



HSE Audit & Risk Committee Meeting

Minutes

A meeting of the HSE Audit & Risk Committee was held on Monday 19th February 2024 at 13:30 via videoconference.

Members Present: Brendan Whelan (Chair), Fergus Finlay, Michelle O’Sullivan, Pat Kirwan, John Moody, Éimear Fisher and Sharon Keogh

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

Joined the Meeting: Tom Malone (AND IA), Cora McCaughan (AND IA), Michelle Galvin (AND IA)(Item 3.2), Elaine Kilroe (AND Enterprise Risk Management)(Item 4), Rosemary Grey (Authorised Person, Protected Disclosures)(Item 4.3), Brian O’Connell (Interim ND Capital & Estates)(Item 5), Monica Percy (General Manager, Gov & Compliance)(Item 8.4), Valerie Plant (Asst CFO)(Item 8.5)

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 and papers and the approach to conducting the meeting.

2. Governance and Administration

2.1 Conflicts of Interest

No conflicts of interest were declared.

2.2 Minutes

The Committee approved the minutes of 08 December 2023 and 25 January 2024. A Committee member requested an update to queries from previous meetings, and the Secretariat agreed to follow up.

2.3 Action Log

The ARC Action Log was noted.



2.4 Annual Report of Audit & Risk Committee 2023

The Chair informed the Committee that he would review a draft copy of the Committee's section for inclusion in the Annual Report 2023 and will circulate to the Committee at the March meeting.

2.5 Review of Committee Effectiveness 2023

It was agreed that Committee members would forward individual comments to the Secretariat for collation for the Chair, and will be discussed at the March meeting.

3. Internal Audit

3.1 IA Strategic Review including Industrial Relations

The ND IA joined in private session and updated the Committee in relation to the IA Strategic Review and Industrial Relations.

The ND IA updated the Committee in relation to the new Centre Design, and the title change from ND IA to the Chief Internal Auditor.

In relation to the ICT audit which was discussed at the December meeting, the ND IA updated the Committee, advising the it had tendered for an outsourced ICT audit provider, responses have been received and evaluated and he will further update the Committee at a later stage.

EMT members joined the meeting

3.2 Internal Audit Activity Report Q4 2023

ANDs IA T Malone, C McCaughan and M Galvin joined the meeting

In accordance with the Committee's Terms of Reference, the ND IA provided a report to the Committee regarding Internal Audit activity, which assists the Committee in discharging its responsibilities to oversee and advise on matters relating to the operation and development of the HSE's Internal Audit division.

The Committee noted the update in relation to the Internal Audit Plan Status; 45 Reports issued in Quarter 4 2023, and the key findings from 12 reports set out under the categories of HR, Finance, Environment and Contract Management, which showed a marked improvement in prior audit recommendations being implemented. Some moderate improvement in the audit ratings (Satisfactory, Moderate, Limited and Unsatisfactory) were noted, but were deemed still to be inadequate.



The Committee were advised that healthcare audit activity was presented to the Safety & Quality Committee the previous week.

The Committee discussed the IA report with regard to Garda Vetting – Third Party Personnel, the objective of which was to determine the assurance level that can be provided to management that the HSE Garda Vetting process was being complied with for third party personnel in a CHO area. The Committee noted a Limited Audit Opinion and High recommendation, and that a recommendation has been made to National HR to address this.

The Committee noted that compliance with Garda Vetting has been an ongoing issue for the HSE, and agree that it be brought to the attention of the Board.

The Committee discussed the IA Reports relating to Mandatory Training, the objective of which was to determine that there were adequate controls, monitoring and reporting in place for mandatory training within 2 CHO's; and to assess the level of assurance that the staff in a Hospital are informed and comply with Mandatory Training and that the controls on the monitoring of training are adequate and effective. The Committee noted a Limited Audit Opinion and High and Medium Recommendations.

The Committee considered the implications for staff with non-compliance with the HSE Mandatory Training Policy and the need for a standardised comprehensive process. The importance of addressing this area by executive management was stressed by the Committee.

The Committee discussed the review of the Status of Recommendations relating to the National Ambulance Service – Procurement Audit, noting a number of Unsatisfactory recommendations, and were advised that it was due to the pause in recruitment and that it is an identified issue, and will be dealt with through additional resources.

In relation to the Interim Audit Plan 2024, the ND IA advised the Committee that IA had received two requests for audits to be added to the Plan relating to Employment Controls and Waiting list Initiatives.

ANDs IA left the meeting

4. Governance & Risk

E Kilroe, AND Enterprise Risk Management joined the meeting

4.1 Board Oversight of Risk Management – Update from Board meeting and Review of Actions from Workshop



The Chair confirmed to the Committee that he had reported to the Board on 26 January 2024 on the actions from the Risk Workshop, and has been engaging with the CRO to progress the implementation of the 12 actions, and will provide an update at the March meeting.

4.2 HSE Corporate Risk Register 2024

The CRO presented to the Committee the new Corporate Risk Register (CRR), for consideration and comment. The CRO noted that a fundamental review of the HSE's corporate risks and by extension, the CRR was undertaken and conducted in a number of stages with workshops, briefing sessions and meetings held with EMT members, their risk teams, subject matter experts including clinicians and with Board Committees. He outlined to the Committee the background to the review, what was needed to improve, the changes made and ongoing developments.

The Committee considered the new CRR presented and provided feedback to the CRO and AND Enterprise Risk Management and agreed that further feedback would be sent directly to the CRO, which would be incorporated and brought back to the Committee at the March meeting. It would then be brought to the Board in April.

The Chair asked that a copy of the Enterprise Risk Management Policy and Procedures 2023 be circulated to the Committee.

E Kilroe, AND Enterprise Risk Management left the meeting

4.3 Protected Disclosures

R Grey, Authorised Person, Protected Disclosures joined the meeting

The ND Governance & Risk presented to the Committee the Protected Disclosures Statutory Report which is to be provided to the Minister for Public Expenditure, NDP and Reform by 1st March 2024, noting that due to the industrial action by Fórsa members, he had been provided with this statutory report following a derogation from Fórsa.

The Committee noted that there were 84 reports received in 2023, of which 40 were assessed as warranting follow up; 117 reports were carried forward from 2022 with 118 closed during 2023; there were 0 breaches of EU law reported during 2023, and the estimated amount of funds recovered by the HSE during 2023 was €3.7m.

The Committee noted and approved the report for submission to the Minister for DPER and asked that it be made clear that the report should be read in conjunction with the Statutory HSE Annual



Report, which is a more detailed Report on Protected Disclosures and will be presented to the Committee at the March meeting, and published on the HSE website by 31st March 2024.

The ND GR advised the Committee that the General Manager, National Office for Protected Disclosures is vacating the position in March, and that R Grey will continue as the Authorised Person, as delegated.

R Grey, Authorised Person left the meeting

4.4 Central Compliance Control Function – verbal update

The ND GR provided an update to the Committee in relation to the development of the Compliance Framework, including discussions with HIQA in relation to regulatory compliance. The Committee were advised that interviews for the AND Compliance role have now concluded with the start date of end March 2024.

The Committee noted the update and requested that a further update be provided by the AND Compliance when they commence the role. A copy of the Compliance report will be circulated to Committee members for information purposes.

5. Capital & Estates

B O'Connell, Interim ND Capital & Estates joined the meeting

5.1 Capital Plan

i. Review of Capital Plan 2023 outturn

The Interim National Director Capital & Estates presented to the Committee a briefing on the HSE Capital 2023 Outturn. The Committee noted that taking into account the various challenges to the delivery of the plan, the overall underspend in 2023 was minimal and is an indicator that the active management of the Capital Plan throughout 2023 was successful.

ii. Capital Plan 2024

The A/CSO advised the Committee that further to the Committee's recommendation for approval to the Board of the Capital Plan 2024 on 8 December 2023, there had been requests for amendments and additional text received from the Department of Health and the Department of Children, Equality, Disability, Integration & Youth and that a final Capital Plan 2024 was approved by the Board on 26 January 2024. The Committee noted the final version of the Plan presented by the A/CSO.

5.2 Quarterly Report - Delegated authority for property transactions under market value

The A/CSO provided to the Committee a summary report on transactions approved between €2m



& €10m and low value/nominal CAT 3a transactions for the period of 1 October – 31 December 2023, which was noted by the Committee.

5.3 Building Properties & Contracts

The Interim ND Capital & Estates presented the following proposed contracts and properties to the Committee.

- i. National Rehabilitation Hospital – Transfer of lands to the HSE
- ii. Contract Award for Single Party Framework for SVUH – upgrade of Fire Alarm
- iii. Contract Award for New Community Nursing Unit to provide replacement beds at Merlin Park University Campus
- iv. Contract Award for Electrical Infrastructure upgrade at Cavan General Hospital
- v. Contract Award for Trauma Phase 1b at Mater Hospital
- vi. Proposed Strategic Acquisition of Elm Park Green Property Portfolio

The Committee held a discussion in relation to the Proposed Strategic Acquisition of Elm Park Green Property Portfolio, which was outlined as an important strategic acquisition that would enable development of both Acute & Community Healthcare services in close proximity to St. Vincent's University Hospital (SVUH), and agreed to recommend to the Board for approval with the addition of a section more clearly describing the associated risks and how these are being managed.

The Committee considered the detail of the remaining proposed contracts and properties and agreed to recommend to the Board for approval. The Committee asked that clarification should be incorporated in the papers concerning costs versus estimated costs, which the A/CSO and Interim ND Capital & Estates agreed to do.

B O'Connell, Interim ND Capital & Estates left the meeting

6. Strategy and Research

6.1 Donation of Medical Equipment and Supplies Annual Report 2023

The ND GR presented to the Committee the Donation of Medical Equipment and Supplies Annual Report 2023, which is a requirement of the HSE donations policy, effective from January 2023. The Committee noted that the HSE donated 5,241,165 items with a book value of €98,092.50 in 2023, with a commercial value of €2,480,109.



7. Health Regions Programme

7.1 Health Regions Programme Implementation Update

It was agreed to defer this item to a future meeting.

8. Accounting, Governance and Financial Reporting

8.6 Contract Approval Requests

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

- i. Contract Approval Request (CAR) for the OGP Tender on behalf of HSE/Health Sector for the Provision of Natural Gas Supply

In response to questions from the Committee in relation to the use of savings made being used to reduce energy demands, and if a claim can be made on the Windfall tax on energy, the CFO provided an update in relation to the use of savings and agreed to follow up and forward a response to the Committee in relation to windfall tax.

8.2 YTD Expenditure including Letters of Determination

The CFO advised the Committee that there was no paper to present in relation to the YTD Financial Position. He advised that the Fórsa dispute had been suspended, and that work is currently underway in relation to collating the reports for September – December 2023. It was agreed with the DoH and DPER that one overall commentary for the final 4 months would be available mid March. The Committee noted that the January 2024 report will then be finalised and available end March, after which the February reporting cycle will return to normal.

8.3 Health Budget Oversight Group (HBOG)

The CFO advised that a meeting with HBOG took place the previous week.

8.5 IFMS Update

V Plant, Asst CFO joined the meeting

The CFO provided the Committee with an update in relation to IFMS, which went live on time and as planned with the first of five Implementation Groups on 1 July 2023. While preparations and re-planning for IG2 were underway, he advised that two material developments occurred in early October 2023, which included the commencement of the Fórsa Industrial Action, and the DoH providing additional funding of €40m in the HSE's 2024 Letter of Determination, for the purpose of accelerating the rollout of IFMS. These two developments necessitated a new re-plan on the basis of an accelerated implementation schedule, with agreement of an associated change to the System Integrator contract. He advised that the final detailed IFMS accelerated implementation plan is due



for submission to programme governance on 29 February in preparation for commencement immediately in light of the recent resolution of the industrial action.

The Chair requested that the Committee be kept updated in relation to IFMS, and noted that quarterly reports are submitted to the Technology & Transformation Committee.

V Plant, Asst CFO left the meeting

8.1 AFS Significant Issues and Judgements

The Committee noted the briefing paper circulated, outlining the statutory and regulatory background to the production of the Annual Financial Statements (AFS), the associated timelines and an overview of any issues which may have a material impact on same. The Asst CFO advised the Committee that the production of the draft AFS in accordance with the DPER requirements is on track but also outlined a number of possible issues that could impact on this. The paper provided an overview of key issues impacting on the production and Audit of AFS 2023 and the key issues that have arisen in the past 2 years that are reflected in the Statement of Internal Controls and/or Audit Certificate only.

The Committee discussed the current significant issues and judgements impacting AFS 2023 relating to IFMS, private insurance, and the Vaccine Write off and Provision 2023 and asked how many vaccines were included in the write off, the possibility of vaccine donation and the cost implications of disposal of vaccines. The CFO provided an update in relation to vaccine donation and a response would be made available to the outstanding questions.

The Committee noted that the final draft AFS would be brought to the March meeting for recommendation to the Board.

8.4 2023 Review of Effectiveness of Systems of Internal Control within the HSE – Controls Assurance Review Process

M Percy, General Manager, Finance Governance & Compliance joined the meeting

The Committee were presented with an update in relation to the 2023 Controls Assurance Review Process (CARP) by the General Manager Governance & Compliance. The Committee were advised that 4,220 staff and senior management completed the CARP, an increase of 18% participation on 2022, and that participation levels of clinical staff had increased.



She advised that a National Training Plan was completed prior to CARP which saw a significant increase in attendance with 1,146 staff attending webinars whilst others accessing online versions and supporting documentation. The Committee noted that ASM, the external audit firm have completed their validation review of the Internal Controls Questionnaire responses of 261 staff who were audited and a finalised report was presented to Governance and Compliance on 9th February 2024.

The Committee discussed the three high priority findings in the areas of Absence of a National Financial System, Procurement, Payroll & HR controls, and it was noted that the medium priority finding in the area of ICT Control Environment and Grants to outside agencies have moved from High to Medium given the level of process developments and control enhancements implemented during 2023 and based on review and assessment of audit and CARP findings throughout the year.

The Committee noted that the review of effectiveness of the system of internal control is a key requirement of the HSE's Code of Governance and forms part of the Statement of Internal Controls (SIC) report, which is currently being drafted and will be provided to the C&AG as part of the DPER Code requirement.

M Percy, General Manager and M Dolan, Asst CFO left the meeting

9. A.O.B

The Committee noted that a review of the Office of Legal Services had commenced and welcomed the proposed approach and provided some feedback.

There was no further business. The Chair thanked the Committee and EMT members. The meeting ended at 5.25pm.

Signed:

Brendan Whelan
Chairperson

Date: 22nd March 2024