

**Minutes of a meeting of the Audit & Risk Assurance Committee  
held on Thursday, 17<sup>th</sup> October 2024, at 9.30 a.m., in the  
Boardroom, First Floor, Trust Headquarters, Craigavon**

**PRESENT:**

Mr M McDonald, Non-Executive Director (Chair)  
Mrs H McCartan, Non-Executive Director  
Mrs L Ensor, Non-Executive Director

**IN ATTENDANCE:**

Ms C Teggart, Director of Finance, Procurement and Estates, 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)*  
Mrs C Reid, Director of Surgery & Clinical Services, SHSCT *(Item 6i only)*  
Mrs T Reid, Director of Medicine & Unscheduled Care, SHSCT *(Item 6i only)*  
Ms J McGall, Director of Mental Health & Disability Services *(Item 6i only)*  
Mrs C McKeown, Head of Internal Audit  
Ms A Strain, Audit Manager, Internal Audit  
Ms C Kane, Engagement Director, NIAO  
Ms A O'Doherty, Head of HSC Sponsorship Branch (observer) *(via MS Teams)*  
Ms I Fraser, HSC Sponsorship Branch (observer) *(via MS Teams)*  
Mrs S Judt, Board Assurance Manager, SHSCT  
Mrs S McCormick, Committee Secretary, SHSCT (Minutes)

**APOLOGIES**

Dr M O'Kane, Chief Executive  
Mrs C Cassells, Assistant Director of Finance, Financial Management, SHSCT

**1) CHAIR'S WELCOME**

Mr McDonald welcomed everyone to the meeting including representatives from both Internal and External Audit. Mr McDonald went on to advise that following the most recent Ground Clearing meeting with the Department of Health (DoH) and in light of the overall opinion from the Head of Internal Audit for 2023/24, DoH Sponsorship

Branch representatives will be attending all Audit & Risk Assurance Committee (ARAC) meetings for the remainder of the financial year as observers and he welcomed Ms O'Doherty and Ms Fraser, joining the meeting via MS Teams.

## 2) **DECLARATION OF INTERESTS**

Mr McDonald 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 Report to Those Charged with Governance (RTTCWG) – ALB Implementation of Audit Recommendations**

Mr McDonald referred to the named correspondence, setting out the rationale for Sponsorship Branch attendance at ARAC meetings. Members noted the detail including the expectation that audit recommendations should be addressed in a timely manner and the importance of regularizing the current position.

## 4) **MINUTES FROM MEETINGS HELD ON 2<sup>nd</sup> MAY 2024 AND 17<sup>th</sup> JUNE 2024**

The minutes of the meetings held on 2<sup>nd</sup> May 2024 and 17<sup>th</sup> June 2024 were agreed as an accurate record of the meeting.

## 5) **MATTERS ARISING FROM THE MEETING HELD ON 17<sup>th</sup> JUNE 2024**

Members noted the progress updates from the relevant Directors to issues at the previous meeting and were content.

### **Item 6i) Final, draft Annual Report, Governance Statement and Accounts for the year ended 31 March 2024**

In relation to the change within the accounts, Ms Teggart confirmed for Mrs McCartan that the actual figure for staff absence as at end March 2024, was 7.25%.

## **Risk Management Update**

Mrs Ensor said she would like to see a written update on this item coming to the Committee in future. A brief discussion ensued and members expressed views as to the level of detail they felt was appropriate for consideration at the ARAC. Members agreed to discuss the matter further with Dr Austin under item 9 of the agenda.

## **Test Drilling Exercise with DoH**

Mr McDonald advised that he had raised this matter at the September 2024 Board meeting with full board and at that stage he had received an update from Mrs J McConville stating that the necessary actions had been taken and training introduced.

## **SIP Checks**

Mrs McCartan asked if the Learning Brief and checklist had been circulated for information and is on the agenda for meetings with staff in order to increase compliance levels. In response, Ms Teggart outlined work that has been underway with SIP reports and said she was pleased to see compliance rates have increased. She commended the BSO learning brief and checklist as a really good resource and agreed it would be useful to share with Senior Leadership Team (SLT) colleagues. A short discussion took place in terms of the impending implementation of Equip and Encompass and the importance of data cleansing to ensure accuracy when information is moved across. Mrs Rutherford confirmed Equip was scheduled to roll out in April 2026 and provided some assurance in terms of quality assurance work being taken forward by the Human Resource Directorate around Organizational Management and SIP listings in preparation for Encompass.

### ***Action – Ms Teggart***

## **Standing Financial Instructions (SFIs)**

Mrs Rutherford advised that work on reviewing the SFIs is currently underway and around 60% complete. In due course, the draft document will be reviewed by the SLT prior to coming to the ARAC and Trust Board for approval early in 2025.

*At this point, Mr McDonald requested that Item 9 would be taken next on the agenda.*

## 9) **RISK MANAGEMENT UPDATE**

Dr Austin provided a verbal update and stated that work has been ongoing in terms of exploring various risk register formats, as the current format requires development to better articulate the 3 lines of assurance. Engagement has taken place with various counterparts in Northern Ireland and across the UK to look at best practice. Dr Austin advised that a pilot risk register format is underway and will be presented to the Trust Senior Leadership Team Risk Assurance (SLTRA) group later in the day. Feedback will be welcomed from across Directorates. Exploratory work is also taking place in regards using the DATIX system to better support the recording of risks across the Trust and members were reminded of the Internal Audit recommendations aligned to risk management in terms of ensuring transparency, transferring risks in a more managed way in one format and ensuring a consistent approach across Directorates. Dr Austin said he would envisage sharing the new risk register format with ARAC members at the next meeting in February 2025 and would welcome their comments.

Continuing, Dr Austin advised that once the risk register is designed, work on revising the Risk Management Framework will follow and he took time to outline some of the finer detail around this work. Dr Austin commented on the importance of providing quality assurance on the risk registers and said he would be interested to see this developing moving forward.

In concluding, Dr Austin pointed out that in its current form the Corporate Risk Register (CRR) is very heavily populated and there may be an opportunity at this juncture for fine tuning the document in terms of rationalising which risks should be on which level in the Organization and said he would welcome comments from members in this regard. Mrs Ensor emphasised the importance of ascertaining which risks are corporate and which are operational and asked if the roll out of Encompass and all the associated issues with the system change have been included on the CRR. By way of response, Dr Austin confirmed Encompass was on the CRR at present and there is also a regional risk register for it. A heavy programme of mitigations is in place and it is exceptionally well managed at present. Dr Austin pointed out it is important the Organisation understands how to manage the risks correctly and the new risk register format and Risk Management Framework will assist with this greatly moving forward.

Mr McDonald welcomed the work to date. He raised the ongoing issue of where risk management sits across the Governance and ARAC and said he was of the view that the primary focus of risk for ARAC is looking at any increased elevation in risk and mitigation steps the Committee need to be alerted to for escalation to Board level. He went on to ask is the design of the framework something which will be reviewed by the Governance Committee and formally approved by Trust Board. Discussion ensued and Mrs McCartan said that in keeping with the overarching governance structure of risk she felt the correct process was for the framework, along with a summary of corporate risks to come through the ARAC, given that IA reports on risk management also come through this Committee for review. Dr Austin welcomed the comments and, on a point raised by Mr McDonald clarified that, Trust Operational Executive Directors will be responsible for developing the framework and once reviewed by the SLTRA Group, it will come to the ARAC for approval and then formally to Trust Board.

### ***Action – Dr Austin***

In response to a query regarding good practice elsewhere, Mrs McKeown stated that all Trusts had a good model for Corporate Risk Registers. Continuing, Mrs McKeown said the Western Trust have undertaken work around risk appetite and presentation to ARAC and suggested that it would be helpful to link in with them. Furthermore, she made the point that considering the Trust's proposed work planned to review the Risk Management Framework, it would be advisable for the Medical Director and herself to liaise regarding the timing of the planned IA assignment on Risk Management for 2024/25. Dr Austin agreed to discuss this further with Mrs McKeown.

### ***Action – Dr Austin / Mrs McKeown***

Mrs Ensor raised a point around the roll out of Encompass and the risk of data being transferred incorrectly. In referring to patient data Dr Austin said the Trust has a senior responsible officer in place and there is legislation and processes in place to manage this. Mr McDonald said handling and transferring data is one of the inherent risks of the Encompass process as it is introduced by the Trust and should be covered to a large scale on the Risk Register of Encompass regionally.

In closing, members discussed the value in having a written report to the committee on a regular basis rather than a verbal date. Ms

Teggart said it was important the Committee receive the whole risk register for awareness. Mr McDonald concurred and added it was important for the Committee to also consider potential risks.

***Action – Dr Austin***

**6i) INTERNAL AUDIT PROGRESS REPORT 2024/25 (7 REPORTS)**

Mrs McKeown presented the IA Progress Report, which demonstrates progress against the 2024/25 IA Plan and provides a summary of the audit reports finalised since the last Committee meeting.

At the outset, Mrs McKeown advised that Trust Management have requested the deferral of two 2024/25 audits, i) Medical Locums audit until 2025/26 and ii) Recruitment audit until after the new HR system is live. Furthermore, Mrs McKeown advised that IA in conjunction with Management, propose to utilise the audit time freed up to, i) add a Budgetary Control audit of 20 days to the 2024/25 audit plan, following the 2023/24 Limited assurance and ii) add more time to the follow up process (40 days) to provide additional support, testing, training and attend follow up clinics.

Members recognised the rationale for this approach.

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

Mrs McKeown took time to reflect on the key performance indicators on page 2 of the report and recognised the improvement since 2023/24.

**Complaints Management – Limited**

Mrs McKeown advised that Limited assurance was provided in relation to Complaints Management on the basis that there are significant issues in relation to retention of investigation/review records to provide assurance that complaints are robustly reviewed/investigated. There is limited assurance that complaints investigators have been trained, and that learning from complaints is appropriately captured and disseminated within teams. Furthermore 3 of the 4 significant findings raised in the prior audit undertaken in 2021/22 have been reported in the 2024/25 despite a range of measures having been put in place.

Members noted that three significant findings have been identified in the report, impacting on the assurance provided and Mrs McKeown guided members through the finer detail. Twelve Priority 2 and One Priority 3 recommendations were identified.

Mr McDonald noted disappointment at the outcome of the audit. He raised the fact that there is no corporate recording of the different types of complaints that were escalated to Serious Adverse Incidents (SAIs) and there is no mechanism to link or monitor recording of different complaints, SAIs or incidents. He queried if this lack of monitoring was increasing a risk to patient safety. Dr Austin stated that a process would be developed to enable triangulation of complaints, incidents or SAIs in relation to the same member of staff.

*Mrs T Reid and Mrs C Reid joined the meeting at this point.*

## **Management of Emergency Gastrointestinal (GI) Bleeds – Limited**

At the outset Mrs McKeown explained the scope of the audit focused on the appropriateness and effectiveness of the controls in place surrounding the Management of Emergency GI Bleeds. Members noted that Limited assurance was provided on the basis that patient pathways for the management of emergency GI bleeds are not documented as required. There are a significant proportion of vacant Gastroenterologist posts which means it is not possible to currently put in place an emergency GI Bleeding Rota which has been a risk on MUSC Directorate risk register since 2018 and there has been limited progress on this risk. A risk in relation to the current vacancy gaps within Gastroenterology services within the Trust has been escalated to the CRR and there is a reliance on General Surgery to manage emergency GI bleeds. Dr Austin noted that this risk has been escalated to the Commissioner.

Members noted the 2 significant findings impacting on the assurance provided and members considered the finer detail as outlined by Mrs McKeown. Eight Priority 2 recommendations were identified.

Mrs T Reid stated that the Gastroenterology service remains fragile and the Trust's red flag waiting lists are the highest in the region. Mrs C Reid provided assurance that this risk was being monitored by the Governance Committee and they were being kept up to date on the situation. The Committee acknowledged the work that has been undertaken and there has been some improvements, however Mr

McDonald advised that he would be including this in his Committee Chair report to Trust Board.

Following discussion and in light of the Trust's red flag waiting lists, Mr McDonald said he was minded to escalate the IA report and recommendations to Board members at the forthcoming confidential Trust Board meeting in November 2024.

***Action – Mr McDonald***

**Hybrid Assurance:-**

**i. Non-Pay Expenditure (MUSC)  
Management of Agency Locum Expenditure – Limited**

At the outset, Mrs McKeown explained the focus of the audit assignment and advised of the final position. Members noted Limited assurance was provided in relation to the Management of Agency Locum Expenditure, due to the high volume of funds paid to off-contract locum agencies within the Directorate in the year to June 2024, which equated to 23% of the total Non-Pay Expenditure in the audit period. One significant finding was identified in the report that impacts on the assurance provided and Mrs McKeown outlined the finer detail. Overall five Priority 2 recommendations and 4 Priority 3 recommendations were identified through the audit. Management have accepted all the recommendations for improvement.

Mrs T Reid alluded to the continuing challenges in the area of agency locum spend and said that until we have the new framework, we can not have DACs in place for the majority of locums. Ms Teggart spoke of the work ongoing to move to a new regional framework for medical locums and advised a DAC is not applicable in these circumstances.

**ii. MUSC Directorate & Retained Finance – Satisfactory**

Members noted Satisfactory assurance had been provided on the basis that within the sampled Directorate, there were no off-system link and load payments and there was limited use of manual payments. There was adequate governance over invoice approval and checking of rates to contract schedules with limited errors identified in testing. Whilst centralized processes are in place for the management of DACs, spend controls over the Management of Revenue Business Cases need strengthened and improvements are required in the areas of timeliness of DAC completion and approval and consideration of VFM.

*Ms McGall joined the meeting at this point.*

**Hybrid Assurance:-**

**Management of Client Monies in 5 of the 7 homes visited and Trust Monitoring Arrangements of Residents/Service User Finances – Satisfactory**

**Client Monies in Independent Sector Homes  
1 of the 7 Homes visited (KE) – Limited**

Mrs McKeown explained the focus of the assignment was to review processes within the 7 facilities sampled to manage residents'/service users' monies. The risk in this area is reputational financial loss/fraud due to lack of control over residents/service users' monies in the Independent Sector. Members noted that Limited assurance was provided in relation to the Management of Client Monies at one home (KE). Mrs McKeown explained that whilst some progress has been made in addressing the recommendations made in the 2023/24 limited assurance report, some significant issues have not been appropriately addressed and actioned and members noted the finer detail.

**1 of the 7 Homes visited (RC) – Unacceptable**

Mrs McKeown went on to advise that unacceptable assurance was provided in relation to the Management of Client Monies at one home (RC). Members considered the finer detail including expenditure of high value items without appropriate Care Manager approval.

There were two significant findings impacting on the assurance provided and overall, Four Priority 2 and Two Priority 3 recommendations were identified.

At this point, Mrs McKeown advised IA had also carried out their annual regional exercise, and on this occasion conducted visits to a sample of 32 Independent Homes and 5 Adult Supported Living facilities across the 5 Health and Social Care Trust in Northern Ireland and explained some of the finer detail. Members reflected on the findings.

Discussion ensued and at the outset Mr McDonald stated it was reassuring to see 5 of the 7 facilities receiving Satisfactory assurance given the challenges across the sector. Mr McDonald raised the

significant amounts of money held in 4 of the 12 bank accounts and emphasized the need for proper controls to be in place and highlighted that many of the matters appear to be housekeeping issues.

Ms McGall was asked to provide an update on progress and said that conversations are ongoing with both facilities. She explained that KE was a repeat Internal audit. Whilst they had an improvement plan in place, it was not progressing as swiftly as the Trust wished and IA were asked to revisit. In relation to RC, Ms McGall said that due to challenges raised through complaints and case management reviews the Trust requested a targeted audit. She said, it is not unusual for individuals with a learning disability to accrue monies in their account, however immediate action on the gaps in control are being taken and will be followed up through contract compliance. Continuing Ms McGall said the Trust intend to move to become appointee to the resident's as opposed to Mencap and this will provide a high control level by way of monitoring. The Trust has also contacted the benefit agency to do a reassessment of eligibility for benefits and this work has taken place post audit. Issues with the financial processes including ledgers etc, will be monitored through the action plan with this provider. Ms McGall spoke about case manager reviews, and acknowledged the challenges in trying to maintain compliance in this area. She assured members Learning Disability is prioritizing this, however it is based on competing demands such as MCA and available resources. An action plan is in place to work to achieving a target of 80% compliance. Ms McGall added this was a work in progress and it was a priority to get the reviews up to date for the tenants at RC in order to provide assurance. Finally, in relation to high value items purchased, Ms McGall stated that work is ongoing to process the 2 issues and the matter will be monitored by way of contract management.

Referring to KE, Ms McGall said the recommendations from the two audits 2023/24 and 2024/25 will now combine into one action plan. She explained that the issue with the manager change is an issue with the bank and is progressing through their legal team. In relation to the matter around the car lease, members noted this was a historical issue and there are now processes in place moving forward. Some strengthening has taken place in regards to financial processes.

In concluding her remarks, Ms McGall said the Trust is aware of the gaps in relation to the two named homes and both will be managed through performance notices in line with the contract. A robust action

plan is in place and finance colleagues will provide assistance in keeping the action plan in place.

Mr McDonald thanked Ms McGall for her clear and concise update on progress. Members asked a number of questions, to which Ms McGall provided appropriate responses.

*Ms McGall left the meeting at this point.*

### **Financial Assessments – Satisfactory**

Mrs McKeown was pleased to advise that Satisfactory assurance was provided in relation to Financial Assessments on the basis that during sample testing, no issues were found around the accuracy of payments made to the homes or the accuracy of invoices raised to residents or those responsible for payment of assessed charges (the financial assessment process). Mrs McKeown pointed out that whilst a satisfactory level of assurance had been provided there were issues noted around timeliness and completion of necessary forms. In addition, there is no documented business continuity plan in place if the Abacus system was not available. There were no significant findings in the report that impact on the assurance provided. Two Priority 2 and Three Priority 3 recommendations were identified. Management have accepted all recommendations for implementation in line with agreed timeframes.

On behalf of members Mr McDonald welcomed the outcome of the exercise. He stated it was a clean report with a number of housekeeping issues to rectify and reflected on the importance of this area of work across the Trust.

### **Cash Management – Satisfactory**

Mrs McKeown was pleased to advise that Satisfactory assurance was provided in relation to Cash Management in Cash Offices on the basis that adequate processes are in place in the Trust cash offices around the collection, receipting and lodgment of monies and there were good levels of security in place around the collection of cash. There were no significant findings in the report that impact on the assurance provided. Two Priority 2 and Three Priority 3 recommendations were identified. Management have accepted all recommendations for implementation in line with agreed timeframes.

On behalf of members Mr McDonald welcomed the outcome of the exercise.

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

Mrs McKeown presented the results of the mid-year follow-up on the implementation of accepted outstanding Priority 1 and Priority 2 IA recommendations, where the implementation date has now passed. Members noted, out of a total population of 513 accepted recommendations, 417 (81%) were fully implemented, 73 (14%) were partially implemented and 23 (5%) were not yet implemented at the time of review. In particular, Mrs McKeown raised, the Trust currently has 96 outstanding recommendations that are not fully implemented and said this is a large number in comparison with other Trusts. Continuing, she stated that of the 68 open significant recommendations due for implementation, 45 are behind schedule in terms of implementation and 22 of these significant recommendations were from 2023/24 audit reports, contributing to the overall Limited assurance audit opinion.

Members reflected on the RAG rating on page 10 of the report for discussion on the finer detail and acknowledged work was required to move outstanding IA recommendations forward. Ms Teggart advised the Chief Executive has made this one of her top 3 priorities moving forward and said Mrs Martina Corrigan had been asked to assist with this work.

*By way of context, Ms Teggart suggested it would be helpful to discuss Item 8 next on the agenda.*

## **8) IA FORUM UPDATE INCLUDING PRIORITY ONE RECOMMENDATIONS**

Referring to the report, Ms Teggart reflected on the current draft position on implementation of outstanding IA recommendations to 13 September 2024, reporting 69 recommendations have been implemented so far. Members considered further the table on page 2 of the report which provided a clear picture across Directorates. Of the 177 recommendations due in 2024/25, 85 are noted as significant. There are 12 Priority 1 recommendations remaining outstanding, 4 of which are overdue by 30 September and members noted the finer detail.

Ms Teggart advised the IA Forum continue to meet on a monthly basis with a good representation, focusing on current issues and progress made. She welcomed the new RAG rating approach to allow better monitoring of progress on outstanding recommendations

month on month. Members noted that the IA Forum met on 30 August 2024 in advance of the Mid-Year follow up meetings. Following preliminary feedback on mid-year progress, the Chief Executive issued a memorandum to Directors and relevant senior staff on 9 September 2024 detailing a number of requests to ensure timely progress moving forward and advised the SLT will review progress of all remaining outstanding recommendations through the SLTRA group on a monthly basis. In June 2024, the Trust set 10 Improvement Targets/Measures for 2024/25 and members considered the detail, including the progress made as at 19 September 2024. Ms Teggart pointed out IA is one of the Trust's three key priorities for the remainder of the financial year and an additional senior resource has been allocated by the Chief Executive to work in assisting Directorates in driving the improvements required over the period to 31 December 2024. She also added it was important to remember this work will require additional resources to ensure significant progress.

Mrs McCartan commended the good work of the Internal Audit Forum as well as the Finance team and for the tremendous commitment required to close outstanding recommendations on foot of the IA overall opinion. Ms Teggart assured members progress is being made and said it was encouraging to have 81% of the 513 accepted recommendations fully implemented as reported by Mrs McKeown under the previous agenda item. Ms Teggart alluded to the ongoing challenges of balancing governance and internal control issues which need to be strengthened despite financial constraints.

In conclusion, Mr McDonald emphasized there must be responsibility across all Directorates to drive this work forward.

### **6iii) BSO FINAL GOVERNANCE STATEMENT**

Members noted for information purposes, the BSO Final Governance Statement for the year ended 31 March 2024. 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.

### **6iv) BSO SHARED SERVICES PAPER**

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:-

## Accounts Payable Shared Service Centre – **Satisfactory**

There were no significant findings in this report that impact on the assurance provided.

The Committee welcomed, Satisfactory assurance provided in respect of the Shared Service Audit.

### 6v) **INTERNAL AUDIT MID-YEAR ASSURANCE STATEMENT 2024/25**

Mrs McKeown presented the IA Mid-Year Assurance Statement and pointed out the seven completed Internal Audit assignments reflected in the document were considered earlier in the meeting under the Internal Audit Progress Report. Whilst members welcomed the assurance provided through the document on the systems of internal control and governance, they were mindful of the four significant findings identified through a number of audit assignments detailed within the document under consideration.

### 7) **DRAFT SHSCT MID-YEAR ASSURANCE STATEMENT 2024/25**

Ms Teggart presented the draft Mid-Year Assurance Statement 2024/25. She guided members through a number of on-going internal control divergences being managed by the Trust including: clinical and social care risks, unscheduled care demands and recruitment, Psychiatry, General Internal Medicine and Gastroenterology, Cervical Screening, along with the Statutory Public Inquiry into Urology Services and the current financial challenges.

Ms Teggart advised the date for submission of the Mid-Year Governance Statement to the DoH was 11<sup>th</sup> October 2024 and the draft document will be discussed at the mid-year ground clearing meeting with departmental colleagues. Members noted that they were reviewing the document retrospectively on this occasion and requested that ARAC see the draft statement in advance of its release to the DoH in the future.

#### ***Action – Ms Teggart***

Members considered the draft Mid-Year Assurance Statement to be comprehensive and transparent and an accurate reflection of the system of internal governance as at 30 September 2024 and acknowledged the current challenges facing the Organization.

The Committee acknowledged the work required in preparing the Statement, which provides the ARAC and Trust Board with assurance on the Organisation's system of internal control. At the conclusion of discussion, members were content the Statement would proceed to Trust Board for formal approval in due course.

## 9) **FRAUD UPDATE**

### i) **SHSCT Fraud Report**

Mrs Jones, Fraud Liaison Officer (FLO) presented her written report, which included 13 fraud cases reported to date within the Southern Trust for the financial year 2024/25. She referred to a number of cases in particular and subsequently responded to questions raised. The report highlighted the ongoing risk of fraud impacting on SHSCT and the need to promote an anti-fraud culture.

Members welcomed the learning outcome provided against several cases. Mrs Jones added 5 cases reported from 1 April 2024 to date are now closed.

### ii) **National Fraud Initiative Exercise 2023/24 Update**

Mrs Jones presented an update report on NFI exercise 2024 preliminary work in advance of data matching. Members noted the NFI 'matches' will be made available to organisations late in January 2025 for checking against internal records.

*Request made that Item 12 be taken in advance of the update on External Audit Recommendations (Item 11)*

## 12) **FINAL REPORT TO THOSE CHARGED WITH GOVERNANCE 2023/24**

On behalf of the NIAO, Ms Kane presented the final report for information purposes and reminded members, an earlier draft had been presented to ARAC on June 2024. Members noted the Comptroller and Auditor General (C&AG) had certified the 2023/24 Public Funds and Patients' and Residents' Monies financial statement with an unqualified audit opinion without modification on 4 July 2024 and subsequently the Charitable Trust Funds on 16<sup>th</sup> September 2024. Ms Kane added that two additional recommendations have been made since the report was updated from the draft version. The

final report now makes nine recommendations for the Trust to implement, a number of which require regional input.

On behalf of the Committee, Mr McDonald recorded thanks to the NIAO for their professionalism in carrying out the audit of the Trust Financial Statements 2023/24 and bringing the exercise to its final conclusion.

#### **11) UPDATE ON EXTERNAL AUDIT RECOMMENDATIONS**

Mrs Rutherford provided an update on Outstanding External Audit Recommendations from the 2023/24 financial statements which detailed seven Priority 2 and two Priority 3 recommendations, all of which have been accepted by the Trust for implementation within the timeframes noted.

Mrs McCartan welcomed the comprehensive document as very helpful for the Committee in terms of monitoring progress on recommendations initially, following the outcome of the external audit and then at the mid-year position.

Ms Kane referred to the Priority 2 recommendations in respect of Holiday/Sick Pay Provisions and the associated regional issues. Mrs McCartan emphasised the importance of good engagement between the NIAO and DoH on these matters in advance of May 2025.

#### **13) SHSCT PROCUREMENT STRATEGY – VERBAL UPDATE**

Mrs Rutherford advised that the Procurement Strategy is due for update in light of the new Procurement Act.

#### **14) NAO AUDIT & RISK ASSURANCE COMMITTEE EFFECTIVENESS TOOL AND SUPPORTING ANNEX**

Mr McDonald presented for information the Trust's draft National Audit Office (NAO) Audit and Risk Assurance Committee Effectiveness Tool – Good Practice Guide (revised May 2022) together with Annex 1, detailing supporting commentary. He advised the document had been completed to reflect the reconstitution of the Committee. Based on the outcome of this exercise, Mr McDonald said members are of the view that the Committee is operating effectively and complying with ARAC best practice and said there is evidence of this by way of, the continued focus on the implementation of Internal Audit recommendations to seek a reduction in the volume

of open audit recommendations and referred to the forthcoming ARAC meeting to specifically target this issue.

Mr McDonald raised the point that the Committee is moving into a period of transition. Members recognised that given the tenure of the outgoing ARAC Chair and previous Audit Committee Chair ends on 31<sup>st</sup> December 2024 and 14<sup>th</sup> February 2025 respectively, it will be important that incoming ARAC members have the requisite skills and experience required to make a positive contribution to the work of the Committee. A short discussion took place and Mrs McCartan stated it was her understanding the Trust Chair has made a recommendation to the DoH on the matter.

The Committee welcomed the value of the comprehensive tool to provide assurance that it is operating effectively and complying with ARAC best practice. There were no Actions arising from the assessment at this juncture.

#### **15) PROPOSED MEETING DATES 2025**

Members considered the schedule of proposed meeting dates for 2025.

**Members approved the Meeting Dates for 2025**

#### **16) DRAFT COMMITTEE WORK PROGRAMME 2025**

Members considered the draft Audit and Risk Assurance Committee Work Programme for 2025 and were content with the detail.

**Members approved the Committee Work Programme 2025**

#### **17) LOG OF FINANCE CIRCULARS**

Ms Teggart explained the paper provides a list of the 2024 HSC (F) Finance circulars issued by the Department of Health, along with a summary of the contents and a hyper link to the full documents for further review.

#### **18) TRAINING AND DEVELOPMENT**

Members were reminded to continue to avail of learning and development opportunities.

Ms Ensor advised she had attended the HFMA Event, 'The role of the Non-Executive Director in HSC' on 23<sup>rd</sup> September 2024. Mr McDonald suggested it would be pertinent to communicate the forthcoming changes to ARAC membership with the ALB Chair's Forum in relation to Non-Executive Directors tenures. The Board Assurance Manager said this would be progressed in due course.

***Action – Board Assurance Manager***

**19) ANY OTHER BUSINESS**

**- Feedback**

Mr McDonald asked Mrs McKeown and Ms Kane if they had any additional comments/feedback to make at the conclusion of the meeting from an Internal/External perspective. Nothing further was noted.

Mr McDonald thanked everyone who had contributed to the meeting in any way. By way of reminder, he advised ARAC members only will meet on Monday, 21<sup>st</sup> October 2024 for an additional meeting to discuss progress on IA Recommendations by Directorate.

In conclusion, Mr McDonald advised the next scheduled meeting of the ARAC will take place on Thursday, 20<sup>th</sup> February 2025.

***The meeting concluded at 1.30 p.m.***