



**Minutes of a meeting of the Audit & Risk Assurance Committee
held on Monday, 9th October 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 (MS Teams – left meeting at
9.50am, rejoined at 10.30am)
Mr A Hughes, Non-Executive Director

IN ATTENDANCE FOR FULL MEETING:

Mr S Spoerry, Interim Chief Executive, SHSCT
Mrs C Marks, Director of Finance, Procurement & Estates, SHSCT
Mrs A Rutherford, Assistant Director of Finance for Financial Services, SHSCT
Mrs F Jones, Corporate Financial Accountant, Fraud Liaison Officer, SHSCT
Ms G Jest, Assistant Head of Internal Audit
Ms A Strain, Southern Audit Manager, Internal Audit
Ms K Doey, Audit Manager, NIAO
Mr S Wallace, Head of Office, Chair & Chief Executive Office, SHSCT
Mrs R Montgomery, Senior Project Manager, SHSCT
Mrs R Vennard, Committee Secretary, SHSCT

IN ATTENDANCE FOR SPECIFIC ITEMS:

Mr C McCaffety, Director of CYP Services/Executive Director of Social Work
- Item 5 (MS Teams)
Mrs J McGall, Director of Mental Health & Disability Services - Item 6i (MS
Teams)
Mrs V Toal, Director of HROD - Items 5 and 6i

APOLOGIES

Mrs C Cassells, Assistant Director of Financial Management, SHSCT
Mrs C Kane, Engagement Director, Northern Ireland Audit Office (NIAO)
Mrs C McKeown, Head of Internal Audit (IA)

1) **CHAIR'S WELCOME**

Mrs Ensor welcomed everyone to the meeting including representatives from both Internal and External Audit and those joining via MS Teams.

2) **DECLARATION OF INTERESTS**

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

3) **CHAIR'S BUSINESS**

The Chair advised that she will attend the Department of Health ALBs Chair's Forum on 5th November 2025.

4) **MINUTES FROM THE MEETING HELD ON 23rd JUNE 2025**

The minutes of the meeting held on 23rd June 2025 were previously approved by email.

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

Committee members referred to a written update provided by Mr Brian Beattie noting that Department of Legal Services (DLS) have now provided advice, which staff from ACS and Contracts have reviewed, amended and returned to DLS for final consideration. Once the Trust position has been agreed and finalised with DLS, the Trust will engage with the Independent Sector Provider to bring this issue to a conclusion, including issuing an associated Action Plan.

***ACTION - UPDATE TO BE PROVIDED AT THE MEETING 19TH
FEBRUARY 2026 – MR BEATTIE***

Year End Follow Up on outstanding IA recommendations - Payments to Staff

Mrs Toal referred to her written update on the challenges to implement the overpayments and payroll monitoring recommendations advising that

previous acceptance of the recommendations was based on securing additional resources which were not subsequently approved. She noted that IA requirements have significantly impacted on the pay and conditions team where the statutory duty is to prioritise duties in respect of pay.

Mrs Toal outlined the background and ongoing workload generated by internal audit recommendations, particularly those from 2019/20 and 2022/23, and explained that while some recommendations have been absorbed, others require additional resourcing. Mrs Toal and committee members discussed the operational and political barriers moving from weekly and fortnightly payrolls to a single monthly payroll, noting that previous attempts were halted due to external interventions and that such a change cannot occur before the EQIP system goes live.

Mrs Toal described current measures such as increased guidance to managers, global reminder emails and linking guidance to departmental induction however noted that all feasible quick wins have already been implemented and emphasised that the HROD is not adequately resourced to allow for further compliance to be achieved. She added that existing pressures with EQUIP implementation moving forward into 2026 would make further progress unachievable in the short term.

The committee agreed to report the issue to Trust Board for awareness, noting that while overpayments are generally recovered, some losses are written off annually and that the board should be informed of the ongoing risk and resource constraints. Mr Spoerry suggested, and was agreed by the Committee, that given the lack of capacity to deliver on the internal audit recommendation with the pending implementation of EQIP and the limitations on potential returns based on any in-year resource investment to meet this recommendation, this recommendation should be paused until 2026/27.

It was agreed by those present that the payments to staff audit recommendation will be revisited in 2026/27 after the migration to EQIP with assurances to be sought on the effectiveness of controls which had been introduced.

Ms Jest agreed that internal audit would close off this recommendation as they are content that controls in place for the 'payments to staff audit' will provide assurances.

***ACTION – COMMITTEE TO REPORT ON THE ISSUE TO
NOVEMBER 2025 TRUST BOARD – MRS ENSOR***

Internal Audit Progress Report - Client Monies and Cash Valuables Handling in Social Services - 2 Children's Services

Mr McCafferty provided a written comprehensive update on the implementation of internal audit recommendations for cash handling in residential facilities specific to Bluebell House and Cedar Grove children's residential care facilities. Discussion included ongoing recruitment challenges particularly in relation to admin support, audit processes, and the need for continued monitoring and training.

Mrs Ensor requested clarification on the independence of the audit process, with Mrs Marks confirming that finance staff now conduct spot check audits pending successful implementation of the audit recommendations, and that internal audit will conduct a follow-up review after implementation of new procedures. Mrs Marks advised of the importance of financial training for new administrators to ensure procedures are fully understood and followed. Mr McCafferty confirmed that core staff turnover is low, and that training should not be a significant challenge.

Mr McCafferty offered to provide a further update in three months, which the committee agreed would be beneficial, given the ongoing administrator vacancy at Bluebell House.

Final Draft Annual Report, Governance Statement and Accounts, Year End 31 March 2025

Committee members Noted the completion of the document and requested a minor adjustment caused by timing restraints.

6i) INTERNAL AUDIT PROGRESS REPORT 2025/26

Mrs Jest presented the internal audit progress report,

Medical Recruitment & Retention – Limited Assurance

Mrs Jest reported that the internal audit resulted in limited assurance due to no formal recruitment and retention strategy, the number of unsuccessful recruitment campaigns, lack of KPIs, and insufficient documentation regarding exit meetings and insufficient adherence to equality legislation on recruitment panels.

Mrs Toal accepted all recommendations and outlined steps to address the matters raised which included the restructure of the team including the introduction of a new Assistant Director post and realignment of duties and supporting roles. She advised work to meet the recommendations was ongoing.

Management of Client Monies in Seven Independent Sector Homes

a) Seafort House – – Limited Assurance

Mrs Jest reported that the internal audit resulted in limited assurance at Seafort House which was due to various recording and approval systems issues. Mrs McGall reported Seafort House received limited assurance due to difficulties with access to bank statements, storage of bank cards, and documentation; an action plan has been developed and an exceptional concerns meeting scheduled to address outstanding issues.

b)

There were four independent sector homes, and three independent adult supported living providers visited. The committee noted the satisfactory outcome for the management of client monies in 6 of the 7 homes (Knockeden, The Heathers, Apple Blossom, Belvedere, Rosemount and Riversley Court) visited. One of the adult supported living providers, Seafort House, received limited assurance and had one significant finding relating to the amounts held in personal bank accounts.

Non-Pay Expenditure – Satisfactory

Mrs Jest noted the audit provided satisfactory assurance but identified key findings such as expired direct award contracts, managers not checking contract rates, non-contract spend, and insufficient verification of supplier bank details; management accepted all recommendations, and actions are being taken to strengthen controls.

Clinical Audit – Satisfactory

Mrs Jest noted that satisfactory assurance, however the audit highlighted the need for improved challenge and oversight of clinical audit plans, better tracking of recommendations, and enhanced staff training documentation; management accepted all recommendations.

Claims Management – Satisfactory

The audit found satisfactory assurance with minor issues such as unsigned service level agreements and lack of KPI reporting, noting that these were common across trusts and that all recommendations were accepted.

Mrs Ensor asked if it would be useful to replicate the Belfast Trust's practice of reporting triangulation of new claims to the Trust Board.

ACTION – MRS MARKS TO ENQUIRE REGARDING THE RATIONALE OF BELFAST TRUST TRIANGULATION OF NEW CLAIMS TO TRUST BOARD

6ii) MID-YEAR FOLLOW UP ON INTERNAL AUDIT RECOMMENDATIONS

Mrs Marks and Mrs Jest referred to the mid-year status of Internal Audit recommendations, noting improvements in implementation rates, ongoing challenges with significant and priority recommendations, and concerns about delays in cyber security actions and business continuity planning.

Mrs Marks noted at mid-year, 84% of priority one and two recommendations were implemented, with improvements attributed to the internal audit forum and the appointment of governance leads in each directorate, though some significant recommendations remain outstanding due to funding or resource constraints.

Mrs Ensor expressed concern over the pushback of cyber security recommendation deadlines, especially in light of the recent IT outage and suggested that a review of business continuity plans was under taken to ensure all are effective and that lessons are learned from any real incidents.

ACTION – CYBER SECURITY RECOMMENDATION UPDATE TO BE PROVIDED TO THE COMMITTEE MEETING ON 19TH FEBRUARY 2026 – MS WILSON

Mr Hughes requested clarification on the process for updating and verifying the implementation of recommendations both partial and full. This was clarified by Mrs Strain noting that internal audit require evidence and conduct sample checks before marking recommendations as fully implemented.

6iii) IA FORUM UPDATE INCLUDING PRIORITY ONE RECOMMENDATIONS

Mrs Marks stated there are three priority one recommendations relating to business continuity, payments to laboratory staff, which will require changes to terms and conditions, and the third is in relation to Ann's Home Care charging, for which legal advice is being sought. Work is ongoing with the directorates to determine if these are achievable or if they will need to be deferred to the next financial year.

6iv) BSO FINAL GOVERNANCE STATEMENT

Mrs Rutherford reported that the BSO governance statement provided overall satisfactory assurance. Limited assurance was given for information systems and supply chain security, but no major concerns for the Trust as a customer.

6v) BSO SHARED SERVICES PAPER

The Committee considered the BSO IA Reports d relating to Accounts Payable Shared Services and Shared Services Accounts Receivable which were both satisfactory.

6vi) INTERNAL AUDIT MID-YEAR ASSURANCE STATEMENT 2025/26

Mrs Marks referred to the BSO Internal Audit mid-year assurance statement confirming the Trust Internal Audit position as at 30th September 2025 advising the content of the draft Trust Mid-Year Assurance Statement 2025/26.

7) DRAFT SHSCT MID-YEAR ASSURANCE STATEMENT 2025/26

Mrs Marks referred to the SHSCT mid-year assurance statement provided, highlighting that there had been comments from members of the Committee included. Mrs Ensor noted one further amendment regarding Trust Board and Governance structures. The statement was approved subject to this change being made for submission to the Department of Health on behalf of the Southern Trust by the deadline of 10th October 2025.

8) FRAUD UPDATE

i) SHSCT ANNUAL FRAUD AND LESSONS LEARNED REPORT

Mrs Jones provided an update on counter fraud activities, detailing ongoing investigations into fraudulent and forged timesheets by agency workers, the processes for detection and recovery, and the cooperation with agencies and PSNI. Mrs Jones noted fraud cases of forged and fraudulent timesheets submitted by agency workers were identified

through internal checks and whistleblowing, with investigations involving counter fraud teams and, in some cases, PSNI involvement.

Mrs Ensor requested clarification on dealing with fraudulent recording processes by agency personnel. Mrs Jones explained that if a recruitment agency employee makes a fraudulent claim, the Agency is held accountable for their own workers, with all fraudulent payments being recovered from the agency. Agencies cooperate with investigations; if a Trust employee is involved, disciplinary action is taken.

She noted that a new online platform for temporary staffing is being implemented to improve controls and transparency, and lessons learned are being shared with directors and included in awareness sessions.

Mrs Ensor stated that Agencies should be aware of the time worked by staff as they were contracting with the Trust not the worker therefore responsibility for fraudulent payments is their responsibility.

Mr Hughes asked if badge access and car park data records are useful for fraud investigations, Mrs Jones noted these have had limited success in the past however such methods are considered where applicable.

9) RISK MANAGEMENT

i) CORPORATE RISK REGISTER UPDATE

Mr Wallace provided an update on risk management initiatives, including the standardisation of risk registers, ongoing workshops on risk appetite, and increased oversight by the senior leadership team, with further improvements expected as new systems are implemented.

He noted a new Datix module is being introduced to standardise risk registers, and monthly reviews of the corporate risk register are now conducted by the senior leadership team to enhance oversight.

He also referenced a Board Workshop on risk appetite is scheduled to further define and apply risk management principles across the organisation.

Mrs Ensor referred to a new risk which was added since the last report seen by ARAC.

10) FINAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2024/2025

Mrs Doey presented the final external audit Report and governance statements to Those Charged with Governance 24/25, confirming that all recommendations have been accepted, with overall satisfactory assurance, some areas of limited assurance noted in shared services.

Mrs Doey confirmed that the Trust accounts were certified, management responses were agreed, and a procurement-related finding was downgraded from priority one to two after further review.

11) UPDATE ON EXTERNAL AUDIT RECOMMENDATIONS

Mrs Rutherford referred to the report regarding External Audit Recommendations noting that the implementation dates have not been reached however work towards implementation was progressing.

12) REVENUE BUSINESS CASE TEST DRILLING 2024/25

Mrs Rutherford referred to the results of the regional business case drill, internal processes for business case quality, and the importance of strategic investment committee oversight, noting that only two minor cases were rated 'red' and that continuous improvement is emphasised. She noted the Department of Health's review of business cases found two minor red-rated cases for the trust, both of which were addressed with guidance and process improvements, and overall feedback was positive.

Mrs Rutherford described the structured internal process for business case preparation, involving planners, finance, and the strategic investment committee, with a focus on continuous improvement and adherence to guidance.

Mr Spoerry highlighted the Strategic Investment Committee's key role in ensuring practical and financial rigor in business case approval, and the need for creative approaches to funding and efficiency.

13) FINANCE CIRCULARS/DOH CORRESPONDENCE

Mrs Rutherford noted recent circulars on losses, special payments and explained the same is being used to update Trust policies specifically referring to the Trust gifts and hospitality policy.

Mrs Marks noted the HM Treasury Orange Book update noting this will be incorporated into best practice and applied in the trust's processes.

The Committee noted the HM Treasury reports to the Westminster Public Accounts Committee report regarding NHS financial sustainability for potential regional improvements, particularly regarding its relevance to integrated care systems and financial structures.

14) PROPOSED MEETING DATES 2026

Proposed Committee dates for 2026 were approved.

15) DRAFT COMMITTEE WORK PROGRAMME 2026

The Draft Committee workplan for 2026 was approved, members noted that this may be subject to review pending the outcome on the Board Review Day in October 2025.

16) TRAINING AND DEVELOPMENT

The Chair advised that on the 27th October she will attend a presentation being delivered by Mrs Catherine McKeown Head of IA on the revised Global Internal Audit Standards

17) ANY OTHER BUSINESS

No other business was noted.

The meeting concluded at 12.00 Midday