

# **Department of Health, Social Services and Public Safety**

## **Agency Accounts**

**For the year ended 31 March 2005**

*Laid before the Houses of Parliament  
by the Department of Health, Social Services and Public Safety in accordance  
with Paragraph 12(2) and (4) of the Schedule to the Northern Ireland Act 2000 and Article  
2(10) of the Northern Ireland Act 2000 (Prescribed Documents) Order 2004*

*5<sup>th</sup> February 2007*

*Laid before the Northern Ireland Assembly  
by the Department of Health, Social Services and Public Safety  
under Article 90(5) of the Health and Personal Social Services (NI) Order 1972  
(as amended by the Audit and Accountability Order 2003)*

*5<sup>th</sup> February 2007*

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**NI BLOOD TRANSFUSION SERVICE**

**ANNUAL ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2005**

Presented to the Houses of Parliament  
By the Secretary of State for Northern Ireland  
By Command of Her Majesty

September 2005

## **FOREWORD**

These accounts for the year ended 31 March 2005 have been prepared in accordance with Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health, Social Services and Public Safety.

# **STATEMENT OF THE NORTHERN IRELAND BLOOD TRANSFUSION SERVICE**

## **(SPECIAL AGENCY) AND CHIEF EXECUTIVE'S 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 Northern Ireland Blood Transfusion Service is required to prepare financial statements for each financial year in the form and on the basis determined by the Department of Health, Social Services and Public Safety. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Northern Ireland Blood Transfusion Service, of its income and expenditure and cash flows for the financial year.

In preparing the financial statements the Agency is required to:

- observe the Accounts Direction issued by the Department of Health, Social Services and Public Safety including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Agency will continue in operation;
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agency; and
- pursue and demonstrate value for money in the services the Agency provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated the Chief Executive of Northern Ireland Blood Transfusion Service as the Accountable Officer for the Agency. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety. The Accountable Officer is also responsible for safeguarding the assets of the Agency and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

## **CERTIFICATE OF THE CHIEF EXECUTIVE**

I certify that the Annual Accounts and notes thereof as set out in pages 6 to 43 of the financial statements, 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 Agency and with the accounting standards and policies for Health and Personal Social Services approved by the Department of Health, Social Services and Public Safety.

**Chief Executive**  
**Date**

Dr W M McClelland  
1 September 2005



**CERTIFICATE OF THE CHAIRMAN AND CHIEF EXECUTIVE**

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 6 to 43) as prepared in accordance with the requirements stated in the above Certificate of the Chief Executive have been submitted to and duly approved by the Board.

**Chairman** Mr S Costello  
**Date** 1 September 2005

**Chief Executive** Dr W M McClelland  
**Date** 1 September 2005

## **STATEMENT OF DIRECTOR'S RESPONSIBILITY IN RESPECT OF INTERNAL CONTROL**

The Board of NI Blood Transfusion Service is accountable for internal control. As Accountable Officer and Chief Executive of the Board of NI Blood Transfusion Service, I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the organisation, and for reviewing the effectiveness of the system.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on ongoing process designed to identify and prioritise the risks to the achievement of the organisations policies, aims and objectives, and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Agency for the year ended 31 March 2005, and up to the date of approval of the accounts, and accords with Department of Finance and Personnel guidance.

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

- A schedule of matters reserved for Board decisions;
- A scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers
- Standing orders and standing financial instructions, the establishment of an audit committee

The system of internal financial control is based on a framework of regular financial information, administrative procedures including the segregation of duties and a system delegation and accountability. In particular it includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board
- Regular reviews by the Board of periodic annual financial reports which indicate financial performance against the forecast
- Setting targets to measure financial and other performances
- Clearly defined capital investment control guidelines
- As appropriate, formal budget management disciplines

The Agency 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 2004/05 Internal Audit reviewed the following systems:

- Local Accounts Payable System (LAPS)
- Bank and Cash
- Asset Management

In his annual report, the Internal Auditor reported the Agency system of internal financial control was adequate and effective. Recommendations to address audit findings have been or are being implemented.

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

The Agency's recruitment and selection policies are based on the principle of equality of opportunity and controls are in place to ensure that all such decisions are taken in accordance with relevant legislation.

With regard to estate management, the Agency is compliant with Fire Code Audit standards, and holds a current Fire Certificate. The programme of health and safety audits and risk assessments agreed by the Agency Board is on target and there are no significant outstanding actions. Training in Fire Procedures, manual handling and Display Screen Equipment are carried out on a regular basis with relevant staff.

Legislation (Medicines Act) requires that the Agency possess appropriate licensing in order to perform its core functions. The Agency holds the relevant licences and undergoes inspection by the Medicines and Healthcare Product Regulatory Agency on a bi-annual basis to ensure compliance with the relevant standards.

The Agency has developed a risk management strategy, which has identified the organisations 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 work was overseen by the Clinical Governance and Risk Management Committee, which was operating throughout the year.

During 2004/05 the Agency continued its progress towards compliance with Controls assurance Standards, in accordance with guidance issued by DHSSPS. An independent review of the level of compliance with four standards was undertaken by Internal Audit.

In the areas of Corporate Governance, Financial Management and Risk Management, Internal Audit assessed the level of compliance as being "substantive" and accordingly, the Agency meets the DHSSPS compliance requirements. With regard to the Fire Safety standard, Internal Audit assessed the level of compliance as "moderate." A number of recommendations were made by Internal Audit on each of the above standards and these will be acted upon.

In addition, self assessments against standards were undertaken in the areas of Human Resources; Information Technology & Communication; Health and Safety; Environmental Management; Buildings Land and Non Medical Equipment; Waste Management; Medicines Management; Medical Devices and Equipment Management.

In addition to these factors the actions outlined below are planned in the coming year:

- Continued participation in the Governance Network

- Independent review of compliance with Controls Assurance Standards
- Liaison with other UK Transfusion Services in common areas of risk management
- Extension of risk management training to a wider range of staff

As Accountable Officer, I have responsibility for the review of effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Agency 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 and Audit Committee, and a plan to address weaknesses and ensure continuous improvement to the system is in place.

**Chief Executive**  
**Date**

Dr W M McClelland  
1 September 2005

## **NORTHERN IRELAND BLOOD TRANSFUSION SERVICE (Special Agency)**

### **The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly**

I certify that I have audited the financial statements on pages 15 to 43 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 20 to 25.

### **Respective responsibilities of the Board Members, Chief Executive and Auditor**

As described on page 7, the Board Members and Chief Executive are responsible for the preparation of the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder and for ensuring the regularity of financial transactions. The Board Members and Chief Executive are also responsible for the preparation of the contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Agency has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 10 to 12 reflects the Agency's compliance with the Department of Health, Social Services and Public Safety's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Health, Social Services and Public Safety, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Chief Executive's statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

## **Basis of audit opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board members and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Northern Ireland Blood Transfusion Service (Special Agency) at 31 March 2005 and of the overall deficit, total recognised gains and losses and cash flows for the year ended and have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and directions made thereunder by the Department of Health, Social Service and Public Safety; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements

J M Dowdall CB  
Comptroller and Auditor General  
Date: 13 September 2005

Northern Ireland Audit Office  
106 University Street  
Belfast BT7 1EU

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**REVENUE INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 2005**

	Note	2005	2004
		£	£
<b>Income from Activities</b>	2	19,881,054	18,201,611
<b>Other Operating Income</b>	3	1,412	2,865
		19,882,466	18,204,476
<b>Operating Expenses</b>	4,5	(19,853,474)	(18,159,122)
<b>OPERATIONAL SURPLUS / (DEFICIT) BEFORE PROVISIONS</b>		28,992	45,354
Provisions for Future Obligations	7.1	18,999	(37,268)
<b>RETAINED SURPLUS FOR THE FINANCIAL YEAR</b>		<b>47,991</b>	<b>8,086</b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**CAPITAL INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 2005**

	Note	2005		2004	
		£	£	£	£
<b><u>Income</u></b>					
Capital Advances from DHSSPS			390,000		160,000
Proceeds from Sale of Fixed Assets			0		1,915
Other Capital Income			<u>0</u>		<u>0</u>
<b>Total Capital Income</b>			<b>390,000</b>		<b>161,915</b>
<b><u>Expenditure</u></b>					
<b>Payments to acquire intangible assets</b>					
Software licences			0		0
Other licences and trademarks			0		0
Patents			0		0
Development expenditure			<u>0</u>		<u>0</u>
			<u><b>0</b></u>		<u><b>0</b></u>
<b>Payments to acquire tangible assets</b>					
Land			0		0
Building Installations and Fittings			0		0
Computer equipment			50,829		63,703
Other equipment			<u>401,232</u>		<u>16,563</u>
			<u><b>452,061</b></u>		<u><b>80,266</b></u>
<b>Total Capital Expenditure</b>			<u>(452,061)</u>		<u>(80,266)</u>
<b>SURPLUS/ (DEFICIT) FOR THE FINANCIAL YEAR</b>			<u><b>(62,061)</b></u>		<u><b>81,649</b></u>



**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**BALANCE SHEET AS AT 31ST MARCH 2005**

	Note	2005		2004	
		£	£	£	£
<b><u>FIXED ASSETS</u></b>					
Intangible Assets	8		0		0
Tangible Assets	9		8,912,266		8,285,570
			<b>8,912,266</b>		<b>8,285,570</b>
<b><u>CURRENT ASSETS</u></b>					
Stock	10	1,645,218		1,543,127	
Debtors: Amounts Receivable within one year	11.1	801,994		735,266	
Debtors: Amount Receivable after one year	11.2	0		0	
Cash at bank and in hand		98,503		197,464	
		<b>2,545,715</b>		<b>2,475,857</b>	
<b><u>CURRENT LIABILITIES</u></b>					
Creditors : Amount falling due within one year	12.1	<b>(1,894,407)</b>		<b>(1,791,480)</b>	
<b>NET CURRENT ASSETS / (LIABILITIES)</b>			651,308		684,377
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>9,563,574</b>		<b>8,969,947</b>
Creditors : Amount falling due after one year	12.2		0		0
Provisions for Charges and Liabilities	13		(47,026)		(66,025)
<b>TOTAL ASSETS EMPLOYED</b>			<b>9,516,548</b>		<b>8,903,922</b>
<b><u>FINANCED BY :</u></b>					
<b>Capital Reserve:</b>					
Capital Account	14.1		3,843,991		3,845,224
Revaluation Reserve	14.1		5,059,992		4,430,479
Donation Reserve	14.1		8,282		9,866
<b>Income &amp; Expenditure Reserve:</b>					
Revenue	14.2		500,968		452,977
Capital	14.2		103,315		165,376
<b>TOTAL</b>			<b>9,516,548</b>		<b>8,903,922</b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2005**

	Note	2005		2004	
		£	£	£	£
<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>21.1</b>		(333,095)		(55,193)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest received		0		0	
Interest paid		0		0	
Interest element of finance lease rental payment		<u>0</u>		<u>0</u>	
<b>Net Cash Flow from Return on Investment and Servicing of Finance</b>			<b>0</b>		<b>0</b>
<b>CAPITAL EXPENDITURE</b>					
Payments to acquire intangible fixed assets		0		0	
Receipts from sale of intangible fixed assets		0		0	
Payments to acquire tangible fixed assets		(155,866)		(53,098)	
Receipts from sale of tangible fixed assets		<u>0</u>		<u>1,915</u>	
<b>Net Cash Outflow from Investing Activities</b>			<b>(155,866)</b>		<b>(51,183)</b>
<b>MANAGEMENT OF LIQUID RESOURCES</b>					
Purchase of Current Asset Investments		0		0	
Sale of Current Asset Investments		<u>0</u>		<u>0</u>	
<b>Net Cash Outflow from Management of Liquid Resources</b>			<b>0</b>		<b>0</b>
<b>Net Cash Outflow before Financing</b>			<b>(488,961)</b>		<b>(106,376)</b>
<b>FINANCING:</b>					
Capital Funding		390,000		160,000	
Capital element of finance lease rental payments		<u>0</u>		<u>0</u>	
<b>Net Cash Inflow from Financing</b>			<b><u>390,000</u></b>		<b><u>160,000</u></b>
<b>Increase / (Decrease) in Cash / Bank Balances</b>	<b>21.2</b>		<b><u>(98,961)</u></b>		<b><u>53,624</u></b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31ST MARCH 2005**

	2005		2004	
	£	£	£	£
Surplus for the financial year - Revenue	28,992		45,354	
Provision for future obligations	18,999		(37,268)	
		47,991		8,086
Fixed Asset Impairment Losses		(380,000)		0
<b>Non Donated Fixed Assets</b>				
Indexation of fixed assets	551,399		612,271	
Unrealised surplus on revaluation of fixed assets	473,340		3,603	
		1,024,739		615,874
<b>Donated Assets</b>				
Additions to fixed assets	0		0	
Changes to donation reserve	<u>(232)</u>		<u>102</u>	
		(232)		102
<b>Total recognised gains relating to the year</b>		692,498		624,062
Additions to Capital Asset Reserve		(62,061)		81,649
<b>TOTAL GAINS/(LOSSES) RECOGNISED IN FINANCIAL YEAR</b>		<b>630,437</b>		<b>705,711</b>

# **NORTHERN IRELAND BLOOD TRANSFUSION SERVICE (SPECIAL AGENCY)**

## **NOTES TO THE ACCOUNTS**

### **1. Statement of Accounting Policies**

#### **1.1 Authority**

These accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety in accordance with the requirements of Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

#### **1.2 Accounting Convention**

These accounts have been prepared under the historical cost convention as modified by the indexation and revaluation of tangible fixed assets.

#### **1.3 Basis of Preparation of Accounts**

The accounts have been prepared in accordance with the 2004/05 HPSS Agency Manual of Accounts issued by the Department of Health, Social Services and Public Safety.

The accounting policies contained in that Manual follow UK generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to HPSS Agencies. The accounting policies are selected in accordance with the principles set out in FRS 18 "Accounting Policies" as the most appropriate for giving a true and fair view. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The principal variations between UK GAAP and the accounting policies directed by the Department of Health, Social Services and Public Safety are:

Paragraph 20 of Financial Reporting Standard 3 "Reporting Financial Performance" requires certain items of expenditure to be separately disclosed in the income and expenditure account after operating surplus/(deficit). These expenditure items do not include the costs associated with provision for liabilities and charges which are normally included within the calculation of the operating surplus/(deficit). However, as the Department measures the operating performance of Agencies by reference to the operating surplus/(deficit) excluding the impact of certain provisions, the income and expenditure account is presented to disclose the operating surplus/(deficit) before provisions for future obligations.

Financial Reporting Standard 15 "Tangible Fixed Assets" requires impairment losses on revalued fixed assets to be recognised in the statement of total recognised gains and losses until the carrying value of the asset falls below depreciated historic cost, at which stage any further impairments are recognised in the income and expenditure account.

However, where an impairment arises due to consumption of economic benefits FRS 15 “Tangible Fixed Assets” requires the loss to be recognised in the income and expenditure account in its entirety.

In the context of their capital accounting HPSS Agencies take those impairment losses resulting from short term changes in price that are considered to be recoverable, in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

#### **1.4 Intangible Fixed Assets**

Intangible fixed assets are capitalised when they are capable of being used in an Agency’s activities for more than one year; they can be valued; and they have a cost of at least £5,000 (either individually or as a grouped asset).

Intangible fixed assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight line basis, except capitalised Research and Development which is revalued using an appropriate index figure. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred (either individually or as a grouped asset). They are amortised over the shorter of the term of the licence and their useful economic lives.

#### **1.5 Tangible Fixed Assets**

##### **i. Substance over form**

The Department of Health, Social Services and Public Safety retains legal title for all of the Agency’s fixed assets. The Agency manages such assets in accordance with guidance issued by the Department. The substance and financial reality of such transactions are accounted for and presented in the accounts rather than their legal form.

##### **ii. Capitalisation**

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000; OR
- they satisfy the criteria of a grouped assets i.e. collectively have a cost of at least £5,000, are functionally interdependent, broadly simultaneous purchase dates, and anticipated to have simultaneous disposal dates, under single managerial control and have an individual cost of £1,000 ;OR
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

### **iii. Valuation**

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

All land and buildings are restated to current value using professional valuations in accordance with FRS 15 every five years and in the intervening years by the use of indices. The buildings index is based on the All in Tender Price Index published by the Building Cost Information Service (BCIS).

The land index is based on the residential building land values reported in the Property Market Report published by the Valuation Office.

Professional valuations are carried out by the District Valuers of the Valuations and Land Agency. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health, Social Services and Public Safety. In accordance with the requirements of the Department, asset valuations were undertaken in 2004/05 as at the valuation date of 31 March 2005.

The valuations are carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Additional alternative Open Market Value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

All adjustments arising from indexation and five-yearly revaluations are taken to the Revaluation Reserve. All impairments resulting from price changes are charged to the Statement of Total Recognised Gains and Losses. Falls in value when newly constructed assets are brought into use are also charged there. These falls in value result from the adoption of ideal conditions as the basis for depreciated replacement cost valuations.

Assets in the course of construction are valued at current cost using the indexes as for land and buildings, as above. These assets include any existing land or buildings under the control of a contractor.

Residual interests in off-balance sheet Private Finance Initiative properties are included in tangible fixed assets as 'assets under construction and payments on account' where the PFI contract specifies the amount, or a nil value, at which the assets will be transferred to the Agency at the end of the contract. The residual interest is built up, on an actuarial basis, during the life of the contract by capitalising part of the unitary charge so that at the end of the contract the balance sheet value of the residual value plus the specified amount equal the expected fair value of the residual asset at the end of the contract. The estimated fair value of the asset on reversion is determined by the District Valuer based on Department of Health

guidance. The District Valuer should provide an estimate of the anticipated fair value of the assets on the same basis as the District Valuer values the NHS Trusts estate.

Operational equipment other than IT equipment, which is considered to have nil inflation, is valued at net current replacement cost through annual uplift by the change in the value of the GDP deflator. Equipment surplus to requirements is valued at net recoverable amount.

#### **iv. Depreciation, amortisation and impairments**

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land, and assets surplus to requirements.

Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Agency, respectively.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Impairment losses resulting from short-term changes in price that are considered to be recoverable in the longer term are taken in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

### **1.6 Donated Fixed Assets**

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the Donated Asset Reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the Donated Asset Reserve and, each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to the Income and Expenditure account. Similarly, any impairment on donated assets charged to the Income and Expenditure Account is matched by a transfer from the Donated Asset Reserve. On sale of donated assets, the value of the sale proceeds is transferred from the Donated Asset Reserve to the Income and Expenditure Reserve.

### **1.7 Research and Development**

Research and development expenditure is charged against income in the year in which it is incurred, except in so far as development expenditure relates to a clearly defined project and the benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits and is amortised through the income and expenditure account on a systematic basis over the period expected to benefit from the project.

## **1.8 Stocks**

Stocks are valued exclusive of VAT. In calculating the cost, the Agency has generally used the average cost or latest purchase price. Stocks of donated blood and blood processed by NIBTS are not valued and hence not included in the accounts.

## **1.9 Provisions**

The Agency provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are adjusted using the Treasury's discount rate of 3.5% in real terms.

Provisions for clinical negligence are recognised only where it is more probable than not that a settlement will be required.

## **1.10 Pensions**

The Agency participates in the HPSS Superannuation Scheme. Under this multi-employer defined benefit scheme both the Agency and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DHSSPS. The Agency is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information regarding the HPSS Superannuation Scheme can be found in the HPSS Superannuation Scheme Statement in the Departmental Resource Account for the Department of Health, Social Services and Public Safety.

The costs of early retirements are met by the Agency and charged to the Income and Expenditure Account at the time the Agency commits itself to the retirement.

## **1.11 Third Party Assets**

Assets belonging to third parties are not recognised in the accounts since the Agency has no beneficial interest in them.

## **1.12 Losses**

This note (Note 19) is a memorandum statement unlike most notes to the accounts, which provide further detail of figures in the primary accounting statements. Most of the contents will be included in operating expenses.

## **1.13 Capital Charges**

The Capital Charges scheme involves the Department charging the Agency for the use of fixed assets. This charge comprises depreciation and notional interest (interest currently at 3.5%).



The cost of capital charge is estimated at the start of the year. It is this charge, which is included in contract prices. Charges based on actual capital values of assets are calculated at the year-end. An adjustment is made in the relevant notes to the Accounts to bring the actual charge into line with the estimate. It is the effect of the estimated charges that is reflected in the expenditure of the Income and Expenditure Account.

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**NOTES TO THE ACCOUNTS**

**Note**

**2 Income from Activities**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Department of Health, Social Services and Public Safety	72,570	73,064
NI Health and Social Services Boards	9,459,410	8,258,706
NI Health and Social Services Trusts	10,315,540	9,849,775
Income from Other Public Bodies:		
British Bone Marrow Registry	14,365	13,218
NI Council for Postgraduate Medical & Dental Education	19,169	6,848
<b>Total</b>	<b><u>19,881,054</u></b>	<b><u>18,201,611</u></b>

**3 Other Operating Income**

Transfer from Donation Reserve in respect of Depreciation of Donated Assets	1,352	1,165
Other Income	60	1,700
<b>Total</b>	<b><u>1,412</u></b>	<b><u>2,865</u></b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**NOTES TO THE ACCOUNTS**

**4 Operating Expenses**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Salaries and Wages (excluding Board members remuneration)	4,376,086	3,923,444
Board members remuneration	155,326	138,890
Supplies & Services - Clinical	4,049,079	4,163,206
Commercial Blood Products	8,943,790	7,686,450
Supplies & Services - General	33,732	34,432
Postage	80,804	73,508
Telephones	35,045	34,464
Travel & Subsistence	167,187	166,543
Advertising	171,760	162,893
Establishment Expenses	98,167	93,034
Transport and Moveable Plant	216,090	207,653
Premises and Fixed Plant	491,086	473,868
Impairment of Fixed Assets	0	0
Depreciation	462,330	442,833
Interest	305,282	296,517
(Profit) / Loss on Sale of Fixed Assets	7,542	(1,915)
Training	32,193	20,089
Support Services - Recharges in from other HPSS Bodies	100,810	84,691
Consultancy	0	0
Liability Claims (including Clinical Negligence)	2,440	0
Miscellaneous	127,527	125,792
Sub total	<u><b>19,856,276</b></u>	<u><b>18,126,392</b></u>
Capital Charges - End of Year Adjustment	<u>(2,802)</u>	<u>32,730</u>
<b>Total</b>	<u><b>19,853,474</b></u>	<u><b>18,159,122</b></u>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**NOTES TO THE ACCOUNTS**

**Note**

**5 Information regarding Senior Executives and Employees**

**5.1 Staff Costs**

	<b>Directly Employed £</b>	<b>2005 Other £</b>	<b>Total £</b>	<b>2004 Total £</b>
Salaries and Wages	3,865,852	14,141	3,879,993	3,466,293
Social Security Costs	285,061	0	285,061	263,201
Other Pension Costs	211,032	0	211,032	193,950
Early Departure Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<b><u>4,361,945</u></b>	<b><u>14,141</u></b>	<b><u>4,376,086</u></b>	<b><u>3,923,444</u></b>

**5.2 Average Number of persons Employed**

	<b>2005 Directly Employed £</b>	<b>Other £</b>	<b>Total £</b>	<b>2004 Total £</b>
Medical	6.5	0.0	6.5	6.8
Nurses and Midwives	55.6	0.0	55.6	53.4
Professional and Technical	53.9	0.0	53.9	52.4
Administrative and Clerical	51.7	0.8	52.5	46.0
Ancillary staff	<u>12.9</u>	<u>0.4</u>	<u>13.3</u>	<u>13.0</u>
<b>Total</b>	<b><u>180.6</u></b>	<b><u>1.2</u></b>	<b><u>181.8</u></b>	<b><u>171.6</u></b>

Figures refer to wholetime equivalents (WTEs) rather than individuals.

# NORTHERN IRELAND BLOOD TRANSFUSION SERVICE (SPECIAL AGENCY)

## NOTES TO THE ACCOUNTS

### Note

#### 5.3 Senior Employees Remuneration

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

Name	Salary (Inc Performance Pay)	Benefits in Kind	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 and related lump sum	CETV at 31/3/04	CETV at 31/3/05	Real increase in CETV after adjustment for inflation
	£	£	£	£	£	£	£

#### Non Executive Members

Mr. S Costello	6,000 - 8,000	0					
Mr. B Titterington	0 - 2,000	0					
Dr. M Lyons	0 - 2,000	0					

#### Executive Members

Dr W M McClelland

Consent to disclosure withheld  
Medical Consultant paid in accordance with DHSSPS Circular

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangements to secure pension benefits in another pension scheme or arrangement when the member leaves the scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement, which the individual has transferred to the HPSS pension scheme. They also include any additional benefit accrued to the member as a result of their purchasing additional

years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

#### **5.4 Staff Benefits**

There were no staff benefits paid in 2004/05

#### **5.5 Retirements due to ill health**

There were no retirements due to ill health in 2004/05.

# NORTHERN IRELAND BLOOD TRANSFUSION SERVICE (SPECIAL AGENCY)

## NOTES TO THE ACCOUNTS

### Note

#### 6 Public Sector Payment Policy

##### 6.1 Measure of Compliance

The Department requires that HPSS bodies pay their non HPSS trade creditors in accordance with the CBI Prompt Payment Code and Government Accounting rules.

The Agency's payment policy is consistent with CBI Prompt Payment Code and Government Accounting rule and its measure of compliance is:

	2005		2004	
	£ 000's	Number	£ 000's	Number
Total bills paid	16,486	3,361	13,706	3,318
Total bills paid within 30 day target	15,768	3,129	13,010	3,060
Percentage of bills paid within target	<u>95.6</u>	<u>93.1</u>	<u>94.9</u>	<u>92.2</u>

##### 6.2 Late Payment of Commercial Debts (Interest) Act 1998

There are no amounts included within operating expenses (Note 4) arising from claims made by smaller businesses under this legislation.

#### 7 Provisions for Future Obligations

##### 7.1 Net movement in provisions

Movement in year:	2005 £	2004 £
Pensions relating to former Directors	0	0
Pensions relating to other staff	(249)	(482)
Other	<u>(18,750)</u>	<u>37,750</u>
<b>Sub total</b>	<b>(18,999)</b>	<b>37,268</b>
Reimbursements receivable	<u>0</u>	<u>0</u>
<b>Total increase/(decrease) in provisions</b>	<b><u>(18,999)</u></b>	<b><u>37,268</u></b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**NOTES TO THE ACCOUNTS**

**Note**

**8 Intangible Fixed Assets**

	Software licences £	Other licences & trademarks £	Patents £	Development Expenditure £	TOTAL £
<b>Cost or Valuation</b>					
At 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Additions - Purchased	0	0	0	0	0
Additions - Donated	0	0	0	0	0
Reclassification	0	0	0	0	0
Other Revaluation	0	0	0	0	0
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
<b>At 31 March 2005</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Amortisation</b>					
At 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Transfers	0	0	0	0	0
Revaluation	0	0	0	0	0
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
Reversal Of Impairment	0	0	0	0	0
Provided During the Year:	0	0	0	0	0
<b>At 31 March 2005</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Net Book Value</b>					
<b>At 31 March 2005</b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>
<b>At 31 March 2004</b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>	<b><u><u>0</u></u></b>



**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**NOTES TO THE ACCOUNTS**

**9.0 Tangible Fixed Assets**

**9.1 Tangible fixed assets comprise the following elements:**

<b>Purchased Assets</b>	<b>Land</b>	<b>Building</b>	<b>Computer</b>	<b>Other</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>Equipment</b>	<b>Equipment</b>	<b>£</b>
<b>Cost or Valuation</b>			<b>£</b>	<b>£</b>	
At 1 April 2004	2,025,000	6,279,824	907,112	2,103,118	11,315,054
Indexation	105,000	432,648	0	45,391	583,039
Additions	0	0	50,829	401,232	452,061
Transfers	0	0	0	0	0
Revaluation	0	0	0	0	0
Reclassification	0	0	0	0	0
Impairments	(380,000)	0	0	0	(380,000)
Disposals	0	0	0	(177,205)	(177,205)
National Revaluation	0	473,340	0	0	473,340
<b>At 31 March 2005</b>	<b><u>1,750,000</u></b>	<b><u>7,185,812</u></b>	<b><u>957,941</u></b>	<b><u>2,372,536</u></b>	<b><u>12,266,289</u></b>
<b>Depreciation</b>					
At 1 April 2004	0	817,634	757,004	1,465,991	3,040,629
Indexation	0	0	0	31,640	31,640
Transfers	0	0	0	0	0
Revaluation	0	0	0	0	0
Reclassification	0	0	0	0	0
Disposals	0	0	0	(169,663)	(169,663)
Impairments	0	0	0	0	0
Reversal Of Impairment	0	0	0	0	0
Provided During the Year:	0	0	0	0	0
Capital Charges	0	251,916	52,844	156,218	460,978
National Revaluation	0	0	0	0	0
<b>At 31 March 2005</b>	<b><u>0</u></b>	<b><u>1,069,550</u></b>	<b><u>809,848</u></b>	<b><u>1,484,186</u></b>	<b><u>3,363,584</u></b>
<b>Net Book Value</b>					
At 31 March 2005	<u>1,750,000</u>	<u>6,116,262</u>	<u>148,093</u>	<u>888,350</u>	<u>8,902,705</u>
<b>At 31 March 2004</b>	<b><u>2,025,000</u></b>	<b><u>5,462,190</u></b>	<b><u>150,108</u></b>	<b><u>637,127</u></b>	<b><u>8,274,425</u></b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**NOTES TO THE ACCOUNTS**

**Note**

**9.1 Donated Assets**

	<b>Land £</b>	<b>Building £</b>	<b>Computer Equipment £</b>	<b>Other Equipment £</b>	<b>TOTAL £</b>
<b>Cost / Valuation</b>					
At 1 April 2004	0	0	0	35,889	35,889
Indexation	0	0	0	775	775
Additions	0	0	0	0	0
Transfers	0	0	0	0	0
Revaluation	0	0	0	(463)	(463)
Disposals	0	0	0	0	0
<b>At 31 March 2005</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>36,201</b>	<b>36,201</b>
<b>Depreciation</b>					
At 1 April 2004	0	0	0	24,744	24,744
Indexation	0	0	0	544	544
Transfers	0	0	0	0	0
Revaluation	0	0	0	0	0
Disposals	0	0	0	0	0
Provided During the Year:					
Capital Charges	0	0	0	1,352	1,352
<b>At 31 March 2005</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,640</b>	<b>26,640</b>
<b>Net Book Value</b>					
<b>At 31 March 2005</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,561</b>	<b>9,561</b>
<b>At 31 March 2004</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,145</b>	<b>11,145</b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**NOTES TO THE ACCOUNTS**

**Note**

**9.2 Total Tangible Fixed Assets**

	<b>2005</b>			
	<b>Purchased</b>	<b>Donated</b>	<b>Total</b>	<b>2004</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net Book Value</b>				
Land	1,750,000	0	1,750,000	2,025,000
Buildings, installations and fittings	6,116,262	0	6,116,262	5,462,190
Computer Equipment	148,093	0	148,093	150,108
Other Equipment	888,350	9,561	897,911	648,272
	<u>888,350</u>	<u>9,561</u>	<u>897,911</u>	<u>648,272</u>
<b>Total</b>	<b><u>8,902,705</u></b>	<b><u>9,561</u></b>	<b><u>8,912,266</u></b>	<b><u>8,285,570</u></b>

**9.3 The net book value of land and buildings comprises:**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Freehold	7,866,262	7,487,190
Long leasehold	0	0
Short leasehold	0	0
	<u>0</u>	<u>0</u>
	<b><u>7,866,262</u></b>	<b><u>7,487,190</u></b>

**9.4 The net book value of assets held under finance leases and hire purchase contracts are as follows:**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Land	0	0
Buildings	0	0
Equipment	0	0
	<u>0</u>	<u>0</u>
	<b><u>0</u></b>	<b><u>0</u></b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**NOTES TO THE ACCOUNTS**

**Note**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>10 Stock</b>		
Stocks	1,645,218	1,543,127
<b>Total</b>	<u><u>1,645,218</u></u>	<u><u>1,543,127</u></u>

**11 Debtors**

**11.1 Debtors: Amount falling due within one year**

HPSS or NHS debtors	275,849	395,136
Clinical Negligence	0	0
Other :		
Recoverable VAT	523,117	337,764
Miscellaneous	1,072	959
Prepayments	1,956	1,407
<b>Sub Total</b>	<u><u>801,994</u></u>	<u><u>735,266</u></u>

**11.2 Debtors: Amount falling due after one year**

HPSS or NHS debtors	0	0
Clinical Negligence	0	0
Other	0	0
Sub Total	<u>0</u>	<u>0</u>
<b>Total Debtors</b>	<u><u>801,994</u></u>	<u><u>735,266</u></u>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**12 Creditors**

**12.1 Creditors : Amount falling due within one year**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
HPSS / NHS Creditors and Accruals	794,110	554,277
Income Tax and National Insurance	98,562	89,327
Other Creditors: Traders	851,638	887,688
Superannuation	35,044	32,602
Accruals	115,053	227,586
Clinical Negligence	0	0
<b>Sub Total</b>	<b><u>1,894,407</u></b>	<b><u>1,791,480</u></b>

**12.2 Creditors: Amount falling due after more than one year**

HPSS / NHS Creditors and Accruals	0	0
Income Tax and National Insurance	0	0
Other	0	0
Sub Total	<u>0</u>	<u>0</u>
<b>Total Creditors</b>	<b><u><u>1,894,407</u></u></b>	<b><u><u>1,791,480</u></u></b>

# NORTHERN IRELAND BLOOD TRANSFUSION SERVICE (SPECIAL AGENCY)

## NOTES TO THE ACCOUNTS

### 13. Provision for Charges and Liabilities

	Pensions relating to former Directors £	Pensions relating to other Staff £	Other £	2005 Total £	2004 Total £
At 1 April	0	25,775	40,250	66,025	28,757
Arising during the year		669	0	669	39,605
Utilised during the year		(2,449)	(2,440)	(4,889)	(2,383)
Reversed Unused		0	(16,310)	(16,310)	(1,500)
Unwinding of Discount		1,531	0	1,531	1,546
<b>At 31 March</b>	<b>0</b>	<b>25,526</b>	<b>21,500</b>	<b>47,026</b>	<b>66,025</b>

#### Expected Timing of Cash Flows

Within 1 year	21,500	40,250
1 - 5 years	0	0
Over 5 years	25,526	25,775

The provision for pensions has been calculated in accordance with DHSSPS circulars and Superannuation annuity tables which cover the ages 50 - 85.

The "Other" category includes claims in respect of Public & Employers Liability and Clinical Negligence. The amounts shown have been calculated and profiled in accordance with DHSSPS guidelines.

There are no expected reimbursements from the Clinical Negligence Central Fund.

The provision does not include any amount for incidents against which claims have not as yet been received.

In addition to the provisions identified above, contingent liabilities for the Agency are given in Note 17.

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**NOTES TO THE ACCOUNTS**

**Note**

**14 Reserves**

**14.1 Movement on Capital Reserves**

	<b>Capital Account £</b>	<b>Donation Reserve £</b>	<b>Revaluation Reserve £</b>
At 1 April 2004	3,845,224	9,866	4,430,479
Additions	452,061	0	0
Transfers	0	0	0
Disposals and Write Off	7,684	0	(15,226)
Depreciation - capital charges	(460,978)	(1,352)	0
Depreciation - other	0	0	0
Revaluation and indexation of fixed assets	0	(232)	1,024,739
Transfer of realised profits / (losses)	0	0	0
Movement in donation reserves	0	0	0
Fixed Assets impairments	0	0	(380,000)
Other	0	0	0
	<u>3,843,991</u>	<u>8,282</u>	<u>5,059,992</u>
<b>At 31 March 2005</b>	<b><u>3,843,991</u></b>	<b><u>8,282</u></b>	<b><u>5,059,992</u></b>

**14.2 Movement on Income and Expenditure Reserves:**

	<b>Revenue £</b>	<b>Capital £</b>
At 1 April 2004	452,977	165,376
Surplus / (Deficit) for the Financial Year	47,991	(62,061)
Transfer of realised profits / losses	0	0
Other reserve movements	0	0
	<u>500,968</u>	<u>103,315</u>
<b>At 31 March 2005</b>	<b><u>500,968</u></b>	<b><u>103,315</u></b>

## NORTHERN IRELAND BLOOD TRANSFUSION SERVICE (SPECIAL AGENCY)

### 15 Capital Commitments

Capital Commitments at the balance sheet date are:

	2005 £	2004 £
Contracted	9,925	76,025
Authorised by Board but not contracted	<u>0</u>	<u>0</u>
<b>Total</b>	<u><u>9,925</u></u>	<u><u>76,025</u></u>



# NORTHERN IRELAND BLOOD TRANSFUSION SERVICE (SPECIAL AGENCY)

## NOTES TO THE ACCOUNTS

### Note

#### 16 Post Balance Sheet Events

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

#### 17 Contingent Liabilities

There are no contingent liabilities.

#### 18. Related Party Transaction

NI Blood Transfusion Service is a Special Agency sponsored by the Department of Health, Social Services and Public Safety. During the year NIBTS has had various material transactions with that Department and with other entities for which the Department of Health, Social Services and Public Safety is regarded as the parent Department. These are:

Eastern Health and Social Services Board, Northern Health and Social Services Board  
Southern Health and Social Services Board, Western Health and Social Services Board  
Belfast City Hospital HSS Trust, Royal Group of Hospitals HSS Trust, Greenpark HSS Trust  
Mater Hospital HSS Trust, Ulster Hospital & Community HSS Trust, Causeway HSS Trust  
United Hospitals HSS Trust, Newry and Mourne HSS Trust, Craigavon HSS Trust  
Sperrin Lakeland HSS Trust, Altnagelvin HSS Trust

During the year, none of the board members, members of the key management staff or other related parties has undertaken any material transactions with the Agency.

#### 19 Analysis of Losses and Special Payments

Losses reported in the year ended 31 March 2005 were as follows:

Type of Loss	Number	£
Cash Losses		0
Nugatory and Fruitless Payments		0
Bad debts and claims abandoned		0
Stores and Inventory Losses	1	3,120
Compensation Payments	1	2,440
Ex gratia payments	1	2,438
<b>Total</b>	<b>3</b>	<b>7,998</b>

**NORTHERN IRELAND BLOOD TRANSFUSION SERVICE  
(SPECIAL AGENCY)**

**NOTES TO THE ACCOUNTS**

**Note**

**20 Intra Government Balances**

	Debtors Amounts falling due within one year  £	Amounts falling due after more than one year  £	Creditors Amounts falling due within one year  £	Amounts falling due after more than one year  £
Other central government bodies	0	0	98,562	0
Local Authorities	0	0	0	0
HPSS bodies	781,136	0	424,301	0
Public corporations and trading funds	17,830	0	404,853	0
<b>Total</b>	<b>798,966</b>	<b>0</b>	<b>927,716</b>	<b>0</b>

**21 Notes to the Cash Flow Statement**

**21.1 Reconciliation of operating surplus to net cash inflow from operating activities:**

	2005 £	2004 £
Operating Surplus after provisions	47,991	8,086
Decrease / (Increase) in Stocks	(102,091)	191,817
(Increase) / Decrease in Debtors	(66,728)	(511,864)
(Decrease) / Increase in Creditors	(193,268)	219,500
(Decrease) / Increase in Provisions	(18,999)	37,268
<b>Net Cash Outflow from Operating Activities</b>	<b>(333,095)</b>	<b>(55,193)</b>

**21.2 Reconciliation of net cash flow to movement in net cash**

Increase / (decrease) in cash in the period	(98,961)	53,624
Net cash at 1 April 2004	197,464	143,840
<b>Net cash at 31 March 2005</b>	<b>98,503</b>	<b>197,464</b>

# NORTHERN IRELAND BLOOD TRANSFUSION SERVICE (SPECIAL AGENCY)

## NOTES TO THE ACCOUNTS

### Note

#### 21.3 Analysis of changes in net funds / debt

	At 1 April 2004 £	Cash Flows £	Non Cash changes £	At 31 March 2005 £
Cash at bank and in hand	197,464	(98,961)	0	98,503
Bank Overdrafts	0	0	0	0
Finance Leases	0	0	0	0
Current Asset Investments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b><u>197,464</u></b>	<b><u>(98,961)</u></b>	<b><u>0</u></b>	<b><u>98,503</u></b>

## 22 Financial Instruments

FRS13 Derivatives and Other Financial Instruments requires disclosure of the role that financial Instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the relationship within HPSS, and the manner in which they are funded, the Agency is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS13 mainly applies. The Agency has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Agency in undertaking its activities.

**THE  
NORTHERN IRELAND  
GUARDIAN AD LITEM  
(SPECIAL AGENCY)**

**ANNUAL ACCOUNTS  
Year ended  
31 MARCH 2005**

## **Foreword**

These accounts for the year ended 31 March 2005 have been prepared in accordance with Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health, Social Services and Public Safety.

## **STATEMENT OF THE NORTHERN IRELAND GUARDIAN AD LITEM AGENCY'S AND EXECUTIVE DIRECTOR'S 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 Northern Ireland Guardian Ad Litem Special Agency (the Agency) is required to prepare financial statements for each financial year in the form and on the basis determined by the Department of Health, Social Services and Public Safety. The financial statements are prepared on the accruals basis and must give a true and fair view of the affairs of the Agency, of its income and expenditure and cash flows for the financial year.

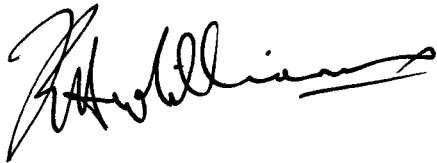
In preparing the financial statements, the Agency is required to:

- observe the Accounts Direction issued by the Department of Health, Social Services and Public Safety, including relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Agency will continue in operation;
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agency;
- pursue and demonstrate value for money in the services the Agency provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, Social Services and Public Safety, as Accounting Officer for health and personal social services resources in Northern Ireland, has designated R H Williamson, the Executive Director of the Agency, as the Accountable Officer for the Agency. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Department of Health Social Services & Public Safety. The Accountable Officer is also responsible for safeguarding the assets of the Agency and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

## CERTIFICATE OF THE EXECUTIVE DIRECTOR

I certify that the Annual Accounts and the notes thereof as set out on pages 55 to 72 of the financial statements, which I am required to prepare on behalf of the Northern Ireland Guardian Ad Litem Special Agency, have been compiled from and are in accordance with the accounts and financial records maintained by the Agency and with the accounting standards and policies for the Health and Personal Social Services approved by the Department of Health, Social Services and Public Safety.



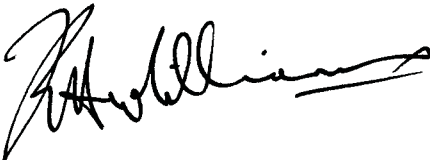
Executive Director

7<sup>th</sup> September 2005

Date

**CERTIFICATE OF THE EXECUTIVE DIRECTOR AND CHAIRMAN**

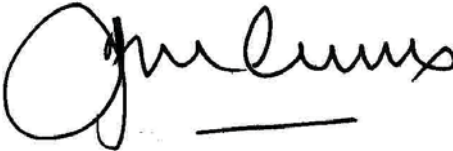
I certify that the annual accounts set out in the financial statements and the notes to the accounts (pages 55 to 72) as prepared in accordance with the requirements stated in the above Certificate of the Executive Director, have been submitted to and duly approved by the Board.



Executive Director

7<sup>th</sup> September 2005

Date



Chairman

7<sup>th</sup> September 2005

Date



## **STATEMENT ON INTERNAL CONTROL**

### **Scope of Responsibility**

The board of the Guardian ad Litem Agency [NIGALA] is accountable for internal control. As Accountable Officer and Executive Director of the Board of NIGALA I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the organisation and for reviewing the effectiveness of the system.

### **Purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of organisational policies, aims and objectives, and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in NIGALA for the year ended 31 March 2005, and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

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

- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which delegates decision making authority within set parameters to the Executive Director and other officers;
- standing orders and standing financial instructions, the establishment of an audit committee.

The system of internal financial control is based on a framework of regular financial information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes: -

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the board;
- regular reviews by the board of periodic annual financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performances;
- clearly defined capital investment control guidelines;
- as appropriate, formal budget management disciplines.

The NIGALA 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 2004-05 Internal Audit reviewed the following: -

- Progress of the Central Services Agency in relation to issues highlighted by KPMG
- Financial Management Systems Review
- Risk Management Core Standard
- Financial Management Standard
- Corporate Governance Standard
- Fire Safety Standard

In his annual report, the Internal Auditor reported that the NIGALA system of internal control was adequate and effective. However, weaknesses in control were identified under Priority 2: weaknesses which were not fundamental to the system of control and Priority 3: weakness which were unlikely to undermine the system of internal control. Some of the areas noted included agreement of balances with CSA, recording of receipt of goods dates and agreement of invoice authorisation with CSA. Recommendations to address these control weaknesses have been or are being implemented.

In relation to NIGALA's finance service level agreement, the external auditor reported a number of significant areas that need to be addressed. Some of the areas noted included inter-indebtedness, capital accounting manual, prompt payment policy and competitive tendering, which have now been resolved. Other areas such as CSA Finance processing on behalf of NIGALA, General Ledger transactions and maintenance of the NIGALA bank account are unresolved. These control weaknesses will be addressed by the NIGALA management team during the next 12 months.

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

For example: A whistleblowing policy is in place that is based on the principle of openness and fairness. A personal protection policy is in place based on the zero tolerance approach on violence against health service staff. This policy outlines the steps to take if an incident occurs and outlines steps, which should be taken when staff are interviewing clients in line with their duties.

### **Capacity to handle risk**

The NI Guardian ad Litem Agency has been implementing a programme of work on risk management over the last two years. A policy, strategy and action plan for risk management was approved by Audit Committee in November 2002 and the terms of reference of the audit committee was updated in January 2003 with the new risk management remit.

All staff have attended risk awareness training and their responsibilities under this agenda have been highlighted.

A formal risk management committee meets at least quarterly to review the risk registers in place and to assign and prioritise actions to reduce identified risks that could have an effect on the delivery of our service.

NIGALA has completed the work on compliance with the core risk management standard:

- Producing guidance on acceptable levels of risk
- Refinement of guidance of Audit Committee role in relation to each of the risk areas
- Training on risk management for all staff
- The implementation of work to comply with shortcomings in areas relating to complaints, claims, incidents and hazards
- Exercise to review controls in relation to each risk area

**The risk and control framework**

NIGALA 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 processes of the organisation.

NIGALA has completed the work on compliance with the core risk management standard, the financial standard and corporate governance standards and the Human Resources standards. During 2004/05 NIGALA has completed work on 6 of the 8 new standards released by the DHSS PS which apply.

In addition to these factors the actions outlined below are planned in the coming year. It is proposed that the overall objectives for risk management work within the Agency for 2005-2006 will be three fold:

1. To further develop the Agency's risk register
2. To review and implement necessary actions highlighted from Controls Assurance verification work by the Internal Auditor
3. To takes steps to comply with further controls assurance standards released

Internal audit have completed independent verification of the following controls assurance standards during 2004/05

<b>Control Standard</b>	<b>Compliance</b>
Risk Management	Substantive
Financial Management	Substantive
Corporate Governance	Substantive
Fire Safety	Substantive

NIGALA has also carried out baseline assessments on the following new controls assurance standards released by the DHSS&PS during 2004/05.

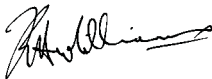
<b>Control Standard</b>	<b>Baseline Assessment by NIGALA</b>
Buildings	Substantive
Fire Safety	Substantive
Health & Safety	Substantive
Information Technology	Substantive
Waste Management	Substantive
Environmental Management	Substantive

**Review of Effectiveness**

As Accountable Officer, I have responsibility for the review of effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior managers within NIGALA 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 and Audit Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

By order of the Board.

7<sup>th</sup> September 2005    Date



Executive Director

## **Northern Ireland Guardian Ad Litem (Special Agency)**

### **The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly**

I certify that I have audited the financial statements on pages 55 to 72 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 60 to 63.

#### **Respective responsibilities of the Board Members, Chief Executive and Auditor**

As described on page 46, the Board Members and Chief Executive are responsible for the preparation of the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder and for ensuring the regularity of financial transactions. The Board Members and Chief Executive are also responsible for the preparation of the contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession. I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Agency has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 49 to 52 reflects the Agency's compliance with the Department of Health, Social Services and Public Safety's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Health, Social Services and Public Safety, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Chief Executive's statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

#### **Basis of audit opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial

statements. It also includes an assessment of the significant estimates and judgements made by the Board members and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Northern Ireland Guardian Ad Litem (Special Agency) at 31 March 2005 and of the overall surplus, total recognised gains and losses and cash flows for the year ended and have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and directions made thereunder by the Department of Health, Social Service and Public Safety; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements



J M Dowdall CB  
Comptroller and Auditor General  
Date 13<sup>th</sup> September 2005

Northern Ireland Audit Office  
106 University Street  
Belfast BT 7 1EU

## Northern Ireland Guardian Ad Litem (Special Agency)

### REVENUE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
<b>Income from Activities</b>	2	2,320,040	2,145,140
<b>Income from Other Sources</b>	3	<u>48,231</u>	<u>46,785</u>
		2,368,271	2,191,925
<b>Operating Expenses</b>	4	<u>2,366,272</u>	<u>2,212,744</u>
<b>OPERATIONAL SURPLUS/(DEFICIT) BEFORE PROVISIONS</b>		1,999	(20,819)
Provisions for future obligations		-	-
<b>RETAINED SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>		<u><u>1,999</u></u>	<u><u>(20,819)</u></u>

All income and expenditure is derived from continuing activities.

The notes on pages 60 to 72 form part of these accounts.

## Northern Ireland Guardian Ad Litem (Special Agency)

### CAPITAL INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
<b>Income</b>			
Capital advances from DHSS&PS		10,000	-
Transfer from Revenue Allocation		<u>12,960</u>	<u>24,860</u>
<b>Total Capital Income</b>		<u><b>22,960</b></u>	<u><b>24,860</b></u>
<b>Expenditure</b>			
<b>Payments to acquire tangible assets</b>			
Buildings, installations & fittings	7	6,804	-
Computer Equipment	7	<u>16,156</u>	<u>24,860</u>
<b>Total Capital Expenditure</b>		<u><b>22,960</b></u>	<u><b>24,860</b></u>
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>			
		<u><u>-</u></u>	<u><u>-</u></u>

The notes on pages 60 to 72 form part of these accounts

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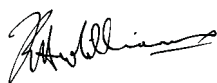
## Northern Ireland Guardian Ad Litem (Special Agency)

### BALANCE SHEET AS AT 31 MARCH 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible assets	7	307,403	308,660
<b>CURRENT ASSETS</b>			
Stocks	8	500	500
Debtors: amounts receivable within one year	9	45,758	238,478
Cash in hand and at Bank		325,519	740,807
		<u>371,777</u>	<u>979,785</u>
<b>CURRENT LIABILITIES</b>			
<b>Creditors:</b> amounts falling due within one year	10	(196,717)	(806,724)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>175,060</u>	<u>173,061</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		482,463	481,721
<b>Creditors:</b> amounts falling due after more than one year	11	-	-
Provisions for Liabilities and Charges	12	-	-
<b>TOTAL ASSETS EMPLOYED</b>		<u><u>482,463</u></u>	<u><u>481,721</u></u>
<b>FINANCED BY:</b>			
<b>Capital Reserves</b>			
Capital Account	13.1	307,403	308,660
<b>Income &amp; Expenditure Reserves</b>			
Revenue	13.2	164,642	162,643
Capital	13.2	10,418	10,418
		<u><u>482,463</u></u>	<u><u>481,721</u></u>

The notes on pages 60 to 72 form part of these accounts

Executive Director



Date 7<sup>th</sup> September 2005

## Northern Ireland Guardian Ad Litem (Special Agency)

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

	2005 £	2004 £
Surplus/(Deficit) for the financial year - revenue	1,999	(20,819)
<b>Non Donated Fixed Assets</b>		
Indexation of fixed assets	<u>19,352</u>	<u>21,840</u>
<b>TOTAL GAINS/(LOSSES) RECOGNISED IN THE FINANCIAL YEAR</b>	<b><u>21,351</u></b>	<b><u>1,021</u></b>

## Northern Ireland Guardian Ad Litem (Special Agency)

### CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

		2005 £	2004 £
<b>Net Cash Outflow from operating activities</b>	20.1	(415,288)	-
<b>Capital Expenditure</b>			
Payments to acquire tangible fixed assets		(22,960)	(24,860)
		<hr/>	<hr/>
<b>Net Cash Inflow/(Outflow) from Capital Expenditure</b>		(22,960)	(24,860)
		<hr/>	<hr/>
<b>Net Cash Inflow/(Outflow) before Financing</b>		(438,248)	(24,860)
<b>Financing</b>			
Capital Funding		22,960	24,860
		<hr/>	<hr/>
<b>Net Cash Inflow from Financing</b>		22,960	24,860
		<hr/>	<hr/>
<b>(Decrease) In Cash And Bank Balances</b>	20.2	(415,288)	-
		<hr/>	<hr/>

The notes on page 60 to 72 form part of this statement

# Northern Ireland Guardian Ad Litem (Special Agency)

## NOTES TO THE ACCOUNTS

### 1. STATEMENT OF ACCOUNTING POLICIES

#### 1a Authority

These accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety in accordance with the requirements of Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

#### 1b Accounting Convention

These accounts have been prepared under the historical cost convention as modified by the indexation and revaluation of tangible fixed assets.

#### 1c Basis of Preparation of Accounts

The accounts have been prepared in accordance with the 2004/05 HPSS Agency Manual of Accounts issued by the Department of Health, Social Services and Public Safety.

The accounting policies contained in that Manual follow UK generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to HPSS Agencies. The accounting policies are selected in accordance with the principles set out in FRS 18 "Accounting Policies" as the most appropriate for giving a true and fair view. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The principal variations between UK GAAP and the accounting policies directed by the Department of Health, Social Services and Public Safety are:

Paragraph 20 of Financial Reporting Standard 3 "Reporting Financial Performance" requires certain items of expenditure to be separately disclosed in the income and expenditure account after operating surplus/(deficit). These expenditure items do not include the costs associated with provision for liabilities and charges which are normally included within the calculation of the operating surplus/(deficit). However, as the Department measures the operating performance of Agencies by reference to the operating surplus/(deficit) excluding the impact of certain provisions, the income and expenditure account is presented to disclose the operating surplus/(deficit) before provisions for future obligations.

Financial Reporting Standard 15 "Tangible Fixed Assets" requires impairment losses on revalued fixed assets to be recognised in the statement of total recognised gains and losses until the carrying value of the asset falls below depreciated historic cost, at which stage any further impairments are recognised in the income and expenditure account. However, where an impairment arises due to consumption of economic benefits FRS 15 "Tangible Fixed

Assets” requires the loss to be recognised in the income and expenditure account in its entirety. In the context of their capital accounting HPSS Agencies take those impairment losses resulting from short term changes in price that are considered to be recoverable, in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

## **1d Fixed Assets**

### **1d(i) Intangible fixed assets**

Intangible fixed assets are capitalised when they are capable of being used in an Agency’s activities for more than one year, they can be valued, and they have a cost of at least £5,000 (either individually or as a grouped asset).

Intangible fixed assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight line basis, except capitalised Research and Development which is revalued using an appropriate index figure. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred (either individually or as a grouped asset). They are amortised over the shorter of the term of the licence and their useful economic lives.

### **1d(ii) Tangible Fixed Assets**

#### **Substance over form**

The Department of Health, Social Services and Public Safety retains legal title for all of the Agency’s fixed assets. The Agency manages such assets in accordance with guidance issued by the Department. The substance and financial reality of such transactions are accounted for and presented in the accounts rather than their legal form.

### **1d(iii) Capitalisation**

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000; OR
- they satisfy the criteria of a grouped assets ie collectively have a cost of at least £5,000, are functionally interdependent, broadly simultaneous purchase dates, and anticipated to have simultaneous disposal dates, under single managerial control and have an individual cost of £1,000 ;OR
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

#### **1d(iv) Valuation**

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

All land and buildings are restated to current value using professional valuations in accordance with FRS 15 every five years and in the intervening years by the use of indices. The buildings index is based on the All in Tender Price Index published by the Building Cost Information Service (BCIS).

The land index is based on the residential building land values reported in the Property Market Report published by the Valuation Office.

Professional valuations are carried out by the District Valuers of the Valuations and Land Agency. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health, Social Services and Public Safety. In accordance with the requirements of the Department, asset valuations were undertaken in 2004/05 as at the valuation date of 31 March 2005.

The valuations are carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Operational equipment other than IT equipment, which is considered to have nil inflation, is valued at net current replacement cost through annual uplift by the change in the value of the GDP deflator. Equipment surplus to requirements is valued at net recoverable amount.

#### **1d(v) Depreciation, amortisation and impairments**

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land, and assets surplus to requirements.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Impairment losses resulting from short-term changes in price that are considered to be recoverable in the longer term are taken in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

## **1e Stocks**

Stocks are valued exclusive of VAT. In calculating the cost, the Agency has generally used the average cost or latest purchase price.

## **1f Pensions**

The Agency participates in the HPSS Superannuation Scheme. Under this multi-employer defined benefit scheme both the Agency and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DHSSPS. The Agency is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information regarding the HPSS Superannuation Scheme can be found in the HPSS Superannuation Scheme Statement in the Departmental Resource Account for the Department of Health, Social Services and Public Safety.

The costs of early retirements are met by the Agency and charged to the Income and Expenditure Account at the time the Agency commits itself to the retirement.

## **1g Losses**

This note (Note 18) is a memorandum statement unlike most notes to the accounts which provide further detail of figures in the primary accounting statements. Most of the contents will be included in operating expenses.

## **1h Capital charges**

The Capital Charges scheme involves the Department charging the Agency for the use of fixed assets. This charge comprises depreciation and notional interest (interest currently at 3.5%).

The cost of capital charge is estimated at the start of the year. Charges based on actual capital values of assets are calculated at the year-end. An adjustment is made in the relevant notes to the Accounts to bring the actual charge into line with the estimate. It is the effect of the estimated charges that is reflected in the expenditure of the Income and Expenditure Account.

## Northern Ireland Guardian Ad Litem (Special Agency)

### NOTES TO THE ACCOUNTS

#### 2. Income from Activities

	2005	2004
	£	£
Cash advances from DHSS&PS	2,333,000	2,170,000
Transfer to capital allocation	(12,960)	(24,860)
	<u>2,320,040</u>	<u>2,145,140</u>

#### 3. Income from Other Sources

	2005	2004
	£	£
Capital charges	40,000	40,000
Notional income	7,218	4,750
Other income	1,013	2,035
	<u>48,231</u>	<u>46,785</u>

#### 4. Operating Expenses

Operating expenses are as follows:

	2005	2004
	£	£
Salaries & wages (excluding Board members' remuneration)	1,610,736	1,475,637
Board members' remuneration	76,318	65,221
Supplies & Services - General	345,569	311,849
Postage	5,085	4,948
Telephones	15,750	21,297
Advertising	1,886	9,233
Travel and subsistence	155,272	156,310
Audit fee	7,218	4,750
Transport and Moveable Plant	20,820	14,898
Premises and Fixed Plant	3,043	1,261
Interest		11,000
Training	16,693	17,559
Legal fees	8,979	45,398
Consultancy	7,265	500
Depreciation	43,569	38,616
Support Services - Recharges from other HPSS bodies	45,992	39,793
Miscellaneous	5,646	4,090
<b>Sub-total</b>	<u>2,369,841</u>	<u>2,222,360</u>
Capital charges end of year adjustment	(3,569)	(9,616)
<b>TOTAL</b>	<u>2,366,272</u>	<u>2,212,744</u>



## Northern Ireland Guardian Ad Litem (Special Agency)

### NOTES TO THE ACCOUNTS

#### 5. Information regarding Board Members and Employees

##### 5.1 Staff Costs

Total staff costs are broken down as follows:

	<b>Directly Employed £</b>	<b>Other £</b>	<b>2005 Total £</b>	<b>2004 Total £</b>
Salaries and Wages	1,467,372	9,817	1,477,189	1,345,990
Social Security costs	109,289		109,289	102,535
Other Pension costs	100,576		100,576	92,333
<b>Total</b>	<b>1,677,237</b>	<b>9,817</b>	<b>1,687,054</b>	<b>1,540,858</b>

##### 5.2 Average Number of Persons Employed

	<b>Directly Employed No.</b>	<b>Other No.</b>	<b>2005 Total No.</b>	<b>2004 Total No.</b>
Administrative and clerical	15	1	16	16
Professional and technical	36		36	35
<b>Total</b>	<b>51</b>	<b>1</b>	<b>52</b>	<b>51</b>

Figures refer to wholetime equivalent (WTEs) rather than individuals

## Northern Ireland Guardian Ad Litem (Special Agency)

### NOTES TO THE ACCOUNTS

#### 5.3 Senior Employees' Remuneration

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

Name	Salary, including Performance Pay	Benefits in kind (rounded to nearest £100)	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 and related lump sum	CETV at 31/3/04	CETV at 31/03/05	Real increase in CETV after adjustment for inflation and changes to market investment factors
	£	£	£	£	£	£	£
<b>Non Executive Member</b>							
Jim Currie	5,000-10,000						
Jack Corr	0-5,000						
Dr Colette MacAuley	0-5,000						
<b>Executive Members</b>							
Ronnie Williamson	55,000-60,000		5,000-10,000	94,602	408,000	447,000	30,000

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves the scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement, which the individual has transferred to the HPSS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

## Northern Ireland Guardian Ad Litem (Special Agency)

### NOTES TO THE ACCOUNTS 6 Public Sector Payment Policy

#### 6.1 Measure of Compliance

The HSS Executive requires that HSS bodies pay their non HPSS trade creditors in accordance with the CBI Prompt Payment Code and Government Accounting Rules. The Agency's payment policy is consistent with the CBI Prompt Payment Code and Government Accounting Rules and its measure of compliance is:

RANGE	2005		2004	
	£	Number	£	Number
Total bills	606,774	1,195	87,973	263
Total bills paid within 30 days target	580,596	1,132	80,394	246
Percentage of bills within target	95.7%	94.7%	91.4%	93.5%

#### 6.2 The Late Payment of Commercial Debts (Interest) Act 1998

The amount included within operating expenses (Note 4) arising from claims made by small businesses under this legislation is £Nil.

## Northern Ireland Guardian Ad Litem (Special Agency)

### NOTES TO THE ACCOUNTS

#### 7. Tangible Assets

##### 7.1 Purchased Assets

	<b>Buildings, Installations and Fittings</b>	<b>I.T.</b>	<b>Other Equipment</b>	<b>Total</b>
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2004	346,598	117,995	27,910	492,503
Additions	6,804	16,156		22,960
Indexation	19,352			19,352
Disposals		(240)		(240)
<b>At 31 March 2005</b>	<u>372,754</u>	<u>133,911</u>	<u>27,910</u>	<u>534,575</u>
<b>Depreciation</b>				
At 1 April 2004	102,270	53,663	27,910	183,843
Disposals		(240)		(240)
Provided during year: capital charges	22,424	21,145		43,569
<b>At 31 March 2005</b>	<u>124,694</u>	<u>74,568</u>	<u>27,910</u>	<u>227,172</u>
<b>Net Book Value</b>				
<b>At 31 March 2005</b>	<u>248,060</u>	<u>59,343</u>	-	<u>307,403</u>
<b>At 31 March 2004</b>	<u>244,328</u>	<u>64,332</u>	-	<u>308,660</u>

#### 8. Stocks

	<b>2005</b>	<b>2004</b>
	£	£
Consumables	<u>500</u>	<u>500</u>
	<u><b>500</b></u>	<u><b>500</b></u>

#### 9. Debtors: mounts receivable within one year

	<b>2005</b>	<b>2004</b>
	£	£
HPSS Debtors	23,000	
Other Debtors	8,069	222,225
Prepayments	<u>14,689</u>	<u>16,253</u>
	<u><b>45,758</b></u>	<u><b>238,478</b></u>

## Northern Ireland Guardian Ad Litem (Special Agency)

### NOTES TO THE ACCOUNTS

#### 10. Creditors – amounts fall due within one year

	2005	2004
	£	£
HPSS/NHS Creditors and Accruals	59,377	685,437
Other creditors	121,106	33,978
Accruals	16,234	87,111
Income tax and national insurance	-	198
	<u>196,717</u>	<u>806,724</u>

#### 11. Creditors - amounts fall after more than one year

There were no creditors falling due after more than one year.

#### 12. Provision for Liabilities And Charges

The Agency has no provisions for liabilities and charges.

#### 13. Movement on Reserves

##### 13.1 Movements in Capital Reserves

	Capital Account £
Opening Balance	308,660
Indexation	19,352
Additions	22,960
Disposals	
Depreciation	(43,569)
Closing Balance	<u>307,403</u>

##### 13.2 Movement on Income and Expenditure Reserves

	Revenue £	Capital £
Opening Balance	162,643	10,418
Surplus/(Loss) for year	1,999	-
Closing Balance	<u>164,642</u>	<u>10,418</u>

## Northern Ireland Guardian Ad Litem (Special Agency)

### NOTES TO THE ACCOUNTS

#### 14. Contingent Liabilities

There are no contingent liabilities in respect of the Agency.

#### 15. Commitments

##### (i) Capital Commitments

The Agency has no capital commitments:

##### (ii) Operating Lease Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2005	2004
	Land and Buildings	Land and Buildings
	£	£
Operating leases which expire between two and five years	61,000	55,850

#### 16. Post Balance Sheet Events

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

#### 17. Related Party Transactions

The Northern Ireland Guardian Ad Litem Agency (NIGALA) is a Special Agency sponsored by the Department of Health, Social Services and Public Safety.

During the year NIGALA has had various material transactions with the Department and with the Central Services Agency (for which the Department of Health, Social Services and Public Safety is regarded as the parent Department).

During the year, none of the Board members, members of key management staff or other related parties has undertaken any material transactions with the Agency.

#### 18. Losses and Special Payments

There were no losses reported in the year ended 31 March 2005.

## Northern Ireland Guardian Ad Litem (Special Agency)

### NOTES TO THE ACCOUNTS

#### 19. Intra Government Balances

Details of year end debtor and creditor balances with other Government bodies, split between due within one year and due in more than one year, are as follows:

	<b>Debtors</b> Amounts falling due within one year £	<b>Creditors</b> Amounts falling due within one year £
DHSS&PS NI	23,000	-
HPSS Bodies	-	59,377
	<hr/>	<hr/>
<b>TOTAL</b>	<b>23,000</b>	<b>59,377</b>

#### 20. Notes to the Cash Flow Statement

##### 20.1 Net Cash Inflow/(Outflow) from Operating Activities

	<b>2005</b> £	<b>2004</b> £
<b>Operating surplus/(deficit)</b>	1,999	(20,819)
<b>(Increase)/Decrease in Debtors</b>	192,720	(219,409)
(Decrease)/Increase in Creditors	(610,007)	240,228
	<hr/>	<hr/>
<b>Net Cash Inflow from Operating Activities</b>	<b>(415,288)</b>	<b>-</b>

##### 20.2 Reconciliation of net cash flow to movements in net debt

<i>Balance at 1 April 2004</i>	£ 740,807
Balance at 31 March 2005	325,519
	<hr/>
Net Cash Increase/(Decrease)	<b>(415,288)</b>

## Northern Ireland Guardian Ad Litem (Special Agency)

### NOTES TO THE ACCOUNTS

#### 20.3 Analysis of changes in net funds/debt

	At 1 <sup>st</sup> April 2004 £	Cash Flows £	Non Cash Changes £	At 31 <sup>st</sup> March 2005 £
Cash at bank and in hand	740,807	(415,288)		325,519
Debt due within 1 year	<u>238,478</u>	<u>(192,720)</u>		<u>45,758</u>
	<b><u>979,285</u></b>	<b><u>(608,008)</u></b>	<b><u>-</u></b>	<b><u>371,277</u></b>

#### 21 Financial Instruments

FRS13 *Derivatives and Other Financial Instruments* requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the relationships within the HPSS, and the manner in which they are funded, the Agency is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS13 mainly applies. The Agency has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Agency in undertaking its activities.



**The Northern Ireland  
Health Promotion Agency**

**Annual Accounts 2004/2005**

## **Foreword**

These accounts for the year ended 31 March 2005 have been prepared in accordance with Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health, Social Services and Public Safety.

## **STATEMENT OF THE NORTHERN IRELAND HEALTH PROMOTION AGENCY'S RESPONSIBILITIES AND CHIEF EXECUTIVE'S 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 Northern Ireland Health Promotion Agency is required to prepare financial statements for each financial year in the form and on the basis determined by the Department of Health, Social Services and Public Safety. The financial statements are prepared on the accruals basis and must give a true and fair view of the affairs of the Northern Ireland Health Promotion Agency, of its income and expenditure and cash flows for the financial year.

In preparing the financial statements, the Agency is required to:

- observe the accounts direction issued by the Department of Health, Social Services and Public Safety, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Agency will continue in operation;
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agency;
- pursue and demonstrate value for money in the services the Agency provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, Social Services and Public Safety, as Accounting Officer for Health and Personal Social Services resources in Northern Ireland, has designated Dr Brian Gaffney of the Northern Ireland Health Promotion Agency as the Accountable Officer for the Agency. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety. The Accountable Officer is also responsible for safeguarding the assets of the Agency and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

## **CERTIFICATE OF THE CHIEF EXECUTIVE**

I certify that the annual accounts and the notes thereof as set out on pages 74 to 110 of the financial statements, which I am required to prepare on behalf of the Northern Ireland Health Promotion Agency, have been compiled from, and are in accordance with, the accounts and financial records maintained by the Agency, and with the accounting standards and policies for the Health and Personal Social Services approved by the Department of Health, Social Services and Public Safety.

Dr Brian P Gaffney  
CHIEF EXECUTIVE

17 June 2005

## **CERTIFICATE OF THE CHAIR AND CHIEF EXECUTIVE**

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 74 to 110) as prepared in accordance with the requirements stated in the above Certificate of the Chief Executive have been submitted to and duly approved by the Board.

Ms Alice Quinn  
CHAIR

10 August 2005

Dr Brian P Gaffney  
CHIEF EXECUTIVE

10 August 2005

## Statement on Internal Control

The Board of the Northern Ireland Health Promotion Agency is accountable for internal control. As Accountable Officer and Chief Executive of the Board of the Northern Ireland Health Promotion Agency, I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the organisation, and for reviewing the effectiveness of the system.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the organisational policies, aims and objectives, and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Northern Ireland Health Promotion Agency for the year ended 31 March 2005, and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

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

- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers;
- standing orders and standing financial instructions, and the establishment of an audit committee.

The system of internal financial control is based on a framework of regular financial information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:-

- a comprehensive budgeting system with an annual budget which is reviewed and agreed by the Board;
- regular reviews by the Board of periodic annual financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performances;
- as appropriate, formal budget management disciplines.

The Northern Ireland Health Promotion Agency 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 2004/05 Internal Audit reviewed the following systems; financial management; programme development and implementation; Agenda for Change; information and communications technology. In his report, the Internal Auditor reported a “full” level of assurance for the operation of controls in the part of the financial systems reviewed. The level of assurance given as to the operation of controls in programme development is “full”. Processes adopted by the Northern Ireland Health Promotion Agency to implement the Agenda for Change proposals were found to be “sound”. The level of assurance provided by internal audit for the operation of controls

within the information and communications technology systems was “adequate”. A number of moderate and low risk issues were raised with corresponding recommendations which have been or are currently being implemented to strengthen controls in the areas reviewed.

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

For example: - The NIHPA’s recruitment and selection policies are based on the principle of equality of opportunity and controls are in place to ensure that all such decisions are taken in accordance with the relevant legislation. The NIHPA’s equal opportunities and selection and appointment policies take cognisance of legislation governing fair employment; disability discrimination; race relations; human rights and the Northern Ireland Act 1998.

With regard to estate management, policies and procedures are in place on Fire Code and Health and Safety. Regular risk assessments are carried out in these areas.

The Northern Ireland Health Promotion Agency has developed a risk management strategy, which has identified the organisation’s objectives and risks and set 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 processes of the organisation.

The Northern Ireland Health Promotion Agency has designated an executive member of the Board as having responsibility for risk management. The Audit Committee has assumed responsibility for controls assurance including the review of risk action plans on a twice yearly basis. The Audit Committee will report annually to the Northern Ireland Health Promotion Agency Board. In addition to these arrangements, a risk management working group, comprising the senior management team within the Northern Ireland Health Promotion Agency, will oversee operational elements relating to risk management. This working group will report to the Audit Committee.

General awareness training on risk management for all staff has been provided as part of the Northern Ireland Health Promotion Agency’s internal training programme.

A thorough review of the risk register and preparation for the two new control standards - procurement and file and data management are planned for the 2005/6 financial year.

## Summary position statement and progress report on controls assurance core standards

The following table provides a comparison between the rates of progress of compliance expected by the DHSSPS and the position reported by the NIHPA Senior Management Team as of May 2005.

Standard	Progress expected by DHSSPS in 2004/05	Position Recorded by NIHPA (May 05)
1. Financial Management	Substantive (70-99)	Substantive (83)
2. Governance	Substantive (70-99)	Substantive (85)
3. Human Resources	Moderate (30-69)	Substantive (78)
4. Risk Management	Substantive (70-99)	Substantive (73)
5. Buildings, land, plant and non medical equipment	Moderate (30-69)	Moderate (62)
6. Fire safety	Substantive (70-99)	Substantive (71)
7. Health and Safety	Moderate (30-69)	Moderate (62)
8. Information Communication Technology	Moderate (30-69)	Substantive (71)
9. Environmental Management	Moderate (30-69)	Moderate (35)
10. Waste Management	Moderate (30-69)	Moderate (53)



The position recorded by NIHPA has not been subject to independent external validation. However, external validation of controls assurance standards has been included in the schedule of work for internal audit for the 2005/6 financial year.

As Accountable Officer, I have responsibility for the review of effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Northern Ireland Health Promotion Agency 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 and Audit Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

By order of the Board.

10 August 2005  
Chief Executive

Dr Brian Gaffney

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

## **Health Promotion Agency**

### **The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly**

I certify that I have audited the financial statements on pages 84 to 110 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 89 to 93.

#### **Respective responsibilities of the Board Members, Chief Executive and Auditor**

As described on page 75, the Board Members and Chief Executive are responsible for the preparation of the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder and for ensuring the regularity of financial transactions. The Board Members and Chief Executive are also responsible for the preparation of the contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession. I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Agency has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 78 to 81 reflects the Agency's compliance with the Department of Health, Social Services and Public Safety's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Health, Social Services and Public Safety, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Chief Executive's statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

## **Basis of audit opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board members and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Health Promotion Agency at 31 March 2005 and of the overall surplus, total recognised gains and losses and cash flows for the year ended and have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and directions made thereunder by the Department of Health, Social Service and Public Safety; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements

J M Dowdall CB  
Comptroller and Auditor General  
Date: 9 September 2005

Northern Ireland Audit Office  
106 University Street  
Belfast BT7 1EU

THE NORTHERN IRELAND HEALTH PROMOTION AGENCY

**REVENUE INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2005**

	Note	2005 £	2004 £
<b>Income from activities</b>	2	4,268,185	4,204,685
<b>Other operating income</b>	3	<u>102,676</u>	<u>110,357</u>
		<u>4,370,861</u>	<u>4,315,042</u>
<b>Operating Expenses</b>	4,5	<u>4,386,155</u>	<u>4,327,299</u>
<b>Operating Surplus/(Deficit)</b>		<b>(15,294)</b>	<b>(12,257)</b>
<b>Operating Surplus/(Deficit) before provisions</b>		<b>(15,294)</b>	<b>(12,257)</b>
Provisions for future obligations	7	0	0
<b>Retained Surplus/(Deficit) for the financial year</b>		<u><b>(15,294)</b></u>	<u><b>(12,257)</b></u>
<b>Adjustment to add back:</b>			
Notional cost of capital		4,676	4,615
Other notional costs		<u>47,927</u>	<u>29,767</u>
<b>Retained surplus/(deficit)for the financial year excluding notional costs</b>		<u><u><b>37,309</b></u></u>	<u><u><b>22,125</b></u></u>

**All income and expenditure is derived from continuing activities.**

The notes on pages 89 to 110 form part of these accounts.

# THE NORTHERN IRELAND HEALTH PROMOTION AGENCY

## CAPITAL INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	2005	2004
Note	£	£
<b>Income</b>		
Capital advances from DHSSPS	0	7,750
Other capital income	0	0
Total Capital Income	<u>0</u>	<u>7,750</u>
<b>Expenditure</b>		
Equipment	36,414	29,159
<b>Total Capital Expenditure</b>	<b>36,414</b>	<b>29,159</b>
<b>Surplus/(Deficit) for the financial year</b>	<u><u>(36,414)</u></u>	<u><u>(21,409)</u></u>

The notes on pages 89 to 110 form part of these accounts.

# THE NORTHERN IRELAND HEALTH PROMOTION AGENCY

## BALANCE SHEET AS AT 31 MARCH 2005

	Note	2005 £	2004 £
<b><u>FIXED ASSETS</u></b>			
Tangible assets	8	136,166	131,051
<b>CURRENT ASSETS</b>			
Stock	9	3,911	3,420
Debtors	10	599,355	478,478
Cash at bank and in hand		<u>6,208</u>	<u>10,567</u>
		<b><u>609,474</u></b>	<b><u>492,465</u></b>
<b>CURRENT LIABILITIES</b>			
Creditors - Amounts falling due within one year	11.1	<u>(602,211)</u>	<u>(486,098)</u>
<b>Net Current Assets/(Liabilities)</b>		<b><u>7,263</u></b>	<b><u>6,367</u></b>
<b>Total Assets less Current Liabilities</b>		<b>143,429</b>	<b>137,418</b>
Creditors - Amounts falling due after more than one year	11.2	(4,023)	(4,023)
Provisions for liabilities and charges	12	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS EMPLOYED</b>		<b><u>139,406</u></b>	<b><u>133,395</u></b>
<b>FINANCED BY:</b>			
<b>Capital Reserve:</b>			
Capital account	13.1	136,166	131,051
<b>Income and expenditure reserve:</b>			
Revenue	13.2	233,023	195,713
Capital	13.2	<u>(229,783)</u>	<u>(193,369)</u>
		<b><u>139,406</u></b>	<b><u>133,395</u></b>

The notes on pages 89 to 110 form part of these accounts.

Dr Brian P Gaffney (CHIEF EXECUTIVE)

17 June 2005

# THE NORTHERN IRELAND HEALTH PROMOTION AGENCY

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

	2005	2004
	£	£
Revenue surplus/(deficit) for the financial year	37,309	22,125
Unrealised surplus/(deficit) on the revaluation and indexation of fixed assets	981	(4,346)
<b>Total gains/(losses) recognised for the financial year</b>	<b><u>38,290</u></b>	<b><u>17,779</u></b>

# THE NORTHERN IRELAND HEALTH PROMOTION AGENCY

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
<b>Net cash inflow/(outflow) from operating activities</b>	21.1	32,055	27,744
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets		(36,414)	(29,159)
Proceeds from sales of tangible fixed assets		<u>0</u>	<u>0</u>
Net cash inflow/(Outflow) from capital expenditure		(36,414)	(29,159)
<b>Management of liquid resources</b>			
Purchase of current asset investment		0	0
Sale of current asset investment		0	0
Net cash inflow/(outflow) from management of liquid resources		<u>0</u>	<u>0</u>
<b>Net cash inflow/(outflow) before financing</b>		(4,359)	(1,415)
<b>Financing</b>			
Capital funding		0	7,750
Net cash inflow/(outflow) from financing			
<b>Increase/(decrease) in cash and bank balances</b>	21.2	<u>(4,359)</u>	<u>6,335</u>

The notes on pages 1 to 38 form part of these accounts.



# THE NORTHERN IRELAND HEALTH PROMOTION AGENCY ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

## NOTES TO THE ACCOUNTS

### NOTE

#### **1 Statement of Accounting Policies**

##### **1.1 Authority**

The accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety in accordance with the requirements of Article 90(2) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14), as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

##### **1.2 Accounting Convention**

The accounts have been prepared under the historical cost convention as modified by the indexation and revaluation of tangible fixed assets.

##### **1.3 Basis of Preparation of Accounts**

The accounts have been prepared in accordance with the 2004/05 HPSS Agency Manual of Accounts issued by the Department of Health, Social Services and Public Safety.

The accounting policies contained in that Manual follow UK generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to HPSS Agencies. The accounting policies are selected in accordance with the principles set out in FRS 18 “Accounting Policies” as the most appropriate for giving a true and fair view. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The principal variations between UK GAAP and the accounting policies directed by the Department of Health, Social Services and Public Safety are:

Paragraph 20 of Financial Reporting Standard 3 “Reporting Financial Performance” requires certain items of expenditure to be separately disclosed in the income and expenditure account after operating surplus/(deficit). These expenditure items do not include the costs associated with provision for liabilities and charges which are normally included within the calculation of the operating surplus/(deficit). However, as the Department measures the operating performance of Agencies by reference to the operating surplus/(deficit) excluding the impact of certain provisions, the income and expenditure account is presented to disclose the operating surplus/(deficit) before provisions for future obligations.

Financial Reporting Standard 15 “Tangible Fixed Assets” requires impairment losses on revalued fixed assets to be recognised in the statement of total recognised gains and losses until the carrying value of the asset falls below depreciated historic cost, at which stage any further impairments are recognised in the income and expenditure account.

However, where an impairment arises due to consumption of economic benefits FRS 15 “Tangible Fixed Assets” requires the loss to be recognised in the income and expenditure account in its entirety.

In the context of their capital accounting HPSS Agencies take those impairment losses resulting from short term changes in price that are considered to be recoverable, in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

#### **1.4 Intangible Fixed Assets**

Intangible fixed assets are capitalised when they are capable of being used in an Agency’s activities for more than one year; they can be valued; and they have a cost of at least £5,000 (either individually or as a grouped asset).

Intangible fixed assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight line basis.

#### **1.5 Tangible Fixed Assets**

##### **Substance Over Form**

The Department of Health, Social Services and Public Safety retains legal title for all of the NIHPA's fixed assets. The NIHPA manages such assets in accordance with the guidance issued by the Department. The substance and financial reality of such transactions are accounted for and presented in the accounts rather than their legal form.

##### **Capitalisation**

Tangible assets are capitalised if they are capable of being used for a period which would exceed one year and they:

- Individually have a cost of at least £5,000; OR
- • they satisfy the criteria of grouped assets i.e. collectively they have a cost of at least £5,000, are functionally interdependent, broadly simultaneous purchase dates, and anticipated to have simultaneous disposal dates, under single managerial control and have an individual cost of £1,000; OR
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

## **Valuation**

Tangible fixed assets are stated at the lower of depreciated replacement cost or recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

The Northern Ireland Health Promotion Agency does not hold any land or buildings. The premises occupied by the NIHPA are leased by the Department of Health, Social Services and Public Safety on behalf of the NIHPA.

## **Depreciation, amortisation and impairments**

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. No depreciation is provided on freehold land, and assets surplus to requirements.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Impairment losses resulting from short-term changes in price that are considered to be recoverable in the longer term are taken in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

### **1.6 Donated Assets**

The NIHPA does not currently hold any donated assets.

### **1.7 Research and Development**

Research and development expenditure is charged against income in the year in which it is incurred.

### **1.8 Private Finance Transactions**

The NIHPA does not currently have any Private Finance Transactions.

### **1.9 Stocks**

Stationery stocks are valued exclusive of VAT. In calculating cost of the stationery stock, the NIHPA has used the latest purchase price.

Where there is stocks relating to a specific health promotion campaign they are expensed in the year they are purchased and are not included in the Balance Sheet.

### **1.10 Provisions**

The NIHPA provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle an obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are adjusted using the Treasury's discount of 3.5% in real terms.

### **1.11 Pensions**

The NIHPA participates in a HPSS Superannuation Scheme. Under this multi employer defined benefit scheme, both the NIHPA and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DHSSPS. Pension contributions are included in salaries and wages costs. The NIHPA is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information on the HPSS Superannuation Scheme can be found in the Superannuation Scheme Account statement included with the DHSSPS Departmental Resource Account for the Department of Health, Social Services and Public Safety.

The costs of early retirements are met by the NIHPA and are charged to the Income and Expenditure account at the time the NIHPA commits itself to the retirement.

Clinical Joint Appointment Staff paid by Queen's University, Belfast are members of the Universities Superannuation Scheme. Employer contributions are 14% of pensionable pay.

### **1.12 Third Party Assets**

The NIHPA does not hold any third party assets.

### **1.13 Leases**

Assets held under finance leases are capitalised at the fair value of the asset with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is subject to indexation and revaluation and is depreciated on its current fair value over the shorter of the lease term and its useful economic life. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of interest on the outstanding balance. Rentals under operating leases are charged to the Income and Expenditure Account in the year in which they arise.

### **1.14 Losses and Special Payments**

This note (Note 19 ) is a memorandum statement unlike most notes to the accounts which provide further details of the figures in the primary statements. Most of the contents will be included in operating expenses.

### **1.15 Capital Charges**

The Capital Charges scheme involves the Department charging Agencies for the use of fixed assets. The charge comprises depreciation and notional interest (interest currently at 3.5%).

The NIHPA is not currently funded for capital charges, therefore an offset adjustment is made to the revenue income and expenditure account.

**THE NORTHERN IRELAND HEALTH PROMOTION AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**2. Income from activities**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Income from DHSSPS		
Core funds	1,758,000	1,696,000
Tobacco: public information	743,000	778,000
Alcohol/drug misuse: public information	381,810	590,522
Physical activity; public information	284,000	308,000
Health promoting schools	215,000	267,000
Health protection	441,255	385,590
Support for Regional Breastfeeding Strategy	230,000	114,000
Investing for Health	118,166	43,474
Health promoting hospitals	40,000	0
Health promoting workplaces	25,000	0
Health and Safety Executive NI contribution	27,500	22,099
Contribution to Cook It! Training: HSSBs	4,454	
	<u><b>4,268,185</b></u>	<u><b>4,204,685</b></u>

**3. Other operating income**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Rebate on television advertising	45,730	59,309
Course fees	26,539	49,621
AEA Techonology: Healthy Living Centres	21,884	0
Contribution to Winter School training	7,121	0
Consultancy/lecture fees	788	165
Miscellaneous	500	0
Interest from Trust Fund	114	0
Copyright fees	0	1,262
<b>Total</b>	<u><u><b>102,676</b></u></u>	<u><u><b>110,357</b></u></u>

**THE NORTHERN IRELAND HEALTH PROMOTION AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**4. Other Operating Expenses**

**4.1 Other Operating Expenses are as follows:**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Salaries and wages (excluding Board members remuneration)	1,360,292	1,242,262
Policy development and advice	189,811	229,248
Research, information and analysis	215,295	195,727
Training and professional development	131,825	119,854
Public and professional information	2,133,519	2,152,412
Corporate services	302,810	353,414
Notional charges	52,603	34,382
	<u><b>4,386,155</b></u>	<u><b>4,327,299</b></u>

**4.2 Operating leases**

NIHPA has no operating leases. The lease for NIHPA premises is held by DHSSPS.

**THE NORTHERN IRELAND HEALTH PROMOTION AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**5 Information regarding Board Members and employees**

**5.1 Staff costs**

	2005			2004
	Directly employed	Other	Total	
	£	£	£	£
Salaries and wages	1,159,137	27,336	1,186,473	1,088,567
Social security costs	94,242	0	94,242	84,380
Pension costs	79,577	0	79,577	69,315
<b>Total</b>	<b>1,332,956</b>	<b>27,336</b>	<b>1,360,292</b>	<b>1,242,262</b>

**5.2 Average Number of Persons Employed**

	2005			2004
	Directly employed	Other	Total	Total
	No.	No.	No.	No.
Medical	2	0	2	2
Administrative and clerical	43	1	44	41
Ancillary	0	1	1	1
	<b>45</b>	<b>2</b>	<b>47</b>	<b>44</b>

The number of staff refers to whole time equivalents (WTEs) rather than to individuals.



# THE NORTHERN IRELAND HEALTH PROMOTION AGENCY ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

## NOTES TO THE ACCOUNTS (CONTINUED)

### 5.3 Senior Employees' and Board Members' Remuneration

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

	Salary including performance pay	Benefits in kind	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 and related lump sum	CETV at 31/3/04	CETV at 31/3/05	Real increase in CETV after adjustment for inflation and changes in market investment factors
	£	£	£	£	£	£	£
Dr B Gaffney	77,333	0	5,545	76,802	254,000	282,000	12,000

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves the scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement, which the individual has transferred to the HPSS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

### 5.4 Chair's Remuneration

Chair's remuneration including employers contribution for social security costs	£
Ms Alice Quinn	7,974

# HE NORTHERN IRELAND HEALTH PROMOTION AGENCY ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005

## NOTES TO THE ACCOUNTS (CONTINUED)

### Staff benefits

No staff benefits were paid during 2004/5.

### Retirements due to ill-health

During 2004/05 there were no early retirements from the NIHPA agreed on the grounds of ill-health.

## 6. Public Sector Payment Policy

### 6.1 Measure of compliance

The Department of Health, Social Services and Public Safety requires that the Health Promotion Agency pays its non HPSS trade creditors in accordance with the Confederation of British Industry (CBI) Prompt Payment Code and Government Accounting rules. The Government Accounting rules require that "timing of payment should normally be stated in the contract where there is not contractual provision departments should pay within 30 days of receipt of goods and services or on the presentation of a valid invoice, whichever is the later".

The NIHPA's compliance for 2004/5, based on a sample of 5% of non HPSS trade creditors, was:

	Number	Value £
Total bills sampled 2004/5	68	326,569
Total bills sampled paid within 30 days	64	320,392
% of sampled bills paid within 30 days	94.1%	98.1%

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

The amounts included with Interest Payable (Note 7) arising from claims made by small businesses under this legislation are as follows:

2005	2004
£	£
<u>0</u>	<u>0</u>

## 7 Provision for Future Obligations

There are no future obligations which require a provision to be made.

**THE NORTHERN IRELAND HEALTH PROMOTION AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**8. Tangible Fixed Assets**

**Purchased assets**

	<b>IT Equipment £</b>	<b>Other Equipment £</b>	<b>Total £</b>
<b>Cost/Valuation</b>			
At 1 April 2004	301,749	260,774	562,523
Additions	33,378	3,036	36,414
Indexation	0	5,628	5,628
Revaluation	0		0
Disposals	0		0
<b>At 31 March 2005</b>	<b><u>335,127</u></b>	<b><u>269,438</u></b>	<b><u>604,565</u></b>
<b>Depreciation</b>			
At 1 April 2004	221,028	210,445	431,473
Provided during the year	23,200	9,080	32,280
Indexation	0	4,647	4,647
<b>At 31 March 2005</b>	<b><u>244,228</u></b>	<b><u>224,172</u></b>	<b><u>468,400</u></b>
<b>Net Book Value</b>			
At 31 March 2005	<u>90,899</u>	<u>45,266</u>	<u>136,165</u>
At 31 March 2004	<u>80,721</u>	<u>50,329</u>	<u>131,050</u>

NIHPA has no donated assets.

**9. Stocks**

	<b>2005 £</b>	<b>2004 £</b>
Stationery	<u>3,911</u>	<u>3,420</u>
<b>Total</b>	<b><u>3,911</u></b>	<b><u>3,420</u></b>

**THE NORTHERN IRELAND HEALTH PROMOTION AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**10. Debtors**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
HPSS/NHS Debtors	540,580	422,061
Prepayments and accrued income	20,206	28,885
Health and Safety Executive Northern Ireland	12,500	22,099
Other	26,070	5,433
Clinical negligence	<u>0</u>	<u>0</u>
	<b><u>599,356</u></b>	<b><u>478,478</u></b>

Debtors includes an amount of £156,786 in respect of claimable VAT. Debtors includes an amount of £19,000 in respect of DHSSPS revenue allocation for Agenda for Change.

**11. Creditors**

**11.1 Creditors: Amounts falling due within one year**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
HPSS/NHS Creditors and accruals	149,288	37
Other	452,923	486,061
Clinical negligence	<u>0</u>	<u>0</u>
	<b><u>602,211</u></b>	<b><u>486,098</u></b>

**11.2 Creditors: Amounts falling due after more than one year**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Premises expenses	<u>4,023</u>	<u>4,023</u>
	<b><u>4,023</u></b>	<b><u>4,023</u></b>

**11.3 Finance lease obligations**

NIHPA has no finance lease obligations

**THE NORTHERN IRELAND HEALTH PROMOTION AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**12. Provisions for Liabilities and Charges**

	Pensions relating to staff £'000	Injury benefits/ Insurance Claims £'000	2005 Total £'000	2004 Total £'000
At 1 April 2004	0	0	0	0
Arising during the year	0	0	0	0
Utilised during the year	0	0	0	0
Contributions received	0	0	0	0
Reversed unused	0	0	0	0
Unwinding of discount	0	0	0	0
<b>At 31 March 2005</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Expected timing of cash flow

	Pensions relating to staff £'000	Injury benefits/ Insurance Claims £'000
Within 1 year	0	0
1-5 years	0	0
Over 5 years	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**THE NORTHERN IRELAND HEALTH PROMOTION AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**13. Reserves**

**13.1 Movement on Capital Reserves:**

	<b>Capital Account £</b>
At 1 April 2004	131,051
Additions	36,414
Transfers	0
Disposals and write off	0
Indexation	981
Revaluation	0
Depreciation	<u>(32,280)</u>
At 31 March 2005	<u><u>136,166</u></u>

**13.2 Movement on Income and Expenditure Reserves:**

	<b>Revenue £</b>	<b>Capital £</b>
At 1 April 2004	195,713	(193,369)
Surplus/(Deficit) for the financial year	<u>37,309</u>	<u>(36,414)</u>
At 31 March 2005	<u><u>233,022</u></u>	<u><u>(229,783)</u></u>

**14. Private Finance Transactions**

NIHPA has no Private Finance Transactions.

**15. Capital Commitments**

There are no capital commitments at 31 March 2005.

**16. Post Balance Sheet Events**

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

**17. Contingent Liabilities**

There were no contingent liabilities at 31 March 2005.

**THE NORTHERN IRELAND HEALTH PROMOTION AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**18. Related Party Transactions**

During the year, none of the Northern Ireland Health Promotion Agency's board members, members of the key management staff or other related parties have undertaken any material transactions with the Northern Ireland Health Promotion Agency.

**19. Losses and special payments**

There were no losses or special payments in the year ended 31 March 2005.

**20. Intra Government Balances**

	<b>Debtors</b>		<b>Creditors</b>	
	<b>Amounts falling due within one year £</b>	<b>Amounts falling due after more than one year £</b>	<b>Amounts falling due within one year £</b>	<b>Amounts falling due after more than one year £</b>
HPSS Bodies	540,580	0	149,288	
Other Departmental Bodies	12,658	0	32,000	
Education and Library Boards	300	0	29,124	
Local Councils	430	0	154	
<b>Total</b>	<b>553,968</b>	<b>0</b>	<b>210,566</b>	<b>0</b>

**THE NORTHERN IRELAND HEALTH PROMOTION AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**NOTES TO THE ACCOUNTS (CONTINUED)**

**21. Notes to Cash Flow Statement**

**21.1 Reconciliation of operating surplus/(deficit) to net cash flow from operating activities**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Operating surplus/(deficit)	37,309	22,125
(Increase)/decrease in stocks	(490)	(764)
(Increase)/decrease in debtors	(120,877)	(113,051)
(Decrease)/increase in creditors	116,113	119,434
(Decrease)/increase in provisions	<u>0</u>	<u>0</u>
Net Cash Inflow/(Outflow) from Operating Activities	<u><b>32,055</b></u>	<u><b>27,744</b></u>

**21.2 Reconciliation of net cash flow to movement in net debt**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Cash and bank balance at 1 April	10,567	4,232
Cash and bank balance at 31 March	<u>6,208</u>	<u>10,567</u>
Net Cash Increase/(Decrease)	<u><b>(4,359)</b></u>	<u><b>6,335</b></u>



**THE NORTHERN IRELAND HEALTH PROMOTION AGENCY**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005  
NOTES TO THE ACCOUNTS (CONTINUED)**

**22. Trust Fund**

**Association of Senior Managers/Health Promotion Agency Award**

	<b>2004/5</b>
	<b>£</b>
Balance at 1 April 2004	3,230
Interest received during 2004/05	136
Interest withdrawn during 2004/05	0
<b>Balance at 31 March 2005</b>	<b><u>3,366</u></b>

# THE NORTHERN IRELAND HEALTH PROMOTION AGENCY

## Analysis of programme expenditure for the year ended 31 March 2005

	<b>Appendix A</b>
	<b>2005</b>
	<b>£</b>
<b>Income from activities</b>	4,268,185
<b>Other operating income</b>	<u>102,676</u>
	<u>4,370,861</u>
<b>Operating Expenses</b>	<u>4,386,155</u>
<b>Operating Surplus/(Deficit) before provisions</b>	<b>(15,294)</b>
Provisions for future obligations	0
<b>Retained Surplus/(Deficit) for the financial year</b>	<u><b>(15,294)</b></u>
<b>Adjustment to add back:</b>	
Notional cost of capital	4,676
Other notional costs	<u>47,927</u>
<b>Retained surplus/(deficit)for the financial year excluding notional costs</b>	<u><u><b>37,309</b></u></u>

## Notes to Appendix A

	<b>2005</b>
	<b>£</b>
<b>(i) Policy development and advice</b>	
Health promoting schools	169,639
Health promoting hospitals	6,123
Support for Investing for Health Strategy	4,922
International work	3,853
Promotion of Breastfeeding Strategy (policy development)	2,216
NIPAS implementation	1,898
Mental health strategy	1,160
<b>Policy development and advice total</b>	<b>189,811</b>
<b>(ii) Research and evaluation</b>	
Mental health research primary schools children	33,964
Evaluation fresh fruit in schools	23,091
Evaluation of smoking campaign	20,994
Evaluation of public information on alcohol	19,086
Research on AMRAP	19,035
Evaluation breastfeeding public information campaigns	14,533
Evaluation of health promoting schools	10,508
Healthy Living Centres support needs research	10,425
Test of public information on passive smoking	8,800
Test sexual health advertising concepts	7,830
Smoking and pregnancy test campaign	6,545
Test Weaning Made Easy leaflet	6,511
Evaluation of No Smoking Day 2005	6,500
Test young men's mental health resource	6,000
Test of physical activity public information campaign	5,489
Baseline data on passive smoking	4,900
Communications audit	4,800
Test fresh fruit parents magazine	4,533
Research and Evaluation Review	1,751
<b>Research and evaluation total</b>	<b>215,295</b>

## Notes to Appendix A

	<b>2005</b>
	<b>£</b>
<b>(iii) Training and professional development</b>	
Short Course Programme	36,059
International Conference on Reduction of Drug Related Harm	19,208
Conference on Tackling obesity together - every step counts	15,440
Fuel poverty pilot project	11,774
Health Promotion Winter School	9,933
Breastfeeding conference	7,497
Food For Play training pack	6,829
Design for Living Partnership	5,508
Smoke free service seminar	4,394
Right in the head training	3,055
Cook It! training	2,639
Breastfeeding and GP seminars	2,096
Intergenerational Conference	1,746
Teenage pregnancy seminar	1,740
Good relationships seminar	1,249
Breastfeeding Co-ordinators professional development	1,141
Mental health promotion conference – Going from strength to strength	888
Breastfeeding peer support training	629
<b>Training and professional development total</b>	<b>131,825</b>

## Notes to Appendix A 474,308

	<b>2005</b>
	<b>£</b>
<b>(iv) Public and professional information (campaigns and publications)</b>	
Public information campaign on smoking	474,308
Public Information campaign on alcohol	231,520
Public information on antibiotic use and infection control (AMRAP)	197,837
Public information campaign on breastfeeding	196,213
Public information campaign on physical activity	206,785
Smoking helpline	170,109
Public information campaign on flu vaccine	164,439
Physical activity Get Active Awards	63,002
Public information campaign on immunisation	56,137
Public information campaign on drugs	52,779
HSSB health promotion resources	51,333
Convenience Advertising campaign on sexual health	48,054
No Smoking Day 2005	46,976
Sexual health information	25,210
Health promoting workplaces (Workwell)	20,754
Up-2-you website	19,944
Support for Breastfeeding Awareness Week	15,652
Fresh fruit in schools (promotion materials)	12,757
Young men's mental health resource	10,921
Smoking and pregnancy public information	10,484
Physical activity NI Tourist Board partnership (cycling)	10,040
Inform	9,424
Web development/Intranet	6,922
Weaning made easy	5,916
Annual report	5,555
Mind your head resources	4,722
Health And Lifestyle Survey Report	3,057
CINDI Highlights	2,876
CINDI strategy document	2,629
Keeping abreast newsletter	2,340
Fresh fruit parents magazine	2,091
Sound mind support guide	1,315
Actively Ageing Well	1,028
Breast screening leaflet	360
Drugs and alcohol website	30
<b>Public and professional information (campaigns and publications) total</b>	<b>2,133,519</b>

## Notes to Appendix A

	<b>2005</b>
	<b>£</b>
<b>(v) Corporate services</b>	
Premises running costs	152,767
Administration	106,687
Staff training and development	21,827
Agency Board expenses	12,362
Equality, Freedom of Information, Human Rights, TSN	6,417
Risk management	2,750
<b>Corporate services total</b>	<b>302,810</b>

**NORTHERN IRELAND MEDICAL  
AND DENTAL TRAINING AGENCY**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005

# **NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **FOREWORD**

### **1. Statutory Background**

These accounts for the year ended 31 March 2005 have been prepared in accordance with Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health, Social Services and Public Safety.

This is the first statement of accounts of the Northern Ireland Medical and Dental Training Agency. It is prepared in accordance with paragraph 12 of the Schedule to the Health and Personal Services Act (Northern Ireland) 2002 and covers the period 1 April 2004 to 31 March 2005. The accounts have been prepared in a form directed by the Department of Health, Social Services and Public Safety in accordance with this legislation.

### **2. Results**

For the period ended 31 March 2005 there is a surplus, being an excess of income over expenditure of £105,516.

NIMDTA was set up as a successor body to the Northern Ireland Council for Postgraduate Medical and Dental Education (NICPMDE). NICPMDE ceased operations on 31 March 2004. When formerly established NIMDTA took over the assets and liabilities of NICPMDE and these are reflected in the opening balances shown in the balance sheet.

NIMDTA is funded substantially by grants from the Department of Health, Social Services and Public Safety and also by income received for carrying out activities on behalf of the Central Services Agency. There is also some additional income generated during the year from course fees.



# **NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **STATEMENT OF NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY'S (NIMDTA) RESPONSIBILITIES AND CHIEF EXECUTIVE'S 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 Northern Ireland Medical and Dental Training Agency is required to prepare financial statements for each financial year in the form and on the basis determined by the Department of Health, Social Services and Public Safety. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Northern Ireland Medical and Dental Training Agency of its income and expenditure and cash flows for the financial year.

In preparing the financial statements the Agency is required to:

- observe the Accounts Direction issued by the Department of Health, Social Services and Public Safety including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Agency will continue in operation;
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agency; and
- pursue and demonstrate value for money in the services the Agency provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Dr T McMurray of the Northern Ireland Medical and Dental Training Agency as the Accountable Officer for the Agency. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety. The Accountable Officer is also responsible for safeguarding the assets of the Agency and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

**NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**CERTIFICATE OF THE CHIEF EXECUTIVE**

I certify that the Annual Accounts and notes thereof as set out in pages 116 to 149 of the financial statements, which I am required to prepare on behalf of the Northern Ireland Medical and Dental Training Agency, have been compiled from and are in accordance with the accounts and financial records maintained by the Agency and with the accounting standards and policies for Health and Personal Social Services approved by the Department of Health, Social Services and Public Safety.



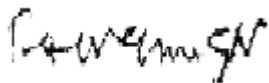
Chief Executive  
1st September 2005

Date

**NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY  
ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

**CERTIFICATE OF THE CHAIRMAN AND CHIEF EXECUTIVE**

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 116 to 149) as prepared in accordance with the requirements stated in the above Certificate of the Chief Executive have been submitted to and duly approved by the Board.



Chairman  
1<sup>st</sup> September 2005

Date



Chief Executive  
1<sup>st</sup> September 2005

Date

# **NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2005**

## **STATEMENT ON INTERNAL CONTROL**

The Board of the N.I. Medical & Dental Training Agency is accountable for internal control. As Accounting Officer and Chief Executive of the Board of the N.I. Medical & Dental Training Agency, I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives, of the organisation and for reviewing the effectiveness of the system.

The system of internal control is designed to manage risk to a reasonable level rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of organisational policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the N.I. Medical and Dental Training Agency for the year ended 31 March 2005 and up to the date of approval of the annual report and accounts and accords with Department of Finance and Personnel guidance.

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

- delegation of decision making authority within set parameters to the Chief Executive and other officers
- standing orders and standing financial instructions
- the establishment of an audit committee.

The system of internal financial control is based on a framework of regular financial information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes: -

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the Board;
- regular reviews by the board of periodic financial reports, which indicate financial performance against forecast;
- setting targets to measure financial and other performances;
- appropriate formal budget management disciplines.

N.I. Medical & Dental Training Agency has an outsourced internal audit function which operates to defined standards and whose work is informed by an analysis of risk to which the Agency is exposed and audit plans are based upon this analysis. In 2004-05 Internal Audit reviewed the following systems - Financial (Payments, Ordering and Receipts of Goods, Salaries and Wages, Travel Expenses, Income, Petty Cash, Bank Reconciliations and Credit Cards), Corporate Governance, Risk Management, Financial Management and Fire Safety.

In his annual report, the Internal Auditor reported that the Agency's system of internal control was adequate and effective. However, weaknesses in control were identified in a small number of areas. Recommendations to address these control weaknesses have been or are being implemented.

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

For example the Agency's recruitment and selection policies are based on the principle of equality of opportunity and controls are in place to ensure that all such decisions are taken in accordance with the relevant legislation.

With regard to assets, decisions are taken within the context of the procurement and disposal of assets as laid down in relevant policies and legislation.

With regard to Estate Management, decisions are taken within an agreed plan, which prioritises management action based on an assessment of risk. Areas such as Fire Code Compliance, Health and Safety handbook for staff are all reviewed and updated on an annual basis.

In Accordance with the requirements of the DHSSPS, the Agency is required to comply with 14 Controls Assurance Standards, not all of which are relevant to its circumstances. During 2004/05 Internal Audit performed work on the following Controls Assurance Standards:

- Governance
- Financial Management
- Risk Management
- Fire Safety

The level of compliance for Governance and Financial Management was assessed as being 'Substantive', i.e. in excess of 70%. The other 'Core' Standard of Risk Management was assessed as having 'Moderate' compliance. 'Moderate' compliance was also achieved for the Fire Safety Standard.

These 4 standards were the only standards validated by Internal Audit.

In response to the internal audit report on these standards, detailed action plans will be developed to address any areas of shortfall.

The programme of work to progress towards 'Substantive' compliance for Risk Management and Fire Safety will include the following:

### **Risk Management**

The Agency continues to develop its approaches to risk management. In 2001/02 the Department accepted the international risk management standard AS/NZS 4360:1999 and the

Agency has been working throughout 2004-05 to ensure its application throughout the Agency by 2005-06.

In the interim the Agency 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. It is the intention to ensure that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported and that risk management has been integrated fully into the corporate planning and decision making processes of the organisation.

In addition to these factors the actions outlined below are planned in the coming year.

There will be two key elements to the Council's Risk Management Strategy for 2005-2006:

1. Full compliance with the core risk management standard
2. Development of further controls assurance work

The following actions will be carried out to meet the strategic goals:

- Full Compliance with the Core Risk Management Standard
- Review of the organisational risk register by September 2005 – including work on developing controls
- Implementation of new policies on complaints and incidents reporting;
- Awareness initiatives on risk management - such as the development of risk management information on the website and further briefings to staff

Moreover, it is proposed that the Agency will implement the following measures for reporting risk management activity:

- Provision of formal update to Audit Committee at least bi-annually (to include report on review of risk registers and controls);
- Management Group to meet at least quarterly to oversee operational activity;
- Audit Committee and Board to receive Annual Report on risk management.

## **Fire Safety**

The Agency is undertaking a service level agreement with South & East Belfast Trust to oversee compliance with this standard.

Apart from fully complying with the risk management system, The Agency will progress further controls assurance work as required by the Department:

- The Agency will systematically gather evidence to demonstrate compliance with all relevant controls assurance standards.
- The Agency will comment on new draft controls assurance standards as and when they are issued by the Department during 2005-2006;
- Initial baseline work on assessing the Agency's compliance with new draft standards will be carried out on each occasion.

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the N.I. Medical & Dental Training Agency 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 and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

By order of the Agency.



Chief Executive

Date

1<sup>st</sup> September 2005

Northern Ireland Medical and Dental Training Agency

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

I certify that I have audited the financial statements on pages 122 to 149 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 127 to 132.

### **Respective responsibilities of the Board Members, Chief Executive and Auditor**

As described on page 113, the Board Members and Chief Executive are responsible for the preparation of the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder and for ensuring the regularity of financial transactions. The Board Members and Chief Executive are also responsible for the preparation of the contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Agency has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 116 to 119 reflects the Agency's compliance with the Department of Health, Social Services and Public Safety's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Health, Social Services and Public Safety, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Chief Executive's statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

### **Basis of audit opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial



statements. It also includes an assessment of the significant estimates and judgements made by the Board members and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Northern Ireland Medical and Dental Training Agency at 31 March 2005 and of the overall surplus, total recognised gains and losses and cash flows for the year ended and have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and directions made thereunder by the Department of Health, Social Service and Public Safety; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

**J M Dowdall CB**  
**Comptroller and Auditor General**  
**Date:**  
21<sup>st</sup> October 2005

**Northern Ireland Audit Office**  
**106 University Street**  
**Belfast BT7 1EU**

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## REVENUE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	NOTE	2005 £
<b>Income from Activities</b>	2	37,604,206
		37,604,206
<b>Operating Expenses</b>	4, 5	37,667,285
<b>OPERATIONAL SURPLUS/(DEFICIT) BEFORE PROVISIONS</b>		(63,079)
Provisions for Future Obligations	7.1	1,127
<b>RETAINED SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>		(64,206)
<i>Adjustment to add back:</i>		
Notional cost of capital		28,289
Other notional costs		141,433
<b>RETAINED SURPLUS FOR THE FINANCIAL YEAR EXCLUDING NOTIONAL COSTS</b>		105,516

All income and expenditure is derived from continuing activities.

The notes on pages 127 to 149 form part of these accounts.

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## CAPITAL INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	NOTE	£	2005 £
<b>Income</b>			
Capital advances from DHSSPS			<u>771,000</u>
<b>Total Capital Income</b>			<u>771,000</u>
<b>Expenditure</b>			
<b>Payments to acquire intangible assets:</b>			
Software licences	8	<u>220</u>	
		<u>220</u>	
<b>Payments to acquire tangible assets:</b>			
Buildings, installations and fittings	9	569,150	
Computer equipment	9	79,083	
Other equipment	9	<u>123,501</u>	
		<u>771,734</u>	
<b>Total Capital Expenditure</b>			<u>771,954</u>
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>			<u><u>(954)</u></u>

The notes on pages 127 to 149 form part of these accounts.

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## BALANCE SHEET AS AT 31 MARCH 2005

	NOTE	2005 £	£	2004 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		4,070		4,868
Tangible assets	9		<u>470,120</u>		<u>720,477</u>
			<u><b>474,190</b></u>		<u><b>725,345</b></u>
<b>CURRENT ASSETS</b>					
Stocks and work in progress	10	2,624		1,739	
Debtors: Amounts receivable within one year	11	498,729		238,988	
Cash at bank and in hand		<u>1,851,393</u>		<u>1,227,793</u>	
		<u><b>2,352,746</b></u>		<u><b>1,468,520</b></u>	
<b>CURRENT LIABILITIES</b>					
<b>Creditors:</b> Amounts falling due within one year	12		<u>(1,944,706)</u>	<u>(1,166,170)</u>	
<b>NET CURRENT ASSETS</b>			<u>408,040</u>		<u>302,350</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			882,230		1,027,695
Provisions for Liabilities and Charges	13		<u>(33,333)</u>		<u>(32,206)</u>
<b>TOTAL ASSETS EMPLOYED</b>			<u><b>848,897</b></u>		<u><b>995,489</b></u>
<b>FINANCED BY:</b>					
<b>Capital Reserve:</b>					
Capital account	14.1		703,034		325,436
Revaluation reserve	14.1		(238,654)		390,098
<b>Income and expenditure reserve:</b>					
Revenue	14.2		385,471		279,555
Capital	14.2		<u>(954)</u>		<u></u>
			<u><b>848,897</b></u>		<u><b>995,489</b></u>

The notes on pages 127 to 149 form part of these accounts.

Signed: \_\_\_\_\_  \_\_\_\_\_ (Chief Executive) Date: 1<sup>st</sup> September 2005

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

		2005
	£	£
Surplus/(Deficit) for the financial year – Revenue		106,643
Provisions for future obligations		<u>(1,127)</u>
Fixed asset impairment losses	(342,652)	105,516
Indexation of fixed assets	<u>41,013</u>	<u>(301,639)</u>
<b>TOTAL GAINS/(LOSSES) RECOGNISED IN FINANCIAL YEAR</b>		<b><u>(196,123)</u></b>

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	2005	
	£	£
<b>Net Cash Inflow/(Outflow) from Operating Activities (Note 22.1)</b>		624,554
<b>Capital Expenditure</b>		
Payments to acquire intangible fixed assets	(220)	
Payments to acquire tangible fixed assets	(771,734)	
<b>Net Cash Inflow /(Outflow) from Capital Expenditure</b>	<u>(771,954)</u>	
<b>Financing</b>		
Capital Funding	<u>771,000</u>	<u>(954)</u>
<b>Increase in Cash</b>		<b><u>623,600</u></b>

The notes on pages 148 and 149 form part of this statement

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 1. STATEMENT OF ACCOUNTING POLICIES

#### 1.1 Authority

These accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety in accordance with the requirements of Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

#### 1.2 Accounting Convention

These accounts have been prepared under the historical cost convention as modified by the indexation and revaluation of tangible fixed assets.

#### 1.3 Basis of Preparation of Accounts

The accounts have been prepared in accordance with the 2004/05 HPSS Agency Manual of Accounts issued by the Department of Health, Social Services and Public Safety.

The accounting policies contained in that Manual follow UK generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to HPSS Agencies. The accounting policies are selected in accordance with the principles set out in FRS 18 "Accounting Policies" as the most appropriate for giving a true and fair view. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The principal variations between UK GAAP and the accounting policies directed by the Department of Health, Social Services and Public Safety are:

Paragraph 20 of Financial Reporting Standard 3 "Reporting Financial Performance" requires certain items of expenditure to be separately disclosed in the income and expenditure account after operating surplus/(deficit). These expenditure items do not include the costs associated with provision for liabilities and charges which are normally included within the calculation of the operating surplus/(deficit). However, as the Department measures the operating performance of Agencies by reference to the operating surplus/(deficit) excluding the impact of certain provisions, the income and expenditure account is presented to disclose the operating surplus/(deficit) before provisions for future obligations.

Financial Reporting Standard 15 "Tangible Fixed Assets" requires impairment losses on revalued fixed assets to be recognised in the statement of total recognised gains and losses until the carrying value of the asset falls below depreciated historic cost, at which stage any further impairments are recognised in the income and expenditure account.

However, where an impairment arises due to consumption of economic benefits FRS 15 “Tangible Fixed Assets” requires the loss to be recognised in the income and expenditure account in its entirety.

In the context of their capital accounting HPSS Agencies take those impairment losses resulting from short term changes in price that are considered to be recoverable, in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

#### **1.4 Intangible fixed assets**

Intangible fixed assets are capitalised when they are capable of being used in an Agency’s activities for more than one year; they can be valued; and they have a cost of at least £5,000 (either individually or as a grouped asset).

Intangible fixed assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight line basis, except capitalised Research and Development which is revalued using an appropriate index figure. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred (either individually or as a grouped asset). They are amortised over the shorter of the term of the licence and their useful economic lives.

#### **1.5 Tangible Fixed Assets**

##### **Substance over form**

The Department of Health, Social Services and Public Safety retains legal title for all of the Agency’s fixed assets. The Agency manages such assets in accordance with guidance issued by the Department. The substance and financial reality of such transactions are accounted for and presented in the accounts rather than their legal form.

##### **Capitalisation**

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000; OR
- they satisfy the criteria of a grouped assets ie collectively have a cost of at least £5,000, are functionally interdependent, broadly simultaneous purchase dates, and anticipated to have simultaneous disposal dates, under single managerial control and have an individual cost of £1,000 ;OR
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.



## Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

All land and buildings are restated to current value using professional valuations in accordance with FRS 15 every five years and in the intervening years by the use of indices. The buildings index is based on the All in Tender Price Index published by the Building Cost Information Service (BCIS).

The land index is based on the residential building land values reported in the Property Market Report published by the Valuation Office.

Professional valuations are carried out by the District Valuers of the Valuations and Land Agency. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health, Social Services and Public Safety. In accordance with the requirements of the Department, asset valuations were undertaken in 2004/05 as at the valuation date of 31 March 2005.

The valuations are carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Additional alternative Open Market Value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

All adjustments arising from indexation and five-yearly revaluations are taken to the Revaluation Reserve. All impairments resulting from price changes are charged to the Statement of Total Recognised Gains and Losses. Falls in value when newly constructed assets are brought into use are also charged there. These falls in value result from the adoption of ideal conditions as the basis for depreciated replacement cost valuations.

Assets in the course of construction are valued at current cost using the indexes as for land and buildings, as above. These assets include any existing land or buildings under the control of a contractor.

Operational equipment other than IT equipment, which is considered to have nil inflation, is valued at net current replacement cost through annual uplift by the change in the value of the GDP deflator. Equipment surplus to requirements is valued at net recoverable amount.

## **Depreciation, amortisation and impairments**

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land, and assets surplus to requirements.

Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Agency, respectively.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Impairment losses resulting from short-term changes in price that are considered to be recoverable in the longer term are taken in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

### **1.6 Donated Fixed Assets**

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the Donated Asset Reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the Donated Asset Reserve and, each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to the Income and Expenditure account. Similarly, any impairment on donated assets charged to the Income and Expenditure Account is matched by a transfer from the Donated Asset Reserve. On sale of donated assets, the value of the sale proceeds is transferred from the Donated Asset Reserve to the Income and Expenditure Reserve.

### **1.7 Research and development**

Research and development expenditure is charged against income in the year in which it is incurred, except in so far as development expenditure relates to a clearly defined project and the benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits and is amortised through the income and expenditure account on a systematic basis over the period expected to benefit from the project.

### **1.8 Stocks and work-in-progress**

Stocks are valued inclusive of VAT. In calculating the cost, the Agency has generally used the average cost or latest purchase price.

## **1.9 Provisions**

The Agency provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are adjusted using the Treasury's discount rate of 3.5% in real terms.

Provisions for clinical negligence are recognised only where it is more probable than not that a settlement will be required.

## **1.10 Pensions**

The Agency participates in the following defined benefit schemes:

The HPSS Superannuation Scheme.

Under this multi-employer defined benefit scheme both the Agency and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DHSSPS. The Agency is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reliable basis. Further information regarding the HPSS Superannuation Scheme can be found in the HPSS Superannuation Scheme Statement in the Departmental Resource Account for the Department of Health, Social Services and Public Safety.

The University Superannuation Scheme.

This is a defined benefit scheme with employer contributions of 14% of gross pay. The most up to date actuarial valuation was carried out at 31 March 2002. Further information on this scheme can be obtained from the Universities Superannuation Scheme Limited.

The Queen's Retirement Benefit Plan.

This is a defined benefit scheme with employer contributions of 14% of gross pay. The most up to date actuarial valuation was carried out at 31 March 2002. Further information on the scheme can be obtained from the Queen's University of Belfast.

The costs of early retirements are met by the Agency and charged to the Income and Expenditure Account at the time the Agency commits itself to the retirement.

## **1.11 Third Party Assets**

Assets belonging to third parties are not recognised in the accounts since the Agency has no beneficial interest in them. Details of third party assets are given in note 24 to the accounts.

## **1.12 Leases**

Assets held under finance leases are capitalised at the fair value of the asset with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is subject to indexation and revaluation and is depreciated on its current fair value

over the shorter of the lease term and its useful economic life. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of interest on the outstanding balance. Rentals under operating leases are charged to the Income and Expenditure Account in the year in which they arise.

### **1.13 Losses**

This note (Note 20) is a memorandum statement unlike most notes to the accounts which provide further detail of figures in the primary accounting statements. Most of the contents will be included in operating expenses.

### **1.14 Capital charges**

The Capital Charges scheme involves the Department charging the Agency for the use of fixed assets. This charge comprises depreciation and notional interest (interest currently at 3.5%).

The Agency is not currently funded for capital charges, therefore an offset adjustment is made to the Revenue Income and Expenditure Account.

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 2. Income from Activities

	2005 £
Department of Health, Social Services and Public Safety	37,117,000
Other Public Bodies:	
- Central Service Agency	221,259
- Queen's University	127,277
Other Sources:	
- Course Fees	138,670
<b>Total</b>	<b><u>37,604,206</u></b>

### 1 Other Operating Income

There was no other operating income.

### 4. Other Operating Expenses

#### 4.1 Other Operating Expenses are as follows:-

	Note	2005 £
Salaries and Wages (excluding Board members remuneration)		1,971,091
Board members remuneration		17,900
Junior Doctors Salaries		32,823,172
Junior Doctors Study Leave		1,155,824
Establishment		356,266
Premises		135,150
Training Courses		600,953
Recruitment		169,041
Overseas Training Grants		244,376
Notional Costs		169,722
Audit fees		10,368
Miscellaneous		13,422
<b>Total</b>		<b><u>37,667,285</u></b>

#### 4.2 Operating Leases

	2005 £
Hire of plant and machinery	-
Other operating leases	-
	<u>-</u>
	<u>-</u>

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

Commitments under non-cancellable operating leases are:

	<b>Land and Buildings 2005 £</b>
Operating leases which expire:	
Within 1 year	-
Between 1 and 5 years	-
After 5 years	<u>1,207,497</u>
	<u><u>1,207,497</u></u>

## 5. Information regarding Board Members and employees

### 5.1 Staff Costs

	<b>2005</b>		
	<b>Directly employed £</b>	<b>Other £</b>	<b>Total £</b>
Salaries and wages	1,792,607	33,089	1,825,696
Social security costs	69,886	0	69,886
Pension costs for early retirements reflecting the single lump sum to buy over the full liability	0	0	0
Other pension costs	93,409	0	93,409
Early departure costs	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total</b>	<u><b>1,955,902</b></u>	<u><b>33,089</b></u>	<u><b>1,988,991</b></u>

Of the total, £0 has been charged to capital.

### 5.2 Average Number of Persons Employed

	<b>2005</b>		
	<b>Directly employed No.</b>	<b>Other No.</b>	<b>Total No.</b>
Medical and dental	15	0	15
Ancillaries	1	0	1
Administrative and clerical	<u>27</u>	<u>0</u>	<u>27</u>
<b>Total</b>	<u><b>43</b></u>	<u><b>0</b></u>	<u><b>43</b></u>

Figures refer to wholetime equivalents (WTEs) rather than individuals.

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 5.3 Senior Employees' Remuneration

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

Name	Salary, including Performance Pay £000's	Benefits in Kind (rounded to nearest £100) £	Real increase in pension and related lump sum at age 60 £	Total accrued pension at age 60 and related lump sum £	CETV at 31/3/04 £	CETV at 31/3/05 £	Real increase in CETV after adjustment for inflation and changes to market investment factors £
<b><u>Non-Executive Members</u></b>							
Dr H McGuigan	10 - 15	-	-	-	-	-	-
Mr A Baird	0 - 5	-	-	-	-	-	-
Mrs J Eve	0 - 5	-	-	-	-	-	-
Dr R Atkinson	0 - 5	-	-	-	-	-	-
Dr J Marley	0 - 5	-	-	-	-	-	-
Mrs A Egert	0 - 5	-	-	-	-	-	-
	£'s						
<b><u>Executive members</u></b>							
Dr T McMurray (Chief Executive/ Postgraduate Dean)	39,536	-	-	-	-	-	-
Dr J R McCluggage (Former Chief Executive/ Postgraduate Dean)	53,966	-	-	-	-	-	-
Dr A McKnight (Director of General Practice Education)	98,481	-	-	-	-	-	-
Dr D Hussey (Postgraduate Dental Dean)	6,589	-	-	-	-	-	-
Mr I Saunders (Former Postgraduate Dental Dean)	16,473	-	-	-	-	-	-

The salaries of each of the above Executive members are recharged to the Agency, with the exception of Dr McKnight. CETV figures are not available for recharged salaries. Dr McKnight is a member of the Universities Superannuation Scheme, CETV figures are not available for this scheme.

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

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves the scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership

of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement, which the individual has transferred to the HPSS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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



# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 5.4 Staff Benefits

There were no staff benefits.

### 5.5 Retirements due to ill-health

During 2004/05 there were no early retirements from the Agency agreed on the grounds of ill-health.

## 6. Public Sector Payment Policy

### 6.1 Measure of Compliance

The Department requires that HPSS bodies pay their non-HPSS trade creditors in accordance with the CBI Prompt Payment Code and Government Accounting Rules.

The Agency's payment policy is consistent with the CBI prompt payment codes and Government Accounting rules and its measure of compliance is:

	<b>2005 Number</b>	<b>2005 £</b>
Total bills paid	6,175	6,521,186
Total bills paid within 30 day target	5,044	5,825,349
% of bills paid within 30 day target	81.68%	89.33%

### 6.2 The late payment of Commercial Debts Regulations 2002

There were no interest payable under this legislation.

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 7. Provisions for Future Obligations

#### 7.1 Net movement in provisions

	Note	2005 £
Movement in year:		
Employment Discrimination	13	<u>1,127</u>
<b>Subtotal</b>		<b>1,127</b>
Reimbursements Receivable		<u>-</u>
<b>Total increase in provisions (to Income and Expenditure Account)</b>		<b><u><u>1,127</u></u></b>

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 8. Intangible Fixed Assets

	Software licences	Other licences & trademarks	Patents	Development Expenditure	Total
	£	£	£	£	£
<b>Cost or Valuation</b>					
At 1 April 2004	11,133	-	-	-	11,133
Indexation	-	-	-	-	-
Additions - purchased	220	-	-	-	220
Additions - donated	-	-	-	-	-
Reclassifications	-	-	-	-	-
Other Revaluation	-	-	-	-	-
Impairments	-	-	-	-	-
Disposals	-	-	-	-	-
	<u>11,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,353</u>
At 31 March 2005	<u>11,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,353</u>
<b>Amortisation</b>					
At 1 April 2004	6,265	-	-	-	6,265
Indexation	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluation	-	-	-	-	-
Impairments	-	-	-	-	-
Disposals	-	-	-	-	-
Reversal of impairments	-	-	-	-	-
Provided during year	1,018	-	-	-	1,018
	<u>7,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,283</u>
At 31 March 2005	<u>7,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,283</u>
<b>Net Book Value</b>					
<b>At 31 March 2005:</b>					
- Purchased	4,070	-	-	-	4,070
- Donated	-	-	-	-	-
	<u>4,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,070</u>
<b>Total</b>	<u>4,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,070</u>
<b>At 31 March 2004:</b>					
- Purchased	4,868	-	-	-	4,868
- Donated	-	-	-	-	-
	<u>4,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,868</u>
<b>Total</b>	<u>4,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,868</u>

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 9. Tangible Fixed Assets

#### 9.1 Tangible fixed assets comprise the following elements:

##### Purchased Assets

	Land	Buildings Installations and fittings	Computer Equipment	Furniture	Total
	£	£	£	£	£
<b>Cost or Valuation</b>					
At 1 April 2004	223,526	421,226	261,886	-	906,638
Indexation	11,590	33,364	-	-	44,954
Additions	-	569,150	79,083	123,501	771,734
Transfers	-	-	-	-	-
Revaluation	-	-	-	-	-
Reclassifications	-	-	-	-	-
Impairments	-	(342,652)	-	-	(342,652)
Disposals	(235,116)	(405,566)	(137,579)	-	(778,261)
National revaluation	-	-	-	-	-
At 31 March 2005	<b>0</b>	<b>275,522</b>	<b>203,390</b>	<b>123,501</b>	<b>602,413</b>
<b>Depreciation</b>					
At 1 April 2004	-	49,769	136,392	-	186,161
Indexation	-	3,942	-	-	3,942
Transfers	-	-	-	-	-
Revaluation	-	-	-	-	-
Reclassification	-	-	-	-	-
Impairments	-	-	-	-	-
Disposals	-	(47,546)	(81,860)	-	(129,406)
Reversal of impairments	-	-	-	-	-
Provided during year	-	-	-	-	-
National revaluation	-	-	-	-	-
Depreciation Charge	-	29,357	29,772	12,467	71,596
At 31 March 2005	-	<b>35,522</b>	<b>84,304</b>	<b>12,467</b>	<b>132,293</b>
<b>Net Book Value</b>					
At 31 March 2005	-	<b>240,000</b>	<b>119,086</b>	<b>111,034</b>	<b>470,120</b>
At 31 March 2004	<b>223,526</b>	<b>371,457</b>	<b>125,494</b>	-	<b>720,477</b>

Of the total net book value at 31 March 2005, £240,000 related to buildings, installations and fittings valued at open market value for alternative use.

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### Note 9.1 (cont'd)

#### Donate Assets

There were no donated assets.

### 9.2 Total Tangible Fixed Assets

	<b>Purchased</b>	<b>2005</b>	<b>Total</b>	<b>2004</b>
	<b>£</b>	<b>Donated</b>	<b>£</b>	<b>£</b>
		<b>£</b>		
<b>Net book value:</b>				
Land	-	-	-	223,526
Buildings installations and fittings	240,000	-	240,000	371,457
Computer Equipment	119,086	-	119,086	125,494
Furniture	111,034	-	111,034	-
<b>Total</b>	<b>470,120</b>	<b>-</b>	<b>470,120</b>	<b>720,477</b>

### 9.3 The net book value of land and buildings comprises:

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Freehold	-	594,983
Long leasehold	-	-
Short leasehold	240,000	-
	<b>240,000</b>	<b>594,983</b>

### 9.4 The net book value of assets held under finance leases and hire purchase contracts are as follows:

There are no assets held under finance leases or hire purchase contracts.

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 10. Stocks and Work in Progress

	2005 £	2004 £
Finished goods	<u>2,624</u>	<u>1,739</u>
<b>Total</b>	<b><u>2,624</u></b>	<b><u>1,739</u></b>

### 11. Debtors

#### 11.1 Debtors: Amounts falling due within one year

	2005 £	2004 £
HPSS or NHS debtors	179,751	94,106
DHSSPSNI	171,000	-
Sundry Debtors	140,617	128,022
Prepayments	<u>7,361</u>	<u>16,860</u>
<b>Total</b>	<b><u>498,729</u></b>	<b><u>238,988</u></b>

#### 11.2 Debtors: Amounts falling due after more than one year

There are no debtors due after one year.

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 12. Creditors

#### 12.1 Creditors: Amounts falling due within one year

	2005 £	2004 £
HPSS or NHS creditors and accruals	378,416	260,865
Non HPSS or NHS trade revenue creditors	1,558,717	897,732
Other accruals	7,573	7,573
<b>Sub Total</b>	<b>1,944,706</b>	<b>1,166,170</b>

#### 12.2 Creditors: Amounts falling due after more than one year

There are no creditors due after one year.

#### 12.3 Finance lease obligations

There were no finance lease obligations.

### 13. Provisions for Liabilities and Charges

	Pensions relating to other staff £	Clinical Negligence £	Restructuring £	Other £	2005 Total £	2004 £
At 1 April 2004	-	-	-	32,206	32,206	-
Arising during the year	-	-	-	-	-	32,206
Utilised during the year	-	-	-	-	-	-
Reversed unused	-	-	-	-	-	-
Unwinding of discount	-	-	-	1,127	1,127	-
<b>At 31 March 2005</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,333</b>	<b>33,333</b>	<b>32,206</b>

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### Expected Timing of Cash Flow

	<b>Pensions relating to former directors £</b>	<b>Pensions relating to other Staff £</b>	<b>Clinical Negligence £</b>	<b>Restructuring £</b>	<b>Other £</b>	<b>2005 Total £</b>	<b>2004 £</b>
Within 1 year	-	-	-	-	33,333	33,333	-
1-5 years	-	-	-	-	-	-	32,206
Over 5 years	-	-	-	-	-	-	-

In addition to these provisions, contingent liabilities are given in Note 18.



# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 14. Movements on Reserves

#### 14.1 Movement on Capital Reserves

	Capital Account £	Revaluation Reserve £	Donation Reserve £	Other reserves £	Total £
At 1 April 2004	325,436	390,098	-	-	715,534
Additions	771,954	-	-	-	771,954
Transfers	-	-	-	-	-
Disposals and write-offs	(321,742)	(327,113)	-	-	(648,855)
Depreciation- capital charges	(72,614)	-	-	-	(72,614)
Depreciation- other	-	-	-	-	-
Revaluation and indexation of fixed assets	-	41,013	-	-	41,013
Transfer of realised profits/ (losses)	-	-	-	-	-
Movements in donation reserves	-	-	-	-	-
Fixed Asset Impairments	-	(342,652)	-	-	(342,652)
Other reserve movements [specify]	-	-	-	-	-
<b>At 31 March 2005</b>	<b>703,034</b>	<b>(238,654)</b>	<b>-</b>	<b>-</b>	<b>464,380</b>

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 14.2 Movement on Income and Expenditure Reserves

	Revenue £	Capital £	Total £
At 1 April 2004	279,955	-	279,955
Retained surplus/(deficit) for the year	105,516	(954)	104,562
Transfer of realised profits/ (losses)	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2005</b>	<b><u>385,471</u></b>	<b><u>(954)</u></b>	<b><u>384,517</u></b>

### 15. Private Finance Transactions

#### 15.1 PFI Schemes deemed to be off balance sheet

There were no private finance transactions.

### 16. Capital Commitments

There were no capital commitments at the balance sheet date.

### 17. Post Balance Sheet Events

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

### 18. Contingent Liabilities

There were no contingent liabilities.

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 19. Related party transactions

During the year, none of the board members, members of the key management staff or other related parties have undertaken any material transactions with the Agency.

### 20. Analysis of Losses and Special Payments

TYPE OF LOSS	NUMBER OF CASES	VALUE £
1. Cash Losses –Theft, fraud etc	-	-
2. Cash Losses – Overpayments of salaries, wages and allowances	-	-
3. Cash Losses – Other causes (including unvouched and incompletely vouched payments)	-	-
4. Nugatory and fruitless payments – Abandoned Capital Schemes	-	-
5. Other nugatory and fruitless payments	-	-
6. Bad debts and claims abandoned	-	-
7. Stores and Inventory Losses – theft, fraud, arson (whether proved or suspected) etc		
i. Bedding and linen	-	-
ii. Other equipment and property	-	-
8. Stores and Inventory Losses – Incidents of the service (result of fire, flood, etc)	-	-
9. Stores and Inventory Losses – Deterioration in store	-	-
10. Stores and Inventory Losses – Stocktaking discrepancies	-	-
11. Stores and Inventory Losses – Other causes		
i. Bedding and linen	-	-
ii. Other equipment and property	-	-
12. Compensation payments (legal obligation)		
i. Clinical negligence	-	-
ii. Public liability	-	-
iii. Employers liability	-	-
13. Ex-gratia payments – Compensation payments (including payments to patients and staff)	-	-
14. Ex-gratia payments – Other payments	-	-
15. Extra statutory payments		
16. i. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion.	-	-
ii. Damage to vehicles	-	-
<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 21. Intra Government Balances

Details of year end debtor and creditor balances with other Government bodies, split between due within one year and due in more than one year.

	Debtors		Creditors	
	Amounts falling due within one year £	Amounts falling due after more than one year £	Amounts falling due within one year £	Amounts falling due after more than one year £
Other central government bodies	171,000	-	141,246	-
HPSS bodies	179,751	-	378,416	-
<b>Total</b>	<b>350,751</b>	<b>-</b>	<b>519,662</b>	<b>-</b>

### 22. Notes to the Cash Flow Statement

#### 22.1 Reconciliation of operating surplus/(deficit) to net cash inflow from operating activities

	2005 £
Operating surplus/(deficit) after provisions	105,516
Provisions for future obligations (I&E Account)	1,127
(Increase)/decrease in stocks	(885)
(Increase)/decrease in debtors	(259,741)
Increase/(decrease) in creditors	778,537
<b>Net cash inflow from operating activities</b>	<b>624,554</b>

# NORTHERN IRELAND MEDICAL AND DENTAL TRAINING AGENCY

## NOTES TO THE ACCOUNTS

### 22.2 Reconciliation of net cash flow to movement in net debt

	<b>2005</b>
	<b>£</b>
Increase/(decrease) in cash in the period	623,600
Net cash / debt at 1 April 2004	<u>1,227,793</u>
Net cash / debt at 31 March 2005	<u><u>1,851,393</u></u>

### 22.3 Analysis of changes in net funds/debt

	<b>At 1 April 2004 £</b>	<b>Cash flows £</b>	<b>Non-cash changes £</b>	<b>At 31 March 2005 £</b>
Cash at bank and in hand	1,277,793	623,600	-	1,851,393
Bank overdrafts	-	-	-	-
Finance leases	-	-	-	-
Current asset investments	-	-	-	-
	<u><u>1,277,793</u></u>	<u><u>623,600</u></u>	<u><u>-</u></u>	<u><u>1,851,393</u></u>

## 23. Financial Instruments

FRS 13 *Derivatives and Other Financial Instruments* requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the relationships within HPSS, and the manner in which they are funded, the Agency is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Agency has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Agency in undertaking its activities.

## 24. Third party assets

The Agency did not hold any third party assets.

**THE  
NORTHERN IRELAND  
REGIONAL MEDICAL PHYSICS AGENCY**

**ANNUAL ACCOUNTS**

**Year ended**

**31 MARCH 2005**

# **NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY**

## **FOREWORD**

These accounts for the year ended 31 March 2005 have been prepared in accordance with Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972, as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003, in a form directed by the Department of Health, Social Services and Public Safety.

## **NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY**

### **STATEMENT OF THE NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY AND CHIEF EXECUTIVE'S 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 Northern Ireland Regional Medical Physics Agency (The Agency) is required to prepare financial statements for each financial year in the form and on the basis determined by the Department of Health, Social Services and Public Safety. The financial statements are prepared on an accruals basis and must provide a true and fair view of the state of affairs of the Agency, of its income and expenditure and cash flows for the financial year.

In preparing the financial statements the Agency is required to:

- observe the Accounts Direction issued by the Department of Health, Social Services and Public Safety including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Agency will continue in operation;
- keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agency; and
- pursue and demonstrate value for money in the services the Agency provides and in its use of public assets and the resources it controls.

The Permanent Secretary of the Department of Health, Social Services and Public Safety as Accounting Officer for health and personal social services resources in Northern Ireland has designated Professor Peter Jarritt, Chief Executive of the Agency as the Accountable Officer for the Agency. His relevant responsibilities as Accountable Officer, including his responsibility for the propriety and regularity of the public finances for which he is answerable and for the keeping of proper records, are set out in the Accountable Officer Memorandum, issued by the Department of Health, Social Services and Public Safety. The Accountable Officer is also responsible for safeguarding the assets of the Agency and hence for taking reasonable steps to prevent and detect fraud and other irregularities.



# **NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY**

## **CERTIFICATE OF THE CHIEF EXECUTIVE**

I certify that the Annual Accounts and notes thereof as set out in pages 166 to 188 of the financial statements, which I am required to prepare on behalf of the Northern Ireland regional Medical Physics Agency, have been compiled from and are in accordance with the accounts and financial records maintained by the Agency and with the accounting standards and policies for Health and Personal Social Services approved by the Department of Health, Social Services and Public Safety.

Peter H Jarritt  
30<sup>th</sup> August 2005

Chief Executive  
Date

NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

**CERTIFICATE OF THE CHAIRMAN AND CHIEF EXECUTIVE**

I certify that the annual accounts set out in the financial statements and notes to the accounts (pages 17 to 40 ) as prepared in accordance with the requirements stated in the above Certificate of the Chief Executive been submitted to and duly approved by the Board.

D G Walmsley  
2<sup>nd</sup> September 2005

Chairman  
Date

Peter H Jarritt  
2<sup>nd</sup> September 2005

Chief Executive  
Date

# **NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY**

## **STATEMENT ON INTERNAL CONTROL**

### **Scope of Responsibility**

The Board of The Northern Ireland Regional Medical Physics Agency is accountable for internal control. As Accountable Officer and Chief Executive of the Board of the Northern Ireland Regional Medical Physics Agency, I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of the organisation, and for reviewing the effectiveness of the system.

### **Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of organisational policies, aims and objectives, and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Northern Ireland Regional Medical Physics Agency for the year ended 31 March 2005, and up to the date of approval of the annual report and accounts, and accords with Department of Finance and Personnel guidance.

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

- a schedule of matters reserved for Board decisions;
- a scheme of delegation, which delegates decision making authority within set parameters to the Chief Executive and other officers;
- Standing orders and standing financial instructions, the establishment of an audit committee.

The system of internal financial control is based on a framework of regular financial information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:-

- comprehensive budgeting systems with an annual budget which is reviewed and agreed by the board;
- regular reviews by the Board of periodic annual financial reports which indicate financial performance against the forecast;
- setting targets to measure financial and other performances;
- clearly defined capital investment control guidelines;
- as appropriate, formal budget management disciplines.

The Northern Ireland Regional Medical Physics Agency 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 2004-2005 Internal Audit reviewed the following finance systems:

- Financial Review including bank, cash, laps, income and payments to creditors
- Travel Expenses
- Ordering and receipt of goods

The Internal Audit for 2004/05 noted a number of systems strengths following the financial review. However a number of weaknesses were noted with regard to the ordering and receipt of goods. These weaknesses are related to breaches of the Agency's purchasing procedures and were viewed as being of medium priority. In response the Agency has reinforced its purchasing procedures through line management briefings and appropriate notifications to other involved parties in the supply chain.

Internal Audit also reviewed the Agency's performance against a number of controls assurance standards namely:

- Corporate Governance
- Risk management
- Financial Management
- Fire Safety

The reports from the Internal Auditor indicate that the Agency is substantively complying with all four standards examined.

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

The Medical Physics Agency's recruitment and selection policies, which are overseen by the Human Resources directorate of the Central Services Agency, are based on the principle of equality of opportunity, and controls are in place to ensure that all such decisions are taken in accordance with the relevant legislation. All Agency staff who are required to participate in the recruitment and selection process receive training on the legal requirements of the process and the application of best practice. The Agency's Equality scheme has been accepted by the Equality Commission and the Agency remains committed to implementing the requirements of Section 75 of the Northern Ireland Act 1998.

### **Controls Assurance**

The Medical Physics Agency undertook a self assessment of fourteen controls assurance standards as directed by the DHSSPS and a return was made to the Department in May 2005 demonstrating substantial compliance in nine of the standards, including six for which substantive compliance is mandatory, with moderate compliance reported for the remaining

five. There were a few criteria where compliance was less than substantive. The Agency is already taking steps to address these matters.

The assessment of compliance with the Controls assurance standard on Corporate Governance indicated substantive compliance with five of the seven criteria. An action plan is being drawn up to address the short comings including proposals to update the corporate governance strategy and the establishment of system of performance management, including the development of appropriate performance indicators.

### **Capacity to Handle Risk**

The Agency's management Board has approved the policy and framework for risk management. The Board receives an annual progress report and it is intended that it will review the risk register on an annual basis.

The audit committee reviews the processes for maintaining the effectiveness of risk management. The Chief Executive is responsible to the Board for ensuring that the policy and framework are implemented and that the annual report to the Board contains reference to the Agency's key risk indicators.

Heads of section are responsible for risk management within their own sections and for ensuring that risk management is an integral part of clinical governance and business planning arrangements within their respective sections.

### **The Risk and Control Framework**

The policy of the Medical Physics Agency is to have a framework for risk management and arrangements in place to identify, assess and manage risks across all aspects of the governance, business and activities of the Agency and to integrate risk management into the organisation's practices and business plans.

The Medical Physics Agency has developed a risk management policy and framework strategy, which has identified the organisation's objectives and risks, and sets out a control strategy for each of the significant risks that has been identified. 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 processes of the organisation.

The actions outlined below were implemented during 2004/5

- Implementation of the electronic "Datix" Risk Management system across all sections of the Agency
- A comprehensive independent audit by Health & Safety experts on all aspects of the Agency's activities
- Participation in joint activities with other Agencies for the continuous improvement of the Agency's Risk management procedures.
- Further training of key staff in the Agency

The Agency's Risk Management Framework was reviewed by the Internal Auditors in July 2003. The conclusion was that the Agency has established a comprehensive framework of risk management procedures. A number of recommendations were made that would assist the Agency in progressing towards full compliance with the Controls Assurance Standard. In response the Agency has since reviewed and updated some job descriptions to include risk management responsibilities; guidance on the classification of risks was issued to staff in February 2004; a significant percentage of Agency staff have now received training on the Agency's Risk Management processes and Risk management has become a standing item on the agendas of the Board and the SMT.

### **Review of Effectiveness**

As Accountable Officer, I have responsibility for the review of effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Medical Physics Agency 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 and Audit Committee and a plan to address weaknesses and ensure continuous improvement to the system is in place.

Signed: PH Jarritt  
Chief Executive

Date: 30/8/2005

# **NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY**

## **The Certificate and Report of the Comptroller and Auditor General to the House of Commons and the Northern Ireland Assembly**

I certify that I have audited the financial statements on pages 161 to 188 under the Health and Personal Social Services (Northern Ireland) Order 1972 as amended. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 166 to 171.

### **Respective responsibilities of the Board Members, Chief Executive and Auditor**

As described on page 3, the Board Members and Chief Executive are responsible for the preparation of the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder and for ensuring the regularity of financial transactions. The Board Members and Chief Executive are also responsible for the preparation of the contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and Department of Health, Social Services and Public Safety directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Agency has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 155 to 158 reflects the Agency's compliance with the Department of Health, Social Services and Public Safety's guidance on the Statement on Internal Control. I report if it does not meet the requirements specified by the Department of Health, Social Services and Public Safety, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Chief Executive's statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

### **Basis of audit opinion**

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant

to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board members and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Opinion**

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Northern Ireland Regional Medical Physics Agency at 31 March 2005 and of the overall surplus, total recognised gains and losses and cash flows for the year ended and have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972 as amended and directions made thereunder by the Department of Health, Social Service and Public Safety; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements

J M Dowdall CB  
Comptroller and Auditor General  
Date: 15<sup>th</sup> September 2005

Northern Ireland Audit Office  
106 University Street  
Belfast BT7 1EU



# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## REVENUE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	NOTE	2005 £	2004 £
Income from Activities	2	4,855,720	4,649,641
Other Operating Income	3	17,368	8,000
Operating Expenses	4	4,860,229	4,495,356
<b>OPERATIONAL SURPLUS BEFORE PROVISIONS</b>		12,859	162,285
Provisions for future Obligations	7.1	(2,094)	8,566
<b>RETAINED SURPLUS FOR THE FINANCIAL YEAR</b>		<b>10,765</b>	<b>170,851</b>

All income and expenditure is derived from continuing activities. The notes on pages 166 to 188 form part of these accounts.

NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

**CAPITAL INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2005**

	NOTE	2005		2004	
		£	£	£	£
<b>Income</b>					
Capital advances from DHSSPS		41,440			64,590
Proceeds from sale of fixed assets		0			0
Other capital income		81,882			46,899
<b>Total Capital Income</b>		<b>123,322</b>			<b>111,489</b>
<b>Expenditure</b>					
<b>Payments to acquire intangible assets:</b>					
Software licences					
Other licences and trademarks	8	19,020			11,410
Patents					
Development expenditure		0			0
		0			0
<b>Payments to acquire tangible assets:</b>		0			0
Land					
Buildings, Installations and Fittings					
Computer Equipment					
Other equipment					
Assets Under Construction:		0			0
		0			0
	9	19,580			36,126
	9	84,722			63,953
		0			0
<b>Total Capital Expenditure</b>		<b>123,322</b>			<b>111,489</b>
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>		<b>0</b>			<b>0</b>

The notes on pages 166 to 188 form part of these accounts.

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## BALANCE SHEET AS AT 31 MARCH 2005

	NOTE	2005 £	2004 £
<b>FIXED ASSETS</b>			
Intangible assets	8	43,078	0
Tangible assets	9	1,352,473	1,436,277
<b>CURRENT ASSETS</b>			
Stocks and work in progress	10	20,083	16,063
Debtors: amounts receivable within one year	11	438,489	575,350
Debtors: amounts receivable after one year		0	0
Cash at bank and in hand		258,815	215,667
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	12.1	<u>(167,221)</u>	<u>(269,772)</u>
<b>NET CURRENT ASSETS</b>		<u>550,166</u>	<u>537,308</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,945,717	1,973,585
Creditors: amounts falling due after more than one year	12.2	0	0
Provisions for Liabilities and Charges	13	(316,299)	(314,205)
<b>TOTAL ASSETS EMPLOYED</b>		<b><u>1,629,418</u></b>	<b><u>1,659,380</u></b>
<b>FINANCED BY:</b>			
<b>Capital Reserve:</b>			
Capital account	14.1	1,098,319	1,188,569
Revaluation reserve	14.1	297,232	247,709
Donation reserve	14.1	0	0
Realised donation reserve	14.1	0	0
Other reserves	14.1	0	
<b>Income and expenditure reserve:</b>			
Revenue	14.2	138,275	127,510
Capital	14.2	95,592	95,592
		<b><u>1,629,418</u></b>	<b><u>1,659,380</u></b>

The notes on pages 166 to 188 form part of these accounts.

Signed P.H. Varritt (Chief Executive)

Date 30/08/2005

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2005

	2005		2004	
	£	£	£	£
Surplus/(Deficit) for the financial year – Revenue		10,765		170,851
Provisions for future obligations				
Fixed asset impairment losses		0		
<b>Non donated Fixed Assets</b>				
Indexation of fixed assets		57,263		(119,771)
Unrealised surplus/(deficit) on revaluation of Fixed assets		(3,950)		
<b>Donated Assets</b>				0
Additions to donated assets		0		
Changes to donation reserve (except transfers to Realised donation reserve)		0		
<b>Total recognised gains and losses relating to the year</b>		64,078		51,080
Additions to Capital Assets Reserve		0		0
<b>TOTAL GAINS/(LOSSES) RECOGNISED IN FINANCIAL YEAR</b>		<b>64,078</b>		<b>51,080</b>

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	2005		2004
	Note	£	Note
			£
Net Cash Inflow from operating activities	21.1	36,189	19.1
<b>Returns on Investments and Servicing of Finance</b>			
Interest received		0	0
Interest paid		0	0
Interest element of finance lease rental payments		0	0
<b>Net Cash (Outflow)/Inflow from Returns on Investments and Servicing of Finance</b>		<u>0</u>	<u>0</u>
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire intangible fixed assets		(19,020)	(11,410)
Payments from sale of intangible fixed assets		0	0
Payments to acquire tangible fixed assets		(97,343)	(100,079)
Proceeds from sale of fixed assets		<u>0</u>	<u>0</u>
<b>Net Cash Inflow/(Outflow) from Capital Expenditure</b>		(116,363)	<u>(111,489)</u>
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
Purchase of current asset investments		0	0
Sale of current asset investments		0	0
<b>Net Cash Inflow/(Outflow) from Management of Liquid Resources</b>		0	0
<b>Net Cash Inflow/(Outflow) before Financing</b>		(80,174)	(98,616)
<b>FINANCING:</b>			
Capital Funding			
Capital element of finance lease rental payments		123,322	111,489
<b>Net Cash Inflow/(Outflow) from Financing</b>		123,322	111,489
<b>Increase in Cash</b>	<b>21.2</b>	<b><u>43,148</u></b>	<b>19.2</b>
			<b><u>12,873</u></b>

The notes on pages 166 to 188 form part of these accounts.

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> March 2005

## NOTES TO THE ACCOUNTS

### 1. STATEMENT OF ACCOUNTING POLICIES

#### 1.1 Authority

These accounts have been prepared in a form determined by the Department of Health, Social Services and Public Safety in accordance with the requirements of Article 90(2)(a) of the Health and Personal Social Services (Northern Ireland) Order 1972 No 1265 (NI 14) as amended by Article 6 of the Audit and Accountability (Northern Ireland) Order 2003.

#### 1.2 Accounting Convention

These accounts have been prepared under the historical cost convention as modified by the indexation and revaluation of tangible fixed assets.

#### 1.3 Basis of Preparation of Accounts

The accounts have been prepared in accordance with the 2004/05 HPSS Agency Manual of Accounts issued by the Department of Health, Social Services and Public Safety.

The accounting policies contained in that Manual follow UK generally accepted accounting practice (UK GAAP) to the extent that it is meaningful and appropriate to HPSS Agencies. The accounting policies are selected in accordance with the principles set out in FRS 18 "Accounting Policies" as the most appropriate for giving a true and fair view. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The principal variations between UK GAAP and the accounting policies directed by the Department of Health, Social Services and Public Safety are:

Paragraph 20 of Financial Reporting Standard 3 "Reporting Financial Performance" requires certain items of expenditure to be separately disclosed in the income and expenditure account after operating surplus/(deficit). These expenditure items do not include the costs associated with provision for liabilities and charges which are normally included within the calculation of the operating surplus/(deficit). However, as the Department measures the operating performance of Agencies by reference to the operating surplus/(deficit) excluding the impact of certain provisions, the income and expenditure account is presented to disclose the operating surplus/(deficit) before provisions for future obligations.

Financial Reporting Standard 15 "Tangible Fixed Assets" requires impairment losses on revalued fixed assets to be recognised in the statement of total recognised gains and losses

until the carrying value of the asset falls below depreciated historic cost, at which stage any further impairments are recognised in the income and expenditure account.

However, where an impairment arises due to consumption of economic benefits FRS 15 “Tangible Fixed Assets” requires the loss to be recognised in the income and expenditure account in its entirety.

In the context of their capital accounting HPSS Agencies take those impairment losses resulting from short term changes in price that are considered to be recoverable, in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

#### **1.4 Intangible fixed assets**

Intangible fixed assets are capitalised when they are capable of being used in an Agency’s activities for more than one year; they can be valued; and they have a cost of at least £5,000 (either individually or as a grouped asset).

Intangible fixed assets held for operational use are valued at historical cost and are depreciated over the estimated life of the asset on a straight line basis, except capitalised Research and Development which is revalued using an appropriate index figure. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred (either individually or as a grouped asset). They are amortised over the shorter of the term of the licence and their useful economic lives.

#### **1.5 Tangible Fixed Assets**

##### **Substance over form**

The Department of Health, Social Services and Public Safety retains legal title for all of the Agency’s fixed assets. The Agency manages such assets in accordance with guidance issued by the Department. The substance and financial reality of such transactions are accounted for and presented in the accounts rather than their legal form.

##### **Capitalisation**

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000 OR
- they satisfy the criteria of a grouped assets i.e. collectively have a cost of at least £5,000
- are functionally interdependent, broadly simultaneous purchase dates, and anticipated to have simultaneous disposal dates, under single managerial control and

- have an individual cost of £1,000 ;OR
- form part of the initial equipping and setting-up cost of a new building, ward or unit irrespective of their individual or collective cost.

## **Valuation**

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. They are restated to current value each year. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. All land and buildings are restated to current value using professional valuations in accordance with FRS 15 every five years and in the intervening years by the use of indices. The buildings index is based on the All in Tender Price Index published by the Building Cost Information Service (BCIS).

The land index is based on the residential building land values reported in the Property Market Report published by the Valuation Office.

Professional valuations are carried out by the District Valuers of the Valuations and Land Agency. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Department of Health, Social Services and Public Safety. In accordance with the requirements of the Department, asset valuations were undertaken in 2004/05 as at the valuation date of 31 March 2005.

The valuations are carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Additional alternative Open Market Value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

All adjustments arising from indexation and five-yearly revaluations are taken to the Revaluation Reserve. All impairments resulting from price changes are charged to the Statement of Total Recognised Gains and Losses. Falls in value when newly constructed assets are brought into use are also charged there. These falls in value result from the adoption of ideal conditions as the basis for depreciated replacement cost valuations.

Assets in the course of construction are valued at current cost using the indexes as for land and buildings, as above. These assets include any existing land or buildings under the control of a contractor.

Residual interests in off-balance sheet Private Finance Initiative properties are included in tangible fixed assets as 'assets under construction and payments on account' where the PFI contract specifies the amount, or a nil value, at which the assets will be transferred to the Agency at the end of the contract. The residual interest is built up, on an actuarial basis, during the life of the contract by capitalising part of the unitary charge so that at the end of the



contract the balance sheet value of the residual value plus the specified amount equal the expected fair value of the residual asset at the end of the contract. The estimated fair value of the asset on reversion is determined by the District Valuer based on Department of Health guidance. The District Valuer should provide an estimate of the anticipated fair value of the assets on the same basis as the District Valuer values the NHS Trusts estate.

Operational equipment other than IT equipment, which is considered to have nil inflation, is valued at net current replacement cost through annual uplift by the change in the value of the GDP deflator. Equipment surplus to requirements is valued at net recoverable amount.

### **Depreciation, amortisation and impairments**

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land, and assets surplus to requirements.

Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Agency, respectively.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as advised by the District Valuer. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life of the asset.

Impairment losses resulting from short-term changes in price that are considered to be recoverable in the longer term are taken in full to the revaluation reserve. These include impairments resulting from the revaluation of fixed assets from their cost to their value in existing use when they become operational. This may lead to a negative revaluation reserve in certain instances.

### **1.6 Donated Fixed Assets**

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the Donated Asset Reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the Donated Asset Reserve and, each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to the Income and Expenditure account. Similarly, any impairment on donated assets charged to the Income and Expenditure Account is matched by a transfer from the Donated Asset Reserve. On sale of donated assets, the value of the sale proceeds is transferred from the Donated Asset Reserve to the Income and Expenditure Reserve.

### **1.7 Research and development**

Research and development expenditure is charged against income in the year in which it is incurred, except in so far as development expenditure relates to a clearly defined project and the benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is

limited to the value of future benefits and is amortised through the income and expenditure account on a systematic basis over the period expected to benefit from the project.

### **1.8 Private Finance Initiative (PFI) transactions**

The HPSS follows HM Treasury's Technical Note 1 (Revised) "How to Account for PFI transactions" which provides definitive guidance for the application of the FRS 5 Amendment.

PFI schemes are schemes under which the PFI operator receives an annual payment from the Agency for the services provided by the PFI operator.

Where the balance of the risks and rewards of ownership of the PFI property are borne by the PFI operator, the PFI obligations are recorded as an operating expense. Where the Agency has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Income and Expenditure Account. Where, at the end of the PFI contract, a property reverts to the Agency, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up over the life of the contract by capitalising part of the unitary charge each year, as a tangible fixed asset.

Where the balance of risks and rewards of ownership of the PFI property are borne by the Agency, it is recognised as a fixed asset along with the liability to pay for it which is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge.

### **1.9 Stocks and work-in-progress**

Stocks are valued exclusive of VAT. In calculating the cost, the Agency has generally used the average cost or latest purchase price.

### **1.10 Provisions**

The Agency provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are adjusted using the Treasury's discount rate of 3.5% in real terms.

Provisions for clinical negligence are recognised only where it is more probable than not that a settlement will be required.

### **1.11 Pensions**

The Agency participates in the HPSS Superannuation Scheme. Under this multi-employer defined benefit scheme both the Agency and employees pay specified percentages of pay into the scheme and the liability to pay benefit falls to the DHSSPS. The Agency is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and

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

The costs of early retirements are met by the Agency and charged to the Income and Expenditure Account at the time the Agency commits itself to the retirement.

### **1.12 Third Party Assets**

Assets belonging to third parties are not recognised in the accounts since the Agency has no beneficial interest in them.

### **1.13 Leases**

Assets held under finance leases are capitalised at the fair value of the asset with an equivalent liability categorised as appropriate under creditors due within or after one year. The asset is subject to indexation and revaluation and is depreciated on its current fair value over the shorter of the lease term and its useful economic life. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of interest on the outstanding balance. Rentals under operating leases are charged to the Income and Expenditure Account in the year in which they arise.

### **1.14 Losses**

This note (Note 19) is a memorandum statement unlike most notes to the accounts which provide further detail of figures in the primary accounting statements. Most of the contents will be included in operating expenses.

### **1.15 Capital charges**

The Capital Charges scheme involves the Department charging the Agency for the use of fixed assets. This charge comprises depreciation and notional interest (interest currently at 3.5%).

## NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

### 2. Income from Activities

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Department of Health, Social Services and Public Safety		
NI Health and Social Services Boards	68,708	65,088
NI Health and Social Services Trusts	4,313,043	3,944,162
Other Public Bodies:		
DHSS	62,485	101,428
Universities	46,616	182,989
Government Bodies	20,022	37,681
Other Sources:		
- R&D Office		
- Private Sector Firms	255,079	205,815
- NHS Trusts (GB)	88,928	112,478
	839	0
<b>Total</b>	<b>4,855,720</b>	<b>4,649,641</b>

### 3. Other Operating Income

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Transfers from the donation reserve in respect of Depreciation on donated assets	0	0
Other income:		
- Equality funding from DHSS	8,000	8,000
- Misc	9,368	0
<b>Total</b>	<b>17,368</b>	<b>8,000</b>

## NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

### 4. Other Operating Expenses

#### 4.1 Other Operating Expenses are as follows:

	NOTE	2005 £	2004 £
Salaries and Wages (excluding Board members remuneration)		2,971,154	2,564,671
Board members remuneration		86,508	92,287
Supplies and services - clinical		985,582	864,131
Supplies and services - general		64,521	59,083
Establishment		55,777	42,837
Transport and moveable plant		0	0
Premises and fixed plant		18,670	13,465
Bad debts		0	0
Depreciation and amortisation		216,444	206,880
Profit/Loss on sale of fixed assets		919	393
Fixed asset impairments		0	1,926
Interest		50,166	50,964
Recharges from other HPSS organisations		230,734	225,423
Audit Fees		9,368	
Other auditor's remuneration		0	0
Liability claims		0	0
Miscellaneous		0	185,065
Other – Printing & Stationery		22,896	18,592
Other – Advertising		22,184	24,335
Other – Travel & Subsistence		37,347	52,091
Other - Training		73,852	79,375
<b>Sub Total</b>		<b>4,846,122</b>	<b>4,481,518</b>
Capital Charges – end of year adjustment		14,107	13,838
<b>Total</b>		<b>4,860,229</b>	<b>4,495,356</b>

#### 4.2 Operating Leases

The Agency had no operating leases in place during 2004/5

## NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

### 5 Information regarding Board Members and employers

#### 5.1 Staff Costs

	Directly employed £	2005 Other £	Total £	2004 Total £
Salaries and wages	2,553,674	50,078	2,603,752	2,246,528
Social security costs	201,015	0	201,015	173,020
Pension costs for early retirements reflecting the single lump sum to buy over the full liability	0	0	0	0
Other pension costs	166,387	0	166,387	145,123
Early departure costs				
<b>Total</b>	<b>2,921,076</b>	<b>50,078</b>	<b>2,971,154</b>	<b>2,564,671</b>

#### 5.2 Average Number of Persons Employed

	Directly employed No	2005 Other No	Total No	2004 Total No
Medical and dental	0.00	0.00	0.00	0.00
Nursing and Midwifery	0.99	0.14	1.13	0.61
Professions allied to medicine	0.00	0.00	0.00	0.00
Ancillaries	0.00	0.00	0.00	0.00
Administrative and clerical	13.54	1.66	15.20	13.43
Ambulance staff	0.00	0.00	0.00	0.00
Works	0.00	0.00	0.00	0.00
Other professional and technical	82.94	0.23	83.17	73.12
Social Services	0.00	0.00	0.00	0.00
Other	1.00	0.00	1.00	1.00
<b>Total</b>	<b><u>98.47</u></b>	<b><u>2.03</u></b>	<b><u>100.50</u></b>	<b><u>88.16</u></b>

Figures refer to whole time equivalents (WTEs) rather than individuals.

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## 5.3 Senior Employees' Remuneration

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

Name	Salary including Performance Pay	Benefits in kind (rounded to nearest £100)	Real increase in pension and related lump sum at age 60	Total accrued pension at age 60 and related lump sum	CETV at 31/3/04	CETV at 31/3/05	Real increase in CETV after adjustment for inflation and changes to market investment factors
	£	£	£	£	£	£	£
<b>Non-Executive Members</b>							
G Walmsley	5,000-10,000	0	0	0	0	0	0
G O'Neill	0 - 5,000	0	0	0	0	0	0
C Burrows	0 – 5,000	0	0	0	0	0	0
<b>Executive Members</b>							
P Jarritt	75,000-80,000	0	5,123	97,288	379,000	413,000	9,000

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members. A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves the scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement, which the individual has transferred to the HPSS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

## NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

### 5.4 Retirements due to ill-health

During 2004/05 there was one early retirement from the Agency agreed on the grounds of ill-health. The estimated additional pension liabilities of this ill-health retirement will be £40,174

## 6. Public Sector Payment Policy

### 6.1 Measure of Compliance

The Department requires that HPSS bodies pay their non-HPSS trade creditors in accordance with the CBI Prompt Payment Code and Government Accounting Rules.

The Agency's payment policy is consistent with the CBI prompt payment codes and Government Accounting rules and its measure of compliance is:

	2005 Number	2005 £	2004 Number	2004 £
Total bills paid	1,699	1,716,488	1,657	1,589,490
Total bills paid within 30 day target	1,572	1,669,095	1,456	1,422,904
% of bills paid within 30 day target	<u>92.53%</u>	<u>97.24%</u>	<u>87.87%</u>	<u>89.52%</u>

### 6.2 The late payment of Commercial Debts Regulations 2002

There were no liabilities arising from claims made by small businesses under this legislation.

## 7 Provisions for Future Obligations

### 7.1 Net movement in provisions

	Note	2005 £	2004 £
Movement in year:			
Permanent Injury Benefit	13	2,094	(8,566)
<b>Subtotal</b>		<u>2,094</u>	<u>(8,566)</u>
Reimbursements Receivable		<u>0</u>	<u>0</u>
<b>Total increase/(decrease)in provisions (to Income and Expenditure Account)</b>		<u>2,094</u>	<u>(8,566)</u>



# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## 8. Intangible Fixed Assets

	Software licences	Other licences & trademarks	Patents	Development Expenditure	Total
	£	£	£	£	£
<b>Cost or Valuation</b>					
As at 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Additions – purchases					
Additions – donated	19,020	0	0	0	19,020
Reclassifications	0	0	0	0	0
Other Revaluation	44,537	0	0	0	44,537
Impairments	0	0	0	0	0
Disposals	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2005	<u>63,557</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>63,557</u>
<b>Amortisation</b>					
At 1 April 2004	0	0	0	0	0
Indexation	0	0	0	0	0
Transfers	0	0	0	0	0
Revaluation	9,948	0	0	0	9,948
Reclassifications	0	0	0	0	0
Impairments	0	0	0	0	0
Disposals					
Reversal of impairments	0 10,531	0 0	0 0	0 0	0 10,531
Provided during year					
At 31 March 2005	20,479	0	0	0	20,479
<b>Net Book Value</b>					
<b>At 31 March 2005:</b>					
- Purchased	43,078	0	0	0	43,078
- Donated	0	0	0	0	0
<b>Total</b>	<u>43,078</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>43,078</u>
<b>At 31 March 2004:</b>					
- Purchased	34,589	0	0	0	34,589
- Donated	0	0	0	0	0
<b>Total</b>	<u>34,589</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,589</u>

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## 9. Tangible Fixed Assets

### 9.1 Tangible fixed assets comprise the following elements:

#### Purchased Assets

	Land	Buildings Installations & Fittings	Computer Equipment	Other Equipment	Assets under Construction	Total
	£	£	£	£	£	£
<b>Cost or Valuation</b>						
At 1 April 2004	0	565,019	210,327	1,804,891	0	2,580,237
Indexation	0	44,754	0	38,954	0	83,708
Additions	0	0	19,580	84,722	0	104,302
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	(44,537)	0	0	(44,537)
Impairments	0	0	0	0	0	0
Disposals	0	0	(1,533)	(76,879)	0	(78,412)
National revaluation	0	(89,914)	0	0	0	(89,914)
At 31 March 2005	<u>0</u>	<u>519,859</u>	<u>183,837</u>	<u>1,851,688</u>	<u>0</u>	<u>2,555,384</u>
<b>Depreciation</b>						
At 1 April 2004	0	(62,005)	(84,230)	(997,723)	0	(1,143,958)
Indexation	0	(4,911)	0	(21,534)	0	8
Transfers	0	0	0	0	0	(26,445)
Revaluation	0	0	0	0	0	0
Reclassification	0	0	9,948	0	0	0
Impairments	0	0	0	0	0	9,948
Disposal	0	0	614	76,879	0	0
Reversal of impairments	0	0	0	0	0	77,493
Provided during year						0
National revaluation	0	(19,048)	(27,900)	(158,965)	0	(205,913)
	0	85,964	0	0	0	85,964
At 31 March 2005	0	0	(101,568)	(1,101,343)	0	(1,202,911)
<b>Net Book Value</b>						
At 31 March 2005	<u>0</u>	<u>519,859</u>	<u>82,269</u>	<u>750,345</u>	<u>0</u>	<u>1,352,473</u>
At 31 March 2004	<u>0</u>	<u>503,014</u>	<u>91,508</u>	<u>807,166</u>	<u>0</u>	<u>1,401,688</u>

Of the total net book value at 31 March 2005, £519,859 related to buildings, installations and fittings valued at open market value for alternative use

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## 9.1 (cont'd)

	Land	Buildings Installations & Fittings	Computer Equipment	Other Equipment	Assets under Construction	Total
	£	£	£	£	£	£
<b>Donated Assets</b>						
<b>Cost or Valuation</b>						
At 1 April 2004	0	0	0	21,283	0	21,283
Indexation	0	0	0	459	0	459
Additions	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
At 31 March 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>21,742</u>	<u>0</u>	<u>21,742</u>
<b>Depreciation</b>						
At 1 April 2004	0	0	0	(21,283)	0	(21,283)
Indexation	0	0	0	(459)	0	(459)
Transfers	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Provided during year	0	0	0	0	0	0
At 31 March 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>(21,742)</u>	<u>0</u>	<u>(21,742)</u>
<b>Net Book Value</b>						
At 31 March 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2004	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

## NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

### 9.2 Total Tangible Fixed Assets

	Purchased £	2005 Donated £	Total £	2004 £
<b>Net book value:</b>				
Land	0	0	0	0
Buildings installations and fittings	519,859	0	519,859	503,014
Computer Equipment	82,269	0	82,269	91,508
Other Equipment	750,345	0	750,345	807,166
Assets under construction	0	0	0	0
<b>Total</b>	<b>1,352,473</b>	<b>0</b>	<b>1,352,473</b>	<b>1,401,688</b>

### 9.3 The net book value of land and buildings comprises:

	2005 £	2004 £
Freehold	519,859	503,014
Long leasehold	0	0
Short leasehold	0	0

### 9.4 The net book value of assets hold under finance leases and hire purchase contracts are as follows:

	2005 £	2004 £
Land	0	0
Buildings, installations and fittings	0	0
Equipment	0	0
Assets under construction	0	0

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### 10. Stocks and Work in Progress

	2005 £	2004 £
Raw materials and consumables		
Work in progress		
Finished goods	20,083	16,063
<b>Total</b>	<b><u>20,083</u></b>	<b><u>16,063</u></b>

### 11. Debtors

#### 11.1 Debtors: Amounts falling due within one year

	2005 £	2004 £
HPSS or NHS debtors	327,650	382,279
Clinical negligence	0	0
Pension – in respect of former directors	0	0
Pension – in respect of other staff	0	0
Other prepayments and accrued income	28,825	24,744
Other debtors – Other Government bodies	39,281	168,327
Other debtors – Private and commercial bodies	23,834	0
Other debtors – Universities	18,899	0
<b>Sub Total</b>	<b><u>438,489</u></b>	<b><u>575,350</u></b>

There was no requirement for a provision for bad debt in either year.

#### 11.2 Debtors: Amounts falling due after more than one year

	2005 £	2004 £
HPSS or NHS debtors	0	0
Clinical negligence – Central Fund	0	0
Pensions – in respect of former directors	0	0
Pensions – in respect of other staff	0	0
Other prepayments and accrued income	0	0
Other debtors – specify	0	0
<b>Sub Total</b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Total Debtors</b>	<b><u>438,489</u></b>	<b><u>575,350</u></b>

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## 12 Creditors

### 12.1 Creditors; Amounts falling due within one year

	2005 £	2004 £
Bank overdrafts	0	0
Interest payable	0	0
Payments received on account	0	0
HPSS or NHS creditors and accruals	26,020	4,461
Non HPSS or NHS trade revenue creditors	87,903	265,168
Non HPSS or NHS trade capital creditors	7,101	143
Payroll creditors including taxation and social security	46,197	0
Net obligations under finance leases	0	0
Clinical Negligence	0	0
Pension – in respect of former directors	0	0
Pension – in respect of other staff	0	0
Other accruals	0	0
<b>Sub Total</b>	<b><u>167,221</u></b>	<b><u>269,772</u></b>

### 12.2 Creditors: Amounts falling due after more than one year

Obligations under finance leases and hire purchase contracts	0	0
HPSS or NHS Creditors	0	0
Clinical Negligence	0	0
Pensions – relating to former directors	0	0
Pensions – relating to other staff	0	0
Other creditors – specify	0	0
Other creditors – specify	0	0
Other creditors – specify	0	0
<b>Sub Total</b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Total Creditors</b>	<b><u>167,221</u></b>	<b><u>269,772</u></b>

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## 13. Provisions for Liabilities and Charges

	Pensions relating to former directors £	Pensions relating to other staff £	Clinical Negligence £	Restructuring £	Permanent Injury Benefit £	2005 Total £	2004 £
At 1 April 2004	0	0	0	0	314,205	314,205	322,771
Arising during the year	0	0	0	0	10,039	10,039	(1,043)
Utilised during the year	0	0	0	0	(18,641)	(18,641)	(18,148)
Reversed unused	0	0	0	0	10,696	10,696	10,625
Unwinding of discount At 31 March 2005	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>316,299</u>	<u>316,299</u>	<u>314,205</u>

## Expected Timing of Cash Flow

	Pensions relating to former directors £	Pensions relating to other staff £	Clinical Negligence £	Restructuring £	Permanent Injury Benefit £	2005 Total £	2004 £
Within 1 year	0	0	0	0	18,641	18,641	18,148
1-5 years	0	0	0	0	74,564	74,564	72,592
Over 5 years	0	0	0	0	223,094	223,094	223,465
<b>Total</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>316,299</u>	<u>316,299</u>	<u>314,205</u>

In addition to these provisions, contingent liabilities are given in Note 17.

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## 14 Movements on Reserves

### 14.1 Movement on Capital Reserves

	Capital Account £	Revaluation Reserve £	Donation Reserve £	Realised Donation Reserve £	Other Reserves £	Total £
At 1 April 2004	1,188,569	247,709	0	0	0	1,436,278
Additions	123,322	0	0	0	0	123,322
Transfers	0	0	0	0	0	
Disposals and Write-offs	2,872	(3,790)	0	0	0	(918)
Depreciation – capital charges	(216,444)	0	0	0	0	(216,444)
Depreciation – other	0	0	0	0	0	0
Revaluation and indexation of fixed assets	0	53,313	0	0	0	53,313
Transfer of realised profits/(losses)	0	0	0	0	0	0
Movements in donation reserves	0	0	0	0	0	0
Fixed Asset Impairments	0	0	0	0	0	0
Other reserve movements (specify)	0	0	0	0	0	0
At 31 March 2005	<b>1,098,319</b>	<b>297,232</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,395,551</b>



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### 14.2 Movement on Income and Expenditure Reserves

	Revenue £	Capital £	Total £
At 1 April 2004	127,510	95,592	223,102
Retained surplus/(deficit) for the year	10,765	0	10,765
Transfer of realised profits/(losses)	0	0	0
Other reserve movements (specify)	0	0	0
At 31 March 2005	<u>138,275</u>	<u>95,592</u>	<u>233,867</u>

### 15. Capital Commitments

Capital commitments at the balance sheet date are:-

	Finance Leases £	Other £	2005 Total £	2004 Total £
Contracted	0	0	0	0
Authorised by the Board, but not contracted	0	353,000	353,000	92,000
<b>Total</b>	<b>0</b>	<b>353,000</b>	<b>353,000</b>	<b>92,000</b>

### 16. Post Balance Sheet Events

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

### 17. Contingent Liabilities

The Agency has no contingent liabilities.

Provisions are given in Note 13.

### 18. Related party transactions

During the year, none of the board members, members of the key management staff or other related parties have undertaken any material transactions with the Agency.

## NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

### 19. Analysis of Losses and Special Payments

TYPE OF LOSS	NO OF CASES	VALUE £
1. Cash Losses –Theft, fraud etc 2. Cash Losses – Overpayments of salaries, wages and allowances 3. Cash Losses – Other causes (including unvouched and incompletely vouched payments) 4. Nugatory and fruitless payments – Abandoned Capital Schemes 5. Other nugatory and fruitless payments 6. Bad debts and claims abandoned 7. Stores and Inventory Losses – theft, fraud, arson (whether proved or suspected) etc i. Bedding and linen ii. Other equipment and property 8. Stores and Inventory Losses – Incidents of the service (result of fire, flood, etc) 9. Stores and Inventory Losses – Deterioration in store 10. Stores and Inventory Losses – Stocktaking discrepancies 11. Stores and Inventory Losses – Other causes i. Bedding and linen ii. Other equipment and property 12. Compensation payments (legal obligation) i. Clinical negligence ii. Public liability iii. Employers liability 13. Ex-gratia payments – Compensation payments (including payments to patients and staff) 14. Ex-gratia payments – Other payments 15. Extra statutory payments 16. i. Losses sustained as a result of damage to buildings and fixtures arising from bomb explosions or civil commotion. ii. Damage to vehicles	1	919

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### 20. Intra Government Balances

Details of year end debtor and creditor balances with other Government bodies, split between due within one year and due in more than one year.

	Debtors		Creditors	
	Amounts falling due within one year	Amounts falling due after more than one year	Amounts falling due within one year	Amounts falling due after more than one year
	£	£	£	£
Other central government bodies	58,180	0	1,172	0
Local authorities	0	0	0	0
HPSS bodies	343,266	0	26,020	0
Public corporations & trading funds	0	0	0	0
<b>Total</b>	<b>401,446</b>	<b>0</b>	<b>27,192</b>	<b>0</b>

### 20. Notes to the Cash Flow Statement

#### 21.1 Reconciliation of operating surplus/(deficit) to net cash inflow from operating activities

	2005	2004
	£	£
Operating surplus after provisions	10,765	170,852
Increase/(decrease) in provisions (Balance Sheet)	2,094	(8,566)
(Increase)/decrease in stocks	(4,021)	93
decrease/(increase ) in debtors	136,860	(77,281)
(decrease) in creditors	(109,509)	(72,225)
<b>Net cash inflow from operating activities</b>	<b>36,189</b>	<b>12,873</b>

# NORTHERN IRELAND REGIONAL MEDICAL PHYSICS AGENCY

## 21.2 Reconciliation of net cash flow to movement in net debt

	2005		2004	
	£	£	£	£
Increase/(decrease) in cash in the period		43,148		12,873
Net cash/debt at 1 April 2004		215,667		202,794
Net cash/debt at 31 March 2005		258,815		215,667

## 21.3 Analysis of changes in net funds/debt

	At 1 April 2004	Cash flows	Non-cash changes	At 31 March 2005
	£	£	£	£
Cash at bank and in hand	215,667	43,148	0	258,815
Bank overdrafts	0	0	0	0
Finance leases	0	0	0	0
Current asset investments	0	0	0	0

## 22. Financial Instruments

FRS 13 *Derivatives and Other Financial Instruments* requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the relationships within HPSS, and the manner in which they are funded, the Agency is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Agency has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Agency in undertaking its activities.

## 23. Third party assets

The Agency did not hold any cash at bank or in hand at 31 March 2005 which relates to monies held by the Agency on behalf of any other body.