

**Minutes of a meeting of the Audit & Risk Assurance Committee
held on Thursday, 15th May 2025 at 9.30 a.m., via MS Teams**

PRESENT:

Mrs L Ensor, Non-Executive Director (Chair)
Mrs M Corkey, Non-Executive Director
Mr A Hughes, Non-Executive Director

IN ATTENDANCE:

Mr S Spoerry, Interim Chief Executive
Ms C Teggart, Director of Finance, Procurement & Estates, SHSCT
Mrs C Cassells, Assistant Director of Finance, Financial Management, SHSCT
Mrs A Rutherford, Assistant Director of Finance for Financial Services, SHSCT
Mrs F Jones, Corporate Financial Accountant, Fraud Liaison Officer, SHSCT
Dr S Austin, Medical Director, SHSCT *(Item 6i only)*
Mr C McCafferty, Director of Children & Young Peoples Services, Executive
Director of Social Work, SHSCT *(Item 7i only)*
Mrs C Reid, Director of Surgery & Clinical Services *(Item 7i only)*
Mrs T Reid, Director of Medicine and Unscheduled Care *(Item 7i only)*
Mrs C McKeown, Head of Internal Audit
Ms A Strain, Audit Manager, Internal Audit
Mrs C Kane, Engagement Director, Northern Ireland Audit Office (NIAO)
Ms A O'Doherty, Head of HSC Sponsor Branch, DoH
Mrs S Judt, Board Assurance Manager, SHSCT
Mrs S McCormick, Committee Secretary, SHSCT (Minutes)

APOLOGIES

None.

1) CHAIR'S WELCOME

Mrs Ensor welcomed everyone to the meeting including representatives from Internal and External Audit and the HSC Sponsor branch. She advised that Dr Austin would join the meeting at 10.15am to speak to agenda Item 6i.

2) **DECLARATION OF INTERESTS**

Mrs Ensor asked members to declare any potential conflict of interests in relation to items on the agenda. None were received and the business of the meeting proceeded.

3) **CHAIR'S BUSINESS**

Mrs Ensor advised that since the Committee last met on 10th April 2025, she had attended the online ALB ARAC Chairs Forum Business Case Workshop on 13th May 2025. Mrs Ensor said she found the presentation helpful as it provided insight into how the business case assessment process is carried out. She felt the training was more relevant for staff responsible for business cases, adding that following the session, she sought feedback from two members of staff from the Southern Trust, who had attended the Workshop and was satisfied that the Southern Trust has a robust system in place.

Mrs Ensor advised of a change to the agenda, in that Item 9 would be deferred to the next meeting and that the governance statement in the first draft annual report and accounts is being revised. A revised Governance Statement was subsequently discussed under agenda item 9 at Ms Teggart's request.

4) **MINUTES FROM THE MEETING HELD ON 10th APRIL 2025**

The minutes of the meeting held on 10th April 2025 were agreed as an accurate record.

5) **MATTERS ARISING FROM THE PREVIOUS MEETINGS**

Members noted the progress updates from the relevant Directors to issues raised at the previous meeting.

Trust Monitoring Visits to Domiciliary Care Providers

Directorate of Legal Services (DLS): advice remains outstanding as priority is being given to the review of the Regional Care Home Contract.

Internal Audit Progress Report (Internal Performance Management) – Finance, Performance and Workforce Committee (FPW)

Mr Hughes advised that since the last ARAC meeting he had met with Ms Teggart regarding evaluating FPW Committee, which would be a staged approach, with the first stage being the In-Year assessment of the Committee in line with the other Committees. Mr Hughes said that following this, Ms Teggart, Mrs Toal and he will undertake work to consider the format and structure of FPW Committee with a view to adopting a more 'drill down' and challenge approach at Committee level. A review of the FPW Committee Terms of Reference with input from key committee members will also take place. Mr Hughes said it was important that members take a collegiate approach to ensure support to Director colleagues whilst being a critical friend. Ms Teggart added the Trust Chair will lead on a review across all committees, the timeframes of which are currently being arranged.

Risk Management Strategy

Members noted the current Risk Management Strategy is under review and it is envisaged a revised document will be available for consideration at the Board Workshop planned for the Autumn 2025.

HSC (F) Finance Circular Log

Ms Teggart advised that in relation to the Corporate Governance in Central Government Departments: Code of good practice NI (2025) circular, work was underway with the Trust's Governance Teams to ensure that the organisation has all the changes in place and an update will be provided at the next ARAC meeting on 23rd June 2025.

7i) INTERNAL AUDIT PROGRESS REPORT 2024/25 (4 REPORTS)

Mrs McKeown presented the IA Progress Report, advising that the 2024/25 audit programme is complete.

Client Monies and Cash Valuables Handling in Social Services

The scope of the audit covered 8 social care facilities across Children's, Mental Health and Disability Services, to test the management of cash at each facility.

Satisfactory assurance is provided in relation to the processes at six of the facilities and unacceptable assurance in relation to two of the Children's Services (Bluebell House (BH) and Cedar Grove (CG)). Record keeping at both facilities was unsatisfactory in relation to cash handling and financial processes.

The recommendations have been accepted for implementation in line with agreed timeframes.

Mr McCafferty was in attendance to update on progress post audit and advised that priority was being given to ensure that the audit recommendations are being implemented and provided supplementary information for assurance stating that this was a management responsibility and that the challenges in recruiting admin support has been resolved for (CG). Recruitment of admin support for (BH) is ongoing.

Mr McCafferty confirmed that all the discrepancies raised in (CG) in relation to documents that were not available at the point of inspection have been addressed satisfactorily. The staff recruitment issues at (BH) are ongoing and in the interim, managers are monitoring progress on any outstanding recommendations.

Mrs Ensor asked if the implementation date of August 2025 on the management of monies at (BH) would be met, to which Mr McCafferty confirmed he was confident it would. In her role as the Non-Executive Director assigned to (CG), Mrs Corkey said she very much welcomed the supplementary paper provided by Mr McCafferty and the context it provided in terms of admin recruitment challenges. She added that she had recently visited the facility and whilst acknowledging the outcome of the review was disappointing, said she had witnessed first-hand the pressure staff are under, but was reassured from a strategic point of view that some changes have already been implemented. Mrs Corkey said there is a clear commitment from staff to progress improvement work speedily and she would be revisiting (CG) in the future and will continue to have conversations with staff at a strategic level.

Ms Teggart referred to staff turnover and stated that new staff must be trained in financial procedures and suggested that it may be beneficial for the finance department to carry out spot checks at the two facilities. Mr McCafferty welcomed this.

Mr McCafferty will provide an update to ARAC on the August 2025 implementation deadline.

Action – Mr McCafferty

Mr McCafferty left the meeting at this point.

Management of Patient Journey: Management of Outpatients (including virtual clinics)

Satisfactory assurance was provided on the Management of Outpatient Clinic appointments in Cardiology, Rheumatology and Gynecology.

Limited assurance was provided in relation to Management of Outpatient Appointments and Triage Management in General Surgery. One significant finding was identified in relation to delays in the completion of the General Surgery Rota which resulted in patients not being booked using the partial booking process and can result in patients being booked out of chronological order. Triage in General Surgery is not always completed in a timely manner. Seven Priority 2 recommendations were identified. Management have accepted all recommendations for implementation in line with agreed timeframes.

Mrs C Reid was in attendance to update on progress post audit and acknowledged the Limited assurance over Outpatient Appointments and Triage Management in General Surgery was disappointing. Assurance was given that progress has been made on the recommendations and rigorous timeframes for implementation have been put in place. Addressing the significant findings in terms of the Rota not being made available, this is now available 6 weeks in advance and has had a positive impact. Two recommendations with June 2025 implementation dates are complete. Mrs C Reid said there is a commitment to drive forward improvement and work is progressing with the Trust Informatics teams in relation to triage times in terms of Day 1 and Day 3 to ensure timelier triage.

Mrs C Reid said she was working closely with the Assistant Director for General Surgery and the Assistant Director for Outpatients on improvements and would share Trust wide learning in terms of the outcome of the Internal Audit report and advised that a reminder memo has been circulated to all consultants in relation to triage within 3 working days.

Mrs Ensor referred to the upcoming timeframe of June 2025 and asked Mrs C Reid if she was satisfied that the recommendations will be implemented. Mrs C Reid confirmed two recommendations are now implemented with a further recommendation nearing completion. Mrs C Reid appreciated the valuable input from the IA team over the past year, as they helped her Directorate with reports and implementing recommendations. She expressed special thanks to Mrs A Strain.

Mrs Ensor expressed appreciation to Mrs C Reid for providing a clear update.

Mrs C Reid left the meeting at this point.

Safeguarding of Boarded Patients – Limited Assurance

This is the first internal audit of this activity. Mrs McKeown advised that Limited assurance was provided on the basis that boarded/trolley wait patients risk assessments were not always being completed and patients were waiting in both Craigavon Area Hospital (CAH) and Daisy Hill Hospital (DHH) Emergency Departments (ED) for a period more than 36 hours. Mrs McKeown acknowledged the Trust is managing this issue through an extreme risk on the Corporate Risk Register (CRR). Two significant findings, Four Priority 2 and One Priority 3 recommendations were identified which have been accepted for implementation in line with agreed timeframes.

Mrs Ensor referred to a paper presented to the Trust Governance Committee in December 2024 regarding ED overcrowding. She emphasized the importance of ensuring that the appropriate level of information on the CRR is communicated to the ARAC. She stated that the proposed work to review Trust Board sub-committees may lead to improvements.

Mrs T Reid acknowledged that the outcome was disappointing and referred to significant pressures in both EDs and wards at both Acute hospital sites. She thanked IA for their support during the audit exercise and expressed concern that formal risk assessments had been conducted for 'boarded' patients in only two of the four wards visited. She mentioned that the patient flow team and ward sisters are fully aware of the issue and will be reinforcing with staff the necessity of carrying out risk assessments for these patients. Additionally, she is working with colleagues to build a function into Encompass to facilitate easier completion of risk assessments by ward staff. For reassurance, she advised that if the ward sister feels a patient is not suitable for corridor care, there is an escalation process, and a core bed identified. Mrs T Reid also recognized the distress caused by managing patients in facilities not designed for ward-based care within the ED on a daily basis. Action plans are in place and will be further developed to mitigate these issues.

Members were informed that support is available for staff through the Trust Psychology Team, and wellbeing events are planned to be held within the ED and ward departments.

Mrs T Reid referred to the lack of side room provision on wards across the Southern Trust, and therefore on occasions, patients are managed in the ED longer because the upgraded ED has the provision of single cubicles to mitigate against infection risks. Referring to 2.1 and the monitoring of incidents, she reassured members that despite challenges, staff are regularly encouraged to report incidents in relation to overcrowding and these are monitored through the Medicine and Unscheduled Care (MUSC) Governance meetings and that she was engaging with the Emergency Planning Team (EPT) in relation to recommendations in section 4 Mrs T Reid reassured members improvements were in process and thanked Internal Audit for their support.

Referring to finding 4 regarding bed management, Mrs Ensor inquired about the utilization of additional beds, which were reported to be higher on weekends, and questioned weekend discharges. Mrs T Reid explained that facilitating discharges efficiently requires a full multi-disciplinary team on site; however, the Trust is currently not funded for 7-day working. She mentioned that the timely care project is examining patient flow overall, with ongoing efforts to further support weekend discharges. Mr Spoerry discussed a structured initiative currently in progress to evaluate the costs and benefits of transitioning to 7-day working across these services, considering the challenges within the existing budget.

Mrs T Reid left the meeting at this point.

Governance & Assurance Function – Follow Up Advisory Report

Mrs McKeown reminded members that following agreement from ARAC a substantive follow up audit on the recommendations made in the 2022/23 Contract Management Governance and Assurance Function Advisory Report was carried out. A review of the Trust's preparation for the implementation of the new Public Procurement Act 2023 which came into force in February 2025 was undertaken. Mrs McKeown said that the Trust's Contracts Management Governance Team continues to work with contract owners and provides training in relation to contract management. In unsupported contract areas, however, a risk remains that contracts may not be consistently managed in line with the minimum standards. An up-to-date formal contract register is not in place for

oversight of contracts. There is a risk that these are not managed effectively, and significant work is required to give assurance. Mitigations are in place to manage the risk, and it was noted that 11 (79%) of the 14 recommendations made in the 2022/23 report have been implemented. The remaining 3 recommendations are partially implemented. Mrs McKeown advised on the action required on the 3 remaining recommendations.

Mrs Ensor shared her concern about the systems for the management of contracts. Ms Teggart advised on work that has taken place regarding the expansion of the contracts oversight team and the training programmes, advising that the contract management responsibility lies with the contract holder who should actively seek training to competently manage the contract. An issue concerning compliance within those responsibilities has been raised outlining some of the details, advising that regionally in terms of software or a database that would report, monitor and reflect the stages of contract management has been discussed at the regional procurement board as an action to progress.

Mrs Ensor appreciated the details provided by Ms Teggart and acknowledged the existence of a training system. However, she stressed the importance of addressing the issues promptly and ensuring continuous improvement.

7ii) **BSO SHARED SERVICES SUMMARY REPORT**

Mrs McKeown presented the BSO Internal Audit Shared Services Summary report and members noted the assurance provided by IA in respect of the shared service audit as follows:-

Payroll Service Centre – **Satisfactory**

Recruitment Shared Service Centre (*Substantive follow up of previously agreed recommendations*) – **Satisfactory**

Mr Spoerry inquired about the quantification of overpayments. Mrs McKeown indicated that she did not have the figures available now but assured that the tracking is managed. Mr Spoerry mentioned the financially challenging year ahead and questioned whether this area merits additional attention. Ms Teggart noted that overpayments are still occurring across the HSC and outlined the established processes for identifying, calculating, and recovering these amounts. She also agreed to provide the overpayments figure.

Action – Ms Teggart

Dr Austin joined the meeting at this point.

Mrs Ensor invited Dr Austin to provide an update on outstanding IA recommendations within the Medical Directorate. Dr Austin said that at the year end point the Medical Directorate had made significant progress, with 90% of recommendations from the previous year now closed, noting a substantial number of these were not directly actionable by the Medical Directorate. Some IA recommendations from the previous year are not fully implemented, good progress is being made, and work is progressing on IA recommendations made in 2023/24. Dr Austin said there had been helpful dialogue with the services throughout the process and with Internal Audit colleagues.

In relation to IA assignments associated with the Medical Directorate that are included on the plan for 2025/26, progress has been slow due to the implementation of Encompass, however Dr Austin said he envisaged staff picking up this work again over the coming weeks. In conclusion, he said there was a better understanding of progressing these recommendations with the services and understanding they need to be completed and he spoke of the improved process in the medical directorate to ensure a strong oversight and said he would expect improvement to continue over the coming year.

6) RISK MANAGEMENT

i) Corporate Risk Register Update

Dr Austin referred to the briefing paper included within members packs which sets out the position of the management and oversight of the Trust CRR from a Board and Senior Leadership Team perspective. He advised that the paper was presented in May 2024 when previous committee members were in place, and it sets out the principles of how they envisaged the CRR would be managed by the Governance and Audit and Risk Assurance Committees.

Moving forward, Dr Austin said that a Board level Risk Appetite workshop would be convened in quarter 3 2025/26, which will include discussion relating to respective Trust level committee's role in risk management oversight to ascertain whether the previous suggested way forward remains a suitable arrangement or if adjustments are required.

Dr Austin referred members to the copy of the CRR included within their papers for information and noted there has been ongoing active risk management by SLT of the corporate risks. The Risk Register has been discussed by the SLT Risk and Assurance Group on two occasions since the last Governance Committee meeting on 27th February 2025.

There are currently 31 corporate risks: 8 medium, 15 high and 7 extreme. There were no new risks or de-escalated risks recorded on the CRR since it was last reviewed by the Trust Governance Committee on 27th February 2025.

Mr Hughes inquired about the location of the set definitions for the CRR currently being utilized by the organization. Dr Austin referred to the risk matrix table and explained the risk approach presently being followed. He suggested that this line of discussion would be beneficial to continue at the risk workshop in the Autumn, where he could present a risk framework regarding the severity of risks to facilitate the discussion.

Mrs Ensor questioned why 'Urology Services,' despite having a low rating, remained on the CRR. Dr. Austin responded by referencing the criteria and the various interpretations of risk. Mr Spoerry emphasized the importance of considering the categorization and description of risks. He noted that although a 'Lookback Exercise' has been conducted and there is no significant risk to patient safety, there remains an ongoing reputational risk to the Trust. Therefore, in his opinion, it should continue to be included on the CRR.

Mrs Ensor thanked and welcomed the update provided by Dr Austin.

Dr Austin left the meeting at this point.

7iii) HEAD OF INTERNAL AUDIT ANNUAL REPORT

Mrs McKeown referred to progress on Key Performance Indicators from prior year and welcomed the excellent progress the Trust made in improving the timeliness of responses to IA audit reports with 85% of IA reports receiving management comments within the targeted 4 weeks and 72% of reports turned around in 5 weeks. She said that of the 22 IA assignments conducted, 13 received Satisfactory assurance, 4 received Limited assurance and 5 received a hybrid assurance rating.

Overall for the year ended 31 March 2025, she could provide Satisfactory assurance on the adequacy and effectiveness of the organisations framework of governance, risk management and control, on the basis that during the 2024/25 financial year the majority of audits carried out were satisfactory, acknowledging the extensive work undertaken across all Directorates to implement 90% of the outstanding P1 and P2 recommendations by year end and address the Limited assurance last year.

8ii) **CONSIDERATION OF LOSSES FOR WRITE-OFF**

Mrs Jones presented the Statement of Losses and Special Payments for the year ended 31 March 2025 noting the quantum of Clinical Negligence Compensation Payments (141 cases) 2024/25 amounting to c£7.316m. This is a decrease from the prior year sum of c£10.655m against 109 cases. Payments more than £250k were made/are due in relation to 3 clinical negligence cases.

Mrs Jones advised on the reason for write off of the bad debt totalling £187k, including Financial Assessments Debt of £123k, predominantly made up of debt which the Trust debt panel has concluded is irrecoverable or has been uneconomical to pursue.

Members considered Stores Losses and the write-off of expired, damaged and discontinued pharmacy stock to the value of £477k, a decrease of £23k from the prior year. Of the £477k, £199k related to expired stock and Mrs Corkey asked what action can be taken to mitigate against this in the future. Mrs Jones advised expired pharmacy stock is monitored across the region and explained the Southern Trust is well within the tolerance level. Ms Teggart added that the implementation of Encompass should yield improvement in this area in terms of ordering and this should reduce the wastage. She added the issue will continue to be closely monitored and savings improvements considered. Mr Hughes asked about the transfer of high value drugs between Trusts, coming to the end of life. Mrs Jones said reports are shared and transfers of drugs do take place.

Members were content to recommend the Statement of Losses and Special Payments for onward submission to Trust Board for formal approval at the meeting scheduled to take place on 26th June 2025.

Ms Teggart asked that Item 10 would be taken next on the agenda.

10. DRAFT ANNUAL REPORT AND CHARITABLE TRUST FUND ACCOUNTS FOR THE YEAR ENDED 31.3.2025

Mrs Ensor paid tribute to the Finance team for meeting the timelines under challenging circumstances alongside the implementation of Encompass. Ms Teggart concurred with Mrs Ensor's comments and expressed her gratitude to the Finance team for the immense work undertaken.

Mrs Jones advised that during the year income totalling £512k was received, a small decrease of £4k compared to the previous year due to a fall in donations and investment income. £156k was received in donations and legacies compared to £197k in 2023-24. £207k of investment income was received; this was an increase of £5k, when compared to 2023-24.

Mrs Jones advised that expenditure amounted to £671k, a decrease of £134k from 2023-24. This includes governance and support costs for the financial administration of the funds amounting to £102k. Members noted that funding from NHS Charities Together has enabled the Trust to deliver on two projects with funding received during 2024-25 totalling £148k. Mrs Jones stated that £175k is attributed to enabling works for the new Health and Wellbeing Hub on the Bannvale site.

In terms of investment, Mrs Jones reported that the unrealised loss on the investment portfolio of £133k is a 2.4% decrease from the value at the beginning of the year. The market value of £5.3m remains with the Trust holding £1.2m between current and interest-bearing deposit accounts.

Discussion ensued on the fall in donations received. The Interim Chief Executive asked about the Trust's approach to fund raising activity to which Mrs Jones advised that the Trust currently does not have fund raising powers, but that could change subject to registration with the Charities Commission NI (CCNI) and a change of policy at Departmental level. In response to a further question from the Interim Chief Executive on a target date for the Trust's registration with CCNI, Mrs Rutherford explained that four of the HSC Trusts are working with DLS on registration with Belfast Trust having succeeded in obtaining CCNI registration. She stated that hopefully the Southern Trust would be successfully registered within the next 12 months depending on how long the legal processes take. Ms O'Doherty advised that the Belfast Trust had contacted the Department about fund raising powers which, she stated, the Department only has powers to make regulation on but has

never done so. A response was provided to the Belfast Trust including a list of criteria to be responded to before proceeding to Ministerial level for initial consideration.

Mrs Jones drew member's attention to the Annual Report which sets out the various charitable activities during the year and a brief overview of the work of the CTF committee for the period under review. Members noted the detail showcasing several 'Good News' stories demonstrating the generosity of the local community for the support in financial and non-cash donations.

Mrs Corkey, as Chair of the Charitable Trust Funds Committee, stated that the Committee continues to monitor the use and rationalization of Charitable Trust funds and actively promotes the use of Trust Funds across Directorates. She advised that she would be providing more detail at the Trust Board meeting in June 2025 when the draft Charitable Trust Funds Annual Report and Accounts would be presented for approval.

8i) DRAFT ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

Ms Teggart presented the draft Annual Report and Accounts for the year ended 31 March 2025. She referred members to the narrative in their papers summarising the key points to highlight to the Committee in relation to the 2024-25 financial year.

Ms Teggart stated that it had been an extremely challenging year for the entire HSC system. She noted that whilst the Southern Trust had achieved financial break even for 2024/25, with a £106k surplus, this is against a backdrop of significant opening pressures and growth during the year. This break-even achievement made possible through funding for baseline deficits of some £37.6m from the Department of Health, the Trust achieving £22m savings through reduction in spend, alongside staff dedication and commitment and implementation of the RISE (Reform, Improvement, Savings and Efficiencies) programme emphasising that the Southern Trust has worked hard to balance high quality, safe patient care together with increasing demands for our services.

Final RRL net expenditure reached £1,074,004k, reflecting an increase of £54,369k compared to the previous year. CRL expenditure totalled £35,674k, showing a 24.2% growth from 2023-24. The number of processed invoices grew by 12.4%, with 96.39% being paid within 30 days—an improvement of 2.26% compared to the prior year's rate of

94.13%. Staff costs rose by £23,869k, an increase of 3.4%, while staff numbers grew by 165 WTEs, marking a 1.29% rise. Non-pay expenditure saw a marginal decrease of £193k, equivalent to 0.04%. Non-current assets increased by £6M, or 1.4%, and current assets grew by £10M, or 28%. Meanwhile, current liabilities rose by £9.3M, or 4.7%, while non-current liabilities decreased significantly by £38.7M, or 22.3%.

The balance of patients' and residents' accounts stood at £13M as of 31st March 2025, representing an increase of £785k compared to the prior year. As for the next steps, Ms Teggart highlighted several key dates as part of the process for finalising the draft annual report and accounts for public funds and CTFs, which will ultimately be signed off and certified by the Comptroller and Auditor General.

Mrs Ensor praised the Trust for navigating a challenging financial environment and achieving a breakeven outcome in 2024/25. However, she raised concerns about a notable increase in food wastage. In response, Ms Teggart acknowledged this issue, particularly disappointing given the implementation of a food ordering system during the year. She reported that the matter had been discussed at the Governance Committee, leading to the establishment of a Waste Committee to identify ways to reduce food waste.

In closing, the Interim Chief Executive expressed gratitude to Ms Teggart and the finance team for their efforts in meeting the submission deadline for the draft accounts. He also commended Mrs Margaret O'Hagan, the RISE (Reform, Improvement, Savings, and Efficiencies) programme, and all contributors to achieving the £22M savings target.

9. DRAFT GOVERNANCE STATEMENT 2024/25

Ms Teggart requested that the revised Governance statement, as included in members' papers, should be considered at this point. The Interim Chief Executive began by noting that the draft Governance Statement for the year ending 31st March 2025 was submitted to the Department of Health on 2nd May 2025, with feedback having already been received. Further refinements will be made. Ms Teggart then guided members through the Governance Statement's details. She reported that one prior year issue had been resolved, though several others remain under consideration as control issues. Key risks identified included IT and cyber security, as well as ongoing uncertainty regarding the Budget Position and Financial Outlook.

Ms Teggart also emphasised two significant internal control divergences identified in 2024/25, namely in Maternity and Gynae and Haematology services and outlined the measures being taken to address these control weaknesses. At the conclusion, members appreciated the thoroughness of the Governance Statement and the Accounting Officer's assessment of the system of internal control operating within the Trust throughout 2024/25. Members were also reminded that the document is reviewed independently by the Governance Committee and will remain under examination during the Audit process.

11. SHSCT STANDING FINANCIAL INSTRUCTIONS

Mrs Rutherford presented the Southern Health and Social Care Trust (SHSCT) Standing Financial Instructions (SFIs), highlighting that these instructions are a critical financial governance document detailing the delegated financial responsibilities from the Accounting Officer and the Trust Board. She noted that the SFIs were last revised in March 2020 and proceeded to detail the key changes made to the document for the members.

The draft Standing Financial Instructions (SFIs) were presented to the Senior Leadership Team (SLT) on Tuesday, 13 May for deliberation and necessitate regular review given the evolving financial structures. Mrs. Rutherford advised that the SFIs require ARAC approval followed by endorsement from the Trust Board. In her concluding remarks, Mrs. Rutherford indicated that upon approval, the strategy for disseminating and training staff with delegated financial responsibilities will need to be established and implemented in the fiscal year 2025/26.

Mrs Corkey commended Mrs Rutherford and Ms Teggart on the quality of the report and asked if this was consistent across all Trusts and if there were any examples of areas of non-compliance. Mrs Rutherford stated that she was not aware of any staff member failing to comply with the SFIs.

Members approved the SHSCT Standing Financial Instructions.

12. NIAO EFFECTIVE AUDIT AND RISK ASSURANCE COMMITTEES – A GOOD PRACTICE GUIDE

Mrs Kane referred members to the latest Good Practice Guide – NIAO Effective Audit and Risk Committees advising that the Good Practice Guide supplements guidance currently available to combine guidance into one document to be used by Audit and Risk Assurance Committees

(ARACs) within both Central and Local Government in Northern Ireland. The guide draws on insights and learnings from NIAO's attendance at many ARAC meetings across the NI public sector and provides examples of good practice from its own work with organisations in this area.

The guide incorporates several appendices, including a Self-Assessment Checklist, which would be valuable for ARAC Chairs to complete at least annually. In concluding, Mrs Kane advised NIAO are holding an event to launch the Good Practice Guide at their offices on 6 June 2025 and welcomed the attendance of ARAC members.

Mrs Ensor welcomed the guide and said that whilst it was not significantly different from the current NAO toolkit, there was benefit in having a localised version and asked if there was a useable electronic version of the committee self-assessment checklist. Mrs McKeown said it was her understanding a useable version of the self-assessment would be available on the NIAO website imminently.

In conclusion, Mrs Kane advised that the annual audit is progressing well and the outcome will be presented to ARAC on 23 June 2025.

13. HSC(F) FINANCE CIRCULAR LOG

Mrs Rutherford presented a paper detailing the log of Finance circulars received during this calendar year and how these have been distributed in the Trust for appropriate action. Since the Committee last met in April 2025, 2 Finance circulars have been received into the Trust, one in relation to Government Actuary's Department (GAD) factors for use by Arms' Length bodies (ALBs) in calculating provisions for year-end 31 March 2025 and the second in relation to the Global International Internal Audit Standards in the UK Public Sector.

14. FINANCE CIRCULRS

i) HSC(F) 09-2025 – Introduction of new Global Internal Audit Standards(IA) in the UK Public Sector

Mrs McKeown presented the new Global IA Standards(GIAS) in the UK Public Sector circular, issued on 24 April 2025 advising that Internal Audit in preparation have updated its IA Strategy approach document approved by Audit and Risk Assurance Committee (ARAC) at the last meeting in terms of its planning approach.

Members noted that the key difference between the new GIAS and the existing Public Sector Internal Audit Standards (PSIAS) was the inclusion of *essential conditions* for Board (ARAC in UK Central Government) and Senior management oversight and governance of the Internal Audit function.

IA is in the process of refreshing its Charter document for presentation to ARAC, for approval, in October 2025.

Mrs McKeown said that once the IA Charter document has been refreshed, there will be engagement across the region at a Senior Leadership Team (SLT) and ARAC level through facilitating workshops.

15. TRAINING AND DEVELOPMENT

Mr Hughes asked for information on the Accountability and Governance Training being organised the Chief Executives Forum for ARAC members on 5 June 2025. The Board Assurance Manager agreed to follow up and seek further information for members after the meeting.

Action – Board Assurance Manager

16. ANY OTHER BUSINESS

- Feedback on today's meeting

Mrs Ensor asked Committee members if they had any additional comments/feedback to make at the conclusion of the meeting. None were noted.

Mrs Ensor recorded thanks to everyone for their support and commitment to the work of the Committee throughout another financial year and working against an extremely challenging operational environment.

By way of reminder, Mrs Ensor advised that in keeping with good practice procedures, ARAC members will meet Internal and External Audit representatives in closed session prior to the ARAC meeting on 23rd June 2025. The Charitable Trust Funds Committee will also meet to review the draft Annual Report and CTF Accounts prior to the ARAC meeting.

The meeting concluded at 12.30pm