewed by</b>
<b>Financial Management (Core Standard)</b>	70% - 99% (Substantive)	83% Substantive	Internal Audit Unit BSO
<b>Governance (Core Standard)</b>	70% - 99% (Substantive)	83% Substantive	Internal Audit Unit BSO
<b>Risk Management (Core Standard)</b>	70% - 99% (Substantive)	78% Substantive	Internal Audit Unit BSO
<b>Records Management</b>	70% - 99% (Substantive)	72% Substantive	Internal Audit Unit BSO

### **Review of effectiveness**

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

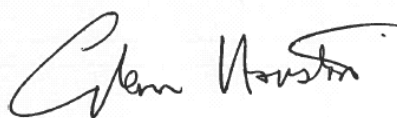
managers within the RQIA who have responsibility for the development and maintenance of the internal control framework, and for taking the necessary actions to address the comments made by the external auditor in the management letter and other reports. I have been advised on the implications of the 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.
- Service Level Agreements exist with the Business Services Organisation which were extended from the previous year but not formally signed off until December 2009 - these provide human resources, equality, 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.

Additional actions to deal with significant internal control issues are:

- Fully implementing the new process of recording, processing and monitoring incidents reported by Regulated Bodies.
- Further development of the budgetary control system, with emphasis on non-pay expenditure.
- Significant technical accounting decisions to be identified and subject to additional review and advice as required.



**Chief Executive:** \_\_\_\_\_ **Date:** 8 July 2010

## **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 2010 under the Health & Personal Social Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Changes in Reserves, 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 Chief Executive and auditor**

As explained more fully in the Statement of the Regulation and Quality Improvement Authority's and Chief Executive's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and 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 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 2010 and of its net expenditure,



changes in reserves and cash flows for the year then ended; and

- the financial statements have been properly prepared in accordance with the Health & 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 issued under the Health & Personal Social Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003; and
- the information given in the Foreword, Introduction, Management Commentary and Directors' 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 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 Health, Social Services and Public Safety's guidance.

**Report**

I have no observations to make on these financial statements.



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

26 July 2010

**THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

**STATEMENT OF ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2010**

**NET EXPENDITURE ACCOUNT FOR YEAR ENDED 31 MARCH 2010**

		<b>2010</b>	<b>Restated</b>
	<b>NOTE</b>	<b>£</b>	<b>2009</b>
			<b>£</b>
<b>Expenditure</b>			
Staff costs	4.1	(5,427,324)	(4,971,713)
Depreciation	5.0	(96,320)	(141,463)
Other Expenditures	5.0	(1,441,478)	(2,112,072)
		<u>(6,965,122)</u>	<u>(7,225,248)</u>
<b>Income</b>			
Income from activities	6.1	0	0
Other Income	6.2	931,418	965,014
Reimbursements receivable	6.3	0	0
		<u>931,418</u>	<u>965,014</u>
<b>Net Expenditure</b>		<b><u>(6,033,704)</u></b>	<b><u>(6,260,234)</u></b>
<b>Credit reversal of notional costs</b>			
Cost of capital	5.0	1,864	11,379
Notional costs (incl. audit fees)	5.0	19,603	70,614
<b>Net expenditure for the financial year</b>		<b><u>(6,012,237)</u></b>	<b><u>(6,178,241)</u></b>
<b>Revenue Resource Limit (RRL)</b>	26	6,025,965	6,254,537
<b>Surplus/(deficit) against RRL</b>		<b><u>(7,739)</u></b>	<b><u>(5,697)</u></b>

The notes on pages 56 to 100 form part of these accounts

All income and expenditure is derived from continuing activities.

**Statement of Financial Position  
as at 31 March 2010**

	NOTE	2010		Restated 2009		Restated 2008	
		£	£	£	£	£	£
<b>Non Current Assets</b>							
Property, Plant and Equipment	7.0/7.2/7.4	253,542		201,884		272,076	
Intangible assets	8.0 /8.2/8.4	54,526		70,616		96,703	
Financial Assets	9.0	0		0		0	
Total non current Assets			308,068		272,500		368,779
<b>CURRENT ASSETS</b>							
Assets classified as held for sale	10.0	0		0		0	
Inventories	12.0	0		0		0	
Trade and other Receivables	13.0	31,404		161,808		223,503	
Other current assets	13.0	131,906		24,681		31,111	
Financial assets	9.0	0		0		0	
Cash and cash equivalents	14.0	8,756		16,455		447,059	
<b>TOTAL CURRENT ASSETS</b>			172,066		202,944		701,673
<b>Total Assets</b>			<b>480,134</b>		<b>475,444</b>		<b>1,070,452</b>
<b>Current Liabilities</b>							
Trade and other Payables	15.0	(395,094)		(445,141)		(632,784)	
Other Liabilities	15.0	0		0		0	
Total current liabilities			(395,094)		(445,141)		(632,784)
<b>non current assets plus/less net current assets/liabilities</b>			<b>85,040</b>		<b>30,303</b>		<b>437,668</b>
<b>Non Current liabilities</b>							
Provisions	17.0	0		(8,812)		(159,985)	
Other Payables > 1 yr	15.0	0		0		0	
Financial Liabilities	9.0	0		0		0	
<b>Total Non Current Liabilities</b>			0		(8,812)		(159,985)
<b>ASSETS LESS LIABILITIES</b>			<b>85,040</b>		<b>21,491</b>		<b>277,683</b>
<b>RESERVES</b>							
Government Grant Reserve		43,845		88,059		139,187	
Revaluation Reserve		0		0		0	
General Reserve		41,195		(66,568)		138,496	
			<b>85,040</b>		<b>21,491</b>		<b>277,683</b>

The financial statements on pages 51 to 100 were approved by the Board on 8 July 2010 and were signed on its behalf by:

Signed...  .....(Chairman) Date... 8 July 2010

Signed.....  .....(Chief Executive) Date... 8 July 2010

The notes on pages 56 to 100 form part of this statement

**STATEMENT OF CHANGES IN RESERVES**  
for the year ended 31 March 2010

	Note	General Reserve £	Revaluation Reserve £	Govt Grant Reserve £	Total £
<b>Balance at 31 March 2008</b>		227,938	0	139,187	367,125
Changes in accounting policy - Write off GIA Debtor		(32,598)	0	0	(32,598)
Changes in accounting policy		(56,844)	0	0	(56,844)
Restated balance at 1 April 2008		138,496	0	139,187	277,683
<b>Changes in reserves 2008-09</b>					
Net gain/(loss) on revaluation of property, plant & equipment	7.2, 7.4	0	0	0	0
(Impairment of property, plant and equipment)	11	0	0	0	0
Net gain/(loss) on revaluation of intangible assets	8.2, 8.4	0	0	0	0
(Impairment of intangible asset)	11	0	0	0	0
Govt grant reserve - transfer to net expend for depreciation		0	0	(44,213)	(44,213)
Changes in accounting policy - Write off GIA Debtor		(153,000)		0	(153,000)
Non cash charges - cost of capital	5	11,379	0	0	11,379
Non cash charges - auditors remuneration	5	70,614	0	0	70,614
Transfers between reserves		6,915	0	(6,915)	0
(Net expenditure for the year)		(6,260,234)	0	0	(6,260,234)
<b>Total recognised income and expense for 2008-09</b>		(6,324,326)	0	(51,128)	(6,375,454)
Grant from parent		6,119,262			6,119,262
<b>Balance at 31 March 2009</b>		(66,568)	0	88,059	21,491
<b>Changes in reserves 2009-10</b>					
Net gain/(loss) on revaluation of property, plant & equipment	7.1, 7.3	0	0	0	0
(Impairment of property, plant and equipment)	11	0	0	0	0
Net gain/(loss) on revaluation of intangible assets	8.1, 8.3	0	0	0	0
(Impairment of intangible asset)	11	0	0	0	0
Government grant - transfer to net expend for depreciation		0	0	(44,214)	(44,214)
Donated asset receipts		0	0	0	0
Non cash charges - cost of capital	5	1,864	0	0	1,864
Non cash charges - auditors remuneration	5	19,603	0	0	19,603
Transfers between reserves		0	0	0	0
(Net expenditure for the year)		(6,033,704)	0	0	(6,033,704)
<b>Total recognised income and expense for 2009-10</b>		(6,012,237)	0	(44,214)	(6,056,451)
Grant from parent		6,120,000			6,120,000
<b>Balance at 31 March 2010</b>		41,195	0	43,845	85,040

Analysis of Revaluation reserve	Property, Plant & Equipment £	Intangibles £	Total £
<b>Balance at 31 March 2008</b>	0	0	0
Changes in accounting policy	0	0	0
<b>Restated balance at 1 April 2008</b>	0	0	0
movements in 2008/09:			
Net gain/ loss on revaluation	0	0	0
Impairment	0	0	0
Transfer to general reseve	0	0	0
Release of reserves to net expenditure account	0	0	0
<b>Balance at 31 March 2009</b>	0	0	0
movements in 2008/09:			
Net gain/ loss on revaluation	0	0	0
Impairment	0	0	0
Transfer to general reseve	0	0	0
Release of reserves to net expenditure account	0	0	0
<b>Balance at 31 March 2010</b>	0	0	0

The notes on pages 56 to 100 form part of these accounts.

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 £	Restated 2009 £
<b>Cashflows from operating activities</b>			
Net expenditure after coc & interest		(6,033,704)	(6,260,234)
Prior Year GIA Adjustment			(153,001)
Adjustments for non cash costs		74,560	188,056
(Increase)/decrease in trade & other receivables <i>less movements in receivables relating to items not passing through the net expenditure account - list: eg. movements in receivables relating to capital eg. movements in receivables relating to PFI contracts</i>		23,179	68,125
(Increase)/decrease in inventories		0	0
Increase/(decrease) in trade payables <i>less movements in payables relating to items not passing through the net expenditure account - list eg. movements in payables relating to capital eg. movements in payables relating to PFI contracts eg. movements in payables relating to finance leases</i>		(50,047)	(187,643)
Use of provisions		(8,652)	(159,985)
<b>Net cash outflow from operating activities</b>		<u>(5,970,026)</u>	<u>(6,455,407)</u>
<b>Cashflows from investing activities</b>			
(Purchase of property, plant & equipment)		(157,673)	(94,459)
(Purchase of intangible assets)		0	0
Proceeds of disposal of property, plant & equipment		0	0
Proceeds on disposal of intangibles		0	0
Proceeds on disposal of assets held for resale		0	0
<b>Net Cash (Outflow) from investing activities</b>		<u>(157,673)</u>	<u>(94,459)</u>
<b>Cash flows from financing activities</b>			
Grant in aid		6,120,000	6,119,262
Cap element of payments iro finance leases & on balance sheet PFIs		0	0
<b>Net financing</b>		<u>6,120,000</u>	<u>6,119,262</u>
<b>Net increase (decrease) in cash &amp; cash equivalents in the period</b>		(7,699)	(430,604)
<b>Cash &amp; cash equivalents at the beginning of the period</b>	14	16,455	447,059
<b>Cash &amp; cash equivalents at the end of the period</b>	14	8,756	16,455

The notes on pages 56 to 100 form part of these accounts

## 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 Article 90(2)(a) of the Health and Social Care Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

The accounting policies follow IFRS to the extent that it is meaningful and appropriate for 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 the RQIA for the purpose of giving a true and fair view has been selected. The RQIA's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

### Changes from UK GAAP to IFRS

The RQIA has prepared its accounts in accordance with IFRS with the effective date of transition being 1<sup>st</sup> April 2008. First time adoption requires full comparative information to be disclosed under IFRS. All differences between closing UK GAAP financial position and opening IFRS financial position are processed through reserves. This is shown in note 2 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.

#### 1.2 Currency and Rounding

These accounts are presented in UK Pounds sterling.

#### 1.3 Property, Plant and Equipment

Property, plant and equipment assets comprise Equipment, Plant & Machinery, Furniture and 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, the 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



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

On initial recognition property, plant and equipment are measured at cost including any expenditure such as installation, directly attributable to bringing them into working condition. Items classified as “under construction” are recognised in the 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 and buildings nor does it occupy any provided to it by DHSSPS.

### **Fixtures and Equipment**

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation. From 1 April 2008 HSC entities had the option to elect to cease indexing all short life assets. RQIA does not index any short life assets. Short life is defined as a useful life of up to and including 5 years. The carrying value of existing assets at that date were written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### 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 are also depreciated over their estimated useful lives. The estimated useful life of an asset is the period over which the 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
Leasehold property	Remaining period of lease
IT Assets	3 – 5 years
Intangible assets	3 – 5 years
Fixture & Fittings	3 – 15 years

### 1.5 Impairment loss

If there has been an impairment loss, 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. 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, is capitalised as an intangible asset.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the 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, the 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 replacement cost has been used as fair value.

#### 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

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

#### 1.11 Income

Operating Income relates directly to the operating activities of the 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 the Department is accounted for as grant in aid and is reflected through reserves.

#### 1.12 Investments

The 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.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### 1.14 Cash and cash equivalents

Cash is cash in hand. RQIA has no deposits with any financial institution repayable without penalty on notice of not more than 24 hours. RQIA has no cash equivalents being 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

All leases are classified as operating leases.

#### The 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.

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

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

The RQIA has had no PFI transactions during the year.

### 1.17 Financial instruments

- Financial assets

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

Financial liabilities are initially recognised at fair value.

- Financial risk management

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

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

- Currency risk

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

- Interest rate risk

The RQIA has no powers to borrow or invest and therefore has no exposure to interest rate fluctuations.

- Credit risk

Because the majority of the RQIA's income comes from grant-in-aid from the Department with a lesser proportion arising from statutory fees paid by providers registered with RQIA it has low exposure to credit risk.

- Liquidity risk

Since the RQIA receives the majority of its funding from 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 the RQIA has a present legal or constructive obligation as a result of a past event, it is probable that the RQIA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using DFP's discount rate of 2.2% in real terms.

The RQIA has also disclosed the carrying amount at the beginning and end of the period, additional provisions made, amounts used during the period, unused amounts reversed during the period and increases in the discounted amount arising from the passage of time and the affect of any change in the discount rate.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably. There are no known instances at 31 March 2010.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the RQIA has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. There are no known instances at 31 March 2010.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

A restructuring provision is recognised if the RQIA has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity. There are no restructuring plans at 31 March 2010.

### 1.19 Clinical negligence costs

Clinical negligence costs do not apply to RQIA as it does not carry out clinical work.

### 1.20 Contingencies

Under IAS 37, the 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 the 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. There are no such liabilities at 31 March 2010.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the RQIA. A contingent asset is disclosed where an inflow of economic benefits is probable. There are no such assets known at 31 March 2010.

### 1.21 Employee benefits

#### Short-term employee benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been calculated from the leave balances of all staff as at 31 March 2010. It is not anticipated that the level of untaken leave will vary significantly from year to year. Untaken flexi leave has been included.

#### Retirement benefit costs

The 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. The 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 the RQIA and charged to the Net Expenditure Account at the time the RQIA commits itself to the retirement.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

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. An interim valuation as at 31 March 2006 was completed in the summer of 2009 and was used for the 2008-09 accounts. The next valuation will be as at 31 March 2008 and will be used in the 2009-10 accounts.

### 1.22 Value Added Tax

The 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 is treated as a Government grant even where there are no conditions specifically relating to the operating activities of the entity. Such grants (does not include grant-in-aid) are credited to a government grant reserve and are released to income over the useful life of the asset.

### 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 its 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.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### **1.26 Capital Charge**

A charge reflecting the cost of capital utilised by the RQIA is included within operating costs. The charge is calculated at the rate set by HM Treasury, currently 3.5% on the average carrying amount of all assets less liabilities.

### **1.27 Reserves General Fund**

The General Fund accounts for the Net Expenditure Account accumulated surpluses and deficits. Grant in aid funding is also credited to the General Fund.

### **1.28 Transfer of Function**

On 1 April 2009, the operations, services, assets and liabilities of the Mental Health Commission transferred to the Regulation and Quality Improvement Authority. The comparative figures included in the Financial Statements and notes to the accounts have been restated. The Net Expenditure Account and the Statement of Financial Position include the merged and restated figures for the prior year. Note 1.30 (see overleaf) details the analysis of the pre-merger balance sheet and net expenditure account at 31 March 2009.

### **1.29 Accounting Standards that have been Issued but not yet Adopted**

In considering the requirements of IAS 8, management has reviewed new accounting standards that have been issued but are not yet effective nor adopted early for these accounts. It is considered that these standards are unlikely to have a significant impact on the accounts in the period of initial application.



# NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

## NOTE 1.30 TRANSFER OF FUNCTION

### Analysis of Pre Merger Balance Sheet as at 31 March 2009

	RQIA £	MHC £	Total £	Change in accounting policy GIA £	Re-stated Balance sheet as at 31 Mar 2009 £
Non Current Assets	272,500		272,500		272,500
Current Assets	388,542		388,542	(185,598)	202,944
<b>Total Assets</b>	<b>661,042</b>	<b>-</b>	<b>661,042</b>	<b>(185,598)</b>	<b>475,444</b>
Current Liabilities	(365,827)	(79,314)	(445,141)		(445,141)
Non Current Liabilities	(8,812)		(8,812)		(8,812)
	(374,639)	(79,314)	(453,953)	0	(453,953)
<b>Assets less Liabilities</b>	<b>286,403</b>	<b>(79,314)</b>	<b>207,089</b>	<b>(185,598)</b>	<b>21,491</b>
Government Grant Reserve	88,059		88,059		88,059
General Reserve	12,746	(79,314)	(66,568)		(66,568)
	<b>100,805</b>	<b>(79,314)</b>	<b>21,491</b>	<b>-</b>	<b>21,491</b>

### Analysis of Pre Net Expenditure Account for the year ended 31 March 2009

	RQIA £	Restated MHC £	Total £	Change in accounting policy GIA £	Re-stated Year ended 31 Mar 2009 £
Staff Costs	(4,662,349)	(309,364)	(4,971,713)		(4,971,713)
Depreciation	(88,233)	(53,230)	(141,463)		(141,463)
Other Expenditures	(1,774,509)	(337,563)	(2,112,072)		(2,112,072)
<b>Expenditure</b>	<b>(6,525,091)</b>	<b>(700,157)</b>	<b>(7,225,248)</b>	<b>0</b>	<b>(7,225,248)</b>
Income from Activities					
Other Income	965,014		965,014		965,014
Reimbursement receivables					
<b>Income</b>	<b>965,014</b>	<b>0</b>	<b>965,014</b>	<b>0</b>	<b>965,014</b>
<b>Net Expenditure</b>	<b>(5,560,077)</b>	<b>(700,157)</b>	<b>(6,260,234)</b>	<b>0</b>	<b>(6,260,234)</b>
Credit reversal of notional costs					
Cost of capital	12,365	(986)	11,379		11,379
Notional costs (incl. audit fees)	19,015	51,599	70,614		70,614
<b>Net Expenditure for the financial year</b>	<b>(5,528,697)</b>	<b>(649,544)</b>	<b>(6,178,241)</b>	<b>0</b>	<b>(6,178,241)</b>
Revenue Resource Limit (RRL)	5,554,380	700,157	6,254,537		6,254,537
<b>Surplus/(deficit) against RRL</b>	<b>(5,697)</b>	<b>0</b>	<b>(5,697)</b>	<b>0</b>	<b>(5,697)</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 2 FIRST TIME ADOPTION OF IFRS

#### Note 2.1 - Reconciliation of UK GAAP reported Reserves to IFRS at the date of transition 1 April 2008

	General Fund £	Government Grant Reserve £	Total £
<b>Reserves at 31 March 2008 under UK GAAP</b>	227,938	139,187	367,125
IAS 36 Property, plant & equipment			
IAS 17 Leases			
IAS 19 Employee benefits	(56,844)		(56,844)
IAS 38 Intangible assets			
IFRS 5 Non Current assets held for sale			
IFRIC 12 Service Concession Arrangements			
Restatement of GIA Debtor*	(32,598)		(32,598)
<b>Reserves at 1 April 2008 under IFRS</b>	138,496	139,187	277,683

#### Note 2.2 - Reconciliation of UK GAAP reported Reserves to IFRS at the end of the final UK GAAP reporting period 31 March 2009

	General Fund £	Government Grant Reserve £	Total £
<b>Reserves at 31 March 2009 under UK GAAP</b>	196,056	88,059	284,115
IAS 36 Property, plant & equipment			
IAS 17 Leases			
IAS 19 Employee benefits	(77,025)		(77,025)
IAS 38 Intangible assets			0
IFRS 5 Non Current assets held for sale			0
IFRIC 12 Service Concession Arrangements			0
Restatement of GIA Debtor*	(185,599)		(185,599)
<b>Reserves at 1 April 2009 under IFRS</b>	(66,568)	88,059	21,491

\*The Government Accounting Manual does not permit debtors for GIA. In 2008/09 the department gave a dispensation from this requirement but have now directed that HSC Bodies should adopt this policy in full. The GIA debtor is therefore restated for 2007/08 and 2008/09.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### Note 2.3 Reconciliation of UK GAAP reported Net expenditure to IFRS for the year ended 31 March 2009

	£
<b>Net Expenditure for 2008-09 under UK GAAP</b>	6,240,053
IAS 36 Property, plant & equipment	
IAS 17 Leases	
IAS 19 Employee benefits	20,181
IAS 38 Intangible assets	
IFRS 5 Non Current assets held for sale	
IFRIC 12 Service Concession Arrangements	
<b>Net Expenditure for 2008-09 under IFRS</b>	<hr/> 6,260,234 <hr/>

In addition to the cash balances of £16,455 reported under GAAP at 31 March 2009, RQIA held cash equivalents of £0.00.

*The adjustments required by standard IAS 19 Employee Benefits result from an accrual in respect of annual leave carried forward at 31 March 2008 and 31 March 2009. The accrual is based on a sample of 69% of staff leave cards at 31 March 2009.*

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010**

### **NOTE 3**

#### **ANALYSIS OF NET EXPENDITURE BY SEGMENT**

The core business and strategic direction of the Regulation and Quality Improvement Authority is to monitor the availability, organisation and standards of health and social services in Northern Ireland and is a driving force in promoting improvements in the quality of these services.

The Authority Board acts as the Chief Operating Decision Maker and receives financial information on the Authority as a whole and makes decisions on this basis. Hence, it is appropriate that the Authority reports on a single operational segment basis.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 4 STAFF NUMBERS AND RELATED COSTS

#### 4.1 Staff Costs

Staff costs comprise

	2010			2009
	Total	Permanently employed staff	Others	Total
	£	£	£	£
Wages & Salaries	4,569,493	4,452,775	116,718	4,107,432
Social security costs	337,333	337,333		309,450
Other pension costs	520,498	520,498		554,831
<b>Total</b>	<b>5,427,324</b>	<b>5,310,606</b>	<b>116,718</b>	<b>4,971,713</b>
Less recoveries in respect of outward secondments	118,022	118,022		138,629
<b>Total net costs</b>	<b>5,309,302</b>	<b>5,192,584</b>	<b>116,718</b>	<b>4,833,084</b>

#### 4.2 Average number of persons employed

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

	2010			2009
	Total No.	Permanently employed staff No.	Others No.	Total No.
Medical and dental	0			
Nursing and Midwifery	0			
Professions Allied to medicine	0			
Ancillaries	0			
Administrative and clerical	136	130	6	127
Ambulance staff	0			
Works	0			
Other Professional and technical	0			
Social Services	0			
Other				
<b>Total</b>	<b>136</b>	<b>130</b>	<b>6</b>	<b>127</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 4 STAFF NUMBERS AND RELATED COSTS

#### 4.3 Senior Employees' Remuneration

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

Name	2009-10		2008-09		Real increase in pension and related lump sum at age 60 £000	Total accrued pension at age 60 and related lump sum £000	2009-10		
	Salary, including Performance Pay £000	Benefits in Kind (Rounded to nearest £100)	Salary, including Performance Pay £000	Benefits in Kind (Rounded to nearest £100)			CETV at 31/03/09 £000	CETV at 31/03/10 £000	Real increase in CETV in CETV £000
<b>Chairman and Members of RQIA</b>									
Dr Ian Carson	15-20		15-20	0					
Richard Adams	5-10		5-10	0					
Lilian Jennett	5-10		5-10	0					
Connor Mulholland (Retired 1/8/09)	0-5		5-10	0					
Allen McCartney	5-10		5-10	0					
Colin Reid	5-10		5-10	0					
Austin Smith	5-10		5-10	0					
Geraldine Donaghy	5-10		5-10	0					
Joan Harbinson (Retired 1/4/09)	-		5-10	0					
Jim Jamison (Retired 1/9/09)	0-5		5-10	0					
Ruth Laird	5-10		5-10	0					
Patricia McCoy	5-10		5-10	0					
Una O'Kane	5-10		5-10	0					
<b>Senior Executives</b>									
Glenn Houston	95-100		5-10	0	5.0-7.5	135-140	624	703	24
Maurice Atkinson	60-65		25-30	0	2.5-5.0	55-60	244	279	15
Phelim Quinn	65-70		60-65	0	2.5-5.0	80-85	367	415	16
Theresa Nixon	65-70		60-65	0	2.5-5.0	85-90	396	445	18
David Stewart	145-150		145-150	0	2.5-5.0	230-235	1,122	1,234	14

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

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

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

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

The provisions of the HPSS pension scheme are set out in the Remuneration Report.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 5 OPERATING EXPENSES

#### Operating Expenses

#### 5.0 Operating Expenses are as follows:-

	2010	Restated 2009
	£	£
Purchase of care from non-HPSS bodies		
Revenue Grants to voluntary organisations		
Capital Grants to voluntary organisations		
Personal social services		
Recharges from other HPSS organisations		
Supplies and services - clinical		
Supplies and services - general		
Establishment	631,740	858,815
Transport	219,586	276,952
Premises	240,606	303,823
Bad debts		
Rentals under operating leases	208,892	187,040
Interest charges		
PFI Service charges	0	0
Research & development expenditure		
CN Other		
Misc	118,200	394,637
<b>Non cash items</b>		
Depreciation	70,231	115,376
Amortisation	26,089	26,087
Impairments	0	0
(Profit) on disposal of assets (excluding profit on land)		
Loss on disposal of assets ( including land)	1,147	
Cost of Capital charges	1,864	11,379
Provisions provided for in year	(160)	8,812
Unwinding of discount on Provisions	0	0
Other notional costs including Auditors remuneration	19,603	70,614
<b>Total</b>	<b>1,537,798</b>	<b>2,253,535</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 6 INCOME

#### 6.1 Income from Activities

	2010 £	Restated 2009 £
GB/Republic of Ireland Health Authorities	0	0
HSC Trusts	0	0
Non-HSS:- Private patients	0	0
Non-HSS:- Other	0	0
Clients contributions	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

#### 6.2 Other Operating Income

	2010 £	Restated 2009 £
Other income from non-patient services (Mis Income)	1,047	0
Charitable and other contributions to expenditure		
Income from services recharged (seconded staff)	118,022	138,629
Government reserve transfer for Impairment		
Government grant reserve transfer for Depreciation	44,214	44,213
Profit on disposal of land		
Interest receivable		
Other income from fees levied on registered bodies	768,135	782,172
<b>Total</b>	<b>931,418</b>	<b>965,014</b>

#### 6.3 Reimbursements receivable in respect of provisions

	2010 £	Restated 2009 £
Movements in reimbursable income from Clin neg Central Fund	0	0
Movements in reimbursable income for RPA	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>Total Income</b>	<b>931,418</b>	<b>965,014</b>



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 7 Property, Plant & Equipment

#### Summary

	Purchased £	Donated £	2010 Total £
Net book value:			
Land	0	0	0
Buildings (excluding dwellings)	0	0	0
Dwellings	0	0	0
Assets under construction	0	0	0
Plant and machinery (Equipment)	48,085	0	48,085
Transport Equipment	0	0	0
Information Technology (IT)	128,943	0	128,943
Furniture & Fittings	76,514	0	76,514
<b>Total Property, Plant &amp; Equipment - 31 March 2010</b>	<b>253,542</b>	<b>0</b>	<b>253,542</b>

	Purchased £	Donated £	2009 Total £
Net book value:			
Land	0	0	0
Buildings (excluding dwellings)	0	0	0
Dwellings	0	0	0
Assets under construction	0	0	0
Plant and machinery (Equipment)	33,429	0	33,429
Transport Equipment	0	0	0
Information Technology (IT)	168,455	0	168,455
Furniture & Fittings	0	0	0
<b>Total Property, Plant &amp; Equipment - 31 March 2009</b>	<b>201,884</b>	<b>0</b>	<b>201,884</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 7.1 Property, plant & equipment - Purchased assets - year ended 31 March 2010

	Land £	Buildings (excluding dwellings) £	Dwellings £	Assets under Construction £	Plant and Machinery (Equipment) £	Transport Equipment £	Information Technology (IT) £	Furniture and Fittings £	Total £
<b>Cost or Valuation</b>									
At 1 April 2009	0	0	0	0	74,168	0	323,967	60,413	458,548
Indexation									0
Additions					29,561		16,961	76,514	123,036
Reclassifications									0
Transfers									0
Revaluation									0
(Impairments)									0
(Disposals)					0		(28,615)		(28,615)
<b>At 31 March 2010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>103,729</b>	<b>0</b>	<b>312,313</b>	<b>136,927</b>	<b>552,969</b>

#### Depreciation

At 1 April 2009	0	0	0	0	40,739	0	155,512	60,413	256,664
Indexation									0
Reclassifications									0
Transfers									0
Revaluation									0
(Impairments)									0
(Disposals)					0		(27,468)		(27,468)
Provided during the year					14,905		55,326		70,231
<b>At 31 March 2010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>55,644</b>	<b>0</b>	<b>183,370</b>	<b>60,413</b>	<b>299,427</b>

#### Net Book Value

At 31 March 2010	0	0	0	0	48,085	0	128,943	76,514	253,542
At 31 March 2009	0	0	0	0	33,429	0	168,455	0	201,884

#### Asset financing

Owned	0	0	0	0	48,085	0	128,943	76,514	253,542
Finance Leased									0
On b/s PFI contracts									0
<b>Net Book Value</b>									
At 31 March 2010	0	0	0	0	48,085	0	128,943	76,514	253,542

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 7.2 Property, plant & equipment - Purchased assets - year ended 31 March 2009

	Land £	Buildings (excluding dwellings) £	Dwellings £	Assets under Construction £	Plant and Machinery (Equipment) £	Transport Equipment £	Information Technology (IT) £	Furniture and Fittings £	Total £
<b>Cost or Valuation</b>									
At 1 April 2008					68,130		284,821	60,413	413,364
Indexation									
Additions					6,038		39,146		45,184
Reclassifications									
Transfers									
Revaluation (Impairments) (Disposals)									
At 31 March 2009	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>74,168</b>	<b>0</b>	<b>323,967</b>	<b>60,413</b>	<b>458,548</b>

#### Depreciation

At 1 April 2008					27,041		103,072	11,175	141,288
Indexation									
Reclassifications									
Transfers									
Revaluation (Impairments) (Disposals)									
Provided during the year					13,698		52,440	49,238	115,376
At 31 March 2009	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,739</b>	<b>0</b>	<b>155,512</b>	<b>60,413</b>	<b>256,664</b>

#### Net Book Value

At 31 March 2008	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,089</b>	<b>0</b>	<b>181,749</b>	<b>49,238</b>	<b>272,076</b>
At 31 March 2009	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,429</b>	<b>0</b>	<b>168,455</b>	<b>0</b>	<b>201,884</b>

#### Asset financing

Owned	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,429</b>	<b>0</b>	<b>168,455</b>	<b>0</b>	<b>201,884</b>
Finance Leased									0
On b/s PFI contracts									0
<b>Net Book Value</b> At 31 March 2009	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,429</b>	<b>0</b>	<b>168,455</b>	<b>0</b>	<b>201,884</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 7.3 Property, Plant & Equipment - Donated assets - Year ended 31 March 2010

	Land £	Buildings (excluding dwellings) £	Dwellings £	Assets under Construction £	Plant and Machinery (Equipment) £	Transport Equipment £	Information Technology (IT) £	Furniture and Fittings £	Total £
<b>Cost or Valuation</b>									
At 1 April 2009	0	0	0	0	0	0	0	0	0
Indexation									0
Additions									0
Reclassifications									0
Transfers									0
Revaluation (Impairments)									0
(Disposals)									0
At 31 March 2010	0	0	0	0	0	0	0	0	0

#### Depreciation

At 1 April 2009	0	0	0	0	0	0	0	0	0
Indexation									0
Reclassifications									0
Transfers									0
Revaluation (Impairments)									0
(Disposals)									0
Provided during the year									0
At 31 March 2010	0	0	0	0	0	0	0	0	0

#### Net Book Value

At 31 March 2010	0	0	0	0	0	0	0	0	0
At 31 March 2009	0	0	0	0	0	0	0	0	0

#### Asset financing

Owned									0
Finance Leased									0
On b/s PFI contracts									0
<b>Net Book Value</b> At 31 March 2010	0	0	0	0	0	0	0	0	0

# NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

## NOTE 7.4 Property, Plant & Equipment - Donated assets - Year ended 31 March 2009

	Land £	Buildings (excluding dwellings) £	Dwellings £	Assets under Construction £	Plant and Machinery (Equipment) £	Transport Equipment £	Information Technology (IT) £	Furniture and Fittings £	Total £
<b>Cost or Valuation</b>									
At 1 April 2008									0
Indexation									0
Additions									0
Reclassifications									0
Transfers									0
Revaluation (Impairments)									0
(Disposals)									0
<b>At 31 March 2009</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Depreciation</b>									0
At 1 April 2008									0
Indexation									0
Reclassifications									0
Transfers									0
Revaluation (Impairments)									0
(Disposals)									0
Provided during									0
<b>At 31 March 2009</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Net Book Value</b>									
At 31 March 2008	0	0	0	0	0	0	0	0	0
At 31 March 2009	0	0	0	0	0	0	0	0	0

<b>Asset financing</b>									
Owned									0
Finance Leased									0
On b/s PFI contracts									0
<b>Net Book Value</b>									
At 31 March 2009	0	0	0	0	0	0	0	0	0

# NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

## NOTE 8 Intangible assets

### Summary

	2010		
	Purchased £	Donated £	Total £
Net book value:			
Software	0	0	0
Software licenses	54,526	0	54,526
<b>Total Intangible assets - 31 March 2010</b>	<b>54,526</b>	<b>0</b>	<b>54,526</b>

	2009		
	Purchased £	Donated £	Total £
Net book value:			
Software	0	0	0
Software licenses	70,616	0	70,616
<b>Total Intangible assets - 31 March 2009</b>	<b>70,616</b>	<b>0</b>	<b>70,616</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 8.1 INTANGIBLE ASSETS (Purchased) - Year ended 31 March 2010

	<b>Software licenses</b>	<b>Software</b>	<b>Total</b>
<b>Cost or Valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2009	131,624	0	131,624
Indexation			0
Additions	9,999		9,999
Reclassifications			0
Transfers			0
Revaluation			0
(Impairments)			0
(Disposals)			0
At 31 March 2010	<b>141,623</b>	<b>0</b>	<b>141,623</b>
<b>Amortisation</b>			
At 1 April 2009	61,008	0	61,008
Indexation			0
Reclassifications			0
Transfers			0
Revaluation			0
(Impairments)			0
(Disposals)			0
Provided during the year	26,089		26,089
At 31 March 2010	<b>87,097</b>	<b>0</b>	<b>87,097</b>
<b>Net Book Value</b>			
At 31 March 2010	<b>54,526</b>	<b>0</b>	<b>54,526</b>
At 31 March 2009	<b>70,616</b>	<b>0</b>	<b>70,616</b>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 8.2 INTANGIBLE ASSETS (Purchased) - Year ended 31 March 2009

	<b>Software licenses</b>	<b>Software</b>	<b>Total</b>
<b>Cost or Valuation</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2008	131,624		131,624
Indexation			0
Additions			0
Reclassifications			0
Transfers			0
Revaluation			0
(Impairments)			0
(Disposals)			0
At 31 March 2009	<u><u>131,624</u></u>	<u><u>0</u></u>	<u><u>131,624</u></u>
<b>Amortisation</b>			
At 1 April 2008	34,921		34,921
Indexation			0
Reclassifications			0
Transfers			0
Revaluation			0
(Impairments)			0
(Disposals)			0
Provided during the year	26,087		26,087
At 31 March 2009	<u><u>61,008</u></u>	<u><u>0</u></u>	<u><u>61,008</u></u>
<b>Net Book Value</b>			
At 31 March 2008	<u><u>96,703</u></u>	<u><u>0</u></u>	<u><u>96,703</u></u>
At 31 March 2009	<u><u>70,616</u></u>	<u><u>0</u></u>	<u><u>70,616</u></u>



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 8.3 INTANGIBLE ASSETS (Donated) - Year ended 31 March 2010

	Software licenses	Software	Total
<b>Cost or Valuation</b>	£	£	£
At 1 April 2009	0	0	0
Indexation			0
Additions			0
Reclassifications			0
Transfers			0
Revaluation			0
(Impairments)			0
(Disposals)			0
At 31 March 2010	<u>0</u>	<u>0</u>	<u>0</u>
<b>Amortisation</b>			
At 1 April 2009	0	0	0
Indexation			0
Reclassifications			0
Transfers			0
Revaluation			0
(Impairments)			0
(Disposals)			0
Provided during the year			0
At 31 March 2010	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Book Value</b>			
At 31 March 2010	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2009	<u>0</u>	<u>0</u>	<u>0</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 8.4 INTANGIBLE ASSETS (Donated) - Year ended 31 March 2009

	Software licenses	Software	Total
<b>Cost or Valuation</b>	£	£	£
At 1 April 2008			0
Indexation			0
Additions			0
Reclassifications			0
Transfers			0
Revaluation			0
(Impairments)			0
(Disposals)			0
At 31 March 2009	<u>0</u>	<u>0</u>	<u>0</u>
<b>Amortisation</b>			
At 1 April 2008			0
Indexation			0
Reclassifications			0
Transfers			0
Revaluation			0
(Impairments)			0
(Disposals)			0
Provided during the year			0
At 31 March 2009	<u>0</u>	<u>0</u>	<u>0</u>
<b>Net Book Value</b>			
At 31 March 2008	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2009	<u>0</u>	<u>0</u>	<u>0</u>

# NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

## NOTE 9 FINANCIAL INSTRUMENTS

### 9.1 Financial instruments

As the cash requirements of RQIA are met through Grant-in-Aid provided by the Department of Health, Social Services and Public Safety, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of RQIA's financial instruments relate to contracts to buy non-financial items in line with RQIA's expected purchase and usage requirements and RQIA is therefore exposed to little credit, liquidity or market risk.

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010**

### **NOTE 10 ASSETS CLASSIFIED AS HELD FOR SALE**

RQIA did not hold any Assets Classified as held for sale

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 11 IMPAIRMENTS

*There were no impairments to fixed assets in the period.*

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010**

**NOTE 12 INVENTORIES**

*RQIA holds no inventories*

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 13 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2010 £	Restated 2009 £	Restated 2008 £
Amounts falling due within one year			
Trade Receivables	31,404	161,808	223,503
Deposits and advances	0	0	0
Clinical Negligence Receivable	0	0	0
RPA Receivable	0	0	0
CSR Receivable	0	0	0
Other receivables	0	0	0
<b>Trade and other Receivables</b>	<u>31,404</u>	<u>161,808</u>	<u>223,503</u>
Prepayments and accrued income	131,906	24,681	31,111
Current part of PFI prepayment			
<b>Other current assets</b>	<u>131,906</u>	<u>24,681</u>	<u>31,111</u>
Amounts falling due after more than one year			
Trade Receivables	0	0	0
Deposits and advances	0	0	0
Clinical Negligence Receivable	0	0	0
RPA Receivable	0	0	0
CSR Receivable	0	0	0
Other receivables	0	0	0
<b>Trade and other Receivables</b>	<u>0</u>	<u>0</u>	<u>0</u>
Prepayments and accrued income			
<b>Other current assets falling due after more than 1 yr</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<u><u>31,404</u></u>	<u><u>161,808</u></u>	<u><u>223,503</u></u>
<b>TOTAL OTHER CURRENT ASSETS</b>	<u><u>131,906</u></u>	<u><u>24,681</u></u>	<u><u>31,111</u></u>
<b>TOTAL RECEIVABLES AND OTHER CURRENT ASSETS</b>	<u><u>163,310</u></u>	<u><u>186,489</u></u>	<u><u>254,614</u></u>

The balances include debtors for which a provision for doubtful debts has been made of £8,812 in 2009 and nil in 2010

# NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

## NOTE 13 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

### 13.1 Trade Receivables and other current assets: Intra-Government balances

Name	Restated		Restated		Restated	
	Amounts falling due within 1 year 2009/10 £	Amounts falling due within 1 year 2008/09 £	Amounts falling due within 1 year 2007/08 £	Amounts falling due after more than 1 year 2009/10 £	Amounts falling due after more than 1 year 2008/09 £	Amounts falling due after more than 1 year 2007/08 £
Balances with other central gov bodies	0	90,978	49,848	0	0	0
Balances with local Authorities	0	0	0	0	0	0
Balances with NHS /HSC Trusts	124,872	41,988	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0	0	0
Intra-Government Balances	124,872	132,966	49,848	0	0	0
Balances with bodies external to government	38,438	53,523	204,766	0	0	0
Total Receivables & other current assets at 31 March	<b>163,310</b>	<b>186,489</b>	<b>254,614</b>	<b>0</b>	<b>0</b>	<b>0</b>



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 14 CASH AND CASH EQUIVALENTS

	2010	restated 2009	restated 2008
	£	£	£
Balance at 1st April	16,455	447,059	625,435
Net change in cash and cash equivalents	-7,699	-430,604	-178,376
Balance at 31st March	<b>8,756</b>	<b>16,455</b>	<b>447,059</b>

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

	2010	2009	2008
	£	£	£
Commercial Banks and cash in hand	8,756	16,455	447,059

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 15 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2010 £	Restated 2009 £	Restated 2008 £
<b>Amounts falling due within one year</b>			
Other taxation and social security			
Bank overdraft			
Trade capital payables	20,546	45,184	94,459
Trade revenue payables	369,266	399,957	538,325
Payroll payables			
Clinical Negligence payables			
RPA payables			
Other payables			
Accruals and deferred income	5,282		
<b>Trade and other payables</b>	<u>395,094</u>	<u>445,141</u>	<u>632,784</u>
Current part of finance leases			
Current part of Long term loans			
Current part of imputed finance lease element of on balance sheet PFI contracts			
<b>Other current liabilities</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total payables falling due within 1 yr</b>	395,094	445,141	632,784
<b>Amounts falling due after more than one year</b>			
Other Payables, accruals and deferred income			
Trade and other payables			
Clinical Negligence payables			
Finance leases			
Imputed finance lease element of on balance sheet PFI contracts			
Long term loans			
<b>Total non current other payables</b>	<u>0</u>	<u>0</u>	<u>0</u>
<b>TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>	395,094	445,141	632,784

# NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

## NOTE 15 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

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

Name	Restated		Restated		Restated	
	Amounts falling due within 1 year 2009/10 £	Amounts falling due within 1 year 2008/09 £	Amounts falling due within 1 year 2007/08 £	Amounts falling due after more than 1 year 2009/10 £	Amounts falling due after more than 1 year 2008/09 £	Amounts falling due after more than 1 year 2007/08 £
Balances with other central gov bodies	0	31,724	0	0	0	0
Balances with local Authorities	3,180	0	0	0	0	0
Balances with NHS/HSC Trusts	129,528	23,552	14,255	0	0	0
Balances with public corporations and trading funds	0	0	0	0	0	0
Intra-Government Balances	132,708	55,276	14,255	0	0	0
Balances with bodies external to government	262,386	389,865	618,529	0	0	0
<b>Total Payables and other liabilities at 31 March</b>	<b>395,094</b>	<b>445,141</b>	<b>632,784</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010**

**NOTE 15.2 LOANS**

.  
*RQIA had no loans*

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 16 PROMPT PAYMENT POLICY

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

The Department requires that HSC bodies pay their non HPSS trade creditors in accordance with the CBI Prompt Payment Code and Government Accounting Rules. RQIA's payment policy is consistent with the CBI prompt payment codes and Government Accounting rules and its measure of compliance is:

	<b>2010 Number</b>	<b>2009 Number</b>
Total bills paid	<u>1,258</u>	<u>1,355</u>
Total bills paid within 30 day target	<u>1,166</u>	<u>1,001</u>
% of bills paid within 30 day target	<u><b>92.7%</b></u>	<u><b>73.9%</b></u>

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

There was no Interest Payable arising from claims made by small businesses under this legislation.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 17 PROVISIONS FOR LIABILITIES AND CHARGES - 2010

	Pensions relating to former directors £	Pensions relating to other staff £	Clinical negligence £	RPA Restructuring £	Other £	2010 £
Balance at 1 April 2009	0	0	0	0	8,812	8,812
Provided in year						0
(Provisions not required written back)					(160)	(160)
(Provisions utilised in the year)					(8,652)	(8,652)
Unwinding of discount						0
At 31 March 2010	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

#### Net Expenditure Account charges

	2010 £	2009 £
Arising during the year	0	8,812
Reversed unused	(160)	0
Unwinding of discount	0	0
<b>Total charge within Operating costs</b>	<u>(160)</u>	<u>8,812</u>

#### Reimbursements receivable

Clinical Negligence Central Fund	0	0
RPA	0	0
Other		
<b>Total reimbursements receivable</b>	<u>0</u>	<u>0</u>
<b>Net increase/decrease to Net expenditure</b>	<u>(160)</u>	<u>8,812</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 17 PROVISIONS FOR LIABILITIES AND CHARGES - 2009

restated

	Pensions relating to former directors £	Pensions relating to other staff £	Clinical negligence £	RPA Restructuring £	Other £	2009 £
Balance at 1 April 2008					159,985	159,985
Provided in year					8,812	8,812
(Provisions not required written back)						0
(Provisions utilised in the year)					(159,985)	(159,985)
Unwinding of discount						0
At 31 March 2009	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,812</u>	<u>8,812</u>

#### Analysis of expected timing of discounted flows as at 31 March 2009

	Pensions relating to former directors £	Pensions relating to other staff £	Clinical Negligence £	Restructuring £	Other £	2009 £
Within 1 year					8,812	8,812
1 - 5 years						0
6 -10 years						0
Over 10 years						0
Thereafter						0
At 31 March 2009	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,812</u>	<u>8,812</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 18 CAPITAL COMMITMENTS

There are no contracted capital commitments at 31 March 2010 not otherwise included in these financial statements

### NOTE 19 COMMITMENTS UNDER LEASES

#### 19.1 Operating Leases

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

	2010	Restated 2009
	£	£
<b>Obligations under operating leases comprise</b>		
<b>Land &amp; Buildings</b>		
Rentals due within 1 year	189,763	189,763
Rentals due after 1 year and within 5 years	759,050	759,050
Rentals due thereafter	1,125,578	1,315,340
	<u>2,074,391</u>	<u>2,264,153</u>
<b>Other</b>		
Rentals due within 1 year	5,561	7,868
Rentals due after 1 year and within 5 years	3,418	8,979
Rentals due thereafter		
	<u>8,979</u>	<u>16,847</u>

#### 19.2 Finance Leases

*RQIA has no finance leases*

### NOTE 20 COMMITMENTS UNDER PFI CONTRACTS

*There are no commitments under PFI contracts*

### NOTE 21 Other Financial Commitments

*There are no other financial commitments*



## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010**

### **NOTE 22 FINANCIAL INSTRUMENTS**

#### **22.1 Financial Guarantees, Indemnities and Letters of Comfort**

Because of the relationship with DHSSPS as its sponsor body and the status of RQIA as a Non-departmental Public Body funded by Grant-in-Aid financial instruments play a more limited role within NDPBs in creating risk than would apply to a non public sector body of a similar size, therefore RQIA is not exposed to the degree of financial risk faced by business entities. RQIA has no powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing RQIA in undertaking activities. Therefore RQIA is exposed to little credit, liquidity or market risk.

RQIA has not entered into quantifiable guarantees, indemnities or provided Letters of Comfort.

### **NOTE 23 CONTINGENT LIABILITIES**

#### **Clinical Negligence**

RQIA has no contingent liabilities for clinical negligence incidents. No claims have been made against RQIA.

#### **Other Contingent Liabilities**

There are no other contingent liabilities.

### **NOTE 24 Related Party Transactions**

RQIA is a non-departmental public body sponsored by DHSSPS.

The DHSSPS is regarded as a related party. During the year 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 for Health and Social Care (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 25 Third party assets**

RQIA held no assets on behalf of third parties.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 26 Financial Performance Targets

#### 26.1 Revenue Resource Limit

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

The Revenue Resource Limit is calculated as follows:	<b>2010</b>	<b>Re-stated</b>
	<b>Total</b>	<b>2009</b>
	<b>£</b>	<b>Total</b>
		<b>£</b>
HSC Board allocation SUMDE & NIMDTA		
DHSSPS resource budget	5,951,965	6,075,294
Other Gov Department Non cash RRL (from dept) PYA FOR GIA	74,000	179,243
<b>Revenue Resource Limit</b>	<u>6,025,965</u>	<u>6,254,537</u>

The following non cash costs are excluded from net expenditure to calculate net resource outturn.

		<b>2010</b>	<b>2009</b>
		<b>Total</b>	<b>Total</b>
		<b>£</b>	<b>£</b>
<b>Non cash costs:</b>			
	7.1 /		
Depreciation	7.2	70,231	115,376
Cost of Capital	5.0	1,864	11,379
	8.1 /		
Amortisation	8.2	26,089	26,087
Impairments	11.0	0	0
Loss on disposal of asset	5.0	1,147	
Notional audit fees & charges	5.0	19,603	70,614
Other Provisions	17.2	(160)	8,812
Other			
<b>Total Adjustments</b>		<u>118,774</u>	<u>232,268</u>

#### 26.2 Capital Resource Limit

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

	<b>2010</b>	<b>2009</b>
	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Gross Capital Expenditure	133,035	45,184
(Receipts from sales of fixed assets)		-
Net capital expenditure	133,035	45,184
Capital Resource Limit	<u>133,035</u>	<u>50,000</u>
Overspend/(Underspend) against CRL	<u>(0)</u>	<u>(4,816)</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 26 Financial Performance Targets

RQIA is required to ensure that it breaks even on an annual basis by Containing its net expenditure within 0.25 % of RRL limits

	<b>2009/10</b>	<b>2008/09</b>
	<b>£</b>	<b>£</b>
Net Expenditure	(6,033,704)	(6,260,234)
RRL	6,025,965	6,254,537
Surplus (Deficit) against RRL	(7,739)	(5,697)
Break Even cumulative position(opening)	(5,697)	
Other Adjustments		
Break Even Cumulative position (closing)	<u>(13,436)</u>	<u>(5,697)</u>

### Materiality Test:

	<b>2009/10</b>	<b>2008/09</b>
	<b>%</b>	<b>%</b>
Break Even in year position as % of RRL	<u>-0.13%</u>	<u>-0.09%</u>
Break Even cumulative position as % of RRL	<u>-0.11%</u>	

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2010

### NOTE 27 LOSSES & SPECIAL PAYMENTS

	£
Write off Capital Asset - Laptop	
Dell D430 Laptop - Purchased 31/03/09 cost: £1,435	
<b>Disposal NBV 31/03/10</b>	1,147
No sensitive, personal or confidential data was held on this laptop.	
Nugatory payment in respect of lease of premises vacated by Mental Health Commission.	46,148

### NOTE 28 POST BALANCE SHEET EVENTS

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

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