



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

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AN ROINN

**Sláinte, Seirbhísí Sóisialta
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MÁNNYSTRE O

**Poustie, Resydènter Heisin
an Fowk Siccar**

HSC

PERFORMANCE AND ASSURANCE

ROLES AND RESPONSIBILITIES

April 2008

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Introduction

This paper has been developed by the Planning and Finance Project. This paper sets out performance and assurance roles and responsibilities in relation to four key HSC domains and identifies the key functions to be undertaken and the associated roles and responsibilities of the Department, the Health and Social Care Board (the Board), the Public Health Agency (the Agency), the Business Services Organisation (BSO), the Trusts and the other Arm's Length Bodies (ALBs) post-1 April 2009.

It has been approved by the Modernisation and Improvement Programme Board and is now free for circulation to HSC staff and other relevant stakeholders. A copy of the paper will be placed on the Health and Social Care Reform section of the departmental website - www.dhsspsni.gov.uk/index/hss/rpa-home.htm

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Modernisation and Improvement Programme Board

1. Background

This paper sets out performance and assurance roles and responsibilities in relation to four key HSC domains, namely:

- Corporate Control – the arrangements by which the individual HSC organisations direct and control their functions and relate to stakeholders
- Safety and Quality – the arrangements for ensuring that health and social care services are safe and effective and meet patients' needs
- Finance – the arrangements for ensuring the financial stability of the HSC, for ensuring value for money and for ensuring that resources allocated by the Minister/Department are deployed fully in achievement of agreed outcomes
- Operational Performance and Service Improvement – the arrangements for ensuring the delivery of Government and Ministerial targets and required service improvements.

Within each domain, the paper identifies the key functions to be undertaken and the associated roles and responsibilities of the Department, the Health and Social Care Board (the Board), the Public Health Agency (the Agency), the Business Services Organisation (BSO), the Trusts and the other Arm's Length Bodies (ALBs).

The content of this document will be reflected in the 'Framework Document' that the Department is required to prepare under the provisions of the Health and Social Care (Reform) Act 2009. The paper should also be read in conjunction with relevant papers approved by MIPB and placed on the Department's website e.g. 'Working Relationship between RHSCB and RAPHSW' and 'Financial and Funding Flows for the new Organisations'.

2. PERFORMANCE AND ASSURANCE – KEY PRINCIPLES

Roles and responsibilities of the Department, Board, Agency and BSO are defined in the Health and Social Care (Reform) Act (Northern Ireland) 2009. The equivalent provisions for the Trusts are set out in the Health and Personal Social Services (Northern Ireland) Order 1991.

Within this legislative context, the following key principles are proposed as the foundation underpinning the approach to performance and assurance post-March 2009.

Key Principles

1. The Minister and the Department have ultimate accountability for the effective functioning of the HSC across the four domains.
2. The Minister and the Department will provide the HSC with a clear direction across each of the four domains, specifying outputs and outcomes that are appropriate, affordable and achievable. This direction will be developed with the involvement of the Board, Agency and other HSC organisations, consistent with their stated roles and responsibilities.
3. Local accountability for organisational performance across the four domains – and for ensuring that appropriate assurance arrangements are in place – rests wholly with each organisation's board of directors. It is the responsibility of these boards to manage local performance and to manage emerging issues in the first instance.
4. The assurance arrangements and associated information streams within individual HSC organisations will, as far as possible, be used to meet the assurance requirements of the Board and Agency, and those of the Department, subject to such additional independent verification as may be deemed necessary.
5. The Department, and in turn the Board and Agency, will seek to build a relationship with other HSC organisations based on open communication and 'no surprises', adopting an informal, supportive approach to clarify and resolve issues as they arise, minimizing the need for formal intervention.
6. There will be a continuing need for the Department to engage with Trusts to ensure sound financial management and for other matters, but the Department will ensure that such engagement is undertaken with proper regard for the roles, responsibilities and effectiveness of the Board (and the Agency).

3.1 DOMAIN 1 – CORPORATE CONTROL

Introduction

The domain of ‘corporate control’ encompasses the policies, procedures, practices and internal structures which are designed to give assurance that the entity is fulfilling its essential obligations as a public body. It follows that most of the requirements reflect those in place across the public sector, but a few have been instituted for reasons peculiar to the field of health and social care – notably the statutory duty of care created by Article 34 of the HPSS (Quality, Improvement and Regulation) (NI) Order 2003. In addition to that obligation, the controls relate to: the existence of appropriate board roles, structures and capacity; corporate and business planning arrangements; risk management and internal controls; and monitoring and assurance thereon.

Proposed arrangements post-March 2009

Given the direct link from the Departmental Accounting Officer (the Permanent Secretary) to each individual ALB accounting officer (the organisation’s Chief Executive or equivalent) – as expressed through the terms of the letter of appointment – the post-March 2009 Department will continue to seek direct assurances from all ALBs as to the existence of effective corporate control arrangements.

The table below details the present governance responsibilities owed by each ALB to the Department, and suggests where responsibility should lie from April 2009.

Corporate control function	Current lead organisation	Arrangements post-March 2009
1. Issuing the Accounting Officer appointment letter to specify (inter alia) the governance responsibilities and duties which are owed, ultimately, to the Departmental Accounting Officer.	Issued by the AO of the Department	<p><u>Standard setting</u>: the content of the AO letter will continue to be determined by the Dept</p> <p><u>Performance monitoring</u>: adherence to the terms of the AO letter will continue to be monitored by the Dept as part of the SIC process, etc – Dept</p> <p><u>Resolution of performance issues</u>: issues will be resolved by the Dept at accountability reviews, ad hoc action, etc</p>
2. Drawing up and agreement of a Management Statement/Financial Memorandum to set the control framework for an arm’s length body	Drawn up, in a form specified by DFP, by the Department	<p><u>Standard setting</u>: structure and content – Dept</p> <p><u>Performance monitoring</u>:</p>

		<p>periodic review (every five years) of MS/FM, ad hoc action – Dept</p> <p><u>Resolution of performance issues</u>: accountability reviews, ad hoc action – Dept</p>
<p>3. The requirement for the accounting officer to sign and submit an annual Statement on Internal Control, covering the range of control issues in the standard form prescribed by DFP but augmented by the Department's additional, more HSC-specific, requirements</p>	<p>Requirement for submission to the Department</p>	<p><u>Standard setting</u>: structure, coverage and approach (openness etc) – Dept</p> <p><u>Performance monitoring</u>: bi-annual accountability reviews, ad hoc action – Dept</p> <p><u>Resolution of performance issues</u>: accountability reviews, ad hoc action – Dept</p>
<p>4. The requirement, from 2009-10, for submission of a mid-year assurance statement on control issues (akin to the SIC, in the interests of more frequent and explicit assurance).</p>	<p>Requirement for submission to the Department</p>	<p><u>Standard setting</u>: structure, coverage and approach – Dept</p> <p><u>Performance monitoring</u>: accountability reviews, ad hoc action – Dept</p> <p><u>Resolution of performance issues</u>: accountability reviews, ad hoc action – Dept</p>
<p>5. Adoption, from 2009-10, of an Assurance Framework to strengthen board-level control and assurance, and strengthen the SIC</p>	<p>Requirement set by the Department</p>	<p><u>Standard setting</u>: structure, coverage and operation – Dept</p> <p><u>Performance monitoring</u>: bi-annual accountability reviews, ad hoc action – Dept</p> <p><u>Resolution of performance issues</u>: accountability reviews, ad hoc action – Dept</p>
<p>6. Compliance with procurement policy (regarding eg value for money, economically advantageous outcomes, equality of opportunity, sustainable development etc) and with the Programme for Government requirement for procurement to assist in the delivery of Executive commitments</p>	<p>Reporting to the Department</p>	<p><u>Standard setting</u>: Policy framework set by Executive and DFP (unchanged); KPIs (including required efficiency savings) set by Dept (unchanged); procurement strategy led by formalised Regional Procurement Group, supported by BSO; strategy signed-off by Department. (Procurement of infrastructure overseen by Health Estates as COPE.)</p>

		<p><u>Performance monitoring:</u> Regional Procurement Group, supported by BSO, to promote and oversee implementation of the agreed strategy; Dept to secure assurance on adherence to policy rules and achievement of KPIs</p> <p><u>Resolution of performance issues:</u> Department to take action when Trusts and other ALBs fail to adhere to policy rules (eg use of a COPE) or fail to achieve KPIs. Regional Procurement Board would draw problems that they were unable to resolve to the attention of Dept, for resolution with Trust/Board/Agency concerned.</p>
<p>7. Reporting on compliance with controls assurance and quality standards (including compliance with the Department's requirements for implementation of a risk management strategy, and evidence that the guidance on an Assurance Framework is being followed), follow-up scrutiny and action</p>	<p>Standards set by, and reports made to, the Department</p>	<p><u>Standard setting:</u> subject of individual standards determined by Dept; content of individual standards determined by dept with support of Board or Agency (depending on subject matter)</p> <p><u>Performance monitoring:</u> annual reporting on CAS, bi-annual accountability reviews, ad hoc action etc - Department (with Board or Agency advice as need be)</p> <p><u>Resolution of performance issues:</u> accountability reviews, ad hoc action etc – Department (with Board or Agency advice as need be)</p>
<p>8. Ensuring that the Appointment processes for chairs and members of boards follow public appointments procedures and are demonstrably independent and free from external conflicts of interest.</p>	<p>Procedures set down and compliance appraised by the Department</p>	<p><u>Standard setting:</u> criteria, procedures etc</p> <p><u>Performance monitoring:</u> accountability reviews, ad hoc action by Dept sponsor branch/PAU</p> <p><u>Resolution of performance issues:</u> accountability reviews, ad hoc action by Dept sponsor branch/PAU</p>

<p>9. Requiring that an Internal Audit function within each ALB operate to HM Treasury standards, giving a comprehensive professional opinion from the chief internal auditor on the adequacy of an organization's system of internal control.</p>	<p>Requirement set by the Department</p>	<p><u>Standard setting</u>: professional qualifications, conduct and remit – Dept</p> <p><u>Performance monitoring</u>: see SIC etc, and ad hoc scrutiny by DHSSPS Head of Internal Audit – Dept</p> <p><u>Resolution of performance issues</u>: accountability reviews, ad hoc action – Dept</p>
<p>10. Requiring a board-approved scheme of delegated decision-making within each organization.</p>	<p>Requirement set by the Department</p>	<p><u>Standard setting</u>: good practice, updated by Dept</p> <p><u>Performance monitoring</u>: accountability reviews, ad hoc action – Dept</p> <p><u>Resolution of performance issues</u>: accountability reviews, ad hoc action – Dept</p>
<p>11. Requiring formally attested compliance with accepted or prescribed standards of public administration eg re equality of opportunity, equality legislation, complaints.</p>	<p>Requirements set by the Department</p>	<p><u>Standard setting</u>: promulgation of instruction, guidance etc – Dept</p> <p><u>Performance monitoring</u>: accountability reviews, ad hoc action – Dept</p> <p><u>Resolution of performance issues</u>: accountability reviews, ad hoc action – Dept</p>
<p>12. Ensuring implementation of Northern Ireland Audit Office and PAC recommendations.</p>	<p>Implementation monitored by the Department</p>	<p><u>Standard setting</u>: recommendations to be implemented – Department</p> <p><u>Performance monitoring</u>: lead responsibility (Department, Board or Agency) in individual cases to be determined by Department. Reporting of progress to DFP, NIAO and PAC to continue to be done by Department.</p> <p><u>Resolution of performance issues</u>: lead responsibility (Department, Board or Agency) in individual cases to be determined by Department</p>

<p>13. Checklist of actions required of sponsor branches in obtaining assurance from their respective ALBs, covering: roles and responsibilities; business planning and risk management; governance; internal audit; achievement of objectives; and openness and accountability (including engagement with public, patients and clients, and stakeholders).</p>	<p>Checklist used by sponsor branches in the Department</p>	<p><u>Standard setting</u>: content of checklist (to be reviewed annually) - Dept</p> <p><u>Performance monitoring</u>: accountability reviews, ad hoc action – Dept</p> <p><u>Resolution of performance issues</u>: accountability reviews, ad hoc action – Dept</p>
<p>14. Compliance with HSC pay policy eg nationally agreed pay systems, arrangements for senior executive pay, etc.</p>	<p>Dept</p>	<p><u>Standard setting</u>: Dept continues to promulgate and adhere to Executive pay policy and requirements</p> <p><u>Performance monitoring</u>: Dept</p> <p><u>Resolution of performance issues</u>: Dept</p>

3.2 DOMAIN 2 – SAFETY AND QUALITY

Introduction

Safety and quality covers a broad agenda and overlaps with many areas relating to operational performance and to some extent, with financial performance and corporate control. It also applies to all programmes of care, including health improvement and health protection, and to infrastructure.

This section describes assurance arrangements for specified elements of safety and quality, in particular, the arrangements for ensuring that health and social care services are:

- Safe, doing no harm to patients or clients and provided in an environment that is safe and clean;
- Effective, achieving agreed clinical and social care outcomes such as mortality and survival rates, and helping people to avoid ill-health;
- Personalised, centred on the needs of individual patients and clients.

Proposed arrangements post-March 2009

The table below details the organisations currently responsible for assuring the Department and the Minister on the safety and quality of services, those that will assume responsibility from April 2009 and illustrative examples for each safety and quality requirement.

In some circumstances, the lead organisation may look to the Safety Forum¹ or other sources to provide assurance rather than seek assurance directly from providers. In addition to assurance processes outlined in the table, RQIA is responsible for providing independent assurance on specific areas identified by RQIA, by the Minister or by the Department; these will vary year to year depending on the key safety quality concerns at the time.

¹ The Safety Forum operates to support regional implementation of measures that are known to save lives and reduce harm to patients. It also promotes an HSC safety culture and the sharing of best practice.

Safety & Quality Function	Current Lead Organisation	Arrangements post-March 2009
<p>1. PFA safety and quality requirements e.g.</p> <ul style="list-style-type: none"> • C. Difficile & MRSA targets • Quality improvement plans 	Department	<p><u>Standard setting:</u> Dept determines targets, standards and, as appropriate, actions required, with support from Board and Agency</p> <p><u>Performance monitoring:</u> Board (Performance Management and Service Improvement (PM&SI) Directorate), working closely with the Agency. Monitoring to take place on at least a quarterly basis. Board to report to Department. Department to publish performance information as appropriate.</p> <p><u>Resolution of performance issues:</u> PM&SI of Board, working closely with the Agency and escalating to Dept if required</p>
<p>2. Implementation of RQIA and other independent review recommendations issued by DHSSPS for implementation e.g.</p> <ul style="list-style-type: none"> • Maternal deaths review • C. Difficile review • Hyponatraemia review 	Department	<p><u>Standard setting:</u> Dept determines actions required, with support from Board and Agency</p> <p><u>Performance monitoring:</u> PM&SI of Board, working closely with the Agency. Board/Agency to report to Department. Department to publish performance information as appropriate.</p> <p><u>Resolution of performance issues:</u> PM&SI of Board, working closely with the Agency and escalating to Dept if required</p>
<p>3. Implementation of DHSSPS-endorsed NICE technology appraisals e.g.</p> <ul style="list-style-type: none"> • Spot sample of NICE TAs endorsed for implementation 	Department	<p><u>Standard setting:</u> Dept determines actions required, with support from Board and Agency</p> <p><u>Performance monitoring:</u> PM&SI of Board, working closely with the Agency</p> <p><u>Resolution of performance issues:</u> PM&SI of Board, working closely with the Agency and escalating to Dept if required</p>
<p>4. Implementation of Service Frameworks</p>	Department	<p><u>Standard setting:</u> Dept sets standards, with support from Board and Agency</p>

Safety & Quality Function	Current Lead Organisation	Arrangements post-March 2009
		<p><u>Performance monitoring:</u> relevant joint commissioning team(s) led by Board or Agency</p> <p><u>Resolution of performance issues:</u> commissioning teams, escalating to PMSI of Board, and then to Dept if required</p>
<p>5. Evidence of provider-initiated action to improve safety and quality in addition to mandated requirements e.g.</p> <ul style="list-style-type: none"> • Provider-determined examples of quantified improvements in clinical and social care quality in services not addressed by mandated requirements 	HSS Boards	<p><u>Standard setting:</u> the individual Trusts</p> <p><u>Performance monitoring:</u> PM&SI of Board, working closely with the Agency</p> <p><u>Resolution of performance issues:</u> PM&SI of Board, working closely with the Agency and escalating to Dept if required</p>
<p>6. Trusts applying lessons from adverse incidents & near misses (including those to be recorded on the PHA-managed RAIL system)</p> <ul style="list-style-type: none"> • Evidence of provider compliance with their responsibilities to report and act on recommendations <ul style="list-style-type: none"> ○ Reporting rate ○ Sharing learning regionally ○ Timely, robust investigations ○ Communication with family/patient ○ Implementation of regional recommendations ○ Implementation of local recommendations 	Department	<p><u>Standard setting:</u></p> <ul style="list-style-type: none"> – DHSSPS for major regional recommendations, with support from Board and Agency; – Agency for other regional recommendations, with support from the Board; – Trusts for local recommendations <p><u>Performance monitoring:</u> PM&SI of Board, working closely with the Agency; Monitor Agency performance – Dept</p> <p><u>Resolution of performance issues:</u> Resolve Trust performance issues – PM&SI of Board, working closely with the Agency & escalating to Dept if required; Resolve Agency performance issues – Dept</p>
<p>7. Implementation of mandatory DHSSPS policy or guidance, not subject to formal performance arrangements e.g.:</p> <ul style="list-style-type: none"> • NICE Clinical Guideline on perinatal mental health • Pandemic flu plans • Quality of screening programmes • Specified GAIN guidelines 	HSS Boards	<p><u>Standard setting:</u> Dept, with support from Board and Agency</p> <p><u>Performance monitoring:</u> relevant joint commissioning team(s) led by Board or Agency</p> <p><u>Resolution of performance issues:</u> PM&SI of Board, working closely with</p>

Safety & Quality Function	Current Lead Organisation	Arrangements post-March 2009
		the Agency and escalating to Dept if required
<p>8. Compliance with safety and quality clinical and social care governance requirements specified by commissioners in contracts with providers across all programmes of care (excluding FPS) e.g.:</p> <ul style="list-style-type: none"> • Handling complaints • Patient/client experience • Staff surveys • Corporate Parenting Report • Safeguarding vulnerable adults 	HSS Boards	<p><u>Standard setting:</u> Board, working closely with Agency</p> <p><u>Performance monitoring:</u> relevant joint commissioning team(s) led by Board or Agency</p> <p><u>Resolution of performance issues:</u> PM&SI of Board, working closely with the Agency and escalating to Dept if required</p>
<p>9. Implementation of statutory functions under agreed Schemes of Delegation (such as those in respect of children and families, vulnerable adults, older people and carers, and Corporate Parenting), including unbroken lines of accountability</p>	HSS Boards	<p><u>Standard setting:</u> Dept</p> <p><u>Performance monitoring:</u> Board</p> <p><u>Resolution of performance issues:</u> Board, escalating to Dept if required</p>
<p>10. Compliance with professional standards (Family Practitioner Services described separately)</p> <ul style="list-style-type: none"> • Professional regulation • Training and development 	HSS Boards	<p><u>Standard setting:</u> Dept, with support from Board and Agency</p> <p><u>Performance monitoring:</u> Board for social care professionals in Trusts; Agency for medical, nursing and allied health professionals in Trusts</p> <p>Monitor Board and Agency performance – Dept</p> <p><u>Resolution of performance issues:</u> relevant organisation – Board or Agency, escalating to Dept if required</p>
<p>11. Family Practitioner Services e.g.</p> <ul style="list-style-type: none"> • Clinical and social care governance arrangements • Evidence of quality improvement • Evidence of learning from adverse incidents & near misses in FPS • Safeguarding children and vulnerable adults • Professional regulation • Training and development • Evidence of improvements in effectiveness 	HSS Boards	<p><u>Standard setting:</u> Dept for policy (with support from Board and Agency); Board for contract requirements (working closely with Agency)</p> <p><u>Monitor FPS performance:</u> Board, working closely with the Agency</p> <p><u>Resolution of performance issues:</u> Board, escalating to Dept if required</p>
<p>12. Statutory midwifery supervision e.g.</p> <ul style="list-style-type: none"> • Compliance with statutory requirements 	HSS Boards	<p><u>Standard setting:</u> Dept, with support from Agency</p>

Safety & Quality Function	Current Lead Organisation	Arrangements post-March 2009
		<p><u>Performance monitoring:</u> Agency</p> <p><u>Resolution of performance issues:</u> Agency, escalating to Dept if required</p>
<p>13. Support Services: Laundry & Linen Service: to provide a robust quality linen service to HSC Trusts meeting all necessary linen disinfection standards and providing value for money</p> <p>Catering Services: to provide good quality food meeting all necessary nutritional and food production standards and providing value for money</p> <p>Cleaning Services: to provide a safe and comfortable patient environment</p> <p>Car Parking Management: to ensure reasonable access to patient services</p>	<p>Department and HSS Boards</p>	<p><u>Standard setting:</u> Dept (Health Estates and Investment Group – HEIG)</p> <p><u>Performance monitoring:</u> Dept (HEIG)</p> <p><u>Resolution of performance issues:</u> Dept (HEIG)</p>
<p>14. Decontamination of reusable medical devices (Trusts, GPs, GDPs). Compliance with policy, legislation and standards in respect to the decontamination of reusable medical devices to ensure patient safety.</p>	<p>Department</p>	<p><u>Standard setting:</u> Dept (HEIG)</p> <p><u>Performance monitoring:</u> Dept (HEIG)</p> <p><u>Resolution of performance issues:</u> Dept (HEIG)</p>
<p>15. Operational management of the HSC Estate – compliance with policy, legislation, standards and guidance in respect of the safe operation of life-critical healthcare-specific systems and processes</p>	<p>Department</p>	<p><u>Standard setting:</u> Dept (HEIG)</p> <p><u>Performance monitoring:</u> Dept (HEIG)</p> <p><u>Resolution of performance issues:</u> Dept (HEIG)</p>
<p>16. Independent sector (IS) contracts regarding waiting list initiatives eg:</p> <ul style="list-style-type: none"> ○ Clinical and social care governance arrangements ○ Performance on specified quality measures <p>(see also procurement in 'corporate control' section)</p>	<p>HSS Boards</p>	<p><u>Standard setting:</u> Board to develop contract requirements, working closely with Agency</p> <p><u>Performance monitoring:</u> Board to monitor IS performance, working closely with Agency</p> <p><u>Resolution of performance issues:</u> PM&SI of Board, working closely with Agency</p>
<p>17. Independent sector contracts regarding nursing, residential and</p>	<p>RQIA</p>	<p><u>Standard setting:</u> Dept</p>

Safety & Quality Function	Current Lead Organisation	Arrangements post-March 2009
<p>children's homes and domiciliary care</p> <ul style="list-style-type: none"> • Safeguarding children and vulnerable adults arrangements ▪ Compliance with relevant Departmental, RHSCB, Trust guidance/professional or national standards etc <p>(see also procurement in 'corporate control' section)</p>		<p><u>Performance monitoring:</u> Trusts</p> <p><u>Resolution of performance issues:</u> Trusts, taking account of RQIA findings and other relevant information</p>
<p>18. Voluntary & Community sector providers e.g.</p> <ul style="list-style-type: none"> • Services provided • Clinical and social care governance arrangements • Safeguarding children and vulnerable adults arrangements • Compliance with relevant Departmental, Board, Trust guidance/professional or national standards etc <p>(see also procurement in 'corporate control' section)</p>	HSS Boards	<p><u>Standard setting:</u> contracting body, either Board or Agency</p> <p><u>Performance monitoring:</u> Voluntary and community provider performance to be monitored by contracting body i.e. Board or Agency</p> <p><u>Resolution of performance issues:</u> contracting body i.e. Board or Agency</p>

3.3 DOMAIN 3 – FINANCE

Introduction

Appropriate financial accountability mechanisms are necessary to:

- Ensure that the optimum resources are secured from the Executive for Health and Social Care
- Ensure the resources allocated by Minister/Department deliver the agreed outcomes and represent value for money
- Deliver and maintain financial stability
- Facilitate the delivery of economic, effective and efficient services by rewarding planned activity that maximises effectiveness and quality and minimises cost
- Facilitate the development of innovative and effective models of care.

It remains, of course, the case that all financial resources devolved by the Department to the Board, the Agency and other bodies remain subject to the same standards of probity and accountability irrespective of where day-to-day management and control is vested.

Key Finance Roles and Responsibilities

The table below identifies, currently and from April 2009, the **key** finance functions to be undertaken and the respective roles and responsibilities of the Department and its new set of associated bodies, as appropriate. Where it is meaningful to do so, the discharge of each function is described under some or all of the headings “Standard Setting”, “Monitoring of Performance” and “Resolution of Performance Issues”

Finance function	Current lead organisation	Arrangements post-March 2009
1. Strategic Financial Planning. Horizon scanning (i.e, anticipating and preparing for future challenges, trends and opportunities), analysis of available information, needs assessment, identification and justification of gaps. Input to formulation of PfG, PSAs, CSR Ministerial Priorities.	DHSSPS (within Policy framework set by Executive and OFMDFM /DFP).	This function will continue to be undertaken by Dept. From 2009, the work will include the development and ongoing review of a rolling 5-year Strategic Plan for Health and Social Care and a 10-year capital plan. This will enable all new and existing bodies to make a significant and co-ordinated contribution to the Department’s and the Executive’s expenditure planning and priorities process.
2. Secure revenue resources Ensure that future resource	DHSSPS – within context of the	Dept will continue to lead in making the case to DFP for optimal settlement. Dept will also lead

Finance function	Current lead organisation	Arrangements post-March 2009
requirements meet the assessed need by maximising the proportion of Public Expenditure allocated to Health, Social Services and Public Safety.	Public Expenditure process, informed by CSRs/Budget Stocktakes	on in-year monitoring, reporting to DFP, and, exceptionally, bidding for unanticipated and inescapable in-year pressures. Process to be informed by the Board, working closely with the Agency.
<p>3. Allocate revenue resources It is intended to devolve out the maximum practicable proportion of DHSSPS resources, with appropriate transitional arrangements.</p> <p>HSCB, PHA & PCC to receive direct allocations; BSO to move asap to being financed by its customers Funding arrangements, for surviving smaller bodies to remain substantially unchanged.</p>	DHSSPS - Entails major annual allocation letter, largely informed by capitation formula, with subsequent in-year adjustments to reflect emerging or receding needs.	<p><u>Standard setting:</u> Dept will retain overall approval role for allocations.</p> <p><u>Monitoring of performance:</u> Dept will monitor spend on a monthly basis informed by Board, working closely with the Agency. However Capitation Formula Review Group (CFRG) to be chaired by Board (with Agency also appropriately represented). Ditto for running of future consultation exercises in relation to future proposed changes to the capitation formula.</p> <p><u>Resolution of performance issues:</u> Board, escalating to Dept if required.</p>
<p>4. Secure & allocate capital resources Board and Agency to work with DHSSPS in partnership approach to capital planning.</p> <p>10-year rolling capital plan to be produced with capital priorities review every two years.</p> <p>Close alignment of capital & revenue consequence imperative.</p>	DHSSPS Firm 3-year CSR settlements, consistent with 10-year ISNI plans.	<p>Dept will continue to lead in making case to DFP for optimal settlement.</p> <p>Dept also retains overall responsibility for:</p> <ul style="list-style-type: none"> - Strategic Capital planning process - Oversight of procurement & programme management, taking action where slippage or potential overspends become apparent <p>Departmental role in approval of business cases to remain unchanged, within the delegated limits in force or as amended.</p> <p>Board/Agency to be fully consulted at all key stages in the capital planning process to ensure alignment of capital & revenue consequences.</p>
<p>5. Develop supporting LCG/Commissioner budgets and financial targets (to include local application of equity strategy)</p>	DHSSPS - working closely with existing commissioning organisations.	<p><u>Standard setting:</u> Dept retains overall approval role in respect of application of equity strategy</p> <p><u>Monitoring of performance:</u> Board. This to also include future development and production of the annual Strategic Resource Framework (SRF).</p> <p><u>Resolution of performance issues:</u> the equitable application of capitation can be expected to minimise disagreement. However in the event of issues arising Board shall address and resolve, escalating to Dept if required.</p>
<p>6. Monitor operational break-even</p>	DHSSPS.	<p><u>Standard setting:</u> Dept retains overall breakeven</p>

Finance function	Current lead organisation	Arrangements post-March 2009
<p>financial performance & VFM – each HSC body.</p> <p>Making the best possible use of the finance available and maintaining strong financial control is integral to the proper provision of health and social care. One of the Minister’s ten key priorities is: “Ensuring Effective Financial Control and Improved Efficiency”.</p>	<p>All organisations directly accountable to the Department for the achievement of overall financial balance.</p>	<p>policy role and approves financial aspects of HWIP/TDPs</p> <p><u>Monitoring of performance:</u> Dept with, in the case of Trusts and other providers, simultaneous receipt of monitoring returns by Board.</p> <p>Dept will monitor on a monthly basis break-even performance of each organisation, working closely with the Board.</p> <p>Board will monitor monthly the performance of Trusts against SBAs and fulfilment of service targets. Also Board will manage the ongoing VFM audit programme in accordance with the approved and/or revised VFM audit strategy.</p> <p><u>Resolution of performance issues:</u> Board, developing recovery plans with Trusts as appropriate for review and approval by the Department.</p>
<p>7. In-year overall monitoring position of Department and reporting to DFP of Bids and Reduced Requirements, Estimates, Monthly Forecast Outturn, and Provisional and Final Outturn.</p> <p>DHSSPS accounts for some 45% of NI Block expenditure. It is critical to ensure that over-spend is avoided and under spend is minimised.</p>	<p>DHSSPS.</p> <p>Continuous and direct liaison with DFP. Through monthly reporting and constant dialogue.</p>	<p>This function is retained by the Department.</p> <p><u>Standard setting:</u> Dept as directed by DFP.</p> <p><u>Monitoring of performance:</u> Dept informed by Board and Agency.</p> <p><u>Resolution of performance issues:</u> Dept working closely with the Board and Agency.</p>
<p>8. Monitoring of Dept’s CSR07 efficiency saving obligations and reinvestment proposals,</p> <p>Efficiency requirements are implicit in the budget settlement for all departments. As such they have Executive approval,</p>	<p>DHSSPS.</p> <p>Arrangements are in place to monitor the position quarterly and report to DFP.</p>	<p><u>Standard setting:</u> Dept continues to set efficiency targets, informed by Executive decisions and consequent DFP requirements. Board and Agency to provide clear framework for identification of efficiency savings opportunities.</p> <p><u>Monitor of performance:</u> Dept informed by returns directly from all bodies.</p> <p><u>Resolution of performance issues:</u> Dept, working closely with the Board and Agency but ultimately obtaining information and explanations directly from Trusts and other front line providers.</p>

Finance function	Current lead organisation	Arrangements post-March 2009
<p>9. Completion and submission of Trust Financial Returns (TFRs) and reference cost returns.</p> <p>These annual returns provide essential information regarding expenditure on HSC services. They track in detail where resources have been spent and provide for comparison across providers.</p>	<p>DHSSPS.</p> <p>Both the review of guidance and the collation of returns, culminating in major annual publications, presently centred in Department.</p>	<p><u>Standard setting:</u> guidance review to remain a Dept function</p> <p><u>Monitoring of performance:</u> receipt of TFRs and compilation of annual report – transfers to Board</p> <p>Receipt of Reference Costs and compilation of annual report – the provision of activity data and reference cost report generation remains within the Dept's Information and Analysis Directorate. Therefore, for consistency, the collation and reporting function in this case to remain in Department</p> <p><u>Resolution of performance issues:</u> Dept, working closely with the Board and Agency in raising and resolving costing queries.</p>
<p>10. Counter fraud policy</p> <p>The establishment and review of policy and guidance in respect of counter fraud measures across all the Department's bodies.</p>	<p>DHSSPS</p>	<p><u>Standard setting:</u> Dept to keep counter fraud strategy under review, and develop and issue relevant circulars and other directions and approve publication of annual fraud report.</p> <p><u>Monitoring of performance:</u> BSO to maintain and provide to Dept all monitoring information that the Dept/DFP/NIAO may require. All Departmental bodies to be required to comply with laid down fraud prevention, fraud reporting, fraud investigation and other operational counter fraud processes, availing of BSO services as appropriate.</p> <p><u>Resolution of performance issues</u> – BSO to work with ALBs to investigate/resolve identified frauds. Department to address performance issues re ALB fraud assurance arrangements.</p>
<p>11. Development of Activity Based Funding (ABF)</p> <p>This is an area of fundamental future importance from finance and commissioning perspective. It will link more directly the funding that providers receive to the output that they deliver. Policy driven and dependent upon activity information</p>	<p>DHSSPS.</p> <p>The developing policy in this area requires direct DHSSPS input and the way forward is subject to Ministerial agreement.</p>	<p><u>Standard setting:</u> Dept to determine future ABF framework and associated implementation timescale collaboratively with HSCB/PHA and Trusts as key providers.</p> <p><u>Monitoring of performance:</u> The operational arrangements in relation to ABF will predominantly be between the Board and the Trusts as commissioner/provider respectively. Agency will also have an advisory role.</p>

Finance function	Current lead organisation	Arrangements post-March 2009
that will continue to be sourced centrally within the Department.		<u>Resolution of performance issues</u> – in the first instance any performance issues with the application of ABF will be addressed between Board and providers. There will be provision for escalation to Dept where necessary.
12. Development/review and issue of financial accountability guidance, finance circulars, financial memoranda	DHSSPS	<p>Dept will continue to be the focal point in developing and cascading financial guidance, circulars and memoranda.</p> <p><u>Standard setting:</u> Dept, informed by central DFP guidance and by the needs to address issues arising.</p> <p><u>Monitoring of performance:</u> Dept informed by assurances from all bodies.</p> <p><u>Resolution of performance issues:</u> Dept.</p>
<p>13. Specification of Statutory and other Reporting requirements.</p> <p>Minimum requirements are defined by DFP guidance and by Financial Reporting Manual but may be augmented by such further reporting requirements as the Department may specify.</p>	DHSSPS	<p><u>Setting standards:</u> Dept, informed by central DFP guidance</p> <p><u>Monitoring of performance:</u> Dept. Dept will also lead on the implementation planning and delivery within timescales of required annual accounting and budgeting changes arising from:</p> <ul style="list-style-type: none"> ▪ the RPA mergers; ▪ the change in status of all the Department's associated bodies to NDPBs for accounting and budgeting purposes, and; ▪ the adoption of International Financial Reporting Standards <p><u>Resolution of performance issues:</u> Dept.</p>

3.4. DOMAIN 4 – OPERATIONAL PERFORMANCE AND SERVICE IMPROVEMENT

Introduction

Performance management and service improvement arrangements are those that are necessary to ensure the achievement of Government and Ministerial objectives, standards and targets.

Proposed arrangements post-March 2009

In determining future responsibilities for performance management and service improvement in relation to the six Trusts, the overriding principle is that, unless there is good reason to the contrary, all such functions should be undertaken by the Board because: this is a core function of the Board; it minimises the lines of accountability for providers; it maximises the 'breadth of sight' for the Board, allowing it to adopt a holistic view of performance taking account of all relevant factors.

Possible reasons for exceptions to this principle will be areas for which the Board does not have lead responsibility, or where there is likely to be significant interaction with other Government Departments, for example joint responsibility for the delivery of PSA targets (in which case the Department would take the lead on behalf of the health and social care sector).

The Agency will have lead responsibility for service improvement in the areas of health protection, health improvement and screening. The Board and Agency will work closely in the performance monitoring of these areas, and any escalation of performance risks therein will be jointly agreed.

Within the Department, Planning and Performance Management Directorate (PPMD) will continue to ensure that the Departmental Board receive regular, timely updates on performance against Ministerial standards and targets. The Department's Information and Analysis Directorate (IAD) will continue to be responsible for confirming the achievement or otherwise of Ministerial targets and for validating the associated performance information published by the Department.

The table below details the organization currently responsible for each of the performance management and service improvement functions identified, and which organisations will assume responsibility for each from April 2009.

Function	Current arrangements	Arrangements post-March 2009
<p>1. Performance management and delivery of PSA and PfA targets by Trusts</p>	<p>Department proposes targets and discusses deliverability with Commissioners. Department secures Ministerial approval for targets.</p> <p>Department (through SDU):</p> <ul style="list-style-type: none"> • specifies target definitions. • puts in place monitoring arrangements. • monitors performance on an ongoing basis and assess risks. • Holds regular performance meetings with Trusts • Escalates risks as appropriate 	<p><u>Standard setting:</u> Department (policy directorates with support from PPMD and IAD) proposes targets and discusses deliverability with Board and Agency</p> <p>Department secures Ministerial approval for, and publishes, targets.</p> <p>Board (working with the Agency for those areas where it has lead responsibility) produces target definitions for approval by Department (policy directorates with support from PPMD and IAD).</p> <p><u>Performance monitoring:</u> Board (working with the Agency for those areas it has lead responsibility):</p> <ul style="list-style-type: none"> • puts in place monitoring arrangements • monitors performance on an ongoing basis (at least monthly) and assesses risks • Holds regular performance meetings with Trusts • Escalates risks as appropriate <p>Department maintains overview of performance on basis of Board reports.</p> <p>Reporting of progress against PfG/PSA to OFMDFM and DFP will continue to be undertaken by the Dept.</p> <p>The Dept will continue to be responsible for confirming the achievement or otherwise of Ministerial targets and for validating the associated performance information prior to publication by the Dept.</p> <p><u>Resolution of performance issues:</u> Board (Agency as appropriate), escalating to Dept as necessary.</p> <p><u>Note: capital elements of PSA targets to be performance managed by Dept (HEIG)</u></p>

<p>2. Supporting Trusts to achieve PSA and PfA targets eg identification and implementation of core actions</p>	<p>Department (through SDU):</p> <ul style="list-style-type: none"> • Identifies evidence- based good practice • Leads regional reform programmes, issuing guidance, required actions, training and support • Reviews Trusts' action plans • Provides support to individual providers to address specific issues • Reviews implementation of reforms 	<p>The Board (or Agency for those areas it has lead responsibility):</p> <ul style="list-style-type: none"> • Identifies evidenced-based good practice and develops an annual programme of action • Leads regional reform programmes, issuing guidance, required actions, training and support • Reviews Trust action plans • Provides support to individual providers to address specific issues • Reviews implementation of reforms and makes available any reports on progress.
<p>3. Achievement of productivity and other HR-related targets</p>	<p>Department sets targets, monitors progress, and addresses any issues of under-performance.</p>	<p><u>Standard setting:</u> Department to set targets.</p> <p><u>Performance monitoring:</u> Board to monitor progress and address any issues of Trust under-performance.</p> <p>HSCB reports to Department on compliance with targets set.</p> <p>Reporting of progress to OFMDFM and DFP will continue to be undertaken by the Dept.</p> <p><u>Resolution of performance issues:</u> Board, escalating to Dept as necessary.</p>
<p>4. Compliance with EWTD</p>	<p>Department sets targets, monitors progress, and addresses any issues of under-performance.</p>	<p><u>Standard setting:</u> Department to set targets.</p> <p><u>Performance monitoring:</u> Board to monitor progress and address any issues of Trust under-performance.</p> <p>HSCB reports to Department on compliance with targets set.</p> <p><u>Resolution of performance issues:</u> Board, escalating to Dept as necessary</p>

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This document required the following approvals

Title	Name	Date of Approval	Version
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