

**Minutes of the 31st Meeting of the Governance and Audit Committee
held on 14 October 2015, at 9.30am
PHA Conference Room, 18 Ormeau Avenue
Belfast, BT2 8HS**

Present:

- | | |
|----------------------|--------------------------|
| Mr Brian Coulter | - Chair |
| Alderman Paul Porter | - Non-Executive Director |
| Mr Thomas Mahaffy | - Non-Executive Director |

In Attendance:

- | | |
|-----------------------|---|
| Mr Edmond McClean | - Director of Operations, PHA |
| Mr Paul Cummings | - Director of Finance, HSCB |
| Miss Rosemary Taylor | - AD Planning & Operational Services |
| Mrs Catherine McKeown | - Internal Audit, BSO |
| Ms Christine Hagan | - ASM |
| Mr Tomas Wilkinson | - NIAO |
| Mr Mark Anderson | - Sponsor Branch, DHSSPSNI |
| Mrs Una Turbitt | - AD Nursing for Children & Young People (<i>for Item 12</i>) |
| Mrs Cathy McAuley | - Secretariat |

Apologies:

- | | |
|----------------|-----------------------|
| Mrs Mary Hinds | - Director of Nursing |
|----------------|-----------------------|

| 63/15 | Item 1 - Welcome and Apologies | Action |
|-------|---|--------|
| | The Chair welcomed everyone to the meeting and noted apologies. | |
| 64/15 | Item 2 - Declaration of Interests | |
| | The Chair asked if anyone had any interests to declare relevant to any items on the agenda. No interests were declared. | |
| 65/15 | Item 3 - Chair's Business | |
| | <u>2016 Meeting Dates</u> The Chair confirmed that meeting dates for 2016 would be confirmed as soon as possible. | |
| | <u>NIAO Events Company</u> The Chair asked members to read and consider the recent NIAO report on the Northern Ireland Events Company. | |

66/15 Item 4 - Notes of previous Meeting – 10 June 2015

The minutes of the previous meeting, held on 10 June 2015, were approved as an accurate record of the meeting.

67/15 Item 5 - Matters Arising

NIAO Events Company

Members agreed that the learning from this Report is valuable and it should be made widely available including the PHA Board. A PAC view on the Report is likely in due course.

68/15 Item 6 - PHA 2014/15 Report to those Charged with Governance

Mr Morrow presented the RTTCWG 2014/15 final report advising that there were no changes from the draft report presented to the GAC in June 2015.

Members **noted** the report.

69/15 Item 7 - Report to those Charged with Governance Progress Report on Implementation of Recommendations

Mr Cummings presented the RTTCWG progress report in respect of the two priority 3 findings for noting.

Prompt Payment Disclosure

Alderman Porter expressed his concern in respect of the priority 3 rating and the challenging target required by the Department regarding the prompt payment policy of 30 days following receipt of Invoices. Mr Cummings acknowledged that the target was challenging. He assured the committee that significant progress had already been made during 2014/15 and with continued monitoring the rating would continue to improve in 2015/16.

The Chair advised that the audit findings in relation to the leases of accommodation in Belfast were regrettably outside the control of the PHA. He added that the Strategic Outline Business Case for the extension of the leases for Alexander House and Anderson House had been submitted but have not been approved by the Department. He added that this issue had been highlighted within the 2015/16 Mid-Year Assurance Statement.

Members **noted** the report.

70/15 Item 8 - IA Progress Report

Risk Management

Mrs McKeown advised that Internal audit had provided a satisfactory level of assurance with no priority 1 findings, and 2

priority 2 findings identified. All recommendations had been accepted by management.

Health and Social Wellbeing Improvement Contracts (including visits to a sample of funded voluntary organisations).

Mrs McKeown advised Internal audit had provided a satisfactory assurance level with 1 priority 1 finding and three priority 2 findings in respect of the PHA management of voluntary and community contracts. Two of the organisations visited received limited assurance and 5 received satisfactory assurances. All recommendations had been accepted by management.

Procurement & Contract Management 2015/16

Mrs McKeown advised that Internal Audit has provided satisfactory assurance with no priority 1 findings and three priority 2 findings. All recommendations had been accepted by management.

Members **noted** the report.

71/15 Item 8.1 - IA Mid-Year Follow up on previous recommendations

Mrs McKeown advised that 76% of the recommendations had been implemented. Members expressed their concern on the low percentage implemented for some individuals. However it was noted that some of the actions were outside the control of the PHA.

Members **noted** the report.

72/15 Item 8.2 - IA Shared Services Update

Mrs McKeown advised Payments Shared Services had been awarded a satisfactory level of assurance with 1 priority 1 finding. She added that Business Services had been awarded a satisfactory level of assurance with 2 priority 2 findings.

Mrs McKeown tabled an updated BSO Internal Audit Payroll Shared Services report and advised it had received limited assurance. She added that there were 5 priority 1 findings; overpayment policy, volume of manual activity (not applicable to PHA), maternity calculations, HRTPS monitoring, review of access controls established.

Mr Cummings advised the report was for information and BSO is responsible for implementing recommendations.

Members **noted** the report.

73/15 Item 8.3 - IA Mid-Year Assurance Statement

Mrs McKeown presented the Internal Audit Mid-Year Assurance Statement for noting and summarised the report to members. Members **noted** the Mid-Year Assurance Statement.

74/15 Item 9.0 - Corporate Risk Register (30 June 2015)

Mr McClean presented the Corporate Risk Register as at June 2015 for noting and summarised the report. He said that 1 new risk had been added: CR 35: Property Asset Management and that 1 risk had been removed from the register CR33: VOIP Telephone System.

Mr McClean acknowledged that there been a significant amount of activity in seeking out accommodation options for PHA, but with no resolved outcome as yet. He advised the committee that the leases for Alex House and Anderson House had expired and the lease for Ormeau Baths would expire in February 2017. He added that while PHA is working with the DHSSPS, there is a lack of clarity regarding departmental strategic direction and requirements and DFP role. Members agreed that is an unsatisfactory position.

Members expressed concern at the continuing adverse impact of highly unsatisfactory accommodation upon PHA staff and performance. It was agreed that this situation be reported to PHA Board.

The Chair said the recent Internal Audit report on PHA's risk management processes noted that there is not an annual Board workshop to consider the Corporate Risk Register, but that he was content that members were engaged in the risk management process under the current arrangements.

Members **approved** the Corporate Risk Register as at 30 June 2015.

77/15 Item 9.1 - PHA Assurance Framework 2015/16

Mr McClean presented the assurance framework review as at September 2015 for approval.

Members **approved** the report.

76/15 Item 9.2 - PHA Controls Assurance Standards Process

Miss Taylor presented the Controls Assurance Standard

Assessment Process for 2015/16 for noting and added 15 of the 22 Controls Assurance Standards apply to PHA, four of which will be audited by Internal Audit in 2015/16.

Members **noted** the report.

77/15 Item 9.3 - ICT Security Policies

Miss Taylor explained that a review of the full suite of ICT policies and procedures had been undertaken by BSO ITS.

Members **approved** the updated ICT policies.

78/15 Item 9.4 - Information Governance Action Plan

Miss Taylor updated members on the progress made taking forward the information governance action plan. The action plan was also reviewed by the Information Governance Steering group in September.

Members **noted** the action plan.

79/15 Item 10 - SBNI Declaration of Assurance

Mr McClean said the PHA is corporate host to the SBNI. He added the SBNI Declaration of Assurance was being brought to this committee for noting and related to those areas directly related to PHA to confirm that SBNI was adhering to set governance requirements.

Members **noted** the SBNI Declaration of Assurance.

80/15 Item 11 - PHA Mid-Year Assurance Statement

Mr McClean presented the PHA Mid-Year Assurance Statement for approval and recommendation for PHA Board approval subject to further discussion at next PHA Board meeting.

Members recommended the Mid-Year Assurance Statement for PHA Board approval.

Mr McClean

81/15 Item 12 - SBNI Section 12 Audit Tool 2015

The Chair welcomed Mrs Turbitt. Mrs Turbitt gave an overview advising that all members of the SBNI including the PHA are required to participate in an annual generic standards audit. The final audit report for the PHA demonstrates a high level of compliance.

The Chair congratulated Mrs Turbitt on achieving this level of compliance and said that GAC was grateful for the sharing of the report.

Members **noted** the report.

82/15 Item 13 - PHA/BSO/HSCB Emergency Preparedness & Response Annual Report

The Chair advised that there would be no representation for this item due to a recent bereavement. He advised he would raise recent re-emergence of an Ebola case in Scotland at the next PHA board meeting.

Members **noted** the report.

83/15 Item 14 - Any other business

83/16 Item 15 - Date of next meeting

| | |
|-------|--|
| Date | 9 December 2015 |
| Time | 9.30am |
| Venue | Conference Rooms 3 & 4, 2 nd floor, Linenhall Street, Belfast |

Signed: Brian Coulter

Date: 9 December 2015