Northern Health and Social Care Trust

Audit Committee
Minutes
15th June 2022 at 9:30am, Via Zoom

Present:
Mr Paul Corrigan, Non-Executive Director Chair
Mr Billy Graham, Non-Executive, Director
Mr Glenn Houston, Non-Executive Director

In Attendance:
Mr Owen Harkin, Director of Finance
Mrs Nuala McAuley, Assistant Director of Finance
Mr Kevin McMahon, Director of Surgical Clinical Services
Ms Megan West, future Assistant Director of Governance
Mr David Charles, Internal Audit BSO
Mr Stephen Knox, Northern Ireland Audit Office
Ms Laura Murphy, Northern Ireland Audit Office
Miss Eimear McGarry, BSO Regional Accounting Trainee
Ms Carol Blee, HSC Sponsorship Branch
Mr John McKeown, HSC Sponsorship Branch
Miss Sharon Hogg, Admin Support

	ACTION
1. Apologies Apologies were noted from Catherine McKeown, Internal Audit BSO, Sinead O'Kane, current Assistant Director of Governance.	
2. Conflicts of Interest There were no conflicts of interest declared at the beginning of the meeting. Mr Corrigan asked should any arise please make it known through the course of the meeting.	
3. Minutes of previous meeting: **3.1. 25th May 2022** The minutes of the meeting 25th May 2022 were agreed as an accurate record.	
4. Matters Arising The action log was discussed and updated as appropriate with actions closed off. **5. Visit by Directors – Internal Audit Reports** - **Payments to staff 21/22**	

Mr Corrigan welcomed Mr McMahon to the meeting to provide an update on Payments to Staff 21/22 audit recommendations. Mr Corrigan spoke firstly on the background. Mr McMahon thanked the Committee for the opportunity to come and discuss the recommendations from the report. Mr McMahon took the Audit Committee through the report and noted a number of the recommendations that are currently ongoing but advised that all Actions were being addressed and confident they would meet the deadlines. At this point Ms West joined the meeting. Mr Corrigan welcomed her to Audit Committee and confirmed that she would be replacing Mrs O'Kane at future meetings. Mr Graham enquired on what has been the general reaction from Management and Trade Unions to the Management of Change process. Ms West confirmed that both Management and Trade Unions have welcomed getting the process in place and highlighted the benefit this would have on management of the functions once achieved. A meeting with Trade Unions is scheduled for Friday 17 June. Mr Houston said it was important to set down a marker on how work has progressed and in year work in respect of payments to staff will be covered by a review of this business area.	
It was agreed that Mr McMahon would attend the next Audit Committee in October for a further update plus Mr Charles is to arrange a mid-year update to follow up on the recommendations discussed at today's meeting.	**Mr McMahon/ Mr Charles**
Audit Committee noted a substantive audit would take place later in the year as more testing is still to be done. Mr Corrigan on behalf of Audit Committee thanked both Mr McMahon and Ms West for their detailed update. Audit Committee are now requesting a focus on the recommendations highlighted within the audit. - **ICT Systems Report 20/21 – Abacus Update** Mrs McAuley reported on this by sharing her screen with Audit Committee. She confirmed that 6 issues have been looked at. The system is due to go live on 27th June. Mr Graham raised the issue of systems management and the need for assurance re the integrity of the wider Trust infrastructure, in light of this case. Mrs McAuley replied in respect of Abacus the project group is looking at how responsibilities could be apportioned to	

provide this assurance albeit that resources were an issue as some of this role apparently had not been performed before. Mr Corrigan asked if there were clear lines of responsibility and will the Trust get the right interface between Finance and IT going forward. Mr Harkin mentioned that the Encompass programme should be able to capture any issues and would be happy to discuss with Mr Martin in the meantime.	**Mr Harkin**
6. Internal Audit Business **6.1 Internal Audit Annual HSC Report** Mr Charles on behalf of Mrs McKeown presented the Internal Audit (IA) Annual report to Audit Committee. Mr Charles explained that IA compiles a general annual report across the HSC each year and that today's report summarises the performance and outcome of IA activity in the HSC during 21/22. IA produced 187 reports in 21/22 however did not meet its target of issuing 85% of draft reports within 4 weeks of fieldwork completion. The key objective of the service is to ensure the delivery of the IA annual plans to all client organisations. Despite resource challenges and impact of covid in 21/22 this objective was achieved. The majority of assurance opinions provided across the HSC in 21/22 were satisfactory (51%) and a comparison was provided of assurances in the last 3 years across HSC reports. A summary of the most common areas of limited and unacceptable assurances in 21/22 are - Contract Management 29% - Corporate Governance elements 13% - No of Priority 1 Recommendations In terms of follow up the rate of outstanding recommendations across HSC at year end in the last 3 years is - 80% of recommendations reviewed were fully implemented. - 19% partially implemented - 1% not implemented. Mr Corrigan felt this was a good report overall, and highlighted some work still to be done on the spread of assurances provided in 21/22. Mr Harkin commented that although it has been a challenging year for us all across the HSC and whilst limited assurances opinions were issued in 21/22 the Trust should be in a better position to report the performance and outcome of IA activity during 2022/23.	
7. BSO Annual Assurance Letter 2021/22	

Mr Harkin reported there was nothing in particular for the Trust to note or action. These processes, procedures and governance arrangements are ongoing and this letter is the usual standard document issued to all HSC Trusts.	
8. Draft Annual Report and Accounts, Consolidated & Charitable Trust Funds – for recommendation to the Board. Mrs McAuley confirmed that Audit Committee have already seen the draft version of this report. A very rigorous review was initially carried out with all comments reviewed at last Friday's Audit Clearance meeting. Mrs McAuley had nothing further to bring to Audit Committee's attention today as she has already summarised the process. Mr Houston commented that the report looks well. He queried on one matter with Mrs McAuley in relation to a narrative amendment that this should be discussed with Trust Board during the confidential session next Thursday. Audit Committee confirmed they were happy to recommend the accounts to Trust Board next Thursday.	
9. External Audit **9.1 Draft Report to Those Charged with Governance (RTTCWG)** Mr Knox presented the report to Audit Committee. He wished to pay thanks to Mr Harkin and his staff for their assistance during the audit process. Mr Knox highlighted one outstanding item in relation to the evidence to support the Clinical Excellence Contingent Liability. A meeting was held with the Department of Health to review this before the final audit opinion can be decided. Mr Houston wanted to be clear on 3 points subject to the CEA issue. 1. Adjusted Misstatements – Mr Harkin advised these were similar to other Trusts and that we would not be adjusting at this stage. 2. Letter of Representation and 3. Audit Certificate. Mr Houston asked if the Management Response to the findings arising from the audit need to be completed imminently. Mrs McAuley has already started drafting management responses but is awaiting the final RTTCWG. It was agreed that these would be presented to Trust Board at a later meeting in September 2022. Audit Committee to note and action. Mr Harkin thanked Mr Knox and his team for their assistance this year.	**Mr Corrigan**

Mr Corrigan commented, although some work is required to finalise the report, overall a sound, robust report so far. He also, on behalf of Audit Committee, thanked Mr Knox and his team.	
10. Audit Committee Annual Report Mr Corrigan advised that this report was presented at the last Audit Committee meeting and comments reflected in the summary of last year's work. Audit Committee approved the report for Trust Board next Thursday.	
11. Pharmacy Direct Awards Update This paper was primarily for noting – Mrs McAuley advised this was only a reflection of New Guidelines and that the Trust is demonstrating risk based compliance.	
12. Fraud update **12.1 NIAO Internal Fraud Risk Guidance** As this was only an update on recent guidance, Mrs McAuley had nothing further to bring to Audit Committee at this time. Mr Graham asked about the circulation of this and is the Northern Trust abiding by the guidance. Mrs McAuley confirmed that Financial Governance are reviewing this in detail and that Fraud training is to be arranged with a number of training packages.	
13. Any other Business Ms Murphy passed on apologies from Neil Gray. Mr Gray was unable to attend due to connection issues.	
14. Date of Next Meeting **13th October 2022, 9am** Mr Corrigan hoped that the next meeting can move to a face to face or Hybrid Meeting. This is to be kept under review.	**Mr Corrigan**