

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE

**TRUST FUND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016**

Laid before the Northern Ireland Assembly under Article 90(5) of the Health and
Personal Social Services (NI) Order 1972 by the Department of Health
on

19 September 2016

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE

**TRUST FUND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016**

STATEMENT OF ACCOUNTING OFFICER RESPONSIBILITIES

Under the Health and Personal Social Services (Northern Ireland) Order 1972 (as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003), the Department of Health (formerly the Department of Health, Social Services and Public Safety) has directed the Northern Ireland Blood Transfusion Service 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;

- follow the guidance within the HSC Manual of Accounts 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 the Charities SORP 2015 have been followed, and disclose and explain any material departures in the financial statements
- keep proper accounting records
- ensure an effective governance framework and establishing arrangements for the prevention and detection of fraud and corruption

The Permanent Secretary of the Department of Health as Principal Accounting Officer for Health and Personal Social Services Resources in Northern Ireland has designated Mr P Simpson of the Northern Ireland Blood Transfusion Service as the Accounting Officer for the Northern Ireland Blood Transfusion Service. 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 Northern Ireland Blood Transfusion Service's assets, are set out in the Accountable Officer Memorandum, issued by the Department of Health.

CERTIFICATES OF FINANCE MANAGER, CHAIRMAN AND CHIEF EXECUTIVE

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 10 to 17) which I am required to prepare on behalf of the Northern Ireland Blood Transfusion Service have been compiled from and are in accordance with the accounts and financial records maintained by the Northern Ireland Blood Transfusion Service and in accordance with the accounting policies for HSC Charitable Trust Funds as approved by the Department of Health.



Mr Glenn Bell
Finance Manager
05 July 2016

I certify that the annual accounts set out in the financial statements and notes to the accounts (page 10 to 17) as prepared in accordance with the above requirements have been submitted to and duly approved by the Board.



Mr James Lennon
Chairman
05 July 2016



Mr Paul Simpson
Interim Chief Executive
05 July 2016

GOVERNANCE STATEMENT

1. Introduction / Scope of Responsibility

The Board of the Northern Ireland Blood Transfusion Service (NIBTS) is accountable for internal control. As Accounting Officer and Interim Chief Executive of NIBTS, I have responsibility for maintaining a sound system of internal governance that supports the achievement of the organisation's 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).

NIBTS is accountable to the DoH for the performance of these functions and participates in two formal accountability review meetings per annum with the DOH.

The NIBTS works in partnership with the DoH by agreeing and progressing annual objectives and with the Health and Social Care Board (HSCB) through established service level agreements to deliver services to agreed specifications. NIBTS also works closely with other groups such as the Communities Partnership.

2. Compliance with Corporate Governance Best Practice

NIBTS applies the principles of good practice in Corporate Governance and continues to further strengthen its governance arrangements. NIBTS does this by undertaking continuous assessment of its compliance with Corporate Governance best practice by completing the Board Governance Self Assessment Tool as issued by DoH. The current assessment indicates that there are no significant departures from best practice identified in the tool. However, there are some opportunities for continuous improvement and an action plan to facilitate this has been developed.

3. Governance Framework

In accordance with the Northern Ireland Blood Transfusion Service (Special Agency) (Establishment and Constitution) Order (Northern Ireland) 1994, NIBTS has a Board of Directors whose members are appointed by the DoH.

The Board consists of a Non-Executive Chair, three Non Executive Directors and the Chief Executive. The NIBTS Medical Director also attends and participates in Board meetings. In 2015/16 the Board met on seven occasions.

During the full year the Chief Executive post has been filled, pending appointment via a recruitment process, by an Associate of the HSC Leadership Centre who has assumed the role of Interim Chief Executive. This role was undertaken by Mr M Barkley until 31 August 2015 and thereafter by Mr P Simpson. DoH has recently agreed that expressions of interest should be sought from the HSC for a further temporary appointment of up to 2 years, in the first instance, from existing HSC Senior Executives.

The NIBTS governance framework is described in the NIBTS' Board Assurance Framework document which has been developed in keeping with the guidance issued by the DoH. The framework is based on accountability and reporting for all activities undertaken by NIBTS thereby facilitating robust assurance to the Board. This assurance framework aims to harness the existing risk management activity to resolve uncertainties and deepen NIBTS' understanding of these aspects of governance.

The NIBTS Board oversees NIBTS activities to ensure that governance and management arrangements are effective. The Board must be assured that they will be able to identify and manage risks inherent in the provision of services by the organisation.

The Board determines the level of assurance required to manage the principal risks and take stock of the various forms of assurance available to them. The Assurance Framework provides a tool by which the Board can monitor the effectiveness of internal control.

The Board has three sub-committees. These are the Audit Committee; the Governance and Risk Committee; and the Remuneration Committee.

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.

In drawing up the business plan the Interim Chief Executive and Senior Management Team discuss key issues affecting the service and develop an initial draft.

The initial draft forms the basis of formal business planning consultation meetings which take place during the autumn with middle manager groups, who also discuss with staff at their individual team and section meetings. Feedback from the consultation process is documented and factored into a revised business plan, as appropriate.

DoH guidance in relation to business planning for arms length bodies is referred to and specific DoH objectives and requirements included. The business plan is reviewed against the corporate risk register so that all risks are addressed in the plan.

NIBTS has developed a Risk Management Strategy, which has identified the organisation's objectives and risks and sets out a control strategy for each of the significant risks.

Procedures have been put in place for verifying that aspects of risk management and internal control are regularly reviewed and reported and that risk management has been incorporated fully into the corporate planning and decision making process of the organisation.

This includes the development of corporate, operational and departmental risk registers which are used to identify and evaluate risk. The registers also detail factors used to control and mitigate risk.

Risk management is embedded in all key activities including the management of change, incidents and validation. These mechanisms provide for effective risk identification.

Risks are assessed in keeping with DoH guidance which has been refined to reflect the specialist activities undertaken by NIBTS.

This work was overseen by the Governance and Risk Management Committee, which was operating throughout the year and in addition risk management reports are made to the NIBTS Board. The Risk Management Strategy is also supported by policies and procedures and incorporates training and development plans appropriate to the level of responsibility.

Risk management is integral to the training for all staff, as relevant to their grade, both at induction and in service. To support staff through the risk management process, expert guidance and facilitation has been available along with access to policies and procedures, outlining responsibilities and the means by which risks are identified and controlled. Actions taken to reduce risk have been regularly monitored and reported with trends presented to the Governance and Risk Management Committee. Dissemination of good practice has been facilitated through preventative and corrective actions arising out the Incident Management Process.

The Risk Management Strategy clearly outlines the risk management arrangements in place within the organisation. They include the following:

- Risk management is an intrinsic part of NIBTS' business planning, decision making process and policy development. No change of direction, outcome or objective occurs without first considering the risks involved.
- Risks are assessed and monitored through an NIBTS corporate risk register which records all significant identified risks, along with action plans to reduce the risk to the lowest practicable level or to a level acceptable to the NIBTS Senior Management Team. The corporate risk register is reviewed on a quarterly basis by the Governance and Risk Management Committee and presented to the NIBTS Board.
- The Governance and Risk Management Committee and through supporting structures takes a holistic approach to risk that addresses all areas of NIBTS. The Committee reviews the development and performance of the organisation's risk management processes.

5. Information Risk

The management of information within NIBTS remains a high priority. Information Governance resource is in place to ensure that the information governance agenda is effectively progressed. NIBTS has in place a range of information governance and ICT security policies and procedures.

Information governance risks are reported through the risk management process as applicable. Action plans have been developed and progressed following previous audits, Data Protection reviews and Controls Assurance reviews. These action plans are approved by, and progress reported to, the Board.

During the year there were no incidents of data loss reported to the DoH, HSCB or the Information Commissioners Office (ICO).

6. Assurance

The Board is responsible for ensuring high standards of corporate governance with effective systems of internal control. Regular reports on risk management are presented to the Board for review. The level of compliance with Controls Assurance Standards is subject to self assessment and the self assessment of five of the standards is reviewed by internal audit. Reports are presented to the Board for review and approval of associated action plans.

The Board, through the Audit Committee, receives assurance on the effectiveness of internal financial control systems. The Audit Committee reviews internal and external reports including the Head of Internal Audit's Opinion on the Effectiveness of the System of Internal Control. Internal Audit is an independent function which operates in accordance with Government Internal Audit Standards.

The Board also reviews reports arising from external inspections and assessments, endorses the relevant action plans and monitors progress against the action plans.

During the year, the Governance and Risk Management Committee ensured that there were robust and regularly reviewed systems and structures in place to support the effective implementation and development of integrated governance and risk management across the organisation. This Committee reported all relevant matters to the NIBTS Board. During 2016/17 NIBTS expects to continue to enhance the effectiveness of the systems of internal control through review and update of NIBTS Assurance Framework.

7. Sources of Independent Assurance

Internal Audit

NIBTS 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 2015/16 Internal Audit reviewed the following systems which have direct relevance for the management of charitable funds:

Financial Review - Satisfactory Assurance

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

The financial statements are audited by NIAO and the report is included at page 8.

8. 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 system of internal governance is informed by the work of the internal auditors and the executive managers within NIBTS 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 Board, Audit Committee and Governance and Risk Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

9. Internal Governance Divergences

There were no significant internal governance divergences identified in the prior year and there are no new significant control issues identified in the current year in respect of Charitable Trust funds.

10. Conclusion

NIBTS 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.

Further to considering the accountability framework within NIBTS and in conjunction with assurances given to me by the Head of Internal audit, I am content that NIBTS has operated a sound system of internal governance during the period 2015/16.



Mr P Simpson
05 July 2016

Interim Chief Executive

NORTHERN IRELAND BLOOD TRANSFUSION SERVICE - CHARITABLE TRUST FUNDS

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

I certify that I have audited the financial statements of the Northern Ireland Blood Transfusion Service's Charitable Trust Funds for the year ended 31 March 2016 under the Health and Personal Social Services (Northern Ireland) Order 1972. These comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of the Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Ireland Blood Transfusion Service's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Trustee's Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the incoming and outgoing resources recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the incoming resources and application of outgoing resources recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Northern Ireland Blood Transfusion Service 's Charitable Trust Funds' affairs as at 31 March 2016 and of its incoming and outgoing resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, and Department of Health, Social Services & Public Safety (formerly Department of Health, Social Services and Public Safety) directions issued thereunder.

Opinion on other matters

In my opinion the information given in the Trustee's Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance and Personnel's (formerly Department of Health, Social Services and Public Safety) guidance.

Report

I have no observations to make on these financial statements.



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

1st August 2016

Northern Ireland Blood Transfusion Service - Trust Fund

Statement of Financial Activities for the year ended 31 March 2016

	Note	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2016 Total Funds £000	2015 Total Funds £000
Income and endowments from:						
Donations and legacies		-	-	-	-	-
Charitable activities		-	-	-	-	-
Other trading activities		-	-	-	-	-
Investments	2	-	5	-	5	6
Other		-	-	-	-	-
Total		-	5	-	5	6
Expenditure on:						
Raising Funds		-	-	-	-	-
Charitable Activities		-	-	-	-	-
Other	3	-	(2)	-	(2)	(1)
Total		-	(2)	-	(2)	(1)
Net income		-	3	-	3	5
Transfers between funds		-	-	-	-	-
Other recognised gains / (losses)						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
(Losses)/gains on investment assets	5	-	(10)	-	(10)	11
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
Net movement in funds		-	(7)	-	(7)	16
Add back of notional audit fee		-	1	-	1	1
Net movement in funds excluding notional audit fee		-	(6)	-	(6)	17
Reconciliation of funds						
Total funds brought forward		-	201	-	201	184
Total funds carried forward		-	195	-	195	201

The notes on pages 12 to 17 form part of this account

Northern Ireland Blood Transfusion Service - Trust Fund

Balance sheet as at 31 March 2016

	Notes	31 March 2016 £000	31 March 2015 £000
Fixed Assets			
Investments:	6		
Investments		195	201
Total Fixed Assets		<u>195</u>	<u>201</u>
Total Current Assets		<u>-</u>	<u>-</u>
Net Current Assets		<u>-</u>	<u>-</u>
Total Assets less Current Liabilities		<u>195</u>	<u>201</u>
Net Assets		<u><u>195</u></u>	<u><u>201</u></u>
Funds of the Charity			
Restricted income funds	7	195	201
Total Restricted and Endowment Funds		<u>195</u>	<u>201</u>
Total Charity Funds		<u><u>195</u></u>	<u><u>201</u></u>

The notes on pages 12 to 17 form part of this account.

Chief Executive:



Date: 5 July 2016

Chairman:



Date: 5 July 2016

Northern Ireland Blood Transfusion Service

Notes to the Accounts

1. Accounting policies

1(a) Basis of preparation

The financial statements have been prepared in accordance with 'Accounting and Reporting by Charities' The Statement of Recommended Practice issued in 2015, and with relevant guidance issued by the DoH.

1(b) 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;
- 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) Incoming resources from legacies

The Northern Ireland Blood Transfusion Service Charitable Trust Funds are not currently in receipt of any legacies.

1(d) Gifts in kind

The Northern Ireland Blood Transfusion Service Charitable Trust Funds are not currently in receipt of any gifts in kind.

1(e) Intangible income

The Northern Ireland Blood Transfusion Service Charitable Trust Funds are not currently in receipt of any intangible income.

1(f) 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 (g) Allocation of support costs and overheads

Support costs and overheads have been allocated between Governance Costs and Charitable Activities. Costs which are not wholly attributable to an expenditure category have been apportioned. The analysis of support costs and the bases of apportionment applied are shown in note 4. Where costs are shared by two or more charitable activities, support costs have been apportioned between categories.

1 (h) Costs of generating funds

The costs of generating funds are the cost of Investment management fees.

1 (i) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs comprise direct costs and an apportionment of overhead and support costs as shown in note 4.

1 (j) Governance costs

Governance costs comprise all costs incurred in the governance of the charity. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.

1 (k) Fixed assets

The Northern Ireland Blood Transfusion Service does not have any fixed assets.

1 (l) Donated assets

The Northern Ireland Blood Transfusion Service does not have any donated assets.

1 (m) Investment fixed assets

Investment Fixed Assets are shown at market value as at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Property assets are not depreciated but are shown at market valuation.

Quoted stocks and shares are included in the balance sheet at mid-market price ex-div.

Other investment fixed assets are included at trustees' best estimate of market value.

1 (n) 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 (purchased date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

1 (o) Funds structure

Where there is a legal restriction on the purposes to which a fund may be put, 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 endowment fund. Other funds are classified as unrestricted funds. Funds which are not legally restricted but which the Trustees have chosen to earmark for set purposes are classified as designated funds.

1 (p) Pensions

The Charitable Trust Fund has no employees.

Northern Ireland Blood Transfusion Service
Notes to the Accounts

Note 2 Investment income

	2016	2015
	Total funds	Total funds
	£000	£000
Gross income earned from:		
Fixed assets equity and similar investments	5	6
Total	<u>5</u>	<u>6</u>

Note 3 Other Expenditure

	2016	2015
	Total funds	Total funds
	£000	£000
External Audit	1	1
Other Resources Expended	1	-
Total	<u>2</u>	<u>1</u>

Note 4 Auditor's Remuneration

The auditors remuneration of £1,000 (2015 - £1,500) related solely to the audit with no other additional work undertaken.

Northern Ireland Blood Transfusion Service

Notes to the Accounts

5 Analysis of investment assets

5.1 Investments in Common Investment Fund

	2016	2015
	£000	£000
Market value at 1 April 2015	201	184
Net Cash Outflow	(1)	-
Share of Income	5	5
Share of realised loss	(2)	1
Share of unrealised loss	(8)	11
Market value at 31 March 2016	<u>195</u>	<u>201</u>

5.2 Movement in fixed asset investments

	2016	2015
	£000	£000
Market value at 1 April 2015	-	-
Less: disposals at carrying value	-	-
Add: acquisitions at cost	-	-
Net gain/loss on revaluation	-	-
Market value at 31 March 2016	<u>-</u>	<u>-</u>
Historic Cost at 31 March 2016	<u>-</u>	<u>-</u>

5.3 Market Value as at 31 March 2016

	Held in UK £000	Held outside UK £000	2016 Total £000	2015 Total £000
Investments in a Common Deposit Fund or Investment Fund	195	-	195	201
Total Market value of fixed asset investments	<u>195</u>	<u>-</u>	<u>195</u>	<u>201</u>

Northern Ireland Blood Transfusion Service

Notes to the Accounts

6 Analysis of charitable funds

	Balance at 01-Apr-15 £000	Incoming Resources £000	Resources Expended £000	Transfers £000	Gains (Losses) £000	Fund at 31-Mar-16 £000
Restricted funds						
BTS Fund	42	1	(1)	-	(2)	40
Bone Marrow Transplant Activity	157	4	-	-	(8)	153
Other	2	-	-	-	-	2
	<hr/>					
Total	201	5	(1)	-	(10)	195

7 Contingencies

There are no contingent losses or gains included in the accounts.

8 Commitments

The Trust Funds have no outstanding commitments as at 31 March 2016 (2015: £nil).

9 Financial Guarantees

The Trust Funds have not given any financial guarantees as at 31 March 2016 (2015: £nil).

10 Related party transactions

During the year none of the Trustees or members of the key management staff or parties related to them has undertaken any material transactions with the Northern Ireland Blood Transfusion Service.

Board Members (and other senior staff) take decisions both on the Charity and Exchequer matters but endeavour to keep the interests of each discreet 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.

The Charitable Trust has made no revenue and capital payments to the NI Blood Transfusion Service where the Trustees are also members of the Agency.

ISBN Number

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