



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

HSE Audit & Risk Committee Meeting

Minutes

A meeting of the HSE Audit & Risk Committee was held on Monday 13th December 2021 at 08:00 am via videoconference.

Members Present: Brendan Lenihan (Vice Chair), Ann Markey, Fergus Finlay, Pat Kirwan, Colm Campbell, Martin Pitt.

HSE Executive Attendance: Stephen Mulvany (CFO), Geraldine Smith (ND Internal Audit), Patrick Lynch (CRO), Mairead Dolan (ACFO), Dara Purcell (Corporate Secretary), Hannah Barnes.

Joined the meeting:

John Crean (Deputy Director of Audit, C&AG) (item 2), Jim Curran (ND Capital and Estates) (item 6), Paul De Freine (Chief Architectural Advisor) (item 6).

Minutes reflect the order in which items were considered and are numbered in accordance with the original agenda.

1. Committee Private Discussion

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2. Governance and Administration

2.1 Welcome and Introductions

The Vice Chair welcomed Committee members to the meeting and held a private session to consider the agenda and papers for the meeting, and the approach to conducting the meeting. Ann Markey agreed to formally act as Committee Chair for the purposes of signing the minutes at this meeting. The V/ Chair noted that item 4.3 KPMG Audit Tracker Report had to be deferred.

2.2 Declarations of Interest

No conflicts of interest were declared.

2.3 Approval of Minutes

The Committee minutes from the meeting of the 12th and 17th of November were approved.

3. C & AG Audit Memorandum

John Crean (C&AG) joined the meeting at 08:37.

The C&AG provided the Audit Planning Memorandum, setting out the C&AG's proposed approach for the audit of the HSE in advance of the Committee meeting. The V/Chair welcomed John Crean, to the meeting and thanked the C&AG team for the document. John Crean led the discussion on the C&AG's audit plans for the year ended 31st December 2021. The significant impact of both the continued Covid-19 pandemic and the Cyber Attack on the HSE were acknowledged and the Committee were told that the audit will focus on areas related to both, examining how the HSE has maintained key financial controls in light of the changes brought about by these circumstances. It was also highlighted that stock controls will remain as an area of focus for the Audit team noting there is a risk that balances may be misstated due to the significant throughput of stock. The A/CFO informed the Committee that due to the ongoing pandemic it is expected that there will still be significant volumes of stock on hand however, the same level of write off or impairment is not expected.

The CFO advised the Committee that these areas of focus had been anticipated and that constructive engagement has taken place with the C&AG team and that the Finance team is providing all relevant data to the C&AG team to assist them with their audit.

4. Accounting Governance & Financial Reporting

4.1 YTD Expenditure Update

The CFO provided a verbal update on the YTD expenditure at the end of 2021 and the estimated COVID-19 costs incurred. The CFO advised that the revenue financial position at the end of October 2021 is likely to be in a range of €136.9m / 0.7% surplus to €73.9m / 0.4% deficit however, end of year tests are continuing.

The Committee were informed that discussions are concluding with the DOH and DPER in regard to draw down of cash. The CFO advised that the DOH and DPER have allowed the HSE to draw down some of its cash entitlement and the HSE is continuing to work collaboratively with both Government departments in relation to cash management and reporting.

4.2 Update on the Status of the Controls Improvement Program

The ACFO spoke to the briefing paper circulated in advance of the Committee meeting which provided a further update on the three-year control's improvement programme. The Committee were advised that progress is continuing on all 6 of the workstreams based on the revised timelines which were agreed with the EMT in July 2021. Committee members welcomed the progress made to date.

In response to questions the GM Governance & Compliance noted that in regard to workstream 2 the full communications plan for 2021 has been fully delivered and that a new schedule is being developed for 2022 with all KPIs agreed with the Digital Comms team. Committee members discussed how the overall impact of the project is being measured. The ACFO noted that whilst this is the 1st year of a 3-year project KPIs are being developed to assist the team to measure the impact of the programme and confirmed that further details will be included in the next Controls Improvement Program update brought to the Committee.

4.3 KPMG Audit Tracker Report (DEFERRED during meeting)

The V/Chair noted that in agreement with the Office of the CFO the item would be deferred until the new year.

5 Risk Management

The CRO provided a verbal risk management update to the Committee and discussed progress with the Committee. The V/Chair noted that a significant milestone had been reached as the Board had formally approved the organisation's Risk Appetite Statement (RAS) alongside the Q3 2021 CRR report. The Committee welcomed the significant progress that has been made in the area of risk management and discussed with the CRO whether wider risks in the organisation have been aligned to the RAS. The CRO informed the Committee that he is anticipating that the RAS in the first instance will be used by the EMT and Board Committees as they assess and oversee risks. The Board agreed that there would be a review of the RAS after 12 months of use to assess how it worked in practice. He also provided an update on the new Risk Information System, which is due to be introduced in early 2022. An update on the resourcing of the National Enterprise Risk Management Team function as set out in the NSP 2021 was also provided. In response to questions on the National Enterprise Risk Management Team, the CRO confirmed that the recruitment process for the GM post was successful and is at job offer stage. The recruitment process for the AND ERM and GD VIII posts in EMT members' teams is ongoing. The Committee noted the publishing of the HSE Cyber Attack Post Incident Review.

Action:

- The Committee requested the Business Continuity Risk be reviewed to ensure it address the recommendations in the HSE Cyber Attack Post Incident Review are incorporated.

6. Internal Audit Update

The Committee met with the ND IA in the absence of management in line with good governance practice. The Committee discussed and provided feedback on the draft audit plan 2022 which had been circulated in advance of the meeting. The Committee suggested the inclusion of a range of clarifying information in the plan document which will come back to the Committee in January for approval.

7. Properties and Contracts

ND Capital and Estates and the Chief Architectural Advisor joined the meeting at 10am.

7.2 Summary Contract Paper and Property papers for consideration

The Committee reviewed and discussed with the ND Capital and Estates and the Chief Architectural Advisor the following proposed transactions and the reasons outlined in the briefing paper circulated in advance of the Committee meeting:

- Mountmellick CNU Contract (recommended to HSE Board for approval)
- Proposals for RSCI Connolly Hospital (recommend for Board approval subject to the inclusion of additional information on the land lease and the letting of the lease below market value in the Board briefing paper)
- Proposals to address infrastructural risk and capacity concerns at the Rotunda Hospital (recommend for Board approval subject to the inclusion of additional information on the HSE's maternity strategy and how it is applicable to this development)
- Proposals for the enhanced Community Care Hub at Quarrypark, Enniscorthy, Co. Wexford (recommended to HSE Board for approval)
- Proposed lease of Primary Care Centre, Galway City West

The Committee discussed the proposed lease of Primary Care Centre, Galway City West with the ND Capital and Estates. The ND Capital and Estates highlighted that there is a deficit in Primary Care Team accommodation in Galway City & its environs and that there is currently no option to expand an existing Primary Care Centre in a timely manner for co-location. The Committee acknowledged that the location has been a priority for many years with unsuccessful attempts made to secure a new

Primary Care Centre however, requested that consideration be given to the inclusion of a buyout option within the proposal considering the significant investment being made.

The ND Capital and Estates agreed to further consider the proposal, including the addition of further details on the relevant cost to value of the proposal to the briefing paper and bring it back to the Committee meeting.

7.2 ECC Capital Plan Proposals Summary

The V/Chair deferred discussion on the paper until a time that would suit the CSO's availability.

8 AOB

The meeting concluded at 11:37.

Signed: Mat Pitt
A/Chairperson

10 February 2022
Date