



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

HSE Audit & Risk Committee Meeting

Minutes

A meeting of the HSE Audit & Risk Committee was held on Tuesday 12th May 2020 at 16:00 via teleconference.

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

HSE Executive Attendance: Stephen Mulvany, Mairead Dolan, Geraldine Smith, Dara Purcell (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 confirmed the meeting had been scheduled as the CAG audit of the Annual Financial Statements will be concluded this week and the Committee was asked to review the following - an adjustment to the Annual Financial Statements; the Operating and Financial review report to be included in Annual Financial Statements and the letter required to be submitted from the Chairman to the Minister 2016 Code of Practice for the Governance of State Bodies. Ann Markey agreed to chair for the duration of this meeting.

1. Accounting, Financial & Governance Reporting

The V/Chair informed the Committee that shortly before the meeting he received a draft of the C&AG's audit certificate which (as currently drafted) does not contain a limitation of scope. Such a limitation – which might lead to an 'except for' qualification - was until recently possible because of the practical impact on audit progress from the Covid-19 restrictions. Fortunately, this appears to have been averted. He acknowledged it is a great credit to Stephen Mulvany as CFO and his hard-working and talented staff (including in particular Mairead Dolan, Assistant Chief Financial Officer and her team) that we have arrived at this point within the statutory timeframe in very trying times.

1.1 Update to the ARC members regarding changes made to the HSEs adopted Annual Financial Statement

M. Dolan informed the Committee that during the ongoing audit and review process the HSE has identified that the Connolly Urgent Care Centre which was built under licence by the National Paediatric Hospital Development Board (NPHDB) and which has been substantially completed over the last year should now be properly reflected as an asset in the HSE's Statement of Financial position. As per the original agreement now that the asset is ready for substantial use it has been handed back to the HSE to be held as an asset. Although there is no impact to the Revenue or Capital Income and Expenditure Accounts the value is above normal C&AG materiality. Therefore this adjustment constitutes a material change albeit it has no impact on the reported surplus in either the Revenue or the Capital Income and Expenditure Accounts. It is an entry that only impacts the HSE's Statement of Financial Position.

M. Dolan confirmed to the Committee that HSE now has full ownership of the Asset and that upon the transfer of ownership it was insured immediately. Committee members were informed that while the HSE owns the asset Children's Hospital Ireland will operate the facility and that the Heads of Terms for the facility are currently being drafted. The CFO responded to queries regarding the stakeholder relationship saying that this incident has had no bearings on their relationship with the HSE.

The Committee agreed to confirm to the Board that the proposed HSE accounting treatment of the Connolly asset adjustment meets with their approval.

1.2 Consideration of Operating and Financial Overview (OFR)

The V/Chair informed the Committee that final draft OFR as circulated prior to the meeting is a standard report included with the AFS each year and the Committee was being requested to review it prior to submission to the Board. This OFR is not considered to form part of the financial statements and is not audited.

M Dolan confirmed that all facts in the OFR have been double checked to relevant documents such as the AFS, the Annual Report and Service plan. It is consistent with prior year versions and has been updated in line with the Annual Report.

The CFO and M. Dolan took on board the committee member's comments regarding the placement and underlining of Public Health within its category, as it has come under much focus over the last number of months due to the COVID-19 crisis. The CFO confirmed that while it sits under Corporate

Services an additional footnote could be added to the document as the subject would be of interest to readers.

1.3 Draft Letter from Chair to Minister with Annual Report for Information

The Committee reviewed a draft of the Comprehensive Letter from the Chairman to the Minister required under the 2016 Code of Practice for the Governance of State Bodies. To meet compliance obligations and to support the explicit representations that are requested by the C&AG to finalise the audit process, the Committee agreed to recommend to the Board that, at its meeting of Wednesday May 13th 2020, the Board reconfirms the adoption of the 2016 Code of Practice for the Governance of State Bodies for the avoidance of any doubt about the adoption of the Code, in line with compliance requirements and to underpin and facilitate the signing of the C&AG representation letter.

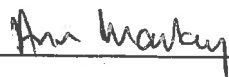
The Committee also recommended that textual amendments are made to the draft of the Letter (at paragraph 15) to reflect the work ongoing to update the 2015 HSE Code of Governance to reflect our new governance arrangements under the Health Service Governance Act 2019. The V/Chair will write to the Board Chairman setting out the textual amendments.

2. Any Other Business

The Vice Chair informed committee members that he will circulate a short note that Colm Campbell had agreed to provide on risk management in crisis situations from a military perspective.

A potential fraud issue in relation to a contract for the purchase of ventilators was brought to the Committees attention and the Committee requested that further details be provided at the subsequent ARC meeting.

The meeting concluded at 16:30 with a discussion among members in the absence of HSE Executives.

Signed: 

A/Chairperson

12/06/2020

Date

