

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

Minutes of the Audit Committee Meeting of the South Eastern Health & Social Care Trust held on Thursday 3 April 2025 at 12 noon in the Boardroom, Trust Headquarters, Ulster Hospital, Dundonald

- PRESENT:** Mrs S Henderson, Non-Executive Director (Chair)
Mr N McKinley, Non-Executive Director
Mr K Donaghy, Non-Executive Director
Mrs A Quirk, Non-Executive Director
- IN ATTENDANCE:** Ms W Thompson, Deputy Chief Executive, Director of Finance & Estates
Mrs C McKeown, Head of Internal Audit, BSO Internal Audit
Ms L Campbell, Assistant Director, Financial Services
Mrs S Murphy, Audit Manager, NI Audit Office
Ms J Shortall, Associate Director, Sumer Northern Ireland
Mrs M McNally, Assistant Director, Risk Management & Governance/Trust Board Secretary
Ms KA Hoy, Fraud Liaison Officer (until Agenda Item 6.1)
Ms C Brown, Financial Governance Lead (observer)
Executive Support Manager, Trust Headquarters (minutes)

OPENING REMARKS

Mrs Henderson opened the meeting by welcoming everyone in attendance before covering a number of housekeeping matters.

1.0 APOLOGIES

Mr Kevin McMahon (Non-Executive Director).

2.0 DECLARATION OF POTENTIAL CONFLICTS OF INTEREST

None declared.

3.0 MINUTES OF THE PREVIOUS MEETING HELD ON 6 FEBRUARY 2025

Agreed without further amendment.

4.0 MATTERS ARISING

Noted (**SET/AC/11/25**).

5.0 ITEMS FOR DISCUSSION

5.1 REPORT ON INCIDENTS OF THEFT, FRAUD AND WHISTLEBLOWING

Members received, for discussion, **SET/AC/12/25 Report on Incidents of Theft, Fraud and Whistleblowing & National Fraud Initiative (NFI) Update** as of 28 February 2025 with **Ms Hoy** highlighting open cases with

updates since the last meeting, preliminary enquiries and raising a concern cases opened between 1 April 2024 and 28 February 2025.

Mrs Quirk asked what further steps could be taken to ensure recovery of overpayments paid to staff. **Ms Campbell** replied a new absence management policy was being developed which should assist in this effort with the responsibility being on the employee to notify if overpayment occurs. **Mr Donaghy** referred to Case No 2971 listed therein to ask how an overpayment occurred in that instance with **Ms Campbell** providing a high level summary of the case. **Mrs Henderson** asked what consequences were there for former staff who failed to notify and **Ms Hoy** explained the civil recovery process by which former staff could be held accountable.

On behalf of Mr McMahon who had tabled a number of written questions, **Mrs Henderson** noted there were a high number of allegations involving working whilst on sickness absence and asked if there was any further historical data on proven cases given the risk of significant overstatement when attempting to assess impact. **Ms Campbell** advised she would check and provide an update in due course.

Mr McMahon had asked if existing controls needed to be reviewed given the number of cases which could be categorised as opportunistic with **Mrs Henderson** enquiring if the new Equip system might assist in this effort. **Ms Hoy** said there was a growing trend across the region assisted by greater awareness of reporting mechanisms coupled with an increase in secondary employment arising from the pandemic. **Ms Hoy** also outlined her engagement with the Occupational Health team on secondary employment.

Mr McMahon had asked what the implications were for a manager when they had not applied existing controls in a situation which then resulted in a financial loss. **Ms Campbell** advised it remained the employee's responsibility to notify of secondary employment or overpayments but the Payroll Liaison Officers monitors for repeat incidents of a similar nature to identify learning opportunities or any need for escalation.

6.0 ITEMS FOR DECISION

6.1 COMMITTEE ANNUAL REVIEW OF EFFECTIVENESS 2024/25

Members received, for decision, **SET/AC/13/25 Committee Annual Review of Effectiveness 2024/25**.

Ms Campbell advised the content of the Review would be merged with the draft Committee Annual Report in due course adding the latter would likely be tabled for consideration at the next meeting. **Ms Campbell** noted a number of minor proposed amendments which were accepted including incorporating mention of Non-Executive Director attendance at a recent HFMA Conference, participation in DoH ALB ARAC meetings as well as NED induction training.

On that basis, **Mrs Henderson** sought and obtained approval for the Review.

6.2 COMMITTEE PROGRAMME OF WORK 2025/26

Members received, for decision, **SET/AC/14/25 Committee Programme of Work 2025/26**.

Ms Campbell advised the Programme of Work would include all relevant NIAO publications as well as sight of the Fraud Response Plan. **Mrs Henderson** requested consideration of briefings to raise awareness of specific topics of interest which had previously been a feature of the Committee's work and this was agreed. On that basis, **Mrs Henderson** sought and obtained approval for the Programme of Work.

6.3 COMMITTEE ANNUAL REVIEW OF TERMS OF REFERENCE

Members received, for decision, **SET/AC/15/25 Committee Terms of Reference 2025/26**.

Mr McKinley asked if the document could reflect earlier discussion in terms of capturing learning and development which was agreed. **Mr McKinley** highlighted Page 6 thereof and suggested inclusion of a reference to the Committee working closely with all other Board Sub-Committees to better capture an integrated approach to governance which was accepted. **Mr McKinley** also referred to Page 3 to ask if the narrative referring to how the Committee membership is determined could be reviewed to ensure it reflects current practice. **Mrs McNally** undertook to review the position and amend accordingly. On that basis, **Mrs Henderson** sought and obtained approval for the Terms of Reference.

7.0 ITEMS FOR NOTING

7.1 PROGRESS ON PRIORITY 1 INTERNAL AUDIT RECOMMENDATIONS

Members noted the tabled Report (**SET/AC/16/25**) which **Ms Campbell** advised arose from previous discussion on how best to monitor progress being made on such recommendations ahead of their implementation dates.

On behalf of Mr McMahon, **Mrs Henderson** asked if there was merit in considering an action timeline to give assurance with regards Medical Devices. **Ms Thompson** updated on progress being made on these recommendations adding they were being monitored through the Medical Devices Sub-Committee which both she and Ms Parks co-chaired.

7.2 DIRECT AWARD CONTRACTS UPDATE

Members noted the briefing (**SET/AC/17/25**) with metrics on active DACs as of 24 March 2025 including new DACs approved since the last meeting.

Ms Campbell advised the number of DACs required in 2024/25 stood at 50 which was on par with 2023/24 (49) adding the value of active DACs amounted to £11.8m at 24 March 2025. **Ms Campbell** explained the impact of retrospective Waiting List activity and compliance with new Procurement Act 2023 regulations which came into effect on 24 February 2025.

Mrs Quirk asked if narrative could be included to explain where a DAC relates to a Waiting List Initiative as it had relevance to the Trust's overall risk appetite. **Ms Thompson** replied she would check how other HSC Trusts managed this area as they were all in the same position.

Mr McKinley asked for information on those DACs relating to physical disability complex care cases given the financial sums involved were significant. **Ms Campbell** provided background to why this was the case and efforts made to test the market adding some figures related to services provided over multiple years. **Mrs Henderson** asked if there was benefit in including narrative referencing the time period covered as absolute figures may not give a full picture in isolation. **Ms Campbell** undertook to review to see if this could be accommodated.

Mr Donaghy referred to spend associated with transport and asked if SET was out of kilter regionally. **Ms Campbell** explained a DAC was often necessary due to the lack of suppliers prepared to serve more rural localities adding she would check the regional position with **Ms Thompson** stating transport was an area her team were seeking to achieve savings in.

Mrs Henderson asked about the use of the terms 'sole supplier' and 'specific supplier' in the table at Annex 1 thereof with **Ms Campbell** providing context. **Mrs Henderson** also asked if the email prompt to requestors advising their DAC will expire in two months was sufficient with **Ms Campbell** replying this gave adequate notice to prepare and have approved any further DACs required.

Ms Murphy referred to narrative at Metric 5 on Page 3 which read that a total of £7.1m of irregular spend had been incurred to date and asked would this be retrospectively approved. **Ms Campbell** explained 26% of DACs had prior approval in place so far this financial year with the majority of retrospectively approved DACs relating to Waiting List Initiative work but ordinarily retrospective approval would not be considered. **Ms Murphy** noted that the Annual Accounts would likely have a materiality figure of circa £24m so it was important to be mindful of this given the sum involved.

7.3 NIAO AMBULANCE HANDOVERS VALUE FOR MONEY REPORT

Members noted the tabled Report (**SET/AC/18/25**) with **Ms Thompson** explaining a detailed briefing prepared by Mr Neil had been considered at last week's Trust Board meeting.

7.4 REVENUE BUSINESS CASE TEST DRILLING 2023/24

Members noted the tabled documents (**SET/AC/19/25**) with **Ms Thompson** highlighting feedback provided on the Mental Health surge and Renewal of UHD Renal Dialysis Unit Contract business cases which achieved an amber RAG status.

On behalf of Mr McMahon, **Mrs Henderson** asked for assurance the weaknesses identified as part of the Mental Health surge business case were being addressed with **Ms Thompson** confirming this was the case.

8.0

REPORT FROM INTERNAL AUDIT

8.1 SEHSCT AUDIT COMMITTEE PROGRESS REPORT 2024/25

Members received, for discussion, the Committee Progress Report and BSO Internal Audit's Shared Service Audit summary (**SET/AC/20/25**).

Mrs McKeown referred to the Key Performance Indicators listed before detailing the **Progress Report 2024/25** at Pages 3 to 4 thereof both the Risk Management Governance Audit and the Estates Procurement & Management of Estates Contracts Audit due to be issued shortly.

Mr McKinley identified a typographical error on Page 7 which Mrs McKeown undertook to amend. **Mrs McNally** provided an update on the Complaints Management Audit which **Mrs McKeown** advised had not been included in the Year-End exercise as not all the implementation dates had passed

Mrs McKeown gave an overview of her findings in respect of **Management of Agency Medical Locums 2024/25** having achieved a Satisfactory level of assurance in respect of corporate monitoring of locum usage and a Limited level of assurance in respect of approval for agency medical locums at commissioning stage and extensions to locum use and compliance with current contract rates. **Mrs McKeown** explained there was one significant finding, one key finding and one other finding together with four Priority 2 and one Priority 3 recommendations. **Mrs McKeown** added the Shared Service Audit 2024/25 achieved a Satisfactory level of assurance.

Mr Donaghy sought detail on the nature of medical locum spend. **Ms Thompson** advised there was a very small number of consultants engaged in this way mostly to cover long term absence with the majority being resident doctors. **Ms Thompson** updated members on ongoing efforts to increase compliance with Trust procedures and monitor locum spend via monthly Finance Group meetings.

8.2 SEHSCT YEAR-END FOLLOW-UP 2024/25

Members received, for decision, the tabled Reports (**SET/AC/21/25**) with **Mrs McKeown** stating 165 (89%) of the 186 accepted outstanding Priority One and Two Internal Audit recommendations examined were fully implemented, 20 (11%) partially implemented and 1 (<1%) not implemented.

Mrs McKeown advised that, from the 71 recommendations reviewed in this follow up exercise, 45 (63%) related to significant findings which caused Limited or Unacceptable assurances to be provided with 32 of the 45 (71%) fully implemented during the review period (October 2024 to March 2025).

Mr Donaghy referred to the percentage of fully implemented recommendations due arising from both the Risk Management and Operation of Committee Structures Audits to ask if there were specific issues to be addressed with **Mrs McNally** providing an update on progress being made to close out the Priority 2 recommendations in each case.

On behalf of Mr McMahon, **Mrs Henderson** asked if there were any timelines which could be provided to Members for historic audits with a limited assurance status when implementation dates have been revised previously to assist in avoiding further extensions. **Ms Campbell** replied she would be unable to commit to individual action plans but would be happy to provide additional information on individual audits upon request.

9.0 **REPORT FROM EXTERNAL AUDIT**

Ms Shortall advised she had no items for consideration at this meeting.

Members discussed DoH's timeline for submitting the Annual Report and Accounts and considered arrangements for special Committee and Board meetings to approve the Annual Report and Accounts. Following discussion, Members agreed to explore availability for the Special Audit Committee to proceed as planned on Thursday 19 June followed later that day by a Special Confidential Trust Board meeting to meet NIAOs deadline of Friday 20 June 2025. **Mrs McNally** undertook to confirm arrangements in due course.

10.0 **ITEMS FOR ESCALATION**

There were no items for escalation.

11.0 **ANY OTHER BUSINESS**

Ms Thompson welcomed the recent publication of the NIAO Good Practice Guide for Effective Audit and Risk Committees and advised her team would be reviewing its content to identify any actions for consideration by Members in due course.

12.0 **DATE AND VENUE OF NEXT MEETING**

Mrs Henderson advised the next meeting had been scheduled for Thursday 8 May 2025 commencing at 12 noon at Trust Headquarters, Ulster Hospital, Dundonald before declaring the meeting closed at 1.46 pm.