



Northern Ireland Audit Office

An abstract, vibrant graphic on the left side of the page. It features a dense collection of overlapping, semi-transparent shapes in various colors including yellow, orange, red, blue, green, and purple. The shapes include circles, ovals, and irregular forms, some with internal patterns like dots or swirls. There are also several plus signs and arrow-like symbols scattered throughout the composition, adding a sense of movement and complexity.

Northern Ireland Audit Office

coverage of the
**Department of
Health**

This document provides a
brief outline of the work of the
Northern Ireland Audit Office on the
Department of Health (DoH)

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The Northern Ireland Audit Office (NIAO) is a public sector body that is totally independent of government. Our role is to help the Northern Ireland Assembly hold the Executive to account for the way it spends public money. We do this by auditing the finances of public bodies and scrutinising public spending to assess facts and value for the taxpayer, providing insights into how well public services are being delivered. More information on the roles and responsibilities of both the Comptroller and Auditor General (C&AG) and the NIAO can be found on our [website](#).

The NIAO supports public scrutiny that is fair, equal and open and that leads to more effective financial management and value for money. To do this, we carry out a number of functions: Financial Audit; Public Reporting, including Value for Money reports and Good Practice Guides; and Counter Fraud.

This document provides a brief outline of the work of the NIAO specific to the **Department of Health (DoH)**.

If you would like to know more about the NIAO work on the DoH please contact:



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Department of Health background

The Department of Health (DoH) was established in May 2016¹. The 'Draft Health and Social Care Commissioning Plan and Indicators of Performance Direction' document provides a useful summary of the Ministerial Priorities for the DoH. Robin Swann was appointed Minister of Health in the Northern Ireland Assembly on 11th January 2020. The Permanent Secretary, Richard Pengelly, is also Chief Executive of the Health and Social Care (HSC) system, as well as Principal Accounting Officer for all the Department's responsibilities.

The overall aim of the DoH is to *"improve the health and social well-being of the people in Northern Ireland."* As outlined in the 2020-21 Budget document issued by the Department of Finance², the DoH has a statutory responsibility to promote an integrated system of health and social care (HSC) designed to secure improvement in:

- the physical and mental health of people in Northern Ireland (NI);
- the prevention, diagnosis and treatment of illness; and
- the social wellbeing of the people in NI.

The DoH's statutory responsibilities as set out under the HSC (Reform) Act (NI) 2009 are to:

- develop policies;
- determine priorities;
- secure and allocate resources;
- set standards and guidelines;
- secure the commissioning of relevant programmes and initiatives;
- monitor and hold to account its arm's length bodies (ALBs); and
- promote a whole system approach.

In addition, the DoH is responsible for establishing arrangements for the efficient and effective management of the Fire and Rescue Service in NI. It discharges its range of responsibilities and duties both by direct departmental action and through the operations of its 17 ALBs.

The Department has three main business responsibilities:

- Health and Social Care, which includes policy and legislation for hospitals, family practitioner services and community health and personal social services;
- Public Health, which covers policy, legislation and administrative action to promote and protect the health and wellbeing of the population; and
- Public Safety, which covers policy and legislation for fire and rescue services.

Within the Department, the key business groups are:

- Chief Medical Officer Group;
- Social Services Group;
- Healthcare Policy Group;
- Chief Nursing Officer Group;
- Transformation, Planning and Performance Group;
- Chief Digital Information Officer Group; and
- Resources & Corporate Management Group.

¹ The Department of Health (DOH) is one of nine Northern Ireland departments constituted under the Departments Act (Northern Ireland) 2016 and the Departments (Transfer of Functions) Order (Northern Ireland) 2016.

² Budget 2020-21: Department of Finance; 05 May 2020.

In response to the adverse impact of the initial wave of the Covid-19 pandemic on the delivery of services, the Department published the Strategic Framework for Rebuilding Health and Social Care Services in June 2020.

Given the unprecedented challenges posed by Covid-19 and in order to achieve the mission set out within the Strategic Framework, a number of changes to the governance framework have been implemented.

The Department, through temporary amendments to the Framework Document, and the establishment of a new management board, will give clear direction to the Health and Social Care Board (HSCB), Public Health Agency (PHA), Health and Social Care Trusts and the Business Services Organisation (BSO) to reflect the Minister's priorities.

For the two year period commencing in June 2020 HSCB, PHA, HSC Trusts and BSO are to prioritise their service planning, delivery and deployment of resources to stabilise and restore service delivery as quickly as possible by achieving the right balance between delivering Covid-19 and non-Covid-19 activity.

In pursuance of this priority the Commissioning Plan Direction (CPD), Commissioning Plan and associated Service and Budget Agreements (SBAs) for the 2019-20 financial year will be rolled forward into the years 2020-21 and 2021-22 and updated to reflect Departmental budget allocations in each of these years.

Department of Health funding

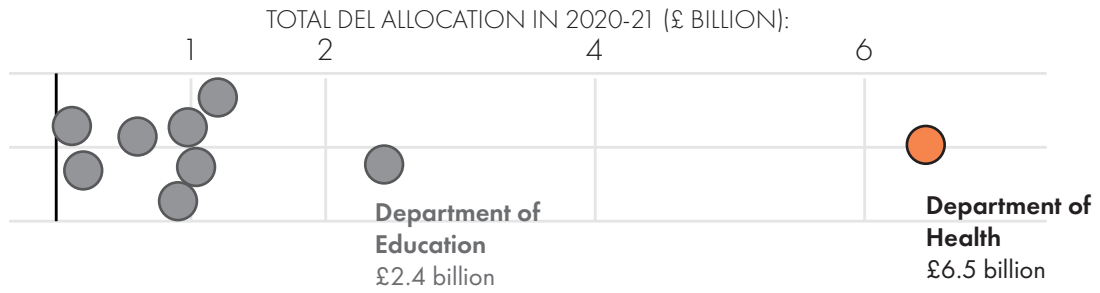
In 2020-21, the DoH was allocated over £6.4 billion - 46 per cent of the Executive's overall Resource and Capital Departmental Expenditure Limit (DEL) budget. **Figure 1** provides an overview of the Department's DEL funding relative to all departments and shows how this is allocated to various spending areas and objectives.

Budget allocations are based on the 2020-21 Budget published by the Department of Finance in May 2020. This set out the Executive's spending plans for the one year period from April 2020 to March 2021. Final allocations may differ as a result of changes to funding and the in-year monitoring process which provides a formal system for reviewing spending plans and priorities for the NI departments in the financial year.

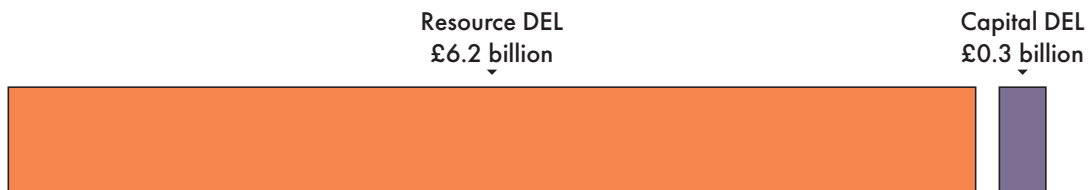
For a considerable time, the cost of providing the services DoH delivers under current provision models has been increasing at a pace which cannot be sustained within available budgets. This is primarily due to an increasing and ageing population with greater and more complex needs, together with increasing costs for goods/services, and growing expertise and innovation which means an increased range of services, supporting improvement in our population health. Although the DoH has received substantial additional funding from in-year monitoring rounds over the last decade to try and maintain services and meet demand, the amount made available and its non-recurrent nature means it has been insufficient by itself to equip the HSC sector with sufficient capacity, and performance against key waiting time targets continues to deteriorate sharply. Successful transformation, which also ensures that HSC services demonstrate greater productivity and efficiency, is required to enable it to better meet the rising demand for care.

Figure 1. Overview of the funding allocation for the Department of Health

The Department of Health is the largest department in terms of funding



The vast majority of the Department's funding relates to resource DEL



Three quarters of the Department's funding is used on Hospital and Social Care services.

SPENDING AREA	RESOURCE DEL	CAPITAL DEL	TOTAL
Hospital Services	3,638	170	3,808
Social Care Services	1,268	<1	1,268
Pharmaceutical Services	485	0	485
General Medical Services	291	14	305
Health Support Services	105	85	190
Dental Services	112	0	112
Fire and Rescue Service	83	8	91
Paramedic Services	84	6	90
Public Health Services	67	13	80
Ophthalmic Services	25	0	25
Food Safety Promotion Board	2	0	2
TOTAL	6,160	296	6,456

Source: NIAO and Budget 2020-21; Department of Finance, 05 May 2020

Bodies for which the Department of Health has responsibility for sponsorship and oversight

In seeking to deliver its aims and outcomes, the DoH is supported by 17 ALBs, each of which is accountable to the Department and audited by the NIAO. Collectively, these bodies employ almost 70,000 staff and they include a number of sizeable organisations. For example, each of the five regional HSC Trusts has crucial and wide-ranging responsibilities for providing integrated health and social care services across Northern Ireland, through managing and administering hospitals, health centres, residential homes, day centres and other facilities which provide a range of services to the community.

Arm's Length Bodies

- Belfast Health and Social Care Trust
- Northern Health and Social Care Trust
- Southern Health and Social Care Trust
- South Eastern Health and Social Care Trust
- Western Health and Social Care Trust
- Northern Ireland Ambulance Service
- Health and Social Care Board
- Public Health Agency
- Northern Ireland Fire and Rescue Service
- Business Services Organisation
- Regulation and Quality Improvement Authority
- Patient and Client Council
- Northern Ireland Guardian Ad Litem Agency
- Northern Ireland Blood Transfusion Service
- Northern Ireland Social Care Council
- Northern Ireland Practice and Education Council
- Northern Ireland Medical and Dental Training Agency

Financial Audit

The Comptroller and Auditor General (C&AG) for Northern Ireland is the external auditor for the Department. Each year the NIAO conducts a programme of audits on the financial statements of the DoH and its ALBs. The C&AG is required, under the Government Resources and Accounts Act (Northern Ireland) 2001, to report his opinion as to whether the financial statements give a true and fair view. He is also required to satisfy himself that, in all material respects, expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly and conform to the authorities which govern them; that is, they are 'regular'.



The C&AG reports the results of his financial audit work to the Northern Ireland Assembly. He may also occasionally decide to produce stand-alone reports that are published as Assembly documents.

Since 2016, the C&AG has issued two qualified audit opinions on the accounts of the Department and its ALBs. On these occasions, he also published a report attached to the accounts on the reasons why he decided to qualify his audit opinion. A summary of the reasons for qualification is outlined below:

- In 2016-17, the DoH Resource Accounts were qualified due to a regularity issue. This related to a NI Assembly control total having been breached because of the absence of a Spring Supplementary Estimate due to the Assembly being dissolved in January 2017.
- The Northern Ireland Blood Transfusion Service's accounts were qualified in 2019-20. Whilst the accounts were certified as 'true and fair', a limitation of scope opinion was applied, as audit staff were unable to confirm evidence of an inventory at year-end, given the Covid-19 restrictions.

Public Reporting

The NIAO conducts independent evidence-based examinations and produces reports to the Northern Ireland Assembly and local councils on economy, efficiency and effectiveness, performance improvement and issues arising. Through its Public Reporting programme, the NIAO seeks to promote better value for money by highlighting and demonstrating to audited bodies ways in which they could: make improvements to realise financial savings or reduce costs; guard against the risk of fraud, irregularity and impropriety; improve quality of service; strengthen and enhance management, administrative and organisational processes; and achieve their aims and objectives more cost-effectively.

The main types of public reports produced by the NIAO are set out below:

- **Value for Money (VFM) studies** – investigations which examine and report on whether economy, efficiency and effectiveness ('the three E's') have been achieved in the use of public funds providing public services and programmes;
- **Emerging Issues and Investigations** – short, reactive reports on topical issues that establish facts to produce a timely, responsive and focused report to assist public accountability;
- **Impact reports** – previously published reports may be followed up to assess progress in implementing recommendations for improvement, together with impacts of all relevant actions considered and updates provided; and
- **General reports** – on different sectors (health, central government and local government).

Copies of our reports can be found in the [Publications section](#) of our website.

Public Reporting current and future work programme

In late 2019, the NIAO published its three year Public Reporting Programme for the period 2019-2022. The programme outlines the C&AG's planned publications for each of the three years.

In response to Covid-19, considering the pressures on public services and anticipating the need to focus on topic areas impacted by the pandemic, an assessment was undertaken to re-prioritise the Public Reporting Programme in June 2020. The C&AG has agreed a plan which identifies a realistic schedule of priority public reporting work to be progressed at this time. The Public Reporting Programme can be found on our [website](#).



In relation to the Department of Health, the following Value for Money work is due for completion in 2021-22 and the findings presented to the Public Accounts Committee.

Supply and Procurement of Personal Protection Equipment (PPE) to the local healthcare sector during the Covid-19 pandemic

Personal Protective Equipment (PPE) is vital in supporting infection control in health and social care settings, and has been extensively used to help minimise transmission of Covid-19, particularly among healthcare workers. Throughout 2020, the DoH, Business Services Organisation (BSO), and the HSC Trusts have led attempts to meet the local healthcare sector's PPE requirements. However, unprecedented global demand has created supply issues and led to significant price increases.

In July 2020, the DoH stated that its total expenditure on PPE was forecast to exceed £200 million in the 2020-21 financial year.

In a fast moving environment, the EU enabled emergency regulation to permit direct award contracts to support the urgent supply of PPE for health services across the EU. BSO utilised this to award a number of important contracts, to a number of suppliers. Some suppliers relatively new to the PPE market, have also been engaged, and this brings associated risks. This 'facts only' review will examine key issues on supply and procurement of PPE to the local healthcare sector during the pandemic, including.

- pre-pandemic contingency planning;
- the degree to which the healthcare sector's hugely increased demand for PPE has been successfully met;
- total costs incurred in supplying PPE during the pandemic, and the various procurement methods used to source and procure equipment;
- whether PPE has been of the required quality, and if staff have received appropriate training in its use; and
- whether longer-term plans for procuring PPE have been strengthened.

Mental Health Services in Northern Ireland

The DoH in Northern Ireland has a statutory responsibility to promote a system of health and social care designed to secure improvement in (among other things) the mental health of people in Northern Ireland.

Mental health issues are recognised as one of the four most significant causes of ill health and disability in Northern Ireland alongside cardiovascular disease, respiratory disease and cancer. The Northern Ireland Public Health Strategy 'Making Life Better' (2014) notes that the prevalence of poor mental health in Northern Ireland is 25 per cent higher than that in England. Northern Ireland also has the highest self-harm rate in the UK.

The study will focus primarily on adult and children and adolescent mental health services. Its overall aim is to provide an overview of the scale of local mental health issues and the structures, systems and services in place to support them. We will also consider:

- the adequacy of the Department's understanding of the level of mental health problems in Northern Ireland and the level of need for support/treatment;
- the level of funding for mental health services;
- key barriers to accessing treatment and how successful the Department has been in addressing them; and
- the effectiveness of mental health services in supporting recovery and improving mental wellbeing.

The NIAO also plans to publish two cross-cutting reports on:

- lessons arising from Judicial Reviews for NICS decision-making; and
- Planning in NI.

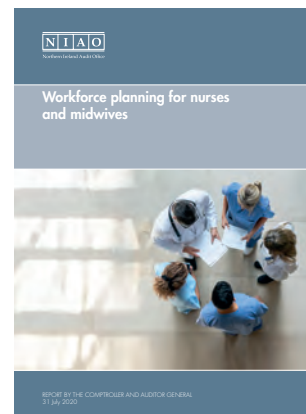
Previous Public Reporting coverage in DoH

An overview and main findings from a selection of NIAO reports on the DoH and its arm's length bodies since 2016 are outlined below. Copies of our reports can be found in the [Publications section](#) of our website.

Workforce planning for nurses and midwives

This report, which was published in July 2020, provided comprehensive analysis of workforce planning issues for nurses and midwives in the HSC sector, and also assessed workforce challenges within the independent care sector. Its key findings included:

- High and rising HSC staff vacancy levels - at late 2019, there were 2,700 vacancies within the overall nursing and midwifery workforce compared to just 732 in 2012. These included 2,100 registered nursing vacancies (11.5 per cent of posts).
- To meet rising demand for care, the HSC registered nursing workforce would have needed to have grown by over 23 per cent between 2012 and 2020, instead of the 8.8 per cent staffing increase actually achieved.
- Substantial funding cuts resulted in 732 fewer registered nursing training places being commissioned between 2011-12 and 2016-17 compared to previous levels.
- Reliance on temporary nursing staff had increased hugely, with associated expenditure rising from £14.6 million in 2006-07 to £115 million in 2018-19.



Addiction Services in Northern Ireland

A number of key findings emerged from this report on the performance and effectiveness of local addiction services, which was published in June 2020. For example:

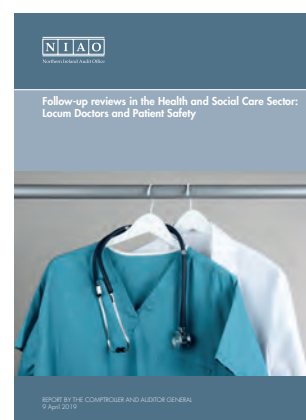
- More than 200 hospital beds are occupied every day in NI due to issues related to drugs and alcohol misuse.
- Alcohol misuse alone costs NI as much as £900 million annually, with up to £250 million of this falling directly to the already stretched HSC sector.
- The numbers seeking treatment for drug misuse in NI had doubled from 2,107 people in 2007 to 4,183 people in 2019.
- Locally, deaths related to drug and alcohol misuse in areas of high deprivation were around four and a half times higher those seen in the least deprived areas.
- There was limited reliable information on outcomes for people seeking treatment for addictions.



Follow-up reviews in the Health and Social Care Sector: Locum Doctors and Patient Safety

Published in April 2019, this report presented the findings of follow-up examinations into two key areas within the HSC sector previously reviewed by NIAO and the Public Accounts Committee (PAC), with a particular focus on progress in implementing PAC recommendations. Key findings included:

Locum Doctors – Costs incurred by the HSC Trusts on locum doctors had almost trebled from £28 million in 2011-12 to £83 million in 2017-18. Trusts had also become increasingly reliant on using the least preferred and most expensive option of engaging locums from non-contracted agencies.



Patient Safety – the annual number of reported patient safety incidents in NI had increased from 75,000 in 2012-13 to 92,000 in 2017-18. Whilst this indicated a more open reporting culture, it was still unclear whether clinical lessons from these were being properly disseminated across the HSC sector. Costs and provisions for settling clinical negligence claims had also increased significantly from £252 million (between 2007-08 and 2011-12) to £393 million (2012-13 to 2016-17).

Health General Report

In addition to our core Value for Money reports, we have also periodically produced a 'Health General Report', which reviews activities and outcomes in more general terms across the HSC sector. The most recent report which covered the period up to 2016-17 was published in December 2018, and included the following key findings:

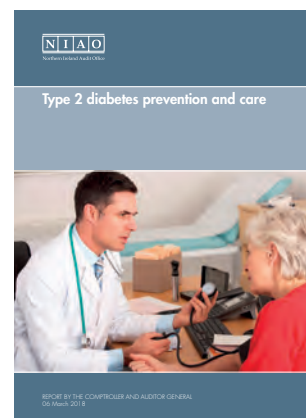
- **Financial pressures** – underlying financial pressures across the Trusts at the start of 2017-18 amounted to £160 million, but the total funding gap which fully reflected inflationary and demographic pressures, as well as the need to transform service delivery and build additional capacity to meet population need, was significantly higher.
- **Waiting times for treatment** – none of the key HSC waiting time targets for inpatient or outpatient care were achieved at Northern Ireland level in either 2015-16 or 2016-17, even though some of these were significantly lowered to take account of HSC capacity gaps.
- **Business Service Transformation Programme (BSTP)** – The BSTP aimed to introduce shared services for a range of key corporate functions including finance, human resources and payroll across 16 HSC bodies. Whilst BSTP is on course to achieve savings of £99.4 million by 2021, this will be £25 million less than anticipated by the original business case.



Type 2 Diabetes prevention and care

This 2018 report assessed arrangements for prevention and care of Type 2 diabetes in Northern Ireland. In 2015-16, 88,500 people (5.7% of adults) had been diagnosed with diabetes, and annual HSC treatment costs were estimated at £400 million (10 per cent of the local healthcare budget). The report found that:

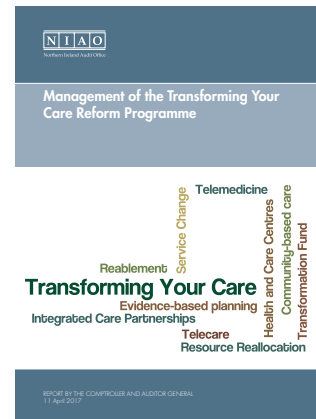
- Implementation of key policy initiatives for diabetes care had been slow – a review completed in 2003 had identified many areas of best practice, including for preventing and treating serious patient complications, but its recommendations were not formally implemented, and the Department did not publish a Diabetes Strategic Framework until late 2016.
- The scale of challenges which have developed over the years mean that the Department faces key challenges in improving Type 2 diabetes care including: developing effective prevention measures; increasing the provision of self-education to patients; addressing considerable workforce gaps; and improving the measurement of patient outcomes.



Management of the Transforming Your Care Reform Programme

This 2017 report examined progress in implementing the Transforming Your Care (TYC) initiative, which the Department launched in December 2011 as its vision of how HSC services needed to change to meet the needs of the growing and ageing population. By March 2016, only £65.4 million of resources had been re-allocated from the hospital sector to primary and community care, compared to an objective of £83 million. The report also highlighted that:

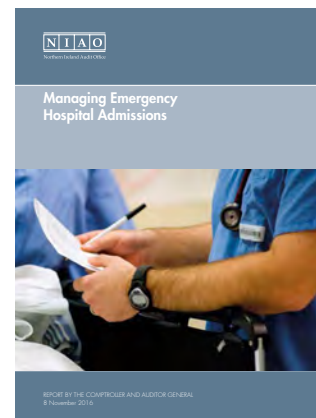
- The impact of TYC was hampered by financial challenges which resulted in a lack of stable funding, and only limited funding being received from in-year monitoring rounds.
- By March 2016, the programme had only achieved £28 million of the £130 million savings envisaged by the original business case.



Managing Emergency Hospital Admissions

Published in November 2016, this report highlighted how hospital admissions were both expensive and often avoidable. Key findings included:

- In 2015-16, approximately 16 per cent of all emergency admissions may have been unnecessary.
- Too many patients admitted as emergencies were still facing unnecessary delays in being discharged from hospital. In 2015-16, over 1,700 patients had occupied a bed for periods in excess of the Department's own target that patients with complex needs should remain in hospital for no more than seven days after clinicians and other health professionals had deemed them ready for discharge.



In addition to these more recent reports, the following reports related to areas overseen by the DoH were published between 2011 and 2014:

2014 Primary Care Prescribing

Safer Births: Using Information to Improve Quality

2012 Safety of Services Provided by Health and Social Care Trusts

2011 NIFRS: An Organisational Assessment and Review of Departmental Oversight

The Use of Locum Doctors by Northern Ireland Hospitals

The NIAO has also published several cross-cutting reports since 2016 including:

- **Capacity and Capability in the Northern Ireland Civil Service (Nov 2020)**
- **Overview of the Northern Ireland Executive's response to the COVID-19 pandemic (Sep 2020)**
- **Major Capital Projects (Dec 2019)**
- **Management of the NI Direct Strategic Partner Project – helping to deliver Digital Transformation (June 2019)**
- **The UK Border: how prepared is Northern Ireland for exiting the EU? (Oct 2018)**
- **Managing the Central Government Office Estate (Nov 2017)**
- **Northern Ireland Public Sector Voluntary Exit Schemes (Oct 2016)**

Copies of our reports can be found in the [Publications section](#) of our website.

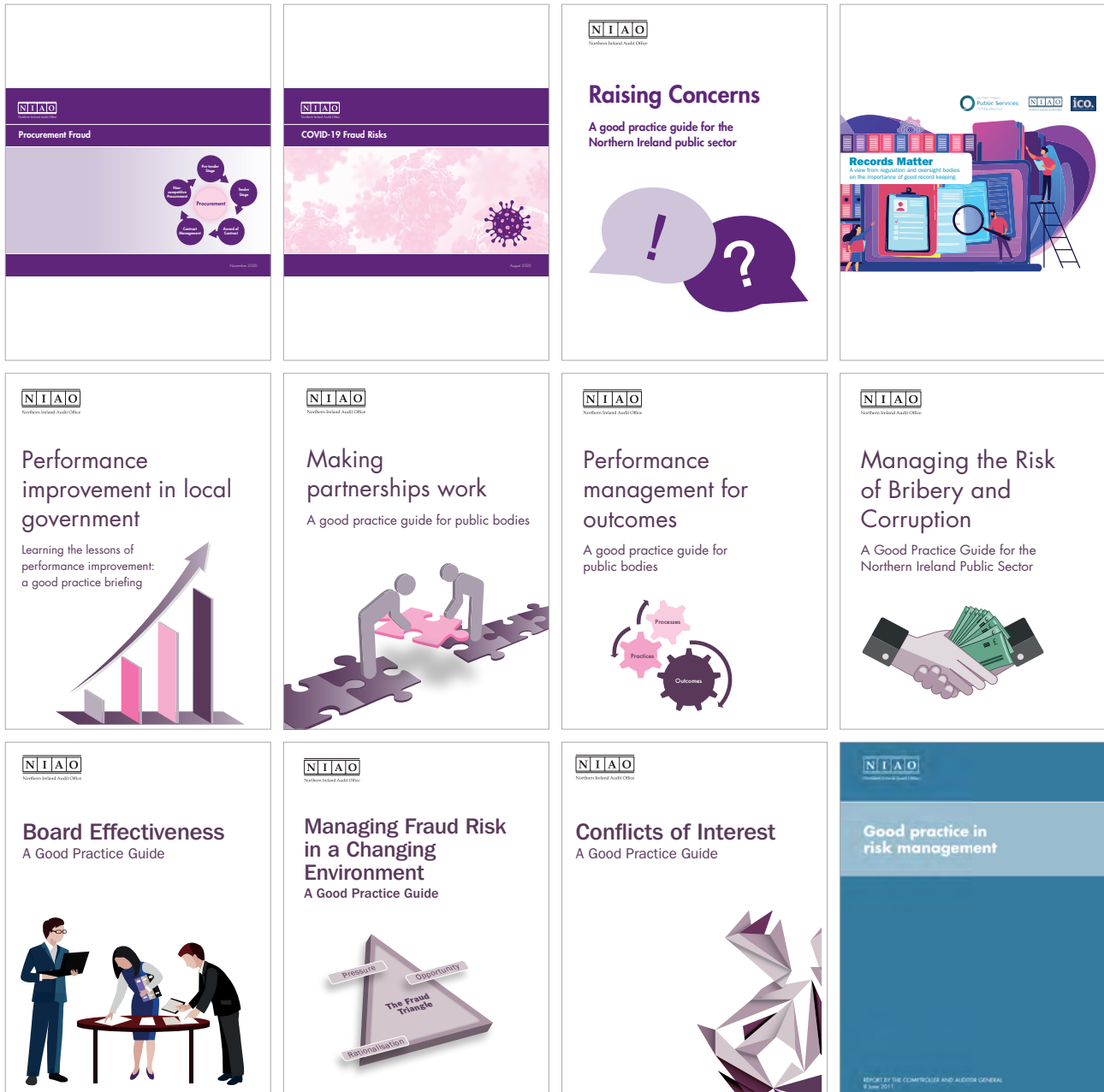
Good Practice guides

We have compiled a number of good practice guides over recent years covering a range of topics highlighting and encouraging public bodies to improve their performance in achieving value for money, implementing policy and suggesting ways in which public services could be improved.

Copies of our good practice guides can be found in the [Publications section](#) of our website³.

Good practice guides planned for the future include:

- Asset management;
- Innovation; and
- Changing organisational culture



³ *Records matter: a view from regulation and oversight bodies on the importance of good record keeping* published 29 January 2020 is the joint work of the NIAO, the Northern Ireland Public Services Ombudsman’s Office, and the UK Information Commissioner’s Office.

Counter Fraud Activity

The C&AG maintains a small Counter Fraud Unit which records and monitors notified frauds, and provides fraud-related advice and guidance, both internally and to the wider public sector, to help organisations strengthen their controls and minimise fraud risks. The Unit also co-ordinates the National Fraud Initiative (NFI) in Northern Ireland and is the first point of contact for third parties wishing to raise public interest concerns with the C&AG or Local Government Auditor.



Reporting Fraud

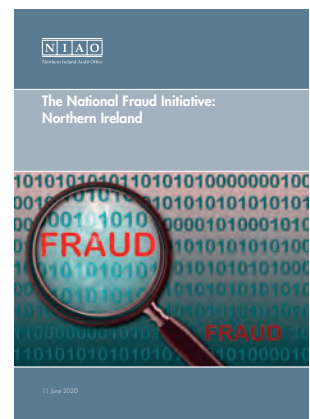
Managing Public Money Northern Ireland requires all NICS departments to report immediately to the C&AG (and to the Department of Finance) all proven, suspected and attempted frauds affecting them or the ALBs sponsored by them⁴. The NIAO monitors these returns and liaises with the audited bodies to ensure that any fraud risks identified are properly addressed, for example through the introduction of additional controls.

National Fraud Initiative (NFI)

All NICS departments participate in the NFI, a UK-wide data matching exercise run every two years. To date, NFI exercises in Northern Ireland have resulted in actual and estimated savings of almost £40 million.

The overall results for NI are published every two years in the regional NFI reports which are available on our [website](#).

The NFI is not reported at organisational level, but by type of outcome (e.g. pensions/rates/payroll etc.) for NI as a whole.



Raising Concerns

Raising concerns (whistleblowing) plays a vital role in securing and maintaining standards in public life. Concerns should be raised in the first instance with the relevant department or arm's length body, as they are best placed to address the issue raised.

The C&AG and the Local Government Auditor are "prescribed persons" to whom protected disclosures can be made under Public Interest Disclosure legislation. Public sector employees, members of the public, contractors, councillors and other third parties can raise concerns with them about the proper conduct of public business, value for money and fraud and corruption. Details of how this can be done, and how such concerns will be considered, are on our [website](#).



4 Annex A.4.7 Managing Public Money NI (<https://www.finance-ni.gov.uk/articles/managing-public-money-ni-mpmni>)

