

AUDIT COMMITTEE

**Minutes of Meeting held on 6th February 2017 at 2:00pm, Boardroom, Trust
Headquarters, Ground Floor, Bretten Hall, Antrim**

Present: Mr Stewart Cuddy, Non-Executive, Chair
Mr Paul Corrigan, Non-Executive Director
Mrs Geraldine McGahey, Non-Executive Director

In Attendance: Mr Owen Harkin, Director of Finance
Mrs Catherine McKeown, Head of Internal Audit
Mr Tomas Wilkinson, Director, Northern Ireland Audit Office
Mr Colin Bryans, Acting Assistant Director of Finance
Mrs Brona McAuley, Financial Services and Financial
Accounting Manager
Mrs Sinead O’Kane, Interim Head of Governance
Mrs Hilda Hagan, Department of Health, HSC Sponsorship
Branch
Miss Karen O’Kane, Administrative Support
Tracey McCaig, Assistant Director of Finance Designate
Maxine Paterson, Interim Head of Shared Services, BSO for
item 4.1
Elaine Schug, Head of Payroll Strategy and Transformation,
BSO for item 4.1

	Action
1. Apologies There were no apologies.	
2. Conflicts of Interest There were no conflicts of interest.	
3. Minutes of the Previous Meetings 3.1.22 nd November 2016: The minutes were agreed as an accurate record of the meeting and would be submitted to Trust Board.	Miss O’Kane
4. Matters Arising 4.1. Payroll Overpayments: Maxine Paterson and Elaine Schug from Shared Services, Business Services Organisation, were in attendance for this item. Mr Bryans began by providing a background to the overpayments issue and the previous audits carried out on the Shared Services payroll function. Maxine Paterson and Elaine Schug then provided a comprehensive update on the current situation with overpayments; the progress	



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made on the recommendations from Internal Audit; the causes of overpayments and the work being undertaken both regionally and by Trusts and BSO. Maxine Paterson noted that it was a challenging situation with both systemic and data input issues causing overpayments and said that there were not any specific risks with the Northern Trust. Trust staff were particularly knowledgeable, which was a benefit given that local knowledge had been lost due to the move to Shared Services. Elaine Schug advised that the reports provided to the Trust were not particularly useful.

There was a considerable discussion around the matter and Audit Committee members raised a number of queries around the responsibility of managers and what the Trust can do to reduce the instances of overpayments. They also noted that the situation was unsustainable and that the number of overpayments continues to increase.

The following was agreed:

- Mrs McAuley to consider sharing information with directors on those teams/areas with specific issues around incorrect data input/late submission of paperwork, etc., and to report back on this at the next Audit Committee meeting.
- Audit Committee members requested an assurance that work would be undertaken on the growth in overpayments and this would also be included in the report.
- Audit Committee recommended that the Trust consider additional local support. Mr Harkin advised that the Trust has already boosted the retained finance staff.

Mrs McAuley

**Mrs
McAuley/BSO
Representatives**

Mr Harkin

4.2. Risk Management: Mrs O’Kane provided a verbal update. The Governance Department had worked with Human Resources to devise a training programme for all staff. It has been piloted with Human Resources staff and would be rolled out to all divisions. A record of the training would be compiled.

4.3. Procurement & Contract Management – Fleet and Transport Contracts: Mr Bryans provided an update on the use of taxis, particularly in Children’s Services, where most of the issues had arose. He met with staff and the responsible Assistant Director to reinforce the manager’s responsibilities. Monthly monitoring and reporting of non-compliance are now taking place and meetings are held with the contractor on a quarterly basis. Staff are now also keeping records of any instances of non-contract use.

4.4. Management of Client Monies in Independent Sector Homes: Mr Bryans confirmed that the situation had improved with regard to management of the client's bank account and he was relatively satisfied. The Trust was not corporate appointee for the client.

4.5. Waste Management: Mr Harkin reported that the recommendations were on schedule for completion.

4.6. Fraud Update: Mrs McKeown had reviewed the Trust's Fraud Update and the only suggestion was to include some information on the value/financial impact of fraud. Mr Bryans added that an internal staff fraud newsletter could be of benefit. A number of cases are due to have come to fruition shortly and this would be an opportune time to develop a newsletter.

Mr Bryans

4.7. Management of On-Call: Mr Harkin indicated that exercises had been carried out in some departments and a report was expected in the next month.

Mr Harkin

5. Internal Audit Business

5.1. Progress Report: Mrs McKeown began by noting that the Estates Audit had been deferred. Audit Committee were in agreement with this decision.

Women, Children and Families Division Risk Audit:

This audit received a satisfactory overall assurance with one priority 1 finding on ASD referrals. All recommendations were accepted.

As an aside, Mr Cuddy mentioned that the summary had not been updated. He also said he would like an annotation that clearly defines the priority weakness of findings, for example, numerical values. Mrs McKeown would consider this as the format for Internal Audit reporting would be reviewed in list of the new level of assurances to be used going forward into the 2017/18 financial year.

Mrs McKeown

Management of Patient Flow – Community Beds 2016/17:

Internal Audit provided a satisfactory overall assurance with one priority 1 finding and three priority 2 findings. Again all recommendations were accepted by Trust management.

ICT Security: User Behaviour 2016/17:

There was one priority 1 finding in respect of user behaviour, which was felt to be in relation to education of staff rather than systemic issues. All recommendations



were again agreed by management. Audit Committee were happy to note the satisfactory assurance in this area.

Non-Pay Expenditure 2016/17:

There was one priority 1 finding on monitoring of contract expenditure. Mr Harkin confirmed that he would continue to work on this area. All internal audit recommendations accepted.

Absence Management 2016/17:

Internal Audit had provided a limited assurance with three priority 1 findings on recording of sickness certificates, under-recording of absence on HRPTS and no evidence that Stage 1 absence meetings were taking place. All recommendations were accepted, with the exception of one on carrying out spot checks which the Trust has requested further time to discuss.

Audit Committee members had a robust discussion on this audit and the underlying issues with absence management and the effectiveness of the current Trust policy on absence. The key message from members was that they were disappointed with the outcome and would wish to have this area reviewed again. Mrs McKeown noted that it would be audited again next year. Members felt that a change in culture was needed and that managers needed to focus on absence management.

Management of Medical Staff:

Whilst this audit received a limited assurance, with one priority 1 finding, Internal Audit noted that there was evidence of improvement in the system for job planning. All recommendations were accepted. Mrs McGahey and Mr Corrigan noted that Trust Board had been kept informed of issues in this area. Mr Harkin added that Mrs McCreedy and Mr O'Reilly were driving the process forward.

6. External Audit Business

- 6.1. Audit Strategy: Mr Wilkinson presented the draft Audit Strategy, which was similar in content and scope to previous years. He drew attention to the draft audit plan and the significant risks that would be tested, in addition, to the usual areas for audit testing. The audit would cover public funds, charitable trust funds, and patient and resident monies. Mr Wilkinson added that the interim audit had commenced and the timetable was to work towards certification of accounts by mid-June. Audit Committee noted the plan.



7. Register of Single Tender Actions

Audit Committee noted the content of the Single Tender Action register.

8. Correspondence:

8.1. HSC(F)DAO/DFP Letters

The list of Finance Circulars received, and action taken by the Trust, was noted.

9. Any Other Business

In response to a query from Mr Cuddy, Mr Harkin advised that the Governance Statement would come to the May Audit Committee meeting, the Whistleblowing Report would be presented in October and that an Audit Committee Annual Report would also be produced.

Miss O’Kane will share a copy of the Audit Committee work plan with Mr Cuddy, as well as details of a training session on Maximising the Value of Audit Committee.

Miss O’Kane

10. Date of Next Meeting

Thursday 11th May 2017 at 2:00pm

Tuesday 13th June 2017 at 2:00pm

Thursday 19th October 2017 at 2:00pm

Thursday 8th February 2018 at 2:00pm