



**MINUTES OF THE AUDIT AND RISK ASSURANCE COMMITTEE  
(ARAC) HELD ON THURSDAY 22 JUNE 2023 AT 10AM IN THE  
BOARDROOM, NIAS HQ**

**PRESENT:** Mr D Ashford Non-Executive Director (in the chair)  
Mr T Haslett Non-Executive Director (joined the meeting at 11am)

**IN**

**ATTENDANCE:** Mr M Bloomfield Chief Executive  
Mr D Charles Internal Audit, BSO  
Ms C Kane Northern Ireland Audit Office  
Mr P Nicholson Director of Finance, Procurement, Fleet & Estates  
Ms M Paterson Director Planning, Performance & Corporate Services  
Dr N Ruddell Medical Director  
Ms K Keating Risk Manager  
Mrs C Mooney Board Secretary  
Ms M Larmour Trust Chair (observer)  
Ms J Shorthall External Audit ASM

**APOLOGIES:** Mr W Abraham Non-Executive Director  
Ms L Mitchell Independent Adviser to Committee  
Ms R Byrne Director of Operations  
Ms L Charlton Director of Quality, Safety & Improvement  
Ms M Lemon Director of HR & OD  
Ms B McAuley Assistant Director of Finance  
Mr S Knox Northern Ireland Audit Office  
Ms C Hagan External Audit ASM

**Welcome, introduction and format of meeting**

The Chair welcomed everyone to the meeting.

**1 Apologies**

Apologies were noted.

Mr Ashford, the Chair, explained that Mr Abraham had offered his apologies for today's meeting and had asked him to chair the meeting in his absence. He advised that, since there were only two Non-Executive Directors on the ARAC, the Trust Chair had also asked Mr Haslett to act as an ARAC member on this occasion and he had kindly agreed.

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

The Chair explained that Mr Haslett had been unavoidably detained and noted that the meeting was not quorate until he joined. However, he confirmed that the Committee could consider those agenda items which did not require approval and said this would involve a re-ordering of agenda items.

He asked those present to declare any conflicts of interest now or as the meeting progressed.

The Chair noted the fact that, as commented on earlier in the meeting and 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.'

The Chair also stressed the confidentiality of information presented.

## 4 **Matters Arising (AC22/06/23/02)**

### 4.1 **Action List**

The Committee **NOTED** the Matters Arising.

Mr Nicholson alluded to the action to consider the inclusion of the holiday pay issue in the Corporate Risk Register (CRR) in terms of the magnitude and timing of payments and the associated accounting treatment.

He explained that, subject to discussion at today's meeting around the approval of the Trust accounts and the subsequent laying of the accounts, he would be closing the 2022-23 financial risk and opening a new financial risk for 2023-24. Mr Nicholson said he intended to encapsulate in this new risk how

the holiday pay issue might impact on the Trust's financial performance.

Continuing, Mr Nicholson advised that work continued in relation to unsocial hours and a report would be submitted to the Committee in due course.

Ms Paterson confirmed that legal claims fell within the remit of the ARAC and she alluded in particular to the fact that any losses or special payments appeared in the Trust's annual report and accounts.

In relation to the action around Medical Devices Training, Mr Charles confirmed that Internal Audit would be conducting its mid-year follow-up and this would be included in that work.

Dr Ruddell clarified that the issue related to the training aspect associated with medical devices rather than the management of medical devices and Mr Charles confirmed that that was the case.

Mr Nicholson advised that work was being undertaken by the Business Services Forum to revisit the PQIP decision not to recoup overpayments and a report would be brought back to a future meeting of the Committee.

Mr Bloomfield alluded to the action around BSc students in relation to keeping members apprised of discussions with DoH colleagues. He advised that Directors had attended the DoH Ground Clearing meeting on 27 June and had raised the issue in that forum around paramedic students graduating in June 2024 and, due to an absence of funding, NIAS would not be in a position to employ these newly qualified paramedics.

Continuing, Mr Bloomfield explained that the Chair had also raised the issue with the Permanent Secretary when she had met with him recently and said that he and the Chair would meet with the Permanent Secretary for the Trust's formal Accountability Review and would raise the issue with him in that forum. Mr Bloomfield explained that it would be important for the Trust to have clarity around the funding issue by the end of the summer in order to be able to clarify the position with students when they started back in September.

Responding to a request from the Trust Chair for clarification around action 6, Mr Nicholson explained that some work had been carried out regionally and it had transpired that there was a significant number of low value variations within the travel system. He advised that the Committee's discussion at the May meeting had focused on whether the decision not to recoup the overpayments had rested with the BSO or with the Trust.

Ms Paterson further clarified that the decision not to recoup had been taken by Assistant Directors rather than Directors and said that the issue highlighted by Internal Audit related to the governance of the issue. She noted that the terms of reference for the group had stated that Trust Directors should have made this decision.

The Chair indicated that the Committee had asked for the matter to be revisited.

Mr Nicholson pointed out that this was a regional issue and that the impact on NIAS had been minimal both in terms of number and value.

## 5 **Standing Items**

### 5.1 **NIAS Direct Award Contract (DAC) Register – verbal update**

Mr Nicholson pointed out that members had received a detailed report at the May meeting where focus had understandably been on those DACs which had remained outstanding. He said that some progress had been made and advised that a full report would be provided to the October meeting.

The Committee **NOTED** the DAC Register.

### 5.2 **Fraud Update – verbal update**

The Committee **NOTED** that no new cases had been reported to the Trust since the May meeting.

## 6 **Internal Audit**

### 6.1 **To advise on key issues**

Mr Charles advised that work was nearing completion on a number of audit assignments and the outcome of this work would be presented to the October meeting.

## 7 **External Audit**

### 7.1 **To advise on key issues**

There were no key issues to highlight.

### 7.2 **Draft Report To Those Charged With Governance (AC22/06/23/11)**

Discussion at item 11 also refers.

## 8 **Corporate Risk Register (AC22/06/23/12)**

Ms Keating drew the Committee's attention to the documentation which accompanied this agenda item and explained that it set out the Trust Risk Register in its entirety as well as providing an overview of the mitigations in place. She highlighted two new risks for noting. The first, she explained, related to the Trust's Emergency Preparedness, Resilience and Response and had been rated as extreme following discussion at SMT. The second risk related to Staff Competency/Training and the inability of the Clinical Education and Operations Directorates to release staff to provide or to undertake training.

Ms Keating noted that two risks were to be de-escalated, namely the Derogation List and the Unsupported Trust Telephony System.

Dr Ruddell explained the derogation list had been introduced as a mechanism through which calls would be risk assessed to determine whether those staff who had arrived at EDs and who were coming to the end of their shift should be dispatched to respond. He advised that, if a Cat 2 call, the call would be assessed to determine if it was time sensitive or time critical. Dr Ruddell said that the process had been reviewed on a monthly basis and added

that no adverse incidents had been identified. He acknowledged that there had been some challenges in the process where elements of higher risk had been identified and these had been adjusted accordingly. Dr Ruddell pointed out that the numbers of calls involved had been small and he considered it timely that the risk would now be de-escalated.

The Chair clarified that, in being de-escalated from the Corporate Risk Register, the risk would now transfer to the Directorate Risk Register.

Dr Ruddell confirmed that this would be the case and clarified that the introduction of the derogation list was in essence acting against normal emergency protocols but this risk was balanced against the overall reduction in ambulance cover.

Referring to the other risk to be de-escalated, Unsupported Trust Telephony System, Ms Paterson explained that the current system to deliver services not only to the EAC but across the NIAS estate was at end of life. She said that the Trust had since procured and implemented the new telephony system across EAC and NEAC and also had undertaken testing of the new system in respect of contingency planning. Ms Paterson said that the Trust was content that the system was robust and fit for purpose. She added that the implementation programme had not yet been completed with only administrative elements yet to be completed.

Dr Ruddell explained that the new risk around staff competency/training focused on the inability of the Trust to release staff to undertake the necessary training. He advised that, in previous years, staff were released from operational duties on two days each year to undertake training to ensure they remained updated on techniques as well as undertaking statutory mandatory training.

Dr Ruddell alluded to the Strategic Review of Clinical Education and said it was his understanding that the review would recommend the need to increase the amount of time staff would be released to undertake refresher training. He acknowledged that this would present further challenges in terms of releasing staff from operational roles and believed it would be necessary to adopt a corporate view in terms of the prioritised training to be undertaken.

The Chair acknowledged that two days to undertake a range of training did not seem sufficient.

Ms Larmour commented that the Trust was not carrying a significant number of vacancies. Mr Bloomfield noted that the Trust was currently at its funded establishment in terms of posts but said it had been accepted that a further 325 posts would be required in order to meet demand and required performance standards.

Ms Paterson commented that the position was made worse by the fact that the Trust was losing 25% of its capacity at EDs. She added that staff sickness was also compounding the issue. Ms Paterson noted that the Trust had been at REAP level 3 or 4 for much of the last year and had attempted to maximise cover to ensure response performance had been prioritised.

Mr Bloomfield explained that the Trust attempted to ensure 100% cover in terms of its current funded establishment and acknowledged that the Trust was now starting to see pressures increase as it approached the summer period. He added that the Trust significantly relied on overtime to provide the necessary cover levels.

Continuing, Mr Bloomfield alluded to the term 'abstraction' and said that this included areas such as sickness absence, study leave, staff on secondment etc and said that staff attendance at training increased the abstraction rate. He believed that it was around striking the right balance in terms of ensuring staff undertook training whilst, at the same time, maintaining operational cover. Mr Bloomfield said that he would hold the view that staff should undertake the necessary training. He said that Mr Ashford would be aware from previous discussions at the Safety Committee that the Trust's performance around cardiac arrests was not as good as it should be and was of the view that the Trust could no longer adopt the position of not releasing staff to undertake training.

Mr Bloomfield acknowledged that two days did appear to be light to undertake the necessary mandatory and clinical training. He said it would be important for the Trust to consider how this could be increased and accept a slight reduction in cover or identify alternative ways in which training could be undertaken without impacting on cover levels.

Ms Larmour referred to the fact that the Trust was losing 25% of its capacity through delayed handovers and crews having to wait outside EDs and acknowledged the longer term impact on training as well as the cumulative effect. Ms Larmour asked whether officers were satisfied that reasonable mitigation had been put in place.

Responding, Dr Ruddell indicated that, from an education perspective, the Trust was considering innovative ways of undertaking training and acknowledged that there were many elements of education which would lend themselves to new ways of delivery. However, he acknowledged that many did not. Dr Ruddell explained that much of the material delivered from a clinical perspective was very much focused on practical skills as well as focusing on risk and decision-making. He advised that this would be the biggest risk in terms of how staff, when assessing patients, made reasonable decisions based on the balance of risk. He acknowledged that this element of training was difficult to deliver through e-learning.

Continuing, Dr Ruddell said that the Trust was keen to deliver cardiac arrest training as a priority but also recognised that there was a list of other training areas which could be considered as high priority. He said that he would include the roll-out of equipment in a prioritised list so staff could receive the practical training required in order to use the new equipment procured by the Trust.

Mr Bloomfield said that Ms Larmour was correct in highlighting the fact that the Trust had lost 25% of its capacity at EDs and accepted that the Trust should perhaps do more to highlight the longer-term impact. He explained that this was linked to the fact that staff were responding to fewer calls and said that previously qualified paramedic staff were responding to 7-9 calls per days but that this had now reduced to 1-2 calls. This, he explained, led to newly qualified staff not being exposed to the range of calls to provide experience.

Ms Larmour commented that this point had been raised with her when she met staff during a recent visit to the Ulster Hospital and she expressed concern at the potential de-skilling of staff. She said it would be important to have a level of mitigating factors in order to escalate the matter and was of the view that the governance focus



for the Committee would be whether there was a level of risk being carried by frontline staff.

Mr Bloomfield said that the Trust was able to link poor patient outcomes with delayed handovers at EDs.

Dr Ruddell said that there had been an acceptance that two days was not sufficient to cover the necessary training and added that, while he did not wish to pre-empt the report recommendations, he believed that four days would provide a reasonable balance. He added that the decision would lie with the Trust as to what training should be prioritised and delivered in that timeframe.

The Chair suggested that it might be prudent to suggest 6-7 days.

Dr Ruddell acknowledged that there was a number of innovative ways to make training less impactful on cover.

Mr Bloomfield pointed out that a number of issues covered in the discussion linked to CRM and he cited the example of the Trust having additional staff and how this would make it easier to incorporate more training capacity. He said that, despite the service operating at its funded capacity, EAC continued to have calls waiting and experienced difficulties in dispatching emergency responses to calls. Mr Bloomfield pointed out that, when the Trust reached an escalated position, consideration was given to which staff could be released to respond, including the release of training staff.

The Chair alluded to EPRR and asked Dr Ruddell to recap on the current position.

Dr Ruddell provided a brief update on the work undertaken to date and advised that arrangements were being made for an extraordinary meeting of the Trust's Safety Committee to take place in the coming weeks to consider EPRR specifically.

The Chair pointed out that, at its meeting on 8 June, the Safety Committee had also discussed the possibility of including this area in a future Internal Audit programme.

Dr Ruddell said that the Trust had suggested that Internal Audit look at this area in the 2024-25 year to allow time for sufficient progress to have taken place.

The Chair referred to the AACE report. He said that one of the recommendations within the report was the provision of evidence and suggested that this was where Internal Audit would play an important and helpful role.

Ms Larmour mentioned that she had recently met with Ms Pillin, one of the authors of the AACE report and, while Ms Pillin acknowledged that significant work was to be done, she had confirmed AACE support for taking this forward. Ms Larmour said that she was reassured by the approach being adopted by the Trust. She advised that Mr Ashford had volunteered to become the NED lead for this piece of work and said his background and knowledge would be invaluable.

Ms Larmour noted that several risks had been on the Risk Register for some years, remaining at a high rating and queried whether this represented good practice.

Mr Nicholson alluded to the risk around estates and clarified that, although the risk had remained, the issues had changed over the years. He commented that both capital and revenue was needed in respect of the NIAS estate and said the Trust had not received sufficient funding to address the issues identified. Mr Nicholson advised that the Trust's Risk Manager would be holding a workshop with the Estates Team and consideration would be given to having an Estates risk similar to the finance risk which appeared on the Register each year.

Ms Larmour asked whether the Estates risk related to the condition of the NIAS estate or to the fact that there was an insufficient budget to address the issues identified.

Responding, Mr Nicholson acknowledged that resources were certainly an issue but said that, even with the resources, it would take several years to make the necessary improvements. He emphasised the importance of ensuring the estate remained compliant with statutory requirements and said that the Trust had invested significantly in its estate over the last few years. He added that a further bid was being prepared for submission to the DoH to

address backlog maintenance requirements which had been identified as part of the Estates Condition Survey.

Mr Bloomfield explained that the risk related to the poor condition of the estate while the mitigation was the plans to improve or replace elements of the estate. He referred to the annual State of the Estate report which had highlighted the poor condition of the NIAS estate.

The Chair suggested that it would be timely to arrange a workshop to examine the Corporate Risk Register in detail and the linkages to the Assurance Framework.

Ms Larmour suggested that this could be linked to the workshop being arranged around strategic planning and priorities.

Referring to the risks which had been on the CRR for several years, Ms Larmour suggested that they could be approached in one of two ways. The first approach might be for the Trust to demonstrate that the risk had been in existence for some time with clear evidence to reflect the actions taken to date. The other approach might be for the Trust to confirm the key risk and what mitigation would be put in place.

Ms Keating agreed that a workshop to consider these approaches would be helpful.

Mr Bloomfield noted that, while the description of the risk was refreshed regularly, it was important to ensure mitigating action was taken to address the risk. He suggested that the workshop might look at rephrasing the risks.

Ms Kane referred to the risk appetite and suggested that this discussion would be helpful when new Non-Executive Directors were appointed to the Trust. She queried the inclusion of the column on the CRR identifying when the risk was opened when the risk was refreshed on a regular basis.

Ms Larmour said it would be important from governance and accountability perspectives to reach an agreed position on the Trust risk appetite. She noted that the inclusion of twenty risks on the CRR was significant and acknowledged that there may be differences between Executive and Non-Executive Directors in

terms of what should be brought to Trust Board level in terms of accountability and governance.

Mr Charles commented that Internal Audit had undertaken audit and risk management audits across the HSC. He acknowledged that some inherent risks remained despite the mitigation in place.

Mr Nicholson alluded to the risk around contract management and explained that it had been escalated to the CRR as the Trust was attempting to achieve a corporate-wide consistent approach to the management of contracts. He pointed out that this was an Internal Audit finding across all HSC organisations with a focus on robust, timely and accurate reporting.

Ms Paterson alluded to the risk around cyber security and advised that, despite the significant work carried out in this area, it remained extreme because of the potential impact.

Continuing, Ms Paterson alluded to the overall satisfactory audit opinion around the Trust's internal control mechanisms. However, she acknowledged that there was always room for improvement.

The Committee **NOTED** the Corporate Risk Register as presented by Ms Keating.

Mr Haslett joined the meeting at this point. The Chair noted that the Committee was now quorate and he would revert to those agenda items which required approval.

## 9 **Previous Minutes (AC22/06/23/01)**

The minutes of the meeting on 18 May 2023 were **APPROVED** on a proposal from the Chair and seconded by Mr Haslett. It was suggest that, although Mr Abraham had approved the minutes in final draft form, that e-mail confirmation would be sought from him to retain on the file.

## 10 **Chair's Business**

The Chair referred to the issue highlighted by Mr Abraham at each meeting relating to the fact that there was a NED vacancy on the Committee, thereby necessitating them both to attend to ensure a quorum. He welcomed the recruitment exercise for NEDs which

was currently underway and hoped that this resulted in a positive outcome for the Trust.

Ms Larmour advised that she had raised this issue at a recent meeting of HSC Chairs with the Permanent Secretary. She said she had highlighted the fact that the ARAC Chair's term of office was due to finish on 17 August and had emphasised the importance of expediting progress around extending the terms of office for two NIAS NEDs to allow the NED recruitment process to be completed.

### 10.1 ARAC Annual Report (AC22/06/03/03)

The Chair drew the meeting's attention to the Committee's Annual report which described the business transacted by the Committee over the past year.

Mr Haslett expressed surprise that the Trust had been unable to hedge fuel and said he was aware that other public sector organisations would hedge fuel.

Responding, Mr Nicholson reminded the meeting that he had raised the issue with DoH colleagues who had confirmed that hedging for vehicle fuel would effectively be an insurance issue given the multiple suppliers to NIAS. Commercial insurance would not generally provide good value-for-money in the public sector. Mr Nicholson advised that the Trust benefitted from some hedging on costs for energy provided through the other Trust arrangements with suppliers.

The Chair noted that Mr Abraham had also expressed some surprise at the DoH position.

Mr Haslett welcomed the progress which had been made in addressing Internal Audit recommendations and congratulated all involved.

The ARAC Annual Report was **APPROVED** on a proposal from Mr Haslett which was seconded by the Chair.

## 10.2 ARAC Self-Assessments:

- **National Audit Office (NAO)**
- **The Chartered Institute of Public Finance & Accountancy (CIPFA) (AC22/06/23/04)**

Mr Nicholson explained that it was considered best practice for the Committee to conduct a self-assessment on an annual basis and said that the Committee had undertaken to complete both the NAO and CIPFA self-assessments.

Mr Nicholson said it was clear from the NAO tool that there was an increased focus on environmental and sustainability issues. This is a development area for the Trust as to how assurances can be provided.

He acknowledged that, despite the volume of detail, the structure of the self-assessment allowed the reader to focus on those areas where the assessment had identified room for improvement.

Mr Haslett proposed the Committee approve the NAO and CIPFA self-assessments. This proposal was seconded by the Chair and the self-assessments were therefore **APPROVED** by the Committee.

## 11 **Annual Report and Accounts**

Introducing this agenda item, Mr Nicholson explained that he would present two sets of Accounts to the Board, each of which was accompanied by a Letter of Representation to be signed by the Chief Executive.

### 11.1 **Letter of Representation: NIAS public funds for the year ended 31 March 2023 (AC22/06/23/05)**

The Committee agreed that it would be necessary to amend the Letter of Representation to take account of the slight change in relation to adjusted statements.

## **11.2 Draft, Audited, Uncertified Annual Report & Accounts for the year ended 31 March 2023 (AC22/06/23/06)**

Mr Nicholson noted that he was presenting draft, audited, uncertified accounts and explained that, following consideration and approval at the In Committee Trust Board, the NIAO would proceed to issue its certification with a view to laying the documentation in front of the NI Assembly.

Referring to the public funds, Mr Nicholson conveyed his thanks to the NIAS finance and Internal Audit teams for their significant contributions since the submission of the draft accounts on 5 May and the subsequent consideration by the Committee at its meeting on 18 May.

Mr Nicholson said that he did not intend to go through the detail and noted that there had not been any change overall in terms of the broad areas of financial performance.

Mr Nicholson reported that the surplus remained at £110,000, consisting of an operational surplus of £24,000 and sale of end of life vehicles of £86,000. He also advised that there had been a number of changes following comments at the May ARAC meeting and extensive feedback from NIAS, ASM and NIAO colleagues.

Continuing, Mr Nicholson reminded the meeting that the Trust had had its accounts qualified over the last two years in relation to the PSNI holiday issue and the Trust's decision to treat this as an accrual rather than a provision. He said that there had been some further extensive disclosures and changes within the accounts in terms of reflecting this change and prior year adjustments which have flowed through the accounts.

Mr Nicholson referred to the financial statements and Governance Statement and noted that the main addition to the Governance Statement related to a further Internal Control Divergence around emergency planning. He highlighted that the paragraph on paramedic education had been moved to the section providing an 'update on prior year control issues which had been resolved and were no longer considered to be control issues' following an allocation of funding from the DoH to facilitate paramedic education.

Mr Nicholson reminded the Committee that the annual report and accounts had been subject to an extensive audit. He reiterated that a number of changes had been made to the documentation since last reviewed by the Committee at its May meeting and acknowledged that there were likely to be further minor editorial amendments.

Mr Nicholson pointed out that submission of the documentation allowed the Trust to close the 2022-23 financial risk on the Corporate Risk Register and re-open the risk for 2023-24 which would be more detailed. He indicated that integral to this would be the RTTCWG.

The Chair acknowledged the significant challenges experienced by the Trust in 2022-23 and conveyed his thanks to all involved.

Mr Haslett said he was content with the accounts for the 2022-23 year and expressed the view that 2023-24 looked as though it would be as challenging as the previous year, if not more, as the Trust had been asked to identify further savings. He welcomed the progress made against the holiday pay issue.

Mr Nicholson welcomed the fact that, subject to approval, the Trust had achieved an unqualified audit opinion and had maintained its overall satisfactory level of assurance. He said that not all Trusts had achieved a similar outturn.

Mr Bloomfield agreed with the points made by Mr Haslett and said that the media reported that health had been protected in terms of the levels of budget reductions impacting on other public organisations. However, he acknowledged that achieving a financial breakeven would prove to be extremely challenging. Mr Bloomfield alluded to the low and medium savings measures requested by the DoH and said the Trust was in a difficult position to identify further savings regardless of the need for investment and the impact on service delivery.

Ms Shorthall advised that the external auditors were proposing to certify the accounts with an unqualified opinion, without modification. She extended her thanks to the Trust finance team for their assistance and noted the positive working



relationship between the Trust and ASM. Ms Shorthall further noted that ASM had been reappointed to provide external audit service for a further three-year period.

Continuing, Ms Shorthall provided a detailed overview of the draft Report To Those Charged With Governance. She drew the Committee's attention to two misstatements identified during the audit. One related to an under accrual of £73,000 in respect of Independent Ambulance Provider costs for March 2023 and the other related to the extrapolation of impact of under accrual over remaining population of £91,000. Ms Shorthall indicated that there had been no adjustments or misstatements in the Charitable Trust Funds Account and added that no irregular expenditure had been identified during the course of the audit.

Ms Shorthall drew the Committee's attention to page 3 of the Report which set out a number of actions for the Committee, namely:

The Audit Committee should:

- Review the findings set out in this report, including the draft letter of representation and audit certificate at Appendices One to Four; and
- Consider whether the uncorrected misstatement set out at Misstatement and Irregular Expenditure should be corrected. The Audit Committee minutes should provide written endorsement of management's reasons for not correcting these misstatements.

The Chair thanked Ms Shorthall for her detailed summary of the Report. He referred members to page 5 of the Report, Significant Risk 1, and sought further detail around the external audit risk description. He pointed out that the Trust had made good progress in addressing outstanding Internal Audit recommendations.

Ms Kane explained that the risk had been reflected consistently across the other Trusts in that Internal Audit had been directed to more areas of risk and acknowledged the maturity shown by the Trust in identifying areas for Internal Audit to examine.

Ms Kane said that, in adopting this approach, these fundamental controls, for example around the Staff In Post reports, which had been reflected across all Trusts should be used to ensure basic controls were in place and were being reinforced. She suggested that, with the rates of implementation demonstrated in the reports, issues would be removed in the next year.

Ms Kane alluded to the C&AG's report and suggested that the C&AG may comment on the issue of internal controls and reinforce the need to strengthen these.

Mr Charles commented that, from a NIAS perspective, the Head of Internal Audit had provided an overall satisfactory level of assurance. He confirmed that the implementation rate of outstanding IA recommendations was at the highest level it had been for the last number of years.

Mr Charles noted that Internal Audit had seen a slight reduction in the overall numbers of satisfactory assurances across the HSC, particularly in Trusts, for various reasons, for example, Covid-19. He pointed out that, with limited assurances, it would be important to maintain fundamental controls and said that the Staff In Post report would be considered a fundamental control in terms of confirming the staff who should be remunerated, were being remunerated. Mr Charles acknowledged that there had been a reduction in the application of that key control and believed that the NIAO comments accurately reflected this position.

The Chair thanked Ms Kane and Mr Charles for their comments which he said had provided context.

Mr Bloomfield welcomed the fact that overall the Reports highlighted that the Trust was slowly and steadily improving. He reminded the Committee that, in the first two years of the pandemic, the Trust set aside a number of basic controls around purchasing and procurement for example. He added that there had been an increase in the number of Direct Award Contracts to enable services to be provided at speed. Mr Bloomfield acknowledged that it was now important for the Trust to return to business as usual and ensure that the appropriate practices were in place.

Ms Paterson indicated that, as Chair of the Committee, Mr Abraham had asked that the financial governance arrangements which had been stood down during the pandemic were now re-introduced. She added that she intended to bring a detailed update to the October meeting and said she would use these Reports to supplement the update.

The Chair alluded to the actions for the Committee as highlighted by Ms Shorthall and confirmed that the Committee had reviewed the findings set out in the Report and had decided that, as the uncorrected misstatements were below the threshold of materiality and the work involved to correct these would be detrimental to the wider Accounts.

Mr Haslett indicated his agreement with this position.

Mr Nicholson agreed that the figure was below the threshold of materiality. He thanked all involved in the development of the Report To Those Charged With Governance and for the assurance it provided to the Committee.

The Chair asked that the Committee's position would be recorded.

The Chair reminded the Committee of the intended resolution to Trust Board:

*The Trust has a Committee structure with agreed Terms of Reference outlining specific duties in respect of the establishment, review and maintenance of an effective system of integrated governance, risk management and internal control.*

*Within this framework the Audit and Risk Assurance Committee, having relied upon the work of the Trust's External and Internal Auditors and assurances provided by them, agreed at its meeting on 22 June 2023 (subject to the satisfactory completion of any outstanding audit matters and a number of minor amendments and changes) to recommend to the Trust Board that:*

1. *The Annual Report and Accounts for the year ended 31 March 2023 should be approved by the Trust Board as presented and:*
  - *the Performance Report should be signed by the Chief Executive;*
  - *the Accountability Report (which includes: Governance Report; Remuneration and Staff Report; and Accountability and Audit Report) should be signed by the Chief Executive; and*
  - *the Financial Statements relating to Public Funds should be signed by the Chair and the Chief Executive.*
2. *The Letter of Representation (Public Funds) for the year ended 31 March 2023 should be approved by the Trust Board and signed by the Chief Executive.*

Ms Shorthall noted that it would be necessary to amend the Letter of Representation in light of the Committee's decision in relation to the uncorrected misstatements and she undertook to action this accordingly.

The Committee agreed the resolution which would be put to the Trust Board later that afternoon.

### **11.3 Letter of Representation: NIAS Charitable Trust Funds for the year ended 31 March 2023 (AC22/06/23/07)**

The Committee **APPROVED** the Letter of Representation.

### **11.4 Draft, Audited, Uncertified, Charitable Trust Funds Trustee's Annual Report for the year ended 31 March 2023 (AC22/06/23/08)**

The Chair noted that there were no uncorrected misstatements arising in the Charitable Trust Funds Account. He highlighted the resolution to be put to the Trust Board:

*The Audit and Risk Assurance Committee reviewed the Charitable Trust Funds Trustee's Annual Report and Accounts for the year ended 31 March 2023 and the Letter of Representation. The Committee also received a report from the Director of Finance.*

*The Committee, having relied upon the work of the Trust's External and Internal Auditors and assurances provided by them, agreed at its meeting on 22 June 2023 (subject to the satisfactory completion of any outstanding audit matters and a number of minor amendments and changes) to recommend to the Trust Board that:*

1. *The Charitable Trust Funds Trustee's Annual Report and Accounts for the year ended 31 March 2023 should be approved by the Trust Board; and*
  - a) *The Trustee's Annual Report should be signed by the Chair and the Chief Executive; and*
  - b) *The Financial Statements should be signed by the Chair and the Chief Executive.*
2. *The Letter of Representation (Charitable Trust Funds) for the year ended 31 March 2023 should be approved by the Trust Board and signed by the Chief Executive.*

The Committee agreed the resolution which would be put to the Trust Board later that afternoon.

## 12 **Review of Committee Terms of Reference (AC22/06/23/09)**

The Committee noted that the Terms of Reference had been reviewed and remained appropriate for the business transacted by the Committee.

The Chair suggested that the Committee might find it necessary to amend its Terms of Reference next year to take account of environmental sustainability.

The Terms of Reference were **APPROVED** on a proposal from Mr Haslett and seconded by the Chair.

## 13 **NIAS Travel Policy (revised) (AC22/06/23/10)**

Ms Paterson explained that the NIAS Travel Policy had been updated to reflect a change in guidance from DoH and these had been highlighted in red for ease of reference, namely:

- a) Where the Chief Executive of the ALB intends to undertake business related overseas travel, prior approval from the Departmental Accounting Officer will no longer be required;

- b) Where a member of staff is required to travel outside of Ireland or Britain more than five times in a calendar year, approvals will no longer be required by the DoH Permanent Secretary/ Minister of Health;
- c) DoH Governance Unit will no longer make regular requests for collation of overseas travel data for monitoring purposes.

Ms Paterson advised that the Policy had also been enhanced to better outline the travel booking process.

The NIAS Travel Policy (revised) was **APPROVED** on a proposal from Mr Haslett and seconded by the Chair.

#### 14 **Closed Meeting**

Following the closed meeting, the Chair noted the continuing positive relationship between the Trust and Internal and External Audit and advised that no issues had been identified.

#### 15 **Any Other Business**

##### 15.1 **NAO Good Practice Guide**

Ms Kane advised that the NAO would launch its Good Practice Guide on Risk and Innovation through the Chief Executives' Forum on 27 June 2023.

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


The next meeting of the Audit Committee will take place on Thursday 5 October 2023 at 10am. Arrangements to be confirmed.

ARAC dates for 2023-24 are as follows:

- 1 February 2024
- 28 March 2024

All meetings will commence at 10am unless otherwise advised.

**THIS BEING ALL THE BUSINESS, THE CHAIR CLOSED THE MEETING AT 11.50AM.**

**SIGNED:** 

**DATE:** 5 October 2023

FINAL