

SOUTH EASTERN HEALTH & SOCIAL CARE TRUST

Minutes of the meeting of the Audit Committee held on Thursday 07 October 2021 at 10.00 am via Zoom hosted from the Meeting Room, Trust Headquarters, Ulster Hospital

PRESENT

Mr N Brady, Non-Executive Director (Chair)
Mr M Cadden, Executive Support Services Manager (Acting) (minutes)
Ms L Campbell, Assistant Director, Financial Accounting & Financial Services
Mr S Dooher, Encompass Programme Manager (Chair's Business: Encompass Presentation)
Ms W Thompson, Director of Finance & Estates

IN ATTENDANCE REMOTELY:

Ms E Hannaway, Interim Assistant Director Strategic & Capital Development, Planning Performance and Informatics (Chair's Business: Encompass Presentation)
Mr S Knox, Audit Manager, Northern Ireland Audit Office (NIAO)
Ms J McCaw, Internal Audit, BSO
Mrs M McNally, Assistant Director, Risk Management & Governance (Trust Board Secretary)
Mrs J O'Hagan, Non-Executive Director

APOLOGIES:

Dr M Briscoe, Non-Executive Director
Ms C McKeown, Head of Internal Audit, BSO
Mr N Gray, Director, Northern Ireland Audit Office (NIAO)

CHAIR'S BUSINESS

Mr Brady welcomed everyone to today's meeting including Ms E Hannaway and Mr S Dooher who are joining the meeting to provide an update on Encompass.

Encompass Presentation

Members received a presentation on Encompass by Mr S Dooher and Ms E Hannaway. Members were informed encompass core team for SET consisted of S Dooher, Paula Boon, E Hannaway and N Dunbar as Local SRO and Dermot Hughes as newly appointed Encompass regional SRO. Members were advised of staffing challenges with five posts currently out for recruitment, likely as they are only fixed term.

Mr Brady asked, with regards to the regional and local challenges, why the Third party contracting was registered as Regional and not a local challenge. Mr Dooher outlined Epic expected to see actions by a set time. The Trust is affected by these timelines but they cannot influence them, which is why they are considered a regional, not local challenge.

Mrs O'Hagan asked about the engagement with the public. **Mr Dooher** advised the Patient and Public Involvement (PPI) Regional group had been involved at procurement stage to obtain feedback on the Patient Portal tool. However, members were informed thereafter there had been limited public engagement. **Mrs O'Hagan** informed members she would like to see the PPI public engagement formally integrated into the programmes structure and asked if Encompass was expected to replace existing GP & Primary Care systems. **Mr Dooher** advised Encompass would not be replacing the existing systems but there would be a link for referral

ACTION

mechanisms. **Mr Brady** thanked Mr Doohar and Ms E Hannaway for their update and asked them to let the Audit Committee know if there was anything the committee could do to assist with the Encompass programme. **Mr Brady** advised members that he would raise Encompass at the next Trust Board to promote awareness and agreed that the presentation slides be shared with Audit Committee and Trust Board Members.

NB
MC

Mr Doohar and Ms Hannaway left the meeting at this time.

1.0 APOLOGIES

Mr Brady noted apologies from Dr Briscoe (Non-Executive Director), Ms McKeown (Head of Internal Audit) and Mr Gray (Director, Northern Ireland Audit Office)

2.0 DECLARATION OF POTENTIAL CONFLICT OF INTERESTS WITH ANY BUSINESS ITEMS ON THE AGENDA

There were no declared potential conflicts of interests with any business items on the agenda

3.0 MINUTES OF THE PREVIOUS MEETING HELD ON 16 JUNE 2021

Members were content for the minutes of the Audit Committee meeting held on 16 June 2021, having been previously circulated, to be taken as read and signed as a true and accurate record.

4.0 MATTERS ARISING FROM THE MINUTES

Members noted that all actions from the Matters Arising sheet, which had been circulated with the papers ahead of today's meeting, have been actioned.

5.0 NEW BUSINESS ITEMS

FOR APPROVAL AND/OR DISCUSSION

5.1 Fraud Risk Assessment

Members received, for consideration and discussion, the proposed way forward to rolling out the Trust's Fraud Risk Assessment.

Mrs O'Hagan asked for clarification regarding the next step for the Fraud Risk Assessment and outlined the document did not have a projected completion date. **Ms Campbell** advised members moving forward local Directorates risks would be included on a centralised register. Members were informed the centralised register was in the process of being populated. **Ms Campbell** sought and obtained approval to begin roll out and engagement with Directorates with the aim to bringing a finalised Fraud Risk Assessment to Audit Committee within 6 months.

FOR INFORMATION/NOTING

LC

5.2 Encompass presentation

Members received an update via presentation on Encompass at the start of the Meeting as outlined in the Chairs Business item.

5.3 Counter Fraud Action Plan Annual Update

Members received the annual update to the Counter Fraud Action Plan for noting, which had been circulated with the papers for the meeting.

5.4 NIAO Media Release- DoH Annual Report 2020/21

Members received a NIAO Media Release on the subject of DoH Annual Report 2020/21 for noting, which had been circulated with the papers for the meeting.

5.5 Schedule of Dates For Meetings 2022

Members received, Schedule of Dates for Audit Committee Meetings for 2022 for noting, which had been circulated with the papers for the meeting.

6.0 REPORT FROM INTERNAL AUDITORS

6.1 Progress Report to Audit Committee 2021

Members received, Progress Report to Audit Committee 2021 for information, which had been circulated with the papers for the meeting.

Mainstay DRP Managing Service Users Money – Special Exercise

Limited assurance has been provided in relation to the management of service users' finances at Mainstay DRP's Rathdree Supported Housing Service. **Ms McCaw** gave an update on the scope of the audit and its findings. **Mr Brady** asked for clarification around the Trusts role and if the Trust had the authority to tell Mainstay DRP how to manage their procurement process or service user's holidays. **Ms McCaw** informed members the Trust has a contract agreement with Mainstay DRP and therefore has the right to request Internal Audit assurance.

Ms Campbell added the Trust has a Duty of Care to ensure its service users' finances are safeguarded. **Ms Thompson** advised there was no issue for relatives and family members being awarded service contracts, provided that the appropriate tendering process was adhered to.

Mrs O'Hagan asked if the Trusts contracts were robust enough in relation to expectations around managing service users' finances. **Ms Campbell** informed members that the Trust is responsible for monitoring independent sectors as part of an annual financial governance exercise and advised she would discuss the findings for 2020/21 with Julie Davidson. Members were informed the Trust conducted an inspection in Mar 21 based on Mainstay DRPs 2019/2020 financial governance return. Internal Audit were asked to do preliminary investigations when whistleblowing allegations came

to light, shortly after the Trust's own review. **Ms Campbell** outlined that the Trust has plans to recommence financial governance inspections over the next 12 months.

Members were informed Social Workers are recommended to review financial expenditure plans for service users' finances in supported living facilities. **Mrs O'Hagan** asked for clarification around this process, particularly, who is responsible for supervising the Social Workers and what training they have received in this regard. **Ms Campbell** outlined that a Managing Service User's Money training module has recently commenced rollout. **Mr Knox** asked, using window cleaning services as an example, for clarity over what the Trust was responsible to pay for and what the service user was responsible for. **Ms Thompson** informed members that window cleaning services would be considered the service users' responsibility however the Trust has a Duty of Care to safeguard the service users' finances.

Management of Medical Devices

Limited assurance has been provided on the basis that systems in place to record track and manage the maintenance of medical devices requires improvement. **Mrs O'Hagan** asked if Estates were the correct body to deal with this and if so, what the improvement plan was. Members were informed Ms Thompson and Dr Robinson were the co-chairs for the Medical Device Committee and that they worked closely with Brian Mallon who is the Medical Device Manager. **Ms Thompson** informed members that the Trust is aware of the issues contained within in the audit and the Trust requested Internal Audit to undertake the assignment. Members were informed the challenges for Medical Devices within the Trust centred around monitoring and managing accurate maintenance and service records for equipment, particularly tracking small portable equipment that can be easily transferred between wards or locations.

Ms Thompson welcomed the report and advised that the lack of central register presented challenges for the Trust in the event of safety recalls and she felt the Medical Devices issues would benefit from an ICT solution system and agreed to speak with ICT regarding this. **Mrs O'Hagan** cautioned the impact went beyond equipment and maintenance and was also a patient safety issue. **Mr Brady** asked if members were aware of any other Trusts using an ICT system to assist with the process. Members were informed of a piloted ICT system that operated using Wi-Fi and barcodes for logging and tracking equipment. **Ms McCaw** advised that she was not aware of any such ICT systems having been piloted in other Trusts.

Mrs O'Hagan asked who supports the Medical Devices Committee and where the lines of responsibility and accountability lay. **Mr Brady** noted the lack of meetings of the Medical Devices Committee and outlined the committee should review its processes and procedures. **Mrs McNally** enquired if an action plan would be developed with time scale for implementation. **Ms Thompson** advised that an action plan will be developed and agreed by the Medical Devices Committee. Members were also advised that there was an agreement during Covid-19 pandemic that committees should aim to meet at least twice during the period 2020-2021. The committee met these arrangements during 2020/2021. **Mrs McNally** informed members that the Medical Devices Committee reports to the Corporate Control Committee and advised that an update on Medical Devices would be added to the Corporate Control Committee agenda for November 2021.

6.2 Mid-Year Follow up- Internal Audit Recommendations

Members received, Mid-Year Follow up- Internal Audit Recommendations for information. Members were informed that at mid-Year 70% of 246 recommendations were now fully implemented, 29% partially implemented and 1% had not yet been implemented.

Mr Brady remarked he was pleased that only 1% of recommendations had not yet been implemented. **Mrs O'Hagan** asked what the prioritisation plan was for the 30% partially or not yet implemented recommendations. **Ms Campbell** outlined that 35 of them were ICT related. **Mr Brady** asked if there was any external support the Trust could avail off, that the Audit Committee would be keen to support this. **Ms Campbell** stated she would discuss with Darren Henderson.

6.3 Internal Audit Mid-Year Assurance Statement

Members received, Internal Audit Mid-Year Assurance Statement for information, which had been circulated with the papers for the meeting and was accepted by members.

6.4 BSO Internal Audit HSC General Annual Report for 2020/21

Members received, BSO Internal Audit HSC General Annual Report for 2020/21 for information and this was accepted by members. **Mr Brady** remarked that the Trust was performing well.

6.5 Shared Service Audit

Members received, Shared Service Audit Report for information, which had been circulated with the papers for the meeting and was accepted by members.

7.0 REPORT FROM THE EXTERNAL AUDITOR

Final Report to Those Charged with Governance

Members received, The Final Report to those Charged with Governance 2020/21 for information. This was accepted by members.

Mr Brady noted one new recommendation regarding the change to discount factor on clinical negligence cases from 2.5% to-1.75%. Members were informed the impact of this discount rate will be for a much higher financial liability in the future.

Mr Knox advised members that the view of NIAO was that the PSNI Holiday pay and Clinical Excellence Award accruals should have been stated as provisions. **Mrs O'Hagan** asked what happens when there is a difference of opinion. **Mr Knox** informed members that the Clinical Excellence Award Group (CEAG) should follow up on this.

Ms Thompson informed members that it came down to a difference of opinion on the accounting treatment. **Mrs O'Hagan** asked, from the management of the public purse point of view, if the £135 million could have been given to other departments and asked if the Trust was doing enough to ensure payments are made timeously. **Ms Thompson** advised members that the Trust will need the money to pay the liabilities.

8.0 **REPORT ON INCIDENTS OF THEFT, FRAUD, BRIBERY AND WHISTLEBLOWING AND NFI UPDATE**

Members received, Report on Incidents of Theft, Fraud, Bribery and Whistleblowing and NFI update for information which was accepted by members.

Mrs O'Hagan asked for clarification on the process and assurances when an NFI match is being closed. **Ms Campbell** informed members that assurances are provided by professional judgement of the individual looking at the detail behind any matches. **Mr Brady** asked if the final decision rested with the Trust or the Fraud team. **Ms Campbell** advised the decision was down to the individual dealing with the case. **Mr Brady** asked if a system of two person checks should be considered. **Mrs O'Hagan** echoed Mr Brady's sentiment and advised this would be best practice from a governance assurances point of view. **Ms Thompson** stated a second check is carried out by Regional Shared Services. **Mr Knox** asked what controls had been in place with reference to the £80,000 Staff Overpayment case. **Ms Campbell** informed members the payment had been as a result of human error and the Trust was awaiting results from an on-going fraud investigation. **Ms Thompson** informed members that controls were in place such as the Staff in Post checks should have picked up the overpayment sooner.

9.0 **ANY OTHER BUSINESS**

Pricewaterhouse Coopers (PWC)

Mr Knox informed members that PWC have withdrawn from all public sector financial audits. Tender deadline 19 October 2021 and award likely to be mid December 2021. **Mr Knox** advised there should be sufficient time to award prior to the 2021/22 external audit.

10.0 **DATE AND VENUE OF NEXT MEETING**

Thursday 1 December 2021 at 12.30 via Zoom hosted from the Board Room, Trust Headquarters, Ulster Hospital, Dundonald.