

<b>Title of Meeting</b>	Meeting of the Public Health Agency Governance and Audit Committee
<b>Date</b>	5 June 2019 at 10.00am
<b>Venue</b>	Fifth Floor Meeting Room, 12/22 Linenhall Street, Belfast

**Present**

- Mr Leslie Drew - Chair
- Mr John Patrick Clayton - Non-Executive Director
- Ms Deepa Mann-Kler - Non-Executive Director
- Mr Joseph Stewart - Non-Executive Director

**In Attendance**

- Mr Ed McClean - Interim Deputy Chief Executive / Director of Operations
- Miss Rosemary Taylor - Assistant Director, Planning and Operational Services
- Mr Paul Cummings - Director of Finance, HSCB
- Ms Jane Davidson - Head Accountant, HSCB
- Ms Wendy Thompson - Assistant Director of Finance, HSCB
- Mr David Charles - Internal Audit, BSO
- Ms Christine Hagan - ASM Chartered Accountants
- Mr Roger McCance - Northern Ireland Audit Office
- Ms Nicola Woods - Boardroom Apprentice
- Mr Robert Graham - Secretariat

**Apologies**

None

		<b>Action</b>
<b>25/19</b>	<b>Item 1 – Welcome and Apologies</b>	
25/19.1	Mr Drew welcomed everyone to the meeting, and in particular welcomed Ms Wendy Thompson who has taken up the role of Assistant Director of Finance, HSCB.	
25/19.2	There were no apologies.	
<b>26/19</b>	<b>Item 2 - Declaration of Interests</b>	
26/19.1	Mr Drew asked if anyone had interests to declare relevant to any items on the agenda. No interests were declared.	

- 27/19 Item 3 – Minutes of previous meeting held on 17 April 2019**
- 27/19.1 The minutes of the previous meeting, held on 17 April 2019 were **approved** as an accurate record of that meeting. These minutes will be brought to the PHA Board on 20 June for noting.
- 28/19 Item 4 – Matters Arising**
- 17/19.2 Procurement*
- 28/19.1 Mr Drew asked about the outworking of the task and finish group looking at PHA's procurement processes. Miss Taylor advised that this will be brought to the PHA Board workshop on 11 June.
- 19/19.11 Fire Safety Policy*
- 28/19.2 Mr Drew asked if the comment from Mr Clayton had been taken on board before the policy was finalised. Miss Taylor advised that they had.
- 20/19.9 NIAS PPI Self-Assessment*
- 28/19.3 Mr McClean advised that he had spoken with the Chief Executive of the Northern Ireland Ambulance Service who assured him that the issue regarding the completion of the PPI self-assessment would be resolved following the appointment of a new member of staff with responsibility in this area.
- 29/19 Item 5 – Chair's Business**
- 29/19.1 There was no Chair's Business.
- 30/19 Item 6 – Internal Audit**
- Internal Audit Strategy and Plan 2019-20 to 2021/22 [GAC/23/06/19]*
- 30/19.1 Mr Charles advised members that Internal Audit had met with PHA officers, and using the Corporate Risk Register, had developed a risk-based Plan for 2019/20. He said that the programme of audits will include Lifeline, Family Nurse Partnership and Screening. He explained that the audit of two of the screening programmes (bowel and cervical) will be done in conjunction with a similar audit in BSO as BSO has responsibility for the administration of these programmes in terms of sending out correspondence inviting

- individuals to attend for screening.
- 30/19.2 Mr Charles said that there will also be an audit of the assurance framework and the risk management arrangements as well as an audit of information governance which was deferred from last year. He finished by saying that there will be other audit days allocated to follow up work and contingency.
- 30/19.3 Mr Stewart said that it was his understanding that the Lifeline contract would be with the Belfast Trust for a period of 18 months and queried the timing of the audit. Mr Cummings said that the Lifeline service will remain with the Belfast Trust for the foreseeable future. He said that it was proposed that after 18 months PHA would seek to retest the market, but the service is currently working well in the Trust. Mr McClean added that the service will be kept under review and it will be for the Department of Health to determine.
- 30/19.4 Ms Mann-Kler asked whether there would be any audits of areas such as cyber security and SAls which could be done across the HSC as a whole. Mr Charles said that Internal Audit had recently employed a specialist IT auditor and that Internal Audit had looked at cyber security arrangements and made recommendations across the HSC. In terms of SAls, he advised that an audit of incident management is being undertaken in Trusts. He said that Internal Audit will seek to capture any learning from a PHA perspective.
- 30/19.5 Mr Stewart asked about the remit of the screening audit. Mr Charles said that he had met with Dr Stephen Bergin and that the focus will look at the robustness of the quality assurance process. Mr Stewart asked whether there would be an audit of how the programme is carried out within Trusts. Mr Charles explained that, in a similar process to PHA, the Trust's audit programme is determined by those areas that are deemed to be areas of risk, and this is not deemed an area of risk. He said that the key issue for PHA is that PHA is fulfilling its responsibilities and that PHA is content that the Trusts are fulfilling their responsibilities.
- 30/19.6 Mr Clayton asked why these two particular programmes were chosen. Mr Charles advised that three years ago there had been a previous audit on screening, but it did not include cervical screening, hence it will be looked at on this occasion. He added that BSO is only responsible for the administration of two programmes, cervical and bowel so it was felt appropriate to focus on these two.
- 30/19.7 Mr Clayton noted that the Strategy is now a 3-year Strategy

- and he asked if there was any flexibility. Mr Charles said that the previous Strategy had been shorter due to the uncertainty with regard to the closure of HSCB. He added that although it is a 3-year plan, there is flexibility and Internal Audit will regularly meet with PHA staff to review it.
- 30/19.8 Ms Mann-Kler asked if the screening audit will look at efficiency and duplication of effort. Mr Charles said that the audit will highlight improvements if there are ways that programmes could be streamlined.
- 30/19.9 Members **approved** the Internal Audit Strategy and Plan.
- Shared Services Update [GAC/24/06/19]*
- 30/19.10 Mr Charles presented the Shared Services update and advised that since the last meeting, three audits have been completed, two of which resulted in a satisfactory level of assurance being given and one (payroll) which resulted in a limited level of assurance being given. He said that although a limited assurance had been given, there had been some improvements in areas such as variance monitoring, but there were still seven key findings across a range of other areas including overpayments, manual intervention and real time information.
- 30/19.11 Mr Drew noted the findings, but suggested that while the impact on PHA was less than for other HSC organisations it was concerning that more progress has not been made to address internal weaknesses identified.. Mr Stewart asked whether it was the case that little could be done to improve the existing system. Mr Cummings agreed and said that the focus will be on re-procurement of the system. Mr Drew said that the learning from this experience needs to be taken forward when developing the specification for a new system. Mr Cummings pointed out that when the previous system was being designed, there were a range of different processes across different organisations being brought together. Ms Mann-Kler asked whether the HSC has the skills to design the specification, and if this will be looked at. Mr Cummings said that this will be taken into consideration.
- 30/19.12 Members noted the Shared Services update.
- Head of Internal Audit Report [GAC/25/06/19]*
- 30/19.13 Mr Charles drew members' attention to page 5 of the Report which indicated that the Head of Internal Audit is providing a satisfactory assurance on the adequacy and effectiveness of PHA's framework of governance, risk management and

- control.
- 30/19.14 Mr Charles said that Internal Audit had conducted six audits in PHA during 2018/19 with five of these receiving a satisfactory level of assurance, and one split between limited and satisfactory.
- 30/19.15 Mr Stewart asked why the percentage of first draft reports issued within 4 weeks of fieldwork completion had fallen. Mr Charles explained that for one audit, that relating to travel, Internal Audit had waited until it had completed the fieldwork across all organisations before issuing draft reports.
- 30/19.16 Members noted the Head of Internal Audit report.
- Internal Audit Charter [GAC/26/04/19]*
- 30/19.17 Mr Charles said that Internal Audit is required to present its Charter and is for members' information. He advised that the only change from the previous Charter is that it outlines Internal Audit's quality assurance and improvement programme.
- 30/19.18 Members **approved** the Internal Audit Charter.
- 31/19 Item 7 – Finance**
- Annual Report and Accounts incorporating Governance Statement and Letter of Representation*
- 31/19.1 Mr Cummings tabled the Annual Report and Accounts. He took members through the Report, but advised that there were few amendments from the version which members had last seen.
- 31/19.2 Mr Cummings said that the Report began with an overview of performance followed by a section looking at a "Year across the PHA". He added that the next part focused on how PHA performed against its corporate objectives before moving onto the Directors' Report and the Statement of Accounting Officer's responsibilities.
- 31/19.3 Mr Cummings advised that the Governance Statement includes the sources of independent assurance, and noted that this section remains live until signed and may be changed depending on any final feedback from the Department of Health. He highlighted the internal governance divergences, noting those which were no longer issues, and the addition of one new issue relating to staffing.

- 31/19.4 Mr Cummings said that the Remuneration Report shows that PHA's salary costs increased by £1.5m. He highlighted the Assembly Accountability and Audit Report.
- 31/19.5 Mr Cummings advised that the certificate from the Comptroller and Audit General formed the final section before the financial statements. He said that the statement of comprehensive net expenditure showed that PHA finished the financial year with a surplus of £181k. He added that the balance sheet did not show any significant issues.
- 31/19.6 Mr Cummings said that the next section contained the notes to accompany the accounts. He drew members' attention to note 14 which showed that PHA had met the Department target of 95% for payment of invoices within 30 days.
- 31/19.7 Mr Drew thanked Mr Cummings and his team for their work. He said that the change in format of the Report was helpful and in particular, the section showing the "Year across the PHA."

**32/19 Item 8 – External Auditor's Report to those Charged with Governance**

- 32/19.1 Mr McCance explained that the Northern Ireland Audit Office contracts out the PHA audit and this was undertaken by ASM. He thanked PHA and ASM for their work in completing the audit.
- 32/19.2 Ms Hagan said that the audit report was a positive one, and that it is proposed that the C&AG certify the PHA accounts and provide an unqualified audit opinion. She added that there are no misstatements, and no audit recommendations.
- 32/19.3 Ms Hagan noted that as the auditors have only received the final version of the Annual Report today, a final check will be carried out and this should be completed within the next two days.
- 32/19.4 Ms Hagan advised that under GDPR, ASM has a responsibility for personal data as part of the audit. She gave an overview of the scope of the audit and highlighted one significant risk which relates to confidence and supply funding and whether there was irregularity in terms of the money being spent within the appropriate timeframes. However, she said that all of the business cases in PHA appear to have gone through the correct process. She advised that a final check will be completed in the next two days.

- 32/19.5 Ms Hagan went through the audit findings. She acknowledged that although the format of the Annual Report had changed, she still felt there was some duplication and that it could be shortened.
- 32/19.6 Ms Hagan went through the appendices which included the draft letter of representation and the proposed audit certificate. She also noted that all of the previous recommendations had been implemented.
- 32/19.7 Mr Clayton said that his only concern related to the Transformation funding. He asked what the risk would have been for PHA had all PHA's business cases not been approved within the financial year. Ms Hagan said that PHA had approved business cases and then HSCB had approved them retrospectively, and that the key issue would have been if HSCB had not approved the business cases. Mr McCance said that this is an HSC-wide issue where there is a concern that money is being spent without the required approvals. Mr Clayton asked if this was an issue for the Department. Mr Cummings said it would be; he also pointed out cases where a project may not have commenced because the required staff could not be recruited and the funding was used for another project. Mr Clayton said that it has been a challenging process for staff.
- 32/19.8 Members noted the Report to those Charged with Governance.
- 33/19 Item 9 – Annual Meeting with Auditors (External and Internal)**
- Officers stepped out of the meeting for this item.
- 34/19 Item 10 – Corporate Governance**
- At this point Mr McClean left the meeting.*
- Corporate Risk Register as at 31 March 2019  
[GAC/27/06/19]*
- 34/19.1 Miss Taylor advised that following the most recent review of the Corporate Risk Register, two risks have been removed (those relating to campaigns and Lifeline) and one new risk (relating to emergency planning) has been added. She explained that this risk relates to the possibility of not being able to activate an Emergency Operations Centre due to, as yet unresolved, issues regarding the payment of staff on Agenda for Change terms and conditions.

- 34/19.2 Miss Taylor advised that this Corporate Risk Register will be brought to the PHA Board meeting in June.
- 34/19.3 Ms Mann-Kler asked about the PHA staffing issues, including public health consultant staff vacancies (risk 45), and if the PHA Board will get the action plan that is being prepared for the Department of Health. Mr Drew suggested that it should be brought to a Board workshop. Mr Drew expressed concern that that PHA has lost lot of expertise as a result of on-going uncertainty regarding future of PHA. He also suggested that if PHA's service delivery model is changing, then there will be changes in what skills are required. Ms Mann-Kler said that there needs to be creative thinking to make people want to come and work for the HSC. She said that there should be a long term workforce plan that is strategic and joined up.
- 34/19.4 Mr Clayton asked why the risk on Transformation funding had a timescale of March 2020. Miss Taylor said this risk will be ongoing for the final year of this funding and will be kept under review throughout the year.
- 34/19.5 Mr Stewart asked if the EU Exit arrangements will be reviewed by the Department given the current political climate. Miss Taylor said that the Department had called no further preparation meetings since April, but she expected that the EU Exit forum would be reconvened when required. Mr Cummings added that all EU Exit preparations have been stood down. Miss Taylor noted that a lot of work has already been done.
- 34/19.6 Mr Clayton asked about the emergency planning risk and sought clarity that the key issue relates to Agenda for Change staff and how they are remunerated for out of hours working. Mr Cummings said that this was the case.
- 34/19.7 Members **approved** the Corporate Risk Register which will be brought to the PHA Board on 20 June.
- Gifts and Hospitality Register [GAC/28/06/19]*
- 34/19.8 Miss Taylor advised that the Gifts and Hospitality Register is brought to the Governance and Audit Committee on an annual basis. She explained that there is a policy in PHA outlining how gifts should be reported. She noted that there are some declarations of travel and hotel use on this return as these were instances where these costs had been met by third party organisations. Miss Taylor said that their inclusion was following a recommendation in the Internal Audit report on travel.



34/19.9 Members noted the Gifts and Hospitality Register.

**35/19 Item 11 – Information Governance**

*Information Governance Action Plan 2018/19 Progress Report [GAC/29/06/19]*

*Information Governance Action Plan 2019/20 [GAC/30/06/19]*

35/19.1 Miss Taylor said that the first Report was the final update on the Action Plan for 2018/19, which for the most part was complete, but that some issues remained in relation to training. She said that while there has been some improvement, the 90% target has not yet been reached.

35/19.2 Miss Taylor pointed out that the action which was rated as “red” related to Personal Data Guardian (PDG) training, and that this has not been undertaken by the current Director of Public Health because it is held once annually and Dr Adrian Mairs was not in post when the training was held.

35/19.3 In terms of the action plan for 2019/20 Miss Taylor said that the Plan is similar to the previous year’s plan, with a continuing focus on training,

35/19.4 Members noted the Information Governance Action Plans for 2018/19 and 2019/20.

**36/19 Item 12 – Update on Use of Direct Award Contracts [GAC/31/06/19]**

36/19.1 Miss Taylor informed members that the number of Direct Award Contracts had increased from 19 in 2017/18 to 32 in 2018/19, an increase she advised which was partly due to Transformation initiatives. She assured members that every DAC must be processed by PALS and given a RAG rating, and that 30 of the 32 had been rated as “green”. She explained that the one rated as “amber” had been reclassified by the Department as social care procurement and therefore fell under the threshold. She said that the one rated as “red” required Permanent Secretary approval.

36/19.2 Mr Drew said that he was content that there are robust processes in place covering the approval of Direct Contract expenditure.

36/19.3 Mr Clayton noted the increase and felt that with further Transformation funding, this has the potential to increase further. He asked whether further time needed to be spent looking at this. Mr Cummings said that while the DAC

continue to be rated as “green”, he would not have any concerns.

36/19.4 Members noted the update on the use of Direct Award Contracts.

**37/19 Item 13 – Audit Committee Self-Assessment Checklist [GAC/32/06/19]**

37/19.1 Mr Drew advised that Miss Taylor had worked with him to complete this checklist. He asked if members had any queries.

37/19.2 Ms Mann-Kler noted that the Chair does not ask GAC members about their role on the Committee as part of their appraisal. Mr Drew said that he gives the Chair an assessment of members’ performance. In terms of the NED(s) with financial experience, it was clarified that this related to Mr Drew specifically, but that Mr Stewart also has the relevant experience.

37/19.3 Ms Mann-Kler asked why the question regarding the relationship with the Department was marked as “N/A”, but it was explained that this relates to the Department’s Audit Committee. She suggested that the sponsor branch attendance should say, “at least once per year”, rather than “periodically”. However, members agreed that “periodically” is an accurate description.

37/19.4 Mr Clayton pointed out that he had attended specific Audit Committee training and felt this to be very useful. Mr Drew said that annual training would be helpful for members.

37/19.5 Members **approved** the Audit Committee self-assessment checklist.

**38/19 Item 14 – SBNI Declaration of Assurance [GAC/33/06/19]**

38/19.1 Miss Taylor said that the SBNI Declaration of Assurance is brought to GAC as part of PHA’s corporate hosting arrangements, and as required by the MOU between PHA, SBNI and the Department.

38/19.2 Ms Mann-Kler noted the non-achievement of two of SBNI’s corporate objectives. Miss Taylor said that the PHA is only responsible for specific corporate host functions and not SBNI performance against their objectives, therefore is not an issue for PHA, but for the SBNI Board and for the Department.

38/19.3 Mr Clayton expressed concern regarding the appropriateness of the corporate hosting arrangement if PHA takes on the functions of the social care and children's directorate following the closure of HSCB. Miss Taylor advised that the MOU is currently being revised and there is a recognition that the relationship will need to be reviewed in the future in light of any organisational changes.

38/19.4 Members noted the SBNI Declaration of Assurance.

**40/19 Item 15 – Any Other Business**

40/19.1 There was no other business.

**41/19 Item 16 – Details of Next Meeting**

*Thursday 3 October 2019 at 10am*

*Fifth Floor Meeting Room, 12/22 Linenhall Street, Belfast.*

Signed by Chair:

Leslie Drew

Date: 3 October 2019