



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

HSE Audit & Risk Committee Meeting

Minutes

A meeting of the HSE Audit & Risk Committee was held on Friday 13th November 2020 at 08:00 via videoconference.

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

HSE Executive Attendance: Patrick Lynch (ND Quality Assurance and Verification), Geraldine Smith (ND Internal Audit), Stephen Mulvany (CFO), Mairead Dolan (ACFO), Dean Sullivan (CSO) (item 2 and item 5), Sean Bresnan (ND Procurement) (Item 2), Jim Curran (ND HBS Estates) (item 5), Sarah McLoughlin (item 8.1), Liam Woods (ND Acute Operations) (item 8), Dara Purcell (Corporate Secretary), Hannah Barnes.

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

2. Governance and Administration

The Vice Chair welcomed Committee members to the meeting and held a private session with the ND Internal Audit. The Committee also considered 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 and then asked the Vice Chair to handle the conduct of the meeting.

No conflicts of interest were declared.

The Committee approved the minutes of the 9th October and 19th October and noted the Action Log.

7. Risk Management

7.2 Board/ EMT Risk Management Process

The ND QAV updated the Committee on the engagement of Mr J. Moody's Risk Management Services to support the process for further developing the HSE Board / EMT risk Process. He spoke to the Briefing paper circulated in advance of the meeting which outlined the 4 different phases of the process. He said that both phase one, Project Initiation, and phase two, Documentary Review, are now

almost complete and much information has been gathered. Once Phase three, Fieldwork is completed the deliverables will be shared under phase 4. Under phase 4 J. Moody will meet with the Audit and Risk Committee and chairs of the other Board Sub Committees to explore the area of risk appetite and risk tolerance as well as the role of the Board and the Audit and Risk Committee in managing risk within the organisation. The Committee suggested that John Moody would meet with the SCA and the HSA while he is engaged with the process for further developing the HSE Board/ EMT risk process.

The Committee noted that additional resources to support to support each EMT is being considered as part of the Service Planning process.

The Committee requested for the ND QAV to provide an update on the filling of the CRO position at the next Committee meeting.

Action:

- ARC to convene and invite other Committee Chairs to discuss non COVID Risks on the CRR and invite J. Moody.
- ND QAV is to provide an update on the filling of the CRO position at the December Committee meeting.
- The Committee suggested that John Moody would meet with the SCA and HSA while he is engaged with the process for further developing the HSE Board/ EMT risk process

2. Governance and Administration

2.5 Minister letter of 21st August regarding Procurement of Personal protective Equipment

CSO and ND Procurement joined the meeting at 9:12

The Committee reviewed with the CSO and ND Procurement the letter and documentation for item 2.5 which had been circulated in advance of the meeting. The Committee noted the Scope of Services document for the tender and provided some feedback on the document. They The Committee asked for a specific sentence in the Minister letter to be included to ensure the scope was carried through from to the letter to the work done. The Committee also recommended that adherence to relevant Occupational Health standards should be considered as part of the review.

The Committee noted that certain adjectives had been used within the scoping document to provide context to ensure that those doing the work will understand the complexities of sourcing and distributing PPE over the last year. The Committee suggested that the independence and neutrality of the audit may be enhanced by reviewing whether these adjectives were useful at the Tender stage.

The Committee suggested that the date on which the report should be made available should be included in the Scope of Services document.

The ND Procurement confirmed that it is expected that audit report will be available at the end of Q1.

Based on feedback from the Committee the CSO agreed that the tender document would be revised.

Action:

- The Scope of Services document is to be updated to take account of feedback provided by the Committee

2.6 Ministers letter of 7th October regarding COVID 19 Vaccine

The V. Chair highlighted that he had proposed this discussion to explore the various areas involved with securing and distributing any potential C.19 Vaccine within Ireland. The Committee noted that Ireland has opted into the EU Advanced Purchasing Agreement to procure suitable vaccines to combat COVID-19. The EU is in advanced negotiations with a number of major pharmaceutical companies, including Sanofi, Johnson and Johnson and Pfizer.

The Committee were informed that the COVID-19 Immunisation Strategy Group and a HSE COVID-19 Immunisation Implementation Team has been convened. The Committee emphasised that a public communication strategy will be critical to Vaccine uptake and also that a legal framework for dealing with adverse effects and claims against the State, may need to be considered working with key stakeholders including the HPRA, Department and State Claims Agency.

In response to questions from the Committee the CFO highlighted that as there are no specific budget allocations for a Vaccine at present and a formal sanction will have to be sought. The ND Procurement confirmed that the procurement team will be focusing on procuring a suitable cold chain for the distribution of the Vaccine. He highlighted that in Ireland United Drug are currently the only supplier of cold chain services. He noted that the HSE currently has a good working relationship with this company. The committee discussed the challenges and heightened risks from dependency on one cold chain supplier. including challenges which may arrive due to the large volume of Vaccines that will need to be distributed. The Committee recommended that the ND Procurement to look at second cold chain supplier and particularly opportunities to use the HSE as a second cold chain supplier.

The ND IA noted that an Audit of the storage and security of the vaccine supply chain within the HSE is in the 2021 Internal Audit plan.

Action:

- The Committee requested that either Risk 4 or an appropriate risk be updated to include the risks associated with the Vaccine including sanction, supply chain, distribution, and potential legal actions
- The ND Procurement agreed to look at second cold chain supplier and opportunities within the HSE itself.

2.7 Letter of Determination

The V/Chair noted for non-board Members that the LOD had been received on 3 November and the next steps were the development of NSP 2021 for board submission to the Minister of Health within 21 days of receipt, which is Tuesday, 24 November 2020. The submission of the NSP 2021 within the specified timeline is critical to facilitate the timely production of operational plans for the delivery system. It was noted that the scale of additional investment in the health services in 2021 is unprecedented when viewed in the context of any previous single year and is also very significant when the specific COVID19 2021 investment is separated out. The Committee noted the NSP will set out the type and volume of services the HSE will provide in 2021 based on the financial resources.

The CFO highlighted that one of the next steps being undertaken through this process is the Strengthening of management capacity and governance / controls commensurate with the level of investment. This includes addressing areas not specifically funded e.g. QPS, Enterprise Risk Management, HIPE Coding, Internal Audit, Procurement Compliance, Grant Compliance (CMSU), Energy Management, Financial Management including costing. He also clarified that through the Finance Reform Programme, funding has been secured for the continued roll out of the Integrated Financial Management System (IFMS).

3. Financial Matters

3.2 Report on 2020 Plan for Review of Effectiveness of System of internal Control within the HSE – Controls Assurance Process

The ACFO spoke to the briefing paper circulated in advance of the meeting. The Committee were updated on the current plan and progress to-date of the 2020 Controls Assurance Review Process, which forms an integral part of the Review of Effectiveness of the Systems of Internal Control within the HSE. Following the issue of the CEO's memo to EMT members on the 29th Sept, training for the 2020 CARP process took place over a 3-week period and was completed on the 3rd Nov. 573 people took part, an increase of 27% on last years' attendees. The 2020 CARP ICQ survey site went live to HSE participants on Monday 2nd November 2020 and will remain open until Friday Dec 11th with an

approximate six week period to allow for prompt completion and preparation of reporting to the CEO HSE by end of Feb 2021. By Close of business on day 2, 206 people had completed their surveys, an increase of 2% on the comparative time last year although it was noted that an over all increase is not expected. The Committee welcomed the good work and noted that it is progressing in accordance with planned progress.

The ACFO responded to questions regarding staff compliance with policies, rules and control requirements where staff are working remotely which may lead to their actions being subject to less scrutiny and monitoring. The ACFO said that overall there has not been a negative response from this cohort of staff to date however, a half way review will be undertaken in the following week and this issue may be flagged. The committee requested that the ND Internal Audit prepare a paper on this issue, to be brought to the following committee meeting.

Actions:

- The committee requested that a paper on staff compliance with policies, rules and control requirements and management's level of oversight where staff are working remotely be brought to the following Committee meeting.

4. Accounting, Financial & Governance Reporting

4.1 Briefing paper on AFS Process, Timeline and likely financial reporting issue areas

The Committee discussed the challenges of conducting an audit in the COVID 19 environment. The committee suggested that guidance may be taken from the learnings of international comparators.

The Committee noted that the C&AG are currently in the process of developing their audit plan of AFS2010 and are intending to present their audit memorandum to the ARC at its December 2020 meeting. The audit team have provided a listing of the locations that they intend to audit up to the end of 2020 and in some cases that "fieldwork" has commenced through a remote process. The Committee noted that the ICT department is working with the C&AG to enable remote access to appropriate HSE systems with the appropriate security and governance controls.

3. Financial Matters

3.1 YTD Expenditure Update and COVID 19 Flash Report

The Committee reviewed with the CFO the YTD expenditure update which depicts the HSE's financial position at the end of September 2020 and the estimated COVID-19 costs incurred up to close of business on Friday 30th October. The CFO noted that the supplementary process is ongoing with the

Department and DPER and the process is going reasonably well and that a further update is likely to be brought to the Committee's December meeting.

The CFO informed the Committee that he has asked Colum Maddox (ACFO) to arrange an external review of the COVID 19 Flash Report to ensure it is produced at a high standard. The CFO invited the Committee members to make suggestions for the ToR for that tender. The committee also suggested that further monthly reporting in a flash report format could be created to report progress on Brexit. The Committee suggested that there should be some form of financial report that could be communicated with the general public to assist with transparency and openness. The CFO agreed to investigate the options of such a report being developed.

Actions:

- The committee also suggested that further information could be reported in the monthly flash report such as progress on Brexit
- Committee suggested that there should be some form of financial report that could be communicated with the general public to assist with transparency and openness

7. Risk Management

7.1 CRR – Q3 Report

The ND QAV updated the Committee on the EMT Risk Register Process and spoke to the revised Corporate Risk Register (CRR) which had been circulated in advance of the meeting. The Committee noted that good progress had been made on finalising the second iteration of the CRR which will be brought to the Board for approval at its December meeting. The Committee agreed that the joint ARC and S&Q Committee Risk Oversight Group would reconvene to assess the revisions made to the COVID 19 specific risks. It was also agreed that the Committee would hold a special meeting to assess the revisions made to the balance of risks that remain on the CRR. The V/ Chair agreed to discuss these two meetings with the Chair of the HSE Board and the CEO.

The Committee requested that in the development of a risk system there would be an ability to track any changes to risks on the and implementation of associated actions. The ND QAV said he was exploring this in the context of procuring a risk system.

In discussing the risks on the CRR the Committee suggested that that instead of there being a specific patient safety risk on the CRR as proposed by the S&Q Committee, it would be preferable to ensure patient safety was reflected in all relevant risks on the Register. The Committee also proposed that the risks associated with litigation be explicitly reflected in the CRR. The CFO agreed to consider this

advice. The ARC also requested that issues surrounding User Access Controls in ICT are reflected in the appropriate risks in the CRR.

Actions:

- The Committee agreed that the joint ARC and S&Q Committee Risk Oversight Group should reconvene to assess the revisions made to the COVID 19 specific risks
- The Committee agreed that it would hold a special meeting to assess the revisions made to the balance of risks that remain on the CRR
- The Committee requested that in the development of a risk system there would be an ability to track changes to risks on the CRR and implementation of associated actions.
- The Committee also proposed that the risks associated with litigation be explicitly reflected in the CRR and that issues surrounding User Access Controls in ICT are reflected in the appropriate risks in the CRR.

6. Internal Audit

6.2 Briefing on sites that have not fully responded to GMI questionnaire & 6.3 Representatives from Beaumont

ND Acute Operations joined the meeting at 11.15.

ND Acute Operations provided an update to the Committee on the non or inadequate provision of information in relation to the GMI IA Review by a major hospital (Beaumont). The CEO of Beaumont had been requested to attend the Committee meeting as their information remained outstanding. The Committee was informed that the CEO was unable to attend this morning's meeting however he has undertaken to provide the required information by Friday 20 November. The Committee requested that this information is provided by the evening of Wednesday 18 November to assist the ND IA in finalising the IA report. The ND Acute Operations agreed to impress upon the CEO the importance of the time requirement. The V/Chair agreed to write to the Chair of the Beaumont Hospital Board in regards to the late cooperation of the hospital Group.

Actions:

- The Committee requested that any outstanding information is provided by Beaumont by the evening of Wednesday 18 November

6.1 User Access Controls

The ND IA and the CIO spoke to the Report on user Access (Identity Access Management Controls) which arose from the Committee's consideration of a report by Internal Audit on IT General Controls at their October meeting. The report considered;

- What key ICT systems have been audited in recent years on this issue, and the determine the current status on implementation of recommendations
- What key ICT systems have not been audited and the timeline for this to take place
- In the meantime, without waiting for an internal audit to take place, determine what actions should be taken by the business owners/ accountable persons of these systems to provide assurance to the ARC that the user access control are appropriate and operating effectively.

The Committee were informed that there are currently 153 systems on the list of key systems provided by the OoCIO. This list consists both HSE systems and voluntary hospitals systems. It has been agreed that the CIO in conjunction with Internal Audit will develop a best practice guidance note to be circulated to all ICT system business owners which will outline their rolls and responsibility. This note will highlight the existing suite of HSE ICT policies and will provide business owners with a checklist to support them to manage end user controls and system access. The Committee were told this guidance note and checklist should be finalised within the next 5 weeks.

It was noted that a review of all ICT policies was due to be undertaken in 2020 by OoCIO however due to the reprioritisation of work around COVID systems Data Protection work the ICT policies will be reviewed and update in Q1 2021.

The Committee requested that the top 20 systems from a risk point of view are highlighted to them and that the OoCIO in conjunction with the NDIA develop a process for assurance to be provided by Business Owners to ARC by end Q1 2021 confirming that they have implemented the User Access controls guidelines.

Actions:

- The Committee requested that the top 20 systems from a risk point of view are highlighted to them and that the OoCIO in conjunction with the NDIA develop a process for assurance to be provided by Business Owners to ARC by end Q1 2021 confirming that they have implemented the User Access controls guidelines.

8. Data Protection

5.1 Update form DOP re required support for the development of the HSE's Record of retention Policy.

The Committee Noted the paper provided by the DPO in advance of the Committee meeting and welcomed the securing of resources and the commencement of the project.

5. Capital

The CSO and the AND HBS Estates joined the meeting at 11:50

5.1 Briefing on Capital Plan 2021 including ICT capital funding monthly update

The CSO, assisted by the AND HBS Estates provided a verbal briefing on the Capital Plan 2021 which is currently under development. The Committee noted that the focus of work is currently on the NSP and a briefing on the Capital Plan 2021 and quarterly reporting of the implementation of the plan will be made in 2021.

5.2 Briefing paper on the identification and plans with regards to critical pieces of infrastructure within the HSE

The Committee noted the briefing paper on the Critical Infrastructural Resilience circulated in advance of the meeting. The AND Estates informed the Committee that a Critical Infrastructure Resilience report was progressed by the HSE's Emergency Management in early 2020. The report has been drafted however, its approval has been impacted by COVID-19. A key action included in HSE Corporate Risk Register Risk 23 (Business Continuity Management) is to seek approval from the Department of Health for the Critical Infrastructure Resilience report during Q1 2021. The critical infrastructure has been identified and includes all acute hospitals and other facilities providing 24/7 services, the National Emergency Operations Centre, the National Distribution Centre, data centres and designated Primary Care Centres. The draft report makes the following specific recommendations:

1. Leadership and Oversight arrangements to be put in place to ensure that Critical Infrastructure Resilience translates into the development of effective actions.
2. Critical Infrastructure Resilience measures and controls to be continually built upon to support further resilience in areas of critical infrastructure.
3. Critical Infrastructure Resilience review arrangements to be embedded across delivery systems by service owners to ensure contingency exists for the provision of essential services.
4. Learning to be captured and shared across the health service in a co-ordinated manner building a reservoir of knowledge to support future decision making.
5. Engage with utility providers to progress utility failure gap analysis and planning.
6. Progress specific Infrastructural Resilience Survey for all HSE's Critical locations to identify Infrastructural Risks regarding deteriorating weather events and emergency and back up facilities required (Electricity, Gas, Water, Fuel etc.) to deal with emergency outages.

The Committee was informed that the HSE will now be conducting a survey of all identified Health-Critical locations, developing a costed plan to address deficiencies and commencing the project management of initial Critical Infrastructure Resilience works. This report is expected to be ready in early March 2021. The Committee requested that the report be brought to their attention at the March 2021 meeting.

Actions:

- The committee requested that the Critical Infrastructure Resilience report is added to the Committee workplan for March.

5.3 Update on National Maternity Hospital

The Committee and the CSO reviewed the briefing paper on the development of the National Maternity Hospital at St. Vincent's University Hospital. The Committee were told that in line the updated Public Spending Code, which came into effect in January 2020, a Final Business Case (FBC) has been prepared in support of the project. On 26 June 2020, the FBC was approved by the NMH to SVUH Project Board for submission to the HSE for consideration and approval. The FBC is currently under active consideration within HSE prior to formal submission and sign-off by EMT, ARC and the HSE Board.

It was noted the FBC is almost ready to go to market with some final engagement being carried out regarding the Legal Framework to ensure that appropriate practical arrangements and mechanisms to protect the State's interests are established. The Legal Framework documents are in final draft format and are required to be agreed prior to the submission of the FBC to the EMT, ARC and the HSE Board.

The ND Estates confirmed that the Government will be asked to approve the overall project however, the HSE approve the operational license and the property agreement.

The Committee was informed that The FBC will be formally issued to the Department of Health for consideration. In parallel the FBC will be submitted with a comprehensive Briefing Note to the December meeting of the Audit and Risk Committee for consideration and endorsement. Subject to receipt of that endorsement it is intended to submit the FBC to the HSE Board in January for approval. The Committee requested that a broad briefing paper be brought to the HSE board's November meeting in advance of the FBC being present to them at their January meeting

Actions:

- The Committee requested that the final FBC is brought to their December Committee Meeting

- The Committee requested that a broad briefing paper be brought to the HSE board's November meeting in advance of the FBC being present to them at their January meeting

5.4 Contract Criteria – NEIS Briefing Paper

The CSO and the ND Estates briefed the committee on the Summary of National Estates Information System Tender Process. It was noted that an Open Tender Procedure was undertaken for the supply and delivery of an Integrated Workplace Management System for Estates in July 2017. Four tenders were originally received however it was the opinion of the procurement evaluation group that all four responses received were not deemed suitable to progress to evaluation stage. A restricted tender procedure then took place in 2018 and following this one submission was deemed suitable and IBM was selected. Their response was detailed and addressed each element of the selection criteria in detail, gave metrics and values, and tailored their response specifically to the HSE requirement throughout. In July 2018, Phase 2 of the Restricted Tender Procedure was undertaken and in October 2020, the HSE Board approved to award the contract to IBM. It was noted that having to convince internal stakeholders of the affordability and practicality of the project can be time consuming and in this case was exasperated by the COVID 19 pandemic.

The Committee noted that the public procurement process does not easily facilitate tenders of this kind.

9. A.O.B

The meeting concluded at 12:45 with a discussion among members in the absence of HSE Executives.

Signed: Ann Mackay
A/Chairperson

11/12/2020

Date

