



Business Services  
Organisation

---

Internal Audit

**MID-YEAR ASSURANCE STATEMENT**  
**TO THE SOUTH EASTERN HSC**  
**TRUST**

**FROM THE**  
**HEAD OF INTERNAL AUDIT**

**ISSUED ON 25 SEPTEMBER 2025**

**INTRODUCTION**

The DoH requires the Chief Executives of Arms Length Bodies to provide them with a Mid-Year Assurance Statement. The function of this document is to enable each Chief Executive, as accounting officer of an arm's length body, to attest to the continued robustness of their organisation's system of internal governance.

My Head of Internal Audit Mid Year Assurance Statement is designed to assist the Chief Executive in the completion of her Mid Year Assurance Statement. The Statement provides an independent and objective assurance on the aspects of the system of internal governance reviewed and reported on by Internal Audit in the first six months of 2025/26, including the organisation's implementation of previous accepted Internal Audit recommendations.

**INTERNAL AUDIT ASSIGNMENTS COMPLETED AND REPORTED ON BY MID YEAR**

| <b>AUDIT ASSIGNMENT</b>   | <b>LEVEL OF ASSURANCE PROVIDED BY INTERNAL AUDIT</b>   |
|---|--|
| Non Pay Expenditure in Primary Care and Older Peoples Service Directorate             | Limited  |
| Payments to Staff in Surgery and Elective Care, Maternity and Paediatrics Directorate | Satisfactory: Payments to Laboratory Staff (with the exception of On-Call arrangements in Microbiology) and general payroll controls Trust wide including in Retained Trust Finance<br><br>Limited: On-Call Arrangements within Microbiology |
| Payments to Medical Staff & Management of Job Planning – Substantive Follow Up        | Satisfactory: Management of Job Planning<br><br>Limited: Management of Additional Payments to Medical Staff  |
| Management of Cash Offices  | Satisfactory   |
| Management of Service User Monies in Independent Sector Homes                         | Satisfactory: Management of Service Users Monies in 3 of the 4 homes visited<br><br>Limited: Trust Monitoring Arrangements of Service Users Finances and Management of Service Users Monies at 1 of the 4 homes visited                      |
| Claims Management   | Satisfactory   |

The following significant findings were identified in the above audit assignments, impacting on the assurance provided:

**Non Pay Expenditure**

1. Significant control issues were found in relation to Domiciliary Care Expenditure which accounts for 76% of the directorates annual Non-Pay Expenditure. Clients commissioned hours on Encompass are not consistently maintained up to date. This adversely impacts on the robustness of invoice validation checks performed by the Homecare Analysis Team (HCAT). Issues identified include keyworkers not responding to queries where differences were found between commissioned hours and that charged by Providers. At the time of audit, there was 19,108 queries listed on the spreadsheet dating from May 2024 until May 25 with an approximate value of valued at £2.7m (excess of charges applied against commissioned hours held on Encompass). Client's timetable of services (TTS) are not routinely approved and overlaps exist due to incorrect processing. We identified that key workers do not consistently suspend hours on Encompass where a call is cancelled to ensure that the TTS used by the HCAT to check the accuracy of invoices is correct.

**Payments to Staff**

2. Microbiology rely on on-call arrangements to provide cover at night and weekends. Compensatory rest arrangements applied to on-call are not in line with Agenda for Change guidance meaning employees do not deliver their full contracted hours in a week where they have been on-call whilst also receiving payment for

being on call of £31 (*on-call allowance*) plus hours worked on-call at time and a half. Furthermore, 9 staff are paid at a higher band for work done on call, than their substantive post.

**Payments to Medical Staff & Management of Job Planning – Substantive Follow Up**

3. Although good progress has been made in implementing the recommendations made in 2023/24 audit report in relation to Management of Job Planning, 2 significant recommendations in relation to management of additional payments to medical staff remain not implemented. Appropriate monitoring arrangements are not yet in place to ensure potential displacements of planned activities (for additional work such as waiting list initiative work) are identified and clearly documented. Previously we recommended the development of an appropriately designed claim form to address this issue. This has not yet been done. No evidence was provided to address issues previously reported with 36 additional payments (extra duties and waiting list initiative) made to 35 Consultants / SAS Doctors. Management allowances for home internet access for work purposes has not been stopped for 15 medical staff.

**Service User Monies in Independent Sector Homes**

4. An annual review of finances is required to be carried out by a Key Worker to seek assurances in relation to their finances. Testing identified that financial reviews are not routinely completed annually at all 4 facilities visited. 11 (65%) of the 17 service users, did not have an annual review of their finances. This is an important control to ensure that expenditure is reasonable and appropriate and that there are no indicators of financial abuse. Key workers, through this review, need to be reasonably assured that appropriate controls are in place to safeguard their client's monies and that these are operating effectively.
5. Bank accounts are not adequately reconciled in 1 sampled independent Adult Supported Living facility. We found:
- Service user bank accounts are not robustly reconciled on a regular basis.
  - Home joint bank accounts are not robustly reconciled on a regular basis. We identified delays in processing transfers from the business bank account and applying charges incurred. We also identified monies received from the Trust for their appointee service user that had been lodged to the business bank account in error had not been promptly identified and transferred on a timely basis.

**SHARED SERVICE AUDITS**

The following Finance Shared Services audit have been conducted and finalised in BSO, as part of the BSO Internal Audit Plan:

| Shared Service Audit                | Assurance    |
|-------------------------------------|--------------|
| Accounts Payable Shared Services    | Satisfactory |
| Shared Services Accounts Receivable | Satisfactory |

**FOLLOW UP ON PREVIOUS ACCEPTED INTERNAL AUDIT RECOMMENDATIONS**

During September 2025, BSO Internal Audit reviewed the implementation of accepted outstanding Priority One and Two Internal Audit recommendations, where the implementation date has now passed. 121 (82%) of the 148 recommendations examined are now fully implemented, 22 (15%) are partially implemented and 5 (3%) are not implemented.

Of the recommendations reviewed in the year end follow up, 35 related to significant findings which caused Limited/Unacceptable assurance to be provided in individual previous audits. Of these 35 recommendations 19 (54%) were implemented during this follow up period (April 2025 to September 2025).

In addition, 9 regional cyber security recommendations were made in 2018/19 that are the responsibility of DHCNI in DoH to implement, although the associated risk remains with the Trust. As at September 2025, 5 of these 9 recommendations remain Partially Implemented. 1 recommendation has been fully implemented since year end 2024/25.

**Written and Issued By:  
Catherine McKeown, BSO Head of Internal Audit**