

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

Minutes of the Audit Committee Meeting of the South Eastern Health & Social Care Trust held on Thursday 8 May 2025 at 12 noon in the Boardroom, Trust Headquarters, Ulster Hospital, Dundonald

- PRESENT:** Mrs S Henderson, Non-Executive Director (Chair)
Mr K McMahon, 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, Contracts & Estates
Mrs C McKeown, Head of Internal Audit, BSO Internal Audit
Ms L Campbell, Assistant Director, Financial Services
Ms L Benson, Head of Financial Management & Accounting
Mrs C Kane, Director, NI Audit Office
Ms J Shortall, Associate Director, Sumer Northern Ireland
Mrs M McNally, Assistant Director, Risk Management & Governance/Trust Board Secretary
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

Received from Mr McKinley (Non-Executive Director).

2.0 DECLARATION OF POTENTIAL CONFLICTS OF INTEREST

None declared.

3.0 MINUTE OF THE PREVIOUS MEETING HELD ON 3 APRIL 2025

Agreed without further amendment.

4.0 MATTERS ARISING

Noted (**SET/AC/22/25**) with **Ms Campbell** providing a summary update.

5.0 ITEMS FOR DECISION

5.1 COMMITTEE ANNUAL REPORT 2024/25

Members considered the tabled Report (**SET/AC/23/25**) with **Ms Campbell** providing an overview of the Committee's work over the past year including recent membership changes. **Mrs Henderson** then sought and obtained approval subject to three minor amendments proposed by Mr McMahon,

Mrs Henderson and Mrs Kane respectively. Members were advised the Report would be tabled at Trust Board for noting at its next meeting.

6.0 ITEMS FOR DISCUSSION

6.1 DRAFT ANNUAL REPORT & ACCOUNTS 2024/25

Members reviewed the **draft Annual Report & Accounts 2024/25 (SET/AC/24/25)** together with the Director of Finance's briefing paper.

Ms Thompson thanked Ms Campbell, Ms Benson and their teams for producing yet another high quality Annual Report & Accounts. **Ms Thompson** advised DoH/DoF timetable required submission to the NI Assembly by 2 July 2025 though the document remained subject to amendment until NIAO issue their certificate. **Ms Thompson** explained there would likely be no significant changes in how SET accounts for any specific issue and confirmed SET achieved break-even as a result of deficit support funding and the realisation of circa £30.5m in savings.

Ms Thompson provided an overview of the draft Governance Statement including internal control divergences with no new areas identified. **Ms Thompson** also summarised the Statement of Financial Position explaining a reduction in the amount SET owed since last year due to the timing of the processing of the staff Pay Award. **Ms Thompson** advised SET was required to make estimates based on the best evidence available at the date of the accounts and that these would be areas of focus by External Audit as they seek to understand the basis used to make the various judgments within the draft Account such as holiday pay provision to which a regional approach has been taken to date. **Ms Thompson** drew attention to disclosures on Senior Executive Pay currently subject to confirmation of relevant DoH Pay Circulars and advised these may need to be reconsidered if not approved in time for the next meeting.

Mrs Henderson commended the walkthrough paper and the overall Report as very helpful and asked if both would be tabled at Trust Board while **Mr Donaghy** queried if the definitions relating to management costs were set by DoH to which **Ms Thompson** answered yes to both questions. **Mrs Quirk** sought further detail on new processes associated with Job Planning to avoid overpayments which **Ms Campbell** provided. **Mrs Quirk** referred to the section detailing nursing and midwifery activities and asked why there was no mention of the Renfrew Report with **Ms Thompson** replying they would engage with the Directorate to understand if this could be included. **Mr McMahon** highlighted a number of typographical issues which **Ms Campbell** undertook to incorporate. **Mr Donaghy** sought clarity on how the average salary figure had been calculated and suggested there should be a note to explain this included the medical workforce which **Ms Campbell** agreed to review.

Mrs Quirk referred to the Financial Headlines within the briefing paper to ask if the small surplus of revenue monies would be retained. **Ms Thompson** advised these formed part of SET's retained surplus reflected in the Statement of Financial Position but were not available to be

repurposed. **Mrs Henderson** advised Mr McKinley had fed back how there would be merit including how Trust Board considered not only the Renfrew Report but Cyber-Security and Risk Appetite as part of Development Days which **Ms Campbell** undertook to consider. **Mrs Henderson** congratulated everyone involved in achieving break-even before seeking clarity on the impact of long term absences on overall staff absenteeism rates with **Ms Campbell** provided detail in light of an increase on 2023/24. **Mr McMahon** stated the absence figures taken together with the Absence Management audit findings suggested an underlying weakness which required attention. **Ms Campbell** outlined steps taken to update absence management training as part of a focus on relevant audit recommendations.

Mrs Henderson referred to Page 42 of the Report which detailed a significant increase in referrals to the Staff Psychological Wellbeing Service and asked for context. **Ms Campbell** explained the service had been established during the pandemic with support from the Charitable Funds Committee and had seen mental health increasingly become the key factor in referrals whether arising from bereavement, family crisis or stress. **Ms Thompson** added it may also a consequence of demand pressures across all services noting some areas within social work carry a 20% vacancy rate. **Ms Thompson** explained EMT carefully review monthly workforce reports focusing on reasons behind absence as well as measures to manage appropriately. **Mrs Henderson** noted the priority given by the People and Culture Committee on this work and voiced her support for staff colleagues seeking to reduce absenteeism before highlighting a number of typographical issues which **Ms Campbell** agreed to amend. **Mrs Henderson** sought clarity on SAIs cleared prior to 31 March 2025 and **Mrs McNally** updated in respect of this effort. **Mrs Henderson** praised the recent achievement of a Consultant Surgeon chosen to have her portrait included in a major exhibition and asked if this could be included in the draft Report which **Ms Campbell** agreed to discuss with the relevant Directorate. **Mrs Henderson** asked if the breakdown of expenditure on Page 59 could be documented and **Ms Campbell** agreed to do so. **Mrs Henderson** also sought clarity on the scope of the Minister's waiting list funding announcement and **Ms Thompson** provided further detail with **Mrs Henderson** adding it was important to be clear this was not additional money to help with managing expectations.

Mrs Henderson highlighted a discrepancy with what level of assurance had been recorded against the Payments to Staff Audit and **Ms Campbell** advised this would be checked. **Mrs Henderson** queried varying non-cash cost figures as reported in the draft Accounts and **Ms Benson** explained the approach to depreciation and valuation adding she would review the relevant sections to ensure consistency. **Mrs Henderson** commented that a high level analytical review showed the main change on last year was in respect of provisions. **Ms Benson** confirmed this was the case in relation to holiday pay provision and clinical negligence noting one case had been re-valued downwards by a considerably amount this financial year.

In conclusion, **Mrs Henderson** thanked the team for their work to date and advised the final draft version would be tabled at the next meeting.

7.0

ITEMS FOR NOTING

7.1 REPORT ON INCIDENTS OF THEFT, FRAUD & WHISTLEBLOWING

Members noted the Report (**SET/AC/27/25**) which **Ms Campbell** advising on the 2024/25 case summary details including two new cases opened since the last meeting. Members discussed efforts to mitigate issues arising from working elsewhere when on sickness absence and welcomed changes made to the Report following feedback.

7.2 PROGRESS ON AUDIT RECOMMENDATIONS FOR LIMITED ASSURANCE REPORTS

Members noted the Report (**SET/AC/28/25**) which **Ms Campbell** providing an overview. **Mr McMahon** sought additional information on why one recommendation arising from the Payment of Medical Staff and Management of Job Plans 2023/24 Audit had not been progressed. **Ms Thompson** explained not all APAs were operational in nature in that they may be in respect of managerial duties, for taking forward a regional project. **Ms Thompson** explained the key issue was a lack of visibility for operational Assistant Directors (ADs) who hold budgetary responsibility when an APA has been approved by a Clinical Director who tend not to hold budgetary responsibility so there is a need for a process to ensure the person approving Job Planning adjustments engages the relevant AD in advance.

Mr Donaghy asked if the management structure allowed Clinical Directors to approve such matters before Associate Medical Directors become involved. **Ms Thompson** clarified the connection needed was with operational ADs with **Mr McMahon** adding it appeared Clinical Directors were making decisions without sight of budgets creating potential for overspend. **Mrs Henderson** commended efforts to date in progressing the remaining recommendations towards implementation. **Mr McMahon** asked if the Job Planning recommendation would likely remain categorised as not implemented by the next meeting and **Ms Campbell** advised work was ongoing ahead of the Internal Audit's next review deadline in August 2025.

7.3 DIRECT AWARD CONTRACTS UPDATE

Members noted the briefing (**SET/AC/29/25**) with metrics on active DACs as of 30 April 2025 including approvals since the last meeting. **Ms Campbell** advised of changes recently incorporated following feedback which **Mrs Henderson** stated were useful before seeking detail on the status of the DAC12423 relating to taxi transport for service users in non-Lisburn areas.

Ms Thompson outlined a number of reasons why this was the position with **Ms Campbell** adding the framework would be due for renewal in the near future. **Mr McMahon** asked for additional detail on DAC13179 and the provision of wigs on a six month contract. **Ms Campbell** confirmed this was an extension and a regional specification for assessment purposes was pending. **Ms Thompson** mentioned consideration was being given to implementing a voucher scheme which if successful, may release recurrent savings.

8.0

REPORT FROM INTERNAL AUDIT

8.1 SEHSCT AUDIT COMMITTEE PROGRESS REPORT 2024/25

Members considered the Progress Report (**SET/AC/30/25**) with **Mrs McKeown** referring to the Key Performance Indicators listed.

Mrs McKeown summarised the **Estates Procurement & Contract Management 2024/25 Audit** and its Satisfactory level of assurance with no significant findings, three key findings and one other finding equating to three Priority 2 and one Priority 3 recommendations. **Mrs McKeown** highlighted issues relating to the need for enhanced control over engaging specialist contractors under the Term Service Short Contract (TSSC) procedure for Estate Minor Works.

Mrs McKeown presented the **Management of Simple Discharges 2024/25 Audit** split opinion with Satisfactory assurance on operational management and Limited assurance on the reporting in respect of simple discharges due to reliable summary level reports not yet being available from encompass so SET was unable to monitor and report performance in terms of speed of simple discharge including performance against the DoH 4 hour target. **Mrs McKeown** added the integrity of the data and specifically the coding for delayed discharges could not be fully relied on in the absence of appropriate quality control mechanisms while recognising a number of initiatives introduced to improve the discharge process overall including the use of discharge hubs and the introduction of nurse led discharges. **Mrs McKeown** explained two significant findings along with one other key findings resulting in one Priority 1 (relating to the utilisation of the encompass system), four Priority 2 and 1 Priority 3 recommendations.

Mr McMahan noted the Audit had found 26% of patients recorded as medically discharged had been incorrectly coded as having had no significant delay when there had been and asked if the correct codes were available. **Mrs McKeown** replied that one recommendation relates to the need for appropriate descriptions to be developed for each delay code and shared with staff. **Mrs Henderson** asked if it was human error or more a training issue with **Ms Thompson** stating the visibility of the patient journey pathway was now better than it had ever had but was reliant on the correct inputs being made with user utilisation and reporting the two key issues still being encountered 18 months on after Go Live adding the remaining HSC Trusts, WHSCT and SHSCT, had went live earlier today making the system now truly regional. **Ms Thompson** stated a further round of training now that this key milestone had been reached would help increase optimisation and personalisation.

Mrs Quirk asked if it was possible to optimise the system in such a way that SET can tailor system reports and **Ms Thompson** replied this was unknown at this stage. **Mr McMahan** asked - from a safety perspective - was there any evidence the wards were unaware of key information such as significant numbers of patients still waiting. **Mrs McKeown** advised the audit was very much focused on potential discharges as well as actual confirmed people within the discharge process so there did not appear to be any evidence to

suggest patients were being lost within it. **Mrs McKeown** emphasised there was doubt in terms of the reliability of data produced as half of the cases sampled did not have the relevant data so it was not possible to track with any accuracy how long a discharge took.

Mrs McKeown explained the **Risk Management 2024/25 Audit** achieved Satisfactory assurance with no significant findings, three key findings, 2 other findings resulting in six Priority 2 and two Priority 3 recommendations. **Mrs McKeown** added there continued to be a need for ensuring appropriate recording and evidencing of discussions as well as actions taken. **Mr Donaghy** asked if there was any evidence where risks had been removed from the Corporate Risk Register (CRR) having been dealt with effectively at both the corporate as well as departmental levels. **Mr Donaghy** stated he sensed risks were always being added to rather than downgraded. **Mrs McKeown** highlighted one recommendation whereby Management should consider the appropriateness of retaining four risks on the CRR/BAF that had achieved their target risk score. **Mrs McNally** the detailed next steps for her team in respect of the recommendations which had been accepted.

Mr McMahon stated SET did not have a commissioning or policy role in respect of a number of risks on the CRR so asked if this should be evidenced as being recognised as a regional issue outwith the remit of SET to impact. **Mrs McNally** advised that previously there was a process where such risks could have been escalated to DoH and that had not been the case for many years though DoH did review the Trust's BAF/CRR on a quarterly basis. **Mr Donaghy** agreed with Mr McMahon that when a risk has been included onto the CRR because of the unavailability of resources this should be at the very least of interest to DoH. **Mrs McNally** outlined how such matters were reviewed as part of internal control divergences, escalation via EMT, ground clearing activity, accountability meetings and HSC Sponsorship Branch checks. **Mrs McKeown** added it was important to note the CRR was about managing the risk in that context. **Mr McMahon** stated the public could read the CRR and believe reasonably that risks not within the gift of SET to mitigate against would be escalated elsewhere. **Mr Donaghy** referred to previous practice within NICS whereby a separate list of such risks was maintained which might be worth consideration. **Mrs McKeown** stated there may be occasion where SET feels it is outwith their ability to influence certain risks similar to NIAS and ambulance transfer times. **Ms Thompson** highlighted the new HSC Support and Intervention Framework as helpful where there are now monthly meetings between senior SET & SPPG leadership where escalated issues are reviewed. **Ms Thompson** advised SET were now escalating our own issues as a means of seeking support to address matters outwith SET's ability to change. **Mrs Quirk** asked if this was only for issues already on the CRR and **Ms Thompson** replied there was a significant overlap but as this process develops it should provide a responsive mechanism to escalate emerging issues.

Mrs McKeown updated on the **Complaints Management 2024/25 Audit** from which Internal Audit provided Satisfactory assurance following four of five significant recommendations being implemented with only one relating to the development of assurance reporting on the status of implementation of learning arising from complaints remained partially implemented.

8.2 BSO SHARED SERVICES AUDITS 2024/25

Members considered the Report (**SET/AC/31/25**) with **Mrs McKeown** explaining the 2024/25 Audits received Satisfactory Assurance for Payroll Service Centre and Recruitment Shared Service Centre – the latter after a substantive follow-up of previously agreed recommendations. **Mrs McKeown** cautioned there remained issues within the recruitment system which is subject to a live replacement programme.

8.3 HEAD OF INTERNAL AUDIT ANNUAL REPORT 2024/25

Members considered the Report (**SET/AC/32/25**) with **Mrs McKeown** providing an overview and thanking staff for their engagement throughout the year. **Mrs McKeown** updated on her team's Performance against the agreed Plan with 13 Audits completed of which 6 were Satisfactory, 3 split Satisfactory/Limited and 4 Limited outcomes. **Mrs McKeown** highlighted 17 significant findings across the assurance reports adding year-end follow up work demonstrated 89% of recommendations (165 of 186) were now fully implemented, 11% partially implemented (20) and less than 1% not implemented (1). Members noted 6 additional outstanding regional IT recommendations from 2018/19 were the responsibility of DHCNI at DoH with the over-riding cyber-security risk sitting with HSCNI.

Mrs McKeown confirmed her Overall Opinion (at Page 7 thereof) is Satisfactory assurance for the year ended 31 March 2025 in respect of the adequacy and effectiveness of the Trust's framework of governance, risk management and control. **Mrs McKeown** set out her reasoning while highlighting limited assurance had been provided in a considerable proportion of audit areas during this financial year including in relation to IT Supply Chain Security, Management of Contracts with Voluntary Organisations and Absence Management. **Mrs McKeown** emphasised regular Management attention was needed on the implementation of outstanding recommendations particularly those classified as significant.

Mr McMahan asked if there were different levels of limited assurance to highlight where there may a patient safety concern. **Ms Campbell** explained how for example how the point of care testing audit findings were of a more significant magnitude than medical device testing where there was now a dedicated lead person taking the implementation of recommendations forward at pace. **Ms Thompson** also highlighted how progress reports were now being considered through the Medical Devices Sub-Committee as well. **Mr McMahan** highlighted the importance that there is adequate assurance such items work as intended since clinical decisions depend on the information provided by them.

Mrs Henderson relayed - on behalf of Mr McKinley – that there had been an impressive level of follow-up on audit recommendations and to pass on congratulations for achieving a break-even financial position which was a major achievement in the context of the current budgetary pressures facing the public sector. **Mrs Henderson** highlighted the positive KPIs on Page 1 of the Report before thanking Mrs McKeown and her team for their work.

8.4 DoH CIRCULAR ON GLOBAL INTERNAL AUDIT STANDARDS

Members received, for discussion, the tabled Report (**SET/AC/33/25**) with **Mrs McKeown** stating she would return to Members with additional details later in the year as her team update their Charter which acts as the lynchpin for issues arising from the new global standards. **Mrs McKeown** outlined work undertaken to date and the main difference being an integrated approach for boards and senior management around oversight and governance of the internal function on the basis Internal Audit cannot perform its function without engagement, co-operation and support. **Mrs Henderson** asked about reference to the Audit Committee formally meeting with the Accounting Officer annually and **Ms Thompson** advised Ms Coulter would be attending the next meeting adding there was also mention of bilateral meetings between NEDs on the Committee with Internal/External Audit which was a long-standing practice captured within the Committee's Programme of Work. **Mrs McKeown** stated an example had been a meeting between Mrs Henderson and herself to walk through the Internal Audit Plan also discussions before Audit Committee meetings on issues of pressing concern. **Mrs Henderson** advised Mr McKinley had queried what changes should this and the Governance Assurance Committee make to ensure compliance with the standards. **Mrs McKeown** replied this would become clear once the revised Charter is considered by Members. **Mrs McKeown** added she planned to facilitate workshops later this year to inform ALBs of additional requirements as a result of the revised Charter.

9.0 REPORT FROM EXTERNAL AUDIT

Mrs Kane advised she had no items for consideration because her team's key business would form much of the scheduled meeting in June. **Mrs Kane** confirmed that the year-end audit was now underway and NIAO had asked their contractors to carefully consider any areas of judgment or estimation as this had caused a number of issues last year. **Ms Shortall** also stated she had no items.

10.0 ITEMS FOR ESCALATION

There were no items for escalation.

11.0 ANY OTHER BUSINESS

Mrs Henderson asked Ms Thompson to review and complete a feedback survey received from NIAO which was agreed. **Mrs Henderson** also advised of sound issues during a recent Governance Assurance Committee meeting for those joining remotely and **Mrs McNally** undertook to address ahead of the next meeting.

12.0 DATE AND VENUE OF NEXT MEETING

Mrs Henderson advised the next meeting had been scheduled for Thursday 19 June 2025 commencing at 10.30am via MS Teams only hosted from Trust Headquarters, Ulster Hospital, Dundonald before closing the meeting at 1.46pm.