

**Minutes of a meeting of the Audit & Risk Assurance Committee  
held on Monday, 23<sup>rd</sup> June 2025 at 9.30 a.m., in the Boardroom,  
First Floor, Trust Headquarters, Craigavon**

**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, 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  
Mr M Lee, Finance Governance Manager, SHSCT  
Mrs J McConville, Assistant Director of Corporate Planning, SHSCT (Item 13/MS Teams)  
Mrs J McCaw, Assistant Head of Internal Audit  
Ms G Jest, Assistant Head of Internal Audit  
Mrs C Kane, Engagement Director, Northern Ireland Audit Office, NIAO  
Ms C Blee, HSC Sponsor Branch, DoH  
Mr S Wallace, Head of Office, Chair & Chief Executive Office, SHSCT  
Mrs S Judt, Board Assurance Manager, SHSCT  
Mrs S McCormick, Committee Secretary, SHSCT (Minutes)

**APOLOGIES**

Ms C Teggart, Director of Finance, Procurement & Estates, SHSCT

**1) CHAIR'S WELCOME**

Mrs Ensor welcomed everyone to the meeting including representatives from both Internal and External Audit, along with Ms Blee from Department of Health (DoH) Sponsorship Branch joining via MS Teams. Mrs Ensor also welcomed Mr M Lee, recently appointed SHSCT Finance Governance Manager, who would be observing the meeting. She advised

that Mr Spoerry would be leaving the meeting after Item 10 to fulfil another diary commitment.

## 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**

### **- DoH Correspondence – SHSCT 2024/25 Governance Statement**

In relation to the Departmental correspondence dated 15<sup>th</sup> May 2025 regarding the SHSCT 2024/25 Governance Statement, members noted that the revised Governance Statement was included within the final draft Annual Report and Accounts (Item 9i on the agenda), reflecting the matters referenced in the letter from the DoH.

Mr Spoerry welcomed the constructive working relationship between the Trust and the Internal and External Auditors. He added that since joining the Trust in March 2025, he recognizes the importance as Accounting Officer of relying on internal and external audit as a source of verification as to the internal control environment within the Trust.

### **- ALB Audit and Risk Assurance Committee Chair's Forum**

Mrs Ensor advised that she had attended the Accountability and Governance Training organised by the Chief Executives Forum for ARAC members on 5 June 2025 which had been a very useful session. Mr Hughes concurred and added that in relation to risk management and the Corporate Risk Register, counterparts from other Trusts had also raised questions on the role of the Governance/Assurance Committee versus the role of ARAC and he stated that he looked forward to considering this matter further internally at the workshop planned for the Autumn 2025.

### **- Closed Session with Internal and External Auditors**

Mrs Ensor advised that in line with good practice, ARAC members had met in closed session prior to the meeting with representatives from the External Auditors (NIAO) and Internal Audit (IA). She advised that the meeting was informative and helpful.

- **Northern Ireland Accounting Officer Training**

Mr Spoerry formally reported that he had completed his Accounting Officer training on 4<sup>th</sup> June 2025.

4) **MINUTES FROM THE MEETING HELD ON 15<sup>th</sup> MAY 2025**

The minutes of the meeting held on 15<sup>th</sup> May 2025 were approved as an accurate record.

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

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 Report Client Monies and Cash Valuables Handling in Social Services (2 children's services) - Unacceptable**

Members noted an update paper setting out progress post implementation deadline would be provided at the next ARAC meeting on 9<sup>th</sup> October 2025

***Action – Mr McCafferty***

**BSO Shared Services Summary Report – Payroll Service Centre**

Members noted the figures included at item 5b setting out the amounts due in respect of Payroll Overpayments – 31 March 2025.

6i) **INTERNAL AUDIT PROGRESS REPORT 2025/26**

Mrs McCaw presented the IA Progress Report which includes a report summarising progress being made against the 2025/26 Audit Plan. Members noted that 11% of work has been completed to date. One draft report has been issued to the Trust and fieldwork is either completed or progressing across four audit assignments to date.

In closing her remarks, Mrs McCaw advised that IA have engaged with Trust Management in regard to planning work across the various audit assignments scheduled in for 2025/26.

**6ii) BSO INTERNAL AUDIT GENERAL ANNUAL REPORT FOR HSC FOR 2024/25**

Mrs McCaw guided members through the detail presented in the IA General Annual Report of all Health and Social Care (HSC) Organisations for 2024/25, the aim of which is to assist in shared learning across the HSC system. The report summarises the performance and outcome of Internal Audit activity in the HSC sector during the financial year under review. Members noted the key messages in relation to the Southern Trust.

**6iii) BSO DRAFT GOVERNANCE STATEMENT 2024/25**

Mrs Rutherford presented the BSO draft Governance Statement 2024/25 for information. Members welcomed the overall satisfactory assurance provided by the Head of Internal Audit on the adequacy and effectiveness of the BSO's framework of governance, risk management and control and noted the final Governance Statement would be issued at the end of the annual accounting process.

**7) SHSCT INTERNAL AUDIT OVERSIGHT**

Mrs Rutherford presented the item which included two papers previously shared with the Senior Leadership Team Risk and Assurance (SLTRA) Group setting out the Internal Audit programme for 2025/26. Members noted the lessons learned from the prior year, with a proposed approach and internal targets for 2025/26 as well as an opening breakdown of outstanding IA recommendations due in 2025/26.

Mrs Rutherford stated that Directorates would continue to have a specific focus on their IA recommendations and Mrs Corrigan will remain in a supporting role for a period. The IA forum will continue monitoring the RAG status for implementation dates monthly. Building on the progress achieved in the prior year period, work will continue to ensure a 90% compliance target for 2025/26 is maintained.

Members noted that as at 31 May 2025, 126 recommendations are outstanding for implementation in 2025/26 of which 4 are Priority One issues.

Mrs Ensor acknowledged the huge achievement from the prior year position along with the active support and assistance provided by Mrs Corrigan in 2024/25 and asked what resources would be in place in 2025/26 to ensure the agreed targets are achieved. Mrs Rutherford advised that following a period of training and transition, Mr M Lee, recently appointed Finance Governance Manager, would be responsible for this work in due course.

**8) EXTERNAL AUDIT 2024/25**

**i) Letter of Understanding between NIAO and SHSCT re. Audits of the Financial Statements of the SHSCT**

Ms Kane reminded members that Ms Teggart had signed the letter earlier in 2024/25 in her role as Interim Accounting Officer. The NIAO has now re-issued the Letter of Understanding following the appointment of Mr Spoerry as the new Interim Accounting Officer. Mr Spoerry confirmed he had signed the Letter of Understanding between the NIAO and the SHSCT.

**9i) FINAL DRAFT ANNUAL REPORT, GOVERNANCE STATEMENT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025**

Mrs Rutherford presented the final draft Annual Report and Accounts for the year ended 31 March 2025 and guided members through a summary of changes made from submission of draft accounts to the DoH on 2 May 2025. Mrs Rutherford pointed out that the Governance Statement had been revised in discussion with the DoH and resubmitted at the end of May 2025, the final draft version of which was included within the documents.

In relation to the setting of fees and charges, Mr Hughes asked if the Trust has powers to increase fees and charges or is it required to seek approval through the NI Assembly? Mrs Rutherford advised that the fees and charges reflected within the Trust financial statements are driven by the Strategic Planning and Performance Group (SPPG) who agree the regional tariff and outside of that the Trust has the power to negotiate the rates. She stated that she was not aware the NI Assembly would be involved as it is generally the DoH that issue circulars in terms of fees and charges.

Mr Hughes referred to page 26, Cancer Services and queried the narrative: *'the table below indicates a reduced level of performance against the 3 cancer pathway targets over last 6 years. This position is*

reflected across health and social care NI' and stated that the performance reported for the Southern Trust was well below other Trusts' performance. Mrs Rutherford agreed to feed Mr Hughes's comments back to Ms Teggart.

***Action – Mrs Rutherford***

**9ii) FINAL DRAFT ANNUAL REPORT AND CHARITABLE TRUST FUNDS (CTFs) ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025**

Mrs Jones presented the final draft annual report and CTFs accounts for the year ended 31 March 2025. She advised the income total level was largely maintained against the previous year, decreasing by £4k to £512k. Grants from NHS Charities Together accounted for £148k of the donations, however donations from individuals (corporate and legacies) decreased from £197k to £157k, a continuing trend post Covid.

For the period under review, expenditure reduced by £132k from the prior year to £671k. Spend on staff welfare and support decreased by £408k as the focus has shifted towards patient/client related spend.

In relation to investment, Mrs Jones reported a challenging year due to the geopolitical uncertainty. She explained that the unrealised loss on the investment portfolio of £133k is a 2.4% decrease from the value at the beginning of the financial year 2024/25. The share price of the Northern Ireland Central Investment Fund for Charities (NICIFC) at 31 March 2025 was 1525.79p, less than March 2024 but still generating a good return from the investment. Mrs Jones stated that the CTF Committee continue to review the position to endeavour to mitigate any potential loss in advance of drawing down investment funds as expenditure increases on the Staff Support Fund in relation to the Bannvale facility.

Mrs Jones referred to the key changes in 2024/25, namely the structure of the funds which now comprise six, including the 'Shine' fund and the introduction of a 'JustGiving' page as a means to receive donations from the public. Concluding her remarks, Mrs Jones said there were no substantial changes to the final draft CTFs accounts from those presented to the ARAC in May 2025.

On page 9 of the Trustees Annual Report, Mr Hughes commented that going forward, he would like to see totals included on the pie charts. Mrs Jones agreed to consider this for the 2025/26 reporting period.

***Action – Mrs Jones***

Mrs Ensor asked about the response to the 'Just Giving' page, to which Mrs Jones said this process was still in its infancy and added that Mrs Esler was working to confirm that donations can now be made through a QR code on the poster. Mrs Ensor said the 'Just Giving' page mechanism would require promotion across the Trust. By way of response, Mrs Corkey, Chair of the CTF Committee, reminded members that the communications strategy for the CTFs had been launched in March 2025 and there had been a big focus on the 'Just Giving' page and donations. She advised, however, that there are technicalities around this as the Trust is prohibited to fund raise. Mrs Corkey stated that she envisaged work gaining pace again on the promotion of CTFs in the next 12 months once the new Digital Communications Officer takes up post. Mrs Rutherford clarified that it is DoH legislation that prevents Trusts from fund raising and until registration with the Northern Ireland Charity Commission (NICC) is complete, this position will remain.

Mrs Corkey confirmed that the CTF Committee had reviewed the draft annual report and accounts earlier that morning and were content that no changes were required. Mrs Ensor advised that she would seek Committee approval for both sets of accounts following agenda item no. 10.

#### **10) DRAFT REPORT TO THOSE CHARGED WITH GOVERNANCE 2024/25**

Ms Kane presented the findings of the external audit of the Trust's financial statements for the year ended 31 March 2025. She thanked Ms Teggart and her staff for their co-operation and assistance during the audit process.

Ms Kane stated that the report covers the Trust's Public Funds, Charitable Trust Funds and Patients' and Residents' Monies accounts and advised that at this point, they are recommending to the Comptroller and Auditor (C&AG) that an unqualified audit opinion is issued on all 3 accounts. There are no uncorrected misstatements and no irregular expenditure. There are some areas where work is ongoing, and Ms Kane advised that this should be completed by the following week. Ms Kane referred to the following 3 significant risks as identified at the outset of the audit:- management override of controls; clinical negligence provisions control and holiday pay provision control and she confirmed that following their audit work, there were no issues to report. She advised that the audit had identified 1 Priority One, 2 Priority Two and 1 Priority 3 recommendations and members considered the finer detail. Ms Kane

pointed out that the finding in relation to the Priority One finding on Direct Award Contracts was still under consideration as the Trust has queried that 69% of DACs were only approved after the start of the contract. Discussion ensued on the Priority Two finding on the amounts owed for untaken Annual Leave, in particular the accrual of £14.1m based on management's estimate. Ms Kane advised that it is NIAO's view that there are some assumptions which require a firmer basis and there was a lack of robust evidence to support the reasonableness of the data used in the calculation of this liability. Members asked a number of questions to which Mrs Jones responded to. Ms Kane concluded by stating that it is hoped that the new Equip system may help the Trust to refine and improve the accuracy of this estimate.

Members welcomed the year end position and were content to endorse the draft Annual Report and Accounts and the CTFs Annual report and accounts for the year ended 31 March 2025 for onward submission to Trust Board for formal approval on Thursday, 26<sup>th</sup> June 2025.

## **11. RISK MANAGEMENT**

### **i) Corporate Risk Register Update**

Mr Wallace advised that the Corporate Risk Register is a standing item on the SLTRA Group agenda. There are no substantive changes since the last ARAC meeting in May 2025. Mr Wallace advised of work underway to align the risks on the register to the Trust's Strategic Priorities. A Board Workshop on Risk Appetite has been confirmed for 18<sup>th</sup> September 2025.

## **12. ANNUAL REPORT ON THE USE OF DIRECT AWARD CONTRACTS FOR THE YEAR ENDED 2024/25**

Mrs Rutherford presented the annual report to the Committee on the use of direct award contracts (DACs) for the year ended 31 March 2025. A summary of the key points regarding DACs was detailed in report. Mrs Rutherford advised members that whilst the number of DACs has increased slightly from 2023/24 (8.5%), there has been a noted reduction in retrospective DACs (a fall from 9 to 6). The number of Red rated DACs has increased from 11 to 16, however 7 of these are related to commissioned services and the remaining 9 have arisen due to delays in tendering with BSO PALS.

Mrs Rutherford brought to the Committee's attention issues to note on 2024/25 DACs, the full detail of which was included in the report. She

stated that the Trust welcomed the raising of the procurement control limit to £20k.

Mr Hughes asked about the position in the first 3 months of 2025/26. Mrs Rutherford advised that there have been 7 DACs to date, and she spoke of added requirements in the new Procurement Act around Notices when placing DACs above the UK Threshold, which is resulting in a much more onerous and elongated process. Mr Hughes also asked about support from BSO in this process to which Mrs Rutherford advised that 2 workshops have been held to date with a further workshop planned for the Autumn.

### **13. SUMMARY REPORT OF POST PROJECT EVALUATIONS COMPLETED DURING 2024/25 ON CAPITAL AND REVENUE PROPOSALS GREATER THAN £300,000**

Mrs McConville joined the meeting to present a summary report of Post Project Evaluations (PPEs) completed during 2024/25 in relation to capital and revenue proposals greater than £300,000. An example of a Revenue PPE and an example of a Capital PPE was also included in the report. Mrs McConville pointed out that the projects detailed within the report contribute towards improvement in the Trust's infrastructure and in the services which the Trust provides.

Members welcomed the detail included on the objectives of each project, along with an update on, if and how, they were met and any key learning identified. Members were pleased to note the Trust has achieved 100% green compliance on the 2023/24 DoH test drilling exercise of economic appraisals and PPEs. The Trust awaits the outcome of the 2024/25 test drill exercise.

In relation to areas of challenge, Mrs McConville explained that the Trust has implemented the new business case templates as per DoH Better Business Case Guidance. Training has been received, however, there is still learning, and the Trust continues to work alongside both SPPG and DoH on business case queries as they are raised and continues to engage in the joint SPPG Trust Business Case Forum to discuss the current process. Mrs McConville highlighted the ongoing challenge with a lack of staff resource to complete PPEs for all areas of investment, advising that the planning team is currently reviewing the Trust internal process for the completion of PPEs and will bring a paper to the Strategic Investment Commitment setting out which PPEs they have prioritised to complete in this financial year and how they have been selected.

Mrs Ensor acknowledged that this work is resource intensive and asked should the Directors and Managers responsible for the projects not be answerable for completing the PPEs? In response, Mrs McConville explained the current process is that the planning team work with the operational service lead to complete the narrative contained within the PPE template with the finance team providing the costings. In response to a question from Mr Hughes in relation to independence in the process, Mrs McConville provided assurance that the staff member writing the PPE would not be the same person who completed the business case. Any lessons learned from PPEs are shared with the Strategic Investment Committee. Mr Hughes asked if there are Economists or individuals with economics training in the Trust involved in the PPE process. Mrs McConville advised that the majority of PPEs drafted by her team are for those under the delegated approval limit for the Trust which is £5m, therefore there is no involvement from Economists. Larger projects above the delegated limit are subject to the DoH Gateway Review Process which does involve DoH Economists and involves taking forward either an internal or external peer review process which is determined by the Risk Potential Assessment (RPA) for the project.

Mrs Ensor concluded the discussion by reminding members that as reported at the previous Committee meeting, she had attended the online ALB ARAC Chairs Forum Business Case Workshop on 13<sup>th</sup> May 2025 and was satisfied that the Southern Trust has a robust system in place.

#### **14. AUDIT AND RISK ASSURANCE COMMITTEE ANNUAL REPORT 2024/25**

Mrs Ensor presented the ARAC Annual Report which relates to the year 2024/25. She reminded members that its purpose was to report on the work of the Committee for the financial year under review. The Committee approved the report and noted the document will be presented for information at the next Trust Board meeting on 25<sup>th</sup> September 2025.

#### **15i. LOG OF FINANCE CIRCULARS**

Mrs Rutherford presented a paper detailing the log of Finance circulars received during this calendar year and how these have been distributed for appropriate action. She drew members' attention to the two circulars received since the previous ARAC meeting and one amendment to an existing Circular.

#### **15ii. CORPORATE GOVERNANCE IN CENTRAL GOVERNMENT DEPARTMENTS CODE OF GOOD PRACTICE NI (2025) UPDATE**

Mr Wallace advised that this is a refreshed version of the Code issued in 2013 and any changes in the 2025 Code are detailed in the paper. He stated that following receipt of the above-named Circular, the Trust conducted a desktop review of the elements in the revised document, a copy of which was included in members' papers. This confirms that the Trust is already compliant with the updated requirements in the Code.

Mrs Corkey commended the author of the report for their clear informative writing. The content was well organised, easy to understand and effectively conveyed the key points.

## **16. TRAINING AND DEVELOPMENT**

Mrs Ensor and Mr Hughes attended the Chief Executive's Forum Public Accountability and Governance Training on 5<sup>th</sup> June 2025. Mrs Corkey stated that she was unable to attend and is registered to attend this training in November 2025.

Mrs Ensor advised that she had attended the launch of the NIAO Effective Audit and Risk Committees – Good Practice Guide on 6th June 2025. She stated that she found the session very informative.

## **17. 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.

At this point, Mrs Ensor advised that this was Mrs McCaw's last Committee meeting. On behalf of members, she wished Mrs McCaw a long and happy retirement and thanked her for her valued contribution to both the Committee and work of the Trust in improving the internal control environment.

***The meeting concluded at 2.00 p.m.***