



**Minutes of the Audit Committee held on
Thursday 28 May 2020 at 10am by Zoom (due to Covid-19)**

PRESENT: Mr W Abraham Non-Executive Director (Chair)
Mr D Ashford Non-Executive Director
Mr A Cardwell Non-Executive Director

IN ATTENDANCE: Mr M Bloomfield Chief Executive
Mr P Nicholson Interim Director of Finance
Ms M Lemon Interim Director of Human Resources
& Corporate Services
Mr A Phillips Assistant Director of Finance
Mr B Clerkin ASM (External Auditors)
Ms C McKeown Head of Internal Audit, BSO Internal
Audit
Mr D Charles Internal Audit, BSO Internal Audit
Mr N Gray Northern Ireland Audit Office
Ms T Steele Financial Accounts Manager
Mr R Sowney Interim Director of Operations
Dr N Ruddell Medical Director
Ms L Charlton Director of Quality, Safety &
Improvement
Mrs C Mooney NIAS Board Secretary
Mr P Jameson IT Audit Manager, BSO Internal Audit

APOLOGIES: Mr B McNeill CRM Programme Director
Ms R O'Hara Programme Director Strategic
Workforce Planning
Mr S Knox Northern Ireland Audit Office
Ms S Sellars Board Apprentice

Welcome, introduction and format of meeting

The Chair thanked everyone for facilitating the meeting being held via Zoom and said that he would like to take this opportunity to thank NIAS staff for the extraordinary contributions they had made during such difficult circumstances.

The Chair confirmed that the holding of the meeting online was in compliance with legal requirements.

12/20 **Apologies**

Apologies were noted from Mr McNeill, Ms O'Hara, Mr Knox and Ms Sellars.

13/20 **Declaration of Potential Conflict of Interest & Confirmation of Quorum**

No conflicts of interest were declared and the meeting was confirmed as quorate.

14/20 **Previous Minutes (AC28/05/20/01)**

The minutes of the previous meeting held on Thursday 26 March 2020 had been approved by e-mail and presented to the Trust Board meeting on 7 May 2020.

15/20 **Matters Arising**

The Chair referred to the issue of Agenda for Change (AfC) and said that he would be happy to receive an update later in the meeting.

16/20 **Chairman's Business**

- (i) Audit Committee Annual Report**
- (ii) Audit Committee Self-Assessment**

The Chair noted that both the Audit Committee Annual Report and Self-Assessment were currently in draft and would be circulated in due course.

17/20 **Internal Audit**

- (i) Progress Report (AC28/05/20/02)**

Ms McKeown advised that there were a number of reports to be brought to the Committee's attention during today's meeting and added that Mr Paul Jameson, IT Audit Manager, would present the IT Audit Report.

IT Audit

Mr Jameson explained that, in line with the 2019/20 annual Internal Audit plan, BSO Internal Audit carried out an audit of IT Cyber Security during March 2020. He advised that this audit had focused on step one of the National Cyber Security Centre's (NCSC) 10 Steps to Cyber Security – Network Security. He drew members' attention to page 5 of the report which illustrated the position of the network in relation to the rest of the HSC and highlighted the 'island' status of NIAS, ie that NIAS operates somewhat independently from the rest of the HSC.

Mr Jameson said that the Trust had received a limited assurance in terms of network security and added that there were six significant findings (set out on page 7 of the report) which he took the Committee through in detail.

The Chair sought further detail in relation to restricting third party access through the use of time limits and highly privileged access and Mr Jameson explained the issue in more detail.

The Chair sought further detail on penetrative testing that had been conducted. Mr Jameson explained that testing had been carried out on an ad hoc basis and it was Internal Audit's view that this should be carried out on a more formal systematic basis. He advised on what an appropriate level of testing would be.

Mr Jameson advised that NIAS' own ICT self-assessment, using a number of indicators of good practice, had identified a number of further areas to be progressed. He advised that key areas assessed as not being achieved related to leadership, risk management, policy/processes, and culture. He said that work should also be progressed in relation to performance reporting on ICT activities which should be further established and reported up through the organisation. Mr Jameson advised that the ICT Risk Register should be reviewed regularly by ICT. He advised that management had agreed and accepted all of the audit recommendations.

The Chair thanked Mr Jameson for his report and invited Mr Bloomfield and Mr Nicholson to comment.

Mr Nicholson said that he welcomed the report, in particular the succinct manner in which the report described the network as 'island status'. He acknowledged that cyber security was a global issue and that concern regarding this issue increased exponentially over the last few years. Mr Nicholson said that the audit report outlined a number of areas which the Trust needed to focus on. He explained that, in the management response, the Trust made reference to the NIAS ICT Delivery Model Review which would clarify the position of the Trust and strengthen the current arrangements.

Continuing, Mr Nicholson noted that there had been a recognition of the under-investment in NIAS ICT. He acknowledged that many of the recommendations would require significant investment in terms of both infrastructure and staffing. Mr Nicholson said that this process had already commenced.

In response to a question from the Chair as to the size of investment required, Mr Nicholson explained that a significant capital investment would be required as well as funding for additional staff. He said that this could be in the region of several hundred thousand pounds.

Mr Bloomfield echoed Mr Nicholson's comments and said that he too welcomed the report. He added that the recommendations were useful and important and acknowledged that cyber security was becoming an increasingly concerning issue. Mr Bloomfield said that the Trust was reliant on IT systems to operate effectively and he stressed that he was committed to working with Mr Nicholson and IT staff to progress the recommendations. He indicated that, under organisational restructuring, IT would move to the remit of Ms Paterson and said that she and Mr Nicholson were working closely to take forward the audit recommendations.

Ms Paterson advised that she had liaised with Mr Nicholson and Mr Jameson on the audit. She added that work was now

ongoing to scope out what was required in terms of investment and said that work would then be taken forward to look at structures with regard to the ICT Delivery Model Review. Ms Paterson acknowledged that there were local standards and policies which could be used as interim measures to tighten up some of the risks identified while the substantive work was progressed.

Mr Ashford acknowledged that he had been concerned at the report and the number of recommendations therein. He asked whether serious consideration had been given to outsourcing IT services and was of the view that outsourcing IT services may go some way towards mitigating risks. He questioned the Trust's capability to resolve the issues identified and said that Mr Nicholson had responded to this by acknowledging the investment required in terms of capital and staffing. However, he asked if anything could be progressed in the short-term to reduce the risk initially.

Mr Jameson explained that, while the other five Trusts managed their own ICT services, BSO provided some regional services.

Mr Ashford referred to the fieldwork carried out by Mr Jameson and asked at what point had the 'island status' of NIAS been identified.

In response, Mr Jameson was of the view that this was a legacy issue and felt that it was not his place to respond as regards the 'island status' of the Trust.

Mr Bloomfield acknowledged that the direction of travel signalled by the DoH was a move towards a shared service for ICT although this work was at a relatively early stage. He referred to the historical nature of NIAS being placed outside the regional provision of services.

Referring to Mr Ashford's question about a short-term solution, Ms Paterson acknowledged that there were opportunities to strengthen some policies and Trust standards; how the Trust worked with third parties and processes with regard to testing in particular a framework for penetrative testing. She said it would be important to bring

these elements into a systemic approach which would allow monitoring and control over the issues being progressed internally whilst the other piece of work being taken forward related to the delivery model.

Mr Ashford asked whether an action plan would be made available for members' consideration to allow them to determine the progress being made.

Mr Bloomfield advised that, as in line with responses to all audit reports, an action plan would be developed in terms of how the Trust intended to respond to the recommendations.

Mr Nicholson indicated that the Trust had already made some investment in infrastructure and a business case would be developed with a view to improving resilience. He added that a recent recruitment exercise had also taken place but said it was recognised that the skills required were highly specialised. Mr Nicholson reminded the meeting that the Trust IT Department was a small team with specialised skills and he suggested that perhaps this could be built upon by linking into arrangements with BSO ICT services. He acknowledged that all the issues identified were inextricably linked and would be contained within the action plan being progressed.

Ms McKeown thanked Mr Jameson for his report and he withdrew from the meeting and the Internal Audit presentation continued.

Procurement and Contract Management Audit

Mr Charles referred to the Procurement and Contract management audit which had focussed on Estates and facilities management and said that a limited level of assurance had been provided. Mr Charles advised there were two significant findings relating to facilities management and procurement outside the facilities management contract and explained the findings in detail.

The Chair sought clarification that the facilities management element related to an external contracted party and whether

the contract was not followed or that the evidence was not there.

In response, Mr Charles confirmed that H&J Martin provided facilities management services and while they undertook a significant proportion of the work, they sub-contracted elements of work to other providers. He acknowledged that this was permitted but that, in order to do so, contractors had to follow the process to secure services from other contracts.

Mr Charles advised that there was no evidence to suggest that the process laid down by contract had been followed.

Continuing he said that, through testing, three contractors outside of the facilities management contract were identified where the cumulative spend had been in excess of £50,000 and where procurement exercises had not taken place or Direct Award Contracts were not in place.

Mr Charles advised that management had accepted all recommendations and said that Internal Audit would review the status of this report at mid-year and at the end of the year.

The Chair sought clarification on who within the Trust would be responsible for ongoing liaison in terms of facilities management.

Mr Bloomfield advised that Mr McNeill, CRM Programme Director, would be the lead Director for Estates and Facilities Management. He explained that, until recently, this area of work had fallen within the remit of the Director of Operations. However, it was thought that the focus of the Director of Operations post should be on the operation of the ambulance services and therefore Estates and Facilities Management had transferred to Mr McNeill upon the appointment of Mr Sowney to the Interim Director of Operations post.

Continuing, Mr Bloomfield indicated that the Trust was currently developing a long-term Estates Strategy and he acknowledged that in the past this area of work had not received the attention it deserved. He was of the view that, by identifying a dedicated lead, the Estates and Facilities

Management function had been strengthened. Mr Bloomfield confirmed that a number of appointments had been made recently, namely the Head of Estates, a qualified Quantity Surveyor and a Facilities Manager.

The Chair welcomed the progress made in this area and was of the view that it represented a good example of how the Trust had put arrangements in place to mitigate against risks.

Mr Bloomfield referred to the organisational changes taking place and said that, one year previously, the Trust had had four Directors whereas there were now eight Directors in post. He said that such changes ensured appropriate and robust focus on the issues to be taken forward in the coming year.

The Chair referred to the fact that the report had alluded to senior managers accessing other Trusts to resolve remedial work rather than follow the agreed processes and he asked how this would be addressed.

Mr Bloomfield acknowledged that following the facilities management processes to address remedial work was not a speedy process. He said he could understand why a Station Officer would adopt a pragmatic approach and access the relevant Trust in which the NIAS station was hosted to ensure a prompt response to a facilities issue. However, Mr Bloomfield acknowledged that audits of this nature tended to identify instances when staff worked outside of established processes.

Continuing, Mr Bloomfield referred to the Covid-19 pandemic and said that, on occasions, officers will have worked outside of normal processes and procedures to get things done and he stressed the importance of having the reasons for doing so well documented.

The Chair stated that Mr Bloomfield was correct to clarify this position and queried whether, when the processes and procedures are revised, the opportunity should be taken to incorporate the ability to ensure that remedial works could be completed within a realistic timeframe.

Mr Ashford welcomed the fact that the Trust was already working to address a number of the issues that had been identified and said that Non Executive Directors would support this work in whatever way necessary. He acknowledged that there appeared to have been some work that was not necessarily of an emergency nature and asked whether it would be in order to approve such work retrospectively.

Responding, Mr Bloomfield said that he, Mr Nicholson and Mr McNeill had discussed this issue and he advised that a business case incorporating this work would be presented to a future Senior Management Team meeting.

Mr Nicholson referred to the importance of striking a balance between the Trust supplier and local Trust Estates functions providing services directly to stations. He said that his preferred option would be for Trust Estates functions to organise suppliers for the provision of services. Mr Nicholson said that there were challenges for a relatively new NIAS Estates Department dealing with in excess of sixty NIAS stations.

In response to Mr Ashford's question with regard to retrospective approval, Mr Nicholson confirmed that the Trust would have been content to approve the costs at the time and advised that, as such, it would now be possible to issue retrospective approval if and when required.

Complaints, Incident and Claims Audit

Mr Charles drew members' attention to the follow-up report on Complaints, Incidents and Claims and reminded members that Internal Audit had previously attributed an unacceptable assurance in relation to complaints and incidents, including SAIs and a limited assurance in relation to claims management.

Mr Charles explained that, when Internal Audit had revisited the status of the recommendations in January/February, they had been able to provide a satisfactory level of assurance to complaints, incidents and claims and a limited assurance in respect of SAIs. He drew members' attention to the list of

improvements which had been made and the table of outstanding recommendations. He advised that the remaining priority 1 findings had all been re-prioritised to priority 2 findings due to the level of improvements made.

Ms McKeown echoed Mr Charles' comments and acknowledged the significant work and improvements which had been carried out in such a short period of time to enable the assurance levels to be increased.

The Chair welcomed the improvements made and said that Non Executive Directors were aware of the significant work undertaken as this had been an ongoing topic for discussion.

Mr Ashford referred to the requirement to report SAIs within 72-hours of the incident taking place and asked if the Trust could challenge this timescale.

Mr Bloomfield said that he too had been pleased to see the progress made and he thanked Ms McKeown for her positive comments. However, he acknowledged that further work was required. He emphasised that safety and quality were two critical elements to be progressed by the Trust and added that learning from complaints and incidents would be key in this respect.

Continuing, Mr Bloomfield advised that, at Director level, safety and quality now fell within Ms Charlton's remit and he stated that this area of work would now receive the appropriate focus it deserved. He advised that Ms Charlton had identified a SAI Clinical Lead and had engaged additional support from the Leadership Centre to work on SAIs.

Financial Review Audit

Mr Charles referred to the Financial Review audit within the progress report and reported that this had been provided with limited assurance in respect of Payments to Staff and Procurement of Staff Substitution on the basis that DAC approved levels had been materially exceeded.

He also advised that a satisfactory assurance had been provided in relation to Bank and Cash as controls were operating satisfactorily. Mr Charles explained in detail the two significant findings relating to access control issues in the HRPTS system and spend on staff substitution.

The Chair sought further detail on the term used 'core user'.

Mr Charles explained that this was the link which allowed individuals to access the HRPTS system.

Mr Phillips added that this related to the ability for HR and Payroll to have additional access to input and monitor staff records, for example to input information relating to new starts, changes in pay scales etc.

Continuing, Mr Phillips explained that, within the Finance Directorate, only two officers had access to the Payroll element of HRPTS. He advised that, prior to Covid-19, work had been taken forward to review levels of access.

Mr Ashford sought further detail in relation to the reference to DAC having been exceeded.

Mr Nicholson explained that this had related to the failure to have a business case physically signed off. He said that arrangements were being made now for the DAC to be signed and retrospective approval sought from BSO PaLS.

Ms Lemon referred to capacity within HR. She reminded the meeting of the benchmarking work which Mr Bloomfield had commissioned from AACE and said that one of their findings had related to the fact that there was a limited number of staff within HR working across functions. Ms Lemon said that the current HR review was focussing on the identification of particular functions and the allocation of specific functions.

(ii) Culture Review (AC28/05/20/03)

The Chair commented that he had read this report with interest. He referred to recent staff surveys which had been conducted and which had proved difficult to read. The Chair was of the view that there appeared to be a disconnect

between the survey results and the pride NIAS staff had in their work and noted the limited participation which could skew such a report. However, he said that it was positive to have issues identified and ensure that work was taken forward now to address these and effect change.

Ms McKeown advised that Internal Audit had been asked by the Chief Executive to undertake a consultancy assignment to focus on the culture within the Emergency Control Room. She added that the exercise had been undertaken in June/July 2019 and explained that the consultancy review had been based on a survey of EAC staff and other operational staff. Ms McKeown said that, in addition to this, discussions had been held with a random sample of EAC staff when Internal Audit had conducted direct engagement. She outlined the findings of the exercise and took members through the three recommendations put forward. Ms McKeown added that it would be beneficial to provide feedback to EAC staff on the outcome of the review.

Mr Bloomfield said that he welcomed and appreciated the role of Internal Audit. However, he was of the view that it was important to place this exercise in the context in which Internal Audit had been asked to conduct it. Mr Bloomfield reminded the meeting that the findings of a previous staff survey had been presented to the October Trust Board meeting and said that, as a result, Ms Lemon was already taking forward a work programme in relation to organisational health and culture. Members had received an update on this work at the January Trust Board meeting.

Continuing, Mr Bloomfield acknowledged the need to address those issues identified by Internal Audit but said that these would be taken forward in totality. He referred to the Chair's earlier comment in relation to the pride NIAS staff had in their uniform and accepted that, while this was certainly the case, there was a recognised culture issue within the organisation. Mr Bloomfield said that this would take time to resolve but added that work had already commenced to address this.

The Chair acknowledged that Internal Audit had produced its report at the Trust's request and said that the educational

framework being put in place by the Trust had contributed greatly to the transition whereby health care professionals were delivering services to the population with pride and dignity with a clear shift towards a professional culture.

The Chair said that, as with all organisations, there were staff members who would be and who would not be supportive of such changes and he sought clarification on how this would be addressed.

Mr Sowney pointed out that the Senior Management Team shared the same vision for the organisation in terms of transforming the culture and eradicating any bullying and harassment or misogynist cultures within the Trust. He emphasised that the Trust had started to address this and would continue to do so.

Continuing, Mr Sowney was of the view that one of the biggest transformations within the Trust was the introduction of the degree programme which would begin to embed a professionalism within the organisation. He said that this work had already started through the establishment of the foundation degree course.

The Chair agreed with the comments made by Mr Sowney and said that it would be important for the Trust to take whatever steps were necessary to make this transition.

Ms Lemon said that she had found the findings of the Culture Review disappointing and added that it was reflective of the findings of the wider staff survey undertaken some time ago. She indicated that the Trust took such findings seriously and very much acknowledged the work to be done to address these issues.

Ms Lemon said she shared Mr Sowney's view in relation to the Senior Management Team's vision for the organisation and believed that it would be important to translate this vision to other levels of management within the Trust. She acknowledged that there were elements of the work to be taken forward which related to HR processes while other elements related to the wider responsibilities shared by the Senior Management Team.

Ms Lemon advised that, from a HR perspective, work had already commenced to map out the approach to addressing such culture issues and she referred to the presentation she had made to the Trust Board meeting in January around the 'Organisational Health and Culture Programme'. She pointed out that the Trust currently did not have an Organisational Development function and said that the AACE Benchmarking Review had recommended the establishment of such a function. Ms Lemon said that the Trust had engaged an Associate from the Leadership Centre to support the Trust's work in this regard.

Mr Ashford stated that he believed the Culture Review offered an opportunity and a means of measuring the outcomes of the work being taken forward by the Senior Management Team as well as providing a good baseline for the organisation to progress and make the necessary changes. He said that the introduction of the Clinical Response Model in terms of recruitment of staff provided further opportunities for newly recruited staff to have a clear understanding of the values and culture the organisation wanted to engender.

Mr Cardwell acknowledged that, while the review was challenging, it would be critical to the work being taken forward. He referred to the fact that there had been a 24% response rate to the survey and asked if Internal Audit had been concerned at this. Mr Cardwell also highlighted a minor typographical error in the third bullet on page 4.

Ms McKeown expressed her disappointment at the response rate and explained that, in conjunction with HR, Internal Audit had reminded and encouraged staff on a couple of occasions to complete the survey. She added that, in view of the poor response rate, Internal Audit had augmented it with discussions with staff on duty.

Mr Bloomfield assured Committee members that the Senior Management Team was committed to progressing this work and said that he would be happy to provide an update to a future meeting. He said that it was imperative that there was

a shift-change and that staff throughout the organisation clearly understood the change.

The Chair suggested that it might be useful to have a discussion around culture in a facilitated workshop environment. Mr Bloomfield agreed to give this consideration.

(iii) Year End Follow-Up Review of Outstanding Internal Audit Recommendations 2019-20 (AC28/05/20/04)

Mr Charles reminded the meeting that Internal Audit conducted follow-up reviews in September and March. He advised that, out of 152 audit recommendations, 108 (71%) were fully implemented, 43 (28%) were partially implemented, with 1 (1%) not yet implemented. Mr Charles advised that, whilst good progress had been made, areas such as Board Effectiveness, Absence Management and Patient Flow had low percentages of fully implemented recommendations so further work was required.

Mr Charles said that, as already had been alluded to, there had been a significant improvement in Complaints, Incidents and Claims Management where four of the seven recommendations had been fully implemented. Mr Charles pointed out that, as a result of this work, Internal Audit had been able to reprioritise all Priority 1 findings to Priority 2.

Mr Bloomfield welcomed this progress and said that the Committee and Internal Audit had been concerned about this area of work in the past.

He indicated that progress had been made through a lot of effort including a number of workshops with senior staff to examine Internal Audit recommendations, in particular those recommendations which were 3-4 years old. Mr Bloomfield said progress could have been better and there was a need to continue to build on the momentum generated. He said that there had been particular focus between December-March but unfortunately the Trust had to pause this work as a result of Covid-19.

The Chair welcomed the progress made despite Covid-19.

(iv) Shared Service Update 2019-20 (AC28/05/20/05)

Ms McKeown referred to two Shared Services audits conducted in BSO – the first related to Payroll and the second to Recruitment. She advised that, for the first time since the establishment of the Payroll Shared Service Centre, Internal Audit was able to provide a satisfactory assurance in respect of both audits. She acknowledged there were three areas where limited assurance had been attributed in relation to timesheets, management of overpayments and real-time reconciliation with HRMC.

(v) Head of Internal Audit Annual Report for the year ended 31 March 2020 (AC28/05/20/06)

Ms McKeown reported that all audit assignments included in the 2019/20 Internal Audit Plan had been carried out, with a number of approved amendments, ie at the request of NIAS Management, the audit of information governance had been deferred from 2019/20 until 2020/21. She said that Internal Audit subsequently utilised the days across the other 2019/20 audits, specifically Patient Care Services and Procurement & Contract Management and added that the year-end stocktake could not be undertaken due to the ongoing coronavirus.

Ms McKeown drew members' attention to her Annual Report for the year ended 31 March 2020, in particular performance against the Key Performance Indicators. She said that the response time to draft reports had reduced significantly and added that, last year, 73% of draft reports had been finalised within five weeks but had now reduced to 40%.

Continuing, Ms McKeown reported that the Trust had been given an overall limited assurance and acknowledged that the framework of governance, risk management and control within the Trust was showing improvement. She commended management on the level of improvement which had been demonstrated by the engagement of the Trust Senior Management Team through discussions at the Audit Committee and in response to reports.

The Chair commented that there was always a time delay in what was being reported to the Committee and welcomed the fact that improvements were now showing. He said that in his annual report, he would be highlighting the improvements being made by the Senior Management Team to put in place the required systems and structures to ensure improvements continued.

Mr Ashford endorsed the comments made by the Chair and said that, while it was encouraging to see the progress which had been made, he appreciated further work was yet to be done.

**(vi) Internal Audit Briefing on the Impact of Covid-19
(AC28/05/20/07)**

Ms McKeown drew members' attention to the briefing note which outlined the process around the closure of 2019/20 audit work and the approach to Internal Audit in 2020/21. She added that this approach was discussed with Trust Directors of Finance in April.

Ms McKeown advised that the normal Internal Audit programme for the first quarter of 2020/21 had been stood down with a view to reviewing this position in late June. She said that Internal Audit had engaged with each organisation to ensure support to HSC and to offer any assistance which may be required.

Continuing, Ms McKeown said that, while having stood down routine audit work, it had been necessary to progress some high priority assurance work. She said that Internal Audit would then look to 2020/21 draft plans and update them in conjunction with management to ensure a 2020/21 updated plan. She undertook to bring this plan to the next Audit Committee for approval.

The Chair welcomed Ms McKeown's offer of assistance and was of the opinion that it would be helpful to have input into areas such as the annual report and self-assessment.

Mr Nicholson thanked Ms McKeown and her team for the pragmatic approach they had adopted and set out in her briefing papers.

Ms McKeown assured the Committee that Internal Audit will adopt a flexible approach this year. She added that she expected the audit plan would be subject to review throughout the year to ensure appropriate assurance and advisory work was completed.

Mr Bloomfield expressed his thanks to Ms McKeown for her offer of support and said that he would be keen to determine how to make best use of this.

18/20 Annual Report and Accounts

(i) Submission Letter and Draft, Unaudited, Uncertified, Consolidated Annual Report & Accounts for the Year Ended 31 March 2020 (AC28/05/20/08)

Mr Nicholson drew members' attention to the draft, unaudited, uncertified accounts and said that they had been submitted in line with the extended timetable granted by the DoH. He reminded the meeting that the original submission date had been 7 May 2020 and Trusts had been hoping for some dispensation. However, this had not been received until Friday 22 May 2020.

Mr Nicholson indicated that timeframe within which to produce the final accounts and annual report had always been a challenge but more so in recent months in the context of Covid-19. He said that he would like to convey his gratitude and thanks to all those involved in the production of the accounts and annual report including some on the call today.

Mr Nicholson reported that, in broad financial terms and subject to the completion of the audit, the Trust had achieved a breakeven position with a small surplus of £19,000 with an underspend of £317,000 on the capital programme. Referring to the prompt payment target, Mr Nicholson advised that the Trust had achieved 94.4% of invoices being paid within the specific timescale against a target of 95% and

said that this would remain a focus for the Trust in the coming year.

Mr Nicholson drew members' attention to the Governance Statement which outlined a number of challenges facing the Trust throughout the year and issues which had been identified by Internal Audit.

Continuing, Mr Nicholson advised that, in the current circumstances, External Audit had completed its work whilst adhering to social distancing requirements and had identified a number of risks, namely around pay banding for staff. He said that the outcome of the work carried out by External Audit would be brought to the next meeting of the Committee.

At the Chair's request, members undertook to advise Mr Nicholson of any changes in terms of typographical errors within the next week.

Mr Bloomfield said that he would like to take this opportunity to express his gratitude to Mr Nicholson, Mr Phillips and Ms Steele for their significant contribution to this process. He pointed out that the Trust had been awaiting guidance from the DoH as to the approach to be adopted in respect of the final accounts and annual report. However, this had received when a significant proportion of the work had already been carried out.

Mr Bloomfield indicated that Ms Sellars had offered to proof-read the Trust's Strategic Plan and suggested that she might be willing to proof-read the annual report.

The Chair also expressed his thanks to the team on behalf of the Committee.

Mr Nicholson advised that he would be happy to clarify any points of detail outside of the meeting.

(ii) Submission Letter and Draft, Unaudited, Uncertified, Charitable Trust Funds Trustees' Annual Report for the Year Ended 31 March 2020 (AC28/05/20/09)

Mr Nicholson explained that, while the Trust's charitable funds were small in comparison to those held by other Trusts, they were significant in terms of the approach taken to the management of and allocation of such funds.

He drew members' attention to page 8 of the report which set out the position with regard to the Trust Chair who had been appointed as Chief Commissioner of the Charity Commission of NI. Mr Nicholson advised that this could be perceived as a conflict with her role as the Chair and had removed herself from any business relating to NIAS charitable trust funds and would withdraw from any aspect of Trust Board meetings which would discuss such business.

Mr Nicholson said that, in line with the Trust's Standing Orders, the Chair of the Audit Committee would assume responsibility during such discussions. He added that Mr Abraham, as Chair of the Audit Committee, and Mr Bloomfield would sign the Charitable Trust Funds' Trustee's Annual Report and Accounts following the final Audit Committee.

Continuing, Mr Nicholson said he believed that 2020-21 would be a challenging year in respect of NIAS charitable funds and added that there had been a significant increase in the amount held within the charitable funds. He pointed out that NI had benefitted from the charity fundraising walk undertaken by Captain Tom Moore with the Trust receiving grants totalling £42,500 from the NHS Charities Together.

The Chair sought clarification on how the Trust was permitted to spend charitable funds. He suggested that, going forward, it would be helpful to take views on how the funds should be spent with steps being taken to ensure the plan was lawful, prudent and within the parameters of the charitable funds.

Mr Clerkin advised that the audit process had effectively commenced when the accounts had been received on Tuesday evening. He drew members' attention to the fact

that the audit team was working remotely from each other and from the NIAS finance team which made the sharing of information and responding to queries more difficult.

Mr Clerkin pointed out that, whilst there had been a three-week extension in terms of producing the accounts, the deadline in getting accounts to audit had only been extended by one week. Therefore, he said, it was essential that there was close liaison between External Audit and management.

In response to a query from the Chair as to what resources could be provided in terms of support, Mr Clerkin indicated that it was very likely that External Audit and Finance would be in continual contact over the coming weeks.

19/20 **Closed Meeting**

The Chair advised there was no need at this time for a closed meeting. He went on to ask the Audit team about the Agenda for Change accounting treatment that was a point of discussion last year. External Audit replied that they had just received papers and would be looking at all matters moving forward.

Ms Lemon then confirmed that a final offer had been made to the Unions and they were now in the process of arranging consultative ballots which were likely to take place during the first two weeks of June.

20/20 **Any Other Business**

(i) Direct Award Contracts 2019-20 (AC28/05/20/10)

Mr Nicholson drew members' attention to this paper which listed all Direct Award Contracts made by the Trust in 2019-20. He pointed out that all had been classified as green with the exception of the additional response and maintenance contract during the Covid-19 period which had been classified as amber.

(ii) Losses and Special Payments (see Funding Report of 7.1 above)

Mr Nicholson advised that this report identified the number of losses and special payments made throughout the year. He indicated that, in respect of losses, there had been seven cases throughout the year with a total value of £8,000 and said this included a number of small value losses particularly around the impact of Covid-19. Mr Nicholson added that fourteen special payments had been made with a total value of £198,000. He explained that the most significant element had been four clinical negligence cases with a value of £164,000.

Responding to a request from the Chair, Mr Phillips provided further detail in relation to the nature of the ex gratia payments made.

Mr Phillips confirmed that there had been four ex gratia payments, of which two had been made on the recommendation of the Ombudsman in relation to delays in processing complaints.

(iii) Fraud Update – verbal update

Mr Phillips provided an update in relation to the two cases previously reported to the Committee – one in relation to a request for a patient's credit card details and the other in relation to the sale of hi-vis jackets with the NIAS logo on them. Mr Phillips also advised on two new cases both relating to crisis accommodation and which were both at the preliminary enquiry stage.

He also advised that a planned meeting to discuss work on regional counter fraud issues had been cancelled due to the pandemic.

(iv) BSO Provisional Assurance 2019-20 (AC28/05/20/11)

Mr Nicholson advised that this paper was for members' information. He reminded the meeting that the BSO provided a significant number of services to NIAS and added that the

BSO Governance Statement would be used to inform the NIAS Governance Statement.

(v) Procurement Working Group minutes – 20 January 2020 (AC28/05/20/12)

Members **NOTED** the Procurement Working Group minutes of 20 January 2020.

21/20 **Date, Time and Venue of the next meeting**

The next meeting was originally scheduled to take place on Thursday 18 June 2020. However, this has now been changed to Thursday 2 July 2020 at 10am.

Signed: 

Date: 2 July 2020