SOUTH EASTERN HEALTH AND SOCIAL CARE TRUST

Minutes of the Audit Committee Meeting of the South Eastern Health & Social Care Trust held on Tuesday 24 September 2024 at 3.30pm in the Boardroom, Trust Headquarters, Ulster Hospital, Dundonald

PRESENT: Mr N Brady, Non-Executive Director (Chair)
Mr N McKinley, Non-Executive Director
Mrs J O'Hagan, Non-Executive Director

IN ATTENDANCE: Mr J Patton, Chairman of Trust Board
Ms W Thompson, Deputy Chief Executive, Director of Finance & Estates
Mrs C McKeown, Head of Internal Audit, BSO Internal Audit
Ms L Campbell, Assistant Director, Financial Services
Mrs C Kane, Director, NI Audit Office
Mr B Clerkin, Director, Sumer Northern Ireland
Mrs M McNally, Assistant Director, Risk Management & Governance/Trust Board Secretary
Ms KA Hoy, Fraud Liaison Officer
Ms L Benson, Head of Financial Services
Mr S Martin, Executive Support Manager, Trust Headquarters (minutes)

OPENING REMARKS

Mr Brady opened the meeting by welcoming everyone in attendance and covered a number of housekeeping matters. **Mr Brady** also reminded Non-Executive Directors to remain after the meeting to participate in a closed meeting with Internal & External Audit in line with the Committee's Programme of Work.

At this juncture, **Mr Patton** took the opportunity to record his thanks to Mr Brady on the occasion of his final Audit Committee meeting as Chair before his departure as a Non-Executive Director next week. **Mr Patton** acknowledged Mr Brady's outstanding service in his eight and a half year tenure as Committee Chair adding he would be a hard act to follow. **Mr Patton** also paid tribute to Mrs O'Hagan on the basis this might also be her final Audit Committee meeting prior to the end of her term in December 2024.

Mr Brady thanked Mr Patton stating he had thoroughly enjoyed the role especially working alongside many great colleagues. **Mrs O'Hagan** also recorded her thanks to the Chairman, Mr Brady and to all colleagues for their support to her as a Non-Executive member of the Committee.

Mr Brady advised HSC Sponsorship Branch had confirmed there was no longer a necessity for them to observe every Audit Committee meeting on foot of an improved position in relation to overall assurance so they would not be in attendance today.

1.0 APOLOGIES

Apologies were noted for Mrs Quirk and Mr Donaghy (Non-Executive Directors).

At this juncture, Mr Patton left the meeting at 3.38pm.

2.0 DECLARATION OF POTENTIAL CONFLICTS OF INTEREST

Mr Brady recorded two interests – out of abundance of caution - as an incoming Non-Executive Director of the NI Blood Transfusion Service effective next week and as an incoming Member of the Council of Ulster University effective later in October 2024.

3.0 MINUTES OF THE PREVIOUS MEETING HELD ON 20 JUNE 2024

Members agreed the aforementioned minutes were a true and accurate record.

4.0 MATTERS ARISING

Members noted **SET/AC/42/24 Matter Arising Sheet** which detailed five actions – three of which had been completed before the meeting and two matters would be updated at this point in the meeting.

In respect to **Contract Management and Procurement**, **Ms Thompson** provided an update on efforts to improve staff training as well as preparations for major changes arising from new procurement regulations. **Mr Brady** asked if SET held a central depository of original executed contracts and **Ms Thompson** explained there was a Register of Sealed Documents managed by the Chief Executive's Office in line with Trust Standing Orders. **Ms Thompson** stated she did not think there was a central depository but she would check and confirm.

Members received, for discussion, a tabled briefing paper (**SET/AC/43/24**) on **Clinical Negligence** with **Ms Campbell** providing an overview including the different elements of related payments, trend data, actions taken to address trends observed and how learning is identified then shared.

Mr Brady asked if any of the recently publicised public sector legal settlements mentioned in local media involved SET and **Ms Benson** confirmed this was not the case. **Mrs O'Hagan** referred to the content and queried how the learning was facilitated. Mrs O'Hagan advised that she was unconvinced with regard to how learning was actually embedded. **Mrs O'Hagan** specifically referred to Appendix 3 thereof where the learning identified asked 'the Trust to consider refresher training for staff'. **Mrs O'Hagan** stated the use of such loose terminology risked a lack of accountability for ensuring action is taken and there was a need for learning to be stated in a more focused way.

Mrs O'Hagan asked what mechanisms were in place to monitor and revisit lessons learned to ensure learning has been embedded. **Mrs McNally** provided an overview of SET internal processes including how DLS provide an initial learning summary for all cases which are reviewed by the Medical Director and the Clinical Risk Director. **Mrs McNally** explained the Clinical Risk Director issues out key lessons to Directorates for action which are captured on Datix. **Mrs McNally** highlighted the role of the recently established Shared Learning Group supported by the Shared Learning Policy and associated template with reflective practice considered a fundamental element of this important work

Mrs O'Hagan replied Mrs McNally had articulated a systematic approach to this area which was what was needed but she was not convinced SET had a structure

which was as transparent as it could be but recognised it was important for the Committee to have had today's discussion. **Mrs McNally** undertook to provide a detailed briefing to Mrs O'Hagan on how the Trust identifies and actions learning within the context of the Integrated Governance & Assurance Framework.

Mrs O'Hagan acknowledged it was not possible to directly compare HSC Trusts in terms of total costs paid out but asked where SET stood regionally. **Mrs McKeown** stated she was not in a position to provide any information in that regard but advised this area is audited every three to four years and was due to be audited during 2026/27. **Mr McKinley** referred to the Governance Assurance Committee and how it could also lift the lid on how to create transparency on the slightly more agile nature of learning. **Mr McKinley** added it would be useful to understand how this was happening so he would take away as an action. **Mr Brady** concluded by asking how often SET received a report from DLS on ongoing cases and **Ms Campbell** advised this was provided on a monthly basis.

At this juncture, Ms Benson left the meeting at 4pm.

5.0 ITEMS FOR DISCUSSION

5.1 REPORT ON INCIDENTS OF THEFT. FRAUD AND WHISTLEBLOWING

Members received, for discussion, **SET/AC/44/24 Report on Incidents of Theft, Fraud and Whistleblowing & NFI Update** as of 2 September 2024 with **Ms Campbell** providing a summary overview.

Mr Brady asked for further detail on Case Number 4234 given the significant estimated value involved. **Ms Hoy** explained this was a live investigation into an allegation employees had approved payment to a supplier for medical equipment that was never delivered. **Mr Brady** asked what actions had been taken while the investigation was ongoing and **Ms Hoy** explained there had been a number of interim measures put in place.

Mrs O'Hagan referred to an upward trend in employees being absent while also running a business or working elsewhere and asked if this was being reviewed. **Mrs O'Hagan** asked if SET factored in secondary employment to staff inductions so responsibilities are clearly known. **Ms Hoy** agreed this was becoming more common with an increase in cases of secondary employment. **Ms Hoy** explained work was progressing to tighten up policies and procedures to clearly define what was needed in terms of secondary employment. **Ms Hoy** stated there was limited reference to self-employment within current guidance or what the implications of not declaring such employment might be. **Ms Hoy** concluded there was a recognition this would require a holistic approach to consider how best to take this forward.

Mr Brady asked why there appeared to be a sudden increase in such cases. **Ms Hoy** explained that, in line with a recommendation from a now closed case, she had initiated Trust-wide communications reminding staff of the need to declare secondary employment which resulted in an increase in whistleblowers highlighting alleged ongoing cases. **Mr Brady** noted he had seen the communications and thought they were effective in conveying necessary key messages. **Ms Hoy** explained such communications were

being seen by staff with access to SET email accounts but a key learning had been there was a significant number of colleagues without such access so she had linked in with Employee Relations on how to target this group.

Mr Brady referred to the possibility of issuing key messages such as this on staff payslips. **Ms Hoy** advised she had asked for this to be considered with **Ms Thompson** adding there were also certain staff groups who do not have HRPTS to readily access payslips. **Mr McKinley** asked if the Report set out the majority of SET whistleblowing cases and **Ms Hoy** advised there were a number of avenues whereby whistleblowing matters were progressed so unless there was a fraud element she would not be privy to such information.

Ms Hoy highlighted the role of whistleblowing champions and a new round of training to be rolled out by the Employee Relations team in the near future. **Mrs McNally** added there was a separate process under the DoH's Raising Concerns regional policy which was distinct from this pathway which **Mrs O'Hagan** explained was reported through to the People & Culture Committee alongside DoH's mandatory end year report which collates both fraud and non-fraud whistleblowing cases that had been taken forward.

Mr McKinley asked what data there might be on new managers having successfully completed the induction process to a standard where they were confident in what they need to do. **Mr McKinley** stated he was seeking assurance new staff had the tools available to understand what they have to do and are then enabled to complete those actions consistently. **Ms Campbell** stated Employee Relations might hold information on the numbers of staff undertaking Practical Manager training though a key element would be completion of Financial Awareness training. **Mr McKinley** stated it was not information he had seen tabled before and he would be interested in taking a look at this area again in due course. **Mrs McNally** agreed to liaise with Mrs Smyth and fed back to Mr McKinley.

At this juncture, Ms Hoy left the meeting at 4.18pm.

6.0 ITEMS FOR NOTING

6.1 DIRECT AWARD CONTRACTS UPDATE

Members noted the tabled Report on **Procurement Direct Award Contracts** alongside information on DACs approved from 16 January 2024 to 10 September 2024 (**SET/AC/45/24)**.

Mr Brady referred to the HPMA sponsored Conference for Non-Executive Directors serving on HSCNI Boards held yesterday at which there had been a presentation given by the Comptroller & Auditor General (NIAO) in which certain ongoing concerns were highlighted in terms of the number, duration and value of DACs across HSCNI. **Mrs O'Hagan** added this had been an issue across the region for many years which had arisen, in her view, from a lack of oversight. **Mrs O'Hagan** stated it was positive to know it was very much on the agenda as it should strengthen probity and financial controls. **Mrs O'Hagan** wished to record the important work undertaken by Ms

Campbell and her team in recent years to significantly improve SET's own position with regard to DACs.

6.2 SEHSCT MID-YEAR ASSURANCE STATEMENT 2024/25

Members noted a verbal update from **Ms Campbell** who advised the draft Statement was being finalised to present to EMT on 8 October 2024 before submission to DoH on or before 11 October 2024. **Ms Thompson** advised the draft would be circulated to NEDs for input prior to submission.

7.0 REPORT FROM INTERNAL AUDIT

7.1 SEHSCT AUDIT COMMITTEE PROGRESS REPORT 2024/25

Members received, for discussion, the Committee Progress Report (**SET/AC/46/24**).

Mrs McKeown referred to the Key Performance Indicators listed and thereafter to Page 5 thereof which detailed the findings of the **Payments to Staff Audit** noting Satisfactory Assurance for Payments to nursing staff within the Unscheduled Care, Medicine & Cancer Directorates as well as general payroll controls Trust wide including in Retained Trust Finance and a Limited Assurance with respect to the Management of Enhanced Shift Payments (ESPs) to nursing staff.

Mrs McKeown highlighted improvements in Staff in Post check compliance which had previously been a limited factor. **Mrs McKeown** explained that, in relation to Enhanced Shift Payments, a total of £2.247m had been incurred in the five month period ended 31 March 2024 and its usage was being monitored by the Trust's internal AROG on a regular basis. However, **Mrs McKeown** advised of a lack of evidencing prior approval for such payments and referred to four instances identified of senior ward staff with health roster administrator rights retrospectively designated a bank shift they worked themselves as an ESP shift. **Mrs McKeown** stated this matter required further consideration and also referred to the practice of Ward Managers undertaking bank/EPS shifts on their own wards. **Mrs McKeown** added that, whilst SET had determined a need for this, segregation of duties controls and approval processes required enhancement.

Mr Brady asked what the authorisation process was and **Ms Thompson** explained the current protocol which she agreed required amendment adding it was being reviewed to determine a more workable option. **Ms Campbell** explained steps to tighten controls recently including the need to complete mandatory training or authorisation rights would be removed.

Mrs O'Hagan commented she felt there was a lack of audit trail with respect to ESPs which created the potential risk for inadvertent or direct fraud. **Mrs O'Hagan** asked what EMT's plan was for moving away from ESPs as it appeared to incentivise certain work patterns. **Ms Thompson** stated there was a longer term strategy to bring its use to an end with a programme of work being developed through an internal nursing utilisation workstream.

Mrs O'Hagan replied she felt this was the basis for a better strategy moving forward.

Mrs McKeown then gave an overview of her findings in respect of **Financial Assessment 2023/24** which she considered positive having achieved a Satisfactory level of assurance. **Mr McKinley** stated this was an example of an area in which processes were being followed consistently.

Mrs McKeown provided a summary of the **Service Users Monies in Independent Sector Nursing Homes 2024/25 Audit** having achieved a Satisfactory level of assurance. **Mrs McKeown** explained five homes were sampled alongside Trust monitoring processes with no significant findings identified. **Mrs McKeown** also referred to Page 21 thereof outlining the results of the regional audit approach which had sampled 37 independent homes across 5 HSC Trusts.

Mrs McKeown presented the **Management of Point of Care Testing (POCT) 2024/25 Audit** at Page 26 thereof and advised of a Limited level of assurance found with four significant findings identified. **Mrs McKeown** explained this was on the basis the POCT governance and reporting structure required strengthening as there had been no regular reporting of related issues within the Integrated Governance & Assurance Framework. **Mrs McKeown** also advised the POCT Committee had not formally met during 2023/24. **Mrs McKeown** summarised each finding highlighting the potential risks associated with the lack of ongoing external quality assurance testing in terms of ensuring medical devices are functioning correctly.

Mr Brady asked why the POCT Committee had not met during 2023/24 and **Ms Thompson** advised many of those involved with the Committee were heavily involved with the implementation of the new Encompass system. **Mrs McKeown** added there was also an issue with respect to where the POCT Committee reported into and **Ms Thompson** replied this would be rectified to ensure it reports to the Medical Devices Committee in future.

Mr Brady stated this Audit concerned him the most due to the potentially serious consequences where devices were giving incorrect readings. **Mr Brady** asked for an action be taken to ensure the Committee keeps a close eye on this area. **Mr McKinley** asked which Directorate did this area sit and **Ms Thompson** replied it fell under the Surgery, Elective Care, Maternity & Paediatrics Directorate. **Mr McKinley** advised he would ensure this was also reviewed in due course by the Governance Assurance Committee.

Mrs O'Hagan stated it was not common place to see poor outcomes relating to medical devices so it could well be an under-reported area of risk. **Mrs McKeown** added the team responsible would run a programme of audits ordinarily but this was not taking place currently due to capacity issues so this had been identified as part of her Priority 1 recommendation alongside the need to record such incidents on Datix.

Mrs McKeown then presented the **Absence Management 2024/25 Audit** findings at Page 40 thereof which had achieved a Limited level of assurance.

Mrs McKeown recognised good work being driven by HR business partners in terms of training and processes but highlighted three significant findings.

Mr Brady and **Mr McKinley** expressed disappointment that only 21% of line managers had completed the 'Managing Attendance' training as at June 2024 though it was noted this was not classed as mandatory. **Mr McKinley** also noted concern that Return to Work interviews were not consistently performed or recorded on HRPTS with no corporate oversight of compliance with the requirement to conduct Return to Work interviews.

Mrs O'Hagan advised Absence Management was a focus for the People & Culture Committee which afforded an opportunity to seek assurance from senior leaders on how they were addressing such issues. **Mrs O'Hagan** stated there was evidence of a marked reduction in overall absence over recent years which DoH had recognised. **Mrs O'Hagan** welcomed the findings as a means to help narrow the Committee's focus on key areas which could drive further improvement adding she had asked for this to be added to the agenda at the next meeting.

7.2 BSO SHARED SERVICES AUDIT REPORT

Members received, for discussion, the aforementioned briefing (**SET/AC/47/24**) with **Mrs McKeown** advising of a Satisfactory level of assurance in respect of the Accounts Payable Shared Services Centre.

7.3 SEHSCT MID-YEAR FOLLOW UP ON OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS 2024/25

Members received, for discussion, the tabled Report (**SET/AC/48/24**) with **Mrs McKeown** summarising that, during September 2024, her team had reviewed the implementation of accepted outstanding Priority 1 and 2 recommendations where the implementation date had now passed.

Mrs McKeown reported 118 (68%) of the 174 recommendations examined were now fully implemented with 55 (32%) partially implemented and 1 (1%) not implemented. **Mrs McKeown** stated that, from the 115 recommendations reviewed in this follow up, 54 (47%) related to significant findings which caused Limited or Unacceptable assurances to be provided and of these 14 (26%) were fully implemented and 39 (72%) were partially implemented during this follow up period (April to September 2024). **Mrs McKeown** also updated on progress made in relation to Cyber Security recommendations.

Mrs O'Hagan sought to clarify the use of the term 'implementation date not passed' as she was concerned this might reduce the period of time available for the Committee to react where actions had not yet been fully implemented particularly in respect to recommendations relating to Medical Job Planning. **Mrs O'Hagan** commented SET could not afford insufficient progress in this area and she was not confident what was being presented told Members much in terms of progress made to date. **Mrs McKeown** explained the use of the phrase was Internal Audit terminology and perhaps did not merit being

stated within the Report as her team would not have sought an update unless that date had passed.

Mr Brady stated he agreed with Mrs O'Hagan as Members could identify the date by which actions should be taken but not at what stage each was at before the implementation date following due. **Mrs O'Hagan** suggested it might be beneficial for the Committee to review at the mid-year point so Members were not surprised at a later stage. **Ms Campbell** referred to an ongoing recruitment process for a new member of staff to assist with this work which **Mrs O'Hagan** welcomed. **Mr McKinley** stated this would be a good approach by exception to understanding where institutional blockages might be occurring.

Ms Thompson concluded by advising that, as part of the monthly Finance Focus Group meetings, her team followed up on audit recommendations so it would be possible to collate the information. **Ms Thompson** undertook to review and provide a further update in due course.

7.4 MID-YEAR ASSURANCE STATEMENT 2024/25 FROM THE HEAD OF INTERNAL AUDIT

Members received, for discussion, the tabled Report (**SET/AC/49/24**) which **Mrs McKeown** advised would assist SET's Mid-Year Assurance Statement.

Mr Brady sought an indication what the end-year assurance level might be. **Mrs McKeown** advised it was too early to provide any feedback on what the end-year position might be.

8.0 REPORT FROM EXTERNAL AUDIT

8.1 FINAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2023/24

Members received, for discussion, the tabled Report (**SET/AC/50/24**) and **Mrs Kane** summarised the key matters advising the Comptroller and Auditor General had certified the 2023/24 financial statements with an unqualified opinion without modification.

Mrs Kane referred to the Audit Certificates included at Appendix 2 thereof and advised the Report covered SET Public Funds, Charitable Funds together with Patients' and Residents' Monies accounts. **Mrs Kane** stated the net effect of adjustments on the statement of comprehensive net expenditure and statement of financial position for public funds was £16.2m arising from a net reduction in provisions.

Mrs Kane also advised uncorrected misstatements would increase the spend and reduce the net assets position by £1.322m but there had been no irregular expenditure identified from their audit procedures. **Mrs Kane** concluded by providing a summary of the 8 recommendations – of which there was 1 Priority 1, 4 Priority 2 and 3 Priority 3 matters - alongside management responses which indicated all the recommendations had been accepted with target dates set where appropriate. **Mrs Kane** added of the

first 4 recommendations listed were common across all HSC Trusts with the remaining 4 being specific to SET.

Mrs O'Hagan welcomed the final RTTCWG and commented she considered it as a warning to remain on track and not return to last year's position. **Mr Brady** thanked Mrs Kane, Mr Clerkin and their respective teams before acknowledging the need to remain focused on delivering against the recommendations contained in the Report.

9.0 ITEMS FOR ESCALATION

There were no items for escalation.

10.0 ANY OTHER BUSINESS

There were no other items of business raised.

11.0 DATE AND VENUE OF NEXT MEETING

Mr Brady advised the next meeting had been scheduled for Thursday 5 December 2024 commencing at 12 noon at Trust Headquarters, Ulster Hospital, Dundonald though there had been a request received to move the meeting forward one week to Thursday 28 November 2024 at 1.30pm.

Following discussion, Members agreed to canvass availability of Non-Executive Directors not present at today's meeting before confirming arrangements.

Mr Brady declared the meeting closed at 5.07pm.