



HSE Audit & Risk Committee Meeting

Minutes

A meeting of the HSE Audit & Risk Committee was held on Friday 12th April 2024 at 09:00, Boardroom, Dr Steevens' Hospital.

Members Present: Brendan Whelan (Chair), Fergus Finlay, Pat Kirwan, Éimear Fisher and Sharon Keogh

Remotely: Michelle O'Sullivan

Apologies: John Moody

HSE Executive Attendance: Mairead Dolan (Asst CFO), Joseph Duggan (CIA), Patrick Lynch (Acting CSO), Trevor O'Callaghan (CEO Dublin Midlands Hospital Group), Niamh Drew (Deputy Corporate Secretary), Patricia Perry (Office of the Board)

Joined the Meeting: John Crean and John Byrne (C&AG)(Item 3.1), Colum Maddox (Asst CFO)(Item 3.2), John Swords (ND Procurement)(Item 3.4), Kevin Cleary (AND Compliance Unit)(Item 3.5), Anne Marie Hoey (CPO)(Item 4.1), David Rowe (Outsource)(5.1), Elaine Kilroe (AND Enterprise Risk Management)(Item 6.1), Joe Ryan (ND OPI)(Item 6.2), Brian O'Connell (ND Capital & Estates)(Item 7.1), Martin McKeith (AND Capital & Estates)(Item 7.2)

Minutes reflect the order in which items were considered and are numbered in accordance with the original agenda. All performance/activity data used in this document refers to the latest information available at the time.

1. Committee Members Private Discussion

The Chairman held a private session to consider the agenda, papers and the approach to conducting the meeting.

2. Governance and Administration

2.1 Conflicts of Interest

A Committee Member informed the Committee of a person known to him who works in Bunzl Ireland Ltd, which relates to a Contract Approval Request being presented, but that there was no conflict of interest. No other conflicts of interest were declared.

2.2 Minutes

The Committee approved the minutes of 22 March 2024.



2.3 Action Log and Follow Up Items

The ARC Action Log and Follow Up Items were noted.

2.4 Brief of Board Meeting – 27 March 2024

The Chair provided the Committee with an update of discussions held at the HSE Board Meeting of 27 March 2024.

3. Accounting, Governance and Financial Reporting

C&AG officials joined the meeting

3.1 C&AG Audit Planning Memorandum

John Crean, Deputy Director of Audit, and John Byrne from the Comptroller & Auditor General (C&AG) attended the meeting.

The Deputy Director of Audit C&AG provided the Committee with an update on the progress to date of the audit for the year ended 31 December 2023, noting that the audit had been impacted by the IFMS implementation delays and the Forsa work-to-rule. He advised the Committee that at this juncture the date for the release of the audit certificate has not yet been agreed but it was hoped that this would not slip beyond the end of May 2024.

The Committee noted and discussed the matters that may be included in the audit cert relating to Non-compliant procurement; Vaccines write-off; Storage Costs for PPE; High Earners and Patient Income.

The Deputy Director of Audit advised that the final decision on the audit opinion rests with the C&AG and therefore the matters to be included in the audit certificate will depend on his final review.

C&AG officials left the meeting.

3.2 YTD Expenditure and 3.3 HBOG

Colum Maddox Asst CFO joined the meeting

The Asst CFO provided a briefing to the Committee on the YTD Financial Position as at January 2024. The draft revenue I&E financial position shows a YTD deficit of €144.3m or 7.6%, which includes a net deficit of €153.7m in Acute Operations, €19.0m in Community and €0.9m in Pension and Demand Led areas which is slightly offset by a surplus of (€29.4m) in Other Operations / Support Services.



The Committee highlighted their concern that the insufficient information provided on the YTD financial condition at this stage in the year does not facilitate good financial governance. The Committee noted that this was due to the Fórsa industrial action which included the non-return of monthly financial data from local systems, and that since the end of the dispute in February, the Finance team have worked to complete the 4 month ends to close out 2023. This led to implications for the commencement of 2024 reporting, and the Asst CFO advised the Committee that the March 2024 Results with commentary will be available for the May 2024 meeting i.e. reporting is now substantially back up to-date.

The Asst CFO advised the Committee that there were no HBOG minutes to be presented, and that a meeting was held with HBOG on 9 April 2024. He advised there had been a robust discussion with regard to the draft HBOG minutes and had requested a redraft.

C Maddox, Asst CFO left the meeting.

3.4 Update on Procurement Compliance (Progress of self-assessment of non-compliant procurement)

John Swords, ND Procurement joined the meeting.

The ND Procurement presented a paper outlining the update with regard to the Procurement Compliance Self-Assessment returns for 2023 based on data received as of 21 February 2024.

It was outlined that 28,966 invoices (€1.584bn) were issued for assessment which exceeded the €25k threshold; 87% invoices were assessed and returned and 88% declared compliant.

The Committee noted that the compliance rate of 88% for invoices greater than €25k for 2023 showed a decrease from the previous year (2022) in both the compliance rate of returns (92%) and compliance rates (93%), and were provided with an explanation to the 5% difference in both invoices assessed and declared compliance.

The Committee noted that the engagement across the HSE notwithstanding the competing priorities and challenges during 2023 of IFMS introduction and the Fórsa industrial action, and that budget holders across the HSE continue to be educated with regard to the awareness of compliance obligations, which has the potential to translate into more nuanced and accurate self-assessments going forward.

3.6 Contract Approval Requests

The ND Procurement presented to the Committee the following Contract Approval Request (CAR).

- i. Single-Supplier Framework Contract(s) for the Supply of Cleaning and Paper Hygiene Products



- ii. Multi-Supplier Panels for the provision of short-term temporary and locum agency Health & Social Care Professionals and Health Care Assistants

The Committee considered the detail of the proposed CARs and agreed to recommend to the Board for approval.

ND Procurement left the meeting

3.5 Agencies Oversight Agreements – Service Arrangements

K Cleary, AND Compliance Unit joined the meeting.

The AND Compliance Unit presented to the Committee an update in relation to Agencies Oversight Agreements – Service Arrangements (SA), which are a key control in terms of the funding released to Agencies funded pursuant to Section 38 and Section 39 of the Health Act, 2004. He advised that the HSE currently funds in excess of 1,800 Agencies and in 2022 these Agencies received circa €6.3 Billion. Of these Agencies, 687 are funded through a SA and this accounts for 99% of the funding released in this manner.

The AND Compliance Unit outlined to the Committee the changes to the SA documentation for 2024, the process which commenced in 2023. He noted that the two key drivers of the change were the Dialogue Forum Working Group, which is to further enhance the co-operative approach between the HSE and Section 38 and Section 39 Voluntary Agencies; and the establishment of the Health Regions, where REOs or Lead REOs are now vested with a number of key authorities in the SA, and outlined the changes that have been made to the SA documentation for 2024.

The Committee discussed the issue of the increasing reluctance of Agencies to sign-up to a SA, noting that at the end of 2023 the completion level was 84% of the funding, which is an ongoing concern, in particular, in relation to some of the higher funded Agencies, citing underfunding as the main reason. The Committee stressed that it was unacceptable for Agencies to decline to sign the SA, and needs to be urgently addressed. The Committee welcomed the work each year by service managers in terms of attempting to get all SAs completed, and the work of the Dialogue Forum with voluntary bodies to improve the Agreement itself and noted the recently established Contract Management Support Units which are now playing an important role in terms of managing the relationship with Agencies at CHO-level.

It was agreed that a further update would be brought to the Committee later in the year, and that Service Arrangements be included on the Committee Workplan twice per year.

K Cleary, AND Compliance Unit left the meeting.



4. Internal Controls

Anne Marie Hoey, CPO joined the meeting

4.1 HSE Management of Fraud & Corruption Policy – verbal update

The CPO provided an update to the Committee in relation to the HSE Management of Fraud & Corruption Policy which was approved by the Committee on 12 March 2021, and sets out employees' responsibilities with regard to prevention of fraud and corruption, what to do if fraud and/or corruption is suspected and the action to be taken by management. The Policy is being reviewed by Human Resources and Internal Audit at present and a further update will be brought to the Committee in July 2024.

The Committee discussed the awareness of the policy, the environment for staff who may identify suspected fraud or corruption to raise concerns without sanctions, the management of same and the number of suspected incidences reported. The CPO advised the Committee that a question is included in the Controls Assurance Review Process each year, and the Committee suggested that a question be included in a future HSE Staff Survey.

Anne Marie Hoey, CPO left the meeting

5. Legal Services

David Rowe joined the meeting

5.1 Review of Office of Legal Services (OLS)

The ND GR introduced Mr David Rowe to the Committee to discuss the review of the current resourcing model for the provision of legal services in the HSE, which had been commissioned by the Committee. The report was in response to the Committee's discussion of the HSE legal resourcing strategy at the meeting of 13 October 2023, particularly the balance between internal/external resourcing of legal services.

Mr Rowe provided the Committee with a detailed summary of the findings of the Review which related to resources, capabilities, output and benchmarking, and acknowledged that the OLS team is capable, versatile, committed and productive.

The report acknowledged the competitive rates which the HSE has secured for its outsourced legal services in a recent tender which will ensure value for money.

The Committee noted that, despite showing the comparators in the report and highlighting Property services, advisory services (Data Protection, FOI and GDPR) and non-complex HR matters as suitable for insourcing, it was recommended by Mr Rowe that it may not be the optimal approach in



the current market. The Committee had concerns with this recommendation. The Committee noted the other recommendations in the report which were eminently sensible and should be pursued.

The Committee decided to request management to consider further what is the best overall strategy for the provision of legal services.

Mr David Rowe left the meeting

6. Governance & Risk

E Kilroe, AND Enterprise Risk Management joined the meeting

6.1 Corporate Risk Register 2024

The CRO presented to the Committee the Corporate Risk Register (CRR) 2024, which was previously considered at the February and March 2024 meeting and by the Chairs of the Board Committees on 8 of April 2024, with feedback provided to be reflected as part of the CRR Q1 2024 Review.

The Committee noted that the CRR is a dynamic document and that the format will require further refinement as it starts to be used.

The Committee welcomed the new CRR which marks a fundamental change to the way corporate risks are recorded and reported, and recommended it to the Board for approval. It was agreed that the Committee would continue to review the CRR every Quarter, that the Committee Chairs would carry out regular deep dive reviews with the risk owners, and that the Risk Officers reporting to the REOs would take responsibility for promulgating the risk management ethos throughout the Regions.

E Kilroe, AND Enterprise Risk Management left the meeting

6.2 Implementation of the Healthcare Records Retention Policy - Update

Joe Ryan, ND OPI joined the meeting

The ND OPI provided an update to the Committee in relation to the Implementation of the Healthcare Records Retention Policy, which was a requirement in line with the GDPR regulations and a requirement of the Scally Report. The Policy had previously been presented to the Committee in September 2023 where it was noted that an implementation plan would be developed. The policy was submitted to EMT in December 2023 and again in March 2024 with a high level implementation plan, which was approved with a request that it be returned to the Committee and the Board for update.



The Committee welcomed the high level Implementation Plan noting that an Implementation Group has been put in place under the governance of the ND OPI with monthly meetings commenced; a comprehensive communication plan has been developed; and a small team including 0.5 General Manager and a staff officer are being put in place post centre transition.

The Committee noted that the Policy is in its early stages of implementation and provides local areas with clear direction on the management of Healthcare files, but will require considerable effort to bring all areas in line with the Policy which is expected to take at least 2 years to implement. A further update will be provided to the Committee as a more detailed Implementation Plan is developed over the year.

ND OPI left the meeting.

7. Capital & Estates

Brian O'Connell, ND Capital & Estates joined the meeting

7.1 National Maternity Hospital - Update

The ND Capital & Estates provided an update to the Committee in relation to the National Maternity Hospital at St Vincent's University Hospital (NMH at SVUH) Programme which is now at a critical juncture with multiple workstreams ongoing in preparation for approval to award the main construction contract, and to ensure readiness to commence work on site.

He outlined the status of the key activities ongoing, including the tendering phase which is to commence in April 2024, and expected to take approximately 15 months; enabling works on the SVUH campus to de-risk the site and ensure readiness to commence the main construction works to take approximately 24 months; and the Programme Governance Mobilisation including the HSE role and the establishment of a new Programme Board. The comprehensive Programme Mobilisation Plan is under development and will be brought to the Committee once completed.

The Committee highlighted that this was a major and complex infrastructure project which will require exceptional overall governance on the part of the HSE, and it was agreed that a further update would be brought back to the Committee at the June 2024 meeting, and included in the Committee Workplan.

Committee member, Michelle O'Sullivan left the meeting

7.2 Building Properties & Contracts

The AND Capital & Estates presented the following proposed contract to the Committee.

- i. Contract Award for a Managed Laboratory Service for the New Children's Hospital



The Committee considered the detail of the proposed contract and agreed to recommend to the Board for approval.

AND Capital & Estates left the meeting

8. Internal Audit

8.1 Internal Audit Monthly Report – verbal update

The Chief Internal Auditor (CIA) provided an update to the Committee and discussed a previous IA report relating to High Earners within the HSE, where the threshold of high earnings were identified as those in excess of €300k in a year. He advised that discussions have taken place with the COO relating to the increase of the threshold to €400k - €500k for audit purposes, and it was agreed with the Committee that a stratified approach will take place and IA would continue to review earnings in excess of €300k.

The CIA provided an update to the Committee in relation to the Internal Audit Industrial Relations matter, which is due back to the Workplace Relations Commission on 3 May 2024, and advised that he is continuing engagements with Fórsa and staff representatives along with the AND National Employee Relations.

8.2 Access and Cooperation Escalation Protocol

The CIA presented to the Committee the Access and Cooperation Escalation Protocol, which is designed to address the risk of delay in completing planned audits, due to the audit client not responding to requests within a reasonable time, not cooperating with the audit, or, in the auditor's opinion, not adequately addressing issues or requirements raised. The Committee welcomed the protocol which outlines the process and timeframe for the auditor to escalate the delays to senior site management, if unresolved to relevant SLT member and ultimately if remaining unresolved to CEO and/or to the Committee, and noted that it had been presented and accepted by the EMT on 26 March 2024.

9. A.O.B

There was no further business.

The Chair thanked the Committee and EMT members. The meeting ended at 13.05pm

Signed:

Brendan Whelan
Chairperson

Date: 10th May 2024