



**MINUTES OF THE AUDIT COMMITTEE HELD ON  
THURSDAY 7 OCTOBER 2021 AT 10AM BY ZOOM  
(DUE TO COVID-19)**

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

**IN**

**ATTENDANCE:** Mr M Bloomfield Chief Executive (joined the meeting at 10.40am)  
Mr N Gray Northern Ireland Audit Office  
Ms C Hagan ASM (External Auditors)  
Ms N Lappin Trust Chair  
Ms C McKeown Head of Internal Audit, BSO Internal Audit  
Mrs L Mitchell Independent Adviser to Committee  
Mr P Nicholson Interim Director of Finance  
Ms M Paterson Director of Planning, Performance & Corporate Services  
Mr A Phillips Assistant Director of Finance  
Mrs C Mooney NIAS Board Secretary  
Mr I McCutcheon Financial Accounting Manager, NIAS

**APOLOGIES:** Ms R Byrne Director of Operations  
Ms L Charlton Director of Quality, Safety & Improvement  
Mr S Knox Northern Ireland Audit Office  
Ms M Lemon Interim Director of Human Resources  
Dr N Ruddell Medical Director  
Mr C Carlin Boardroom Apprentice

**Welcome, introduction and format of meeting**

The Chair welcomed everyone to the meeting and explained that he had extended an invitation to the Trust Chair to attend in observer capacity.

## 1 **Apologies**

Apologies were noted from Ms Charlton, Ms Byrne, Ms Lemon, Mr Knox, Dr Ruddell and Mr Carlin.

## 2 **Declaration of Potential Conflict of Interest & Confirmation of Quorum**

The Chair confirmed that the meeting was quorate and asked those present to declare any conflicts of interest now or as the meeting progressed.

The Chair noted fact that, in accordance with the Trust Standing Orders, the Non-Executive Director (NED) membership of the Audit Committee 'shall consist of not less than three members'. He drew this requirement to the Trust Chair's attention in the context of appointing additional NEDs when this was possible.

The Chair also stressed the confidentiality of information presented.

## 3 **Previous Minutes (AC07/10/21/01)**

It was noted that the minutes of the previous meeting held on Thursday 24 June 2021 had been **APPROVED** by e-mail and had been presented to the Trust Board on 19 August 2021.

## 4 **Matters Arising (AC07/10/21/02)**

The Chair noted that the actions arising from the meeting on 24 June had been progressed.

## 5 **Committee Chair's Business**

### 5.1 **Update on outstanding IA recommendations**

The Chair drew the Committee's attention to his update on outstanding IA recommendations that had been circulated to attendees earlier and highlighted the salient points. He reminded the meeting that he had met separately with the Head of Internal Audit and the Trust Chief Executive and Director of Finance and acknowledged that the meetings had been held during a difficult time for the Trust in terms of the ongoing

REAP Level 4. However he said that he had found these meetings to be productive and useful.

The Chair said that he had been encouraged by the progress which had been made and added that, rather than merely revise timescales, management had carefully considered each recommendation.

The Chair indicated that he intended to continue the process of these additional meetings for the foreseeable future. He said that, after speaking with the Trust Chair, he was scheduling an additional meeting of the Audit Committee at the beginning of December with a single focus on examining in more detail the outstanding recommendations. The Chair said that he would request the relevant Directors to attend the meeting to provide an update on progress and added that, given the focus of the meeting, he had also extended an invitation to the Trust Chair to attend.

Mr Ashford welcomed the progress which had been made and acknowledged that the recommendations which remained outstanding were likely the more difficult to implement. He said that he agreed with the approach being proposed by the Chair and welcomed in particular the support of the Transformation Team in progressing the PCS recommendations.

Mr Nicholson said he very much appreciated the Committee's ongoing support in this work.

## **6 Standing Item**

### **6.1 Direct Award Contract (DACs) (AC07/10/21/04)**

Mr Nicholson reminded the meeting that the volume of DACs and magnitude of the expenditure had resulted in 'Direct Award Contracts' being presented to the Committee as a standing item and advised that the presentation of the information would continue to evolve.

At Mr Nicholson's request, Mr Phillips highlighted the salient points of the report, advising that, due to the volume of DACs, a separate list would be kept of closed DACs. He explained that the Trust had put in place arrangements to provide food to

frontline staff at station or ED. Mr Phillips explained that the Trust had a regional supplier who had been unable to support NIAS across its geography.

At the Chair's request, Mr Phillips provided further clarification around the categories used. The Chair suggested that it would be helpful to include a further column to provide a brief descriptor of its purpose and referred in particular to a DAC which had been used to provide transport but the company's name may have been misleading as to the services it offered.

Mr Phillips advised that a DAC was intended for a certain period of time and value and that, once the period of time had expired, it would become necessary to put a further DAC in place.

Mr Phillips advised that he had become aware of a number of providers being used for Occupational Health Services (OHS) advice and said that it was likely that DACs would be required for these.

Mr Ashford welcomed the information and suggested that it would be helpful to clarify those DACs which had been categorised as completed and live. He also queried the appropriateness of work being included as a DAC and referred specifically to 'Collision and Bodywork Repair'.

Responding, Mr Phillips explained that it was his understanding that there had been a delay in awarding the substantive contract and it had been necessary to have a DAC to cover an extension of the existing contract.

Responding to a further query from Mr Ashford, Mr Nicholson clarified that the company in question had been used to provide protective screens between desks. He said that this work had been carried out as part of the immediate and urgent response to Covid-19 to protect staff.

Mr Ashford said it would be important to ensure that DACs were in keeping with their original aim.

The Committee **NOTED** the DAC update.

## 6.2 Fraud Update – verbal update

Mr Phillips reported that, while there were no new fraud cases, work had continued to close off a number of existing cases and no fraud had been proven. He advised that, in relation to the National Fraud Initiative, only two cases from a total of 548 remained to be closed with no issues identified other than a case relating to a fraud allegation. Mr Phillip welcomed the assistance given by BSO in closing off cases.

Mr Phillips advised that he would be attending a regional fraud meeting in the coming weeks and indicated that International Fraud Awareness Week would take place between 15-19 November. He advised of Counter Fraud's plans to launch new e-learning and said he hoped to have this included in the mandatory training for the year. He commented that discussions were also ongoing in relation to completing fraud risk assessments and arranging Fraud Liaison Officer training.

Mr Nicholson referred to important work being undertaken by BSO Counter Fraud funded by the DoH and said that this would provide an additional layer of support and assurance around preliminary investigations for fraud.

The Committee **NOTED** the verbal Fraud Update.

## 7 Internal Audit

### 7.1 Progress Report (AC07/10/21/05)

At the Chair's request, Ms McKeown took members through the key points of the report. She explained that it included a summary of the progress made against the 2021-22 Internal Audit Plan on page 4 as well as providing a summary of the audit reports finalised since the last Committee meeting.

Ms McKeown drew the Committee's attention to page 5 of the report which set out the findings in relation to the Fire Safety audit carried out in April/May 2021 and which had received a satisfactory level of assurance. She said that five key findings had been identified from the audit and she outlined these to the Committee. Ms McKeown indicated that management had accepted the audit findings.

Ms McKeown drew the Committee's attention to one finding in particular which related to the need to rate/prioritise the severity/importance of any actions recommended by the Fire Risk Assessor.

The Chair commented that the Trust Board had focused on fire safety in earlier Trust Board meetings and welcomed the audit findings, saying it reflected the significant work which had been taken forward in the interim.

Agreeing with the comments made by the Chair, Mr Ashford said that the discussion at Trust's Assurance Committee had clearly reflected the amount of work required to ensure fire safety was improved to an acceptable level. He welcomed the progress made and said that it was one of the best fire safety audits he had had sight of. Mr Ashford referred to the point made by Ms McKeown in relation to the prioritisation of actions and stressed the importance of this.

The Committee **NOTED** the IA Progress Report.

## **7.2 Mid-Year Follow-up Review of Outstanding Internal Audit Recommendations 2021-22 (AC07/10/21/06)**

Ms McKeown acknowledged the positive engagement with the Trust during what had been a very challenging period and referred to the progress which had been made in addressing the outstanding recommendations. She reported that 135 (68%) of the outstanding 198 had now been fully implemented, and 63 (32%) remained as partially implemented.

Ms McKeown advised that Internal Audit had reviewed 93 recommendations with 50 of the 93 being categorised as significant in that they specifically related to findings as a result of limited or unacceptable assurance. She added that 21 (42%) of these 50 recommendations had been confirmed as implemented during the review with the remaining 29 (58%) partially implemented. Ms McKeown also noted that management had set a number of implementation dates between now and December, indicating a thoughtful approach to these recommendations.

Mr Ashford welcomed the progress which had been made despite the pressures facing the Trust. He acknowledged that the 63 recommendations which had been categorised as partially implemented would be the most difficult ones to address. He agreed with the approach adopted by the Chair in terms of having an additional meeting in December to focus specifically on those outstanding recommendations.

Referring to the recommendations around the PCS review, Mr Bloomfield acknowledged that this had stalled during the pandemic. He advised that arrangements had recently been made for the review to be taken forward by the Transformation Team. He advised that other Trusts had engaged with private ambulance providers to provide transport because NIAS had been unable to do so and further acknowledged that now would not be an opportune time to engage with Trusts in relation to providing transport in a more joined up way.

Mr Bloomfield acknowledged that the recommendations around culture would take time to implement and said that he had discussed this with Ms McKeown. He welcomed Mr Ashford's comments in relation to the progress which had been made despite the recent challenges and cautioned that these challenges would continue over the winter months. Mr Bloomfield said that he found the Chair's approach helpful.

The Chair said he hoped the additional scrutiny placed on this issue by the Committee would indeed be helpful and was of the view that the critical period to deal with recommendations would be between now and the December meeting.

Ms McKeown said she accepted the long-term actions associated with the recommendations around PCS and culture and clarified that, while Internal Audit did not expect to see the total transformation of these areas, it did expect to see evidence that progress was being made.

She said that Internal Audit would be happy to engage with management in discussing the evidence required to close off recommendations.

Mr Ashford said that he looked forward to the outworkings of the PCS review. He acknowledged the need for the review and

stressed the importance of the Trust being ready to make whatever decisions were required. He noted the culture changes within the organisation which were intangible but yet very important.

The Trust Chair welcomed the progress being made. She commented that, while the management comment for a number of recommendations had indicated that progress was being made, Mr Bloomfield's explanation had indicated that, at a different level, it had not been possible to make progress at this particular time. She suggested that, as Non-Executive Directors, it would be helpful to know when progress had not been possible.

Ms McKeown suggested that, in such circumstances, it may be necessary to revise implementation dates and provide the rationale for doing so to the Committee. However she said that Internal Audit colleagues would work through this process with Trust colleagues.

The Chair thanked Ms McKeown for presenting her report which was **NOTED** by the Committee and stressed the need to continue to adopt a focused approach.

### 7.3 **BSO Shared Service Update (AC07/10/21/07)**

Ms McKeown reminded the meeting that Internal Audit carried out a programme of Shared Service audit assignments as part of the BSO Internal Audit Plan. She indicated that the recommendations within these reports were the responsibility of the BSO Management to progress and added that the reports would be presented to the BSO Governance & Audit Committee.

Ms McKeown reported that, since the last Audit Committee, an Accounts Payable Shared Service audit had been undertaken and had been given a satisfactory level of assurance. She pointed out that there were no significant findings which would impact on the assurance provided.

The Committee **NOTED** the BSO Shared Service Update.



#### **7.4 Head of Internal Audit Mid-Year Assurance Statement (AC07/10/21/08)**

Ms McKeown drew the Committee's attention to this paper which, she explained, summarised the previous two papers.

The Chair and Mr Ashford confirmed they had no queries.

The Committee **NOTED** the HIA Mid-Year Assurance Statement.

#### **7.5 Internal Audit Annual General report 2020-21 (AC07/10/21/09)**

Ms McKeown explained that, in order to assist in sharing learning across the HSC, BSO Internal Audit compiled a General Annual Report across the HSC each year. She advised that the report summarised the performance and outcome of Internal Audit activity in the HSC during 2020-21.

Ms McKeown reported that Internal Audit had achieved 81% against a target of 85% in terms of issuing a draft report within four weeks of fieldwork completion and said she was comfortable with this, given the context of Covid-19.

Referring to page 2 of the report, Ms McKeown cautioned against a comparison of assurances in the last two years across HSC reports in terms of Internal Audit's limited ability to visit patient-facing clinical areas.

Ms McKeown explained that the remainder of the report focussed on follow-up actions and she reported that, by the year end, 71% of outstanding recommendations across HSC had been implemented; 28% had been partially implemented and 1% not implemented. She acknowledged that, over the last three years, the percentage of implemented recommendations had reduced from 77% to 71% but believed this was a positive outturn given the context of Covid-19.

Ms McKeown indicated that there were no Priority 1 recommendations which were 'not implemented' and advised progress had also been made across the HSC to close down some of the older recommendations.

Mr Ashford welcomed the report and referred to the fact that no new Priority 1 findings had been identified for the Trust.

Mr Nicholson thanked Ms McKeown and the Internal Audit team for their assistance to date. He welcomed the satisfactory level of assurance in respect of Fire Safety and conveyed his thanks to Ms Katrina Keating for her work in this area.

The IA Annual General Report 2020-21 was **NOTED** by the Committee.

## **8 External Audit**

### **8.1 External Audit Draft Report To Those Charged With Governance 2020-21 (AC07/10/21/10)**

At the Chair's request, Mr Gray explained that the report before the Committee effectively concluded the 2020-21 audit and advised that this represented the final version of the report which had been discussed in detail at the June meeting. He said that he would be happy to respond to any further queries members may have.

The Chair agreed that the report had been discussed in considerable detail at the last meeting. He thanked Mr Gray for the wording within the report which had been helpful, particularly the reference to the integrity of the financial management within the Trust.

Ms Hagan pointed out that, since the draft report, the Trust Charitable Trust Fund accounts had been signed and certified.

The Chair suggested that it would be important to have early discussion in relation to those issues which had resulted in the qualification of the Trust accounts and said he would welcome an update at the January meeting.

Mr Nicholson said that he would be happy to provide an update to the Committee and assured members that regional discussions were ongoing.

The Committee **NOTED** the External Audit Final Report To Those Charged With Governance 2020-21.

9 **Review of Standing Orders**

At the Chair's invitation, Mrs Mooney highlighted the revisions which had been made to the Standing Orders, in particular the proposal for policies to be approved at Committee level and procedures to have been previously considered by the Trust's Senior Management Team. She pointed out that the Standing Orders remained a live document and, while it was good practice to review these on an annual basis, it may be that further changes would be necessary in the interim as the new Committee structure continued to embed.

Mrs Mooney advised that she had received some minor comments from Directors but nothing which would result in material changes to the document before the Committee.

Mr Ashford asked that, as well as the Trust's Senior Management Team, Committee Chairs should also be able to determine which policies being considered at Committee level were of such a significance and impact on the organisation that they should be brought to the attention of the Trust Board. Mrs Mooney agreed to amend the Standing Orders accordingly.

On a proposal from Mr Ashford which was seconded by the Chair, the Committee **APPROVED** the Standing Orders for submission to the October Trust Board for consideration and with a recommendation for their approval.

10 **DoH correspondence re: Pause in Sponsorship Activities (AC07/10/21/ (AC24/06/21/11)**

The Committee **NOTED** the most recent DoH correspondence advising of a pause in sponsorship activities.

Mr Nicholson acknowledged that, while many activities had indeed been paused, the Trust would still be required to follow-up on business cases, for example, and provide evidence to the DoH Sponsorship Department.

Mr Bloomfield said that he had been involved in initial discussions with DoH colleagues who had hoped that the decision to pause sponsorship activities would assist in some way in responding to the pressures across the HSC system. However he said that the Chair and he would miss the opportunity to meet with the Permanent Secretary in settings such as the Accountability Review meetings to review Trust business.

Continuing, Mr Bloomfield advised that the Trust still intended to produce a Corporate Plan for 2022-23 as it had in previous years.

The Chair said that he looked forward to seeing the Corporate Plan and welcomed the pause in sponsorship activities as a means of alleviating pressure.

#### 11 **Closed Meeting**

At this point in the meeting, NIAS officers withdrew from the meeting to allow Audit Committee members to meet independently with the Internal and External Auditors in a closed session.

On return to the meeting, the Chair indicated the importance of the January meeting receiving an update on the accrual issue.

Ms Hagan commented that the External Audit Strategy would be considered at the January meeting and it was likely that the accrual issue would be highlighted within the Strategy as a risk.

#### 12 **Any Other Business**

There were no items of Any Other Business.

#### 13 **Date, time and venue of next meeting**

The next meeting of the Audit Committee will take place on Thursday 2 December 2021 at 10am (venue and arrangements to be confirmed).

**THIS BEING ALL THE BUSINESS, THE CHAIR CLOSED THE  
MEETING AT 12.30PM**

**SIGNED:** 

**DATE:** 15 November 2021

## AUDIT COMMITTEE – 7 OCTOBER 2021

### ACTION LIST

		INDIVIDUAL ACTIONING	UPDATE
1	<b>DAC:</b> <ul style="list-style-type: none"> <li>DAC presentation to continue to develop to show the nature of expenditure and complete and live DACs</li> </ul>	AP	Ongoing
2	<b>External Audit Draft Report To Those Charged With Governance 2020-21:</b> <ul style="list-style-type: none"> <li>early discussion on the current position in relation to accrual and how that might impact on the Trust 2021-22 accounts;</li> <li>update to be provided to the January Audit Committee</li> </ul>	 PN     PN	 Arrangements being put in place     Listed for January 2022
3	<b>Standing Orders:</b> <ul style="list-style-type: none"> <li>amend Policy Determination to include Committee Chairs as well as Senior Management Team to bring policies of significance and impact to attention of Trust Board</li> </ul>	CM	 Draft SOs amended accordingly. Approval to be sought at October TB