

**Minutes of a Virtual meeting of the Audit Committee
held on Thursday, 24th April 2023 at 9.30 a.m.**

PRESENT:

Mrs H McCartan, Non-Executive Director (Chair)
Mr M McDonald, Non-Executive Director
Mr J Wilkinson, Non-Executive Director

IN ATTENDANCE:

Dr M O’Kane, Chief Executive
Ms C Teggart, Director of Finance, Procurement and Estates, SHSCT
Mrs A Rutherford, Assistant Director of Finance for Financial Services, SHSCT
Mr B Beattie, Director of Adult Community Services *(Item 6i)*
Mrs L Leeman, Interim Director of Performance & Reform *(Item 6i)*
Ms J McGall, Director of Mental Health and Disability Services *(Item 6i)*
Mrs T Reid, Director of Medicine and Unscheduled Care *(Item 6i)*
Mrs V Toal, Director of Human Resources & Organisational Development *(Item 6i)*
Mrs C McKeown, Head of Internal Audit
Ms A Strain, Manager – Internal Audit
Mr P Jamison, Cyber Security – Internal Audit
Mr S Knox, Audit Manager, Northern Ireland Audit Office (NIAO)
Mr J McCallion, Senior Audit Manager – ASM, Belfast
Mrs S Judt, Board Assurance Manager, SHSCT
Mrs S McCormick, Committee Secretary, SHSCT (Minutes)

APOLOGIES

Mrs C Cassells, Assistant Director of Finance, Financial Management, SHSCT

1) CHAIR’S WELCOME

Mrs McCartan welcomed everyone to the virtual meeting including representatives from both Internal and External Audit.

2) **DECLARATION OF INTERESTS**

Mrs McCartan 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**

- **NIAO Auditor rotation**

Mrs McCartan referred to the letter from Mr N Gray, NIAO Engagement Director, in which he advises the Permanent Secretary, DoH of his intention to retire in the near future. Mrs Colette Kane will take on the role of Engagement Director for DoH audits and audits of its sponsored bodies.

On behalf of the Committee, Mrs McCartan recorded thanks to Mr Gray for his contribution to the work of the Audit Committee over a number of years and wished him well in his forthcoming retirement. Mrs McCartan advised of her intention to write formally to Mr Gray on behalf of the Committee.

Action – Mrs McCartan

4) **MINUTES OF MEETING HELD ON 6TH MARCH 2023**

The minutes of the meeting held on 6th March 2023, were agreed as an accurate record, subject to a minor amendment requested by Mrs McCartan.

Page 7 – ‘a number of attributing factors’, to be amended to read ‘a number of contributing factors’.

5) **MATTERS ARISING FROM PREVIOUS MEETING**

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

6ia) **INTERNAL AUDIT PROGRESS REPORT (7 REPORTS)**

Mrs McKeown presented the IA Progress Report, which demonstrates progress to date against the 2022/23 IA Plan and stated that seven audit reports including cyber security were issued for consideration by the Committee.

Contracts Management (Governance and Assurance) – Advisory Audit

Mrs McKeown advised that in line with the approved IA Plan for 2022/23, an advisory review of the Trust's Contract Management Governance and Assurance Function had taken place during September 2022 to February 2023. Mrs McKeown took time to outline the background to and purpose of the review. As regards the outcome of the exercise, members noted that whilst significant work has been completed by the central contracts governance team to identify contracts, IA is of the opinion that significant work is still required for the Trust to have assurance that all contracts have been identified and are being appropriately managed in line with HSC (F) 32/2017 Procurement Guidance Note (01/12) Contract Management Procedures.

Mrs Leeman was in attendance at the meeting and provided a general overview of the current position. At the outset, she acknowledged the Trust is not compliant with the Contracts Management processes, however is committed to moving forward to improve governance in this area. Mrs Leeman stated that the key issues raised within the IA report are driven by the limited resources available to manage both the enormity and complexity of the challenges in this area and a change in culture was required moving forward. She pointed out that the level of engagement from responsible staff has been variable to date, adding it appeared to be stronger in areas where dedicated contracts support is in place and where resources are available there are clear lines of oversight, with good performance against standards. However, she emphasized this is not the case in all areas. By way of learning, the Trust Contract Management Steering Group, will provide an overview position to the Senior Management Team (SLT) in due course, working on improving and solidifying engagement and identifying actions. By way of reassurance, Mrs Leeman stated that where interventions have been implemented, there have been good outcomes and referred to a claw back of £200k in relation to one particular contract, as part of an invest to save approach.

Mrs Leeman also referred to the good work being undertaken with 'contract hubs' and a further proposal to strengthen this in areas where there is no contract support. Members recognized the frustrations, in that whilst additional resources have been agreed, there is currently no funding stream to take this forward. In conclusion, Mrs Leeman referred to the 'Central Register' and its associated maintenance, stating it was important the information system was sustainable and interfaces with the Business Services Organisation (BSO) and contract holders. The Trust continues to explore solutions for this. Mrs Leeman assured members that whilst there

is significant work to do to address the gaps identified, the Trust has accepted all the recommendations set out by IA and are committed to addressing the matters.

Mr Knox asked for some further detail on the £200k claw back on the contract referred to by Mrs Leeman. Members were provided with the finer detail and Mrs Leeman also referred to a scoping exercise that had been undertaken looking at contracts to ensure compliance. Mrs McCartan requested that this would be shared with the Committee at a future meeting. Mr McDonald welcomed the update provided post audit and stated it was important to keep the matter under review. Mrs Rutherford added the Trust Procurement Board Annual Report would be an agenda item at the Audit Committee meeting in October 2023 and would provide members with a further opportunity to keep contract management under review.

Action – Mrs Leeman

Cyber Security IT Audit – Part Limited and Part Satisfactory

Mr Paul Jamison, IT Manager presented the report, advising that in line with the 2022/23 IA Plan, BSO IA carried out an IT audit of cyber security during October and November 2022. Members considered the finer detail of the assignment, along with the report findings and recommendations for improvement.

Mrs Leeman provided a verbal update on progress post audit, particularly around strengthening the documentation and standards and processes. She spoke about the intention to progress work on a Digital assurance governance framework and explained the context and rationale for this pathway.

Mrs McCartan thanked Mrs Leeman for the useful overview and update she had provided, along with her ongoing work in raising the profile of cyber security through the Trust Governance Committee, its inclusion on the Corporate Risk Register and the intention to set up a digital assurance framework. In response to a question from Mrs McCartan, Mrs Leeman assured members alignment of the three pieces of auditing work she had referenced in discussion, will feed through to the Governance committee in due course.

Mrs Leeman and Mr Jamison left the meeting at this point.

Mandatory and Profession Specific Training – Limited

At the outset, Mrs McKeown explained that the scope of the assignment was to review the robustness of the arrangements that the Trust has in place to manage the provision, recording and reporting of corporate mandatory and profession specific training (nursing) provided to staff. She advised that a Limited level of assurance is provided on the basis that attendance of 5 of the 9 Corporate Mandatory Training (CMT) modules is low with reported levels of compliance for Corporate Welcome and Departmental Induction requirements below 50%. In relation to Profession Specific training for nursing staff, there is no agreed mandatory training matrix and there is no central reporting or oversight of attendance at profession specific training. Mrs McKeown stated that whilst Limited assurance was provided, she acknowledged that the Trust has worked to make courses available via e-learning and the use of virtual platforms such as MS Teams/Zoom and this has helped to facilitate training. Members noted two significant findings had impacted on the assurance provided. One Priority 1 and Five Priority 2 recommendations were raised which Management have accepted.

Mrs Toal was in attendance and updated on progress post audit. She stated that work is progressing well to address the two recommendations (1 P1 and 1 P2) for the profession specific aspect of the audit, which fall under the remit of Mrs Trouton as Executive Director of Nursing, Midwifery and AHPs. In terms of Corporate Mandatory Training, Mrs Toal alluded to the impact Covid-19 has had on the uptake of Corporate Mandatory Training, however she was pleased to report good progress, with a steady increase in the compliance rates over the last three quarter periods. Mrs Toal advised that both the Corporate Welcome and Departmental Induction would move away from online training to face-to-face and explained the rationale for this was to assist in addressing the compliance levels for Corporate Welcome and Departmental Induction under 50%.

Members were pleased to note the SLT are reviewing the matter regularly and Mrs Toal is promoting the importance of every manager using the team matrix to ensure they are proactively managing the compliance with their Corporate Mandatory Training modules. Mrs Toal drew attention to the target compliance rates, with 80% to be achieved across all the modules with the exception of Corporate Welcome and Departmental Induction by September 2023 and 85% by the end of the 2023 calendar year. She assured members SLT are fully aware of the targets and she would also issue formal correspondence to ensure they are aware of the target dates and reinforce the training matrix.

Whilst the outcome of the audit was disappointing, Mrs McCartan welcomed the proactive approach being taken to date in terms of effecting improvements and addressing compliance issues. She asked if the Nursing and Midwifery Role Essential Training Governance Working Group has met, to which Mrs Toal stated she was of the understanding work was underway and the group had met.

Mrs McCartan asked if the findings of the audit would be rolled out to other Allied Health Professions (AHPs) in terms of their approach to professional training. Responding from an IA perspective, Mrs McKeown advised that the assignment was tailored for nursing, however she emphasized learning could be applied across the Trust and to other AHPs. Mrs Toal stated she would feedback Mrs McCartan's comments to Mrs Trouton. In concluding discussion, Mrs McCartan welcomed the report as useful in terms of learning and how the Trust can effect improvements across other professions. Mrs Toal stated she was content to progress with Dr O'Kane through the SLT.

Mrs Toal left the meeting at this point.

Operation of Assurance Framework (Limited Scope) - Satisfactory

At the outset, Mrs McKeown explained that the scope of the assignment had entailed undertaking a review of the robustness of the operation of a specific element of the assurance framework namely, five working groups reporting and providing assurance to relevant committees of the Trust Board. Members noted the objectives of this audit were, i) to ensure that there is an appropriate framework for obtaining and reviewing assurances within the Trust, in 5 specific areas and ii) to ensure that there are processes in place to guarantee that there is appropriate reporting and learning in relation to RQIA reviews, or statutory inspections and public inquiries. Mrs McKeown pointed out the assignment covered only specific elements of the Trust's Assurance Framework, as it is currently under review and change and further audit work is planned in 2023/24.

Mrs McKeown advised that a Satisfactory level of assurance has been provided on the basis that there are adequate processes for obtaining assurance from operational level through to Committee and Board level within the Trust in these 5 specific areas. The process for communicating and escalating assurance is working effectively based on the sample testing conducted. Members took time to consider the review outcome in relation to the operation of the five committees of the Board. There were no significant findings highlighted within the report, however IA raised that the Board Assurance Framework has not been updated and considered by the Trust

Board since June 2021 and currently Trust Board does not review RQIA inspections/review recommendations or for any other regulatory inspections such as licensing/accreditation of services. Five Priority 2 recommendations were identified during the course of the audit, all of which have been accepted by management.

Mrs McKeown stated it was important to note that whilst she had provided a Satisfactory level of assurance in respect of the operation of Trust Committees and the sampled reporting areas, she emphasized the need to conclude on the ongoing Trust governance structure review work as promptly as possible and to move to implementation of a refreshed governance structure. IA have made a number of observations in relation to this and a separate IA advisory note has been issued in relation to this, to feed into the ongoing governance structures refresh work.

Discussion ensued and Mrs McCartan requested that the report would be shared with the Trust Chair and those Non-Executive Directors not members of the Audit Committee, in advance of the Trust Board Workshop on Thursday 27th April 2023, to inform discussion. Mrs McCartan asked for a timeframe for conclusion of the governance structures to which the Chief Executive advised she envisaged September 2023.

Action – Board Assurance Manager

Advisory Note March 2023:- Ongoing Trust Refresh of Governance Structures

Mrs McKeown explained that on foot of the audit conducted on elements of the Trust's Assurance Framework in March 2023, IA made a number of observations in respect of and/or directly relevant to, the ongoing Trust review of governance structures. Mrs McKeown added it was important to note IA have not conducted an audit of the proposed new governance arrangements.

Members reflected on the IA observations noted within the report in relation to the ongoing review of governance structures. Mrs McCartan requested the IA report would be shared with the Trust Chair and those Non-Executive Directors not members of the Audit Committee, in advance of the Trust Board Workshop on Thursday, 27th April 2023 to inform discussion.

Action – Board Assurance Manager

Management of Patient Journey Discharge Process – Limited

Mrs McKeown advised that in line with the 2022/23 IA Plan, BSO IA carried out an audit of the discharge process (Medicine and Non-Acute Hospitals) within the Trust, during November 2022 – January 2023. The topic was previously performed during November 2017 in relation to Patient Flow, Acute Discharges at CAH, when Limited assurance was provided.

Members noted the scope of the current assignment was to review controls in place to manage the discharge process within Craigavon and Daisy Hill Hospitals acute medical wards, along with Lurgan and South Tyrone non-acute Hospitals. Mrs McKeown pointed out the audit did not include a review of the very recently agreed regional processes to address delayed discharges, that is, when the patient is medically fit to go home.

Members noted the Limited level of assurance provided. Mrs McKeown advised that whilst there are significant capacity issues and pressures across the sector in this area, there are elements of both complex and non-complex discharge delays that merit further attention and action and may be avoidable. One significant finding was identified. Eleven Priority 2 and Two Priority 3 recommendations were identified during the course of the exercise, all of which have been accepted by Trust Management.

The Chair welcomed Mrs T Reid and Mr Beattie to the meeting. Mrs T Reid acknowledged the findings to be disappointing however stated that Mr Beattie and herself, were fully aware of the many challenges highlighted within the report. By way of progress, Mrs T Reid stated that within the timeframe April – October 2023, significant work has been undertaken with discharge processes including, support into the Trust control room provided by Mr S McGirr's Team, increasing focus on patient flow and discharge, as well as a number of ongoing projects in relation to Whiteboards supported by the Quality Improvement (QI) team. Mrs T Reid stated improvement work will also continue in relation to discharge letters and pharmacy in order to ensure improvement in both simple and complex discharges. Mr Beattie welcomed the report findings as an opportunity to work towards improvement and effect timely discharge. He emphasized the need for a more streamlined approach and the importance of making better use of Information Technology (IT) as an enabler, as well as ensuring effective decision making is carried out in a more timely way. Mr Beattie added that the matter was being given attention at both local and regional level.

Discussion ensued and members asked a number of questions to which comprehensive responses were provided. The Chief Executive welcomed the report findings as useful and assured members the Trust will continue

to address the gaps identified and work towards implementing the recommendations. She added timely discharge letters and pharmacy, which is not commissioned at weekends, remain two challenging areas.

Mrs McCartan recorded thanks to both Mrs T Reid and Mr B Beattie and acknowledged the complexity and operational challenges ongoing across this area.

Case Care Management – Limited

Mrs McKeown advised that a Limited level of assurance was provided in relation to Mental Health and Disability Directorates, on the basis that a significant proportion of annual care management reviews have not taken place; a care plan was not in place as required in 7% of sampled cases and in one sampled team, 33% of service users have not been allocated a keyworker. Members noted three significant findings along with a number of other key findings had been raised through the exercise. IA identified Eight Priority 2 and Three Priority 3 recommendations, all of which have been accepted by Trust Management and accepted for implementation.

Mrs McCartan asked Mr Beattie and Ms McGall to provide an update on progress post audit. Whilst disappointing, Mr Beattie welcomed the detail within the report as extremely helpful in highlighting areas for improvement, however he acknowledged many are already under the radar of the Trust. In relation to low compliance with Annual reviews, Mr Beattie reported an improvement to around 60% post Covid19, when the expectation of carrying out annual reviews had been stood down. He welcomed the good progress, however acknowledged there was still much work to do. Mr Beattie continued and alluded to the ongoing demands on the system. He referred to the pressures on key workers struggling with the lack of capacity in social care. He emphasized the importance of working more innovatively and efficiently in the current climate.

Ms McGall stated it was important to note the Trust was working to the Department of Health guidance on Care Management issued back in 2010 as well as various other models of case/care management which was challenging. She advised that across Mental Health and Disability, Annual reviews were stepped down as a statutory function during Covid and as alluded to by Mr Beattie earlier, this has created a back log. Ms McGall went on to outline other pressures in the last financial year that have impacted annual reviews not being aligned with the Mental Capacity Act (MCA). Similarly, to Mr Beattie, Ms McGall also referred to the challenges and pressures faced by Key workers and outlined how moving forward pressures could be alleviated on staff members but also help to improve the

patient journey. Ms McGall advised that prior to the IA report, Mental Health and Disability Services had instigated its own review of case management guidance and a quality improvement project across the Directorate has been ongoing to assist in improving compliance with the 2010 guidance. In conclusion, Ms McGall acknowledged that whilst the guidance was out of date, there have been challenges in fulfilling it in totality, however she assured the Committee there is a program of work ongoing to try and improve compliance and performance.

Members asked a number of questions to which comprehensive responses were provided. On behalf of members, Mrs McCartan thanked both Ms McGall and Mr Beattie for providing a clear update on progress despite many competing challenges.

Ms McGall and Mr Beattie left the meeting at this point.

6ib) INTERNAL AUDIT PROGRESS REPORT 2023/2024

Mrs McKeown presented the IA Progress Report, which demonstrates progress being made against the 2023/24 IA Plan. Mrs McKeown alerted members to the Trust's request for two additional audit assignments to be undertaken in 2023/24, i) Cytology – Internal Audit Review of Process to Date and ii) Management of Lessons Learned in the Trust (including management of Clinical Audit). Mrs McKeown advised that Audit Committee approval is sought to add these audits to the 2023/24 audit plan. In order to facilitate the additional two new assignments, members were also asked to approve the deferral of two audits to early 2024/25, i) Management of Private Patients, Paying Patients and Change of Status Patients and ii) Absence Management.

Audit Committee members approved the above named amendments to the Audit Plan

6ii) BSO SHARED SERVICES SUMMARY REPORT

Mrs McKeown presented the BSO Internal Audit Shared Services Summary report and members noted the following reports finalised since the last Trust Audit Committee:-

- Payroll Service Centre (PSC) –

Satisfactory assurance provided over, Elementary PSC processes including current overpayment administration, manual timesheet management and pay awards.

Limited assurance provided over, SAP/HMRC RTI Reconciliation, Historic Sickness Absence, Net and Historic Overpayments Backlog.

Members welcomed the level of assurance achieved.

6iii) YEAR END FOLLOW UP ON OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS

Mrs McKeown guided members through the document and pointed out that of the 561 accepted Priority 1 and Priority 2 audit recommendations; 455 (81%) were fully implemented, 95 (17%) were partially implemented and 11 (2%) were not yet implemented at the time of review. Reflecting on prior year performance of 75% of accepted Priority 1 and Priority 2 recommendations fully implemented at year-end, members welcomed the improved position of 81% which exceeded the target set of 80%.

Mrs McCartan welcomed the proactive work by all involved, which had achieved an excellent result.

7) EXTERNAL AUDIT STRATEGY 2022/23 – REFLECTION ON ACTIONS FOR THE AUDIT COMMITTEE

Mrs McCartan advised that following consideration of the NIAO External Audit Strategy 2022/23 at the meeting on 6th March 2023, she undertook to prepare a draft response to the responsibilities and actions for the Audit Committee as detailed within the strategy document. Members noted the final document for information purposes.

NIAO and ASM representatives were content with the Committee's formal response and welcomed it to be good audit evidence and practice.

8) FINANCE CIRCULARS

i) HSC(F) 06-2023 – Timetable for ALB Annual Accounts 2022-23

Ms Teggart presented the named Finance Circular. Members noted the challenging timetable for the submission of the Annual Accounts for 2022/23.

ii) HSC(F) 08-2023 – FD (DoF) 01-23, Manual of Accounts 2022-23 and Capital Accounting Manual

Ms Teggart presented the above named Finance Circular for information purposes. Mrs Rutherford advised IFRS16 is being adopted by Trusts this year and commentary regarding this change will be included as part of the Year-end Accounts.

9) ANY OTHER BUSINESS

The Chair recorded thanks to everyone for their contribution and advised that the next meeting will take place on Thursday, 4th May 2023, at which the Committee will review the remaining IA Reports and the Head of Internal Audit Annual Report, along with the draft Annual Accounts 2022/23 and the draft Governance Statement 2022/23.

The meeting concluded at 12.10 p.m.

SIGNED: _____

DATED: _____