

SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

**Minutes of the Audit Committee Meeting of the
South Eastern Health & Social Care Trust
held on Thursday 2 October 2025 at 12 noon in the Boardroom, Trust Headquarters,
Ulster Hospital, Dundonald and via MS Teams**

- PRESENT:** Mrs S Henderson, Non-Executive Director (Chair)
Mr N McKinley, Non-Executive Director
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
Ms L Campbell, Assistant Director, Financial Services
Ms C Brown, Financial Governance Lead, Financial Services (observer)
Ms R Shiels, Auditor, NI Audit Office (NIAO)
Mrs C McKeown, Head of Internal Audit, BSO
Mr D McKinney, Assistant Head of Internal Audit, BSO
Mrs J Shortall, Associate Partner, Sumer Northern Ireland
Mrs M McNally, Assistant Director, Risk Management &
Governance/Trust Board Secretary
Ms C Brown, Financial Governance Lead, Financial Services (observer)
Mr S Adgey, HSC Sponsorship Branch, DoH (observer)
Mr S Martin, Executive Support Manager, Trust Headquarters (minutes)

OPENING REMARKS

Mrs Henderson opened the meeting and covered a number of housekeeping matters. **Mrs Henderson** welcomed Ms Brown, Ms Shields and Mr Adgey who were in attendance.

1.0 APOLOGIES

Mrs S Murphy (Audit Manager, NIAO).

2.0 DECLARATIONS OF POTENTIAL CONFLICTS OF INTEREST

None declared.

3.0 MINUTES OF THE PREVIOUS MEETING HELD ON 19 JUNE 2025

Agreed without further amendment.

4.0 MATTERS ARISING

Noted (**SET/AC/40/25**).

5.0 ITEMS FOR DECISION

5.1 COMMITTEE MEETING SCHEDULE 2026 (INCLUDING Q4 2026/27)

Members received, for decision, **SET/AC/49/25 Committee Meeting Schedule**. Following review, **Mrs Henderson** sought and obtained approval while noting any changes that arise during 2026 and the first three months of 2027 would be agreed with Members in advance.

6.0 ITEMS FOR DISCUSSION

6.1 REPORT ON INCIDENTS OF THEFT, FRAUD OR WHISTLEBLOWING

Members reviewed the tabled Report (**SET/AC/41/25**) with **Ms Campbell** advising on the 2025/26 case details as of 29 August 2025 with 25 new cases currently at preliminary investigation stage and 14 relating to one regional matter involving the use of false references.

Ms Campbell explained the current position on Cases Number 4043 and (Pay or Pay related process) as well as 4572 (Misuse of Service User Finance) before highlighting 4234 (Procurement) where the CFS Report had been received with the allegation of fraud found not to be substantiated but with a recommendation of disciplinary action, a reminder to all staff regarding their obligations under the Gifts & Hospitality Policy and the introduction of a Code of Conduct in Supplier Service Legal Agreements prohibiting unethical practices. **Ms Campbell** also updated on Case Number 4499 (Alleged Overpayment to Domiciliary Care Providers) and explained the significant efforts made to mitigate against such risks.

Mr Donaghy referred to recurring issues arising where staff have additional employment and asked what could be done to ensure staff are aware of their obligations if they take on external work. **Ms Campbell** replied SET often becomes aware of such issues when they are raised by colleagues though there had not been as many such cases this financial year perhaps linked to the partnership between her team and People & Organisational Development to raise awareness of what staff must do at the outset. **Ms Thompson** added there had been engagement with Occupational Health given some colleagues had stated their secondary employment has been good for their well-being. **Ms Campbell** undertook to engage People & Organisational Development on how contracts of employment might be tightened to leave less room for interpretation.

Mr McMahon referred to Case Numbers 4239 and 4240 which involved overpayments of circa £59k and £66k respectively before asking what issues had been identified that contributed to both situations continuing for as long as they did. **Mr McMahon** asked if Staff in Post checks had been completed in either case and what action is taken where managers might not have done so. **Ms Campbell** acknowledged this appeared to have fallen down in both cases with **Ms Thompson** adding such overpayments are reported to the respective Finance Focus Groups (FFG) to ensure Directorate visibility and training targeted at those staff who have been

involved in more than one such overpayment. **Ms Thompson** suggested the implementation of the new payroll system in the medium term may assist with what was a challenge faced by all Trusts. **Mr McMahon** stated he appreciated mistakes happen but it was concerning to also read the Encompass system was not always being updated or invoices actioned so was he compelled to ask if it was a sign of a cultural issue within SET. **Ms Campbell** replied those who have completed the targeted training who are then involved in further such occurrences would be subject to additional oversight with recourse to disciplinary action a possible option.

Mrs Henderson shared Mr McMahon's concern stating there was a cost involved in terms of time and effort for Ms Campbell's team to combat what should be standard line management activity. **Mr McMahon** added it would lead to questions as to what else was not being actioned correctly such as absence management recording for example and ultimately undermining the integrity of the reporting itself if data is not being correctly inputted. **Mrs Quirk** asked how the new payroll system might assist and **Ms Campbell** gave a brief overview of what this was envisaged to entail with more emphasis placed on the employee to initiate tasks. **Mrs Quirk** agreed there needed to be some form of sanction where there are repeat examples of failure to follow procedure. **Mr McMahon** asked if the payroll system would be able to cross-reference with other systems such as Encompass and **Ms Campbell** replied it would be much improved on the current system but would not contain links to Encompass.

Mr Donaghy stated there may be examples where managers are not sufficiently trained on what was expected of them and how to best navigate the systems they are being required to engage adding it may be worth considering that certain systems cannot be accessed without managers having demonstrated a degree of competency in advance.

Mrs Henderson referred to the Closed Case Summary on Page 2 before asking what the monetary value had been and how much was recovered but **Ms Campbell** replied she did not have the specifics to hand. **Mrs Henderson** referred to Case Number 4234 (Procurement) and asked how could an order have been progressed without a Purchase Order (PO) number to which **Ms Campbell** explained the 'non-POP' process. **Mrs Henderson** asked how use of the non-POP process could be reduced or mitigated against and **Ms Thompson** explained there was not a mandatory step within the current process that required a PO number before proceeding. **Mrs Henderson** asked if the Gifts & Hospitality policy as currently written was insufficient and **Ms Campbell** replied the policy was being reviewed but cautioned no policy could prevent a scenario of possible collusion with external suppliers. **Ms Campbell** added her team were issuing a dashboard detailing expenditure to Directors and looking at a range of other options including instigating a 'no PO no pay' rule.

7.0 ITEMS FOR NOTING

7.1 DIRECT AWARD CONTRACTS (AS OF 16 SEPTEMBER 2025)

Members noted **SET/AC/42/25 Direct Award Contracts (DACs) Update** which summarised active contracts as of 16 September 2025 including thirteen new DACs approved this financial year which represented a

considerable reduction compared to the same period in 2024/25 which had seen twenty six DACs approved.

Ms Campbell explained that, of the thirteen DACs approved to date, two were now completed – both of which relating to WLI work totalling £2.1m with a further eight required to bridge supply until a regional procurement exercise concludes. **Ms Campbell** stated the highest value DAC was for PA Consulting Ltd at £2.4m to cover a 21 month period as part of the 2025/26 savings support measures. **Ms Campbell** advised a total of 56 DACs were still active of the 235 created since September 2019 and the value of active DACs stood at £13.3m which represented a significant increase on the £8.7m reported to Members on 8 May 2025. **Ms Campbell** summarised performance against eight stated metrics and compliance with the Procurement Act 2023 regulations.

Mr McMahon referred to the RAG definitions at Page 13 and asked why there was no detail on relevant statuses within the Report. **Ms Campbell** replied this was contained on the full DAC register and assured Members this was actively monitored. **Mr McMahon** referred to Annex 2 which set out details relating to repeat DACs and asked why there were dates recorded which had now passed – in some cases by several years. **Ms Thompson** explained this was to provide context as to the periods of time a DAC had been in place. **Mr McMahon** highlighted a DAC on broken glazing replacement and asked what the procurement status was given it will expire in June 2026. **Ms Campbell** replied she was not aware of the current position but it would be her expectation efforts would be made to ensure a repeat DAC is avoided.

Mrs Quirk referred to the DACs required to bridge supply and asked if SET was confident these was necessary in each case. **Ms Campbell** explained teams are reminded three months prior to the DAC concluding to take steps to ensure a repeat DAC is the only option with **Ms Thompson** outlining how Waiting List Initiative (WLI) activity was challenging for Trusts as initial values are often unknown. **Mrs Quirk** asked if narrative could be included to identify DACs raised from DoH mandated activity and **Mr McMahon** asked if such DACs could be amended to reflect any subsequent time extension or additional financial resource by DoH. **Ms Thompson** undertook to review how this might be actioned. **Mrs Henderson** queried if a proportion of the £2.4m valued DAC could be categorised as WLI and **Ms Thompson** explained how other Trusts approached this issue which she was interested in exploring further. **Mrs Henderson** emphasised the RTTWCG finding on DAC usage adding it was crucial all options are fully considered to address this and achieve a more sustainable position.

Mrs Henderson asked how SET was assured all of the new DACs were in the public interest and how was this test defined. **Ms Campbell** explained DACs almost always related to a specific necessity within the health and social care setting with mitigations put in place to check suppliers involved with DACs as being of otherwise good reputational standing and not suspended from participation within existing procurement frameworks. **Mrs Henderson** queried why ten DACs had the reason stated for their usage as 'N/A' on Page 5 with **Ms Campbell** replying these were generally DACs of

some vintage – usually more than five years old - and Members had previously agreed retrospective details was not necessary. **Mrs Henderson** asked what the challenge was to the business areas involved at this stage to which **Ms Campbell** explained a new framework was in place from which to purchase which should improve the position. **Mrs Henderson** asked for additional detail on how PA Consulting had been appointed with **Ms Thompson** advising this had been initiated in partnership with DoH given SET's significant budgetary gap adding they were appointed from an existing Crown procurement framework. **Mrs Henderson** referred to the repeat DACs for WLI Diagnostics on Page 11 and asked if this was now resolved since the stated time period had expired. **Ms Campbell** advised this may have moved onto the framework and undertook to review to ensure only those active are listed.

7.2 TEST DRILLING RESULTS ON BUSINESS CASES 2024/25

Members noted the tabled Report (**SET/43/25**).

8.0 REPORT FROM INTERNAL AUDIT

8.1 AUDIT COMMITTEE PROGRESS REPORT 2025/26

Members reviewed the tabled Report (**SET/AC/44/25**) with **Mrs McKeown** summarising the KPIs listed before outlining the overview of the **Progress Report 2025/26** at Pages 2 and 3 thereof.

Mrs McKeown presented her findings in respect of **Non-Pay Expenditure 2025/26** having achieved a Limited level of assurance within the Primary Care & Older People's Services Directorate given significant control issues identified with Domiciliary Care expenditure which alone accounts for 76% of the Directorate's non-pay spend. **Mrs McKeown** explained one significant finding related to clients commissioned hours on Encompass not being consistently maintained which was impacting the robustness of invoice validation checks performed by the Homecare Analysis Team. **Mrs McKeown** outlined three other key findings including the opportunity for learning through the justification of DACs, the need for enhanced DAC reporting to Audit Committee including the provision of RAG status information discussed earlier and the identification of two suppliers with expenditure exceeding £10k within the audit period – neither being under contract or subject to a valid DAC. **Mrs McKeown** stated the five Priority 2 recommendations had been accepted.

Mr McKinley stated the audit had increased his curiosity about the adoption of Encompass in community settings having asked a similar question of the then Director responsible some months ago. **Mr McKinley** questioned by what metric was SET monitoring the consistent use of Encompass adding it was important for Trust Board to be assured implementation was working well across all services. **Ms Campbell** advised it transpired key workers were often unaware of the need to record responses to queries raised via Encompass with line managers now aware of the need for queries to be escalated where there is no response. **Mrs Henderson** asked what ability there was to amend part responses and **Ms Thompson** noted a retraction

was needed with staff having been used to retrospective adjustments though this did not negate how such a backlog had arisen.

Mr McMahon asked if SET was confident of a significant improvement by the end of the year to avoid additional costs being incurred. **Ms Campbell** stated the timeline might be longer but significant efforts were being made. **Mr McMahon** asked if SET was satisfied key workers collectively maintained a high standard of patient care and safety given the level of outstanding queries. **Ms Thompson** replied this centred on Independent Sector governance and the delivery of our contract by external organisations. **Mr Donaghy** asked if there was a care plan in place for each domiciliary care service user which could be audited. **Ms Campbell** stated this would be a question for Ms Burns - the Assistant Director responsible - with **Ms Thompson** adding it was more a case of ongoing education needed to improve validation outcomes via Encompass. **Mrs Henderson** asked if this was an example of teething problems and **Ms Thompson** replied Encompass had been live for some time so while this was one element it was also linked to a general lack of understanding on how to escalate.

Mrs McKeown provided an overview of Payments to Staff 2025/26 at Page 14 which resulted in Satisfactory level of assurance in respect of payments to laboratory staff and sampled general payroll controls Trust wide including in Retained Trust Finance but a Limited assurance in respect of on-call arrangements within Microbiology. **Mrs McKeown** explained compensatory rest arrangements were found not to be AfC compliant resulting in two significant findings with associated Priority 2 recommendations alongside five other Priority 2 recommendations from six other key findings. **Mrs Henderson** asked if the implementation date could be earlier than the end of September 2026 and **Ms Thompson** explained there would be a process to be completed with affected staff.

Mrs McKeown referred to her findings on Service Users Monies in Independent Sector Homes 2025/26 at Page 25 which reported a Satisfactory level of assurance in respect of the Management of Service User Monies in three of four homes visited but Limited assurance for arrangements at one named facility where monitoring of service users' finances was found not to consistently occur coupled with a lack of robust and timely bank reconciliations. **Mrs McKeown** advised of two significant findings and one other key finding resulting in three Priority 2 and one Priority 1 recommendation noting all had been accepted. **Mrs McKeown** acknowledged an error where the Report referred to the regional position where it read limited assurance being provided in relation to four of the seventeen homes visited and confirming this should read two not four.

Turning to Page 33, **Mrs McKeown** updated on the substantive follow-up on the Payments to Medical Staff and Management of Job Planning Audit originally undertaken in 2023/24. **Mrs McKeown** confirmed that, on this occasion, there was Satisfactory assurance on the Management of Job Planning and Limited Assurance on Payments to Medical Staff. **Mrs McKeown** stated that, of the 21 recommendations previously made, 16 (76%) were fully implemented, 1 (5%) was partially implemented and 4 (19%) had not yet been implemented. **Mrs Henderson** asked what more

could be done to improve the position contributing to Limited assurance. **Ms Thompson** advised she had approved a business case to progress an electronic system to support Job Plan management with **Ms Campbell** asking if Internal Audit might review the position retrospectively at year-end. **Mrs McKeown** replied she would be open to considering it subject to there being sufficient time left and SET's ability to evidence improvement. **Mr McMahon** noted the audit had considered the presence of updated Job Plans but not the budget spend associated with them and asked if this should be included in a future audit. **Mrs McKeown** stated that it could be part of a wider audit on the next occasion. **Mr Donaghy** welcomed what he described as important progress made given the issue had previously been escalated to Trust Board.

Mrs McKeown referred to the **Management of Cash Offices 2025/26 Audit** on Page 46 which provided Satisfactory assurance in relation to Cash Management at Cash Offices with no significant and four other key findings resulting in four Priority 4 and three Priority 3 recommendations – all having been accepted. **Mrs McKeown** also detailed the **Claims Management 2025/26 Audit** set out at Page 53 noting Satisfactory assurance with no significant and two other key findings resulting in four Priority 4 and one Priority 3 recommendations – all accepted by Management.

8.2 BSO SHARED SERVICE AUDIT BRIEFING 2025/26

Members noted the tabled Report (**SET/AC/45/25**).

8.3 MID-YEAR FOLLOW-UP REPORT 2025/26

Members reviewed **SET/AC/46/25 Mid-Year Follow-Up on Outstanding Internal Audit Recommendations Report 2025/26** with **Mrs McKeown** summarising that, during September 2025, her team had reviewed the implementation of accepted outstanding Priority 1 and 2 recommendations where the implementation date had now passed.

Mrs McKeown reported 121 (82%) of the 148 recommendations examined were now fully implemented with 22 (15%) partially implemented and 5 (3%) not implemented. **Mrs McKeown** stated that, from the 69 recommendations reviewed in this follow up, 35 (51%) related to significant findings which caused Limited or Unacceptable assurances to be provided and of these, 19 (54%) were fully implemented during this follow up period (April to September 2025). **Mrs McKeown** then updated on progress made on Cyber Security recommendations tabled in a separate tabled Report. **Mr McMahon** asked how confident SET was in fulfilling all outstanding recommendations in the near future and **Ms Campbell** undertook to follow-up on key recommendations including one relating to payments to radiologists before thanking Ms Brown who had greatly assisted this work.

8.4 HEAD OF INTERNAL AUDIT MID-YEAR ASSURANCE STATEMENT

Members reviewed **SET/AC/47/25 HIA Mid-Year Assurance Statement 2025/26** which **Mrs McKeown** advised would assist SET's own Mid-Year Assurance Statement with **Ms Campbell** confirming the latter was due for

submission to DoH by 13 October 2025. Following discussion, Members agreed the draft Statement be circulated for endorsement in advance.

9.0 REPORT FROM EXTERNAL AUDIT

9.1 FINAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2024/25

Members reviewed the tabled RTTCWG (**SET/AC/48/25**) with **Ms Shortall** confirming an extra finding had been included for all Trusts relating to sensitivity analysis of Holiday Pay provision – same having also been included in DoH's RTTCWG. **Ms Shortall** stated this resulted in two findings overall with the other relating to DACs concluding an overall clean audit opinion had been achieved. Members agreed the RTTCWG be tabled at the next Board meeting for noting.

10.0 ITEMS FOR ESCALATION

There were no items for escalation.

11.0 ANY OTHER BUSINESS

Mrs Henderson stated she had received feedback from Members that there would be merit in seeking additional assurance for the next meeting as to how accountability is being sought through Finance Focus Groups (FFGs) on a number of recurring issues such as use of DACs, the number of fraud-related cases and incidents where processes appear to be in place but non-compliance has been widespread. **Mr McMahon** raised his concern that Staff in Post validation was a crucial area requiring greater visibility. **Mr Donaghy** agreed Members would welcome a deeper dive into these issues without stepping into operational matters. **Mrs Henderson** added Members were not yet confident FFGs were in a position to achieve the necessary impact. **Ms Campbell** undertook to consider in what form further assurance could be provided.

12.0 DATE AND VENUE OF NEXT MEETING

Mrs Henderson advised the next meeting would be held on Thursday 4 December 2025 at 12 noon in Trust Headquarters, Ulster Hospital, Dundonald before declaring the meeting closed at 1.33pm.