



HSE Audit & Risk Committee Meeting

Minutes

A meeting of the HSE Audit & Risk Committee was held on Friday 17th November 2023 at 12:30 via videoconference.

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

Apologies: Michelle O’Sullivan and Éimear Fisher

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) Niamh Drew (Deputy Corporate Secretary), Patricia Perry (Office of the Board)

Joined the Meeting: Stephanie O’Keeffe (ND Operations Planning), Dr Philip Crowley (ND Strategy and Research), Miin Alikhan (AND Strategic Planning and Reporting)(Item 1), Paul de Freine, (ND Capital & Estates)(Item 2.1 and 8), Tom Malone (AND IA), Michelle Galvin (AND IA), Paul Hannon (AND IA), Dr Cora McCaughan (AND IA)(Item 6.1), John Swords (ND Procurement)(Item 5.2), Elaine Kilroe (AND Enterprise Risk Management)(Item 7.1), Bernard Gloster (CEO)

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. Joint Briefing with ARC and Planning & Performance Committee

Planning & Performance Committee members and HSE Executives joined the meeting

1.1 National Services Plan 2024 Briefing

The ND Operations Planning and CFO updated the Audit & Risk and Planning & Performance Committees on the NSP 2024 process. The Committees noted that all material included in the papers circulated in advance of the meeting was presented as draft, subject to deliberation and is not a final position of the HSE. They were written in the context of the Committees noting the positions and information likely to inform consideration of final Letters of Determination which are not yet received. The CFO recommended Board Committee members understand that all of the material is subject to further amendment and detail as engagements regarding supplementary and revised estimates are ongoing.



The Committees were advised that a particular focus is the ongoing work and deliberations relating to 2024 service priorities and the workforce and financial positions. An update was provided on the current status of formal correspondence from the Department of Health (DoH) and Department of Children, Equality, Disability, Integration and Youth (DCEDIY).

The ND Operations Planning provided a summary of work completed to date on a pre-LoD version of the National Service Plan and briefly summarised the proposed timelines for completing the National Service Plan within 21 days of receiving the final Letter of Determination (LoD). The Committees noted the key milestones and dates for delivery of the plan, including the ICT and Capital Plan, which assume the LoDs are received on Friday 17 November.

The CFO updated the Committees on the workforce position including level of WTE growth, estimate of posts not yet recruited, pausing of recruitment and planned new service developments. He also advised the Committees of the impacts and Risk Assessment of the requirement to pause recruitment for development posts in 2024. The Committees discussed the service implications and risks, mitigations and areas of service to be considered in the recruitment ceiling for 2024.

The Committees were advised that the final Letters of Determination (LoD) have not been received from the DoH or DCEDIY. It is intended, following discussion at tri-lateral meetings, that both Departments will issue their LoDs on the same day which will start the 21-day statutory timeline within which the HSE is required to submit the NSP to the respective Ministers. The ND Operations Planning confirmed that meetings are continuing to discuss and align Departmental and HSE thinking on service priorities, workforce numbers and financial tables. The HSE has fed back to both Departments in relation to the content likely to be included in the final LoDs. Of particular note for NSP 2024 is the implementation of the Health Regions, already commenced.

In relation to the Capital ICT and Estate Plans, the Committees were advised that first drafts of both Capital Plans 2024 are being completed and engagement with the DoH and DCEDIY is ongoing. Activities to finalise both drafts are underway to ensure alignment with the relevant approval processes (including approval by the Technology and Transformation Committee for the eHealth and ICT Capital Plan). It is expected that drafts of both plans will be available for sharing with the HSE Executive Management Team / Senior Leadership Team (EMT/SLT), P&P Committee and Board in alignment with NSP 2024 timelines.



2. Contract Approval Request

COO and ND Capital & Estates joined the meeting

2.1 Contract Award for Mount Carmel Surgical Hub in Dublin South

The COO and ND Capital & Estates presented to the Committee the Contract Award for Mount Carmel Surgical Hub in South Dublin, which had previously been referenced at the Committee's meeting in September 2023.

The Committee highlighted that the successful tenderer had been considered and successful for another project which was also being presented to Committee, and were advised that the contractors capacity to undertake the work had been considered in the evaluation of tenders and the making of this recommendation.

The Committee considered the detail of the Contract and agreed to recommend to the HSE Board for approval, and asked that consideration be given to designating this development as one which will operate on a 7-day basis.

4. Governance and Administration

4.1 Conflicts of Interest

No conflicts of interest were declared.

4.2 Minutes

The Committee approved the minutes of 13 October 2023.

4.3 Action Log

The Actions from ARC were agreed.

4.4 Workplan 2024

The ARC Workplan for 2024 was reviewed and feedback is to be incorporated and brought back to the December meeting for approval.

8. Capital & Estates

8.1 National Maternity at St Vincent's University Hospital – Proposed Programme Governance Arrangements

The Committee reviewed with the CSO and ND Capital & Estates the paper previously circulated in relation to the proposed Programme Governance Arrangements regarding the National Maternity at



St Vincent's University Hospital to ensure that effective and clear governance arrangements are in place to deliver the Programme in line with the various stages of the approvals process.

It was noted that the Committee had previously assessed the three options at the September meeting and were advised that it was subsequently considered by EMT, and reviewed by the Department of Health. The Committee considered the paper presented and agreed to endorse Option 2, Enhanced role for the HSE as the preferred option, for recommendation to the Board. The Committee outlined the need to strengthen risk management, further develop the assurance model, and put in place specialist resources to manage and deliver a development programme of this scale and complexity, and requested that papers going to the Board be amended to reflect the advices of ARC.

8.2 Primary Care Centres – Operational Lease Model

The CSO and ND Capital & Estates provided an update to the Committee in relation to Primary Care Centres Operational Lease Model (OLM) which is based on the leased acquisition of buildings, constructed to accommodate the needs of the HSE by way of a long lease. The Committee were advised that early in 2023, a number of Landlords and Developers raised concerns about the financial viability of some priced offers stating that they are no longer economically viable due to inflationary pressures, increasing interest rates and other economic factors. In the context of the concerns raised, a review of the OLM was undertaken. Based on the OLM review, recommendations which were underpinned by legal advice emerged. It is proposed that the HSE would request that Landlords and Developers would proceed in accordance with the terms of their priced offers. It is also proposed that there should be no renegotiation of commercial terms, previously agreed via the competitive bidding process, and where Letters of Intent or Agreements for Lease have been signed, and for which HSE Board approval has been given previously.

The Committee considered and approved the HSE's recommended approach. The Committee noted that there has been significant local and political interest in this programme and that the proposed approach has been discussed in detail with senior colleagues in the Department of Health. The Committee also noted that following any re-advertisement of locations there is a likelihood that new submissions received will lead to a higher rent cost per square foot, as developers seek to recalibrate their return on investment. Any increase in market costs will need to be considered in the context of the HSE Capital Plan.

8.3 Quarterly Report on relevant Property Transactions delegated to the Executive

The 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 July - 30 September 2023, which was noted by the Committee.

8.4 Building Contracts & Properties

The Committee considered the detail for the following proposed contracts and properties, and agreed to recommend the following to the HSE Board for approval.

- i. Update on Strategic Assessment and Preliminary Business Case for the Proposed New Emergency Department and Women's & Children's Development Block at University Hospital Galway (UHG).
- ii. National Maternity Hospital at St. Vincent's University Hospital (NMH at SVUH) – Approval to award contract to carry out site preparation and enabling work under a 'Single Operator Framework'.
- iii. Acquisition of Lands by the HSE and Leopardstown Park Hospital

5. Accounting, Governance and Financial Reporting

5.1 Financial Update incl YTD Expenditure – verbal update

The CFO advised the Committee that there was no paper to present in relation to the YTD Financial Position due to the Forsa Work-to-Rule. The Committee outlined their concerns, and the Chair agreed to take the Committee's concerns to People & Culture Committee meeting and to the Board.

5.2 Status of key priorities of the HSE Corporate Procurement Plan 2022-2024 including note on expiring contracts

At the March 2023 meeting of the Committee it was requested that a plan for the key priorities of the HSE Corporate Procurement Plan 2022 - 2024 that are behind schedule by more than a month be actioned and brought back to the Committee.

The ND Procurement advised the Committee that progress is being made with the 31 agreed priorities outlined in the Plan which are to be delivered across four key areas by the end of 2024, with some priorities more advanced than others. The Committee noted the status of priorities and the actions outlined by the ND Procurement.

In relation to the expiring contracts previously presented at the May 2023 meeting, the Committee were presented with an update in regard to an internal review process and noted that the number



of extensions are reducing and the number of large projects going in front of the HSE Board for approval are increasing, which will in time minimize the need for extending contracts. The Committee noted that in order to ensure Contract renewals are timelier, Procurement will ensure alerts are issued 12 months in advance.

The CEO joined the Meeting at 3.40pm

6 Internal Audit

The ND IA advised the Committee that he attended the Workplace Relation Commission (WRC) on 14 November 2023 regarding the May conciliation agreement. There is no return date to the WRC following that meeting at the WRC with Fórsa and staff representatives. He informed the Committee that he relayed the Committee's contribution to the CEO for consideration as part of the Centre redesign. The Committee noted separately that the Strategic Review of the IA Function is intended to commence in January 2024.

6.1 Internal Audit Activity Report - Q3 2023

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; 30 Reports issued in Quarter 2 2023 including their summaries, 9 Key Reports issued and the implementation of audit recommendations.

The Committee discussed IA reports with regard to National Agency Spend – Doctors and Health Care Assistants (Unsatisfactory). The Committee raised a concern in relation to two Hospital Groups (Children's Health Ireland (CHI) & Royal Colleges of Surgeons (RCSI)) who failed to supply details to Internal Audit to enable the review. IA confirmed it took the decision to finalise the reports on the basis that the findings would not be materially affected by their omission and also minded by the timeliness of the reports. The CEO advised the Committee of his willingness to intervene where necessary and noted he is available to the ND IA in terms of escalation where timely cooperation is not forthcoming.

The Committee discussed the IA Report Use of Review Tools for Healthcare Associated Infections (HCAI) - Summary Report (Unsatisfactory), and noted that the IA Report was also discussed at the Safety & Quality Committee.



The ND IA advised the Committee that in September 2023, Internal Audit engaged in a separate follow-up activity for all open recommendations from reports that issued between 2017 and 2021, and the Committee noted good progress being made on dealing with audit recommendations still outstanding. While some progress has been made with the audit ratings in Q3 (2023) compared to Q1 and Q2, they remain at a very unsatisfactory level. The CEO advised the Committee that this issue was addressed at the Senior Leadership Team meeting with a request that officials are to review and provide an evidence based report on all outstanding recommendations.

7 Risk Management

7.1 Corporate Risk Review Update, including ARC Risk Workshop Preparation

The Committee noted that the ARC Risk Workshop is scheduled for 22nd November 2023 and a communication will issue to members in relation to the aim and preparatory work.

9 A.O.B

The CEO welcomed the new External Members of the Committee which has been considerably strengthened as a result. He provided the Committee with an update on the public appointment process for the recruitment of the Regional Executive Officers, and the Centre Design and advised that he took on board the Committee's feedback.

An update was provided to the Committee on the development of the NSP 2024, LoDs, the Pay and Numbers Strategy 2024, the end-of-year financial position, supplementary process, and Forsa's Work to Rule. The Committee noted that the organisation will remain challenged to improve its control environment in the coming period.

The Committee welcomed that the CEO will attend the December meeting and provide the Committee with a further update in relation to the Centre Design. There was no further business. The Chair thanked the CEO, Committee and EMT members. The meeting ended at 5pm

3. Committee Members Private Discussion

The Chair held a private session with Committee members.

Signed:

Brendan Whelan
Chairperson

Date: 8th December 2023