



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 22nd April 2021 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), Ian Nelson (KPMG Representative) (Item 2), Ciara O'Callaghan (KPMG Representative) (item 2), Dara Purcell (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. Consideration was given to the agenda and papers for the meeting and the approach to conducting the meeting.

1.3 Correspondence

The Vice Chair brought to the Committee's attention correspondence that had been received from Genuity Science (previously Genomics) seeking clarification on minutes of previous ARC meetings when the HSE Internal Audit carried out a review of collaborative arrangements between HSE and S.38 Acute Hospitals and Genomics Medicine Ireland was considered. Genuity sought to have some previous minutes taken down from the HSE website and wished to have clarified that, in its opinion:

- Genuity Science engaged in a thorough supervisory and compliance exercise with the DPC that was completed to the satisfaction of the DPC in November last;
- they are unaware of any material non-compliance issues;
- no data breach has occurred that they are aware of; and
- any suggestion that there is no opt-out from Genuity Science's research studies is incorrect.

The Committee noted that the Internal Audit Report related to the HSE and HSE funded entities and some of the matters raised by Genuity were outside the scope of the IA Report. The Committee (having reviewed the matter and discussed it with the Board Secretariat and HSE management) declined the request to take the previously approved minutes down from the HSE website. The Committee was happy to note Genuity's request and referred the matter to management for consideration, noting that an update on the implementation of the Audit findings will be provided at the next Committee meeting.

The Committee were informed that at a meeting with Genuity on 8th April (attended by Dr. Ana Terres of HSE) it was agreed that Genuity would engage with HSE to agree on a legal framework for engagement with hospitals that complies with Data Protection. The Committee noted that a formal letter from DDG Strategy outlining all issues and the intention to collaborate on resolutions will issue to Genuity.

Actions:

- The Committee requested that they are updated on the outcome of this engagement.

2. Internal Controls

The CSO and Head of Procurement Joined the meeting at 08:10

Ian Nelson and Ciara O'Callaghan KPMG joined the meeting at 08:15

2.1 KPMG PPE Audit Executive Summary discussion

The Vice chair welcomed the KPMG representatives to the meeting and thanked them for their time. Ian Nelson KPMG briefed the Committee on the summary of key findings of the PPE Audit which had been circulated in advance of the Committee meeting. The Committee were informed that the status of the audit was well progressed and substantially advanced however, certain procedures were not yet completed, and some information remains outstanding. This has been discussed with management and the information is being sourced. Accordingly, only a draft executive summary had been provided to the Committee for discussion.

The audit was designed to focus on nine key areas. The Committee was informed that for presentational purposes the audit team considered and documented the end-to-end processes for the sourcing, management and usage of PPE and that the addressed the nine key areas through the relevant parts of the process through Governance overview, Forecasting of PPE requirements, Sourcing and Purchasing, Quality Assessment of PPE, and Storage and Distribution of PPE.

A discussion took place around the draft findings of the audit report including the levels of PPE purchased which was deemed unusable, if any levels of fraud had been detected, and if structural governance changes were included under the audit recommendations. In relation to unusable PPE the

KPMG representatives informed the Committee that this was a marginal issue with less than 3% of stock deemed unusable. The Committee were assured that no instances of fraud were identified. Ian Nelson of KPMG confirmed that recommendations on structural governance changes at the management level would be included in the recommendations but confirmed that there is an understanding that the initial governance arrangements at management level for PPE procurement were put together at speed as the HSE was forced to work at extreme pace, with an understandably limited experience of using emergency procurement measures on such a scale before.

The Committee discussed the fact that the HSE became a vital PPE procurement service in Ireland for individual hospitals and care settings. The Committee emphasised need to reflect in the audit the extreme conditions presented by the Pandemic for health systems, not just for PPE procurement and the market challenges, and that the HSE sought to balance the risk of procuring PPE items in a difficult and highly unusual environment, against the inherent risk posed by Covid-19 to staff and patients of not having sufficient PPE. To manage this risk effectively meant that a greater level of risk appetite was accepted than would be normal in relation to PPE procurement.

In response to questions regarding the final draft of the report, Ian Nelson informed the committee that it is not expected that the recommendations will be changed.

2.2 KPMG PPE Audit – Private session with KPMG representatives

The Vice Chair thanked Executive Members for their time and contributions to the meeting and invited the KPMG representatives to remain in the meeting for a short private session to discuss the HSE PPE audit. It was agreed that the final draft of the PPE audit report would be brought to the Committee at its subsequent monthly meeting.

Actions:

- The final draft of the PPE audit report is to be brought to the Committee at its subsequent monthly meeting

3. Any Other Business

The meeting concluded at 9:10

Signed: Ann Crowley

A/Chairperson

11 June 2021.

Date