

**SOUTHERN HEALTH AND SOCIAL CARE TRUST**

**ANNUAL REPORT AND ACCOUNTS OF THE TRUST FUNDS  
HELD BY THE SOUTHERN HEALTH AND SOCIAL CARE  
TRUST**

**YEAR ENDED 31 MARCH 2017**

**SOUTHERN HEALTH AND SOCIAL CARE TRUST**  
**TRUST FUNDS**

**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

Laid before the Northern Ireland Assembly under Article 91(5) of the Health and Personal Social Services (NI) Order 1972 (as amended by the Audit and Accountability Order 2003) by the Department of Health

On

Xx June 2017

# **SOUTHERN HEALTH AND SOCIAL CARE TRUST**

## **TRUST FUNDS**

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## **Annual Report of the Trustees of the Trust Funds held by the Southern Health and Social Care Trust for the year ended 31 March 2017**

### **INTRODUCTION**

This is the annual report for the Trust Funds held by the Southern Health and Social Care Trust ('Trust Funds') for the year from 1 April 2016 to 31 March 2017.

Under Article 91 of the Health and Personal Social Services (NI) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Southern Health and Social Care Trust is required to prepare annual accounts in respect of endowments and other property held on trust by it in a form determined by the Department of Health (DoH). This format is in accordance with the requirements of the Charities Statement of Recommended Practice (SORP) (FRS 102).

### **REFERENCE AND ADMINISTRATIVE DETAILS**

#### **Contact Us**

Southern Health and Social Care Trust  
Trust Headquarters  
Southern College of Nursing  
Craigavon Area Hospital  
68 Lurgan Road  
Portadown  
BT63 5QQ

Telephone: **028 3833 4444**

Email: [Corporate.HQ@southerntrust.hscni.net](mailto:Corporate.HQ@southerntrust.hscni.net) Web: [www.southerntrust.hscni.net](http://www.southerntrust.hscni.net)

#### **Comments**

If you have any comments about this report or would like extra copies please telephone 028 3756 0118.

#### **Trustee Arrangements**

Under the Health and Personal Social Services (NI) Order 1972, as amended by Article 16 of the Health and Personal Social Services (NI) Order 1991, the Board members of the Southern Health and Social Care Trust were the trustees of the Trust Funds during 2016/17. This constituted the following:

##### Non-executive members

Mrs R Brownlee	Chair
Mrs E Mahood	(to 31 December 2016)
Dr R Mullan	(to 31 December 2016)
Mr E Graham	(to 31 December 2016)
Mrs S Rooney	Chair of Endowments and Gifts Committee
Mrs H McCartan	

Ms E Mullan  
Mr J Wilkinson  
Ms G Donaghy (from 1 January 2017)  
Mr M McDonald (from 1 January 2017)  
Mrs P Leeson (from 1 January 2017)

#### Executive members

Mr F Rice Interim Chief Executive (from 13 April 2016)  
Mr S McNally Acting Interim Chief Executive (from 23 January 2017)  
Mr S McNally Director of Finance & Procurement (to 22 January 2017)  
Ms H O'Neill Acting Director of Finance & Procurement (from 23 January 2017)  
Mr P Morgan Director of Children & Young People's Services / Executive Director of Social Work  
Dr R Wright Medical Director  
Mrs A McVeigh Executive Director of Nursing and AHPs (from 3 April 2016) & Director of Older People & Primary Care Services

#### Other Members

Mrs A Magwood Director of Performance & Reform  
Mr K Donaghy Director of Human Resources & Organisational Development (to 31 August 2016)  
Mrs V Toal Director of Human Resources & Organisational Development (from 21 September 2016)  
Mrs E Gishkori Director of Acute Services  
Mr B McMurray Acting Director of Mental Health & Disability Services (from 3 May 2016)

The Trustee has delegated responsibility for the on-going management of funds to the Endowments and Gifts Committee.

The Southern Health and Social Care Trust Funds is on the deemed list of charities as it is registered with Her Majesty's Revenue and Customs for charitable tax purposes. The Trust Funds has applied to the Charity Commission for Northern Ireland to register as a charity but this is still under consideration. The charity number is currently outstanding.

The Trustees employed the following professional advisors during the year:

#### **Auditors**

Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

#### **Bankers**

Bank of Ireland  
13 Market Street

Lurgan  
BT66 6AR  
**Solicitors**  
Directorate of Legal Services  
Business Services Organisation  
2 Franklin Street  
Belfast  
BT2 8DQ

### **Investment Managers**

NI Central Investment Fund for Charities (NICIFC)  
The Lighthouse Building  
4th Floor, 1 Cromac Place  
Gasworks Business Park  
Ormeau Road,  
Belfast  
BT7 2JB

## **Structure, Governance and Management**

The Trust Funds held by the Southern Health and Social Care Trust are governed by the Health and Personal Social Services (NI) Order 1972. The Trust Board acts as “corporate trustee” for the Trust Funds. Trust Board members are recruited by the Department of Health in accordance with its recruitment procedures and are appointed by the Minister for Health.

The Endowments and Gifts Committee is the committee responsible for providing assurance to the Trust Board on all aspects of the stewardship and management of funds donated or bequeathed to the Trust.

The membership of the Endowments and Gifts Committee comprises three Non-Executive Directors, the Director of Acute Services and the Director with responsibility for Estate Services. The Director of Finance is in attendance. Two members had full attendance at all meetings during the year, with the remaining members missing one or more meetings.

During 2016/17, the Committee held four meetings to oversee the administration of the Endowments and Gifts Trust funds, their investment and disbursement.

The roles and responsibilities of the Endowments and Gifts Committee in relation to the management and governance of the Trust Funds were as follows:

- Satisfy itself that Endowments & Gifts funds are managed in line with guidance in the Trust’s Standing Financial Instructions, Departmental guidance and legislation;
- Ratify the creation of a new fund by the Director of Finance where funds and/or other assets are received from donors in circumstances where the

wishes of the donor cannot be accommodated within the scope of an existing fund;

- Make recommendations on the potential for rationalisation of funds within statutory guidelines;
- Seek assurance that assets in ownership of, or used by, the Endowments & Gifts fund will be maintained with the Trust's general estate and inventory of assets;
- Seek assurance that funds are not unduly or unnecessarily accumulated;
- Produce an annual Statement of Assurance on internal control over Endowments & Gifts Funds, being informed by reports from Management, the Internal Auditor, the External Auditor and the Governance Committee;
- Ensure that a Governance Statement is produced as part of the production of annual accounts for Endowments and Gifts;
- Seek assurance that expenditure from Endowments & Gifts Funds is subject to appropriate value for money considerations including proper procurement procedures where applicable;
- Ensure that Annual Accounts are prepared in accordance with DoH guidelines and submitted to the Trust Board within agreed timescales;
- On behalf of the Trust Board, and on the advice of the Senior Management Team, the Committee will authorise appropriate policies and procedures in relation to Endowments & Gifts Funds;
- The trustees' delegated authority levels for the four Directorate Funds are as follows:
  - Expenditure up to £10,000 must be approved by a Director for the relevant fund
  - Expenditure over £10,000 and less than £50,000 must be approved by a Panel consisting of the Director for the relevant fund, a Director who is a member of the E&G Committee, a staff side representative and a member of staff who has responsibility for patient / client focus
  - Expenditure over £50,000 must be approved by the Chief Executive or the Director of Finance, having been first recommended by the Panel.

The restricted Funds in existence prior to 1 April 2011 continue to exist and will continue to do so, until the balance is utilised or reduced to a level which is appropriate to be transferred to another fund.

The Director of Finance is responsible for the day to day management and control of the administration of the Trust Funds and reports to the Endowments and Gifts

Committee. The Director of Finance has responsibility to ensure that Charitable Trust funds are managed appropriately with regard to their purpose and requirements; that full accounting records are maintained and that devolved decision making or delegated arrangements are in accordance with the policies and procedures agreed by the Endowments and Gifts Committee.

## **Objectives and Activities**

The objectives of the Trust Funds held by the Southern Health and Social Care Trust in 2016/17 were to ensure that charitable donations received by the Trust were appropriately managed, invested, expended and controlled, in a manner that was consistent with the purposes for which they were given and with the Trust's Standing Financial Instructions and Departmental guidance and legislation.

Funds were used to support expenditure in the following areas:

- Patient / Client / Relative / Visitor Comfort and Amenity;
- New equipment;
- Staff education and training / skills enhancement; and
- Academic Research and Development.

The Committee focused on the continued rationalisation of Trust Funds, the purpose of which is twofold – to ensure appropriate use of all funds, irrespective of the size of the donation and to reduce the administration associated with having a very large number of funds.

In addition, the Committee has been proactive during 2016/17 in seeking to promote Endowments and Gifts across the Southern Trust. This included a promotional video clip along with a press release thanking the local community for their generous donations over the last 18 months.

The Chair of the Endowments and Gifts Committee undertook an evaluation of the performance of the Committee during the year and there were no issues raised.

## **Achievements and Performance**

During the year the Trust Funds continued to be spent on activities commensurate with its objectives. £287k was expended on charitable activities, in accordance with the Trust's policies and procedures.

Examples of improvements the Trust has been able to make during 2016/17 as a result of donations and legacies received include:

- Patient seating for Ward 2 South, Craigavon Area Hospital
- Two Anti-Gravity treadmills to assist with physiotherapy services
- Projection equipment for the Medical Education Centre
- Transonic flow machine for the Renal Unit



- Christmas gifts for patients; and
- Flights, accommodation and course fees for staff education over and above that which would normally be provided.

The Northern Ireland Central Investment Fund for Charities (NICIFC) continues to hold funds invested on behalf of the SHSCT Trust Funds. During 2016/17, the Endowments and Gifts Committee continued to review the performance of funds invested through NICIFC. The net market value of funds invested with the NICIFC at 31 March 2017 was £3,070k. This is 91.5% of the total value of Trust Funds.

The balance of funds held with the NICIFC has a gain in value of £399k in 2016/17 when compared to a loss of £174k in the prior year. This is due to an increase in valuation of this investment at the year end. The nature of this investment is such that it will fluctuate in line with prevailing economic circumstances.

Progress has been made on rationalising the number of individual Trust funds. Since April 2013, 129 funds have been fully depleted and there are now 191 funds in existence at 31 March 2017.

## **Financial Review**

### **Introduction**

The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP), previously SORP 2005, applicable to charities preparing their accounts in accordance with FRS102 in the UK and Republic of Ireland and with relevant guidance issued by the Department of Health. The Trustees have considered the requirements and made any necessary change in the year for the first time adoption of FRS102.

In the current year on transition to the new Charities SORP (FRS 102), the Trustees have reconsidered whether the terms of donations have continued to meet the definitions of restricted and unrestricted funds. As a result, the Trustees have reclassified the four directorate wide unrestricted funds to restricted funds to ensure they are not spending outside the wishes of donors. A detailed exercise will be undertaken in 2017/18, including seeking legal advice, to assess donation restrictions and amend any classification of funds into unrestricted funds should the need arise.

Disclosure restatements have been made in relation to the fund classifications and the restatement of governance costs in the current year Statement of Financial Activity, Balance Sheet and Note 12 in line with changes in the Charities SORP. This is the first year that the Trust Fund has presented its results under FRS102. The date of transition was 1 April 2015.

Where there is a legal restriction on the purposes to which a fund may be applied, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for charitable purposes and cannot itself be spent are accounted for as an endowment fund. The Trust has seven endowment funds.

## **Review of the year 2016/17**

### **Income**

During the year income totalling £396k was received, a decrease of £27k compared to the prior year. £276k was received in donations and legacies compared to £297k in 2015/16. Investment income fell by £5k compared to 2015/16.

£18k of income (included within Other Income) was received from the Department for Communities in respect of monies invested historically in NICIFC for the Newry District Nursing Society and the Mary Heron Moorehead Charity. Following investigations by the Department of Communities which indicated that the Society and the Charity were no longer operating, these Funds were paid to the Southern HSC Trust Trust Funds for the provision of District Nursing services within the Newry area.

Gifts in kind received in 2016/17 amounted to £19k (included within Corporate donations) and included items such as the provision of courses, conferences and award events including travel and accommodation and gift cards. They are included at a reasonable estimate of their value to the charity.

### **Expenditure**

Total resources expended for the year amounted to £301k, a decrease of £137k from 2015/16. Governance and support costs for the financial administration of the funds amounted to £20k. This comprised £15k, representing a levy of approximately 4% of incoming resources for administration as agreed by the Endowments and Gifts Committee, and £5k audit fees. In addition there were Investment management costs of £14k charged by the Investment Management Company based on the value of the portfolio held by NICIFC.

The Endowments and Gifts Committee approves the annual transfer of 5% of general Trust Fund income for research and development purposes, subject to receiving an agreed proposal for the use of these monies. In 2016/17, the E&G Committee approved one such proposal and agreed the transfer of £15k from the Trust Funds to support a University of Ulster Research scholarship for one year. Monies were also returned to Trust Funds amounting to £20k in 2016/17 with respect to an underspend on the 2015/16 allocation of E&G monies to research. Both these amounts are included within Medical Research Expenditure.

### **Financial Position at Year End**

Total fund balances were £3,354k at 31 March 2017, consisting of £3,317k of restricted funds and £37k of endowment funds. This is a total increase of £499k from the previous year.

## **Financial Controls**

The Trustees are aware of their financial responsibilities for the money that is held on trust. The Chair of the Endowments and Gifts Committee reports to the Trust Board on a regular basis and fund managers are circulated with details of their fund balances throughout the year.

The Trust Fund procedures were the subject of internal audit in 2016/17 and a satisfactory level of assurance was provided. No priority one findings requiring urgent management action were identified.

## **Statement of Risk**

The management of risk in relation to the Trust Funds is closely aligned with the Southern Health and Social Care Trust's risk management strategy and procedures. These are outlined in detail in the Governance Statement contained within the Trust Fund's annual financial statements.

## **Reserves Policy**

The Trust Fund does not currently enter into future commitments and so has not created any reserves for this. Activities are only authorised when funding is available.

## **Investment Policy**

SHSCT has Trust Funds invested in NICIFC. NICIFC was set up in 1965 through the Charities Act (Northern Ireland) 1964, with the aim of providing charities with the opportunity to invest all or part of their assets in a centrally pooled fund, administered by the Department for Communities. The Fund is managed by recognised fund managers, with its investment policy and performance reviewed on a quarterly basis by a locally based advisory committee, appointed by the Department.

The NICIFC operates as a discretionary managed fund, with participating Charities allocated a proportionate number of shares based on the size of their investment and the most recent valuation (share price). The Fund invests in fixed-interest securities, UK & foreign equities and selected unitised funds. The allocation between these asset classes is reviewed and adjusted periodically, in line with the Fund's investment policy.

The Department for Communities has been conducting a review of the Northern Ireland Central Investment Fund for Charities. The Fund will continue to be managed by the Department and the investment manager (currently Standard Life Wealth). However, new additions to the fund were temporarily suspended in 2016/17. There has been no change to the process of making withdrawals from the fund.

The Endowments and Gifts Committee intends to review its Investment Policy in 2017/18.

### **Plans for Future Periods**

The key focus for the Endowments and Gifts Committee in 2017/18 and beyond will be the review of fund classifications in accordance with legal advice to be sought in 17/18, the review of donation documentation and a review of the Trust Funds investment policy. In addition the Trust will fully participate in all discussions with CCNI regarding the registration process.

Signed on behalf of the Trustees:

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(Acting Interim Chief Executive)

Date: 8<sup>th</sup> June 2017

**The Accounts of the Trust Funds held by  
Southern Health and Social Care Trust**

**For the year ended 31 March 2017**

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **STATEMENT OF ACCOUNTING OFFICER RESPONSIBILITIES**

Under the Health and Personal Social Services (NI) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Department of Health has directed the Southern HSC Trust to prepare for each financial year a statement of accounts in respect of endowments and other property held on trust by it in a form determined by the Department of Health. The financial statements are prepared on an accruals basis and must provide a true and fair view.

In preparing the financial statements the Accounting Officer is required to:

- Observe the Accounts Direction issued by the Department of Health including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in Charities SORP (FRS102) have been followed, and disclose and explain any material departures in the financial statements;
- Keep proper accounting records; and
- Ensure an effective governance framework and establish arrangements for the prevention and detection of fraud and corruption.

The Permanent Secretary of the Department of Health as Principle Accounting Officer for Health and Social Care Resources in Northern Ireland has designated Mr Stephen McNally of the Southern HSC Trust as the Acting Accounting Officer for the Southern HSC Trust. 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 the Southern HSC Trust's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health.

**SOUTHERN HSC TRUST**

**TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

**CERTIFICATES OF DIRECTOR OF FINANCE, CHAIRMAN AND CHIEF EXECUTIVE**

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 29 to 43) which I am required to prepare on behalf of the Southern Health and Social Care Trust have been compiled from and are in accordance with the accounts and financial records maintained by the Southern HSC Trust and in accordance with the accounting policies for HSC Charitable Trust Funds as approved by the Department of Health.

\_\_\_\_\_ Director of Finance (Acting) (Southern HSC Trust)  
8<sup>th</sup> June 2017 Date

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 29 to 43) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.

\_\_\_\_\_ Chairperson (Southern HSC Trust)  
8<sup>th</sup> June 2017 Date

\_\_\_\_\_ Interim Chief Executive (Acting)  
(Southern HSC Trust)  
8<sup>th</sup> June 2017 Date

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **Governance Statement**

##### **1. Scope of Responsibility**

The Board of the Southern HSC Trust (the Trust) is accountable for internal control. As Accounting Officer and Interim Chief Executive of the Trust, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisations policies, aims and objectives, whilst safeguarding the public funds and assets for which I am responsible in accordance with the responsibilities assigned to me by the Department of Health (DoH).

In delivering these responsibilities, I am accountable for the Trust's performance to the Health and Social Care Board (HSCB) and DoH and report through agreed performance management arrangements and Service and Budget Agreements.

This has entailed regular performance management meetings at a senior level with the HSCB and both scheduled and ad hoc meetings between Trust officers and the Performance Management Service Improvement Directorate within the HSCB.

In order to improve the quality, safety, effectiveness and efficiency of services, the Trust works in partnership with the HSCB, Public Health Authority (PHA), other public sector partners and the independent sector. A range of processes are in place to facilitate and enable this partnership working with examples including:

- meetings with Trust, HSCB, Local Commissioning Group (LCG) and PHA senior teams collectively and on issue specific basis;
- monthly meetings between Trust and HSCB Chief Executives;
- regional and local Transformation Programme Boards to work together to implement aims of Programme for Government and HSC Ministerial vision;
- engagement with local GPs through locality forums and senior Trust attendance at Local Medical Committee (LMC) services development committee;
- regular meetings with Independent Health and Care Providers (IHCP) and other independent sector providers about key interface issues;
- forums such as the regional children's service planning project board that include HSC partners, community/voluntary sector and other statutory agencies such as Education;
- promoting health and wellbeing processes involving a range of partners focussed on ensuring effective collaboration to address the specific and individual needs of local communities; and
- Senior Leadership and partnership working with councils in support of local Community Plans.



With respect to the Trust's inter-relationship with the DoH, the framework within which the Trust is required to operate is defined and agreed in the Management Statement (MS) and Financial Memorandum (FM). This model MS/FM for executive Non-Departmental Public Bodies (NDPBs) is intended to provide departments with a document that sets out a clear framework of strategic control for each of their executive NDPBs. The framework covers the operations, financing, accountability and control of the NDPB and the conditions under which any government funds are provided to the body. The specific requirements for the Trust as an Arm's Length Body ('ALB') are further defined and agreed annually in the Annual Business Plan.

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

Throughout 2016/17, the Trust has continued to build on the principles of good practice in Corporate Governance to further strengthen its corporate governance arrangements. The Trust does this by undertaking continuous assessment of its compliance with Corporate Governance best practice by having in place various measures which include the following:

### **Standing Orders and Standing Financial Instructions**

These provide the regulatory framework for the business conduct of the Trust. These reflect the Management Statement/Financial Memorandum and the Code of Conduct and Code of Accountability (2012) and are reviewed by the Board on an annual basis.

### **Register of interests**

A Register of Interests for Board members is reviewed and updated annually and where relevant, throughout the year.

### **Conflicts of Interest Policy and Gifts, Hospitality and Sponsorship Policy**

During 2016/17, in order to provide greater clarity and rigour in relation to the declaration of interests' process, a separate Conflict of Interests Policy was developed.

This policy and the Gifts, Hospitality and Sponsorship Policy were strengthened to promote high standards in public life, ensuring that staff and Board members follow the key characteristics of propriety as defined in the Nolan Principles.

### **Code of Conduct for all Staff**

A new Code of Conduct for HSC employees was formally issued in January 2017 together with a covering letter from the Interim Chief Executive.

### **Self-Assessment**

In line with best practice, the Board completes the Department of Health Board Governance Self-Assessment Tool on an annual basis. The completed template in

respect of the 2016/17 financial year will be discussed at the Board Workshop in April 2017.

The Audit Committee completes the National Audit Office self-assessment checklist on an annual basis and one action identified in relation to training and development of new Audit Committee members has been progressed in 2016/17.

The effectiveness of the Trust's governance arrangements are regularly considered by the Governance Committee on behalf of the Trust Board.

### **3. Governance Framework**

In my role as Accounting Officer, I am supported by the Trust Board.

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

- Management Statement and Financial Memorandum;
- A schedule of matters reserved for Board decisions;
- A scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers;
- Standing orders and standing financial instructions (as referred to above);
- An Audit Committee;
- A Governance Committee;
- An Endowments and Gifts Committee;
- A Remuneration Committee; and
- A Patient and Client Experience Committee.

The Trust adopts an integrated approach to governance and risk management and an Integrated Governance Strategy is in place which covers all domains of governance associated with the delivery of health and social care services. This strategy was reviewed during the year and a revised version will be discussed at the next Governance Committee meeting in early 2017/18.

Committee structures are in place to reflect this integrated approach and to support the Trust Board. The following describes in more detail the role of the Trust Board, its Committee structure and attendance during the reporting period.

#### **The Trust Board**

The Trust Board comprises a Chair, seven Non-Executive Directors, the Chief Executive and four Executive members. Four members of the Senior Management Team also attend Trust Board meetings in a non-voting capacity.

During the reporting period, the following changes occurred with regard to Board membership:-

- Three Non-Executive Directors (Mr E Graham, Mrs E Mahood and Dr R Mullan) completed their tenure on 31<sup>st</sup> December 2016. Three new Non-Executive

Directors (Ms G Donaghy, Mrs P Leeson and Mr M McDonald) were appointed with effect from 1<sup>st</sup> January 2017.

- Mr F Rice, Interim Chief Executive, was appointed on 13<sup>th</sup> April 2016. Mr B McMurray, Acting Director of Mental Health and Disability Services was appointed on 3<sup>rd</sup> May 2016 to provide cover for Mr Rice. Mrs A McVeigh assumed responsibility for Mr Rice's Executive Nursing role on 3<sup>rd</sup> April 2016.
- Mr S McNally, Acting Chief Executive, was appointed on 23<sup>rd</sup> January 2017 to cover Mr Rice's sickness absence. Ms H O'Neill, Acting Director of Finance and Procurement, was appointed 23<sup>rd</sup> January 2017 to provide cover for Mr McNally.
- Mr K Donaghy, Director of Human Resources and Organisational Development, retired on 31<sup>st</sup> August 2016 and Mrs V Toal was appointed on 21<sup>st</sup> September 2016 as his replacement.
- Mrs A Magwood, Director of Performance and Reform was appointed on 19<sup>th</sup> January 2017.

In the 2016/17 year, the Trust Board held eight formal Board meetings in public and, in accordance with Standing Orders, were quorate for each meeting. During the year, there was 94% attendance at 2 meetings, 89% at 1 meeting, 88% at 4 meetings and 82% at 1 meeting.

Trust Board meetings were widely publicised through the press and the Trust website. Agendas, minutes and papers of all Trust Board meetings are publicly accessible on the Trust website.

The Trust Board has corporate responsibility for ensuring that the organisation fulfils the aims and objectives set by the Department/Minister and for promoting the efficient, economic and effective use of staff and other resources. It has a key role in overseeing sound financial management and corporate governance of the Trust.

Each Trust Board agenda comprises strategic, operational, quality and performance items. The Trust Board received management reports at each meeting on the financial position, workforce information and performance against targets to assist it in discharging its role. The agenda regularly includes presentations on service improvements as a result of feedback/learning from service users. The Board agenda is kept under regular review.

Three Board workshops were held during the year, at which members explored strategic and development issues. The Trust Board held a Development Day on 17 November 2016 entitled '10 Years On – Repositioning for the Future' which provided members with the opportunity to stock-take and reposition in a planned way. An action plan was developed with areas identified for development and/or improvement. One area agreed was review of the Trust's vision, values and corporate objectives which inform the functioning of Board processes.

A key priority for the Board during the year was better engagement with front line staff so that they better understand the role of the Trust Board and how it conducts its business. To that end, staff from each of the Directorates have been attending meetings throughout the year and providing feedback to their respective teams.

All Trust Board Committees are chaired by a Non-Executive Director and have clear terms of reference and lines of reporting and accountability agreed by the Trust Board. These Committees review, scrutinise and challenge the information they receive in order to assure the Board that Trust processes are delivering outcomes to the required standards. Minutes of the Sub Committees are presented at Trust Board public meetings in a timely manner with the Chair of each Committee highlighting any specific issues for the attention of the Board via completion of a Board Report Summary Sheet. In addition, the Committee Chairs meet with the Trust Chair and Chief Executive after each meeting to provide feedback on the work of their respective Committees and raise any issues of concern.

In accordance with good practice, the Trust Chair meets with the Committee Chairs on an annual basis to reflect on the work of the Committees and to share any learning.

### **Audit Committee**

The Audit Committee supports the Trust Board and my role as Accounting Officer with regard to our responsibilities for issues of risk, control and governance and provides associated assurance through a process of constructive challenge.

The committee comprises five Non-Executive Directors who are independent of Trust management. The Director of Finance, Head of Internal Audit (Business Services Organisation (BSO)), external auditors (Northern Ireland Audit Office (NIAO)) and their sub-contracted auditors are in attendance. The Committee is also attended by other Finance and Internal Audit staff as required.

During 2016/17, the Committee held 5 meetings to provide the Trust Board with independent assurance on the adequacy and effectiveness of internal control systems and that all regulatory and statutory obligations are met. During the year there was 100% attendance at 3 meetings, 83% attendance at 1 meeting and 80% attendance at 1 meeting.

In carrying out its work, the Committee used the findings of Internal Audit, External Audit, assurance functions, financial reporting and Value for Money activities. It approved the Internal Audit programme of work and reviewed progress on implementing internal and external audit recommendations. It considered reports from Internal Audit at each meeting and overall accepted the findings and recommendations of Internal Audit in its reports for 2016/17. Fraud is a standing item on the Committee's agenda and there is on-going reporting to the Committee in respect of compliance with Departmental directions/circulars.

On an annual basis, the Committee reviews the findings of the External Auditor concerning the Trust's Annual Accounts, including the Governance Statement.

The Committee invites a Departmental official to attend its meetings and a representative attended the 13<sup>th</sup> October 2016 meeting.

## **Endowments and Gifts Committee**

The Endowments and Gifts Committee is the committee responsible for providing assurance to the Board on all aspects of the stewardship and management of funds donated or bequeathed to the Trust.

The membership of the Endowments and Gifts Committee comprises three Non-Executive Directors, the Director of Acute Services and the Director with responsibility for Estates Services. The Director of Finance is in attendance. Two members had full attendance at all meetings during the year, with the remaining members missing one or more meetings.

During 2016/17, the Committee held four meetings to oversee the administration of the Endowments and Gifts funds, their investment and disbursement. The Committee has been proactive during 2016/17 in seeking to promote Endowments and Gifts across the Southern Trust. This included a promotional video clip along with a press release thanking the local community for their generous donations over the last 18 months.

The Chair of the Endowments and Gifts Committee undertook an evaluation of the performance of the Committee during the year and there were no issues raised.

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

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

Membership of the Endowments and Gifts Committee includes the Director of Acute Services and the Director with responsibility for Estate Services. This ensures that donated funds are taken into account in the strategic direction and overall expenditure plans of the Trust. Quarterly Finance reports enable the Endowments and Gifts Committee to review expenditure patterns and are provided to Directors to ensure usage of funds is maximised.

### **Risk Management**

Risk management is an organisation-wide responsibility.

The key components of the Trust's risk management strategy (2014) are underpinned by the HSC Controls Assurance Standard for Risk Management. The purpose of this strategy is to ensure that the Trust manages risks in all areas using a systematic and consistent approach. It provides the framework for a robust risk management process. All supporting procedures for the identification and management of risk also reflect this standard.

The Trust's Risk Assessment Tool ensures that a consistent approach is taken to the evaluation and monitoring of risk in terms of the assessment of likelihood and impact. Risks are monitored through a formal reporting process where the assessed level of risk and its strategic significance determines where it will be reviewed and monitored.

In the Trust, there are two key levels at which the risk management process is formally documented:

- The Trust's Corporate Risk Register, which focuses on the principal risks to the Trust's delivery of its statutory responsibilities and corporate objectives; and
- Directorate risk registers which focus primarily on the risks to the achievement of Directorate objectives.

The Corporate Risk Register is reviewed regularly by the Governance Committee at its meetings. The Corporate Risk Register is complementary to and works in conjunction with the Board Assurance Framework which is presented to the Trust Board on a six-monthly basis. During 2016/17, the format of the Corporate Risk Register was revised with each risk on the Register now linked to one of four domains contained on the Board Assurance Framework. Examples of indicators which may identify risks within the organisation include reports from external bodies e.g. RQIA, Accreditation bodies, independent reviews; various occurrences such as complaints, incidents, litigation, staff turnover; and internal assessments/reporting such as self-assessments, monitoring reports etc.

Directors are responsible for ensuring that Directorates under their control have fully functioning Directorate Risk Registers.

The Senior Management Team reviews the Corporate Risk Register at each SMT Governance meeting on a six weekly basis.

All staff are responsible for managing risks within the scope of their role and responsibilities as employees of the Trust.

The system of internal governance is designed to help manage risk rather than to eliminate it and controls must at all times be commensurate with the nature of the risk.

## **5. Information Risk**

Safeguarding the Trust's information is a critical aspect of supporting the Trust in the delivery of its objectives. Effective management of information risk is a key aspect of this. Arrangements in place to manage this risk include:

- A Trust Information Governance Framework which includes policies and a suite of procedures and guidance.
- A Personal Data Guardian (Medical Director) to approve data sharing.
- A Senior Information Risk Owner (SIRO) (Director of Performance and Reform) appointed.

- Information Governance Framework Report on use of personal data forwarded to SIRO and Trust Board annually.
- Freedom of Information and Data Protection Requests summary of compliance reported to Trust Board on a quarterly basis.
- Information Asset Owners (IAOs) are in place to reduce the risk to personal information within the Trust and training and advice provided to ensure they are aware of their responsibilities;
- An information sharing register which records the details of all episodes of sharing of Trust data with other bodies; and
- Privacy Impact Assessment template disseminated to ensure privacy issues are considered prior to project implementation.

Information Governance incidents are reported in accordance with the HSC Risk Management strategy. One incident has been reported to the Information Commissioners Office (ICO) during 2016/17. This incident has been fully investigated and action plans have been implemented. Internally, information governance incidents are monitored and reviewed at the Records Management Committee; ensuring lessons learned are disseminated throughout the Trust. Obligations of new privacy legislation are communicated at quarterly Data Protection sub groups.

Data protection and records management training is mandatory for all Trust staff, providing them with up to date awareness of information governance issues and risks. Information Governance training on protection of client and staff data has been provided to Directors and Assistant Directors.

## **6. Assurance**

A systematic approach is taken to ensure that the systems upon which the Trust relies are challenged and tested. The Board Assurance Framework is a statutory requirement for the Trust and is an integral part of the Trust's governance arrangements. The Framework has been compiled in conjunction with all Directorates and provides the systematic assurances required by the Board on the effectiveness of the system of internal control by highlighting the reporting and monitoring mechanisms that are necessary to ensure the achievement of corporate objectives and the delivery of high quality health and social care. In its Board Assurance Framework, the Trust Board has determined the level of assurance it requires to manage the principal risks facing the organisation and the Trust Board reviews this on a six-monthly basis. A standard template attached to the Board Assurance Framework ensures that Board members consider, based on sufficient evidence, whether the current controls and assurance systems are sufficient and are working effectively. Trust Board minutes attest to the challenge and scrutiny applied to the Board Assurance Framework.

The Framework illustrates the wide range of assurance from internal and external sources. The sources of external assurance and system validation as identified in the Board Assurance Framework include, for example, the Regulation and Quality Improvement Authority, Internal and External Auditors, Royal Colleges and Professional Councils. These are supplemented from non-independent sources such as performance management, self-assessments and proposed work streams on national audits.

The Board Assurance Framework sits alongside the Corporate Risk Register, the Controls Assurance Standards process and performance reporting to provide structured assurance about how risks are effectively managed to deliver agreed objectives. Where risks are outside the Trust's ability to solely manage, these are escalated to the Trust Board and beyond.

Compliance with the controls assurance standards and the annual self-assessments against the standards provide an important assurance to the Trust Board. Separately, the Audit and Governance Committees review compliance with Controls Assurance Standards to provide assurance to the Trust Board that action plans are in place for all 22 standards to maintain/further improve compliance against each standard going forward.

The Trust Board agenda is structured to ensure assurance is provided on key areas such as patient safety and quality and performance in terms of finance, human resources and operational performance.

The quality of information presented to the Trust Board is regularly reviewed by members. A standard template is attached to the front of all Board papers ensuring that the report is aligned to specific corporate objectives and key issues/risks and decisions required are drawn to Board members immediate attention. Board members regularly discuss and challenge the quality of the information presented to them and collectively reflect on information received. A Non-Executive Director is a member of the Trust Information Governance forum which addresses assurance processes for data quality. In addition, Trust Board receives reports from external organisations which provide assurance in relation to some areas of data quality. No significant issues have been raised.

Members continue to consider further how to develop the searching questions and processes to ensure effective challenge by the Board. The Executive professional roles (Medical, Nursing and Social Work) ensure executive challenge as these posts are designed to give independent professional assurance to the Trust Board.

## **7. Northern Ireland Charity Commission**

The Charities Act (NI) 2008 provides the broad legislative framework for charities in Northern Ireland. It established the requirement for a compulsory register of all charities operating in Northern Ireland, it provided a charity test to define what is and what is not a charity and it established the Charity Commission for Northern Ireland (CCNI) which is the independent regulator of charities in NI.



The Southern Health and Social Care Trust Funds is on the deemed list of charities as it is registered with Her Majesty's Revenue and Customs for charitable tax purposes. The Charities (2008 Act) (Commencement No. 4) Order (Northern Ireland) 2013 came into effect on 24 June 2013 to allow the CCNI to begin compulsory registration of all charities operating in Northern Ireland. The test to define what constitutes a charity under the legislation requires two criteria to be met, namely: that the venture be established for charitable purposes and to provide a public benefit. The SHSCT Trust Funds completed an application for CCNI registration in March 2014; however the CCNI withdrew all applications for registration by HSCNI Trusts in December 2016 to facilitate discussions with the Department of Health and HSC Trusts on the way forward. These discussions will be progressed in 2017/18.

In addition, the Trust submitted to CCNI an "Application for a Scheme" to rationalise its funds, the outcome of this also remains outstanding. The Trust continues to keep in regular contact with CCNI.

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

The Trust obtains Independent Assurance from the following sources:

- ***Internal Audit***

### **Internal Audit**

The Trust 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 2016/17 Internal Audit conducted at audit of Charitable Trust Funds and reported a satisfactory level of assurance.

Weaknesses in control were identified in a number of areas, however no priority one findings requiring urgent management action were found.

The recommendations of the Internal Auditor to address control weaknesses have been considered by the Audit Committee. They have been or are being taken forward by the management of the Trust and their implementation will continue to be monitored by the Audit Committee regularly during 2017/18.

### **Northern Ireland Audit Office (External auditor)**

The external auditor undertakes an examination of the annual financial statements in accordance with auditing standards issued by the Auditing Practices Board. Based on the findings of this audit, the Comptroller and Auditor General (C&AG) will report his opinion to the NI Assembly as to the truth and fairness of the annual financial statements, that expenditure and income have been applied to the purposes intended by the Assembly and that the transactions conform to the authorities which govern them (regularity).

In addition, the external auditor will provide a Report to those charged with Governance which brings to the attention of the Accounting Officer findings during the course of the external audit. The external auditor reports all of these findings to the Audit Committee. In the course of the external audit for 2016/17, the external auditor has brought to the attention of management one priority one issue relating to Charitable Trust Funds.

There were no Charitable Trust Fund external audit findings from 2015/16 which required follow up in 2016/17.

A representative of the NIAO attends Audit Committee.

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

As Accounting Officer, I have responsibility for the review of effectiveness of the system of internal governance. My review of the effectiveness of the Trust's system of internal governance is informed by the work of the internal auditors, the executive managers within the Trust 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 Senior Management Team, Trust Board, Head of Internal Audit, Audit Committee and Governance Committee. I have referred to the Annual Report from the Head of Internal Audit which details the assurance levels provided from reports in 2016/17 and also the Trust's implementation of accepted internal audit recommendations. A plan to address weaknesses and ensure continuous improvement to the system is in place.

## **10. Internal Governance Divergences**

No significant internal control divergences were identified in prior years or have been identified in 2016/17 relating to Charitable Trust Funds.

## **Conclusion**

The Trust has a rigorous system of accountability which I can rely on as Accounting Officer to form an opinion on the probity and use of public funds, as detailed in Managing Public Money NI (MPMNI).

The internal audit review of control systems has resulted in a number of limited assurances in the Trust. A number of priority one issues have been raised with management and extensively examined by the Audit Committee.

Further to considering the accountability framework within the Trust and in conjunction with assurances given to me by the Head of Internal Audit, I am content

that the Trust has operated a sound system of internal governance during the period 2016/17.

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Acting Interim Accounting Officer

Date: 8<sup>th</sup> June 2017

**SOUTHERN HEALTH AND SOCIAL CARE TRUST**

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

Audit Certificate

Audit Certificate

## SOUTHERN HSC TRUST

### TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

#### Statement of Financial Activities for the year ended 31 March 2017

	Note	Restricted Funds £000	Endowment Funds £000	2017 Total Funds £000	2016 Total Funds £000
<b>INCOME AND ENDOWMENTS FROM:</b>					
Donations and Legacies	2	276	-	276	297
Investments	3	120	-	120	125
Charitable Activities	4	-	-	-	1
<b>Total Income</b>		<b>396</b>	<b>-</b>	<b>396</b>	<b>423</b>
<b>EXPENDITURE ON:</b>					
Raising funds: Investment management costs	5	(14)		(14)	(13)
Charitable Activities	7	(287)	-	(287)	(425)
<b>Total Resources Expended</b>		<b>(301)</b>	<b>-</b>	<b>(301)</b>	<b>(438)</b>
Net Gains/(Losses) on Investments		396	3	399	(174)
<b>Net Income/(Expenditure)</b>		<b>491</b>	<b>3</b>	<b>494</b>	<b>(189)</b>
<b>Net Movement in Funds</b>		<b>491</b>	<b>3</b>	<b>494</b>	<b>(189)</b>
Adjustment to add back: Notional Audit Fee		5	-	5	5
<b>Net Movement in Funds excluding Notional Audit Fees</b>		<b>496</b>	<b>3</b>	<b>499</b>	<b>(184)</b>
<b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward at 1 April 2016</b>	12	<b>2,821</b>	<b>34</b>	<b>2,855</b>	<b>3,039</b>
<b>Total funds carried forward at 31 March 2017</b>	12	<b>3,317</b>	<b>37</b>	<b>3,354</b>	<b>2,855</b>

The notes at pages 31 to 43 form part of this account.

All gains and losses recognised in the reporting period are included in the SoFA and relate to continuing activities.

## SOUTHERN HSC TRUST

### TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

#### Balance Sheet as at 31 March 2017

	Note	Total Funds 31 March 2017 £000	Total Funds 31 March 2016 £000
<b>Fixed Assets:</b>			
Investments	9	3,070	2,671
<b>Total Fixed Assets</b>		<u>3,070</u>	<u>2,671</u>
<b>Current Assets:</b>			
Debtors	10	87	68
Cash at bank and in hand		<u>227</u>	<u>232</u>
<b>Total Current Assets</b>		314	300
<b>Liabilities:</b>			
<b>Creditors:</b> Amounts falling due within one year	11	(30)	(116)
<b>Net Current Assets</b>		<u>284</u>	<u>184</u>
<b>Total Assets less Current Liabilities</b>		3,354	2,855
<b>Net Assets</b>		<u>3,354</u>	<u>2,855</u>
<b>Funds of the Charity:</b>			
Endowment funds	12	37	34
Restricted income funds	12	3,317	2,821
<b>Total Charity Funds</b>		<u>3,354</u>	<u>2,855</u>

The notes at pages 31 to 43 form part of this account.

The financial statements were approved by the Trustees on 8<sup>th</sup> June 2017 and signed on its behalf by:

Signed: \_\_\_\_\_

Name: Stephen McNally (Acting Interim Chief Executive)

Date: 8<sup>th</sup> June 2017

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **Notes to the Accounts**

#### **1. Accounting Policies**

##### **1 (a) Basis of preparation**

The financial statements have been prepared under the historic cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) with additional disclosures as required by FRS102 and with relevant guidance issued by the Department of Health. Where appropriate prior year comparatives have been restated.

Update Bulletin 1 issued February 2016 amended the Charities SORP and a Statement of Cash Flows is now only required for larger charities. Larger charities include those charities with a gross income exceeding £500,000 in the reporting period. The Trust Funds held by the Southern Health and Social Care Trust had a gross income of less than £500,000 during 2016/17 and therefore the Trust Funds are exempt from cash flow preparation.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Trust Funds meet the definition of a public benefit entity under FRS102.

The financial statements have been prepared on a going concern basis.

##### **1 (b) Structure of Funds**

Where there is a legal restriction on the purpose for which a fund may be used, the fund is classified either as an endowment fund, where the donor has expressly provided that only the income of the fund may be expended, or as a restricted fund, where the donor has provided for the donation to be spent in furtherance of a specified charitable purpose.

The major funds held in each of these categories are disclosed in Note 11.

##### **1 (c) Incoming Resources**

All incoming resources are included in full in the statement of financial activities as soon as the following three factors can be met:

- i) entitlement – arises when a particular resource is receivable or the charity's right becomes legally enforceable;



## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

- ii) certainty – where there is reasonable certainty that the incoming resource will be received;
- iii) measurement – when the monetary value of the incoming resources can be measured with sufficient reliability.

#### **1 (c) (i) Income from donations and legacies**

This includes all income received by the Trust Funds that is a gift or bequest made on a voluntary basis, for any purpose.

Legacies are recognised when the cash is received.

#### **1 (c) (ii) Income from charitable activities**

This includes income earned both from the supply of goods or services under contractual arrangements and from performance-related grants which have conditions specifying the provision of particular goods or services by the charitable funds.

#### **1 (c) (iii) Other Income**

This includes income from groups that have undertaken fundraising activities, income from charity vouchers and any other miscellaneous income.

#### **1 (c) (iv) Investment Income**

This is income earned from holding assets for investment purposes and includes dividends and interest.

#### **1 (d) Resources Expended and Irrecoverable VAT**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. All expenditure is recognised once there is a legal or constructive obligation committing the charity to the expenditure. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

#### **1 (d) (i) Expenditure on raising funds**

This includes all expenditure incurred by the Trust Funds on the management of its investment funds.

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **1 (d) (ii) Expenditure on charitable activities**

This includes all expenditure by the Trust Funds in undertaking activities that further its charitable aims for the benefit of its beneficiaries as shown in Note 7. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure.

#### **1 (d) (iii) Allocation of Support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include the Management Fee paid to the Southern HSC Trust for provision of clerical and administration support. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 6.

#### **1 (e) Fixed Asset Investments**

Investments are stated at market value as at the Balance Sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year. Details of movements in fixed asset investments during the year are shown in Note 9.

#### **1 (f) Realised Gains and Losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are those gains or losses arising from increases or decreases in the value of investments that have not been sold (hence unrealised) at the reporting period end. These are calculated as the difference between the carrying value at the year end and opening market value (or purchase date if later). Unrealised gains and losses are allocated across the appropriate funds (i.e. those funds for which investments are held) according to the closing value of funds at the year end.

#### **1 (g) Gifts in Kind**

Assets given for distribution by the charity are included in the Statement of Financial Activities only when distributed.

In all cases the amount at which the gifts are brought into the account is either a reasonable estimate of their value to the charity or the amount actually realised. The basis of the valuation is disclosed in the Trustees' annual report.

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

Assets given for use by the charity (e.g. property for its own occupation) are included in the Statement of Financial Activities as incoming resources within Corporate Donations when receivable.

Gifts made in kind but on trust for conversion into cash and subsequent application by the charity are included in the accounting period in which the gift is sold.

#### **1 (h) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **1 (i) Creditors**

Creditors are recognised where the Trust Funds have a present obligation resulting from a past event that will probably result in the transfer of monies to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

#### **1 (j) Financial Instruments**

The Trust Funds only have financial assets and liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### **1 (k) Going Concern**

There are no material uncertainties about the Trust Funds ability to continue as a going concern.

#### **1 (l) Key judgements and assumptions**

The Trust Funds make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The most significant areas of uncertainty that affects the carrying value of assets held by the Trust Funds are the level of investment return and the performance of investment markets.

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **2. Analysis of income from Donations and Legacies**

	<b>Restricted Funds £000</b>	<b>2017 Total Funds £000</b>	<b>2016 Total Funds £000</b>
Donations from individuals	154	154	135
Corporate donations	29	29	22
Legacies	13	13	98
Other	80	80	42
<b>Total</b>	<b>276</b>	<b>276</b>	<b>297</b>

Other income includes £18k received from the Department for Communities in respect of monies invested historically in NICIFC for the Newry District Nursing Society and the Mary Heron Moorehead Charity for the provision of District Nursing services within the Newry area; £62k from fundraising activities.

#### **3. Gross Investment Income**

	<b>2017 Restricted Funds £000</b>	<b>2016 Restricted Funds £000</b>
<b>Gross income earned from:</b>		
Fixed asset equity and similar investments	120	125
<b>Total</b>	<b>120</b>	<b>125</b>

#### **4. Income from charitable activities**

	<b>2017 Total Funds £000</b>	<b>2016 Total Funds £000</b>
Income from sale of goods or services	-	1
<b>Total</b>	<b>-</b>	<b>1</b>

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **5. Expenditure on raising funds**

	<b>Restricted Funds</b>	<b>2017 Total Funds</b>	<b>2016 Total Funds Restated</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Investment Management Fees	14	14	13
<b>Total</b>	<b>14</b>	<b>14</b>	<b>13</b>

#### **6. Analysis of Governance and Support Costs across Expenditure**

	<b>Staff Costs £000</b>	<b>Audit £000</b>	<b>2017 Total £000</b>	<b>2016 Total Restated £000</b>
Medical research	-	-	-	-
Purchase of new equipment	9	3	12	16
Staff education and welfare	4	2	6	4
Patient education and welfare	2	0	2	1
Other	-	-	-	-
	<b>15</b>	<b>5</b>	<b>20</b>	<b>21</b>

Staff costs represent a levy of approximately 4% of incoming resources for the financial administration of the funds.

Support costs and Governance costs are apportioned pro rata across charitable expenditure.

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **7. Analysis of Charitable Expenditure**

	<b>Charitable Activities</b>	<b>Support Costs</b>	<b>2017 Total</b>	<b>2016 Total Restated</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Medical research	(6)	-	(6)	-
Purchase of new equipment	161	12	173	315
Staff education and welfare	81	6	87	83
Patient education and welfare	25	2	27	25
Other	6	-	6	2
	<u>267</u>	<u>20</u>	<u>287</u>	<u>425</u>

#### **8. Auditor's Remuneration**

The Auditor's remuneration of £5,000 (2016: £5,000) related solely to the audit, with no other additional work undertaken.

## SOUTHERN HSC TRUST

### TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

#### 9. Analysis of Fixed Asset Investments

Fixed Asset Investments are measured initially at cost and subsequently at fair value (market value) at the balance sheet date.

##### 9.1 Movement in Fixed Asset Investment

	2017 £000	2016 £000
Market value at 1 April	2,671	2,845
Net Gain/(Loss) on revaluation	399	(174)
<b>Market value at 31 March</b>	<u>3,070</u>	<u>2,671</u>
<b>Historic cost at 31 March</b>	<u>1,923</u>	<u>1,923</u>

The gains/(losses) on revaluation are unrealised

##### 9.2 Market Value as at 31 March 2017

	Held in UK £000	2017 Total £000	2016 Total £000
Investments in a Common Deposit Fund or Investment Fund	3,070	3,070	2,671
<b>Total market value of fixed asset investments</b>	<u>3,070</u>	<u>3,070</u>	<u>2,671</u>

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **10. Analysis of Debtors**

	<b>2017 £000</b>	<b>2016 £000</b>
<b>Amounts falling due within one year</b>		
Other debtors	<u>87</u>	<u>68</u>

#### **11. Analysis of Creditors**

	<b>2017 £000</b>	<b>2016 £000</b>
<b>Amounts falling due within one year</b>		
Other creditors	<u>30</u>	<u>116</u>

#### **12. Analysis of Trust Funds**

Endowment Funds are funds donated to the SHSCT Trust Funds, the capital value of which may be invested and the interest earned thereon may be spent. The capital must be retained intact.

Restricted Funds are funds donated for a specific purpose and donations where the donor has indicated a wish for the donation to be used in a specific way.



## SOUTHERN HSC TRUST

### TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017

#### 12.1 Analysis of Trust Funds

	Fund at 1 April 2016 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains £000	Fund at 31 March 2017 £000
<b>Endowment funds</b>						
DHH legacy Mrs Hussey Deburgh 2	3	-	-	-	-	3
Banbridge Community Nursing Fund - CIP	23	-	-	-	3	26
Mary Adams Trust CIP	2	-	-	-	-	2
Armagh Community Hospital – Primate Robinson Charity	3	-	-	-	-	3
Other (individually less than 5%)	3	-	-	-	-	3
<b>Endowment funds total</b>	<b>34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>37</b>
<b>Restricted funds</b>						
Other (individually less than 5%)	801	-	(65)	(11)	-	725
Acute Directorate	1,457	249	(156)	4	234	1,788
Children & Young People Directorate	363	84	(5)	1	98	541
Older People & Primary Care Directorate	128	43	(45)	4	47	177
Mental Health & Disability Directorate	72	20	(25)	2	17	86
<b>Total Restricted Funds</b>	<b>2,821</b>	<b>396</b>	<b>(296)</b>	<b>-</b>	<b>396</b>	<b>3,317</b>
<b>Grand Total</b>	<b>2,855</b>	<b>396</b>	<b>(296)</b>	<b>-</b>	<b>399</b>	<b>3,354</b>

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **Endowment Funds:**

Endowment Funds are funds donated to the SHSCT Trust Funds, the capital value of which may be invested and the interest earned thereon may be spent. The capital must be retained intact.

#### **Restricted Funds:**

The Restricted Funds listed above represent donations received to support expenditure in the following areas:

- Patient / Client / Relative / Visitor Comfort and Amenity, including enhancement to the physical environment and facilities, entertainment, education and support and the provision of aids, appliances and other equipment to individuals or groups;
- Staff appreciation, to include the funding of general hospitality, social events and celebrations within the “Gifts & Hospitality & Standards of Business Conducts Policy”;
- Staff Education and Training and other forms of skill enhancement;
- Up to 5% of the Directorate Fund balance may be used for Academic Research and Development, in areas of interest associated with services directly provided by the Trust. Commercial research will be fully funded by the sponsor organisation.

#### **(i) Acute Directorate:**

This Directorate provides cancer and clinical services; surgery and elective care; medicines and unscheduled care; integrated maternity and women’s health; pharmacy and functional support services.

#### **(ii) Children and Young People Directorate:**

This Directorate provides paediatric services; disability services including respite; family support, health visiting and corporate parenting.

#### **(iii) Older People and Primary Care Directorate:**

This Directorate provides domiciliary care, residential and nursing care and dementia support; district nursing and allied health professionals supporting the elderly population.

#### **(iv) Mental Health and Disability Directorate:**

This Directorate provides a range of hospital and community services, including social services, community nursing, home treatment and crisis response.

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **12.2 Analysis of Charitable Funds**

	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>2017 Total</b>	<b>2016 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Tangible fixed assets	3,036	34	3,070	2,671
Cash at bank and in hand	224	3	227	232
Current Assets	87	-	87	68
Current Liabilities	(30)	-	(30)	(116)
	<b>3,317</b>	<b>37</b>	<b>3,354</b>	<b>2,855</b>

#### **13. Transfer between Funds**

There was £11,052 transferred from Other Restricted Funds to Directorate Restricted Funds during the year in respect of 59 funds where the balances had fallen below £400. This transfer is in accordance with Endowments and Gifts Committee agreed policy.

#### **14. Financial Guarantees, Indemnities and Letters of Comfort**

The SHSCT Trust Funds have not entered into any financial guarantees, indemnities or provided letters of comfort. (2016: £Nil)

#### **15. Investment Management Costs**

Expenditure of £14,299 (2016: £12,910) was incurred on portfolio management within NICIFC and is disclosed in Note 5.

#### **16. Related Party Transactions**

Board Members (and other senior staff) take decisions both on Charity and Exchequer matters but endeavour to keep the interests of each discrete and do not seek to benefit personally from such decisions. Declarations of personal interest have been made in both capacities and are available to be inspected by the public.

During the year none of the Trustees or members of the key management staff or parties related to them at the SHSCT has undertaken any transactions with the Trust Funds.

## **SOUTHERN HSC TRUST**

### **TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2017**

No trustee has received honoraria emoluments or expenses from the Trust Funds.

The Trust Funds have no key Management Personnel and no employees.

The Trust Funds make revenue and capital payments to the Southern Health and Social Care Trust where the Trustees are also members of the Trust Board. In 16/17 the Trust Funds paid £109,636 (15/16: £94,467) to the Southern HSC Trust and owed £16,192 (15/16: £84,561) to the Southern HSC Trust as at 31 March 2017. The Trust funds received £750 (15/16: £32,281) from the Southern HSC Trust during 16/17 and was owed £20,932.09 (15/16: £Nil) from the Southern HSC Trust.

#### **17. Financial Commitments**

The SHSCT Trust Funds have no contingencies or commitments. (2016: £Nil)

#### **18. Transition to FRS 102**

This is the first year that the Trust Funds have presented their results under FRS102. The date of transition was 1 April 2015. The Trustees have considered the requirements and made any necessary change in the year for the first time adoption of FRS102.

Disclosure restatements have been made in relation to the restatement of governance costs in the current year Statement of Financial Activity in line with changes in the Charities SORP.

ISBN Number

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