



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 19th October 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), Cathal Morgan (Head of Disability Operations), Dara Purcell (Corporate Secretary), Hannah Barnes.

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

1. Governance and Administration

The Vice Chair welcomed Committee members to 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 other conflicts of interest were declared.

2. Accounting, Financial & Governance Reporting

2.1 S.38 Provider Briefing session

The Head of Disability Operations provided an update on the current situation in respect of a decision made by the Board of a Section 38 Service Provider to give 12 months' notice where upon they will cease to provide services. The Provider has set out a number of key requirements for the HSE in terms of providing financial certainty during the notice period. This includes a request for an additional €20 million funding support to year end and the expected funding requirements January to October 2021.

The Head of Disability Operations confirmed that in order to deal with the situation the HSE has established a senior management engagement team to protect the interests and needs of service users, the State's interests and to maintain continuity of support at all times. This includes dealing

with day to day operational concerns that may arise during the notice period as well as assessing options for near future service delivery in consultation with the Department of Health. He confirmed that colleagues working in Communications are assisting the Disability Operations team to ensure engagement and appropriate communications are made with service users and their families.

The CFO provided a summary update on the contractual position of the parties and confirmed that legal advice has been sought to advise the HSE in terms of obligations arising for the Provider and the HSE pursuant to Section 38 Service Arrangements (Part I), a cash acceleration that is acceptable to be paid from the HSE's perspective, and to scope out the company's structure in terms of encouraging a transfer of assets back to the HSE. The Committee requested that a briefing paper on the Capital Assets given to the Provider be provided to the Committee.

The Committee noted that the Department of Health has been kept apprised at all times in respect of the position of the Provider and that the Minister of State Anne Rabbitte TD has met with their Board and Executive representatives. The Head of Disability Services informed the Committee that it is likely that an independent review of provider legacy financial deficits may be commissioned by the Government, although this has yet to be confirmed.

The Committee emphasised that from a risk management perspective, this area requires the HSE to exercise extreme caution in the interests of service users and service continuity. In response to questions from the Committee on the potential risk the Provider may cease to provide services earlier than the notified 12 months period up to October 2021, the CFO advised that this is an unlikely scenario however if it was to happen it would be due to insolvency. The Committee requested that this risk associated with this Provider, and/or other similar providers, making decisions to cease service provision be reviewed in the current update of the Corporate Risk Register.

The Head of Disability Operations said the challenges faced by the Provider is representative of wider concerns in the disability sector and informed the Committee that the HSE is setting up a Reform Programme Team to provide due diligence and associated planning for the Government decision to transfer Disability policy and funding oversight from the DoH to a new Department. A Committee discussion on the reform in the wider disability services sector took place including the commitments in the Programme for Government to work towards implementation of the Disability Capacity Review Report (i.e. a framework for Multi-Annual Investment in Disability Supports) which was undertaken by the Department of Health. Noting that significant funding is provided in this area (in excess of €2 billion in 2020) the Committee discussed the recognised need for reorganisation of structures and

investment in disability supports to better align to healthcare provision as envisaged under Sláintecare as well as the UN Convention of the Rights of Persons with a Disability. Actions:

- The Committee requested a briefing paper on Capital assets funding that the provider has received from the HSE.
- The ongoing engagement with the provider, and with providers generally, on similar risk issues in the sector is to be discussed with the Chair of the HSE with the purpose of suggesting some time for Board discussion.

9. A.O.B

The meeting concluded at 09:15 with a discussion among members in the absence of HSE Executives. This discussion focused on the Minister's letter of 21st August 2020 requesting an audit of PPE systems, processes and controls.

Signed: Ann Hanley

A/Chairperson

13/11/2020

Date

