

## **SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST**

### **Minutes of the Audit Committee Meeting of the South Eastern Health & Social Care Trust held on Thursday 7 December 2023 at 1.30pm in the Boardroom, Trust Headquarters, Ulster Hospital, Dundonald**

- PRESENT:** Mr N Brady, Non-Executive Director (Chair)  
Mrs J O'Hagan, Non-Executive Director  
Dr M Briscoe, Non-Executive Director
- IN ATTENDANCE:** Ms W Thompson, Deputy Chief Executive and Director of Finance & Estates  
Mrs C McKeown, Head of Internal Audit, BSO Internal Audit  
Mrs J McCaw, Internal Auditor, BSO Internal Audit  
Ms L Campbell, Assistant Director, Financial Services
- Mr S Knox, Audit Manager, NIAO  
Ms J Shorthall, Associate Director, ASM Chartered Accountants  
Ms C Blee, HSC Sponsorship Branch (DoH Observer)  
Mrs McNally, Assistant Director, Risk Management & Governance/Trust Board Secretary (Items 1 – 6.1 only)  
Mrs KA Hoy, Senior Financial Services Manager & Fraud Liaison Officer  
Miss C Hughes, Secretary (Minutes)

#### **OPENING REMARKS**

**Mr Brady** welcomed those present.

#### **1.0 APOLOGIES**

**Mr Brady** advised apologies had been received from Mr Clerkin, Engagement Director, ASM Chartered Accountants.

#### **2.0 DECLARATION OF POTENTIAL CONFLICTS OF INTEREST**

No conflicts of interest with any items on the agenda were raised.

#### **3.0 MINUTES OF THE PREVIOUS MEETING HELD ON 5 OCTOBER 2023**

**Mr Brady** requested anyone requiring any amendments to the minutes of the meeting held on 5 October 2023 forward them to the Board Secretary for updating. The updated minutes would be presented at the next meeting for approval.

#### **4.0 MATTERS ARISING**

Members noted **SET/AC/50/23 Matter Arising Sheet** circulated with papers for the meeting. The points raised were addressed by **Ms Campbell**:-

- Children's Services Risk Audit – Unallocated Cases 2022/23: Concern had been expressed at a previous meeting regarding attendance at the Unallocated

Case Project Board. Mr J Caldwell, Assistant Director Safeguarding & Family Support, has advised that the previous Board has been replaced following the establishment of a new Waiting List Oversight Group. The Terms of Reference and membership of the new Group have been agreed and it is believed that attendance will be good at these meetings. **Ms Campbell** confirmed that this item can now be closed off.

- Report on Incidents of Theft, Fraud & Whistleblowing: **Ms Campbell** confirmed that an update on linkages between Finance and the People & Organisational Development Team will be detailed at item 6.1. This item is therefore closed off.
- SET Audit Committee Self-Assessment Checklist: The updated Audit Committee Self-Assessment Checklist will be used going forward. This item was closed off.
- Internal Audit Charter: **Ms Campbell** confirmed that the Internal Audit Charter will be included within the Terms of Reference for the Committee as part of the annual review. This item was closed off.

In respect of Children's Services Unallocated Cases, **Mr Brady** recalled discussion at the Trust Board on 29 November 2023 regarding the continuation of this item as a corporate priority. **Mrs McNally** indicated that Unallocated Cases will continue to be reviewed by the Executive Management Team. At Trust Board this topic had been highlighted as an area of concern, including workforce capacity, and how this is linked to the Corporate Risk Register. **Ms Thompson** commented that this issue will form part of the discussion at the Workshop scheduled for early 2024 and will remain a corporate priority until there has been a change for this to return to business as usual. **Mr Brady** was content that Unallocated Cases would continue to be discussed and there is a pathway for concerns to be raised a Trust Board.

## 5.0 ITEMS FOR DECISION

### 5.1 2024 SCHEDULE OF MEETINGS

The **2024 Schedule of Meetings** had been circulated with papers for the meeting. **Mr Brady** asked everyone to consider the dates outside of the meeting and advise the Board Secretary of any changes required.

## 6.0 ITEMS FOR DISCUSSION

### 6.1 REPORT ON INCIDENTS OF THEFT, FRAUD OR WHISTLEBLOWING

Members received, for discussion, **SET/AC/51/23 Report on Incidents of Theft, Fraud or Whistleblowing**. **Ms Campbell** advised that there are a total of 24 open cases and 8 new cases raised since the last meeting. This increase may be attributed to the raising of fraud awareness. The Trust is in line with other Trusts in the region in respect of the number of cases.

**Ms Campbell** highlighted the new cases were:

- Case 3919: Allegation that a staff member stole more than 30 baby blenders from a Health Centre.

- Case 3920: Allegation that a staff member stole items from an Occupational Therapy Department. Counter Fraud Service (CFS) were unable to proceed due to lack of CCTV coverage. The trust will undertake a review of security in the area.
- Case 3939: A staff member is alleged to be working for another company whilst on sick leave.
- Case 3962: An employee retained an overpayment during a period of absence. CFS will consider reports from the People & Organisational Development Directorate before concluding their investigation.
- Case 3976: Employee paid at a higher band and did not report the discrepancy to their Line Manager. A recovery plan is to be initiated.
- Case 3980: Allegations that a group of staff have been manipulating rotas and claimed for hours not worked. Two years has elapsed since the events took place before the concern came to the attention of the FLO and during that time folders have been deleted. It has been requested that ICT attempt to retrieve this information.
- Case 3981: There was a salary overpayment due to the late notification of a leaver.
- Case 3995: Allegation that a Trust Manager has favorably allocated shifts to an employee and approved payment requests for shifts not worked. CFS staff are meeting with the person who raised the concern to review supporting evidence in their possession.

**Ms Campbell** invited Mrs Hoy to give further detail on Case 3980 and the change in process with the Employee Relations Team. **Mrs Hoy** advised that this case highlighted delays in sharing of information from a Raising Concerns incident to the Fraud Liaison Officer for investigation and involvement of CFS. A workshop has been arranged for January 2024 by CFS with Employee Relations staff and herself to review the current process and update it to ensure sharing of information on a live basis. The system will benefit from a more robust process of referral and investigation. During discussion, **Dr Briscoe** commended the work to update the liaison between Finance and Employee Relation and noted that this will improve consistency.

In response to a query regarding Case 3980, **Ms Campbell** confirmed that this was the first instance she was aware of where staff were allegedly colluding to defraud the Trust. **Ms Thompson** advised that there are processes in place when cash was handled, particularly within Finance, to ensure cognizance is taken of staff with relationships and there is appropriate segregation of duties. Discussion took place regarding Case 3981 and **Mr Brady** queried if Staff in Post checking process is adequate. **Ms Campbell** confirmed that a suite of reports is now run every month to identify any overpayments and, if any are over £5k, there are referred automatically to CFS who commence a preliminary investigation. **Mrs Hoy** commented that awareness of Line Manager's responsibilities regarding checking Staff in Post reports has continued to be highlighted. In conclusion, **Mr Knox** noted that robust comments had been provided in the Internal Audit Report. However, he would review information at NIAO and share any checklists or best practice with the Trust.

## 6.2 **DIRECT AWARD CONTRACTS**

Members received, for discussion, **SET/AC/52/23 Report on Direct Award Contracts (as at 27 November 2023)** and the List of Direct Award Contracts.

**Ms Campbell** presented the report and noted that there have been 7 new DACs since the last meeting and these are detailed in the accompanying list of new DACs. She highlighted page 2, item 2.0 Key Statistics and Discussion Points, and noted that there are now 54 live DACs with a total value of £23.9m(over the life of the DAC). This total value is greater than in previous years mainly due to 5 of them covering Waiting List Initiative work (£13.6m). There have been 57% of DACs approved after the contract start date and **Ms Campbell** advised that arrangements are to be put in place to contact requestors of DACS two months before their expiry date as a prompt to renew the DAC if necessary. **Mr Brady** expressed concern regarding the number of DACs approved after commencement of the contract and **Ms Thompson** explained that there are a variety of reasons for this which are outside of the Trust's control eg a delay in the award of a regional tender. **Mr Brady** requested the Trust ensures that the new step highlighted is actioned.

In response to queries from Mrs O'Hagan, **Ms Thompson** advised that the Procurement and Logistics Services (PaLS) is the Centre of Procurement Excellence for the region and provide assurance on a range of areas including value for money; governance; social clauses; sustainability and social responsibility. The Trust would be vulnerable to challenge if it did not use the PaLS service. Whilst there can at times be frustrations with the time taken to award regional procurements, the use of DACs is a time limited method of testing the market and maintaining services.

## **7.0 REPORT FROM INTERNAL AUDIT**

### **7.1 SEHSCT AUDIT COMMITTEE PROGRESS REPORT 2022/23**

Members received, for discussion, **SET/AC/53/23 SEHSCT Audit Committee Progress Report 2022/23**.

**Mrs McKeown** highlighted pages 3 and 4 of the Report which detailed progress on Audit Reports. There would be two reports presented today (Budgetary Control 2023/24 and Non-Pay Expenditure 2023/24) and four more reports will be completed before the end of the financial year.

During review of the Budgetary Control 2023/24 Report **Mrs McKeown** advised that this report received a Satisfactory level of assurance. The Trust has appropriate budget management controls in place and there is regular monitoring of expenditure against budget and progress on savings plans. There are regular meetings between Financial Management and Directorates where a detailed level of information is provided. **Mrs McKeown** noted the financial pressures and risk to the organisation of not achieving breakeven which has been reported on a regular basis to the Department of Health (DoH) and the Strategic Planning and Performance Group (SPPG).

**Mrs McKeown** highlighted the two key findings of the report:-

- At Month 4, when the audit took place, only 40% of savings were achieved against the annual target.
- Budget management training is available and there is a training log but there is no assurance that all budget holders have been trained.

During discussion **Mr Brady** advised that there has been substantial discussion of the Trust's financial position at the Finance & Performance Committee; Trust Board and other Committees.

During review of the Non Pay Expenditure 2023/24 Report, **Mrs McKeown** advised that a Limited level of assurance had been issued. There were three main areas of focus – Revenue Business Cases and the Management and Use of Taxis and Private Ambulances.. These areas were reviewed individually:

- Revenue Business Cases: **Mrs McKeown** advised that, similar to all Trusts in the region, there are no business cases completed for expenditure decisions funded from within existing Trust funds. Whilst previous circulars had allowed some interpretation of this area, the new circular issued in 2023 requires business cases for all expenditure decisions including new contracts and contract renewals. The Priority 1 finding recommended that the Trust engage in discussions with SPPG and DoH to reach agreement on this circular. **Mrs McKeown** also noted that testing had found the Trust incurred expenditure ahead of SPPG business case approval, particularly when it related to roll forward of a project and she recognised SPPG responsibility in this area.

During discussion **Ms Thompson** indicated that business cases for decisions to fund from within existing funds would, for example, require a business case to replace every member of staff who leaves.. **Mrs McKeown** stressed that the new circular is very clear and this applies across all Trusts in Northern Ireland. It was suggested that Trusts continue to discuss the issue with DoH and SPPG. **Mr Brady** expressed his concerns regarding this circular.

In relation to the issue of incurring expenditure ahead of SPPG business case approval, **Ms Thompson** advised that the majority of these cases related to non-recurrent funding being provided and then the service needed to continue in the next financial year whilst funding approval is sought. For example, Lagan Valley Hospital Day Procedure Unit was commenced, under Ministerial direction, using non-recurrent funding and the service could not be stopped whilst an IPT process was completed in the new financial year. **Mrs McKeown** commented that this issue is common across all Trusts.

- Taxis: **Ms McKeown** advised there was a need to fundamentally review and modernise the approach to management and use of taxis. Consideration should be given to centralising or providing a co-ordinated process. During the audit, sample testing revealed that checks were not carried out before invoice approval and on occasion there was a lack of accuracy regarding validity of charges, particularly in relation to waiting

charges. The audit raised concern regarding the validity of using a taxi to deliver post rather than using the Transport Service or increasing the use of electronic sharing. There were also three non-contracted taxi suppliers used. **Ms Campbell** advised that there was only one supplier on the Taxi framework for SEHSCT to transport people and they do not have capacity to carry out all the work required which has led to the use of off-contract suppliers. In response to a query **Ms Thompson** confirmed that the User Experience Team are currently piloting a new electronic central booking system (ATOM). Work has commenced within Children's Services Directorate as they are the largest user of Taxis and then the focus will move to Renal Services.

- Private Ambulance Usage: Similarly to the audit of Taxis, **Ms McKeown** advised that concerns were noted in relation to invoice checking and the need to develop a policy for use of Private Ambulances. 44% of the private ambulance expenditure in 2022/23 within Hospital Services was for a non-contracted service – the provision of ambulance receiver shifts. **Ms Campbell** noted that the ambulance receiver service is the link person between the Emergency Department and Ambulance staff regarding the condition of a patient whilst awaiting handover in to ED..

During discussion **Dr Briscoe** enquired why there is such a high usage of Private Ambulances and **Ms Thompson** advised that NIAS has advised that they do not have capacity to transfer patients home and therefore a private ambulance is required.

## **8.0 REPORT FROM EXTERNAL AUDIT**

**Mr Knox** advised that the Audit Strategy will be provided at the next meeting.

## **9.0 ITEMS FOR ESCALATION**

There were no items for escalation.

## **10.0 ANY OTHER BUSINESS**

### **Change of Audit Committee Membership**

**Mr Brady** advised that Dr Briscoe and himself would be ending their tenure as Non-Executive Directors with the Trust in mid/late February 2024. The next meeting would be their last as members of Audit Committee. The Trust Chairman will nominate replacement members as soon as possible.

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

**Mr Brady** advised the next meeting would be held on Thursday 1 February 2024 at 12.00 noon at Trust Headquarters, Ulster Hospital.