Northern Health and Social Care Trust

Audit Committee
Notes

Wednesday 18th October 2023 at 2pm
Hybrid Meeting Boardroom Trust HQ/MS Teams

Present: Mr Paul Corrigan, Non-Executive Director (Chair)
Mr Glenn Houston, Non-Executive Director

In Attendance: Mr Owen Harkin, Director of Finance
Mrs Nuala McAuley, Assistant Director of Finance
Mrs Catherine McKeown, Internal Audit BSO
Mr David Charles, Internal Audit BSO
Mr Stephen Knox, Northern Ireland Audit Office
Ms Megan West, Assistant Director of Governance
Mrs Carol Bee, Internal Audit BSO
Mr Alan Campbell, Financial Governance, NHSCT (observer)
Mrs Una McKenna, Financial Governance, NHSCT (observer)
Mr Ruairi Pollock, Financial Assessments, NHSCT (observer)
Dr Petra Corr, Director of Mental Health, Learning Disability and Community Well Being Services
Ms Christine Hagan, ASM, Chartered Accountants
Mr Tom Wilson, Internal Audit (observer)
Ms Carol Bee, DoH Sponsorship Branch
Mrs Karen McWatters, HR Manager, Human Resources
Miss Colette Carey, Office Manager

1.	**Welcome & Apologies** Mr Corrigan formally welcomed everyone to the meeting. Special welcome to Christine Hagan, ASM, Carol Bee, DoH and Tom Wilson. Apologies noted for Colette Kane, Director, Northern Ireland Audit Office and Mrs Jacqui Reid, Director of Human Resources.		**ACTION**
2.	**Conflicts of Interest** There were no conflicts of interest declared at the beginning of the meeting. Mr Corrigan asked members to make him aware of any conflict of interest and commented that should one arise during the meeting to make it known.		**All**
3.	**Minutes of the Previous Meeting**		
	3.1	The minutes of the meeting of 19th June 2023 were agreed an accurate record and approved by the Committee.	
4.	**4.1**	**Action Log**	
	The action log was discussed and the updates noted by the Committee.		

	4.2	**MCA Minutes 09.01.23** MCA minutes noted by the Committee.	
	4.3	**MCA Minutes 13.02.23** MCA minutes noted by the Committee.	
5.	**Terms of Reference (ToR)**		
	5.1	**Audit Committee** ToR approved by the Committee.	
	5.2	**Audit Steering Group** ToR approved by the Committee.	
6.	**Directors/AD Presentation** **6.1.1 Oversight of Muckamore Abbey 23-24 Report** Mrs McKeown noted a limited level of assurance and advised IA identified weakness in the oversight of the implementation of the 63 recommendations set out by the Trust Assurance Group for Muckamore Abbey Hospital (MAH) Leadership and Governance Review. **6.1.2 Directorate Update** Dr Corr advised an oversight group has been established and action plan developed. Dr Corr updated the Committee on the action plan and that themes have been mapped against assurances. Mr Houston enquired about Muckamore Abbeys' planned closure date. Dr Corr confirmed closure is June 2024 and that the Oversight and Working Group aim to close IA recommendations by April 2024. **6.2.1 Independent Sector Homes Clients Monies 23/24** Mrs McKeown advised a satisfactory level of assurance was given for the Management of Client Monies in 7 of the 8 homes and a limited assurance for the Trusts Monitoring Arrangements of Service Users Finances of one home (4 priority 2 recommendations and 1 priority 3 recommendation). Mrs McKeown discussed the scope and objectives of the audit. Mr Corrigan thanked Mrs McKeown and noted the risks associated to the Trust if/when Independent Sector Homes do not follow practice. **6.2.2 Directorate Update** Mrs McAuley noted a number of the recommendations have been implemented and advised that a review is being completed to standardise the annual assessment. **6.2.3 Child Safeguarding – Unallocated Cases** Mrs McKeown noted the above report is presented for information and the level of assurance was satisfactory. Management have accepted the recommendations. Mr Corrigan thanked Mrs McKeown and noted delight of a satisfactory assurance however he advised the Committee that unallocated cases has been a concern and that work has been ongoing to mitigate risk. **6.2.4 Management of Records 2023/24** Mrs McKeown noted the above report is presented for information and the level of assurance was satisfactory. Management have accepted	

	the recommendations. Mr Corrigan noted it was reassuring to the Committee to have a satisfactory report. Mr Houston enquired about the DAC in place with the current storage provider, Mr Harkin confirmed the rationale for the DAC and the costs associated.	
7.	**Internal Audit**	
	7.1 Internal Audit General Annual Report for HSC 2022/23 Mrs McKeown began her report by discussing the executive summary, highlighting that during 2022/23 49% of audit reports across HSC were of satisfactory assurance. Mrs McKeown advised there has been a downward trend in the percentage of satisfactory assurance across the HSC. 2022/23 is the first year in which the percentage of HSC audit reports achieved wholly satisfactory assurance has dropped below 50%. Mrs McKeown acknowledged that action is required to address the current volume of limited assurances across the HSC and the downward trend in the proportion of satisfactory assurance audit assignment opinions. If this trend continues, it will inevitably impact on the Head of Internal Audit's overall annual assurance opinions. Internal Audit advise the following: • Organisational focus on staff training and compliance with controls • Implementation of outstanding recommendations • Utilisation of assurance mapping Mr Corrigan thanked Mrs McKeown for her detailed summary acknowledged concerns around the downward trend of satisfactory assurance. Mr Houston also thanked Mrs McKeown for the key points and the found the benchmark useful. **7.2 23/24 NHSCT Progress Report** Discussed above see agenda item 6. **7.3 Mid-Year follow up:** Mr Charles provided the following key messages to the Committee: Twice a year, at mid-year and year end, Internal Audit follow up on the implementation of priority one and priority two audit recommendations. Mr Charles highlighted the importance that significant recommendations are addressed. Significant recommendations are those recommendations associated with the specific findings in the limited/unacceptable audit reports that impacted on the assurance provided. 41 (40%) of the recommendations followed up in this current mid-year work (not previously been fully implemented in the last follow up exercise in March 2023) are significant recommendations. Out of these 41 significant recommendations: • 11 (27%) are fully implemented. • 30 (73%) of significant recommendations are not fully implemented – all of these are partially implemented.	

	In addition, there are some other significant recommendations from 2022/23 that are not yet due for implementation. **7.3.1 Cyber** Mr Charles provided an overview of the cyber security recommendations. **7.3.2 Main** Mr Charles updated the Committee on the outstanding Internal Audit recommendations, the report identified 242 (78%) of the outstanding 312 recommendations examined were fully implemented and a further 70 (22%) recommendations were partially implemented. **7.4 Internal Audit shared service update note** Mrs McKeown advised the following audits were completed and the outcomes are below: **Accounts Receivable Shared Service Centre (SSAR).** Internal Audit can provide satisfactory assurance over AR shared service; this has been provided on the basis that there are adequate processes which are operating across their range of responsibilities i.e. invoices are raised promptly. Mrs McKeown advised there was active pursuance of debt and that bank reconciliations are performed promptly. SSAR have maintained good relationships with client organisations in order to effectively deal with difficult cases. Mrs McKeown acknowledged there will be a significant impact on SSAR over the next financial year due to the demands of the Equip programme and careful planning will be necessary to manage the anticipated associated increased demands. Mrs McKeown noted there are no significant findings in this report that will impact on the assurance provided. **Accounts Payable Shared Service Centre (APSS)** Internal Audit can provide satisfactory assurance in this audit. Satisfactory assurance has been provided on the basis that there has been no noted deterioration in controls since the last audit and the majority of processes tested are working as designed. APSS have also contributed to the eFinancials v6 upgrade and the initial stages of the Equip programme while maintaining business as usual processing. In providing satisfactory assurance Mrs McKeown noted the large number of findings reported and encouraged management to fully address the recommendations. In particular, the need to strengthen the Business Continuity Plan in a number of areas and would advise that this should be undertaken promptly. IA anticipate that there will be a significant impact on APSS over the current and next financial year due to the demands of the Equip programme and careful planning will be necessary to manage the anticipated increased demands. Mrs McKeown noted there are no significant findings in this audit, impacting on the assurance provided. **7.4.1 BSO Customer Assurance to HSC Trusts 22-23** BSO Final Governance Statement was noted by the Committee.	

	7.5 HIA Mid-Year Assurance Statement Mrs McKeown presented the statement, which was noted by the Committee. **7.6 Internal Audit Charter** The Charter is presented to the Committee for review and approval every 2 years, the previous version was approved in June 2021. The Charter was approved by the Committee.	
8.	**Progress report against Outstanding Internal Audit Recommendations** Mrs McAuley presented an update for the Committee; the Trust have received 6 draft reports to date, 3 of which have been given limited level of assurance, 2 satisfactory and 1 split assurance. Four finalised reports were approved at the Audit Steering Group on the 9th October 2023 a further 4 Audits have commenced but are not yet completed with 2 additional audit due to start shortly. Mrs McAuley advised a total of 32 recommendations were classed as being implemented. Mr Houston enquired about Job Plan progress. Mr Harkin advised the implementation of this recommendation is work in progress; completion of job plans within Directorates remain slow and the Trust are continuing to monitor. Mr Corrigan thanked Mrs McAuley and asked that recommendations continued to be progressed.	
9.	**Draft Mid-Year Assurance Statement Counter Fraud** Mrs West tabled the report, it was approved by the Committee and will be submitted prior to approval by Trust Board.	
10.	**External Audit Items Annual Report and Accounts**	
	10.1 Contracting out of Audit Mr Knox advised the external audit has been awarded to ASM Ltd. Mr Houston took the opportunity to thank the NI Audit Office for their support for the years and noted the handover to ASM Ltd. **10.2 Final Report to Those Charged with Governance** Mr Knox presented the final report to Committee and highlighted six recommendations.	
11.	**Direct Award Contracts**	
	11.1 DAC Update Mrs McAuley provided an update to the Committee, Mrs McAuley advised that additional control and monitoring has been implemented by the Chief Executive Office. **Register of DACs** **11.2** Full register of DACs was made available. There was some discussion around the maintenance of the wind turbine and food produce. Mr Houston enquired about the tender process for estates work. Mr Harkin will feedback to Mr Houston.	***Mr Harkin***
12.	**Counter Fraud Activity**	

	12.1 Fraud Liaison Officer Mid-Year Reports Mrs McAuley tabled the Fraud Report, she referred to annex A and discussed the total number of cases from February 2023-August 2023. Mrs McAuley took the opportunity to thank Mrs McKenna and counter fraud colleagues. Mr Houston thanked Mrs McAuley and her team for the comprehensive report. **12.2: CFPS reports:** Mrs McAuley provided an overview of the following papers: **Travel Expenses** **12.2.1** Mrs McAuley highlighted that the Trust agreed to participate in a review of the current processes and procedures relating to payments of travelling expenses to patients attending hospitals. **Direct Payments** **12.2.2** Mrs McAuley noted there is a regional initiative and the Trust is currently seeking guidance from the DoH. **Job Plans** **12.2.3** Mrs McAuley advised a review of Job Plans has commenced and a working group has been established following audit recommendations.	
13.	**Independent Homes Assurance** **13.1 Independent Homes Visits Update** Mrs McAuley presented the paper to the Committee, she advised 22/23 was the first year of visits post COVID-19. Mrs McAuley advised an annual assurance template is issued to all homes and supported living facilities, if there's a nil return the facility gets a visit. The templates are RAG rated by the Financial Governance team to identify areas of non-compliance. Mr Corrigan thanked Mrs McAuley for her update and noted its good assurance for the Committee.	
14.	**Debtors Position Report Aug 23**	
	Mrs McAuley presented the report, which was noted by the Committee.	
15.	**Salary Over Payments Recommendation** Mrs McAuley provided background on the recommendation from Internal Audit in respect of reviewing governance controls of timesheets to PSSC. Mrs McAuley advised PSSC introduced additional checks prior to finalising each run. The finance team completed a review to determine the volume of overpayments and an analysis was carried out in February 2022 and August 2023. A joint working group was established with HR and a number of information sessions were held with managers. Mrs McAuley asked the Committee to consider closing the recommendations from IA as the Finance team have insufficient resources to implement, Mrs McAuley reassured the Committee that the Finance team will continue to liaise	

	with PSSC to review controls around data input. Mr Corrigan was agreeable to the closure in principle however Mr Houston was keen for further analysis to be completed. IA wished to review the additional controls in their forthcoming audit work.	
16.	**Raising Concerns Report** Mrs McWatters was welcomed to the Committee to present on the Raising Concern Report. Mrs McWatters reflected on the number of concerns raised from 2022 – March 2023 and provided a breakdown by Directorate. Mrs McWatters advised the regional HSC Framework & Model Policy will be launched in due course and a range of events will be held across the Trust. A copy of the report is available on the share drive. Mr Corrigan thanked Mrs McWatters for her update and enquired if any trends have been identified, Mrs McWatters advised there aren't any patterns of concern.	
17.	**Financial Management Board Reporting** **17.1 August Financial Position** Mr Harkin advised the report is submitted to the Committee annually. The report highlights the performance targets, financial plan, savings targets etc. Mr Harkin welcomed any comments**.**	
18.	**Procurement** **18.1 Procurement Board Annual Report March 23** Annual Report presented to the Committee for noting. **18.2 Trust Procurement Board Report** Report presented to the Committee for noting.	
19.	**Circulars Summary** The circular summary report was noted by the Committee.	
20.	**Proposed Timetable for Directors Attendance** Mrs McAuley advised the Committee there are no limited audit reports pending however will review the position over the summer months.	
21.	**Any Other Business** There was no additional business noted by the Committee.	
22.	**Date of Next Meeting** Monday 19th February 2024 at 9am	**All**