



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

## HSE Audit & Risk Committee Meeting

### Minutes

A meeting of the HSE Audit & Risk Committee was held on Wednesday 8<sup>th</sup> April 2020 at 08:30 am via videoconference.

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

Apologies: Tim Hynes.

HSE Executive Attendance: Stephen Mulvany, Geraldine Smith, Mairead Dolan, Dara Purcell (Secretary), Hannah Barnes.

Joined the Meeting: Ruth Foley, Andy Harkness (Item 2.1 – C&AG Audit Findings)

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

#### **1. Governance and Administration**

##### **1.1 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.

##### **1.2 Conflicts of Interest**

No conflict of interest was declared.

##### **1.3 Approval of Minutes**

HSE Executives joined the meeting at this point. The minutes of previous meetings on 13 March 2020 were agreed for signing by the Acting Chair.

##### **1.4 Action Log Status Update**

The Vice Chair informed Committee members that he was reviewing the action log and it would be brought to the next Committee meeting.

The Chair advised that, due to extent of the agenda, all papers will to be taken as read with discussions proceeding on that basis.

## **2. Accounting, Financial & Governance Reporting**

### **2.1 C&AG Audit Findings**

The Vice Chair began discussions by thanking the representatives from the Office of the C&AG for providing their report for the committee's information.

R Foley, Deputy Director of Audit, presented the report to the Committee. She confirmed the scope of the audit work, including identifying significant audit risk areas as presented to the Committee on 14 February 2020 in the Audit Planning Memorandum, had been reviewed in light of the draft accounts provided by the HSE and no changes were made to the significant risks.

She informed the Committee that field work was on going and due to finish by the end of April. There are a number of key account areas where fieldwork is currently ongoing as follows, Grants to outside agencies, Fixed assets, Creditors and accruals, Debtors and prepayments and Notes to the financial statements.

She advised the Committee that the current public health measures in place in respect of COVID-19 have created practical difficulties for CAG in carrying out the audit and the C&AG may be required to modify his audit opinion due to a limitation of scope. The restrictions imposed around movement and travel may impact their ability to gather sufficient appropriate audit evidence. They are evaluating whether other audit procedures could be employed that satisfy the requirements of the professional standards such as remotely such as the inspections of assets remotely. HSE Finance staff are also assisting the CAG officials in this regard and escalation procedures have been implemented with the CFO and finance team and local area finance teams. Through this escalation the Audit team are receiving some assurances that they need such as photos of the assets and reconciliation with asset register. M. Dolan confirmed with the committee that there have been regular meetings with Ruth and her team and that where issues are arising that work is underway to resolve. Senior members of the Internal Audit team have also confirmed that if required they can support this process.

R. Foley also informed the Committee that as the HSE has advised in the SIC that it is unable to disclose the value of non-compliant procurement that the C&AG will comment on this in the audit certificate. The possibility of making a disclosure in the Annual Financial Statement in light of the COVID-19 pandemic and the subsequent effects it will have on the HSE's finances was discussed and the Committee noted that this is a non-adjusting event and is currently being monitored by management.

The Vice Chair thanked R. Foley and A. Harkness for their diligence and progress to date and for presenting to the committee. S. Mulvany reiterated this sentiment and thanks the C&AG on behalf of management for the flexibility they have shown.

R. Foley and A. Harkness left the meeting at 08:52.

### **3. Finance Report**

#### **4.1 Financial Outturn February 2020**

The report circulated by CFO prior to the meeting providing the YTD financial summary and the COVID 19 expenditure tracker was noted. The CFO confirmed the response to COVID19 has been the number one priority in recent weeks and will be for the foreseeable future. The indicative planned funding level associated with the HSE Action Plan already submitted to DOH and DPER was c. €2.3bn.

Following discussion, the Committee requested to see a list of clients of HSE procured Auditors. Additionally, the committee requested that the management further consider the Risk register in light of the impact that the COVID-19 pandemic will have on the organisation's finances.

#### **4.2 Framework for Pandemic Response with Private Hospitals (Heads of Terms)**

The CFO briefed the Committee on the agreement on the Heads of Terms with the Private Hospitals Association entered into as part of the COVID 19 emergency response. The Committee was informed that private hospital consultants were being offered Consultant Type A Contracts which was producing some difficulties because under the Type A Contract, consultants cannot hold any private practice including consulting rooms but noted this was a policy decision. The Committee noted that the first cash payment due to Private Hospitals would be 80% of the estimated costs and was due by the 13<sup>th</sup> of April. The CFO clarified that the agreement had been approved by Government and that management hoped to have consultants onboard as soon as possible.

### **2. Accounting, Financial & Governance Reporting**

#### **2.2 Update re Changes to the Draft Annual Financial Statements and Statement of Internal Controls since the last ARC Meeting**

M. Dolan presented updates made to the AFS and the SIC to the committee, highlighting that note 2 & Note 28 of the AFS had been amended and that the SIC had been amended following previous consultation with the committee. The committee queried the process for making amendments to the AFS as suggested in the earlier discussion with R. Foley and noted changes can be incorporated if required and they would need to be signed again on the same day that the C&AG present the HSE with the Audit Cert.

### **3. Internal Audit**

#### **3.1 Review of Internal Audit charter**

G. Smith (National Director Internal Audit) presented the updated Internal Audit Charter to the committee and advised members that 32 Internal Audit unit staff members had been redeployed due to the current health crisis. As a result there would be a suspension of Internal Audit activities within the HSE system for at least the following two months. The committee noted that Internal Audit had lost 2/3 of its workforce which will have a significant impact on the Audit plan, however that this action is a practical measure in light of the current circumstances. The committee agreed that this approach needed to be kept under review going forward.

G. Smith gave details regarding changes made to the Internal Audit charter which is presented to the Audit and Risk committee each year. The committee noted that the main change was an aspect of governance which now details that the Internal Audit Unit reports to the Audit and Risk Committee. The agreed with the changes made and approved the Charter.

### 3.2 Specific Audit Report Timeline

G. Smith confirmed that she had spoken with D. Madden and S. McLoughlin regarding the audit. The committee were provided with details on the approach which would be taken to gather further information on the subject. The committee were also informed that other elements would be inspected such as the ownership of contracts, the involvement of Data Protection Officers within Hospitals and inspection of consent forms. This work would make up the first level of the auditing teams' approach which will allow them to move onto the next level of work. G. Smith told the committee that due to the impact of COVID 19 on the hospital system she hoped to commence this audit in early July with analysis beginning in August. This would allow for an interim report to be produced for the end of September with a final report prepared by November. G. Smith stated that this timeline was dependent on the ability of the audit to commence in July. The committee noted the proposal and agreed with the delayed start.

### 3.3 Property Database & Insurance – timeline for IA Review


G. Smith outlined the approach and details of the audit plan which would focus on identifying properties not included on the property register. She confirmed that some work had been undertaken but was now suspended due to COVID 19. The committee raised questions relating to the scope of the audit and the possibilities of restructuring the insurance agreement with the HSE's broker. G. Smith confirmed that the audit will consider this.

## 9. Any Other Business

A discussion took place surrounding an RTE Interpol Cyber Security Report. The committee agreed to consider this in the future.

Date of Next Meeting: 15 May 2020

Meeting concluded at 10:18 with a discussion among members in the absence of HSE Executives.

Signed:   
A/Chairperson

12/05/2020

Date