



HSE Audit & Risk Committee Meeting

Minutes

A meeting of the HSE Audit & Risk Committee was held on Tuesday 24th May, 2022 at 5pm via videoconference.

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

Joined the Meeting: Andy Harkness, John Crean and Olivia Somers, Office of the C&AG

HSE Executive Stephen Mulvany (CFO), Mairead Dolan (ACFO), Sharon Cowzer (AFS Manager), Attendance: Patrick Lynch (ND Gov and Risk), Tom Malone (ND Internal Audit), Dara Purcell (Corporate Secretary)

1. Governance and Administration

1.1 Welcome and Introductions

The V. Chair welcomed Committee members to the meeting.

The Committee had a short meeting in private at the start to consider the agenda.

Ann Markey agreed to formally act as Committee Chair for the purposes of signing the minutes at this meeting and then asked the V. Chair to handle the conduct of the meeting.

1.2 Conflicts of Interest

No conflicts of interest were declared.

1.3 Corporate Risk Register

The Committee agreed to refer the additional risk on the CRR concerning the provisions in the legislation on Assisted Decision Making Capacity to the Safety and Quality Committee for monitoring and oversight by that Committee.

2. Accounting, Financial & Governance Reporting

2.1 Draft AFS including Draft SIC and associated Financial Governance documents

The V. Chair noted the purpose of this additional meeting was to review the final draft AFS and associated documents following the conclusion of the C&AG formal audit and that these would be re-presented to the Board for final approval prior to submission to the Minister.



Andy Harkness, John Crean and Olivia Somers from the Office of the C&AG joined the meeting to update on the progress of the audit of the AFS.

J Crean confirmed there are no unresolved accounting matters and the audit file had been presented to the C&AG for certification. He indicated it is expected, subject to discussion and sign off by C&AG, that the audit opinion will be unqualified, confirming the accounts are properly presented in accordance with the accounting standards specified by the Minister for Health.

He noted there are currently up to 4 “emphasis of matter statements” on the current certificate:

- Losses related to impairment of PPE
- Non- Compliant Procurement
- Cyber Attack
- Payroll Sanction

The only matter remaining to be concluded with the C&AG is the Payroll sanction and this is expected to be finalised by Wednesday 25th May, 2022. The audit cert will issue after the Board approval of the financial statements on 27th May 2022. There may also be some reference in the audit cert to the payroll audit of “high earners” based on draft IA report, but this is still the subject of some consideration.

In response to an enquiry from the V/Chair to the C&AG officials if there were any matters which they would like to discuss with the Committee in the absence of management, the C&AG officials confirmed this was not necessary. The V/Chair indicated such a discussion was good practice on an annual basis and it can be scheduled when C&AG present the audit completion memorandum.

The C&AG officials left the meeting at this point.

The Committee reviewed with the CFO and ACFO the Draft AFS 2021 ,notes to the accounts and the following associated documents which had been circulated in advance:

- Statement of Internal Control
- Operating and Finance Review (OFR)
- Letter of Representation
- Appendices 1 and 2 to the accounts
- The Chairman’s report to the Minister on the AFS/AR required under the DPER Code



The Committee noted it had previously received earlier drafts of the AFS and notes to the accounts, the draft SIC and Letter of Representation but did not have an opportunity to review the Operating and Financial Review (OFR) or the DPER disclosure statement

The Committee were informed that the Draft AFS was substantially completed and had been presented to the Committee again, in order to approve material changes which had been made since the draft was approved by the Board on 27th March, 2022. The Committee noted that while some changes in explanatory wording to the notes to the accounts had been made there had been no changes to financial figures in the accounts.

Based on feedback from the Committee the following adjustments were agreed

A. Statement of Internal Control SIC:

11. Review of HSE non-pay accruals

Revised wording to be agreed with the V/Chairman for section 11 and note 26

12. Review of the Effectiveness of the System of Internal Control Pg 14

“reasonable assurance” changed to “limited assurance”

B. Letter of Representation

The representations should reflect the disclosures in the SIC as appropriate.

Representation 9 should be cross-referenced to Note 28 in the SIC.

C. Operating and Financial Review (OFR)

The Committee recommended that management review for next year if it is necessary/appropriate to include the Operating and Financial Review section in the Finance statements

D. Notes & Appendices to the Accounts

Appendix 1 Revenue Grants

In order to ensure that appropriate disclosures concerning HSE funded agencies are made in the notes to the AFS and the letter of representation to the CAG, the ARC requested the



Secretary to ask board members to confirm whether they are Board members/trustees in any of the organisations listed in Appendix 1.

Appendix 2 DPER disclosures

Consultancy note in appendix 2 to be adjusted to reflect final analytical changes, overall total is expected to reduce.

Note 6

A/CFO to revert to V/Chair on termination payments over €300,000

Following the review of the documents the Committee agreed that the re-approval of the draft final Annual Financial Statements is in order and recommend them for final approval, signature and submission to the Minister for Health following receipt of the HSE audit cert from the C&AG.

The Committee thanked the CFO and his team for the significant work done to have the audit process concluded and the AFS completed in a timely manner. This will allow the joint publication at the appropriate time of the Annual Report including the financial statements in line with best practice.

3. Any Other Business

No other matters were raised, and the meeting concluded at 17.50pm

Signed: _____

A/Chairperson

16th June 2022

Date