

**BHSCT Board Update from Committees**

<b>Date of Trust Board for consideration of this report.</b>	5 March 2026
<b>Name of Trust Board Committee</b>	Audit Committee
<b>Chair of Trust Board committee (as at date of the report)</b>	Mr David Small, non-executive director
<b>Required frequency of meetings (as indicated by Terms of Reference for the Committee)</b>	4 times per year
<b>Meeting dates in the year prior to the Trust Board meeting</b>	15 April 2025 19 June 2025 9 October 2025 3 February 2026  Meeting frequency was therefore compliant with the requirement in the Terms of Reference
<b>Date of last review of the Terms of Reference of the Trust Board Committee</b>	The extant Terms of Reference were last reviewed in October 2025. They were approved at the Trust Board meeting on 6 November 2025, and given the requirement for review on an at least annual basis, will be reviewed no later than Autumn 2026.
<b>Summary Report from the Chair of the Trust Board Committee</b>	
<p>This report has been prepared for Trust Board in accordance with the Trust Board workplan which requires that the Audit Committee report to the Board on four occasions per annum.</p> <p>The Audit Committee at its February 2026 meeting reviewed three reports from Internal Audit which had provided Limited Assurance or partial Limited Assurance.</p>	

These related to Management of Medical Equipment and Point of Care Testing Devices, Management of Patient Choking Risk in the Acute Hospital Setting, and Mental Capacity Act training. The committee noted that audit recommendations had been accepted by Management and implementation of some was already underway. It was agreed that for audits with limited assurance opinions, separate action plans showing progress against implementation of audit recommendations should be provided.

The committee also considered and approved the proposed External Audit Strategy for the 2025/26 Accounts.

The Committee also received and considered reports in relation to Direct Award Contract activity, and received a Fraud update.

The Chairman of the Committee, Mr David Small is joined on the Committee (following a review of committee memberships) as at 2 April 2025 by Mrs Ellen Finlay. Professor Carmel Hughes is no longer a Board member, and has been replaced on the Trust Board and on Audit Committee by Professor Ian Bruce with effect from 1 January 2026. Mr Joe McVey had been the fourth member on the committee but has now stepped down as a member of Trust Board. The current quorum for the Committee is three Non-executive director members and so the committee agreed that a replacement for Mr McVey is required.

This report was shared in draft form with the non-executive members of the Audit Committee.

Also provided are the last agreed minutes of the Audit Committee from its 9 October 2025 meeting.

<b>Annual Reports for consideration by the Trust Board (if any).</b>	None
<b>Matter(s) for consideration by the Trust Board and recommended actions for the Trust Board (if any).</b>	It is recommended that the Trust Board notes the issues discussed at the February meeting and approve the work of the Committee.
<b>Date of report</b>	12 February 2026

## **BHSCT Audit Committee**

**Thursday 9 October 2025 at 2pm**

**in the Boardroom, Non Clinical Support Building, Royal Hospitals**

### **Present**

Mr David Small	Non-Executive Director (Chair)
Professor Carmel Hughes	Non-Executive Director (via MS Teams)
Mrs Ellen Finlay	Non-Executive Director (via MS Teams)

### **In Attendance:**

Mrs Maureen Edwards	Director of Finance, BHSCT
Ms Karen Costley	NIAO
Mrs Fiona Cotter	Co-Director of Finance, BHSCT
Mrs Gillian Jest	Internal Audit, BSO
Mrs Catherine McKeown	Head of Internal Audit, BSO
Mrs Marion Mulholland	Director, Trauma and Orthopaedics and Rehabilitation Medicine, Imaging, Medical Physics and Outpatients, BHSCT ( <i>present as indicated below</i> )
Dr Peter Sloan	Interim Director, Mental Health, Intellectual Disability and Psychological Services, BHSCT ( <i>present as indicated below</i> )
Mr Peter Watson	Head of Office, BHSCT ( <i>present as indicated below</i> )
Mrs Nicola Williams	Head of Governance, Finance, BHSCT
Ms Ruth McKibbin	Office Manager

### **Apologies:**

Mr Brian Clerkin	Sumer NI
Ms Colette Kane	Northern Ireland Audit Office

## **1. Apologies**

Apologies were as noted above.

## **2. Conflicts of Interest**

No conflicts of interest were declared.

## **3. Chairman's Business**

Mr Small thanked colleagues for their flexibility in accommodating the rearranged Audit Committee meeting to achieve a quorum.

Mr Small noted that there would be a need to increase the number of members on the committee.

## **4. Minutes of Previous Meeting – 19 June 2025 - AUC23-2025**

The draft minutes of the meeting of 19 June 2025 were agreed, subject to proposed minor amendments at the penultimate paragraph of AOB.

It should now read,

“While acknowledging the cultural concerns arising in Cardiac Surgery, Mr Small noted that it was also...”

## **5. Matters Arising**

Mr Small noted the reference under AOB to the consideration of the Audit Plan.

Mrs McKeown noted that there had been discussion with the Director of Finance, but at this stage there was no proposal to amend the plan.

There were no matters arising other than those addressed on the Action Log.

## **6. Final External Report to those Charged with Governance 2024/2025 AUC24-2025**

The report was noted by the Audit Committee.

Reference was made to the additional finding in relation to holiday pay.

It was noted that the accounts had been signed off on 25 June 2025

Ms Costley referred to a PAC report which she had recently noted in relation to transparency and accountability, which may be helpful.

Ms Costley noted staffing changes at NIAO, including the context of Ms Kane retiring in the coming months.

## **7. Audit Committee Terms of Reference – Annual Review AUC25-2025 A&B**

Mrs Williams noted the review that she had undertaken of the Terms of Reference.

It was noted that Whistleblowing (beyond fraud response) was not within the Audit Committee remit, but oversight and assurance was separately covered through the People and Culture Steering Group which reported to Trust Board.

The proposed changes to the Terms of Reference were agreed. The revised Terms of Reference will be shared with the Committee and Board approval will be sought for them.

**ACTION:Mr Watson**

Mr Small referred to the requirement for training of Audit Committee members. It was agreed that a skills audit matrix would be completed.

**ACTION:Mrs Williams**

Reflecting on the concerns regarding the reduced number of NEDs and the need to continue to achieve quorum at Board committees (including Audit Committee), Mrs Edwards noted that there had been an approach to the Department of Health in relation to the number of NEDs and their capacity. Mrs Edwards noted that she had been asked to develop a Business Case in relation to this.

**ACTION:Mrs Edwards**

## **8. Action Log – AUC26-2025 A&B**

The Green items on the log were agreed as completed items.

Mr Small referred to the Action regarding review of Priority 3 findings. Mrs Williams noted that there had been a review of the 26 P3 findings from 2024/2025 and she was following up with Directorates.

**ACTION:Mrs Williams**

Mrs Williams clarified the action pertaining to the NIAO NFI Report with no frauds being identified to date although work to complete the exercise was still ongoing and outcomes would be brought to Audit Committee in due course.

**ACTION:Mrs Williams**

## 9. Report of Internal Auditor AUC27-2025A-F

Mrs McKeown noted that she was broadly content with the progression of audit reports.

Mrs McKeown referred to the 5 reports being presented to the committee.

Mrs McKeown referred to the Non-Pay Expenditure Audit, and the rolling programme which had moved to consideration of TOR & IMO Directorate. Satisfactory findings were noted other than wheelchair procurement, where there was a Limited finding. The potential conflict of interest of a supplier was also noted. There is also a recommendation for review of staff parking costs at the city centre for the Breast Screening team.

Mrs McKeown also noted the other key findings in relation to the management of Direct Award Contracts, the need for enhancement of DAC reporting to Audit Committee and management of patient travel expenditure.

Mr Small noted that all recommendations had been accepted with follow-ups in due course.

Mrs Mulholland spoke to the report, including the £1.5m of expenditure without a procured contract or DAC in place as required. Mrs Mulholland noted that 90% compliance was likely to be achieved by end October, but individual prescriptions from across the region presented a challenge with the remaining 10%.

In relation to the potential conflict of interest this is also being addressed, while plans are also in place to address the parking issue.

Mrs McKeown stressed the importance of following procurement processes.

Mrs Edward confirmed that work continues with PALS to prioritise key procurement activities.

Mr Small noted the particular focus on DACs, which would be reviewed later in the meeting.

It was agreed that Mrs Edwards would seek to provide benchmarking information (against other Trusts) from PaLS in relation to DACS.

### **ACTION:Mrs Edwards**

*Mrs Mulholland left the meeting*

*Dr Sloan joined the meeting.*

Mrs McKeown referred to the audit of the management of client monies in independent sector homes, noting the satisfactory assurance in 7 of the 8 facilities visited, and the limited finding in one of the facilities visited.

Mrs McKeown noted the issues at this one facility in relation to bank reconciliations not performed, expenditure without backup or receipts, the absence of monitoring of one resident's expenditure, and also issues pertaining to high value purchases, birthday presents, fast food, and the absence of an inventory for residents' high value items. She also noted issues in relation to annual care reviews being carried out by key workers with 30%

not completed and 53% of those that were completed not recording a review of resident's finances.

It was noted that all the recommendations had been accepted.

Mr Small enquired as to how the Trust ensure that the independent providers adhere to appropriate practice including regarding financial management. Dr Sloan noted that good financial management was part of the requirement for good care. Dr Sloan noted that there was a lot of work ongoing at the Mews at present. Mrs Edwards noted that the Trust contracts department meet with the independent providers and follow up with specific homes where there have been audit findings identified. Mrs Cotter noted that management had requested internal audit to visit this particular facility given the concerns which had been raised.

*Dr Sloan and Mr Watson left the meeting.*

Mrs McKeown then referred to the audit of Payments to Staff with the focus on the Mental Health, Intellectual Disability and Psychological Services Directorate. It was noted that there was an overall satisfactory finding, with no significant findings in the report which impact on the assurance provided.

Overpayments totalling £3000 and underpayments totalling £706 had been identified in the audit. The errors had been due to timesheet processing errors, with 56% of sampled managers indicating that they were unaware of how to correctly process the hours worked by staff via a timesheet. It was noted that a training programme for managers was planned.

It was also noted that the percentage of unauthorised timesheet senders across the Trust was also high – at between 9-13% for the 6 month period from January to June 2025. It was agreed that comparative data for other Trusts would be helpful.

While the report was satisfactory, it was agreed that a number of the findings required follow-up, with there being a need for clear actions and timeframes.

Mrs McKeown then referred to the audit of Charitable Funds during June 2025, which again had an overall satisfactory finding.

While there were no significant findings, Mrs McKeown made reference to the 7 key findings from the audit including the need to ensure that all funds had strategic frameworks in place, the need for Fund Management Committees to meet in accordance with the required frequency, a query in relation to a

“justgiving” page, spending outside of fund purpose or without procurement, the absence of donations procedures, issues in relation to the management of potential conflicts of interest, and a query in relation to intellectual property ownership.

Mrs Cotter provided assurance in relation to a more proactive approach regarding strategic frameworks with the overarching goal to raise the profile of the charitable funds. With £66 million held in charitable funds and £4 million spent this year, Mrs Edwards noted that there was a drive to seek to increase expenditure. Mrs Cotter advised that while the Charities Commission would not have any issue with funds being used for the bereavement service, an exit strategy was nevertheless required.

Mrs McKeown then referred to the audit of Claims Management carried out during July and August 2025, which again had achieved overall satisfactory assurance. Mrs McKeown reflected similar observations across all 5 Trusts with there not being anything of significance to highlight at Belfast Trust..

Given the role of BHSCT as a customer of BSO, reference was made to the audits of Shared Services (Accounts Payable and Accounts Receivable) both of which had resulted in satisfactory assurance.

Mrs McKeown referred the Committee to the Internal Audit Mid-Year Follow up Cover Note and summarised the key messages for Audit Committee from that paper.

Mr Small asked that there be individual approaches to the three Directorates who between them had 50% of the total outstanding audit recommendations.

**ACTION:Mrs Cotter**

Mr Small also noted the moving of completion dates, in some cases from year to year. He commented that whilst there may be good reasons for this in individual cases, the practice of slipping target dates should not become routine.

Mrs Finlay enquired in relation to recommendations which went back to 2018/2019 audit reports. Mrs McKeown indicated that she considered these were indeed still outstanding.

## **10. BHSCT Mid-Year Assurance Statement as at September 2025 AUC28-2025 A&B**

Mrs Williams referred to the draft mid-year Assurance Statement.

Mrs Williams highlighted in particular the addition of comments in relation to the CBH policy and the Raising Concerns (Whistleblowing) policies.

Mrs Williams also noted the updates provided in the context of the Trust being placed in Level 5 of the Support and Intervention Framework, the update on unallocated cases in Children's Community Services, and the details regarding the Trust's financial position.

Mr Small reflected on the challenges in maintaining committees as quorate in the context of NED vacancies and asked if this should be referenced in the Statement under governance. Mrs Edwards noted the engagement there had been with the Department to increase NED capacity and agreed that it would be useful to include in the Mid Year Assurance Statement. Mrs Williams agreed to make the noted amendments before submission.

Professor Hughes and Mr Small noted the 42 Red indicators within the Systems Oversight Measure targets and it was agreed that reference should be made in the MYAS to the setting of realistic targets by SPPG.

### **ACTION:-Mrs Williams**

In relation to the section 7, Mr Small enquired regarding the Trust's current carbon footprint. Mrs Edwards advised that Mr Campbell had some details on this which could be shared with the Committee, although it was unlikely that there would be able to be precision as to the exact figure for the Trust's carbon footprint.

### **ACTION:Mrs Edwards/Mr Campbell**

## **11. Direct Award Contracts AUC29-2025 A-G**

Mrs Cotter reported that the papers presented were to provide Audit Committee with additional assurance and oversight on the DAC process in the context of both External Audit's finding in its Report to Those Charged with

Governance and Internal audits focus and findings around Direct Award Contracts (DACs). The committee had also previously asked for more detailed information on DACs. In the year to date 65 direct award contracts had been awarded with a value of £24m. Mrs Cotter explained that in relation to Elective care DACs these were traditionally retrospective due to the uncertain nature of funding but that moving forward we would be estimating so that we have DAC cover for anticipated expenditure.. Mrs Cotter provided an explanation of when and why the tender process would be used. Mrs Edwards advised that sole source exclusive rights is considered when purchasing capital items to ensure that the procurement covers all anticipated consumables/maintenance where possible. Mrs Finlay advised that the paper was very helpful and enquired if perceived conflicts would be noted and Mrs Cotter confirmed this is the case for each DAC.

In relation to Category F DACs there were 15 with a value of £7.5m. Mrs Cotter explained that DACs are kept under review in terms of value and timescales covered so that action can be taken by the service area in a timely manner.

Mrs Cotter referred to the paper outlining the trend in value/number of DACs by category and financial year – comparing the first 5 months of this year to the same period last year. There is a clear downward trend evidenced this year and the spike last year is easily explained by the highlights noted in the paper. Mrs Edwards confirmed that some of these were in relation to legal challenges to procurement exercises which then necessitated DACs to be put in place.

Mr Small surmised that extending a DAC by one year might be the easiest way to do things, but commented that this should not be automatic. Mrs Cotter confirmed that DAC extensions were similarly scrutinised and provided the example of a managed strategy over a number of years in conjunction with DoH to deal with a lack of contractual cover in labs purchasing history. This required a significant number of DACs but through a managed process this has now significantly decreased.

Mrs Cotter then walked through two worked examples of DACs outlining the circumstances which necessitated them and the extensive scrutiny, governance and approval process which followed.

Mr Small expressed thanks for the deep dive exercise on DACs which had been facilitated for Audit Committee and commented that it provided them with the needed assurance around the process.

## **12. Fraud Update**

Mrs Williams provided an overview of the latest report on suspected/actual frauds, noting that there were 30 new cases reported since the last meeting.

Mrs Williams noted an apparent increase in agency staff fraud, with BSO Counter Fraud Services undertaking these investigations. Many of these concerned the possible use of false references.

Mrs Finlay sought clarification on the process for recovery of resources when fraud was found.

Mr Small asked for further detail on the total number and scale of fraud cases across the year.

**ACTION:Mrs Williams**

## **13. Any Other Business**

Mr Small clarified that the three key areas of focus coming out of the meeting were the outstanding internal audit significant findings and the need for a strong focus on implementation, the DAC information and reduction in DACs, and the need for review of special payments in line with the RTTCWG recommendation.

## **14. Date of Next Meeting – 3 February 2026 at 10am**