



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

The Regulation and Quality Improvement Authority

Annual Report and Accounts  
for the Year Ended 31 March 2011

informing and improving health and social care  
[www.rqia.org.uk](http://www.rqia.org.uk)

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**Regulation and Quality Improvement Authority Annual Report and  
Accounts  
For the year ended 31 March 2011**

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

on

17 August 2011



# Annual Report and Accounts 1 April 2010 - 31 March 2011

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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**

To be a driving force for positive change in health and social care services in Northern Ireland.

## **Our Mission**

RQIA provides independent assurance about the quality, safety and availability of health and social care services in Northern Ireland, encourages continuous improvement in these services and safeguards the rights of service users.

## **Our Values**

RQIA operates within a value system that supports the belief that learning is at the heart of improvement. To ensure a clear focus on improvement, organisations need to have effective systems which can identify performance standards and support the learning necessary for improvement. RQIA's values are:

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

## FOREWORD

The Regulation and Quality Improvement Authority (RQIA) is Northern Ireland's independent health and social care regulator. RQIA was established under the provisions of the Health and Personal Social Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003.

RQIA's principal objective is to provide independent assurance about the safety, quality and availability of health and social care services in Northern Ireland. RQIA seeks to encourage continuous improvements in services and to safeguard the rights of service users.

The year ended 31 March 2011 was an extremely busy year for RQIA across all areas of activity, including regulation, review and safeguarding.

During 2010-11 RQIA carried out more than 2,500 inspections of registered agencies and establishments across Northern Ireland. RQIA created a web based directory of registered providers, and for the first time our inspection reports are accessible online at [www.rqia.org.uk](http://www.rqia.org.uk).

RQIA carried out a comprehensive programme of hygiene inspections of wards and clinical areas in hospitals across Northern Ireland. We worked with the Department of Health, Social Services and Public Safety (DHSSPS), the Health and Social Care Board (HSC Board) and the Public Health Agency (PHA) to develop new standards for infection prevention and hygiene.

The Ionising Radiation (Medical Exposure) Amendment Regulations (Northern Ireland) 2010 (IRMER) transferred responsibility for monitoring and enforcement to RQIA. We are carrying out this important function in collaboration with the Health Protection Agency (HPA) and have commenced a programme of inspections.

In 2010-11 RQIA published a series of planned reviews which are accessible on our website. In addition, RQIA undertook a commissioned review of the McDermott Brothers' case, which was published in November 2010.

In 2009, RQIA assumed responsibility for a range of functions set out in the Mental Health (Northern Ireland) Order 1986. Throughout 2010-11 RQIA conducted a series of inspections of mental health and learning disability facilities across Northern Ireland. RQIA has continued to develop its approach and methodology, using a framework of human rights based indicators.

RQIA is a designated National Preventive Mechanism (NPM) under the provisions of the Optional Protocol for the Convention Against Torture (OPCAT). In exercising these functions RQIA has a responsibility to visit places of detention and to make sure that individuals are protected from inhuman or degrading treatments. We contributed to the first national overview report of the UK-wide NPMs.

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

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 2010 to 31 March 2011.

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

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

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

RQIA is responsible for the registration and inspection of a range of regulated health and social care services. These include: nursing homes; residential care homes; children's homes; day care settings; residential family centres; nursing agencies; domiciliary care agencies; adult placement agencies; voluntary adoption agencies; and independent hospitals, hospices and clinics.

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

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

RQIA also has a responsibility for the inspection of services providing radiology procedures such as x rays and radiotherapy. These regulations are in place to protect service users from inappropriate or unnecessary exposure to radiation.

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

## **RQIA Board**

RQIA has 10 independent Board members, including its Chairman, Dr Ian Carson. Each board member is appointed by the Minister of Health, Social Services and Public Safety for a term of four years.

RQIA's Board Members (at 31 March 2011)

Dr Ian Carson  
Dr Richard Adams  
Ms Geraldine Donaghy  
Mrs Lilian Jennett  
Mrs Ruth Laird  
Mr Allen McCartney  
Professor Patricia McCoy  
Mrs Una O'Kane  
Mr Colin Reid  
Mr Austin Smith

A brief profile of each Board member is included at appendix I.

## **Executive Team**

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

RQIA's Executive Management Team (at 31 March 2011):

- 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

## **Staff**

The effective delivery of RQIA's corporate objectives and work programme is dependent on the work of all our staff. RQIA has 145 members of staff (138.7 full-time equivalent), based at our offices in Belfast and Omagh (at 31 March 2011). (This does not include RQIA's board members, bank or sessional staff.)

## MANAGEMENT COMMENTARY

This annual report outlines progress against the four key priorities set out in RQIA's Corporate Strategy 2009-12.

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

### IMPROVING CARE Regulation of Services

The Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003 defines RQIA's responsibilities for the regulation (registration and inspection) of a wide range of health and social care services. These are:

- 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
- Voluntary adoption agencies (from 29 October 2010)

RQIA also inspects school boarding departments.

Since its establishment, the number of services registered with RQIA has increased significantly. At 31 March 2011 a total of 1,074 establishments and agencies were registered with RQIA, an increase of 143 from 31 March 2010, and 424 since April 2005, when RQIA was first established. During the past year, we have undertaken responsibility for the regulation of voluntary adoption agencies which are now subject to registration and inspection by RQIA. Table 1 details the number of registered services by category and, where appropriate, HSC trust location. In the past year RQIA has also been preparing for the regulation of dental practices providing private dental treatment. It is anticipated that 396 practices will be registered with RQIA by 31 March 2012.

**Table 1: Registered Establishments/Agencies by HSC Trust Area  
(as at 31 March 2011)**

Type of establishment	Belfast HSC Trust	Northern HSC Trust	South Eastern HSC Trust	Southern HSC Trust	Western HSC Trust	Total
<b>Nursing Home</b>	51	63	57	50	39	<b>260</b>
<b>Residential Care Home</b>	44	56	60	26	47	<b>233</b>
<b>Adult Placement</b>	1	3				<b>4</b>
<b>Children's Home</b>	12	11	10	10	10	<b>53</b>
<b>Independent Clinic</b>	15	1	3	4	2	<b>25</b>
<b>Independent Hospital/Hospice</b>	6	1	1	1	2	<b>11</b>
<b>Nursing Agency*</b>						<b>25</b>
<b>Day Care Setting</b>	31	29	26	42	57	<b>185</b>
<b>Domiciliary Care Agency*</b>						<b>267</b>
<b>Residential Family Centre</b>	2					<b>2</b>
<b>Adult Placement Agency</b>	1	2		1	1	<b>5</b>
<b>Voluntary Adoption Agency*</b>						<b>4</b>
<b>Total</b>	<b>163</b>	<b>166</b>	<b>157</b>	<b>134</b>	<b>158</b>	<b>1,074**</b>

\* nursing, voluntary adoption and domiciliary care agencies operate regionally and are not aligned to a trust area.

\*\* Total is the sum of trust totals plus nursing, domiciliary care and voluntary adoption agencies.

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

<b>Table 2: Registered Places in Nursing, Residential Care and Children's Homes by HSC Trust Area (at 31 March 2011)</b>						
<b>Type of establishment</b>	<b>Belfast HSC Trust</b>	<b>Northern HSC Trust</b>	<b>South Eastern HSC Trust</b>	<b>Southern HSC Trust</b>	<b>Western HSC Trust</b>	<b>Total</b>
<b>Nursing Home</b>	2,305	2,889	2,033	2,222	1,708	<b>11,157*</b>
<b>Residential Care Home</b>	1,279	1,028	1,236	476	754	<b>4,773</b>
<b>Children's Home</b>	84	71	78	61	69	<b>363</b>
<b>Total</b>	<b>3,668</b>	<b>3,988</b>	<b>3,347</b>	<b>2,759</b>	<b>2,531</b>	<b>16,293**</b>

\* Total includes 690 residential care beds within nursing homes

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

The following tables detail new registrations (Table 3) and deregistrations (Table 4) during 2010-11.

<b>Table 3: New Establishments/Agencies registered during 2010-11 by HSC Trust Area</b>						
<b>Establishment/ Agency</b>	<b>Belfast HSC Trust</b>	<b>Northern HSC Trust</b>	<b>South Eastern HSC Trust</b>	<b>Southern HSC Trust</b>	<b>Western HSC Trust</b>	<b>Total</b>
<b>Children's Home</b>			1			<b>1</b>
<b>Nursing Home</b>	2	2		1	1	<b>6</b>
<b>Residential Care Home</b>		1			3	<b>4</b>
<b>Independent Clinic</b>	1					<b>1</b>
<b>Independent Hospital</b>	1					<b>1</b>
<b>Nursing Agency</b>						<b>4*</b>
<b>Day Care Setting</b>	17	23	10	26	35	<b>111</b>
<b>Domiciliary Care Agency</b>						<b>37*</b>
<b>Residential Family Centre</b>	1					<b>1</b>
<b>Adult Placement Agency</b>					1	<b>1</b>
<b>Voluntary Adoption Agency</b>						<b>4*</b>
<b>Total</b>	<b>22</b>	<b>26</b>	<b>11</b>	<b>27</b>	<b>40</b>	<b>171**</b>

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

\*\* Total is the sum of trust totals plus nursing, domiciliary care and voluntary adoption agencies.

<b>Table 4: Establishments/Agencies Deregistered During 2010-11 by HSC Trust</b>						
<b>Establishment / Agencies</b>	<b>Belfast HSC Trust</b>	<b>Northern HSC Trust</b>	<b>South Eastern HSC Trust</b>	<b>Southern HSC Trust</b>	<b>Western HSC Trust</b>	<b>Total</b>
<b>Children's Home</b>				1		<b>1</b>
<b>Nursing Home</b>						<b>0</b>
<b>Residential Care Home</b>		1			2	<b>3</b>
<b>Independent Clinic</b>		1				<b>1</b>
<b>Independent Hospital</b>						<b>0</b>
<b>Nursing Agency</b>						<b>1*</b>
<b>Day Care Setting</b>						<b>0</b>
<b>Domiciliary Care Agency</b>						<b>19*</b>
<b>Residential Family Centre</b>		1				<b>1</b>
<b>Adult Placement Agency</b>		1				<b>1</b>
<b>Adult Placement</b>				1		<b>1</b>
<b>Total</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>28**</b>

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

\*\* Total is the sum of trust totals, nursing agencies and domiciliary care agencies

## **Inspection Activity**

RQIA's inspections of regulated services are conducted by a range of qualified and experienced staff including nurses, social workers, pharmacists, estates and finance officers. Inspections may be announced or unannounced, and examine compliance with regulations and the minimum standards in the areas of care, medicines management, estates and finances.

The Regulation and Improvement Authority (Fees and Frequency of Inspections) Regulations (Northern Ireland) 2005 and associated amendments determine the minimum number of inspections for each category of service. Each year RQIA is required to inspect all children's, nursing and residential care homes on a minimum of two occasions, with all other regulated services subject to at least one inspection per year.

During 2010-11 RQIA conducted 2,614 inspections of 1,074 regulated services, meeting its statutory requirements in terms of the minimum number of inspections. Table 5 sets out inspection activity by category of service and type of inspection for the period 1 April 2010 to 31 March 2011. This summary of inspection activity includes inspections of services where RQIA had concerns about quality and compliance. During inspections RQIA's inspectors work with service managers to bring about continuous improvement in services. As part of its methodology RQIA focuses its inspection activity on specific areas and themes.

<b>Table 5: Inspections by Service Category and Inspection Discipline 1 April 2010 - 31 March 2011</b>						
<b>Category</b>	<b>Care</b>	<b>Pharmacy</b>	<b>Estates</b>	<b>Finance</b>	<b>Other</b>	<b>Total</b>
<b>Adult Placement Agency</b>	6					6
<b>Boarding School</b>	7					7
<b>Children's Home</b>	108	36	28		1	173
<b>Day Care Setting</b>	123	5	18			146
<b>Domiciliary Care Agency</b>	304	38		2		344
<b>Independent Clinic</b>	24	6	13			43
<b>Independent Hospital</b>	12	8	6			26
<b>Nursing Home</b>	558	269	207	47	1	1,082
<b>Nursing Agency</b>	22	1				23
<b>Residential Care Home</b>	480	115	146	15	2	758
<b>Residential Family Centre</b>	2					2
<b>Voluntary Adoption Agency</b>	4					4
<b>Total</b>	<b>1,650</b>	<b>478</b>	<b>418</b>	<b>64</b>	<b>4</b>	<b>2,614</b>

### **Enforcement Activity**

RQIA is committed to ensuring that all regulated services are safe, effective and in line with minimum standards for care. Under The Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland)

Order 2003 and associated regulations, a range of sanctions or enforcement measures are available to RQIA.

Following any inspection RQIA may make recommendations for improvement based on the minimum standards, and/or legislative requirements based on the relevant regulations. The registered provider is required to respond with a quality improvement plan which sets out how it will address each issue raised within a given timescale.

Where significant or repeated failings are identified, whether through inspection activity or other intelligence, RQIA may take a range of enforcement actions. These include the issue of a notice of failure to comply with regulations, an improvement notice, or further enforcement, including the imposition of conditions of registration, fines or service closure.

RQIA is unequivocal in its application of its powers in respect of enforcement and prosecution, where regulations have been breached or where an offence has been committed. During 2010-11 RQIA issued notices of failure to comply with regulations on four occasions to three nursing homes and one domiciliary care agency. Table 6 details notices of failure to comply with regulations.

<b>Table 6 Notices of Failure to Comply with Regulations 2010-11</b>			
<b>Service</b>	<b>Date of issue</b>	<b>Details of notices of failure to comply with regulations</b>	<b>Date of Compliance</b>
<b>Bloomfields Nursing Home, Belfast</b>	6 December 2010	Staffing issues	19 January 2011
<b>Kingscourt Nursing Home, Templepatrick</b>	4 February 2011	Records of Financial arrangements	Ongoing at 31 March 2011
<b>Queenscourt Nursing Home, Ballyclare</b>	4 February 2011	Records of Financial arrangements	Ongoing at 31 March 2011
<b>Manor Healthcare Domiciliary Care Agency, Ballyclare</b>	16 February 2011	Financial, Information/records	Ongoing at 31 March 2011

### **Inspection Methodology**

RQIA's approach to inspection is underpinned by a number of principles identified by the Better Regulation Task Force, Principles of Good Regulation, 2003 which state that inspection and enforcement should be: proportionate; accountable; consistent; transparent; and targeted. RQIA's inspection maintains a focus on outcomes, and includes:

- self-assessment
- user perspective
- validated evidence
- following up evidence from previous requirements and recommendations
- selected standards and core criteria for inspection

This ensures that RQIA has comprehensive evidence to support its findings and to make recommendations for improvement or further enforcement action, as necessary, to ensure the safety and wellbeing of those using these services.

In planning for inspection activity during 2010-11, RQIA identified a number of selected inspection standards and themes for each of the regulated service areas. These areas were examined in detail during care inspections. Tables 7 to 10 details these by care setting. RQIA will publish an overview of outcomes of its inspection activity during 2011.

<b>Table 7: Day Care Settings: Selected Inspection Standards</b>		
<b>Standard</b>		<b>Inspection type</b>
<b>Standard 2</b>	The centre offers a structured programme of varied activities and events, related to the service user's need for day care services	All care inspections
<b>Standard 8</b>	Responses to service users are appropriate and based on an understanding of individual service user's conduct, behaviours and means of communication	All care inspections
<b>Standard 13</b>	Protection of Vulnerable Adults	All care inspections
<b>Standard 14</b>	All complaints are taken seriously and dealt with promptly and effectively.	All care inspections

<b>Table 8: Domiciliary Care Agencies: Selected Inspection Standards</b>		
<b>Standard</b>		<b>Inspection type</b>
<b>Standard 8</b>	Management and Control of Operations Inspection	All care inspections
<b>Standard 13</b>	Supervision and Appraisal	All care inspections
<b>Standard 15</b>	Complaints	All care inspections
<b>Standard 16</b>	Safe and Healthy working practices	All care inspections

<b>Table 9: Nursing Homes: Selected Inspection Standards</b>		
<b>Standard</b>		<b>Inspection type</b>
<b>Standard 5</b>	Patients receive safe, effective nursing care based on a holistic assessment of their care needs that commences prior to admission to the home and continues following admission. Nursing care is planned and agreed with the patient, is accurately recorded and outcomes of care are regularly reviewed.	Announced care inspections
<b>Standard 6</b>	Patients' case records are accurate and up to date.	Announced care inspections
<b>Standard 8</b>	Nutritional needs of patients are met.	Announced care inspections
<b>Standard 12</b>	Patients receive nutritious and varied diet in appropriate surroundings at times convenient to them.	Announced care inspections
<b>Standard 13</b>	The home offers a structured programme of varied activities and events, related to the statement of purpose and identified needs of patients.	Unannounced care inspections

<b>Table 10: Residential Care Homes: Selected Inspection Standards</b>		
<b>Standard</b>		<b>Inspection type</b>
<b>Standard 10</b>	Responses to residents are appropriate and based on an understanding of individual resident's conduct, behaviours and means of communication.	Announced care inspections
<b>Standard 13</b>	The home offers a structured programme of varied activities and events, related to the statement of purpose and identified needs of the residents.	Announced care inspections
<b>Standard 16</b>	Protection of Vulnerable Adults	Announced care inspections
<b>Standard 17</b>	All complaints are taken seriously and dealt with promptly and effectively.	Announced care inspections
<b>Standard 12</b>	Residents receive a nutritious and varied diet in appropriate surroundings at times convenient to them.	Unannounced care inspections

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

In March 2010 responsibility for the monitoring and inspection of Ionising Radiation (Medical Exposure) (Amendment) Regulations (Northern Ireland) 2010 (IR(ME)R) transferred to RQIA. RQIA prepared a programme to inspect a range of units using x-rays and other procedures using radiation. These included inspections of diagnostic radiology departments, nuclear medicine departments, the regional radiotherapy unit and a chiropractic clinic. In total, seven IR(ME)R inspections of health care facilities were completed, with support from the Health Protection Agency (HPA). The reports of these inspections are available on RQIA's website at [www.rqia.org.uk](http://www.rqia.org.uk).

## **Private Dental Regulation**

Following an amendment to the Independent Health Care Regulations (Northern Ireland) 2005 introduced on 25 January 2011, it was announced that regulation of private dentistry in Northern Ireland would come into effect on 1 April 2011. This will require all establishments providing private dental care or treatment to be regulated (registered and inspected) by RQIA.

In advance of the introduction of this legislation, RQIA met with the British Dental Association and a number of its local committees, to advise dentists of our plans and arrangements for the regulation of private dentistry. We presented at a Northern Ireland Medical and Dental Training Agency (NIMDTA) event on dental regulation. During February 2011, to support dentists in the registration process, RQIA issued comprehensive written guidance to almost 400 dental practices across Northern Ireland, and Registration application packs were issued in late March to facilitate regulation of these services during 2011-12.

## **RQIA Review Activity**

RQIA continued to progress its programme of service and thematic reviews in line with its published Three Year Review Programme 2009-12. During 2010-11, RQIA completed reviews and published reports on: intrapartum care; hyponatraemia; GP out-of-hours services; child protection; dental sedation; medical revalidation; NI Ambulance Service; and child and adolescent mental health services (CAMHS).

### **Review of Intrapartum Care Services across Northern Ireland**

This review highlighted the need for the development of a maternity strategy for Northern Ireland and made 20 recommendations for the service across Northern Ireland and a further 23 specific recommendations for trusts. Key recommendations include the need to maintain appropriate levels of obstetric, anaesthetic and midwifery cover; for all trusts to audit and review midwifery staffing levels on an annual basis; and to provide all staff with protected time for mandatory training. We believe that the adoption of these recommendations provide further direction for improvement in the quality and safety of care for women in labour and during delivery.

### **Review of Reducing the Risk of Hyponatraemia when Administering Intravenous Infusions to Children**

In 2008 RQIA carried out a review of compliance with the National Patient Safety Agency's (NPSA) Safety Alert no.22: Reducing the Risk of Hyponatraemia when Administering Intravenous Fluids to Children in HSC trusts. In February 2009 a letter was issued by DHSSPS to all HSC trusts and independent hospitals requiring full implementation of the 16 recommendations made by RQIA's independent review team. At that time, the Health Minister requested that RQIA undertake a further review to examine the implementation of these recommendations, paying particular attention to the reporting of incidents and the treatment of children in adult wards. The review team made eight further recommendations in the follow-up report. The team noted that HSC trusts and independent health care facilities have good operational control of the administration of intravenous fluids to children, and that compliance with the NPSA alert had been substantially achieved.

### **Review of GP Out-of-Hours Services**

In September 2010, RQIA published its report on GP out of hours services in Northern Ireland. This review, carried out by an independent team of health care professionals from Northern Ireland and Scotland, examined arrangements in place to deliver safe and effective treatment for patients. The review team made a series of recommendations, including: the need to clarify the future strategic direction for the service; closer collaboration with other out-of-hours services, including A&E, ambulance, community nursing, social care and mental health crisis services; and measures to make sure that doctors are not working excessive shifts across services. During this review, RQIA worked in partnership with the Patient and Client Council (PCC) to ask the public about their experiences of using these services. Patients told us that they value this service, but that there should be a single contact telephone number across Northern Ireland to access these services.

### **Review of HSC Trusts Readiness for Medical Revalidation**

In December 2010, RQIA published its independent assessment of the readiness of health and social care trusts for the introduction of revalidation for hospital-based (secondary care) doctors from 2012. RQIA found that trusts have implemented robust systems of governance and are strongly committed to having effective systems of appraisal to support revalidation. Whilst the number of doctors taking part in annual appraisal has increased significantly since a previous RQIA review of medical appraisal in 2008, we identified the need to standardise the provision of information to doctors to support appraisal. To enhance preparedness for the introduction of medical revalidation in Northern Ireland, RQIA made seven regional recommendations, and a series of specific recommendations for each HSC trust.

### **RQIA's Independent Review of Child and Adolescent Mental Health Services (CAMHS) in Northern Ireland**

In February 2011, RQIA published its review of child and adolescent mental health services (CAMHS), which examined the quality, availability and safety of CAMHS across Northern Ireland. RQIA worked with the Voice of Young People in Care (VOYPIC) to gather the views of service users and their carers, and we included this information in our report. The review made a range of recommendations for the DHSSPS, the HSC Board and all five HSC trusts. A key recommendation was for the DHSSPS to confirm, through policy guidance, a model for CAMHS provision across Northern Ireland. In addition, the independent review team called for the further development of community-based alternatives to hospital admission.

### **Review of the Northern Ireland Ambulance Service Trust**

Also in February 2011, RQIA published its governance review of the Northern Ireland Ambulance Service Health and Social Care Trust (NIAS). This was carried out by an independent review team, which included independent experts from the Scottish Ambulance Service. The team visited NIAS facilities across Northern Ireland, examining performance against DHSSPS's Quality Standards for Health and Social Care. The review team highlighted examples of good practice across each of the five quality standards, and found strong evidence of clear lines of accountability for governance to the NIAS Board. To drive further improvement across NIAS, RQIA made 14 recommendations.

### **Review of IV Sedation in General Dental Practice**

In 2009, RQIA undertook a review of intravenous sedation use in general dental practice which identified areas for improvement in a number of practices. RQIA was then asked by DHSSPS to carry out a follow-up review focusing on safe practice. This review was published in December 2010 and made a number of further recommendations aimed at assisting dental practices to improve patient safety in the area of intravenous sedation.

### **Review of Child Protection Services – Stages 4 and 5**

In September 2008, RQIA began a five stage review of child protection services in Northern Ireland, focusing on recommendations from the DHSSPS overview report *Our Children and Young People - Our Shared Responsibility*, published in January 2007. Each stage of this review involved an independent team of child protection experts from across the UK. The final stages of this review (stages 4 and 5), published in December 2010, focused on arrangements for managing staff performance, access to services and interagency communication at the point of referral to child protection services. The report also highlights examples of good practice in each trust, which we would encourage all trusts to replicate. To support further improvements in practice, RQIA also made focused trust-specific recommendations, and a number of regional recommendations.

## **Commissioned Reviews**

In addition to planned review activity, during 2010-11 RQIA was requested by Michael McGimpsey, MLA, Minister for Health, Social Services and Public Safety, to undertake two additional reviews into issues of significant public concern. These were a review of the McDermott brothers' case and a review into the reporting of plain x-rays across all five health and social care trusts.

### **RQIA's Independent Review of McDermott Case Published**

On 30 September 2010, the Health Minister asked RQIA to undertake an independent review of the Western Health and Social Care Trust's (WHSCT) actions in relation to James Francis and Owen Roe McDermott. In 2009, the McDermott brothers had been arrested in relation to serious sexual assaults against children in Donagh, Co Fermanagh. The brothers were subsequently found to have a learning disability and were deemed unfit to plead. They remained at the family home in Donagh. Subsequent community concern led to the brothers being taken into the care of the WHSCT. During the review, in addition to examining the trust's actions in relation to the case, RQIA also engaged with the survivors to ensure that their views and concerns were taken into account. The review report was published in early November, making seven recommendations for HSC bodies and for other organisations.

### **RQIA Independent Review of Reporting Arrangements for Radiological Investigations**

In February 2011, the Health Minister commissioned RQIA to undertake an independent review of the handling and reporting arrangements for plain image, radiological investigations across Northern Ireland. The request for the review followed delays in the reporting of plain image radiological examinations at Altnagelvin and Craigavon hospitals. RQIA agreed to undertake the review with the support of a team of independent expert reviewers including the Registrar of the Royal College of Radiologists and Registrar of its Faculty of Clinical Radiology.

## **Infection Prevention/ Hygiene Inspections**

During 2010-11 RQIA's inspection of infection prevention/control and hygiene practice in hospitals across Northern Ireland continued. Some of the clinical areas previously inspected were subject to a re-audit. In December 2010 the overview reports for acute hospitals, acute psychiatric admission wards and maternity delivery units across Northern Ireland were published. These reports highlight significant improvement across all facilities. RQIA encouraged all trusts to continue to sustain this performance.

RQIA also commenced a new programme of announced and unannounced infection prevention/hygiene inspections at a range of health and social care facilities, including hospital wards and clinical areas. These inspections provide an overview of a ward or clinical area's performance against the regional standards on the day of inspection, highlighting to service managers both good practice and areas of concern. The announced inspections provide an opportunity to review the organisational governance systems that have

been put in place in each trust in relation to environmental cleanliness and infection prevention and control.

### **Other Inspection / Review Activities**

In conjunction with the inspection programme of regulated services, RQIA has just published an evaluation of arrangements in place for the management of medicines for people receiving domiciliary care in their own homes. It identifies targeted approaches to facilitate quality improvement in this setting and highlights the challenges faced by those providing this service throughout Northern Ireland.

RQIA has also undertaken a number of further reviews of regulated services. These include an examination of care pathways for children in care moving into secure accommodation and a review of care management in a domiciliary care setting. These reports are due for publication in the year ahead.

### **Controlled Drug Prescribing**

RQIA, in conjunction with DHSSPS, the Business Services Organisation (BSO) and the HSC Board, has responsibility for issuing approval to doctors for private prescription pads under an amendment to the Misuse of Drugs (Northern Ireland) Regulations 2002. During the year RQIA received four requests for approval for private controlled drug prescribing, all of which were granted.

## **INFORMING THE POPULATION**

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

During February 2011, RQIA held a series of eight full day information events for nursing home, residential care home, domiciliary care and day care service providers, attended by some 800 people. At each event RQIA outlined its inspection approach for the year ahead, including the inspection themes for each sector. A number of providers also showcased examples of best practice from the previous year's inspection programme.

RQIA's commitment to involving the public is demonstrated through its Public Participation Strategy. During the year key initiatives included establishing a Children's Services Advisory Group; continued engagement with a range of service users as part of planned review and inspection activity; and organising a series of events to highlight aspects of the work of RQIA.

In March 2011, RQIA, in partnership with the Northern Ireland Social Care Council (NISCC), Social Care Institute for Excellence (SCIE), the Patient and Client Council (PCC) and a panel of service users and carers, organised the third annual user and carer conference. The conference entitled Listening and Learning Together attracted over 200 delegates. Through a series of presentations and workshops led by service users and carers, examples of best practice in public participation and service user and carer involvement in health and social care were highlighted.

During March 2011 five events were held across Northern Ireland for service users and carers, providers and other stakeholders of mental health and learning disability services. These events, attended by some 200 people, provided information on RQIA's progress in relation to Mental Health Order functions and engaged with attendees on how RQIA could further develop its work in this area.

These events involved engagement with a wide range of stakeholders and the feedback from attendees was overwhelmingly positive.

Media interest in the work of RQIA continued during the year, particularly in relation to published review reports; the infection prevention/control programme, and regulatory activity. In addition, we continued our engagement with political representatives, meeting representatives from the Northern Ireland Assembly Health Committee and health spokespersons from the main political parties.

RQIA provided evidence to the Northern Ireland Assembly Health Committee, providing evidence on the review of intrapartum care and statutory rules relating to independent healthcare. In addition, RQIA provided evidence alongside representatives of DHSSPS to the Public Accounts Committee (PAC) on the Northern Ireland Audit Office (NIAO) Report, Ensuring the Quality of Care for Older People in Residential Care and Nursing Homes. RQIA also responded to the recommendations of the PAC.

On a quarterly basis, liaison meetings took place between RQIA and each HSC trust to discuss issues relating to regulated services, RQIA's review programme and mental health and learning disability provision. Regular liaison meetings with the HSC Board, Public Health Agency and the Patient Client Council also took place to allow discussion and information exchange on areas of mutual interest. Regular meetings also took place with independent sector representative groups including the Independent Health Care Providers (IHCP) and the UK Homecare Association (UKHCA).

RQIA also worked with the Older Persons Advocate to plan and deliver a workshop in November 2010, aimed at care providers showcasing examples of good practice in the care and support of older people.

RQIA continued its liaison and engagement with other health and social care regulatory bodies across the UK and Ireland, including the newly established Care Quality Commission (CQC), the Council for Healthcare Regulatory Excellence (CHRE) and at the European Partnership of Supervisory Organisations (EPSO), considering issues of common interest.

RQIA continued to update its website to ensure that all information relevant to our stakeholders was readily accessible and available online. In October 2010, RQIA's register and associated inspection reports for all regulated services for adults were made available online at [www.rqia.org.uk](http://www.rqia.org.uk). This allows prospective users of services and their families to examine and directly compare information on the quality and performance of individual services. At the end of March 2011, some 2,500 care, pharmacy, estates and financial inspection reports were available online.

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

In common with all public bodies, RQIA is required to respond to requests for information under the Freedom of Information Act 2000 and the Data Protection Act 1998. During 2010-11 RQIA received and responded to 23 freedom of information requests within 20 working days and seven subject access requests within 40 working days.

## SAFEGUARDING RIGHTS

### Mental Health and Learning Disability

Following the transfer of the functions of the former Mental Health Commission to RQIA in 2009, RQIA undertook a range of additional responsibilities for people with a mental illness and those with a learning disability including:

- 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

Significant work has been undertaken by RQIA to ensure a successful transition and RQIA has endeavoured to improve both the scrutiny and oversight of organisations working under the Mental Health Order. To oversee how we discharged these functions, the Board of RQIA established a Mental Health and Learning Disability expert advisory panel which met on five occasions during the year. The panel, chaired by Dr Richard Adams, RQIA Board member, included the Chief Medical Officer with Mental Welfare Commission for Scotland; a consultant psychiatrist, a HSC trust director of Mental Health and Disability Service; an advocate; two service users; and staff from RQIA's Mental Health and Learning Disability team. The panel provided assurance to the Board that RQIA was fully meeting its requirements under the Mental Health Order.

To ensure the appropriateness of detentions under the Mental Health Order 1986, RQIA monitors all prescribed forms received from HSC trusts. During the year 9,465 forms were submitted and scrutinised by RQIA (see Table 11). As a result of this ongoing activity, RQIA through its liaison with trusts, continued to reduce the error rate from 4.4% in March 2010 to an average of 2.4% during 2010-11. As part of this work RQIA made application to the Guidelines and Audit Implementation Network (GAIN) for funding the development of guidelines and an online training programme for professionals working with the Mental Health Order. It is anticipated that this work will be completed in September 2011 and will further improve the practice of professionals and other agencies such as the police and ambulance services, using the Mental Health Order.

<b>Table 11: Analysis of Prescribed Forms: 1 April 10 - 31 March 2011</b>	
<b>Trust Area</b>	<b>Total Forms received</b>
<b>Belfast HSC Trust</b>	2,977
<b>Northern HSC Trust</b>	2,129
<b>South Eastern HSC Trust</b>	1,723
<b>Southern HSC Trust</b>	1,423
<b>Western HSC Trust</b>	1,213
<b>Total</b>	<b>9,465</b>

Engaging directly with service users is an important facet of RQIA's work. To assess the experience of individual detained patients RQIA continued its programme of patient experience reviews and met with 133 patients during the year. These interviews with patients have enabled RQIA to work with individual wards and units within trusts to improve care, taking account of the rights of detained patients. The findings of these reviews helped to inform the focus of our inspections of mental health and learning disability facilities. RQIA staff also met and spoke with 198 patients during the course of their inspections.

During the year RQIA developed a programme of inspection at mental health and learning disability facilities. The proposed approach, using a framework of human rights indicators, was endorsed by a team of international experts in law, human rights and mental health and learning disability at RQIA's Mental Health and Learning Disability Symposium held in May 2010.

Following a series of pilot inspections in July 2010, RQIA commenced a full programme of inspections in mental health and learning disability wards and departments. During the year 44 inspections were conducted using the human rights theme of fairness (see Table 12). The inspection process also took account of the Better Regulation Commission's principles of inspection.

<b>Trust Area</b>	<b>Total</b>
<b>Belfast HSC Trust</b>	15
<b>Northern HSC Trust</b>	6
<b>South Eastern HSC Trust</b>	8
<b>Southern HSC Trust</b>	7
<b>Western HSC Trust</b>	8
<b>Total</b>	<b>44</b>

Other key achievements during the year were the development of systems for the monitoring of trusts' management of service users' finances and the integration of Mental Health Order functions into regulated sector inspections.

As part of its ongoing commitment to patient and public involvement, RQIA met regularly with user and carer advocates in relation to care and treatment of individuals with a mental ill health. These advocacy forums provided an opportunity to discuss information on inspection activity and general themes emerging from our work.

In May 2010 RQIA hosted advocacy training provided by a team of lawyers and judges from the United States National Institute of Trial Advocacy (NITA) for mental health and learning disability lay advocates. The training was

provided on a pro-bono basis. The NITA trainers stressed the importance of participation and advocacy in the protection of human rights and endorsed RQIA for its work in this important area.

### **Prison Health and Social Care**

During the year, in partnership with Criminal Justice Inspection Northern Ireland (CJI) and Her Majesty's Inspectorate of Prisons (HMIP), RQIA conducted an inspection of health and social care provision in Hydebank Wood Young Offenders Centre and Ash House Women's Prison.

In February 2011 RQIA held the inaugural meeting of organisations in Northern Ireland designated as national preventive mechanisms (NPMs) in partnership with Her Majesty's Inspectorate of Prisons and CJI. Here, RQIA's proposals relating to joint working in the inspection of places of detention in Northern Ireland in relation to the United Nations Convention Against Torture (OPCAT) were endorsed by the Association for the Prevention of Torture (Geneva), and other NPMs and regulatory bodies in Northern Ireland.

### **Equality**

During 2010, RQIA consulted on its equality scheme and action plan to address any issues identified in an audit of inequalities across all our functions. The consultation period closed in March 2011 and RQIA aims to submit its new equality scheme to the Equality Commission for Northern Ireland in May 2011.

## **INFLUENCING POLICY**

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

A key recommendation in RQIA's Review of Intrapartum Care is the requirement for a regional maternity services strategy, which is now being taken forward by DHSSPS.

RQIA has identified specific issues in relation to medicines management in domiciliary care services. A regional working group, coordinated by DHSSPS and the HSC Board, has been established to examine regional policies and protocols.

Following the publication of RQIA's Review of Blood Safety in early 2010 the Chief Medical Officer (CMO) wrote to health and social care organisations setting out arrangements for taking forward the recommendations of this review. During the year RQIA also presented the findings of this review to a meeting of the NI Advisory Committee on Blood Safety.

The CMO also wrote to all trusts to ensure that the recommendations of RQIA's review - Reducing the Risk of Hyponatraemia when Administering Intravenous Infusions to Children are implemented.

The findings and recommendations of RQIA's Review of Readiness for Medical Revalidation are being considered by the Revalidation Delivery Board for Northern Ireland.

Actions based on the recommendations of the McDermott Brothers' review include the development of a regional guideline for Supervision and Treatment Orders and a review of processes for communication between education boards and social service departments during school holidays, are being taken forward by the relevant bodies.

RQIA continues to work with the DHSSPS and other stakeholders in the development of the new mental health and capacity legislation.

RQIA also responded to a number of consultations, including:

- Northern Ireland Strategy for Nursing and Midwifery 2010-2015
- Commissioner for Older People Bill
- Dementia Services Strategy for Northern Ireland
- Strategy for nursing in mental health and learning disability services
- Strategy for the Children's Commissioner for Northern Ireland
- A 10-Year Strategy for Social Work in NI 2010 - 2020.
- Regional Safeguarding Board for Northern Ireland (SBNI)

## **OTHER ISSUES**

### **People**

RQIA is committed to the effective management of sickness absence to achieve the optimum attendance at work. During the year sickness absence was recorded at 5.4% against a target of 4.8%. Staff awareness sessions and workshops on absence management took place to ensure that sickness absence is appropriately managed.

The findings of a HSC-wide staff survey, which included RQIA, were presented to the Board in July 2010. An action plan was also developed, including staff and management development programmes which were delivered by the Human Resources and Organisational Development Manager during the year. Work also commenced on the implementation of the Knowledge and Skills Framework (KSF) through the provision of awareness sessions for staff.

RQIA's Joint Negotiating and Consultative Forum (JNCF) and the Staff Forum met on a regular basis to discuss issues affecting staff across the organisation.

### **Governance and Accountability**

RQIA's Board is responsible for setting the strategic direction. The Board meets in public five times each year at locations across Northern Ireland. Delivery of the strategic direction set by the Board and the leadership and control of day-to-day operations are the responsibility of the Executive Management Team. Specific matters relating to accounting procedures, financial reporting, internal controls and risk management are the responsibility of RQIA's Audit Committee. This operates in accordance with its terms of reference and the HM Treasury Audit Committee Handbook. The Audit Committee meets formally four times each year. In relation to governance, RQIA is informed both by the Management Statement and Financial Memorandum (MSFM) agreed with the DHSSPS. This sets out the broad operational framework and its individual policies. During the year, RQIA's Corporate Risk Assurance Framework Report was reviewed, updated and reported to the Audit Committee and Board on a regular basis.

### **Business Planning**

During 2010-11 RQIA developed a corporate performance report which incorporates a series of key performance indicators (KPIs) linked to the strategic objectives in the Corporate Strategy 2009-12 and the annual business plan. Progress against KPIs for the period 2010-11 was reported to the Board through a quarterly corporate performance report to ensure performance against the annual business plan objectives was monitored.

RQIA developed its Risk Management Strategy and risk management procedures. A new directorate risk register template and associated guidance were implemented to embed best practice across the organisation. Risk management training was rolled-out to staff during September and October 2010. RQIA also developed a business continuity plan to ensure preparedness for an unplanned emergency situation.

### **Controls Assurance**

During the year RQIA completed seven self-assessments against controls assurance standards, and substantive compliance was attained in each case. These include governance; risk management; financial management; health and safety; information communications technology; records management; and human resources. An assessment of the relevance of other controls assurance standards (CAS) was completed and approved by RQIA's Audit Committee in October 2010. A total of 11 CAS will be fully embedded within RQIA by 2012.

RQIA's Corporate Strategy 2009-12, annual business plan and corporate performance reports are available online at [www.rqia.org.uk](http://www.rqia.org.uk).

Following a diagnostic screening assessment carried out by the Centre for Competitiveness in August 2010, RQIA adopted the European Foundation for Quality Management (EFQM) quality improvement framework and has developed an EFQM quality improvement map and action plan to address areas for improvement.

### **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 has a continuing duty of care to the service user and should assist in resolving complaints by using either expert advisors or acting as an honest broker. This is known as enhanced local resolution. If local resolution is unsuccessful, the complainant can refer their concerns to the Northern Ireland Ombudsman. RQIA's role is to ensure that providers have an appropriate complaints and investigations procedure in place, and to follow up any alleged failure by a provider to comply with regulations and standards.

### **Complaints about RQIA**

During the year, five complaints were received about RQIA relating to the work of the organisation and our staff. These were handled in line with RQIA's complaints policy. In September 2010 a new Policy and Procedure on the Management and Handling of Complaints against RQIA was approved by the Board.

## Financial Summary

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

	£
<u>Income</u>	
Fees and recharged costs	<u>938,603</u>
<u>Expenditure</u>	
Staff costs	(5,961,109)
Other operating expenses	<u>(1,503,118)</u>
<u>Total Expenditure</u>	<u>(7,464,227)</u>
<u>Net Expenditure</u>	<u>(6,525,624)</u>
<u>Financing from DHSSPS</u>	6,524,084
<u>Deficit</u>	<u>(1,540)</u>

Capital expenditure amounted to £12,313, which was financed by DHSSPS.

The full audited accounts are included in the Annual Accounts section of this report.



Chief Executive:



Date:

**RQIA Board Member Profiles (as at 31 March 2011)**

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

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

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

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

**Mrs Ruth Laird** was appointed to the Board in September 2005, reappointed for a further four years in September 2009 and is Chair of the Audit Committee. Ruth has 25 years' experience in human resource management and organisational development in the public, private and voluntary sectors and is a Chartered Member of the Institute of Personnel and Development. Ruth also holds a number of other appointments: non-executive Director of the NI Transport Holding Company; a Judicial Appointments Commissioner; a Civil Service Commissioner; a Parole Commissioner; and a member of the Council of the University of Ulster. She lives in Newtownards.

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

**Professor Patricia McCoy** was appointed to the Board in September 2005 and reappointed for a further four years in September 2009. She is also a member of the Appointments and Remuneration Committee. Patricia is Emeritus Professor of Physiotherapy at the University of Ulster having

lectured there until her retirement in 2001. She is also a Fellow of the Chartered Society of Physiotherapy. She lives in Hollywood.

**Mrs Una O’Kane** was appointed to the Board in September 2005 and reappointed for a further four years in September 2009, and is a member of the Appointments and Remuneration Committee. Una was Headmistress of St Mary’s Grammar School in Magherafelt until August 2004. She is currently Vice-Chair of the Staff Commission for Education and Library Boards and Governor of the Northern Regional College, St Patrick’s College Maghera and St Pius X College, Magherafelt. She lives in Magherafelt.

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

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

## **ANNUAL ACCOUNTS**

Under the Health and Social Care Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003 the RQIA is to prepare a statement of accounts for each financial year. An Accounts Direction issued by the Department of Health, Social Services and Public Safety (DHSSPS) dated 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 2010/11.

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 2010/11 and has responsibility for the Annual Report and Accounts for the financial year to 31 March 2011.

### **The Board of the RQIA**

Appointments to the board are made with the agreement of the Minister responsible for the DHSSPS. There are no specific qualifications required for appointment. Each person is appointed to act in a personal capacity and not to represent any particular interest or group.

The following Board members were re-appointed on 1 January 2009 having completed their first four-year term:

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

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

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

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

## **Board Committee Structure and Composition**

**1 April 2010 to 31 March 2011**

Audit Committee

Mrs Ruth Laird (Chairman)  
Dr Richard Adams  
Mr Colin Reid  
Ms Geraldine Donaghy  
Mr Austin Smith

Appointments and Remuneration  
Committee

Dr Ian Carson (Chairman)  
Mr Allen McCartney  
Professor Patricia McCoy  
Mrs Una O'Kane

### **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 2010/11 annual accounts was £20,480. RQIA made one payment to NIAO for work outside their audit responsibilities in relation to the National Fraud Initiative (£1,456).

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 2010/11 was £14,204. All reports by Internal and External Audit are considered by the Audit Committee. RQIA made a further payment to BSO in relation to financial inspection work performed on RQIA's behalf by Internal Audit during the first quarter of 2010/11. This amounted to £23,206.

### **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 or agreed payment terms. RQIA paid 96.4% of invoices within this target.

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

The Late Payment of Commercial Debts Regulations 2002 provides qualifying businesses with a statutory right to claim interest on the late payment of

commercial debt. During the year the RQIA incurred £26 of charges in relation to 1 overdue invoice.

### **Related party transactions**

These are disclosed at Note 23 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 6 and 7 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.

### **Post Balance Sheet Events**

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

## **REMUNERATION REPORT**

### **Remuneration Report for the Year Ended 31 March 2011**

#### **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. Department guidance in 2010/11 introduces a requirement to separately disclose bonus payments and detail exit packages awarded.

#### **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 at least three board members; the membership for 2010/11 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	2010/11			2009/10		
	Salary	Bonus or Performance Pay	Benefits in kind (to nearest £100)	Salary	Bonus or Performance Pay	Benefits in kind (to nearest £100)
	£'000	£'000	£	£'000	£'000	£
Glenn Houston	100 - 105	-	-	95 - 100	-	-
Maurice Atkinson*	55 - 60  (60 - 65 full year equivalent)	-	-	60 - 65	-	-
Phelim Quinn**	75 - 80	-	-	70 - 75	-	-
Theresa Nixon	65 - 70	-	-	65 - 70	-	-
David Stewart	145 - 150	-	-	145 - 150	-	-

\* The current year reduction in M Atkinson's salary relates to a 6 week period of unpaid leave.

\*\* The 2009/10 figures for P Quinn have been restated following a backdated regrading.

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 2010/11.

No bonuses or exit packages were awarded in 2010/11.

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

Name	Real increase in pension and related lump sum at age 60  Bands of £2,500	Total accrued pension at age 60 and related lump sum  Bands of £5,000	Cash equivalent transfer value (CETV)  at 31 March 2010	Cash equivalent transfer value (CETV)  at 31 March 2011	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
	£'000	£'000	£'000	£'000	£'000	£
Glenn Houston	0.0 - 2.5	150 - 155	739	702	-37	-
Maurice Atkinson	0.0 - 2.5	60 - 65	284	270	-14	-
Phelim Quinn	0.0 - 2.5	110 - 115	481	450	-31	-
Theresa Nixon	0.0 - 2.5	90 - 95	452	438	-14	-
David Stewart	-2.5 - 0.0	250 - 255	1,319	1,260	-60	-

The cash equivalent transfer values (CETV) that decreased were caused by a change in the actuarial factors used in the CETV calculation, a change in the demographic assumptions, and the move from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) as the measure used to uprate pensions.

### HSC Superannuation Scheme

RQIA participates in the HSC Superannuation Scheme. Under this multi-employer defined benefit scheme both the RQIA and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DHSSPS. During 2010/11 the RQIA paid £569K into the HSC superannuation scheme. The RQIA is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the balance sheet date and updates it to reflect current conditions. A full valuation as at the 31 March 2008 was completed in 2010/11.

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

The costs of early retirements are met by the RQIA and charged to the Statement of Comprehensive Net Expenditure Account at the time the RQIA commits itself to the retirement. No early retirements occurred in 2010/11.

### **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 normally reflects the increase in CETV effectively funded by the employer. CETV experienced a decrease in 2010/11 due to changes in its calculation. The figure does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

### **Other**

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

### **Appointment of Chairman and Members of the Authority**

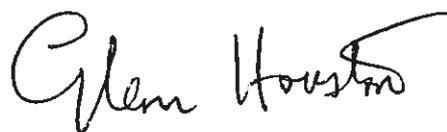
The Chairman of RQIA and Board members are appointed by the DHSSPS under the terms of the founding legislation of RQIA and in line with the Code of Practice for appointments to Public Bodies issued by the Commissioner for Public Appointments for Northern Ireland. Appointments to the Board of RQIA have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

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

The amounts paid in 2010/11 together with those for the previous year are as follows:

Name	2010/11		2009/10	
	Remuneration Bands of £5,000	Benefits in kind nearest £100	Remuneration Bands of £5,000	Benefits 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	-
Allen McCartney	5 - 10	-	5 - 10	-
Colin Reid	5 - 10	-	5 - 10	-
Austin Smith	5 - 10	-	5 - 10	-
Geraldine Donaghy	5 - 10	-	5 - 10	-
Ruth Laird	5 - 10	-	5 - 10	-
Patricia McCoy	5 - 10	-	5 - 10	-
Una O'Kane	5 - 10	-	5 - 10	-
Connor Mulholland (retired 1/8/09)	0	-	0 - 5	-
Jim Jamison (retired 1/9/09)	0	-	0 - 5	-

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



**Chief Executive:**



**Date:**

## **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, changes in taxpayers equity and cash flows for the financial year.
- 3 The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Mr G Houston of RQIA as the accounting Officer for RQIA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding RQIA's assets are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety.
- 4 In preparing the financial statements the Accounting Officer 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 Accounts Direction issued by the Department of Health, Social Services and Public Safety including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
  - b make judgements and estimates on a reasonable basis.
  - c state whether applicable accounting standards as set out in FREM have been followed, and disclose and explain any material departures in the financial statements.
  - d prepare the financial statement on a going concern basis, unless it is inappropriate to presume that RQIA will continue in operation.
  - e keep proper accounting records which disclose with reasonable accuracy at any time the financial position of RQIA.

- f pursue and demonstrate value for money in the services RQIA provides and in its use of public assets and the resources it controls.

## **STATEMENT ON INTERNAL CONTROL**

### **Scope of responsibility**

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

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

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

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

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

The system of internal control has been in place in RQIA for the year ended 31 March 2011, and up to the date of the approval of the annual report and accounts and accords with Department of Health, Social Services and Public Safety guidance.

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

- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which 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 has an internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the body is exposed and annual audit plans are based on this analysis. In 2010-11 Internal Audit reviewed the following systems:

- Financial Review
- Risk Management (including management of complaints against RQIA)
- Performance Management
- Information Governance (including Records Management)
- Arrangements for the Statutory Notification of Incidents, Concerns and Complaints
- Human Resources (Absence Management, KSF)
- Information & Communication Technology.
- Year End Controls Assurance Verification

In her annual report, the Internal Auditor reported that there is a satisfactory system of internal control designed to meet the Authority's objectives. However, weaknesses in control were identified in a small number of areas. One significant (priority one) weakness in control was identified where limited assurance was given, relating to Information & Communication Technology. Recommendations to address these control weaknesses have been or are being implemented.

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

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

## **Capacity to handle risk**

Leadership is given to the risk management process by the RQIA Board, Audit Committee and Executive Team. The Executive Team has developed a Corporate Risk Assurance framework report which is reviewed, updated and reported upon regularly. The directorates within RQIA have developed and continually review directorate risk registers which provide a clear linkage between directorate and corporate risks. The RQIA Board provides leadership through the governance arrangements. It annually reviews and approves the Risk Management Strategy and the Corporate Risk Assurance Framework reports and has oversight of the risk management process by the Audit Committee.

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

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

The RQIA Risk Management Strategy was approved during quarter 2 2010/11, and Risk Management Procedures were developed based on the strategy. A new Directorate Risk Register template and associated guidance have been developed and training was rolled-out to staff during September / October 2010.

## **The risk and control framework**

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

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

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

There has been no loss of sensitive, personal or confidential data in 2010/11. 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 has been assessed as substantive. The risk of paper-based information loss is being mitigated via the implementation of a Corporate Records Improvement Action Plan which is being driven by the Information Governance Group. RQIA also achieved substantive compliance with the HSC CAS in Records Management and satisfactory compliance with Information Governance Internal Audit.

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

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

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

## Controls Assurance Standards

RQIA assessed its compliance with the applicable Controls Assurance Standards (CAS) which were defined by the Department and against which a degree of progress is expected in 2010/11.

RQIA achieved the following levels of compliance for 2010/11

<b>Standard</b>	<b>DHSS&amp;PS Expected Level of Compliance</b>	<b>Level of Compliance</b>	<b>Reviewed by</b>
<b>Financial Management</b> (Core Standard)	70% - 99% (Substantive)	84% Substantive	Internal Audit Unit BSO
<b>Governance</b> (Core Standard)	70% - 99% (Substantive)	87% Substantive	Internal Audit Unit BSO
<b>Risk Management</b> (Core Standard)	70% - 99% (Substantive)	90% Substantive	Internal Audit Unit BSO
<b>Records Management</b> (Core Standard)	70% - 99% (Substantive)	81% Substantive	Internal Audit Unit BSO
<b>Health and Safety</b> (Core Standard)	70% - 99% (Substantive)	81% Substantive	Internal Audit Unit BSO
<b>Information Communications Technology</b> (Core Standard)	70% - 99% (Substantive)	74% Substantive	Internal Audit Unit BSO
<b>Human Resources</b>	70% - 99% (Substantive)	84% Substantive	Internal Audit Unit BSO

## Review of Effectiveness

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

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

- Executive managers regularly review performance against the controls assurance standards

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

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

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

- New arrangements for the handling and recording of all notifiable events from the regulated sector have been rolled out to all regulated services. All inspectors can access incidents related to each facility/organisation prior to inspection.
- Developed non-pay budgets which details the budget allocation against each expenditure head, the expenditure to date and forecasted year position summarised at Executive Team level.
- Significant technical accounting decisions have been identified and were subject to additional review and advice as required.

### **New Significant Controls Issues**

Additional actions to deal with significant internal control issues are:

- ICT Disaster Recovery Plans have been included in the Organisation's Business Continuity Plan. DR will be implemented in two phases. Phase 1 - implement a network link to the HSC wide area network is complete. Phase 2 – Implementation of DR arrangements by 3<sup>rd</sup> party ICT provider by Q2 2011/12.



**Chief Executive:**

7 July 2011

**Date:**

## **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 2011 under the Health & Personal Social Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

#### **Respective responsibilities of the Chief Executive and auditor**

As explained more fully in the Statement of 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 the Health & Personal Social Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the Audit of the Financial Statements**

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

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

#### **Opinion on Regularity**

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

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

In my opinion:

- the financial statements give a true and fair view, of the state of the Regulation and Quality Improvement Authority affairs as at 31 March 2011 and of its net expenditure, cash flows and changes in taxpayers' equity for the year then ended; and
- the financial statements have been properly prepared in accordance with the Health & 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 the Health & Personal Social Services (Quality Improvement and Regulation) (Northern Ireland) Order 2003 and directions issued under by Department of Health, Social Services and Public Safety; 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 and part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

**Report**

I have no observations to make on these financial statements.

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

5 August 2011

The Regulation and Quality Improvement Authority

Statement of Accounts

For the year ended 31 March 2011

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## STATEMENT OF COMPREHENSIVE NET EXPENDITURE for the year ended 31 March 2011

	Note	2011 £	2010 Restated £
<b>Expenditure</b>			
Staff Costs	3.1	(5,961,109)	(5,427,324)
Depreciation	4.0	(84,211)	(70,231)
Other Expenditure	4.0	(1,418,907)	(1,465,703)
		<u>(7,464,227)</u>	<u>(6,963,258)</u>
<b>Income</b>			
Income from Activities	5.1	0	0
Other Income	5.2	938,603	931,418
Transfers from Reserves for donated Property, Plant, Equipment & Intangibles	5.3	0	0
Reimbursements receivable	5.4	0	0
		<u>938,603</u>	<u>931,418</u>
Net Expenditure		<u>(6,525,624)</u>	<u>(6,031,840)</u>
Revenue Resource Limit (RRL)	25.1	6,524,084	6,024,101
<b>Deficit against RRL</b>		<b><u>(1,540)</u></b>	<b><u>(7,739)</u></b>

### OTHER COMPREHENSIVE EXPENDITURE

	Note	2011 £	2010 Restated £
Net gain/(loss) on Revaluation of Property, Plant and Equipment	6.1/6.2	0	0
Net gain/(loss) on revaluation of intangibles	7.1/7.2	0	0
Net gain/(loss) on revaluation of available for sales financial assets		0	0
<b>TOTAL COMPREHENSIVE EXPENDITURE for the year ended 31 March 2011</b>		<b><u>(6,525,624)</u></b>	<b><u>(6,031,840)</u></b>

The notes on pages 56 to 91 form part of these accounts.

**THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY  
STATEMENT OF FINANCIAL POSITION as at 31 March 2011**

	Note	2011		2010	
		£	£	£	£
<b>Non Current Assets</b>					
Property Plant & Equipment	6	180,057		253,542	
Intangible Assets	7	26,484		54,526	
<b>Total Non Current Assets</b>			206,541		308,068
<b>Current Assets</b>					
Trade and other Receivables	12	21,061		31,404	
Other Current Assets	12	19,355		131,906	
Cash and cash equivalents	13	4,086		8,756	
<b>Total Current Assets</b>			44,502		172,066
<b>Total Assets</b>			251,043		480,134
<b>Current Liabilities</b>					
Trade and other Payables	14	(366,991)		(395,094)	
Other Liabilities	14	0		0	
<b>Total Current Liabilities</b>			(366,991)		(395,094)
<b>Non Current Assets plus/less Net Current Assets/Liabilities</b>			(115,948)		85,040
<b>Total non Current Liabilities</b>			0		0
<b>Assets Less Liabilities</b>			(115,948)		85,040
<b>Taxpayers' Equity</b>					
Government Grant Reserve				43,845	
General Reserve				41,195	
				(115,948)	
					85,040

Signed *[Signature]* (Chairman)  
Date 7 July 2011

Signed *[Signature]* (Chief Executive)  
Date 7/7/11

The notes on pages 56 to 91 form part of these accounts.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## STATEMENT OF CASHFLOWS for the year ended 31 March 2011

	Note	2011 £	Restated 2010 £
<b>Cashflows from operating activities</b>			
Net expenditure after interest		(6,525,624)	(6,031,840)
Adjustments for non cash costs		90,476	72,696
(Increase)/decrease in trade and other receivables		122,894	23,179
<i>Less movements in receivables relating to items not passing through the SCNE</i>			
Movements in receivables relating to the sale of property, plant and equipment			
Movements in receivables relating to finance leases			
Movements in receivables relating to PFI and other service concession arrangement contracts			
(Increase)/decrease in inventories			
Increase/(decrease) in trade payables		(28,103)	(50,047)
<i>Less movements in payables relating to items not passing through the SCNE</i>			
Movements in payables relating to the purchase of property, plant and equipment		12,392	24,638
Movements in payables relating to finance leases			
Movements in payables relating to PFI and other service concession arrangement contracts			
Use of provisions	16	0	(8,652)
<b>Net cash outflow from operating activities</b>		(6,327,965)	(5,970,026)
<b>Cashflows from investing activities</b>			
(Purchase of property, plant & equipment)		(24,705)	(157,673)
(Purchase of intangible assets)			
Proceeds of disposal of property, plant & equipment			
Proceeds on disposal of intangibles			
Proceeds on disposal of assets held for resale			
<b>Net Cash (Outflow) from investing activities</b>		(24,705)	(157,673)
<b>Cash flows from financing activities</b>			
Grant in aid		6,348,000	6,120,000
Cap element of payments - finance leases and on balance sheet (SoFP) PFI and other service concession arrangements			
<b>Net financing</b>		6,348,000	6,120,000
<b>Net increase (decrease) in cash &amp; cash equivalents in the period</b>		(4,670)	(7,699)
<b>Cash &amp; cash equivalents at the beginning of the period</b>	13	8,756	16,455
<b>Cash &amp; cash equivalents at the end of the period</b>	13	4,086	8,756

The notes on pages 56 to 91 form part of these accounts.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY for the year ended 31 March 2011

	Note	General Reserve £	Revaluation Reserve £	Govt Grant Reserve £	Total £
<b>Balance at 31 March 2009</b>		(66,568)		88,059	21,491
Changes in accounting policy				0	0
Change in accounting policy - clinical negligence			0	0	0
<b>Restated balance at 1 April 2009</b>		<b>(66,568)</b>	<b>0</b>	<b>88,059</b>	<b>21,491</b>
<b>Changes in taxpayers equity 2009-10 (Restated)</b>					
Grant from DHSSPS		6,120,000	0	0	6,120,000
Government Grant Reserve - transfer to net expenditure for depreciation (Comprehensive expenditure for the year)				(44,214)	(44,214)
		(6,031,840)	0	0	(6,031,840)
Donated asset receipts			0	0	0
Donated asset reserve - transfer to net expend for depreciation			0	0	0
Non cash charges - auditors remuneration	4	19,603	0	0	19,603
<b>Balance at 31 March 2010</b>		<b>41,195</b>	<b>0</b>	<b>43,845</b>	<b>85,040</b>
<b>Changes in taxpayers equity 2010-11</b>					
Grant from DHSSPS		6,348,000	0	0	6,348,000
Government Grant Reserve – transfer to net expenditure for depreciation (Comprehensive expenditure for the year)				(43,844)	(43,844)
		(6,525,624)	0	0	(6,525,624)
Donated asset receipts		0	0	0	0
Donated asset reserve - transfer to net expend for depreciation		0	0	0	0
Non cash charges - auditors remuneration	4	20,480	0	0	20,480
<b>Balance at 31 March 2011</b>		<b>(115,949)</b>	<b>0</b>	<b>1</b>	<b>(115,948)</b>

The notes on pages 56 to 91 form part of these accounts.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 1 STATEMENT OF ACCOUNTING POLICIES

#### 1. Authority

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

The accounting policies follow IFRS to the extent that it is meaningful and appropriate to RQIA. Where a choice of accounting policy is permitted, the accounting policy which has been judged to be most appropriate to the particular circumstances of RQIA for the purpose of giving a true and fair view has been selected. The RQIA's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

#### 1.1 Accounting convention

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

#### 1.2 Currency and Rounding

These accounts are presented in UK Pounds sterling.

#### 1.3 Property, Plant and Equipment

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

#### Recognition

Property, plant and equipment must be capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, 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
- Items form part of the initial equipping and setting-up cost of a new building or department, irrespective of their individual or collective cost.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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

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

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

### **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.

## **1.4 Depreciation**

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

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### 1.5 Impairment loss

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

### 1.6 Subsequent expenditure

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

### 1.7 Intangible assets

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

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

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### **Recognition**

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

Intangible assets acquired separately are initially recognised at fair value. Following initial recognition, intangible assets are carried at fair value by reference to an active market, and as no active market currently exists depreciated historic cost is used (as all RQIA's intangible assets are short life assets).

### **1.8 Donated assets**

RQIA does not hold any donated assets.

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

RQIA does not hold any non-current assets for sale

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

### **1.10 Inventories**

RQIA does not hold any Inventories

### **1.11 Income**

Operating Income relates directly to the operating activities of 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 other entities, including the Department and the Health and Social Care Board are accounted for as grant in aid and are reflected through reserves.

### **1.12 Investments**

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.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### 1.14 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. The RQIA has no such deposits or other cash equivalents in the form of investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 1.15 Leases

#### 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.

#### The RQIA as lessor

The RQIA does not act as a lessor

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

The RQIA has no PFI transactions

### 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

RQIA has no powers to borrow or invest surplus funds and financial assets

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

and liabilities are generated by day to day operational activities rather than being held to change 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 low exposure to interest rate fluctuations.

- Credit risk

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

- Liquidity risk

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

### **1.18 Provisions**

In accordance with IAS 37, Provisions are recognised when 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.

RQIA had no provisions at 31 March 2011.

### **1.19 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.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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.

Where the time value of money is material, contingencies are disclosed at their present value. RQIA had no contingent liabilities or assets at 31 March 2011.

### 1.20 Employee benefits

#### Short-term employee benefits

Under the requirements of IAS 19: Employee Benefits, staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave that has been earned at the year end. This cost has been estimated using average staff numbers and costs applied to the average untaken leave balance determined from the results of a survey to ascertain leave balances as at 31 March 2010. It is not anticipated that the level of untaken leave will vary significantly from year to year.

#### 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 Statement of Comprehensive Net Expenditure at the time the RQIA commits itself to the retirement.

As per the requirements of IAS 19, full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years. The actuary reviews the most recent actuarial valuation at the balance sheet date and updates it to reflect current conditions. The 31 March 2008 valuation will be used in the 2010/11 accounts.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### **1.21 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.

### **1.22 Third party assets**

RQIA does not hold assets belonging to third parties.

### **1.23 Government Grants**

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

### **1.24 Losses and Special Payments**

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

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

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

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

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### **1.26 Change in Accounting policy / Prior Year Restatement**

RQIA had one change in Accounting policy during the year, in relation to the removal of Capital Charges. From 2010-11 onwards the RQIA is no longer required to reflect a notional cost of capital within its accounts. Expenditure, reserves and non-cash RRL have been restated in the comparative years to reflect this change. The cost of capital within the 2009/10 accounts was £1,864.

# **THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011**

## **NOTE 2 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 that basis. Hence, it is appropriate that the Authority reports on a single operational segment basis.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

## NOTE 3 STAFF NUMBERS AND RELATED COSTS

### 3.1 Staff Costs

	Total	2011 Permanently employed staff	Others	2010 Total
	£	£	£	£
Staff costs comprise:				
Wages & Salaries	5,016,590	4,920,808	95,782	4,569,493
Social Security costs	375,697	375,697		337,333
Other Pension costs	568,822	568,822		520,498
Total Staff costs reported in Statement of Comprehensive Expenditure	5,961,109	5,865,327	95,782	5,427,324
Less recoveries in respect of outward secondments	(87,231)			(118,022)
Total Net Costs	5,873,878			5,309,302

### 3.2 Average number of persons employed

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

	Total	2011 Permanently employed staff	Others	2010 Total
	No.	No.	No.	No.
Admin & Clerical	144	139	5	136
Other				
Total Average number of Persons employed	144	139	5	136
Less Average Staff Number in Respect of outward secondments	2	2	0	1
Total net average number of persons employed	142	137	5	135

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

## NOTE 3 STAFF NUMBERS AND RELATED COSTS

### 3.3 Senior Employees' Remuneration

Details of senior employee remuneration are included within the remuneration report.

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

The Authority did not have any early retirements or award any compensation packages in 2009/10 or 2010/11.

### 3.5 Staff Benefits

The Authority does not make any payments in relation to staff benefits.

### 3.6 Trust Management Costs

Not applicable to NDPB's. Nil Return

### 3.7 Retirements due to ill-health

During 2010/11 there were no early retirements from the Authority, agreed on the grounds of ill-health. Therefore there are no additional pension liabilities to be borne by the HSC Pension Scheme.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

## NOTE 4 OPERATING EXPENSES

### 4.0 Operating Expenses

Operating Expenses are as follows:-

	2011	Restated 2010
	£	£
Establishment	684,037	631,740
Transport	206,400	219,586
Premises	110,035	240,606
Bad Debts	1,530	0
Rentals under operating leases	222,521	208,892
Miscellaneous Expenditure	144,275	118,200
<b>Non Cash Items</b>		
Depreciation	84,211	70,231
Amortisation	28,042	26,089
Impairments	0	0
Loss on disposal of assets	1,587	1,147
Provisions provided for in year	0	(160)
Auditors remuneration	20,480	19,603
<b>Total</b>	<b>1,503,118</b>	<b>1,535,934</b>

During the year the Authority purchased non audit services from its external auditor (NIAO). This totalled £1,456 and is included in miscellaneous expenditure in relation to the National Fraud Initiative.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 5 INCOME

#### 5.1 Income from Activities

RQIA did not receive income from activities in 2010/11 or 2009/10.

#### 5.2 Other Operating Income

	2011 £	2010 £
Other income from non-patient services	9	1,047
Seconded staff	87,231	118,022
Government grant reserve transfer for Depreciation	43,844	44,214
Other Income from fees levied on registered bodies	807,519	768,135
<b>Total</b>	<b>938,603</b>	<b>931,418</b>

#### 5.3 Transfers from reserves for donated property, plant, equipment & intangibles

RQIA have no transfers from reserves in respect of donated assets.

#### 5.4 Reimbursements receivable in respect of provisions

RQIA did not receive any reimbursements in respect of provisions in 2010/11 or 2009/10.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 6 PROPERTY, PLANT & EQUIPMENT

#### Summary

	<b>Purchased</b>	<b>2011</b>	<b>Total</b>
	<b>£</b>	<b>Donated</b>	<b>£</b>
		<b>£</b>	
Net Book Value:			
Plant & Machinery (Equipment)	27,267	0	27,267
Information Technology (IT)	83,928	0	83,928
Furniture & Fittings	68,862	0	68,862
<b>Total PPE – 31 March 2011</b>	<b>180,057</b>	<b>0</b>	<b>180,057</b>

	<b>Purchased</b>	<b>2010</b>	<b>Total</b>
	<b>£</b>	<b>Donated</b>	<b>£</b>
		<b>£</b>	
Net Book Value:			
Plant & Machinery (Equipment)	48,085	0	48,085
Information Technology (IT)	128,943	0	128,943
Furniture & Fittings	76,514	0	76,514
<b>Total PPE – 31 March 2010</b>	<b>253,542</b>	<b>0</b>	<b>253,542</b>

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 6.1 Property, Plant & Equipment - Purchased assets - year ended 31 March 2011

	<b>Plant and Machinery (Equipment)</b>	<b>Information Technology (IT)</b>	<b>Furniture and Fittings</b>	<b>Total</b>
	£	£	£	£
<b>Cost or Valuation</b>				
At 1 April 2010	103,729	312,313	136,927	552,969
Additions	0	12,313	0	12,313
(Disposals)	0	(37,860)	0	(37,860)
<b>At 31 March 2011</b>	<b>103,729</b>	<b>286,766</b>	<b>136,927</b>	<b>527,422</b>

#### Depreciation

At 1 April 2010	55,644	183,370	60,413	299,427
(Disposals)		(36,273)		(36,273)
Provided during the year	20,818	55,741	7,652	84,211
<b>At 31 March 2011</b>	<b>76,462</b>	<b>202,838</b>	<b>68,065</b>	<b>347,365</b>

#### Net Book Value

At 31 March 2011	<b>27,267</b>	<b>83,928</b>	<b>68,862</b>	<b>180,057</b>
At 31 March 2010	<b>48,085</b>	<b>128,943</b>	<b>76,514</b>	<b>253,542</b>

#### Asset financing

Owned	27,267	83,928	68,862	180,057
<b>Net Book Value</b>				
At 31 March 2011	<b>27,267</b>	<b>83,928</b>	<b>68,862</b>	<b>180,057</b>

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 6.2 Property, Plant & Equipment - Purchased assets - year ended 31 March 2010

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

#### Depreciation

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

#### Net Book Value

At 31 March 2010	<b>48,085</b>	<b>128,943</b>	<b>76,514</b>	<b>253,542</b>
At 1 April 2009	<b>33,429</b>	<b>168,455</b>	<b>0</b>	<b>201,884</b>

#### Asset financing

Owned	48,085	128,943	76,514	253,542
<b>Net Book Value</b>				
At 31 March 2010	<b>48,085</b>	<b>128,943</b>	<b>76,514</b>	<b>253,542</b>

#### Asset financing

Owned	33,429	168,455	0	201,884
<b>Net Book Value</b>				
At 1 April 2009	<b>33,429</b>	<b>168,455</b>	<b>0</b>	<b>201,884</b>

**THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011**

**NOTE 6.3 Property, Plant & Equipment – Donated Assets – Year ended 31 March 2011**

RQIA does not hold any donated assets.

**NOTE 6.4 Property, Plant & Equipment – Donated Assets – Year ended 31 March 2010**

RQIA did not hold any donated assets in 2009/10.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 7 INTANGIBLE ASSETS

#### Summary

	<b>Purchased £</b>	<b>2011 Total £</b>
<b>Net book value:</b>		
Software licenses	26,484	26,484
<b>Total Intangible assets - 31 March 2011</b>	<b>26,484</b>	<b>26,484</b>

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 7.1 Intangible Assets (Purchased) - Year ended 31 March 2011

	Software licenses	Total
<b>Cost or Valuation</b>	<b>£</b>	<b>£</b>
At 1 April 2010	141,623	141,623
At 31 March 2011	<u>141,623</u>	<u>141,623</u>
<b>Amortisation</b>		
At 1 April 2010	87,097	87,097
Provided during the year	28,042	28,042
At 31 March 2011	<u>115,139</u>	<u>115,139</u>
<b>Net Book Value</b>		
At 31 March 2011	<u>26,484</u>	<u>26,484</u>
At 31 March 2010	<u>54,526</u>	<u>54,526</u>
<b>Asset financing</b>		
Owned	26,484	26,484
<b>Net Book Value</b>		
At 31 March 2011	<u>26,484</u>	<u>26,484</u>

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 7.2 Intangible Assets (Purchased) - Year ended 31 March 2010

	Software licenses	Total
<b>Cost or Valuation</b>	£	£
At 1 April 2009	131,624	131,624
Additions	9,999	9,999
At 31 March 2010	<b>141,623</b>	<b>141,623</b>
<b>Amortisation</b>		
At 1 April 2009	61,008	61,008
Provided during the year	26,089	26,089
At 31 March 2010	<b>87,097</b>	<b>87,097</b>
<b>Net Book Value</b>		
At 1 April 2009	<b>70,616</b>	<b>70,616</b>
At 31 March 2010	<b>54,526</b>	<b>54,526</b>
<b>Asset financing</b>		
Owned	54,526	54,526
<b>Net Book Value</b>		
At 31 March 2010	<b>54,526</b>	<b>54,526</b>
<b>Asset financing</b>		
Owned	70,616	70,616
<b>Net Book Value</b>		
At 1 April 2009	<b>70,616</b>	<b>70,616</b>

### NOTE 7.3 Intangible Assets (Donated) - Year ended 31 March 2011

RQIA does not hold any donated assets.

### NOTE 7.4 Intangible Assets (Donated) - Year ended 31 March 2010

RQIA did not hold any donated assets in 2009/10.

# **THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011**

## **NOTE 8 FINANCIAL INSTRUMENTS**

### **8.1 Financial instruments**

RQIA is a non-departmental public body funded by its sponsor body in the DHSSPS. This relationship means that financial instruments play a limited role in creating and managing risk for RQIA compared to a non-public sector body of a similar size. 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. Consequently RQIA is exposed to little credit, liquidity, or market risk.

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

The Authority did not hold any assets classified as held for sale in 2009/10 or 2010/11.

## **NOTE 10 IMPAIRMENTS**

The Authority had no impairments in 2010/11.

## **NOTE 11 INVENTORIES**

RQIA does not hold any inventories.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

## NOTE 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2011 £	2010 £
<b>Amounts falling due within one year</b>		
Trade receivables	21,061	31,404
<b>Trade and other Receivables</b>	<u>21,061</u>	<u>31,404</u>
Prepayments and accrued income	19,355	131,906
<b>Other current assets</b>	<u>19,355</u>	<u>131,906</u>
<b>Amounts falling due after more than one year</b>		
<b>Trade and other Receivables</b>	<u>0</u>	<u>0</u>
Prepayments and accrued income	0	0
<b>Other current assets falling due after more than one year</b>	<u>0</u>	<u>0</u>
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<u>21,061</u>	<u>31,404</u>
<b>TOTAL OTHER CURRENT ASSETS</b>	<u>19,355</u>	<u>131,906</u>
<b>TOTAL RECEIVABLES AND OTHER CURRENT ASSETS</b>	<u>40,416</u>	<u>163,310</u>

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

## 12 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

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

Name	Amounts falling due within 1 year 2010/11 £	Amounts falling due within 1 year 2009/10 £	Amounts falling due after more than 1 year 2010/11 £	Amounts falling due after more than 1 year 2009/10 £
Balances with other central government bodies	0	0	0	0
Balances with NHS /HSC Trusts	12,269	124,872	0	0
Intra-Government Balances	12,269	124,872	0	0
Balances with bodies external to government	28,147	38,438	0	0
Total Receivables and other current assets at 31 March	<b>40,416</b>	<b>163,310</b>	<b>0</b>	<b>0</b>

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 13 CASH AND CASH EQUIVALENTS

	2011	2010
	£	£
Balance at 1st April	8,756	16,455
Net change in cash and cash equivalents	(4,670)	(7,699)
<b>Balance at 31st March</b>	<b>4,086</b>	<b>8,756</b>

The following balances at 31 March were held at	2011	2010
	£	£
Commercial banks and cash in hand	4,086	8,756
<b>Balance at 31st March</b>	<b>4,086</b>	<b>8,756</b>

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2011 £	Restated 2010 £
<b>Amounts falling due within one year</b>		
Trade capital payables	8,154	20,546
Trade revenue payables	221,367	244,931
Payroll payables	137,470	124,335
Accruals and deferred income		5,282
<b>Trade and other payables</b>	<u>366,991</u>	<u>395,094</u>
<b>Total payables falling due within one year</b>	366,991	395,094
<b>Amounts falling due after more than one year</b>		
<b>Total non current other payables</b>	<u>0</u>	<u>0</u>
<b>TOTAL TRADE PAYABLES AND OTHER CURRENT LIABILITIES</b>	<u><u>366,991</u></u>	<u><u>395,094</u></u>

Prior year figures have been restated to reflect the re-classification of expenditure between trade revenue and payroll payables. This has no effect on total trade and other payables.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

## NOTE 14 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

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

Name	Amounts falling due within 1 year 2010/11 £	Amounts falling due within 1 year 2009/10 £	Amounts falling due after more than 1 year 2010/11 £	Amounts falling due after more than 1 year 2009/10 £
Balances with other central government bodies	0	0	0	0
Balances with local authorities	9,033	3,180	0	0
Balances with NHS /HSC Trusts	85,670	129,528	0	0
Intra-Government Balances	94,703	132,708	0	0
Balances with bodies external to government	272,288	262,386	0	0
Total Payables and other liabilities at 31 March	<b>366,991</b>	<b>395,094</b>	<b>0</b>	<b>0</b>

### NOTE 14.2 LOANS

The Authority did not have any loans payable at either 31 March 2011 or 31 March 2010.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

## NOTE 15 PROMPT PAYMENT POLICY

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

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

	<b>2011 Number</b>	<b>2011 Value £</b>	<b>2010 Number</b>	<b>2010 Value £</b>
Total bills paid	1,220	1,303,466	1,258	1,527,932
Total bills paid within 30 day target or under agreed payment terms	1,176	1,288,376	1,166	1,465,011
% of bills paid within 30 day target or under agreed payment terms	<b>96.4%</b>	<b>98.8%</b>	<b>92.7%</b>	<b>95.9%</b>

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

The amount included within Interest Payable arising from claims made by businesses under this legislation are as follows :

	<b>£</b>
<b>Total</b>	<u>26</u>

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

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

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

RQIA does not hold any provisions.

### NOTE 16 PROVISIONS FOR LIABILITIES AND CHARGES - 2010

	<b>Total 2010 £</b>
Balance at 1 April 2009	8,812
Provided in year	0
(Provisions not required written back)	(160)
(Provisions utilised in the year)	(8,652)
Unwinding of discount	0
	<hr/>
At 31 March 2010	<u><u>0</u></u>

# **THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011**

### **NOTE 17 CAPITAL COMMITMENTS**

There are no contracted capital commitments at 31 March 2011 not otherwise included in these financial statements.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 18 COMMITMENTS UNDER LEASES

#### 18.1 Operating Leases

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

<b>Obligations under operating leases comprise</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Land &amp; Buildings</b>		
Not later than 1 year	189,763	189,763
Later than 1 year and not later than 5 years	759,050	759,050
Later than 5 years	935,815	1,125,578
	<b><u>1,884,628</u></b>	<b><u>2,074,391</u></b>
<b>Other</b>		
Not later than 1 year	6,863	5,561
Later than 1 year and not later than 5 years	5,195	3,418
Later than 5 years	0	0
	<b><u>12,058</u></b>	<b><u>8,979</u></b>

#### 18.2 Finance Leases

RQIA does not hold any finance leases.

#### 18.3 Lessor Commitments

RQIA does not act as a lessor.

# **THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011**

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

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

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

The Authority did not have any other financial commitments at either 31 March 2011 or 31 March 2010.

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

RQIA is a non-departmental public body funded by its sponsor body in the DHSSPS. This relationship means that financial instruments play a limited role in creating risk for RQIA compared 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. Financial assets and liabilities are generated through day to day operational activities rather than being held to alter the risks faced by RQIA. Consequently RQIA is exposed to little credit, liquidity, or market risk.

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

### **NOTE 22 CONTINGENT LIABILITIES**

RQIA has no contingent liabilities.

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

RQIA is a non-departmental public Body sponsored by the Department of Health, Social Services and Public Safety.

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 24 THIRD PARTY ASSETS**

RQIA held no cash at bank or in hand at 31/03/11 which related to monies held on behalf of third parties.

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 25 FINANCIAL PERFORMANCE TARGETS

#### 25.1 Revenue Resource Limit

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

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

	<b>2011 Total £</b>	<b>Restated 2010 Total £</b>
HSCB	121,808	0
DHSSPS ( excludes non cash)	6,311,800	5,951,965
Non cash RRL (from DHSSPS)	90,476	72,136
<b>Total Revenue Resource Limit to Statement of Comprehensive Net Expenditure</b>	<b>6,524,084</b>	<b>6,024,101</b>

#### 25.2 Capital Resource Limit

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

	<b>2011 Total £</b>	<b>2010 Total £</b>
Gross Capital Expenditure (Receipts from sales of fixed assets)	12,313	133,035
Net capital expenditure	12,313	133,035
Capital Resource Limit	26,000	133,035
Overspend/(Underspend) against CRL	(13,687)	0

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 25.3 Financial Performance Targets

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

	<b>2010/11</b>	<b>Restated</b>
	<b>£</b>	<b>2009/10</b>
		<b>£</b>
Net Expenditure	(6,525,624)	(6,031,840)
RRL	6,524,084	6,024,101
Surplus / (Deficit) against RRL	(1,540)	(7,739)
Break Even cumulative position(opening)	(13,436)	(5,697)
Break Even Cumulative position (closing)	<u>(14,976)</u>	<u>(13,436)</u>

#### Materiality Test:

	<b>2010/11</b>	<b>Restated</b>
	<b>%</b>	<b>2009/10</b>
		<b>%</b>
Break Even in year position as % of RRL	-0.02%	-0.13%
Break Even cumulative position as % of RRL	-0.23%	-0.22%

# THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

### NOTE 26 LOSSES & SPECIAL PAYMENTS

TYPE OF LOSS		NO. OF CASES	VALUE £
1	Cash Losses - Theft, fraud etc		
2	Cash Losses - Overpayments of salaries, wages and allowances		
3	Cash Losses - Other causes (including unvouched and incompletely vouched payments)		
4	Nugatory and fruitless payments		
	i. Abandoned capital Schemes		
	ii. Late Payment of Commercial Debt	1	26
	iii. Other		
5	Bad debts and claims abandoned	3	1,530
6	Stores and Inventory Losses - Theft, fraud, arson (whether proved or suspected) etc		
	i. Bedding and linen		
	ii. Other equipment and property	2	1,587
7	Stores and Inventory Losses - Incidents of the service (result of fire, flood, etc)		
8	Stores and Inventory Losses - Deterioration in store		
9	Stores and Inventory Losses - Stocktaking discrepancies		
10	Stores and Inventory Losses - Other causes		
	i. Bedding and linen		
	ii. Other equipment and property		
11	Compensation payments (legal obligation)		
	i. Clinical Negligence		
	ii. Public Liability		
	iii. Employers Liability		
12	Ex-gratia payments - Compensation payments (including payments to patients and staff)		
13	Ex-gratia payments - Other payments	1	2,000
14	Extra statutory payments		
15	a. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion.		
	b. Damage to vehicles		
<b>TOTAL</b>		<b>7</b>	<b>5,143</b>

#### Breakdown of Capital write offs

	£
Laptop (stolen)	835.00
Laptop (damaged beyond repair)	<u>751.91</u>
	1,586.91

Note: No sensitive, personal or confidential data was held on the Stolen laptop.

#### NOTE 26.1 Special Payments

There were no special payments or gifts during the year.

**THE REGULATION AND QUALITY IMPROVEMENT AUTHORITY**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011**

**NOTE 27 POST BALANCE SHEET EVENTS**

There are no post Balance Sheet Events having a material effect on the accounts.

**NOTE 28 DATE AUTHORISED FOR ISSUE**

The accounting officer authorised these financial statements for issue on 5th August 2011.



The Regulation and  
Quality Improvement  
Authority

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

Tel: (028) 9051 7500  
Fax: (028) 9051 7501  
Email: [info@rqia.org.uk](mailto:info@rqia.org.uk)  
Web: [www.rqia.org.uk](http://www.rqia.org.uk)