

ANNUAL REPORT & ACCOUNTS

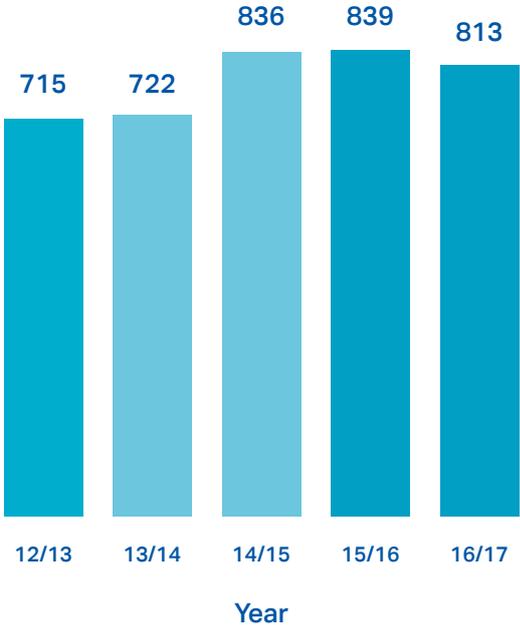
1 April 2016 – 31 March 2017

Health and Safety
Executive for
Northern Ireland



Figure 7 illustrates the number of complaints received by HSENI relating to alleged unsatisfactory working conditions and work-related activities. This year saw a 3% decrease in the number of complaints being made when compared to the previous year.

Figure 7: Complaints Received
2012/13 - 2016/17



HSENI and District Council Statistics

The information below reflects the Northern Ireland position relating to all regulatory bodies (HSENI and District Councils). Previous year's final figures are shown in brackets. (P) Indicates that the figure is provisional.

1. Health and Safety at Work Statistics 2016-17

Fatal Injuries	18	(13)
Major Injuries	404(P)	(451)
Over 3 Day Injuries	2039(P)	(2313)
TOTALS	2462(P)	(2777)

2. Statistics by Enforcing Authority

	Fatal Injuries		Major Injuries		Over 3 Day Injuries	
HSENI	16	(12)	357(P)	(411)	1680(P)	(1902)
District Councils	2	(1)	47(P)	(40)	359(P)	(411)
TOTALS	18	(13)	404(P)	(451)	2039(P)	(2313)

3. Five year Trends

	2012-13	2013-14	2014-15	2015-16	2016-17
Fatal Injuries	19	10	26	13	18
Major Injuries	428	472	438	451	404
Over 3 day Injuries	2132	2171	2276	2313	2039
TOTALS	2579	2653	2740	2777	2462

4. All Reportable Fatal Injuries – Five year trend by Enforcing Authority

	2012-13	2013-14	2014-15	2015-16	2016-17
HSENI	17	8	23	12	16
District Councils	2	2	3	1	2
TOTALS	19	10	26	13	18

5. Employee Fatal Injury Incident Rate – Comparison with Great Britain

	2012-13	2013-14	2014-15	2015-16	2016-17
NI Employees at June rounded to the nearest thousand ⁴	693	699	720	730	732
NI Fatal Injuries (Employees only)	3	3	7	-	4
NI Fatal Injuries incidence rate per 100,000 employees	0.43	0.43	0.97	-	0.55
GB Fatal Injuries incidence rate per 100,000 employees	0.40	0.44	0.46	0.46	N/Available

6. Deaths caused, or contributed to, by Asbestos-Related Diseases

Table 1: Asbestos-related deaths in Northern Ireland 2012-2016

Primary/secondary cause				
Registration Year	Mesothelioma without asbestosis	Asbestosis* without mesothelioma	Mesothelioma and asbestosis*	All primary or secondary cause
2012	48	13	1	62
2013	41	19	1	61
2014	39	22	2	6
2015	43**	24	3	70
2016***	TBC			

* For certain years these figures also include a small number of other asbestos related chest diseases and pulmonary fibrosis where there was coexisting asbestos exposure

*** Figures supplied by Demographic Statistics, Northern Ireland Research and Statistics Agency (2016 figures not available until July/August 2017)

4. Figures used for 2015-16 and 2016-17 reflect December statistics for that financial year

Table 2: Asbestos-related deaths in Northern Ireland 2012-2016: where asbestosis or mesothelioma are coded as the primary cause of death

Primary cause			
Registration Year	Mesothelioma	Asbestosis*	All primary cause
2012	48	4	52
2013	40	8	48
2014	41	8	49
2015	42	5	47
2016	TBC		

* For certain years these figures also include a small number of other asbestos related chest diseases and pulmonary fibrosis where there was coexisting asbestos exposure

** Figures supplied by Demographic Statistics, Northern Ireland Research and Statistics Agency (2016 figures not available until July/August 2017)

Reported Diseases 2016-17

Under the RIDDOR Regulations, HSENI received 28 reports of diseases. There were 10 cases of hand-arm vibration syndrome; one case of carpal tunnel syndrome; eight cases of occupational dermatitis; four cases of traumatic inflammation of the tendons; three cases of occupational asthma and two cases of ringworm. These cases came from 13 different employers.

Accountability Report

Corporate Governance Report

Directors' Report

Directors

The directors of HSENI during 2016-17 included the Chairman, Board Members and the Senior Management Team. The HSENI Chairman and Board Members during 2016-17 were George Lucas (Chair), Hilary Singleton (Deputy Chair), Billy Graham, John Kane, Dr Mark Wilkinson, Lindsey Smith, Harry Sinclair, Tom Wright, and Maynard Mawhinney. The Senior Management Team during 2016-17 was comprised of the Chief Executive, Keith Morrison, and three Deputy Chief Executives, Bryan Monson, Nicola Monson and Louis Burns.

Principal Activities

The principal activities of HSENI in the course of the year are set out in detail in the Strategic Report, with the Performance section providing a good overview.

Donations

HSENI made no charitable or political donations during the year.

Pension Liabilities

Information on how pension liabilities are treated in the accounts is given in note 1.11 of the Notes to the Executive's Accounts, and a reference to the statements of the relevant pension scheme is contained in the Remuneration Report.

Register of Interests

The HSENI Board is supported by a secretariat, located within Corporate Support Group, which is responsible for the maintenance of a register of interests that contains details of company directorships and other significant interests held by Board members which may conflict with their management responsibilities. Access to the information in that Register can be obtained by writing to the Board Secretary, Health and Safety Executive for Northern Ireland, 83 Ladas Drive, Belfast, BT6 9FR or by emailing mail@hseini.gov.uk and marking your email "FAO Board Secretary".

Sickness Absence Data

The overall HSENI managing attendance figure for 2016-17 was a total of 981 staff days lost. This equates to an average of 10.2 days sickness absence per staff member during the year. 62.4% of working days lost through sick absence during 2016-17 were attributable to long term absence. 91.7% of staff had no sick absence throughout the period.

Personal Data Related Incidents

During the 2016-17 year HSENI had no reportable data losses. One potential incident involved the loss of a Prosecution file which subsequently was found and returned to HSENI.

Future Developments in Health and Safety

HSENI's new Corporate Plan will be finalised during 2017-18. HSENI's will focus on activities which are associated with the most serious outcomes such as fatalities and life changing injuries. This will ensure our resources are targeted on areas where we can achieve the greatest change for people at work.

During 2017-18, HSENI aims to:

- deliver a multi-media Farm Safety campaign in line with the Farm Safety Partnership's Action Plan 2014-2017;
- deliver the objectives set out in the Farm Safety Partnership Action Plan (identified for HSENI) by March 2018;
- deliver farm safety presentations to children in 80 rural primary schools and run a safety on farms poster competition aimed at rural primary school pupils;
- hold a series of targeted events in conjunction with partner organisations aimed at priority issues, such as occupational lung disorders, occupational cancers, mental health wellbeing and other work-related health issues, and aimed at high risk work sectors, such as agriculture, construction, waste and extractive industries;
- continue to work with a range of public sector bodies in reducing sickness absence associated with work-related stress;
- distribute copies of the 'Be Safe When You Start' booklet to young people and students entering the world of work for the first time;
- through our business advisors, provide advice to 170 premises on health and safety issues specific to the business needs, priority areas, and risks where appropriate;
- undertake at least 5,000 inspections across all work sectors for which HSENI is responsible, aimed at improving levels of compliance with health and safety standards; and
- work in partnership with the district councils in co-ordinating the development and delivery of the 'Slips, Trips and Falls' initiative and in ensuring the joint working activities and structures are contributing to and consistent with the goals of the Joint Strategy 'Health and Safety: Protecting Lives, not stopping them'.

Other Developments

There were no important events affecting HSENI which have occurred since the end of the financial year.

Audit

The financial statements are audited by the Comptroller and Auditor General for Northern Ireland (C&AG) in accordance with the Health and Safety at Work (Northern Ireland) Order 1978 as amended by the Health and Safety at Work (Amendment) (Northern Ireland) Order 1998. The C&AG is Head of the Northern Ireland Audit Office and he and his staff are wholly independent of the Health and Safety Executive for Northern Ireland. He reports his findings to the Northern Ireland Assembly. The audit of the financial statements for 2016-17 resulted in an audit fee of £10,261 and is included in the other operating charges in the Net Expenditure Account. The C&AG did not provide any non-audit services during the year. As the Accounting Officer, HSENI's Chief Executive is responsible for maintaining a sound system of internal control that supports the achievement of HSENI's policies, aims and objectives whilst safeguarding the public funds and HSENI assets in accordance with the responsibilities set out in Managing Public Money (NI).

So far as the Accounting Officer is aware, there is no relevant audit information of which the auditor is unaware, and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.



K Morrison
Chief Executive
21 June 2017

Statement of Accounting Officer's Responsibilities

Under the Health and Safety at Work (Northern Ireland) Order 1978 as amended by the Health and Safety at Work (Amendment) (Northern Ireland) Order 1998, the Department for the Economy has directed the Health and Safety Executive for Northern Ireland to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Health and Safety Executive for Northern Ireland and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department for the Economy including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer of the Department for the Economy has designated the Chief Executive as Accounting Officer of the Health and Safety Executive for Northern Ireland. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Health and Safety Executive for Northern Ireland's assets, are set out in Managing Public Money Northern Ireland (MPMNI) published by HM Treasury.



K Morrison
Chief Executive
21 June 2017

Governance Statement

Introduction

This is the fifth Governance Statement for the Health and Safety Executive for Northern Ireland (HSENI). It reflects HSENI's governance, risk management and internal control arrangements as they have operated during the 2016-17 financial year. It also provides details of future actions planned by the HSENI to mitigate risks and to address any internal control weaknesses that have been identified.

Organisation and Structures

The six key organisational structures which support the delivery of corporate governance in HSENI are:

1. the HSENI Board;
2. the Audit and Risk Management Committee;
3. the Health and Safety Executive/Local Authority Liaison (HELANI) Committee;
4. the Remuneration Committee;
5. Monthly Senior Management Team meetings; and
6. Quarterly Oversight and Liaison meetings with HSENI's sponsoring body, the Department for the Economy (DfE).

HSENI's Governance Framework

Corporate Governance refers to the way in which organisations are directed and controlled. HSENI's governance framework, which ensures the effectiveness of the direction and control of the Department, is set out in the following paragraphs.

1. HSENI's Board

HSENI's Board oversees the aims and objectives of the organisation within the wider strategic aims of DfE, HSENI's sponsor Department. It supports the Chief Executive by providing collective leadership and taking ownership of HSENI's performance. During 2016-17, HSENI's Board comprised of nine members including the Chairman, George Lucas, who was appointed on 1 April 2011. The Board Members are appointed for three years (renewable for a further period of up to three years) by the Departmental Minister, in line with the Code of Practice issued by the Commissioner for Public Appointments for Northern Ireland.

The Board is comprised entirely of independent members. Its membership during 2016-17 was as follows:



George Lucas
Chair



Hilary Singleton
Deputy Chair



Billy Graham



John Kane



Dr Mark Wilkinson



Lindsey Smith



Harry Sinclair



Tom Wright



Maynard Mawhinney

While HSENI is a Crown body and its staff are civil servants, the Board is the employer of HSENI staff and is responsible for appointing its Chief Executive and for setting appropriate remuneration for this post. The Board contributes to the good governance of HSENI by offering constructive challenge across all of HSENI's business. This is with a view to ensuring that all aspects of strategy and delivery of policy are scrutinised for effectiveness and efficiency. Day-to-day operational matters are the responsibility of the Chief Executive and Deputy Chief Executives that make up HSENI's Senior Management Team.

The Board has corporate responsibility for ensuring that HSENI fulfils the aims and objectives set by DfE and approved by the Minister, and for promoting the efficient, economic and effective use of staff and other resources by HSENI. To this end, and in pursuit of its wider corporate responsibilities, the Board:

- establishes the overall strategic direction of HSENI within the policy and resources framework determined by the sponsor Minister and Department, particularly under the Department's Management Statement and Financial Memorandum for HSENI;
- constructively challenges the HSENI's executive team in their planning, target setting and delivery of performance;
- ensures that the Department is kept informed of any changes which are likely to impact on the strategic direction of HSENI or on the attainability of its targets, and determines the steps needed to deal with such changes;
- ensures that any statutory or administrative requirements for the use of public funds are complied with; that the Board operates within the limits of its statutory authority and any delegated authority agreed with the Department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account all relevant guidance issued by DoF and the Department;
- ensures that the Board receives and reviews regular financial information concerning the management of HSENI; is informed in a timely manner about any concerns about the activities of HSENI; and provides positive assurance to the Department that appropriate action has been taken on such concerns;
- demonstrates high standards of corporate governance at all times, including using the independent Audit and Risk Management Committee, to help the Board to address the key financial and other risks facing HSENI; and
- appoints with the Department's approval, a Chief Executive to HSENI and, in consultation with the Department, sets performance objectives and remuneration terms linked to these objectives for the Chief Executive, which give due weight to the proper management and use of public monies.

2. HSENI's Audit and Risk Management Committee

The Board is supported in its role by HSENI's Audit and Risk Management Committee (ARMC), which is a sub-committee of the Board. The ARMC is chaired by a Board Member, Hilary Singleton. The ARMC also includes three other Board Members, John Kane, Lindsey Smith and Dr Mark Wilkinson in its structure. Other attendees include HSENI officials and observers, namely representatives of Northern Ireland Audit Office and HSENI's externally appointed Internal Auditors. The role of the ARMC is to provide reassurance to the Board by overseeing:

- (i) strategic processes for risk, control and governance, and the annual Governance Statement;
- (ii) accounting policies, the accounts, and the annual report of the organisation, including the processes for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- (iii) the planned activity and results of both internal and external audit;
- (iv) proposals for tendering for internal audit services or for purchase of non-audit services from contractors who provide audit services;
- (v) adequacy of management responses to issues identified by audit activity, including external audit's management letter;
- (vi) assurances relating to the corporate governance requirements for the organisation; and
- (vii) anti-fraud policies and whistleblowing processes.

The ARMC also periodically reviews its own effectiveness and reports the results of that review to the Board. The last review was completed in relation to the 2015-16 year in June 2016 and submitted to the Board at its meeting on 15 June 2016. The points highlighted for consideration following this self-assessment exercise were:

- To continue to develop a good working relationship with HSENI's Internal and External Auditors through regular planning and progress meetings, with and without staff involvement;
- To review the Annual Internal Audit Customer Satisfaction Survey in order to highlight any areas where improvement is required; and
- To ensure that ARMC is afforded adequate time to consider the end of year accounts and that sufficient time is built into the faster closing timetable to facilitate this.

3. Health and Safety Executive/Local Authority Liaison (HELANI) Committee

The HELANI Committee is a liaison committee. Its aim is to develop and maintain a productive and effective working partnership with HSENI's co-enforcers, the NI District Councils. The Committee is chaired by a Board Member, Billy Graham, and Maynard Mawhinney also represents the Board on the Committee. The Committee normally meets three times a year but due to the changes taking place in Local Government, activity at a strategic level was scaled down until the new Council structures were established. This process meant Council personnel involved in partnership working were uncertain about where they would be assigned in the new structures. However, the partnership joint work continued and communication on joint working issues was maintained through the Partnership Liaison Officer.

4. Remuneration Committee

The Remuneration Committee normally meets once a year to review the performance of the Chief Executive and to recommend to the Department the Chief Executive's pay award. During 2016-17, the Committee, comprised of the Chair, George Lucas, the Deputy Chair, Hilary Singleton and Board member, Billy Graham, discussed the Chief Executive's progression against 2016-17 objectives at its meeting in October 2016.

5. Monthly Senior Management Team Meeting

HSENI's monthly Senior Management Team Meeting is the regular formal meeting of senior management to discuss ongoing operational issues. It is chaired by the Chief Executive and attended by the three Deputy Chief Executives. Minutes of these meetings are published on HSENI's website.

6. Quarterly Oversight and Liaison Meetings

Oversight and Liaison meetings with DfE are held on a quarterly basis. The agendas for these meetings contain standing items which include performance monitoring, budgetary and finance matters, risk management and corporate governance. Attendance at these meetings and any matters of note are reported to HSENI's Board by the Chief Executive.

Corporate and Business Planning

Within the policy and resources framework set by the Department's Minister and the Executive, HSENI's Board sets the strategic and annual direction of the organisation through the corporate and business planning process. A Corporate Plan, which aligns with the Executive's Programme for Government and Budget, is normally prepared every three years. HSENI's Corporate Plan was extended for two years to include 2015-16 and 2016-17 following direction from DoF.

The new Corporate Plan will be finalised during 2017-18. More detailed Operating Plans are prepared on an annual basis. The detailed stages of the corporate and business planning processes are built into the HSENI's Board work programme.

Secretariat

The Board is supported by a secretariat, located within Corporate Support Group, which is responsible for maintenance of a register of interests. An agenda and papers are circulated one week in advance of each meeting and a record of meetings is circulated to Board members and posted on HSENI's website after the following board meeting. New members are provided with an induction pack and programme.

Board Attendance

During the 2016-17 year, HSENI's Board met a total of five times. Details of the attendance of individuals who were board members during the year are as follows:

Board Member	Number of Meetings Attended	Out of a Possible
George Lucas	4	5
Hilary Singleton	5	5
John Kane	5	5
Mark Wilkinson	3	5
Billy Graham	3	5
Maynard Mawhinney	4	5
Lindsey Smith	4	5
Harry Sinclair	4	5
Tom Wright	5	5

During the 2016-17 year, issues considered by HSENI's Board included:

- (i) HSENI's annual Budget allocation and issues arising therefrom;

- (ii) management accounting information relating to the actual use of financial resources;
- (iii) human resource issues, including managing attendance and the impact of the Voluntary Exit Scheme;
- (iv) legislative progress and proposals;
- (v) progress in relation to outputs and outcomes (performance targets); and
- (vi) the identification and management of risk.

Board Performance and Effectiveness

HSENI's Board members' performance is appraised annually by the Chair of the Board and the Chair's performance is appraised annually by the Grade 5 in the Department for the Economy's Sponsor Branch. The Board also reviews its own performance to ensure compliance with the Corporate Governance Code. The last self-assessment exercise was completed in October 2016 and the next review is scheduled for 2018.

Audit and Risk Management Committee Reports

Following each meeting of the ARMC, HSENI's Board is provided with the draft minutes of the meeting supplemented by a verbal report from the ARMC Chair.

The Chair also provides an annual report to HSENI's Board which summarises the Committee's work for the year. The report includes:

- (i) details of meetings, membership and attendance;
- (ii) a summary of the findings from the ARMC's review of its effectiveness;
- (iii) a summary of work undertaken during the year; and

- (iv) the ARMC's views on risk management.

The ARMC was content with the quality of assurances it received during 2016-17 including the management of risk and the quality of internal and external audit.

Risk Management

HSENI's approach is to assign risks to those best placed to manage them, whilst maintaining clear accountability. HSENI manages risk at a corporate level, supported by internal processes.

Corporate Risks are managed collectively by the Senior Management Team, with ownership of the risks assigned to the Accounting Officer. HSENI's Senior Management Team formally reviews the Corporate Risk Register on a quarterly basis, with a further review at each meeting of the ARMC. HSENI's Board also receives a full copy of the Corporate Risk Register at each meeting.

Corporate risks being managed at 31 March 2017 and key actions being taken in mitigation related to:

- **Retention and availability of specialist/skilled staff**

The inability to retain or recruit specialist/skilled staff means that HSENI would have difficulty in delivering the commitments contained in the Corporate Plan and Operating Plan, which in turn presents a risk to the reputation and credibility of the organisation.

- **Failure to secure sufficient funding to maintain services**

Regular financial planning meetings between SMT and Finance as well as prioritisation of work ensured continued service delivery during 2016-17. Regular discussions took place with DfE throughout the year to promote the importance of HSENI's work and the potential impact of a further reduction in

budget. HSENI continues to face financial constraints and these are and will actively be managed to ensure service delivery is maintained.

- **Damage to HSENI's Reputation**

Damage to HSENI's reputation could lead to poor organisational credibility. The organisation therefore treats this as a significant risk and has a number of controls in place to mitigate this risk. This includes the maintenance of a strong corporate governance ethic and control procedures by both HSENI's Board and staff members. Performance of the organisation is regularly monitored by HSENI's Senior Management Team and the Board.

- **Financial loss through Legal Proceedings being brought against HSENI**

The fruition of this risk could be due to a number of factors including failure of staff to adhere to HSENI policies and procedures. The organisation has a number of controls in place to mitigate this risk. These include robust selection, recruitment and training processes for all staff and for inspectorate staff in particular.

- **Failure to prevent and detect fraud and a failure to report suspected fraud**

HSENI has clear roles and responsibilities in place with regard to identifying, investigating and managing any suspected cases of fraud. There are a number of key operational and corporate governance controls that help ensure that the likelihood of this risk is minimised. These include Fraud and Whistleblowing Policies.

- **Major disruption to business**

A major disruption to business delivery may result from a number of causes. HSENI has mitigated this risk by having Emergency

Planning Controls, Information Technology Controls, Information Security Controls and Operational Controls in place.

As at 31 March 2017, HSENI's risk register did not include any 'Emerging risks'.

Six Monthly Assurance Statements

Every six months HSENI's Chief Executive provides an Assurance Statement to DfE's Permanent Secretary, who is the Departmental Accounting Officer for DfE. This six monthly statement confirms the efficacy of the systems of internal control within HSENI and, where appropriate, draws the attention of the Permanent Secretary to any significant internal control issues during 2016-17. HSENI's Chief Executive also provides the Permanent Secretary with a copy of the latest risk register and confirmation of Direct Award Contracts awarded during the period.

Data Security

HSENI continues to review and assess the effectiveness of its internal processes which support the Security Policy Framework. On an annual basis we carry out a review of our policies and procedures and report the outcome of our findings to DfE in the Departmental Security Health Check (last reported June 2016). HSENI confirmed adherence to the Security Policy Framework and set out its Information Security commitments for the coming year to ensure adherence is maintained.

HSENI's key objectives and risks are regularly assessed to ensure consistency of treatment. The risk to information security is considered as an integral part of this process, particularly in relation to risk of damage to HSENI's reputation.

During the year, there were no incidents of data loss reported.

Freedom of Information (FOI) and Environmental Information Regulations (EIR) Requests

During 2016-17, HSENI dealt with 145 Freedom of Information requests, 81 Information requests under Article 30 of the HASAWO, and 12 Environmental Information Regulations requests. These requests varied in nature and originated from a number of sources, including the general public, private companies and Members of the Legislative Assembly (MLAs).

Internal Audit

HSENI has externally appointed Internal Auditors, who operate to HM Treasury's Public Sector Internal Audit Standards. The Internal Auditors construct their annual audit programme on the basis of an Internal Audit Strategy covering the period 2015-16 to 2017-18 and also take into account the objectives and risks faced by HSENI, including any emerging risks. The Internal Audit programme for 2016-17 was agreed by the ARMC.

HSENI's Internal Auditors submit regular reports to the ARMC which include the Head of Internal Audit's independent opinion on the adequacy, reliability and effectiveness of HSENI's system of internal control. A substantial assurance was given in relation to the adequacy of the systems of control in place within HSENI, in line with the Internal Audit Strategic Plan, and their operation for the period ended 31 March 2017.

Compliance with the Corporate Governance Code

HSENI is content that it is compliant with both the spirit and the principles of the "Corporate Governance in Central Government Departments: Code of Good Practice NI 2013" issued by the Department of Finance

and Personnel (now Department of Finance) in April 2013, in so much as they can be read across to NDPBs.

Quality of Data Used by HSENI's Board

HSENI's Board is issued with the most up-to-date data sources ahead of each board meeting. The data is collated into a number of key reports, drawn from a wide range of sources, covering the core functions of the organisation, including budgets and finance, performance monitoring, legislation, human resources, investigations and prosecutions, all of which are subject to internal audit scrutiny.

The Board also draws assurance from the fact that data relating to financial information and absenteeism is derived from NICS wide systems such as Account NI and HR Connect. These systems are subject to scrutiny by DFP's Internal Audit Service and information on absenteeism is supplied to departments by the Northern Ireland Statistics and Research Agency (NISRA). The data is subject to challenge or to requests for further information/clarification by the Board. The Board was content with the quality of information it received during 2016-17.

Ministerial Directions

No Ministerial Directions were issued during the 2016-17 financial year.

Public Accounts Committee Issues

HSENI was not required to provide evidence to the Assembly's Public Accounts Committee during 2016-17.



K Morrison
Chief Executive
21 June 2017

Remuneration and Staff Report

Remuneration Report

The Minister of Finance approves the pay remit for Senior Civil Service (SCS) staff. The SCS remuneration arrangements are based on a system of pay scales for each SCS grade containing a number of pay points from minima to maxima, allowing progression towards the maxima based on performance. In 2012, upon creation, there were 11 points on each scale. The minimum point has been removed in each year from 2014 to 2016 (the scales now have 8 pay points) to allow progression through the pay scales within a reasonable period of time.

Remuneration Committee

The Remuneration Committee meets once a year to review the performance of the Chief Executive and to recommend to the Department the Chief Executive's pay award.

The committee comprises the Chairman and Deputy Chairman together with one other Board member. The composition of the committee which met during 2016/17 was George Lucas, Hilary Singleton and Billy Graham. Board salaries are set by the Public Appointments Unit in the Department for the Economy.

Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.nicscommissioners.org.

Salary and Pension Entitlements (audited information)

The following sections provide details of the remuneration and pension interests of the senior members of HSENI.

Remuneration (including salary) and pension entitlements

	2016-17				2015-16		
Senior Management	Salary £'000	Bonus Payments £'000	Pension Benefits (to nearest £1000)*	Total (£'000)	Salary £'000	Pension Benefits (to nearest £1000)*	Total (£'000)
Keith Morrison Chief Executive	70-75	0-5	36	105-110	65-70	41	105-110
Dermot Breen Deputy Chief Executive (to 31st October 2015)	-	-	-	-	35-40 (full year equivalent: 60-65)	(15)	20-25 (full year equivalent: 45-50)
Louis Burns Deputy Chief Executive (from 1st November 2015)	55-60	-	42	95-100	20-25 (full year equivalent: 50-55)	18	40-45 (full year equivalent: 70-75)
Bryan Monson Deputy Chief Executive	60-65	0-5	27	90-95	60-65	35	95-100
Nicola Monson Deputy Chief Executive	55-60	-	32	90-95	55-60	32	85-90
Band of Highest Paid Manager	70-75				65-70		
Median Total Remuneration	37,253				33,528		
Ratio	1.9				2.0		

* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation and any increase or decreases due to a transfer of pension rights.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid manager in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid manager in HSENI in the financial year 2016-17 was £70 - 75k (2015-16, £65 - 70k). This was 1.9 times (2015-16, 2.0) the median remuneration of the workforce, which was £37,253 (2015-16, £33,528).

In 2016-17, 0 (2015-16, 0) employees received remuneration in excess of the highest-paid manager.

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Two of the senior members of HSENI received bonuses in 2016-17 (None in 2015-16) and none of the senior members received benefits in kind during the year 2016-17 or 2015-16.

	2016-17	2015-16
Board Members	Salary £'000	Salary £'000
George Lucas Chairperson (to 31st March 2016)*	15-20	15-20
Billy Graham, John Kane, Maynard Mawhinney, Harry Sinclair, Hilary Singleton, Mark Wilkinson, Tom Wright	0-5	0-5

* Derek Martin was appointed as Chairperson with effect from 1 April 2017.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any ex gratia payments.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No such benefits were received by HSENI staff.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2016-17 relate to performance in 2016-17. No bonuses were payable to senior staff in 2015-16.

Pension Entitlements (audited information)

	Accrued pension at pension age as at 31/3/17 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/3/17	CETV at 31/3/16	Real increase in CETV
Senior Management	£'000	£'000	£'000	£'000	£'000
Keith Morrison Chief Executive	30-35	0-2.5	475	436	18
Louis Burns Deputy Chief Executive	15-20 plus lump sum of 45-50	0-2.5 plus lump sum of 2.5-5	298	257	24
Bryan Monson Deputy Chief Executive	20-25 plus lump sum of 50-55	0-2.5 plus lump sum of 0-2.5	349	319	13
Nicola Monson Deputy Chief Executive	15-20 plus lump sum of 40-45	0-2.5 plus lump sum of 0-2.5	281	250	17

Board members are not included in the NICS Pension Scheme.

Northern Ireland Civil Service (NICS) Pension arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension schemes which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by the Assembly each year. From April 2011 pensions payable under classic, premium, and classic plus are reviewed annually in line with changes in the cost of living. Prior to 2011, pensions were reviewed in line with changes in the Retail Prices Index (RPI). New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007

were eligible for membership of the nuvos arrangement or they could have opted for a partnership pension account. Nuvos is a 'Career Average Revalued Earnings' (CARE) arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. CARE pension benefits are increased annually in line with changes in the cost of living.

A new pension scheme, alpha, was introduced for new entrants from 1 April 2015. The majority of existing members of the NICS pension arrangements have also moved to alpha from that date. Members who on 1 April 2012 were within 10 years of their normal pension age will not move to alpha and those who were within 13.5 years and 10 years of their normal pension age were given a choice between moving to alpha on 1 April 2015 or at a later date determined by their age. Alpha is also a 'Career Average Revalued Earnings' (CARE) arrangement in which members

accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The rate will be 2.32%. CARE pension benefits are reviewed annually in line with changes in the cost of living.

Increases to public service pensions are the responsibility of HM Treasury. Pensions are reviewed each year in line with the cost of living. Any applicable increases

are applied from April and are determined by the Consumer Prices Index (CPI) figure for the preceding September. The CPI in September 2016 was 1% and HM Treasury has announced that public service pensions will be increased accordingly from April 2017.

Employee contribution rates for all members for the period covering 1 April 2017 – 31 March 2018 are as follows:

Scheme Year 1 April 2017 to 31 March 2018

Annualised Rate of Pensionable Earnings (Salary Bands)		Contribution rates – Classic members or classic members who have moved to alpha		Contribution rates – All other members	
From	To	From 01 April 2017 to 31 March 2018	From 01 April 2017 to 31 March 2018	From 01 April 2017 to 31 March 2018	From 01 April 2017 to 31 March 2018
£0	£15,000.99	4.6%	4.6%	4.6%	4.6%
£15,001.00	£21,422.99	4.6%	4.6%	4.6%	4.6%
£21,423.00	£51,005.99	5.45%	5.45%	5.45%	5.45%
£51,006.00	£150,000.99	7.35%	7.35%	7.35%	7.35%
£150,001.00 and above		8.05%	8.05%	8.05%	8.05%

Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the

employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**. The normal pension age in alpha is linked to the member's State Pension Age but cannot be before age 65. Further details about the NICS pension schemes can be found at the website <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised 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 a 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 disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. 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 in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include 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. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff Report

Staff Costs (audited information)

Staff costs comprise:

			2016-17	2015-16
	Permanently employed staff £'000	Others £'000	Total £'000	Total £'000
Wages and salaries	3,528	31	3,559	4,105
Social security costs	369	-	369	298
Other pension costs	785	-	785	833
	4,682	31	4,713	5,236

The Northern Ireland Civil Service pension schemes are unfunded multi-employer defined benefit schemes but HSENI is unable to identify its share of the underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2012. This valuation is then reviewed by the Scheme Actuary and updated to reflect current conditions and rolled forward to the reporting date of the DoF Superannuation and Other Allowances Annual Report and Accounts as at 31 March 2017.

For 2016-17, employers' contributions of £784,538 were payable to the NICS pension arrangements (2015-16 £833,492) at one of three rates in the range 20.8% to 26.3% of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. A new scheme funding valuation based on data as at 31 March 2012 was completed by the Actuary

during 2014-15. This valuation was used to determine employer contribution rates for the introduction of alpha from April 2015. For 2017-18, the rates will range from 20.8% to 26.3%. The contribution rates are set to meet the cost of the benefits accruing during 2016-17 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. No employees of HSENI have exercised this option

No exit packages were paid during the year (2015-16: £372,875).

No persons (2015-16: 0 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £nil (2015-16: £nil).

Average number of persons employed (audited information)

The average number of whole-time equivalent persons, including senior management, employed during the year was as follows:

			2016-17	2015-16
	Permanent staff	Others	Total	Total
Directly employed	101	-	101	112
Other	1	-	1	1
Total	102	-	102	113

Staff Composition

A breakdown at 31 March 2017 showing the number of persons of each sex who were Board Members, senior managers and employees of HSENI, is shown below. Figures for the previous year are shown in brackets.

	Male	Female
Board Members	7 (7)	2 (2)
Senior Managers	3 (3)	1 (1)
Employees	49 (47)	59 (60)

Sickness Absence Data

The overall HSENI managing attendance figure for 2016-17 was a total of 981 (2015-16: 1049) staff days lost. This equates to 10.2 (2015-16: 9.6) days per staff member during the year.⁵ 62.4% of working days lost through sick absence during 2016-17 were attributable to long term absence. 91.7% of staff had no sick absence throughout the period.

Staff Policies applied during the Financial Year

HSENI adheres to all NICS policies in ensuring full and fair consideration is given to applications for employment by disabled persons, in continuing the employment of, and arranging appropriate training for, employees who have become disabled persons during the period when they were employed, and for the training, career development and promotion of disabled persons employed.

Expenditure on Consultancy

HSENI did not incur any expenditure on Consultants during the 2016-17 financial year.

Off-payroll Engagements

HSENI did not engage in any off-payroll arrangements during the 2016-17 financial year.



K Morrison
Accounting Officer
21 June 2017

5. Figures for staff days lost and days sickness absence per staff member are sourced from NISRA who have advised that the figures are provisional and should not be quoted as an official absence rates. Final figures not expected until September 2017.

Accountability and Audit Report

Funding Report

Regularity of Expenditure (audited information)

HSENI conducted its financial dealings throughout the year in line with relevant legislation, delegated authorities and appropriate guidance issued by HM Treasury and DFP, including Managing Public Money Northern Ireland.

Fees and Charges (audited information)

HSENI had no material fees and charges income in the current financial year.

Losses and Special Payments

HSENI did not make any losses, gifts or special payments requiring disclosure in the current financial year. Voluntary Exit Scheme Payments made during the year are detailed in the Remuneration and Staff Report.

Remote Contingent Liabilities

HSENI is not aware of any remote contingent liabilities.

Long-term Expenditure Trends

HSENI is currently funded on a year by year basis. The budget allocation for 2016-17 has been set at a similar level to 2015-16. HSENI does not foresee any significant adjustments to budget levels in the short-term as a result of management decisions but is subject to the impact of overall adjustments to the Northern Ireland block funding and Departmental adjustments.

Auditor's Report

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

I certify that I have audited the financial statements of the Health and Safety Executive for Northern Ireland for the year ended 31 March 2017 under the Health and Safety at Work (Northern Ireland) Order 1978. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and Accountability and Audit Report within the Accountability Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Safety at Work (Northern Ireland) Order 1978. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether

caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Health and Safety Executive for Northern Ireland's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Health and Safety Executive for Northern Ireland; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Health and Safety Executive for Northern Ireland's affairs as at 31 March 2017 and of the net expenditure for the year then ended; and

-
- the financial statements have been properly prepared in accordance with the Health and Safety at work (Northern Ireland) Order 1978 and Department for the Economy (formerly Department for Enterprise, Trade and Investment) directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Accountability and Audit Report to be audited have been properly prepared in accordance with the Department for the Economy directions made under the Health and Safety at Work (Northern Ireland) Order 1978; and
- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Remuneration and Staff Report and the Accountability and Audit Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with Department of Finance's guidance.

Report

I have no observations to make on these financial statements.



KJ Donnelly

Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU
28 June 2017

Health and Safety Executive for Northern Ireland

Financial Statements for the year ended 31 March 2017

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Statement of Comprehensive Net Expenditure
for the year ended 31st March 2017

		2016-17	2015-16
	Notes	£'000	£'000
Income from activities	4	42	54
Total operating income		42	54
Staff costs	2	4,713	5,236
Depreciation	3	27	27
Other operating expenditure	3	1,640	1,586
Total operating expenditure		6,380	6,849
Net operating expenditure for the year		6,338	6,795

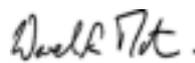
There were no other recognised gains or losses in the period.
All amounts above relate to continuing operations.

The notes on pages 78 to 86 form part of these accounts.

Statement of Financial Position
as at 31st March 2017

		31st March 2017	31st March 2016
	Notes	£'000	£'000
Non-current assets:			
Property, plant and equipment	5	37	54
Intangible assets	6	-	-
Total non-current assets		37	54
Current assets:			
Trade and other receivables	8	233	240
Cash and cash equivalents	9	559	408
Total current assets		792	648
Total assets		829	702
Current liabilities:			
Trade and other payables	10	712	550
Total current liabilities		712	550
Total assets less total liabilities		117	152
Taxpayers' equity			
General reserve		117	152
Revaluation reserve		-	-
		117	152

The financial statements on pages 73 to 86 were approved by the Board on 21 June 2017 and were signed on its behalf by;


(D Martin, Chairman)


(K Morrison, Chief Executive)

21 June 2017

The notes on pages 78 to 86 form part of these accounts.

Statement of Cash Flows

for the year ended 31st March 2017

	Notes	2016-17 £'000	2015-16 £'000
Cash flows from operating activities			
Net operating cost		(6,338)	(6,795)
Adjustment for depreciation charge on non-current assets	3	27	27
Adjustment for gain on disposal of transport equipment	3	-	(5)
Adjustment for notional costs	3	389	306
Decrease in trade and other receivables	8	7	23
Increase in trade and other payables	10	155	5
Net cash outflow from operating activities		(5,760)	(6,439)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(3)	(10)
Proceeds of disposal of transport equipment	3	-	5
Net cash outflow from investing activities		(3)	(5)
Cash flows from financing activities			
Grants from sponsoring department			
Capital Grant-in-Aid Financing		10	10
Funding of Staff and Operating Expenditure*		5,227	5,726
Funding of Programme Expenditure		677	595
Net financing		5,914	6,331
Net increase/(decrease) in cash and cash equivalents in the period	8	151	(113)
Cash and cash equivalents at the beginning of the period	8	408	521
Cash and cash equivalents at the end of the period	8	559	408

* Staff and Operating Expenditure is paid by DfE on HSENI's behalf

The notes on pages 78 to 86 form part of these accounts.

Statement of Changes in Taxpayers' Equity
for the year ended 31st March 2017

Notes	General Reserve £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31st March 2015	310	-	310
Changes in taxpayers' equity for 2015-16			
Capital Grant-in-Aid Financing – DETI	10	-	10
Funding of Staff and Operating Expenditure – Request for Resource B – DETI	5,726	-	5,726
Funding of Programme Expenditure – Request for Resource B – DETI	595	-	595
Grants from Sponsoring department for 2015-16	6,331	-	6,331
Non-cash charges	306	-	306
Comprehensive net expenditure for the year	(6,786)	-	(6,786)
Auditor's remuneration	(9)	-	(9)
Total recognised Income and expense for 2015-16	(6,489)	-	(6,489)
Balance at 31st March 2016	152	-	152
Changes in taxpayers' equity for 2016-17			
Capital Grant-in-Aid Financing – DfE	10	-	10
Funding of Staff and Operating Expenditure – Request for Resource B – DfE	5,227	-	5,227
Funding of Programme Expenditure – Request for Resource B – DfE	677	-	677
Grants from Sponsoring department for 2016-17	5,914	-	5,914
Non-cash charges	389	-	389
Comprehensive net expenditure for the year	(6,328)	-	(6,328)
Auditor's remuneration	(10)	-	(10)
Total recognised Income and expense for 2016-17	(5,949)	-	(5,949)
Balance at 31st March 2017	117	-	117

The General Reserve serves as the chief operating fund. The General Reserve is used to account for all financial resources except those required to be accounted for in another fund.

The Revaluation Reserve records the unrealised gain or loss on the revaluation of intangible assets. All such assets have been fully amortised.

The notes on pages 78 to 86 form part of these accounts.

Notes to the Executive's Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FReM) issued by the Department of Finance (DoF). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Health and Safety Executive for Northern Ireland (HSENI) for the purpose of giving a true and fair view has been selected. The particular policies adopted by HSENI are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

Management has reviewed new accounting standards that have been issued but are not yet effective, nor adopted early, for these accounts. Management consider that these are unlikely to have any significant impact on the accounts in the period of initial application.

1.1. Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of intangible assets.

1.2. Property, Plant and Equipment

The assets of the Health and Safety Executive for Northern Ireland are carried at fair value. Depreciated historical cost is used as a proxy for fair value for all of the organisation's tangible assets given their low values and short useful lives. The minimum level of capitalisation of property, plant and equipment is £1,000.

1.3. Depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Transport equipment	- 25% straight line
Furniture & fittings	- 25% straight line.

Given that the assets of the Health and Safety Executive for Northern Ireland have short useful lives and are of low values, depreciated historical cost has been used as a proxy for fair value. HSENI owns all its assets.

1.4. Intangible Assets

Computer Software

The Department of Enterprise, Trade and Investment (now DfE) acquired a Case Management System (CMS) in 2005-06 for use by HSENI. This CMS system was retrospectively capitalised in the 08-09 year under IAS 38 Intangible Assets. The useful economic life of the asset was estimated at 6 years to March 2012. This system is still in use within HSENI but work has begun to procure a replacement system.

HSENI acquired the accounting software, Microsoft Dynamics NAV in 2009-10. The useful economic life of the asset was estimated at 4 years to March 2014. The system is still in use within HSENI.

These assets are recorded at fair value, as calculated using the Depreciated Replacement Cost method (DRC). Amortisation is calculated on a straight-line basis. Intangible assets are reviewed annually for impairment and are carried at fair value.

1.5. Operating Income

Operating income represents fees charged to businesses for licences and attendance at conferences and is recognised in the period in which performance is satisfied.

1.6. Fees and Charges

HSENI obtains income from the following services in parity with Great Britain (GB):

Medical Examinations by EMAS, Asbestos Licensing and GMO Permits.

COMAH income is obtained on a full cost recovery basis.

All these relate to services costing less than £1,000,000.

This information is provided for Fees and Charges purposes, not for IFRS 8 purposes.

1.7. Leases

Leases are classified as operating lease contracts whenever the terms of the lease do not transfer substantially all the risks and benefits to the lessee.

Rentals payable under operating leases are expensed to the net expenditure account on a straight-line basis over the lease term.

1.8. Financial Instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Trade and other receivables

Trade receivables do not carry any interest and are recognised and carried at the lower of their original invoiced value and recoverable amount. A bad debt provision is made when there is objective evidence that the recoverable amount is less than the original invoiced value. Balances are written off when

the probability of recovery is assessed as being remote.

Trade and other payables

Trade payables are not interest bearing and are stated at their nominal value.

1.9. Grant-in-Aid

Grant-in-Aid financing is credited to the general reserve in the year that it is received.

HSENI is funded in two distinct ways, both of which are considered to be Programme expenditure within the NI Block grant and are treated as Grant-in-Aid as defined above.

Budget for Staff and Operating Expenditure within HSENI is retained by DfE on behalf of HSENI and used to administer this type of expenditure through HSENI's existence as a separate cost centre within DfE's finance system. Payments are approved by HSENI budget holders but the payment is made from DfE's bank account. HSENI is accountable for the level and propriety of spend but does not physically receive the cash funding. Due to the nature of this arrangement, the Grant-in-Aid associated with this budget matches the level of expenditure.

Budget for Programme Expenditure, being HSENI spend on health & safety programmes, campaigns and events, is obtained from DfE as a cash drawdown and is administered from within HSENI on the organisation's own finance system.

1.10. Value Added Tax

HSENI does not charge output VAT on income and is ineligible to reclaim input VAT on programme expenditure. Therefore all programme expenditure is inclusive of VAT.

Staff and Operating expenditure is exclusive of VAT as it is administered by DfE on HSENI's behalf.

1.11. Pensions

Past and present employees are covered by the provisions of the NICS pension arrangements. The rate for the employer's contribution is set by the Government Actuary and for 2016-17 was dependent on salary range. All contributions are charged to the Statement of Comprehensive Net Expenditure as incurred.

1.12. Operating Segments

The Chief Operating Decision Maker considers HSENI as one operating unit in making decisions. Management information is generated on a holistic basis for the organisation.

1.13. Staff Costs

Under IAS19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obligated to pay them. This includes the cost of any untaken leave as at the year end. The cost of untaken leave has been determined with reference to cost and leave balance information held by HRConnect at the year end.

2. Staff numbers and related costs

Staff costs comprise:

			2016-17	2015-16
	Permanently employed staff	Others	Total	Total
	£'000	£'000	£'000	£'000
Wages and salaries	3,528	31	3,559	4,105
Social security costs	369	-	369	298
Other pension costs	785	-	785	833
	4,682	31	4,713	5,236

3. Other Expenditure

	Notes	2016-17 £'000	2015-16 £'000
Advertising and publicity		390	493
Motor and travel expenses		142	141
Inspection and enforcement		188	185
Staff training		126	115
Other Staff Related Costs		81	80
Printing, postage and stationery		37	29
Contract cleaning		27	25
Heat and light		13	17
Scientific services		27	16
Office maintenance		11	13
Telephone		43	48
Recruitment costs		18	2
Rentals under operating leases		11	11
Internal audit and accountancy		17	15
Research		7	7
Car parking		4	9
Premises costs		26	24
Catering and hospitality		4	2
IT costs		9	4
Staff equipment		13	14
Auditor's remuneration		10	9
Legal fees		32	20
Staff development		9	6
Other expenditure*		6	-
Non-cash items			
Depreciation	5	27	27
Amortisation	6	-	-
Gain on disposal of transport equipment		-	(5)
Notional accommodation charge		357	274
Notional Departmental Solicitors Office charge		32	32
		1,667	1,613

* Other expenditure relates to a compensation payment of £6,000 made to an ex-employee

4. Income

	2016-17 £'000	2015-16 £'000
Licence, subscription and conference fees	36	45
Other income	6	9
	42	54

Other income relates to fees and charges, recovery of legal costs and income from events and workshops.

5. Property, plant and equipment

2016/17	Transport equipment £'000	Furniture & fittings £'000	Total £'000
Cost or valuation			
At 1 April 2016	24	322	346
Additions	-	10	10
At 31 March 2017	24	332	356
Depreciation			
At 1 April 2016	6	286	292
Charged in year	6	21	27
At 31 March 2017	12	307	319
Carrying value at 31 March 2017	12	25	37
Carrying value at 31 March 2016	18	36	54
Asset financing:			
Owned	12	25	37
Carrying value at 31 March 2017	12	25	37
2015-16	Transport equipment £'000	Furniture & fittings £'000	Total £'000
Cost or valuation			
At 1 April 2015	47	340	387
Additions	-	10	10
Disposals	(23)	(28)	(51)
At 31 March 2016	24	322	346
Depreciation			
At 1 April 2015	23	293	316
Charged in year	6	21	27
Disposals	(23)	(28)	(51)
At 31 March 2016	6	286	292
Carrying value at 31 March 2016	18	36	54
Carrying value at 31 March 2015	24	47	71
Asset financing:			
Owned	18	36	54
Carrying value at 31 March 2016	18	36	54

6. Intangible assets

Intangible assets comprise a Case Management System (CMS) to store relevant data on Health & Safety investigations and the accounting software, Microsoft Dynamics NAV, which is used to administer HSENI's programme expenditure.

Information Technology 2016/17	Total £'000
Valuation	
At 1 April 2016	210
Additions	-
Revaluations	-
At 31 March 2017	210
Amortisation	
At 1 April 2016	210
Charged in year	-
Revaluations	-
At 31 March 2017	210
Carrying value at 31 March 2017	-
Carrying value at 31 March 2016	-
Asset financing:	
Owned	-
Carrying value at 31st March 2017	-

HSENI values its intangible assets at 31st March using the Depreciated Replacement Cost method. It is estimated by restating the value annually by reference to indices compiled by the Office of National Statistics (ONS).

2015/16	Total £'000
Valuation	
At 1 April 2015	210
Additions	-
Revaluations	-
At 31 March 2016	210
Amortisation	
At 1 April 2015	210
Charged in year	-
Revaluations	-
At 31 March 2016	210
Carrying value at 31 March 2016	-
Carrying value at 31 March 2015	-
Asset financing:	
Owned	-
Carrying value at 31st March 2016	-

7. Financial Instruments

As the cash requirements of the Health and Safety Executive for Northern Ireland (HSENI) are met through Grant-in-Aid provided by the Department for the Economy, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with HSENI's expected purchase and usage requirements and HSENI is therefore exposed to little credit, liquidity or market risk.

8. Trade receivables and other current assets

	2016-17 £'000	2015-16 £'000
Amounts falling due within one year:		
Trade receivables	7	21
Other receivables*	183	200
Prepayments and accrued income	43	19
Total	233	240

*Other receivables relates to an Intergovernmental debtor with DfE in relation to the Department's agreement to honour HSENI Staff & Operating Expenditure accruals and prepayments.

9. Cash and cash equivalents

	2016-17 £'000	2015-16 £'000
Balance at 1 April	408	521
Net change in cash and cash equivalent balances	151	(113)
Balance at 31 March	559	408

The following balances at 31 March were held at:

Commercial banks and cash in hand	559	408
Balance at 31 March	559	408

10. Trade payables and other current liabilities

	2016-17 £'000	2015-16 £'000
Amounts falling due within one year		
Trade payables	65	11
Accruals and deferred income	647	539
Total	712	550

11. Provisions for liabilities and charges

HSENI is not aware of any circumstances that would give rise to provisions or contingent liabilities in the current year.

12. Commitments under leases

12.1. Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	2016-17 £'000	2015-16 £'000
Obligations under operating leases comprise:		
Buildings:		
Not later than one year	-	10
Later than one year and not later than five years	-	-
Later than five years	-	-
	<hr/>	<hr/>
	-	10

HSENI entered into a lease agreement with Lancer Buildings Ltd on 10 November 2010, for the rental of offices in Omagh. This is a five year lease effective from 19 February 2010, with the possibility of extension for a further three years. A year extension was taken in February 2015 and again in February 2016. Negotiations are ongoing in relation to the extension of this lease.

12.2. Finance leases

HSENI does not hold any finance leases.

13. Related Party Transactions

The Health and Safety Executive for Northern Ireland is a Non-Departmental Public Body (NDPB) sponsored by the Department for the Economy. The Department for the Economy is regarded as a related party. During the year, the Health and Safety Executive for Northern Ireland has had various material transactions with the Department and with other entities for which the Department is regarded as the parent Department, viz:

Non-Departmental Public Bodies:

- Invest Northern Ireland (Invest NI);
- Tourism Northern Ireland (Tourism NI);
- Consumer Council for Northern Ireland (GCCNI);
- Northern Ireland Screen;

-
- CITB–NI;
 - Labour Relations Agency;
 - Stranmillis University College;
 - the six Further Education colleges;
 - InterTradeIreland (Trade and Business Development Body); and
 - Tourism Ireland Company Limited by Guarantee (TICLG).

Independent Autonomous Bodies:

- Ulster University (Higher Education Institution) ;
- Queens University (Higher Education Institution);
- Open University; and
- St Mary's University College (Non Profit Institution Serving Households Body).

In addition, the Health and Safety Executive for Northern Ireland has had a small number of transactions with other government departments and other central government bodies. Most of these transactions have been with the Department of Finance and the Public Prosecution Service for Northern Ireland.

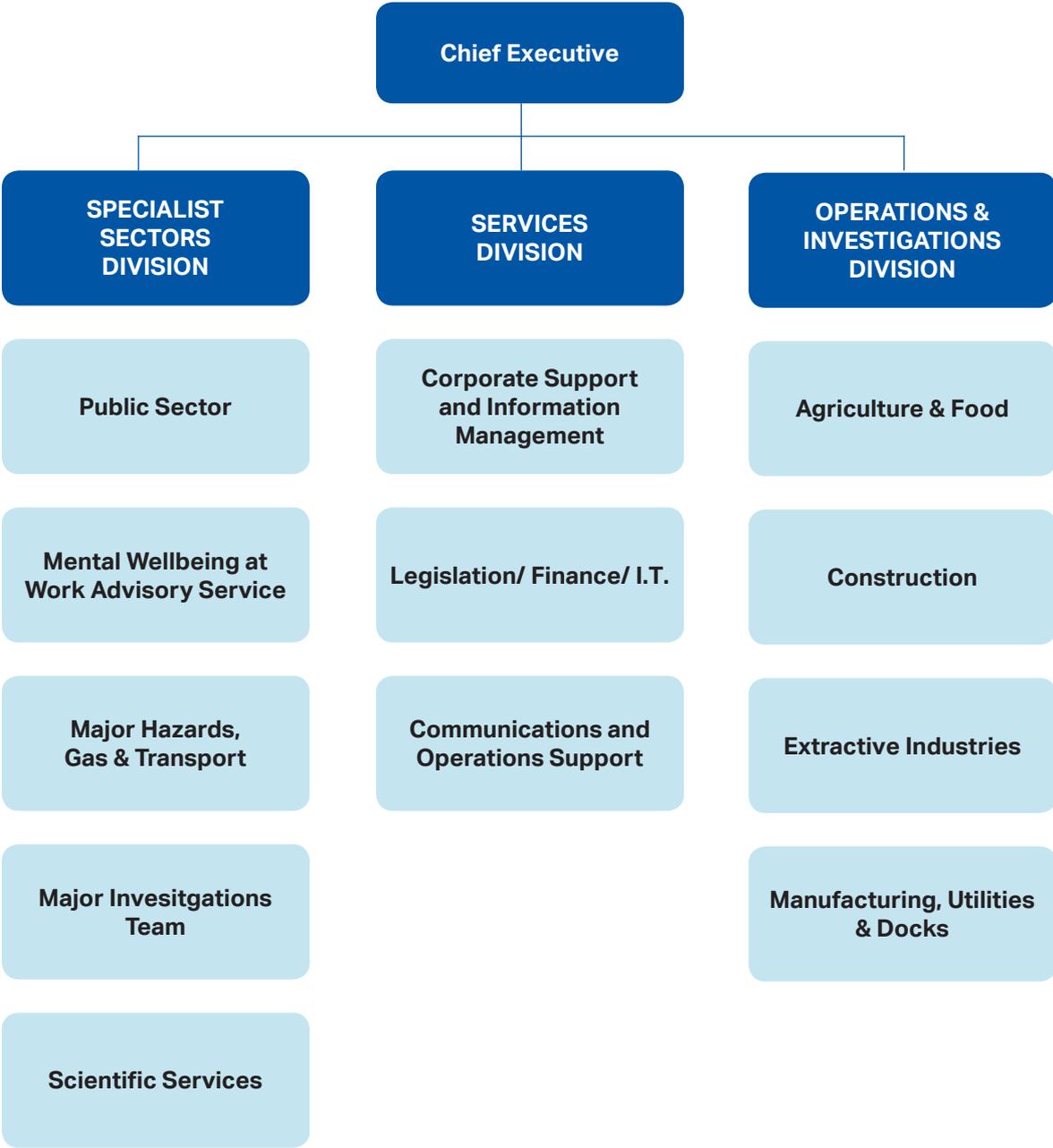
No board member, key manager or other related parties has undertaken any material transactions with the Health and Safety Executive for Northern Ireland during the year.

14. Events after the reporting period

The Accounting Officer authorised the issue of these financial statements on 27 June 2017.

Appendix 1

HSENI ORGANISATION STRUCTURE 2016-17



Appendix 2

FATAL ACCIDENTS 2016-2017 (Total = 16; HSENI enforcement responsibility only)

Occupation (Age)	Employment Category	Description	Date
Agriculture			
Farmer (53)	Self-employed	Was killed by a bull on his home farm. It appears that the farmer was moving the bull across the open yard when it attacked him.	23/04/16
Farmer (57)	Self-employed	Died while cutting hedge with a chainsaw on his farm in Derrygonnelly.	30/06/16
Farmer (30)	Self-employed	Died when clothes became caught in grain auger in combine harvester.	11/09/16
Farmer (52)	Self-employed	Died by drowning in slurry tank on his farm on Coagh.	14/10/16
Farmer (73)	Self-employed	Farmer's wife killed while helping husband move cattle on their farm in Garvagh.	19/10/16
Farmer (75)	Self-employed	Killed by Limousin bull on his farm in Omagh.	28/03/17
Food manufacturing			
Forklift Driver (51)	Employee	Died when crushed between two machines in Omagh.	14/07/16 Died 16/07/16
Admin Business (33)	Employee	Died when telescopic handler fell forward in Lurgan.	11/08/16
Construction			
Construction Worker (38)	Self-employed	Died while working on lampposts in Warrenpoint.	30/09/16
Subcontractor	Employed	Died while working on a roof in Belfast and fell through a panel.	03/12/16
Builder (70)	Self Employed	Died after falling from a ladder in Belfast.	29/03/17
Health			
Patient (102)	Member of Public	Died in a care home in Strabane.	15/06/16
N/A (82)	Member of Public	Died following a fall in a care home in Newcastle.	16/07/16
N/A (88)	Member of Public	Died in care home after choking on a piece of food.	21/11/16
Other			
Gardener (51)	Member of Public	Died after a fall from a ladder while cutting trees in Kells.	20/08/16
Stevedore (36)	Employed	Died when equipment collapsed at Belfast Harbour Estate.	21/03/17

Appendix 3:

Prosecutions 2016-17

JDM Property Limited

On 7 April 2016, Belfast-based company JDM Property Limited was fined £9,000 plus costs of £1,700 after pleading guilty to three breaches of health and safety legislation.

The case arose following a Health and Safety Executive for Northern Ireland (HSENI) investigation into an incident on 7 February 2014 when workers were exposed to asbestos fibres during refurbishment of the Devenish Complex, Finaghy Road North, Belfast.

JDM Property Limited were contracted to undertake and manage refurbishment of the premises. The investigation found that prior to the work commencing, JDM Property Limited failed to ensure that asbestos had been identified and dealt with in the premises. During the refurbishment works, Asbestos Insulation Board (AIB) was broken up and several employees on site were exposed to asbestos fibres that were released.

McGoldrick Enterprises Ltd

On 6 May 2016, McGoldrick Enterprises Ltd, trading as Maine Private Nursing Home, was fined £10,000 plus costs of £8,279 at Antrim Crown Court for health and safety failings which led to the death of a 51 year old resident.

The HSENI investigation related to the tragic death in April 2013 of Mary Dowds at her nursing home in Randalstown Co. Antrim. Ms Dowds, who had physical and learning difficulties, was placed in a care chair with the use of a lap-belt. Mary was then left in her room unattended and inadequately observed,

and was later found strangled by a poorly adjusted seat restraint as a result of slipping from her chair.

Ready Egg Products Ltd

On 3 June 2016, Ready Egg Products Ltd was fined £7,500 plus costs of £1,033 at Omagh Crown Court for health and safety failings that led to the serious injury of an employee.

HSENI investigated the incident at the Ready Egg premises, Lisnaskea, on 21 August 2014. A 56 year old employee with the company was injured when his hand was pulled into an unguarded conveyor roller while he carried out routine machinery maintenance. Sadly, as a result of his injuries, and after a number of operations, the employee lost all the fingers on his right hand.

The machine, a manure dryer common in egg production plants, had been supplied in 2012 without the appropriate guarding but was being used in the production process in this dangerous condition. At no time did the company recognise the need to guard the conveyor thereby exposing employees to significant risk of injury for some time.

Burke Shipping Services Limited

On 13 September 2016, At Londonderry Crown Court, Burke Shipping Services Limited was fined £15,000 plus costs of £800 for three health and safety breaches.

The HSENI investigation related to an incident on 20 August 2015 in which three male employees fell from a suspended work platform. The three employees were ejected from the platform as it was being used to

remove them from the cargo hold of a ship they were emptying at Lisahally Terminal. The men fell a distance of between four to five meters and each received numerous fracture injuries.

The investigation found that the work platform was not properly attached to the crane and overturned as it was being lifted. The particular work platform should also not have been used for the purpose of lifting and moving personnel.

Vertase FLI Limited

On 27 February 2017, at Dungannon Crown Court, Vertase FLI Limited, a company based in Bristol, was fined £6,000 plus costs of £1,033 for one health and safety breach.

The HSENI investigation related to a workplace incident on 26 May 2015 in Omagh. Vertase FLI limited was contracted to carry out a lining project at a mining site in the Gortin area of Co Tyrone, which involved welding large rolls of lining membrane together on reclaimed land. The incident occurred when workers were tasked with unloading a delivery of the geotechnical lining membrane from a curtain sided lorry.

The rolls of membrane had been transported on curtain-sided trailers and were being off-loaded on site using straps attached to lifting chains suspended from an excavator.

However the rolls of lining had moved during transport from the manufacturer. On opening the curtain side it could be seen that the rolls were unstable, but Vertase FLI Limited did not put sufficient measures in place to stabilise the load or to remove personnel from the area. As a result, an employee working for them was struck by a falling roll of lining membrane, weighing approximately half a tonne, sustaining serious injuries.

Mid Ulster Contracts Ltd

On 10 March 2017, Mid Ulster Contracts Limited was fined £50,000 at Londonderry Crown Court for Health and Safety failings which led to the death of an employee.

The HSENI investigation related to an incident at a construction site at Culmore Road in Londonderry on 6 November 2014.

Mr Phillip Fenwick was assisting in a lifting operation of a roof truss, which was being hoisted by its apex using a homemade lifting accessory. During this operation Mr Fenwick was struck on the head by the roof truss, sustaining a fractured skull and tragically died the following day from his injury.

Norman McKenzie

On 10 March 2017, Portadown builder Norman McKenzie was sentenced at Craigavon Crown Court for Health and Safety failings that led to the death of a worker and caused injury to another. The client, a farmer Ivan Reilly was sentenced at a previous hearing on 3 March 2017.

Mr McKenzie pleaded guilty to manslaughter and was given a 15 month custodial sentence suspended for three years. He was also fined £3,000, while Mr Reilly was fined £1,500.

Today's judgement follows a joint PSNI and HSENI investigation into the fatal incident which occurred on 20 January 2015 on Mr Reilly's farm on the Derrycarne Road, Portadown. Norman McKenzie was hired by Ivan Reilly to assist him in building a 3-bay farm shed at his premises at Derrycarne Road. However, no safety precautions whatsoever were in place to protect workers from falling while sheeting the high roof of the shed, and the situation further exacerbated by the fact that it was raining.

As a result, workers Petyo Hristanov and Millen Dimov both fell from the roof. Tragically, Mr Hristanov died as a result of his fall, while Mr Dimov received minor injuries.

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