

**TRUST BOARD
SUBMISSION TEMPLATE**

MEETING	Trust Board	Ref No. 8
DIRECTOR	Chair, Audit Committee	Date 3 March 2022
Audit Committee		
Purpose	Minutes of 12 October approved at Audit Committee meeting on 8 February 2022	
Corporate Objective	<ul style="list-style-type: none"> • Safety, Quality and Experience • Service Delivery • People and Culture • Strategy and Partnerships • Resources 	
Key areas for consideration	For information	
Recommendations	<ul style="list-style-type: none"> • For noting. 	

**Minutes of the Audit Committee Meeting
12 October 2021 at 10 am
Virtual via TEAMS due to COVID-19 Restrictions**

Present:

Mr Gordon Smyth, Non-Executive Director - Chair
Professor Martin Bradley, Non-Executive Director
Mrs Nuala McKeagney, Non-Executive Director

In Attendance:

Mrs Maureen Edwards, Director of Finance, Estates and Capital Development
Miss Gillian Traub, Interim Director Adult, Social and Primary Care
Mrs Jacqui Kennedy, Director Human Resources/Organisational Development
Mrs Fiona Cotter, Co-Director Financial Services
Mrs Nicola Williams, Head of Governance and Client Accounting
Mrs Moira Kearney, Interim Director of Mental Health & Intellectual Disability
Mrs Catherine McKeown, Internal Audit (BSO)
Mr Stephen Knox, External Auditor (NIAO)
Mr Neil Gray, External Auditor
Ms Jennifer McCaw, Internal Audit
Ms Sarah Christie, Board Apprentice
Miss Marion Moffett, Minute Taker
Mrs Eileen Carson, PA, Minute Taker

Apologies:

Dr Patrick Loughran, Non-Executive Director
Mrs Miriam Karp, Non-Executive Director
Mrs Charlene Stoops, Director Performance, Planning and Informatics

Mr Smyth welcomed everyone to the meeting and introduced Ms Christie, attending her first meeting of the Audit Committee.

AC34/21 Minutes of the previous meeting

Members considered and approved the minutes of the previous meeting held on 8 June 2021. These were approved subject to Min AC30/21 Page 9 reference "RF classification" being amended to read "RRL classification".

Proposed: Professor Bradley

Seconded: Mr Smyth

AC35/21 Matters Arising/Action Log

a. IT Line of Business Applications 2020/21 (Min. AC27/21 i)

Mrs Williams reminded members that partial limited assurance was provided at the last meeting by internal audit. Mrs Williams presented a detailed table on actions that have been taken since the report was presented. In response to Professor Bradley, Mrs Williams advised that she was not aware when Encompass would be up and running but would find out and report back. **Action:** Mrs Williams.

In response to a query from Mr Smyth regarding outstanding actions, Mrs Williams advised that some have been implemented with others still ongoing and internal audit would be providing an update in their midyear follow up report during this meeting.

Members noted this update.

b. Action Log

Mrs Williams provided an update on the action log.

In response to Mr Smyth's concern regarding the recent Spotlight programme in relation to Dr A and the potential reputational damage to the Trust, Mrs Edwards advised Mrs Dalzell along with her communications team would be working closely with Mrs Owens and all those involved in the Inquiry.

AC36/21 Chairman's Business

a. Conflicts of Interest

No conflicts of interest noted.

AC37/21 Final External Auditors Report to those Charged with Governance 2020/21

Mr Stephen Knox presented the Final External Auditors Report to those Charged with Governance 2020/21. Mr Knox advised that there had been a few minor changes to the report since it was presented at the last Audit Committee meeting. Mr Knox summarised the 2 key findings: Classification of Clinical Excellence Award and the Holiday Pay Accrual (PSNI ruling) and whether they should be classified as accruals or provisions. Mr Knox also advised of an amendment to the table on page 13 of the Report in which £25.9m should have read £35.9m.

In response to the first finding Mrs Edwards commented that the issue was more down to interpretation and the Trust had considered this an accrual given the relative certainty around the liability. She noted that if this had not been accrued the funding of the costs in a future financial period would present a significant financial risk. It was agreed that ongoing discussions would be held before the next Audit Committee meeting when an update would be provided. **Action:** Mr Knox, Mrs Edwards.

In response to a question from Mrs McKeagney, Mrs Edwards advised that once the liability is finally confirmed, the total costs for the in-year costs and any back pay would all be paid or accrued in one period and agreed that it could affect future bids.

AC38/21 Report of the Internal Auditor

a. Progress Report

b. Internal Audit Progress against Plan 2021/22

Mrs McKeown began by advising that Trust Management have requested that the audit of Management of review Appointments be deferred to 2022/23 due to ongoing work in this area.

Proposed: Mrs McKeagney Seconded: Professor Bradley

Mrs McKeown advised that there was a lot of work in progress with engagement from the Trust, but the completion of audits was slower due to Covid and the pressures involved but reassured the Committee there were no concerns to completing work by year end.

i. Client Monies and Cash Handling in Social Services Facilities 2021/22

Mrs McKeown provided satisfactory assurance in respect of the six facilities visited with no significant findings; however a few things needing tidied up and refined. Management have accepted the recommendations.

In response to Mr Smyth's query in relation to Osbourne Children's Home (Page 9), Mrs Cotter clarified that Forster Green Finance team is not part of the Trust finance department but an administration team which is part of Children's Service's Team. Mrs Cotter apologised to Mrs McKeown for not highlighting this minor error in the report before it had been published.

Mr Smyth voiced his concerns about the number of mistakes being made in the Children's homes with the potential for something more serious happening.

Mrs Edwards advised Mr Smyth that Mrs Diffin is responsible for children's homes and reassured the Committee that Mrs Diffin will have access to the report with all the findings and recommendations and will be asked to make sure that these are implemented in all of the homes.

Action: Maureen Edwards.

ii. Cash Handling in Trust Adult Supported Living (ASL) Facilities 2021/22

Mrs McKeown advised that Internal Audit visited 5 out of the 11 Trust-managed ASL facilities as part of this audit and sample tested the controls around the management of tenants' monies. Satisfactory assurance was provided for 4 out of the 5 facilities with limited assurance for Rigby Close. A lack of clarity over the role of staff in the facility in terms of managing the finances of the tenants was the main finding. Management accepted all recommendations.

Mrs McKeagney expressed concern that for the second time limited assurance had been provided for Rigby Close and asked Mrs McKeown what the Committee's role was in recommending what needed to be done as there is a clear lack of progress or improvement in processes when handling tenants' monies. In response, Mrs McKeown suggested that the Committee focus in on Rigby Close requesting an update from management as it does require specific focus from the Committee to demonstrate progress and improvement against the recommendations.

Mrs Edwards advised the Committee that this has already been discussed at Executive Team and Mrs Kearney as Director will be focussing particularly on Rigby Close mainly because of repeat limited assurance.

Mrs Kearney expressed her disappointment that actions haven't been taken forward. Mrs Kearney advised that she had a met with the Co-Director and governance manager with a further action plan meeting set for Friday 15 October to investigate why the recommendations weren't taken forward and to set out an action plan with all the recommendations in the audit report.

In response to a question from Professor Bradley as to whether staff meals are covered by the Trust, Mrs Cotter advised that in some services, staff meals are provided; for example, in children's homes,

staff tend to eat with the children to make the environment as normal as possible for the children. Mrs Cotter stressed the need to keep this under constant review.

Members were in agreement that they have every confidence in Mrs Kearney taking this forward. Mrs Kearney assured the Committee that her first step is to develop action plans and ensure consistency across all of the 11 homes. **Action:** Mrs Kearney.

iii. **Client Monies in Independent Sector Homes 2021/22**

Mrs McKeown advised that nine facilities were selected initially but due to the ongoing Covid restrictions only 4 independent homes were visited. It is hoped that if restrictions are eased internal audit will visit the remaining homes later in the year.

Mrs McKeown provided limited assurance in respect of client monies in Haypark Residential Home and satisfactory assurance in relation to the other 3 Independent Sector homes visited. Limited assurance has been provided regarding Haypark Residential Home because of the unusual cash transaction identified that requires further investigation. All homes visited need further action to ensure that residential agreements are updated and signed and include any details of finance management carried out by the Homes Management has accepted all recommendations and an investigation is underway regarding the cash transactions in Haypark.

Mr Smyth expressed concern with the audit findings especially at Haypark and wondered if staff in these facilities understood the implications for procedures not being followed.

Mrs Kearney expressed her disappointment at the findings and advised that in relation to Haypark the Trust had now become appointee for the mental health patients and the governance arrangements will come in under the Belfast Health and Social Care Trust governance process going forward. This will be rolled out throughout all the homes where Trust clients reside.

Mrs Kearney assured Professor Bradley that there is an ongoing investigation into the monies being paid to the social worker.

Mrs Edwards felt it important to note that Haypark was not a Trust facility and therefore it was much more difficult to ensure that staff followed due processes, but advised that significant audit findings and actions are noted by the Trust's contracts management team headed by Mrs Thompson to ensure learning is shared across the sector.

Mrs Kearney advised that she would work in partnership with Mrs Thompson and her team and provide an update at the next meeting. **Action:** Mrs Kearney

c. IT Audit – CT Project Management 2021/22

Mrs McKeown provided satisfactory assurance in relation to ICT Project Management on the basis that there is an operational and controlled project management methodology in place. There were no significant findings and management have accepted the recommendations. Mrs Edwards agreed to pass on congratulations to Mrs Stoops and her team. **Action:** Mrs Edwards

Mr Smyth' referred to the need for an annual IT update paper covering cyber security and potential risks to provide Trust Board with assurance that the Trust is monitoring and where possible mitigating against such risks. Mrs Edwards agreed to take forward with Mrs Stoops. Mr Knox also agreed to check for potential helpful guidance outside of the Trust. **Action:** Mrs Edwards, Mr Knox.

Proposed: Mrs McKeagney Seconded: Professor Bradley

d. Mid-Year Follow up Report – 2021/22

Mrs McKeown provided a summary of the mid-year follow up report.

Mrs McKeown reported that 72% of the audit recommendations are now fully implemented leaving 27% partially implemented and 2 individual recommendations not implemented.

Mrs McKeown advised that due to Covid restrictions internal audit were unable to visit Clifton Park Nursing Home, which had received unacceptable assurance last year but internal audit hoped to review its position before year end.

Mrs Edwards advised the committee that Mrs Cahalan is now taking forward implementation of the WHO checklist. Mrs Edwards agreed to follow up with Mrs Cahalan regarding target timescales. **Action:** Mrs Edwards

e. Mid-Year Assurance Statement to the BHSCT

Mrs McKeown provided a brief update on the mid-year assurance statement to the BHSCT.

f. BSO Shared Services Paper

Mrs McKeown provided satisfactory assurance in relation to two shared service audits that were carried out by internal audit: Accounts Payable Shared Services and Regional Interpreting Service.

g. BSO Internal Audit General Annual Report 2020/21

Mrs McKeown advised that BSO Internal Audit compiles a General Annual Report across the HSC each year which summarises the performance and outcome of Internal Audit activity in the HSC during the year.

Mrs McKeown provided a summary of the report.

Mr Smyth on behalf of the Committee thanked Mrs McKeown for her presentation of the Reports asking her to pass on the Committee's recognition and appreciation for the effort and support Internal Audit have provided in the difficulties circumstances over the last year.

AC39/21 Audit Committee Self-Assessment of Effectiveness 2020/21

Mrs Williams presented the annual Audit Committee Self-Assessment of Effectiveness 2020/21 Report. She advised that the report summarises the approach adopted by the Audit Committee of the Belfast Health and Social Care Trust in undertaking this review and summarises the key findings arising out of the Committee's self-assessment along with a proposed action plan. Each Audit Committee member independently completed the checklist which was in the form of a questionnaire and Mrs Williams provided a summary of the findings.

A short discussion took place regarding the results. It was suggested that there may be some confusion around the terminology used and questions were not always clear in the checklist. Mrs Williams agreed to revise the wording of the questions going forward. Other suggestions referred to the questionnaire being anonymous and recommended a separate meeting in the New Year to include just the Committee members with Mrs Williams as the facilitator in order to capture the matters going forward. Mrs Williams to review and report back.

Action: Mrs Williams

Proposed: Professor Bradley

Seconded: Mrs McKeagney

AC40/21 Single Tender Actions April to September 2021

Mrs Cotter provided a summary of the DACs 1 April 2021 to September 2021 with a total value of 135 DACs totalling just under £32m.

In response to Mr Knox's questions around DAC No 9711 Cardiac Surgery supplied by Blackrock Clinic Ltd, Mrs Edwards explained that this is part of the Minister's Elective Care Strategy and although the tender is pending, the Trust is already sending patients to Blackrock and the Mater in Dublin due to the urgency of the patients' need for immediate surgery. Mrs Edwards assured Mr Knox that the Trust's Planning and Contracts team continue to work very closely with the HSCB and Blackrock along with other independent providers to ensure compliance with the same standards as our own services and any complaints would be followed up by the Trust. In terms of costs, Mrs Edwards suspected that it would be more expensive in Blackrock but as cardiac surgery requires ICU, Belfast Trust is the only organisation in NI that can provide these services and has insufficient capacity.

Mr Knox queried the EU threshold and Red Flag status following Brexit. Mrs Cotter advised that she wasn't sure but had been advised in the past that similar rules were likely to be applied.

In response to Mr Smyth's query about cardiac cath labs and the ongoing legal challenges that PaLS and DLS are progressing, Mrs Edwards reassured the Committee that PaLS and DLS would have followed due process.

The report was noted by the Committee.

AC41/21 Fraud Update

a. Ongoing and new frauds reported to Finance

Mrs Williams provided a summary of on-going and new fraud investigation. Professor Bradley welcomed the amount of closed cases.

In response to Professor Bradley's concern regarding the delay in dealing with Fraud Ref No 3197 alleging a member of staff regularly turning up to work under the influence of drugs, Mrs Williams explained that the complaint had been reported through the Fraud Whistleblowing hotline and had therefore been classified as a fraud. However, this has since been taken forward under HR procedures rather than as a fraud.

Some of the Committee members were concerned about the increasing number of frauds and the rise in the monetary value of some of the frauds but felt reassured that Mrs Williams and her team were monitoring the situation closely.

The Committee noted the report.

b. The National Fraud Initiative Self-Appraisal Checklist

Members noted the NIAO has produced a self-appraisal checklist for organisations to use to self-appraise their involvement in NFI, prior to and during the NFI exercises. A number of actions have been identified which will be taken forward by the Trust NFI key contact.

In response to Professor Bradley's suggestion of publishing the achievements of fraud investigations internally and externally to act as a deterrent against future frauds, Mrs Williams advised that outcomes are shared at senior level and regionally discussions are taking place to consider such a proposal. Mrs Cotter reported that she, Mrs Williams and Mr Hagan had attended a meeting with Counter Fraud Services who are meeting all the medical directors regionally to specifically look at consultant cases, their private work and how it is monitored. Mr Hagan has since agreed to work with Counter Fraud allowing them to come in and carry out specific training with consultants. Mrs Edwards, Mrs Cotter and Mrs Williams to meet and give some thought to ways of increasing fraud awareness within the Trust, including the annual Fraud Awareness Week. **Action:** Mrs Edwards.

The Committee noted the report.

c. Summary of Domiciliary Care Closure Report

Mrs Williams provided a summary of the DoH final Oversight Scrutiny Committee Domiciliary Care Closure Report issued in March 2021 along with associated recommendations. The report brought together the various strands of work taken forward in response to the BSO Counter Fraud and Probity Service report which had found evidence of scheduling overlaps in ISP staff rotas and also found daily claims for carer's hours greater than 24 hours a day. They also found considerable disparities between hours being paid for by Trusts against actual hours that carers were working.

Mrs Williams advised that although Counter Fraud couldn't prove fraud there was still a risk of fraud and there was a need for improvement in internal controls. Mrs Williams advised that the Trust had undertaken

some verification exercises using the same methodology confirming that there was no evidence of fraud found but a risk of fraud.

Mrs Williams advised that OSC have developed a number of recommendations with a focus on driving forward procurement of social care services, and improving contract management including monitoring of service delivery.

Mrs Williams advised that the Social Care Procurement Board sits regionally and is led by the HSCB. Professor Bradley was interested in an update next year on how these functions are being developed and who is responsible for them.

The Committee noted the Report.

Mr Smyth thanked Mrs Williams for updating the Committee on the three reports.

AC42/21 Any Other business

No items raised.

AC43/21 Date of Next Meeting

Members noted the next meeting was scheduled for 8 February 2022.