

# WRITTEN MINISTERIAL STATEMENT

***The content of this ministerial statement is as received at the time from the Minister. It has not been subject to the Official Report (Hansard) process.***

## Health, Social Services and Public Safety

### NORTHERN HEALTH AND SOCIAL CARE TRUST PROCUREMENT ISSUES

*Published at 2.00 pm on Friday 24 January 2014*

**Mr Poots (The Minister of Health, Social Services and Public Safety):** This Statement draws to the Assembly's attention a report of audit investigations arising from information reported by whistle-blowers about potential malpractice in the procurement and management of building maintenance in the Northern Health and Social Care Trust.

I first brought this issue to the attention of the Assembly on 2<sup>nd</sup> July 2013, when investigations were ongoing into allegations received by the Trust in February 2012 and by my Department in August 2012. The ongoing investigation was also raised in the annual accounts of the NHSCT for 2012/13.

Investigations have been carried out by BSO Internal Audit, BSO Counter Fraud Unit and the Procurement Policy and Compliance Unit in my Department, under the oversight of officials in my Department. They have recently concluded and the completed report is now available on the DHSSPS website.

I am very concerned that the report highlights a serious lack of control within the Estates Management function in the Northern Health and Social Care Trust, and indeed relevant legacy organisations. Examples of weaknesses in the implementation of procurement controls and guidance include:

- Single Tender Actions awarded without formal approval;
- A contractor working without a contract for several years;
- Contractors used outside of their contracted areas;
- Documentation missing from files to verify expenditure;
- Lack of checks on work carried out and invoices presented for payment;
- Contracts being completed in excess of tender quotation due to additional work undertaken.

The BSO Counter Fraud and Probity Unit has analysed findings from the report and has concluded there is no clear evidence of fraudulent activity. However, whilst the investigations found no incidence where services were paid for which were not provided, it was not possible to verify if this expenditure represented value for money in all cases.

The total value of work that has not been subject to appropriate control or procurement is estimated as £5.7m over the past 14 years. This is a matter of serious concern.

There are a total of 72 recommendations in the report. I am assured that the NHSCT management have accepted all of the recommendations and are taking steps to implement them to ensure that these failures will not be experienced again. The Trust has made significant progress in implementing the recommendations to date. My Department is ensuring that all recommendations are implemented so that the public can have full confidence in NHSCT Estates procurement practices

In addition, both BSO Internal Audit and Procurement Policy and Compliance Unit within my Department are undertaking a series of procurement audits and compliance checks across all Trusts to ensure that similar practices are not occurring elsewhere.

The mismanagement of procurement and contract management at NHSCT was brought to the attention of NHSCT and my Department through the Whistleblowing process and, once again I want to say that it is appropriate and important that where anyone has information about the potential abuse of public money they inform their organisation or my Department so that the specific issues can be resolved, appropriate lessons learned, and public confidence restored.

Where wrongdoing has occurred it must be addressed, with a proportionate and appropriate response. NHSCT management are assessing the reasons behind the failures identified in the report and an independent review will consider whether any further action is appropriate.