

**Minutes of a meeting of the Audit & Risk Assurance Committee
held on Thursday, 22nd June 2026 at 10 a.m., in the Committee
Room, 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 FOR FULL MEETING:

Mr S Spoerry, Interim Chief Executive,
Mrs F Jones, Corporate Financial Accountant, Fraud Liaison Officer
Mrs A Rutherford, Assistant Director of Finance for Financial Services
Mr S Wallace, Head of Office, Chair & Chief Executive Office
Mrs R Montgomery, Senior Project Manager
Mrs C McKeown, Head of Internal Audit
Mr T Wilkinson, Director, NIAO
Ms A Kane, Audit Manager, NIAO
Mrs J McConville, Assistant Director, Planning (Item 13)

APOLOGIES

Ms G Jest, Assistant Head of Internal Audit
Dr S Austin, Medical Director
Mrs C Marks, Director of Finance, Procurement & Estates (*withdrew before
meeting began due to feeling unwell*)

1) CHAIR'S WELCOME

Mrs Ensor welcomed members and attendees to the meeting.

2) DECLARATION OF INTERESTS

Mrs Ensor asked members to declare any potential conflict of interest in relation to items on the agenda. None were noted.

3) CHAIR'S BUSINESS

Mrs Ensor briefly referenced members pre-meeting with both internal and NIAO audit colleagues and confirmed that there were no significant concerns arising from those discussions, noting that more detail will follow during the course of the reporting process on today's agenda.

No additional business was raised by Mrs Ensor.

4) MINUTES FROM THE MEETING HELD ON 21ST MAY 2026

The minutes of the meeting held on 21st May 2026 were approved.

5) MATTERS ARISING FROM THE PREVIOUS MEETING

Legal Advice Re Trust Monitoring Visits to Domiciliary Care Providers

It was noted that this item remains open, with advice still awaited from Directorate of Legal Services. Members expressed concern regarding the length of time taken to resolve this matter, noting that the issue has been outstanding for a considerable period.

The Committee emphasised the importance of progressing this to conclusion without further delay. It was noted that follow-up discussions are ongoing, and the matter will be actively pursued to secure resolution.

Management of Medical Locums

Members were informed that a regional report is being developed, with each Trust required to provide its respective start dates. A confirmed timeframe for when all the data is not available, the regional ARIG[le1] group is aware that this information is needed and has formally requested it from the Trusts. Based on this, we expect to have a clearer position within the next few weeks. Early anecdotal evidence suggests that the SHSCT is not an outlier in this regard.

Members acknowledged the importance of this work, particularly given the financial and operational implications associated with locum use, and stressed the need for robust oversight in this area.

6) INTERNAL AUDIT

a. INTERNAL AUDIT PROGRESS REPORT 2026/27

Mrs C McKeown presented a brief progress update, advising that work for the 2026/27 internal audit programme has commenced, with a number of reviews completed and others currently in progress.

The Committee sought assurance that adequate resources remain in place to deliver the audit programme, and confirmation was provided that the current plan remains achievable.

b. BSO INTERNAL AUDIT GENERAL ANNUAL REPORT FOR HSC FOR 2026/26

Item is deferred to the next meeting.

c. BSO DRAFT GOVERNANCE STATEMENT 2025/26

Mrs A Rutherford presented the BSO Draft Governance Statement, noting that it is provided annually to committees for information.

She drew attention to ongoing issues relating to PPE stock management and valuation, which continue to be reported at a regional level. A further point was highlighted regarding an internal control issue relating to duplicate payments within dental practice allowances, although it was noted that this issue does not directly impact the Trust.

Members raised a query regarding the continued reference to legacy the 2022 Memoranda of Understanding. It was clarified that this memoranda remains valid.

7) SHSCT INTERNAL AUDIT OVERSIGHT

a. REPORT ON LONG TERM OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

Mrs A Rutherford presented a detailed paper on long-standing audit recommendations. She advised that there are currently 28 recommendations dating from 2023/24 or earlier, including several priority one items.

The Committee explored this in depth, noting that a significant proportion relate to risk management and business continuity within the Medical Directorate. It was highlighted that some recommendations may not be

achievable within the current financial year, particularly those linked to wider system developments such as the introduction of the EQUIP system.

Members raised specific concerns regarding long-standing issues, including those relating to workforce arrangements and legacy contractual practices. Mr Hughes queried whether these issues could give rise to future liabilities or risks, including potential employment disputes or equality considerations. Discussion acknowledged that some of these matters are complex and rooted in long-standing arrangements, acknowledging the importance of ensuring that they are actively managed and progressed. Further concern was expressed regarding recommendations related to domiciliary care and regional procurement, which have remained unresolved for a prolonged period. It was noted that many of these issues require regional coordination and decision-making, which has contributed to delays.

The Committee also reflected more broadly on recurring themes within audit recommendations, including risk management processes and consistency of reporting across directorates. Members acknowledged that improvements are underway, particularly with the introduction of new systems, but emphasised that sustained progress is required.

Overall, while recognising the complexity of the issues involved, the Committee stressed the importance of maintaining focus on delivery and avoiding further slippage.

8) COUNTER FRAUD

a. SHSCT ANNUAL FRAUD AND LESSONS LEARNED UPDATE

Mrs Jones advised that falsified timesheets by agency staff remain a persistent issue. She noted that robust processes are in place, particularly within the Nurse Bank, to identify discrepancies, and that all cases identified have resulted in immediate removal of those individuals from the Trust. Members were assured that close collaboration with BSO Counter Fraud continues to support effective investigation and response.

The Committee also noted concerns relating to pre-employment checks, including instances of false references being provided. Mrs Jones outlined that investigations have revealed increasingly complex cases, including the inappropriate use of organisational email addresses, demonstrating a widening risk across the system.

Further discussion highlighted additional areas of concern, including staff undertaking alternative employment while on sick leave and cases where individuals had not completed their contracted hours. Mrs Jones confirmed that such cases are subject to investigation, with financial recovery pursued where appropriate.

Members also considered incidents involving theft of property and cash within Trust facilities. It was noted that in some cases repeated incidents suggested more organised activity, and that the introduction of CCTV had proven effective in identifying those responsible. Members recognised that such incidents highlight the need for continued vigilance and robust physical security arrangements.

The Committee noted the report and welcomed the continued emphasis on sharing learning and strengthening preventative controls across the organisation.

b. TRUST ANNUAL COUNTER FRAUD ACTION PLAN

Mrs F Jones presented the Trust's Annual Counter Fraud Action Plan for 2026/27, outlining the planned programme of work to support fraud prevention, detection and response.

She advised that a key priority for the forthcoming year will be the completion of an updated fraud risk assessment, noting that the last comprehensive assessment was undertaken prior to the COVID-19 pandemic. Mrs Jones explained that a revised methodology will be piloted within a single directorate, with Adult Community Services identified as the initial test area, allowing the approach to be refined prior to wider implementation.

Members noted that the updated risk assessment will take account of emerging risks, particularly the increasing prevalence of cyber-related fraud. Mrs Jones emphasised that strengthening understanding of these risks is essential in ensuring that controls remain effective.

The Committee also noted that the Trust will continue to participate in regional counter fraud liaison forums, enabling the sharing of information, lessons learned and emerging risks across the wider system. Members recognised the importance of this collaborative approach in maintaining awareness of developments beyond the organisation.

Mrs Jones further outlined plans to continue delivery of counter fraud and financial governance training, noting that previous sessions had been well received. She advised that efforts will be made to expand engagement and reinforce awareness across staff groups.

In addition, the Trust will continue to maintain arrangements for fraud monitoring, reporting and investigation, with most investigations undertaken in partnership with BSO Counter Fraud and Human Resources.

The Committee was satisfied that the Action Plan reflects a comprehensive and proactive approach to counter fraud activity and noted the report.

c. DoF ANNUAL THEFT AND FRAUD REPORT

Mrs F Jones presented a summary of the Department of Finance Fraud and Theft Report, highlighting key trends across the health sector. She advised that there had been an increase in the number of recorded cases over the reporting period, with particular growth in cyber-related fraud.

Members noted that cyber fraud continues to represent an emerging and evolving risk, with cases often involving attempts to gain access to supplier banking details or organisational systems. Mrs Jones emphasised that this reinforces the importance of vigilance and robust controls within financial processes.

The Committee expressed concern that the DoF report relates to the 2023/24 period and is therefore not reflective of the current risk environment. Members noted that the lag in publication limits the usefulness of the report in supporting real-time assurance and learning.

Further discussion focused on a number of significant cases referenced within the report, including high-value incidents within other Trusts. Members sought clarification on how these cases had been resolved and whether there were any transferable lessons for the organisation.

It was agreed that further information should be sought from the Department of Finance, including whether more up-to-date reporting is available and additional detail on the outcomes of significant cases. The Committee emphasised the importance of timely intelligence in strengthening fraud prevention and response.

ACTION – Mrs Jones to seek further information from DoF and query if a more up to date report can be provided.

d. **BSO COUNTER FRAUD AND PROBITY YEAR END REPORT**

Mrs F Jones presented the BSO Counter Fraud and Probity Year End Report, outlining the planned programme of work for the forthcoming year. She advised that a key focus for the second half of the year will be the completion of an updated fraud risk assessment, noting that the last comprehensive assessment was undertaken prior to the COVID-19 pandemic.

Mrs Jones explained that a revised approach will be piloted, beginning with a single directorate, with Adult Community Services identified as the initial area for review. This approach will allow the Trust to test and refine the methodology before considering wider rollout across the organisation. She noted that the updated assessment will incorporate emerging risks, including cyber-related fraud, which has become significantly more prominent in recent years.

The Committee noted that the Trust will continue to participate in regional fraud liaison forums in order to share intelligence, learn from cases across the sector, and maintain awareness of current and emerging risks. Members welcomed this collaborative approach and recognised its value in strengthening the organisation's counter fraud arrangements.

Mrs Jones also outlined ongoing work to deliver counter fraud training and promote awareness across the organisation. She advised that previous training sessions had been well received and that further sessions are planned to ensure continued engagement with staff. In addition, work will continue in relation to fraud monitoring, reporting and investigation, with the majority of investigations undertaken in partnership with BSO Counter Fraud and Human Resources.

Members noted the report and were satisfied that appropriate arrangements are in place to continue strengthening the Trust's approach to fraud prevention, detection and response.

9) **FINAL DRAFT ANNUAL REPORT, GOVERNANCE STATEMENT AND ACCOUNTS**

Mrs A Rutherford presented the final draft Annual Report, Governance Statement and Accounts, advising that these had now been substantially audited. She confirmed that there had been no material changes to the figures previously presented to the Committee, with all amendments

relating to narrative updates and enhanced disclosures following feedback from the Northern Ireland Audit Office.

Mrs Rutherford highlighted that additional narrative had been included within the Governance Statement, particularly in relation to IT governance and cyber security, to reflect evolving requirements and audit expectations. She also noted that further disclosure had been included in respect of holiday pay, following previous audit recommendations, with particular emphasis on improving transparency given the scale of the associated liability.

The Committee welcomed the positive position and noted that the audit process had progressed well. Members commended the Finance team on the quality of the accounts and the supporting working papers, particularly in the context of ongoing operational pressures. It was also noted that feedback from auditors had been highly positive in relation to both the standard of the accounts and the cooperation of staff throughout the audit process.

a. FINAL DRAFT ANNUAL REPORT AND CHARITABLE TRUST FUNDS ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026

Mrs F Jones provided an update on the Charitable Trust Funds accounts, advising that these had been referred for approval by the Charitable Trust Funds Committee prior to consideration by ARAC.

She outlined that only minor amendments had been made since the draft version, primarily relating to disclosure adjustments and presentational improvements. Mrs Jones drew attention to a single unadjusted error within the accounts, which had been reviewed in detail. She explained that the issue arose from an accrual relating to capital works at the Daisy Hill site, where expenditure had been incorrectly accrued due to a process error.

Mrs Jones clarified that the work had not been completed at year end, but that the amount involved was below the materiality threshold and therefore did not require adjustment to the accounts. She further advised that additional testing had been undertaken to ensure that this was an isolated issue, and that no similar occurrences had been identified.

Members explored the circumstances of the error and were reassured that it resulted from a genuine misunderstanding rather than a systemic control weakness. The Committee noted the explanation and was satisfied with the approach taken.

10) DRAFT REPORT TO THOSE CHARGED GOVERNANCE 2025/26

Mrs A Kane from the Northern Ireland Audit Office presented the Report to Those Charged with Governance, providing a detailed overview of audit findings across the Trust's accounts.

They confirmed that a clean, unqualified audit opinion would be issued in respect of all accounts, subject to completion of final review procedures. It was noted that no material misstatements had been identified and that there were no significant weaknesses in internal control.

The auditors outlined the key areas of focus within the audit, including the Trust's ability to achieve its financial position and compliance with resource limits. It was confirmed that while this had initially been identified as a risk, it had been mitigated through receipt of additional funding during the year, and no concerns remained in this area.

Members noted that only a small number of non-material misstatements had been identified, including an unadjusted item relating to clinical negligence provisions, which was below the threshold for adjustment and did not impact the overall financial position.

The auditors also highlighted two areas for improvement. The first related to employee benefits, where further work is required to strengthen the methodology used to estimate leave accruals, particularly in light of relatively low response rates to supporting surveys. The second related to ongoing oversight of procurement activity, particularly in relation to direct award contracts, although it was acknowledged that all such contracts reviewed had been appropriately approved.

The Committee welcomed the findings and noted that they provided strong assurance regarding the quality of financial reporting and governance within the Trust.

11) RISK MANAGEMENT

a. CORPORATE RISK REGISTER

Dr Austin has sent apologies for attendance therefore an update on recent progress was unavailable. The current Corporate Risk Register was noted for information.

12) ANNUAL REPORT ON THE USE OF DIRECT AWARD CONTRACTS FOR THE YEAR ENDED 2025/26

Mrs A Rutherford presented the Annual Report on the Use of Direct Award Contracts for 2025/26. She reported that the number of contracts had reduced compared to the previous year and that there had been a significant improvement in the timeliness of approvals, with a notable reduction in retrospective cases.

She outlined a series of actions implemented during the year to strengthen governance, including enhanced monitoring arrangements, earlier identification of contract expiry dates, and increased reporting to senior leadership. These measures had contributed to improved control and oversight.

Members welcomed the progress made however emphasised the importance of applying scrutiny to the use of direct award contracts. It was noted that while many contracts are justified due to the absence of regional procurement solutions, continued reliance presents ongoing risk.

Discussion focused on specific examples within the report, including contracts relating to telecommunications and specialist services. Members queried the circumstances under which contracts were awarded to specific suppliers pending procurement processes, noting the importance of forward planning to minimise such occurrences.

Mrs Rutherford acknowledged the points raised and agreed to provide further detail to the Committee on specific cases to support transparency and assurance.

The Committee concluded that while improvements have been made, continued focus is required to further strengthen procurement planning and reduce reliance on direct award contracts.

ACTION – Mrs Rutherford agreed to provide further detail on specific Direct Award Contracts, including the rationale for telecommunications-related contracts and circumstances leading to their use.

13) SUMMARY REPORT OF POSTS PROJECT EVALUATIONS COMPLETED DURING 2025/26 ON CAPITAL AND REVENUE PROPOSALS GREATER THAN £300,000

Mrs J McConville provided a summary report on post project evaluations completed during 2025/26. It was noted that the number of evaluations

completed was significantly below target, primarily due to staffing pressures within the responsible team.

Members expressed concern regarding this position, recognising that post project evaluation is a critical element of governance, providing assurance that investment decisions deliver intended outcomes and that learning is captured effectively.

A detailed discussion took place regarding the potential impact of wider financial and workforce constraints on the delivery of this work. The Chief Executive advised that decisions under consideration may result in reduced recruitment across non-essential posts, which could further impact the organisation's ability to deliver governance processes.

Members emphasised that failure to complete post project evaluations presents a significant risk, both in terms of financial oversight and organisational reputation. The Committee explored potential mitigations, including the introduction of a more proportionate or staged approach to evaluation.

It was suggested that an initial high-level review could be undertaken to confirm whether projects had delivered expected outputs and outcomes, with more detailed analysis reserved for cases where issues are identified. Members also considered whether simplified reporting mechanisms could be introduced to ensure that a minimum level of assurance is maintained, even where resource constraints limit full evaluation.

The Committee acknowledged the challenges but emphasised the importance of maintaining visibility and oversight in this area. It was agreed that progress should continue to be monitored closely and that any impact on governance arising from resource constraints should be clearly articulated.

ACTION – Mrs McConville agreed that progress on outstanding Post Project Evaluations would be monitored, with consideration given to developing a proportionate approach to ensure minimum governance assurance is maintained.

14) AUDIT AND RISK ASSURANCE COMMITTEE ANNUAL REPORT 2025/26

Mrs Ensor presented the Audit and Risk Assurance Committee Annual Report for 2025/26. Members noted that the report provides a comprehensive

overview of the Committee's work and reflects its role in providing assurance on governance, risk management and internal control. The report was approved.

15) LOG OF FINANCE CIRCULARS

Mrs A Rutherford presented the Log of Finance Circulars issued since the last meeting. She explained that these included routine updates relating to rates as well as the publication of the Department of Finance Fraud Report. The Committee noted the report.

16) TRAINING AND DEVELOPMENT

The Committee noted training activity during the period, including attendance by the Chief Executive at Accounting Officer training. Members reflected positively on the value of such training in strengthening understanding of governance responsibilities.

17) ANY OTHER BUSINESS

a. 2027 MEETING DATES

The Committee considered proposed meeting dates for 2027 and noted that minor amendments would be required to avoid diary conflicts. Revised dates will be circulated.

Members approved the committee meeting dates for 2027 subject to an amendment to the January 2027 meeting date.

No further business was raised.

Mrs Ensor thanked members and attendees for their contributions and brought the meeting to a close

The meeting concluded at 12:15pm