

## SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

### **Minutes of the Audit Committee Meeting held on 05 May 2022 at 11.00 am hosted via Zoom**

#### **PRESENT:**

Mrs J O'Hagan, Non- Executive Director (Chair Acting)  
Mr N Brady, Non-Executive Director  
Ms L Campbell, Assistant Director of Financial Services, Financial Services  
Ms W Thompson, Director of Finance and Estates  
Ms C McKeown, Head of Internal Audit, BSO  
Mrs M McNally, Assistant Director, Risk Management and Governance &  
Board Secretary  
Mr J Murray, Engagement Manager ASM

Mrs J English, Trust Board Apprentice (*left at 11.45*)  
Mr M Cadden, Executive Support Services Manager (Acting) (Minutes)

Ms A Birmingham, BSO Internal Audit Trainee Accountant

Mr B Grimley, Financial Accounting & Governance Manager, Financial  
Services.

Ms L Murphy, Audit Manager, Northern Ireland Audit Office (NIAO) attending  
on behalf of Mr S Knox.

#### **APOLOGIES:**

Dr M Briscoe, Non-Executive Director

Mr B Clerkin, Engagement Director ASM

Mr N Gray, Director, Northern Ireland Audit Office (NIAO)

Mr S Knox, Audit Manager, Northern Ireland Audit Office (NIAO)

Ms J McCaw, Internal Audit, BSO

- |  | <u><b>ACTION</b></u> |
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| <b>1.0</b>   |                      |
| <b><u>OPENING REMARKS</u></b><br>Members were informed that Mrs O'Hagan is Chairing this morning's Audit Committee meeting on behalf of Mr Brady. <b>The Chair</b> welcomed everyone to the meeting.   |                      |
| <b>2.0</b>   |                      |
| <b><u>DECLARATION OF POTENTIAL CONFLICT OF INTERESTS WITH ANY BUSINESS ITEMS ON THE AGENDA</u></b><br>There were no declared potential conflicts of interests with any business items on the agenda.   |                      |
| <b>3.0</b>   |                      |
| <b><u>MINUTES OF THE PREVIOUS AUDIT COMMITTEE MEETING HELD ON 14 April 2022</u></b><br>Minutes of the Audit Committee meeting held on 14 <sup>th</sup> April 2022, were agreed and approved as a true and accurate record subject to minor adjustment. | <b>Mr Cadden</b>     |
| <b>4.0</b>   |                      |
| <b><u>MATTERS ARISING FROM THE PREVIOUS MINUTES</u></b><br><b>The Chair</b> noted Five matters arising from the previous meeting, Four of which have now been closed. <b>Ms Campbell</b> advised that item 6.2 matter arising will                     |                      |

roll on and that she would update members at the October 2022 Audit Committee meeting.

## **5.0 NEWS BUSINESS ITEMS** **For Approval**

### **5.1 DoF Presentation of the draft Annual Report and Accounts for 2021/22**

**Ms Thompson** took members through the DoF Presentation of the draft Annual Report and Accounts for 2021/22. Members were informed that the draft Annual Report and Account will be submitted to NIAO on 06<sup>th</sup> May 2022. **Ms Thompson** recorded her thanks to Financial Services and Financial Management Teams for their hard work in developing the report. Members were advised that the Annual Accounts are consolidated with the Charitable Funds Accounts and that this does not affect the Trusts breakeven performance. **Ms Thompson** informed members that the Trust was reporting overall net expenditure of £1,030 million of which £88million was for Covid-19 expenditure and, on top of that, there was an additional £51million spend on Capital expenditure.

**Mrs O'Hagan** asked for an update regarding the Clinical Excellence Awards (CEA). **Ms Thompson** advised that the accrual has changed status and that the Trust is seeking DoH advice as to whether this should be a contingent liability or a provision. There still remained the issue of the treatment of the PSNI Holiday Pay accrual. **Mr Brady** asked if this issue was expected to be below materiality and was informed by **Ms Thompson** that it will be. **Ms Campbell** advised that the Trust Materiality is currently £19million and this accrual equated to £14m. **Ms Murphy** advised members that there would be a risk if other errors/disagreements were identified and added that NIAO had yet to audit the new accounting treatment for clinical excellence liabilities.

Members were advised that the draft Annual Report and Accounts for 2021/22 are subject to change and that the final report will be brought to the Audit Committee meeting on 15<sup>th</sup> June 2022 for approval prior to being presented to the Trust Board Committee on the same date. **Ms Thompson** advised members that a briefing paper will accompany the Final report which will clearly outline any changes. **The Chair** sought and obtained approval for the draft Annual Report and Accounts to be submitted to NIAO.

### **For Noting**

### **5.2 2021/22 Audit Committee Annual Report for the Trust Board**

**Ms Campbell** took members through the 2021/22 Audit Committee Annual Report for Trust Board members, which was noted.

### **5.3 Register of NEDS and Directors Declaration of Interest- For the year period 2022/2023**

**Ms McNally** informed members that the Register of NEDS and Directors Declaration of Interests- for the year 2022/23 had been updated and this was noted by members.

## 6.0 REPORT FROM INTERNAL AUDITORS

### 6.1 Internal Audit Progress Report to Audit Committee May 2022

**Ms McKeown** took members through the Internal Audit Progress Report to Audit Committee May 2022. Members were informed that there was an error in relation to Key Performance Indicators (KPI) figures and the accurate figures are included in the HIA Annual report later on the agenda. . Members were informed that limited assurance was provided for the management of Domiciliary Care contracts. **Mr Brady** asked for an update regarding the 7 years delay in the procurement of Domiciliary Care. Members were informed that the Trust continues to work with the SPPG and that the Trust is not in a position to implement a new contract in isolation outside the procurement plan and therefore must continue to roll forward existing the contract. **Mr Brady** asked if it was acceptable for the existing legacy contracts to roll forward and was informed by **Ms Campbell** that guidance from PALS Social Care Procurement Unit was that this was acceptable in terms of current legislation.

**Mrs O'Hagan** asked if there is anything that the Trust should be doing to assist. **Ms Thompson** advised that the situation is challenging as the PALS Social Care Procurement Unit would not support individual procurement. Members were informed that the Trust has employed Monitoring Officers to conduct a programme of verification visits; however that these staff had been redeployed to clinical areas due to the impact of Covid-19. **Ms Campbell** advised members that the Trust has continued to carry out spot check monitoring and financial analysis and that there are plans to reinstate this to a greater level. **Mr Brady** advised that he felt it would be beneficial to include service users as part of the formal checking process to ensure that the quality of the service provided is up to standard.

Members were informed that the Regional Social Care Procurement Board has a regional plan for 2020-2029 which is currently being reviewed. **Ms Thompson** advised members that she would share a copy of the latest version of the plan with the Audit Committee.

### 6.2 BSO Internal Audit: Shared Services Audits

**Ms McKeown** took members through the BSO Internal Audit: Shared Services Audits. **Ms Thompson** informed members that there are regional issues associated with the limited assurances provided from the Recruitment and Payroll Shared Services Audits. She informed members that the HSC is in the process of the replacement of existing systems which should help address the issues. Members were informed that the Payroll Quality Improvement Programme is critical to unlocking and addressing the limited assurances provided. **Mr Brady** asked if the new system would replace HRPTS and was informed that it would.

**Ms  
Thompson**

### 6.3 **Head of Internal Audit (HIA) Annual Report 2021/2022**

**Ms McKeown** took members through the Head of Internal Audit (HIA) Annual Report 2021/2022. **Mr Brady**, on behalf of the Audit Committee recorded his thanks to Ms McKeown and her team for their work provided to the Audit Committee.

**Mrs O' Hagan** asked for an update with regards to the Trusts performance. Members were informed that overall for the year ended 31<sup>st</sup> March 2022, Internal Audit provided satisfactory assurance on the adequacy and effectiveness of the organisations framework of governance, risk management and control. **Ms McKeown** informed members that limited assurances had been provided in a proportion of audits during the current financial year; however she noted the Trust's strong performance in implementing recommendations from the previous year's audits.

### 7.0 **REPORT FROM THE EXTERNAL AUDITORS**

There are no agenda items under this heading

### 8.0 **Items for Escalation to Trust Board**

Members were informed the Annual report will be presented to the Public Trust Board meeting on 1<sup>st</sup> June 2022 for noting.

**Mr Cadden**

### 9.0 **ANY OTHER BUSINESS**

There were no other Business items identified.

### 10.0 **DATE AND VENUE OF NEXT MEETING**

Wednesday 15<sup>th</sup> June 2022 hosted at 10:30 am via Zoom from Trust Headquarters, Ulster Hospital, Dundonald.

**Glossary of Terms:**

**CE-** Chief Executive

**DoH-** Department of Health

**EMT-** Executive Management Team

**GAC-** Governance Assurance Committee

**NI-** Northern Ireland

**NED-** Non-Executive Directors

**SET** South Eastern Trust

**SPPG:** Strategic Performance and Planning Group (SPPG)

**UH-** Ulster Hospital