AUDIT COMMITTEE

4 February 2025 at 10am in the Meeting Room,

Trust Headquarters, Non Clinical Support Building, Royal Hospitals

MINUTES

Present:
Mr David Small, Non-Executive Director (Chair)
Mrs Ellen Finlay, Non-Executive Director *(via Ms Teams)*
Miss Patricia Gordon, Non-Executive Director
Professor Catherine Ross, Non-Executive Director (*via Ms Teams and for part of the meeting as indicated below)*

In Attendance:
Dr Brian Armstrong, Director, Unscheduled and Acute Care
Mrs Tara Clinton, Interim Director of ACCTSS and Surgery
Mrs Fiona Cotter, Interim Director of Finance
Ms Collette Kane, Northern Ireland Audit Office
Mr Jason McCallion, Sumer NI
Mrs Catherine McKeown, Head of Internal Audit (BSO)
Mrs Olga O'Neill, Interim Director of Nursing and User Experience
Mrs Nicola Williams, Acting Codirector of Finance
Mr Peter Watson, Head of Office of the Chief Executive

Apologies:

Mr Chris Hagan, Medical Director

Prof Carmel Hughes, Non-Executive Director

Mr Joe McVey, Non-Executive Director
Mr Brian Clerkin, Sumer NI

No	Item	Presenter	Action
1	**Chairman's Business** Mr Small welcomed all to the meeting. Mr Small noted that papers had been circulated both on Convene and via PDF. Mr Small noted that a request for self-assessment had been issued to Audit Committee members and asked for completion by end February. **ACTION:-Audit Committee (NED) members.** **Apologies** Apologies were noted as above. **Conflicts of Interest** No conflicts of interest were declared. **Minutes of Previous Meeting :- 1 October 2024** The minutes of the previous meeting were agreed. **Final External Auditors Report to those Charged with Governance 2023/24 v2** The revised final version of the report and the associated covering letter were noted.	Chairman	Note
2	**Action Log** The Audit Committee reviewed the tabled action log. It was agreed that those items already coloured Green could be considered as Closed and removed from the Action Log. In relation to action 5 pertaining to Management of Client Monies in Independent Sector Homes. Mrs Williams updated the Audit Committee that Mr McMullan had reported that there were now 378 outstanding out of 1814 ie 79.2% compliance just short of the 80% target . It was agreed that this item on the log could be coloured Green and considered as closed. In relation to action 6 pertaining to Consultant Job Planning, Mrs Williams updated the Audit Committee that Mr Hagan had indicated that this remained a continuing	Head of Office	Review

focus, with monthly reports provided and the position at end January being 70% with current job plans. Mrs Williams noted that previously this figure had been circa 30% and as such there had been significant improvement. Mrs Williams advised that she had attended a meeting of senior medical leaders and there was now an objective to achieve 80% with current job plans by end March 2025. Mrs Williams noted that there had also been discussion with the Medical Director, the Deputy Medical Director and Mrs McKeown, about actions which could be taken (such as improvements in the systems and biannual job planning) to maintain and improve the position.

Mr Small indicated that he welcomed the focus on job planning and the improvements made. Mr Small asked that the latest update be provided to the audit committee.
ACTION:-Mr Watson

It was agreed that action 6 pertaining to job planning be closed, but with a new action arising from this discussion, to review the latest job planning position at the next meeting of the Audit Committee.
ACTION:-Mr Watson

In relation to action 7, Mrs Williams reported good engagement with Directorates in relation to outstanding findings. Mr Small indicated that it would be helpful to see how the position had changed from the last Internal Audit follow-up report, particularly the implementation of outstanding significant findings and Mrs McKeown will seek to report on this at the next meeting. The action 7 is therefore considered green with a new action from this meeting for a comparison report to follow.
ACTION:-Mr Watson/Mrs McKeown

In relation to action 8, it was noted that the Risk Register had been included in the papers for January Trust Board but that time constraints had precluded its consideration. Action to remain as amber.

In relation to action 9, Mrs Williams noted that DAC trend data had been secured in recent times, and would be shared with Audit Committee following the meeting. Mrs Williams indicated that she would welcome feedback. This item to be considered as Green, with a new action from this meeting for Mrs Williams to share data and NEDs to provide feedback.
ACTION:-Mrs Williams

In relation to item 10, this was considered as closed as there was a link to the wider Trust Board work planning. This item to be considered as Green.

In relation to item 11, it was noted that the self-assessment had been circulated and so this item to be considered Green and closed.
A new action for Audit Committee members (NEDs) to complete self-assessment by end February 2025 was agreed.
ACTION:-Audit Committee

In relation to action 1 from 13 June 2024, Mrs Williams noted that this related to Cyber Security, with Stage 1 now being reported to be complete, and stage 2 in progress. It was noted that Internal Audit would be following up on this and so the item could be considered as Green closed.

Mrs Finlay asked if a report of outstanding Priority 1 findings could be provided to the Audit Committee for its next meeting, along with dates for planned resolution. It was advised that this would be provided as part of Internal Audit's Follow Up Report which is due at the next Audit Committee meeting.

3 **Report of Internal Auditor** Internal auditor Discussion/approval

Progress Report

Mrs McKeown referenced the tabled report, and advised that 6 reports had been finalised since the last meeting.

<u>Management of Medical Locum staff</u>
Mrs McKeown spoke firstly to the follow up audit on Management of Medical Locum Staff 22/23 (page 114 in Convene, and page 46 of her report). Mrs McKeown indicated that while there was an improving picture, the position remained one of limited assurance.
Mrs McKeown noted that there was a standard operating procedure for use of medical agency, although it was not applied consistently.
Mrs McKeown also noted the pre-employment check database, and the induction for locum staff, and the production of reports which enable managers to monitor and review locum spend.
6 recommendations had been made previously, of which 3 were implemented and 3 were partially implemented.
Dr Armstrong noted that there had been delays in the progression of the regional framework. There was discussion as to whether concerns about such delays should be escalated to Business Services Organisation at this time, but it was agreed not to do this now, but review at the next Audit Committee meeting.
Mrs Finlay enquired as to whether high rate payments were recorded on the Risk Register, and Dr Armstrong confirmed that they were.
Dr Armstrong noted that there had been pressures in this area since GP trainees had been withdrawn from

Emergency departments. There had been an increase in Emergency Nurse Practitioners to seek to mitigate the impact of this but this had not resolved the issue.
Miss Gordon enquired as to the likely scenario when the regional framework was introduced. Dr Armstrong indicated it was hoped that doctors would remain in the roles at the new rates.
In relation to the unresolved issue of the SOP, Dr Armstrong noted that this was being updated.
In relation to the unresolved issue regarding Pre-employment checks, Dr Armstrong assured Audit Committee that there was already a requirement on agencies to complete these, with actions at the Trust being "belt and braces". The issues of non-recording in the follow up audit had been due to staff who had been secured prior to the introduction of the database ; it was not that they had not been properly checked.

Management of shifts at wards and Governance and Management of Agency Workers

Mrs McKeown then referred to this audit, noting the assurance remained Limited since the last audit in 2021/22, but that there had been improvements.
Mrs McKeown referenced the control processes (page 93 on Convene and page 25 in her paper) but also the significant findings (page 94 on Convene and page 26 in her paper), relating to checks on payment rates and use of the e-roster system.
Mr Small noted that all the recommendations had been accepted.
Mrs O'Neill noted that there had been good ongoing engagement with the auditors, such that progress had been made prior to receipt of the audit report. Mrs O'Neill noted that the checking systems were currently "clunky" but work was ongoing to improve the systems. Mrs O'Neill also noted that audited areas had been chosen specifically as they were areas of potential concern. Mrs O'Neill reflected that the progress which there had been in nursing could and should be replicated in relation to medical staffing.
Mrs Clinton noted that learning was already being taken from nurse staffing to the work with medical staffing.

Mr Small noted that Internal Audit would continue with follow up reports as would be their usual practice.

There were no further comments or queries from those audits where there were Satisfactory outcomes i.e. Payments to Staff, Management of Contracts with the Voluntary Sector, QMS and Occupational Health.

IA Definitions and Terminology Paper

Mrs McKeown then referred to this paper.

Mr Small indicated that he considered the paper to be helpful in clarifying definitions, but also in reinforcing the linkage between Significant Audit findings and Limited/Unacceptable assurance opinion.

Mrs McKeown referenced the clarification provided on the consideration of audit assignment opinions when forming the Head of Internal Audit's Overall Annual Opinion.
Mrs McKeown highlighted in this regard, the importance of organisations demonstrating progress on significant audit findings before the end of the relevant audit period.

Strategy and Plan 2025/26 update

Mrs McKeown referred to this plan, the last in a three year cycle.

Mrs McKeown referenced the requirement for the Audit plan to consider the ethics of the organisation.

Summarising the plan, Mrs McKeown highlighted three audits which had been added in relation to management of capital projects, encompass and the management of medical job planning. Audits removed included in relation to Equip go-live, a Core Retained finance audit, and in Adult Supported Living Client monies.
Mrs McKeown highlighted planned audits in relation to client monies in the independent sector, repatriation of patients back to other Trusts, management of medical devices and point of care testing, performance management and reporting, and the management of patient choking risk.

Mr Small noted that this was an extensive audit programme. He in particular welcomed the focus on capital projects, in the context of recent issues pertaining to the Maternity Hospital, and welcomed the audits on encompass, budgetary control, and the IT Audit.

Miss Gordon noted that management and validation of waiting lists had not been included. Accepting that other audit work would have to be displaced to accommodate such work, it was agreed that consideration be given by Executive Team as to if this might be appropriate. There is then to be correspondence with the Audit Committee prior to the next meeting.
ACTION:-Mrs Cotter

Subject to the consideration of Executive Team as referenced immediately above, the Audit Plan was agreed.

Mrs Finlay noted that the 2025/2026 Corporate Plan was not yet finalised. Mrs McKeown noted that amendments

could be made to the Internal Audit Plan as required, following review of the finalised 2025/2026 Corporate Plan.

4	**External Audit Strategy for 2024/25 Accounts**	External Auditor	Discussion/approval

Mrs Kane and Mr McCallion referred to the tabled strategy.

Mr Small noted in particular the identified Significant Audit Risks and the 2024/25 timetable provided. He also commented that the Committee was unaware of any suspected or actual frauds other than those included in the fraud update to be discussed later in the meeting. Similarly, the Committee was not aware of any non-compliance with laws or regulation, or any irregularity affecting BHSCT.

Mrs Finlay enquired in relation to the accounting of holiday pay. Mrs Cotter provided assurance in this regard, inclusive of the funding from the Department of Health.

5	**Direct Award Contracts**	Mrs Williams	Noting and Questions

Mrs Williams referred to the report of Direct Award Contracts from 1 September 2024 to 31 December 2024.

Mrs Williams also referred to the new Public Procurement Act to be in effect from 24 February 2025. Mrs Williams assured Audit Committee, that Trust staff were working closely with PALS colleagues to meet the legislative requirements. Mrs Finlay enquired in relation to whether there would be a “grace period” for the implementation of the legislation. Mrs Cotter noted that it was not yet clear if there would be such a “grace period.” Mrs Cotter did note that there would be significant challenges in reporting prior to the implementation of equip.

Mrs Williams highlighted the 7 DACs in excess of £1m in value.

Miss Gordon enquired in relation to the high cost drug costs, with Mrs Cotter explaining the approach to the funding of these. It was noted that while there was no option other than to progress these, there was a financial risk to the Trust which had to be managed

It was noted that the regional nature of work at BHSCT meant that comparative data against other Trusts was not readily available.

It was agreed that for a future meeting it would be helpful for the Audit Committee to review (by way of example) a

number of DACs, in order to gain a better understanding of the process followed.
ACTION:-Mrs Williams

Professor Ross left the meeting at this point to attend another commitment.

6 **Fraud update** Mrs Williams Noting and Questions

Ongoing and new frauds

Mrs Williams referred to the report tabled noting 7 items had been closed since the last meeting with 9 new cases.

Mrs Williams highlighted case 2650 where the sums had been repaid in full and the PPS were not taking any further action. Mrs O'Neill provided clarification that the member of staff had in fact been dismissed, with referral to the regulator.

Mr Small referred to case 2220 – whilst he recognised that the case was with PPS and would follow due process, he asked whether there were routine updates to the Trust. Mrs Williams advised that Counter Fraud Services (CFS) were working closely with the PSNI and the Trust.

Mrs Williams referred to various concerns about alleged agency frauds, and advised that work continued with CFS.

Mr Small noted that there was a clear system in place for the tracking of Suspected/Actual frauds.

Miss Gordon enquired as to how suspected frauds are identified.

Mrs O'Neill noted that there were a range of sources of suspected frauds including whistleblowing and ongoing audit work.

Mr Small noted that given the scale of the organisation it was inevitable that suspected fraud would be identified from time to time, and he commended the strong processes in place to manage such suspected frauds.

Mrs Finlay enquired as to whether there was a regional forum for shared learning, for example in relation to issues arising in the context of the use of paper timesheets. Mrs O'Neill confirmed that the use of paper timesheets had

long been a source of concern, with work ongoing with agencies to move to effective electronic systems.

Mrs Williams provided assurance that regionally there were quarterly meetings where lessons learned were shared.

Mrs O'Neill noted that the Executive Directors of Nursing across the region had worked together to improve systems, making such improvements in advance of audit reports.

NIAO NFI Report 2024

Mrs Williams noted that the Trust had just recently received data matches in relation to the NIAO NFI Report 2024, and so she will provide a report at the next Audit Committee meeting.
ACTION:-Mrs Williams

DoF Annual Theft and Fraud Report 2021/22

Mr Small noted the lateness of the 2021/22 report, but commented on the relevance of some of its content and the importance of circulating the report appropriately within the Trust.

7 **Any Other Business** Chairman

Mr Small enquired in relation to tracking of audit findings. Mrs McKeown noted that there was follow up of Priority 1 and Priority 2 findings.

Mr Small enquired in relation to Priority 3 findings. Mrs Williams noted that these were followed up through local action plans.

Mr Small enquired as to whether Post Project Evaluation reports were tabled at Audit Committee. Mrs Williams noted that they had not been historically, but she would consider how this might be done.
ACTION:-Mrs Williams

Date of Next meeting 10 am 15 April 2025

The meeting concluded at 1205