



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 26 August 2020 at 09:00 via videoconference.

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

HSE Executive Attendance: Patrick Lynch (ND Quality Assurance and Verification), Geraldine Smith (ND Internal Audit), Mairead Dolan (Assistant Chief Financial Officer), Dean Sullivan (CSO), Jim Curran (Head of Estates) (item 2 & item 3), Paul de Freine (Chief Architectural Adviser) (item 2), Sean Bresnan (Head of Procurement) (item 2), Paul Connors (ND Communications) (item 4), Dara Purcell (Company Secretary), Hannah Barnes.

Minutes reflect the order in which items were considered and are numbered in accordance with the original agenda. The Vice Chair welcomed Committee members to the meeting and in the absence of executives, held a private session to consider 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 duration of this meeting but turned the chairing of the meeting over to the Committee Vice-Chair. No conflicts of interest were declared.

5. Risk Oversight

5.1 Joint S&Q ARC Risk Sub Group Report

The Joint S&Q ARC Risk Sub Group report was circulated in advance of the meeting. F. Ross updated the Committee on work done by the Joint Risk Oversight Group to review the risks on the CRR assigned risks from the CRR and the associated mitigation plans. She expressed the group's appreciation to the members of the EMT who attended the risk review meetings. She reported that it was a very valuable exercise that allowed members get a deeper understanding of the nature of the risks and more importantly, provided greater assurance in relation to the way the risks are being managed. The Committee formally endorsed the Joint S&Q ARC Risk Sub Group report and it was agreed that the ND Quality Assurance and Verification (ND QAV) would bring the report to the EMT so that the recommendations from the Group can inform the work of the EMT to finalise the CRR over the next two months, allowing for a revised CRR to be issued to the Audit and Risk Committee in October.

The issue of external resources to assist for the HSE's Risk management process was discussed. The ND QAV said that the external resource and the timings of the workshops had been discussed with the CEO and that the timing of workshops and meetings with the Board and EMT will be dependent on the prevailing priorities in relation to managing the COVID 19 response. It was agreed that the V/ Chair would discuss the matter of external resources to assist with Risk processes with the CEO.

Actions:

- Joint Risk Oversight Group report approved by ARC and ND QAV to bring to EMT. Next iteration of CRR to be informed by report and brought to ARC / Board in October
- V/ Chair to discuss with CEO external resources to assist with Risk processes.

2. Strategy Risks

2.1 Risk 12 - Capital Infrastructure and Capital Equipment

The Chief Strategy Officer (CSO), joined by the Head of Estates, briefed the Committee on the existing control measures and the additional actions required to mitigate the risks as a result of inadequately built infrastructure, ageing clinical equipment including ambulances, additional requirements emerging from the Covid-19 response in terms of new service locations and physical distancing requirements in existing locations, and the impact of Covid-19 on the nature of long term residential settings. The Committee noted that a number of the dates by which the existing controls on the Corporate Risk Register (CRR) were to be implemented had passed and requested that the risk assessments be updated by the EMT in the next iteration of the CRR.

The Committee suggested that the risk description for Risk 12 be updated to include the risk of non-compliance with legal and regulatory requirements set by regulatory bodies such as HIQA, HSA, and the Mental Health Commission.

The Head of Estates informed the Committee that all building contractors are back on site and are compliant with Covid regulations. This will reduce the risk assessment on delays of completing the HSE Capital Plan. The Committee suggested that the Equipment Replacement Programme should be included in the control measures and that the insurance policy for capital projects should be reviewed and added as an existing control measure. The CSO agreed that the control measures would be updated according to the Committee's requests.

The Committee discussed the identification of critical equipment and infrastructure and recommended that this should be included in risk planning as part of the CRR controls and should be included on the risk registers of all community health organisations and Hospital groups. The Head of Estates informed the Committee that the vast majority of HSE infrastructure is critical and hard to replace particularly within a short timeframe. It was agreed that a paper on fire/flood/disaster assessments of Capital Buildings would be brought to a future meeting of the Committee.

ND Internal Audit will update the Committee on the progress and timelines of the Property Database and Insurance Control Audit.

The Committee discussed the process for ensuring appropriate revenue funding aligned to capital projects to ensure operational commencement is enabled when capital projects are completed. The CSO agreed to provide an update on revenue allocations for capital projects as part of the capital prioritisation paper to come to the Committee in September.

Actions (including to inform next iteration of the CRR):

- Risk 12 risk description to be updated to include the risk of noncompliance with legal and regulatory requirements set by regulatory bodies such as HIQA, HSA, and the Mental Health Commission. Capital Plan funding prioritisation algorithm including associated revenue allocations to be considered at ARC in September. This should also include improvements of process around revenue allocations tied into capital projects.
- Capital Plan 2021 draft to be considered at ARC in November Meeting
- Addition of Capital Equipment Replacement programme to be included as an additional control measure for Risk 12 Capital Infrastructure and Critical Equipment
- Existing control measures for Risk 12 Capital infrastructure and Critical Equipment to include insurance policy covering Capital Buildings.
- Consideration to be given to the following control measure to mitigate risk 12: Capital Equipment Replacement Programme and Capital Buildings insurance.
- G. Smith to provide update and timelines on the Property Database and Insurance Control Audit to ARC
- Paper on disaster fire/flood/disaster assessments and condition surveys of Capital Buildings to be considered in the mitigation plans and brought to Committee, particularly where there were critical dependencies (e.g. NVRL; PPE warehousing infrastructure).

3. Capital Plan

3.1 Processes for Board approval for contract awards under the Capital Plan and related items

The V/Chair informed the Committee that this agenda item related to the Board approval process for projects within the Capital Plan, which the ARC was requested to consider. Following a discussion, it was agreed that the Chief Strategy Officer will provide a schedule of Capital Projects which may require Board approval to year end. This will form part of the capital prioritisation briefing paper. The V/Chair suggested there may be merit in the ARC reviewing capital projects prior to submission to the Board. The CSO agreed to consider this in discussion with the V/Chair.

Actions:

- CSO to compile a schedule of Capital Projects that may require Board approval, and this will come back under capital Prioritisation work

Head of Estates left at 10:22

2. Strategy Risks

2.2 Risk 24 Children's Hospital

Chief Architectural Adviser joined meeting at 10:20

The CSO briefed the Committee on the changes to the risk description that are being considered by the EMT for Risk 24 and will be included in the next iteration of the CRR. These changes will include the strengthening of governance arrangements between HSE and the National Paediatric Hospital Development Board, the prominence of reputational risk in general and the funding risks (including around sources of non-government funding).

The CSO spoke to the existing governance and control measures noting in particular that a revised governance arrangement for the Children's Hospital Programme structure is pending Government approval and an options appraisal on funding and associated time delays is being considered. The Committee discussed the risk to children's health if the hospital is not completed on time. An assessment of the impact on the quality of care provided to children due to any potential delays in the building of the National Children's Hospital is to be provided to the Committee. Additionally, the Committee requested that any Government decisions relating to the National Children's Hospital be reported to the Board.

The Committee noted that initial risk rating at 16 seemed relatively low and requested that it be reconsidered, as cost overruns and time delay in the building of the National Children's Hospital are

both significant and likely risks. The Committee also suggested in relation to funding challenges that some scenario planning or funding risk mitigation should be done. The Committee asked if the risk registers of the Children's Hospital project maintained by Children's Hospital Ireland group, the National Paediatric Hospital Development Board and the Department could be made available to it. The CSO agreed to follow up.

Actions:

- CSO to consider if a separate exercise can be carried out to assess the impact of the quality of care provided to children due to any potential delays in the building of the National Children's Hospital
- CSO to consider merits of ARC reviewing capital projects and approvals before they are present to the Board for approval
- Board to be briefed on National Children's Hospital and to include any updates on the Government's position
- CSO to see if the risk registers and other informative integration planning documents of the Children's Hospital project maintained by Children's Hospital Ireland group, the National Paediatric Hospital Development Board (and potentially the Department of Health) could be made available

Chief Architectural Adviser left meeting at 10:50

2.3 Risk 26 - Brexit

Head of Procurement joined meeting at 10:50

The CSO briefed the Committee on the existing control measures and the additional controls required to mitigate the risk. He advised that the mitigating actions remain the correct ones to take however the risk rating needs to be increased due to the increased risk of a no trade deal. A new action plan for the risk is currently being developed and is expected to be completed by early September. The internal resources assigned to Brexit preparation were temporarily reassigned to COVID work but are now back working on the Brexit action plan.

The issue of the movement of goods and its effect on the supply of medicine to the Irish healthcare system was discussed noting the main concerns were the timely movement of goods and dispatch issues. The Head of Procurement briefed the current engagement with stakeholders including the Irish Road Haulage Association. The Committee were told that the risk mitigation strategy involves ensuring there is an adequate supply of stock and ensuring that adequate sourcing arrangements are in place.

In relation to the existing control measure relating to Service Provision Agreements signed with UK Hospitals the Committee requested that consideration is given to possible Service Provision Agreements with domestic suppliers of services.

Answering questions on the impact of Covid on Brexit preparations the Head of Procurement noted there are not any significant concerns visible at the moment in the supply of devices and consumables, but discussions have taken place with stakeholders to ensure the HSE is made aware of any emerging risks or potential effects to the supply lines. The Committee requested that a further update on this risk is provided at the October meeting.

Actions:

- Brexit update is to be provided at the October ARC meeting
- CSO to consider possible Service Provision Agreements with domestic suppliers of services as part of the Existing control measures for Risk 26
- ARC advise to review the rating of the Risk 26 Post Brexit and consider amending to a higher rating

4. Communication Risk

4.1 Risk 17 - Organisational Reputation

The Committee expressed concern around the timelines for the action plan for Risk 17, suggesting that the development of the strategy to build trust and confidence should be done by the end of 2020. Building a plan to address public trust and confidence, it was noted, was an important Ministerial priority when the Board members were each appointed in June 2019. The strategy needs to include the voice of patients (particularly of safety and quality issues) and assist with a more open and transparent communications approach as well as agreed tone, style and values. The Committee provided its views on the mitigating actions on the risk for consideration in the next iteration of the CRR, including how we might address a difficult winter season.

ND Comms said that delivering the strategy within shorter timelines is dependent on resourcing, noting that the work originally commenced to develop the strategy had to be postponed due to the impact of Covid. He said work on developing the strategy has been reactivated in the last few weeks and that a paper on the modified approach will be submitted to EMT shortly. He will report back to

the Committee on the new strategy and timelines involved. ND comms informed the Committee that further research for developing the strategy will involve.

The ND Communications outlined the research work undertaken to develop a set of drivers and the outcome of this will provide a solid baseline of data on the assessment of confidence in the HSE and help develop the Trust and Confidence strategy. This will be influenced by three main drivers; experience, confidence, and relatability. He said the draft Research framework developed at start of 2020 will be reviewed in the light of Covid-19 learnings.

The ND Communications expressed the view that the HSE Communications policy is based on the organisation having an open and transparent approach including acknowledging mistakes when they occur particularly through the open disclosure policy. He highlighted the HSE actions and communications during COVID 19 that has built trust among the population in the public health advice through open and transparent communication led by public health experts. There has been significant increase in the level of trust compared to pre Covid-19.

The Committee noted that the HSE response to the pandemic has enhanced the reputation of the HSE but stressed this was extremely fragile and important that there would be strong communications for Winter Planning, flu vaccinations, testing and tracing.

It was noted that the Organisational reputation has both internal and external factors however the majority of risks described on the risk register relate mainly to external elements. The Committee suggested that the control factors should focus not just on external factors but on internal factors such as employee pride. The Committee suggested a discussion on communications at Board level should be an agenda item a future Board meeting.

Actions:

Discussion on communications at Board level should be an agenda item a future Board meeting.

6. A.O.B

The V/Chair requested that the agenda for the September Committee meeting be circulated to all Committee members.

The meeting ended at 12:15.

The next Committee meeting is scheduled for 11th September 2020.

Signed: Ann Warkentin

A/Chairperson

11/09/2020

Date