



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 13 March 2020 at 08:15 via teleconference.

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

Apologies: Tim Hynes.

HSE Executive Attendance: Stephen Mulvany, Geraldine Smith, Patrick Lynch (item 8), Mairead Dolan, Dara Purcell (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

2.1 Welcome and Introductions

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 chair for the duration of this meeting.

2.2 Conflicts of Interest

No conflict of interest was declared.

2.3 Approval of Minutes

HSE Executives joined the meeting at this point. The minutes of previous meeting held on 14 April 2020 were agreed for signing by the Acting Chair.

The V/Chair advised that, due to extent of the agenda and the nature of teleconferences some aspects of the agenda would be deferred till the next meeting. It was also agreed that all papers will to be taken as read with discussions proceeding on that basis.

2.4 Action Log Status Update

The action log process will be maintained by the Secretary in consultation with the Vice Chair. An updated Action Log will be presented at the next meeting.

2.5 ARC Annual Report

a large variance within the levels of pay documented. Some additional disclosures in respect of the Board were highlighted which required amendment in the next draft which was agreed. Committee members provided positive feedback on the overall standard of the draft. M. Dolan confirmed that the following draft of the AFS is expected to be final pending any material findings from the current C&AG audit. The Committee agreed that these AFS and related documents once amended would therefore be appropriate to submit to the Board for adoption in line with legislation, subject to any minor typographical or other amendments agreed by the CFO and the Vice Chair.

5.2 Draft Operating and Financial Review (OFR)

The Committee were presented with the draft of the OFR and advised that it was not necessary to submit a draft to the CAG at this time as the OFR is not considered to be part of the AFS by the C&AG. It was agreed that further discussion would take place once a second draft has been produced.

5.3 Draft Statement of Internal Control (SIC)

The Committee considered the draft SIC. They were informed that the document deems that there is satisfactory evidence that the majority of staff are generally compliant with the control framework. Specifically, M. Dolan looked to ensure that committee members were satisfied with wording within the draft. Committee members were concerned with the overall message conveyed by the conclusion of the SIC. To progress this issue it was agreed that the CFO and M. Dolan would circulate an amended conclusion piece to the Vice Chair and thereafter for the SIC to be forwarded to the Board for approval.

5.4 Controls Assurance Review Process Report

The Committee considered the findings and recommendations arising from the review in order to provide input and advice to the Management Team. The final CARP will be provided to the Committee.

5.5 Governance statement and Board Member's Report

The Committee Vice Chair requested the Board Secretary to circulate the current draft of the Governance Statement and Board Member's report to Committee members for feedback. Committee members raised a question in relation to the disclosure of directors who have trustee relationships with organisations who may receive grants from the HSE. The Secretary clarified that these matters are addressed in Note 28 of the AFS Related Party Transactions. This Note will be finalised for the next draft of the AFS and will be brought to the Board.

5.6 C&AG Letter of Representation

This item was presented by M. Dolan on behalf of the CFO. The Vice Chair and committee members agreed that the representations required in the letter were standard and that they were happy for it to be noted at this point.

5.7 Private Patient Property Management Letter

The PPP Management Letter was presented to the committee to note the progress being made on the related issues raised within the Management letter. The Vice Chair reminded the committee that the PPP Accounts had been approved in January but that the committee had agreed to explore some of the historic reconciliation points.

7.3 Outstanding IA Recommendations for 2018

This item was presented following previous consultation by the committee. G. Smith stated that significant progress had been made. In October there was 115 outstanding recommendations which was reduced to 83 in December. Additionally, the Internal Audit team have received further commitments that an additional 50% will be completed by the end of q1. By the end of q2 it is expected that a further 11% will be completed. Due to 7 recommendations being related to ICT the expected implementation timeframes have an additional 12 months. Committee members were informed that 17 recommendations have still received no response or update. These responses are being followed up with National Directors.

G. Smith highlighted that due to the ongoing crisis changes may not be seen as expected over the next quarter. However, they have seen a significant clear down of recommendations and the committee were assured that any recommendations which have been successfully cleared down will be flagged for a follow up audit. Committee members questioned whether there were areas which were typically less compliant, for example some of the areas which no response was received. G. Smith provided clarification that this was generally not the case and in the past the challenge to receive responses was much greater but there was now much more of a focus on dealing with the implementation of recommendations. Awareness around the issue has greatly increased.

7.4 Update on a Specific Audit Report

The Vice chair spoke on this item commenting that there were clear signs of board reform within the organisation in question however the audit and risk committee wished to still have clarity on what cash controls were implemented. It was agreed that a member of the finance team would follow up on this question as it is an imperative that the ARC understand that these are remedied at the earliest opportunity.

8. Risk Management

8.1 Report from the National Director of QAV

P Lynch reported that the Executive Management Team (EMT) have held three workshops to review the Corporate Risk Register and he presented the updated Corporate Risk Register and highlighted the risks under the direct oversight of the Audit and Risk Committee. He reported he was satisfied with the process followed by EMT and confirmed good engagement but that the risks need to be interrogated and scrutinised in light of the impact of COVID 19 response is having on business as usual.

Committee members queried the absence of Covid-19 from the copy of the Corporate Risk Register as circulated to the meeting. P. Lynch confirmed that given the dynamic nature of the risk, the assessment has been updated from the version circulated with papers for the ARC. The risk rating has increased from 12 to the maximum level of 25. He advised that the actions are changing on a daily basis and that it was important to highlight the other risks that are affected due to a shift in priorities. The Vice Chair conveyed that the governance and leadership around the risk is reasonably well defined but requires constant vigilance.

Following further discussion on this topic with input from National Directors present, the Committee noted the COVID – 19 situation has an impact on many of the other risks on the CRR [e.g. capacity/demand, staff health and safety, infection prevention and control, infrastructure etc]. Ratings will have increased and new actions are being undertaken.