

MINUTES

**Minutes of the 26th Meeting of the Governance and Audit Committee
held on Wednesday 8 October 2014, at 10 am, in the Public Health
Agency Conference Rooms,
12-22 Linenhall Street, Belfast, BT2 8BS**

Present:

Mr Brian Coulter	- Chair
Mrs Miriam Karp	- Non-Executive Director
Mr Thomas Mahaffy	- Non-Executive Director
Alderman Paul Porter	- Non-Executive Director

In Attendance:

Mr Edmond McClean	- Director of Operations, PHA
Miss Rosemary Taylor	- AD Planning & Operational Services, PHA
Mr Simon Christie	- AD Finance, HSCB
Mrs Catherine McKeown	- Internal Audit, BSO
Mr David Charles	- Internal Audit, BSO
Mr Craig Morrow	- Northern Ireland Audit Office
Dr Gerry Waldron	- Consultant in Public Health, PHA (for item 12)
Mr David Bingham	- Chief Executive, BSO
Mr Paddy Anderson	- Director of Finance, BSO
Mrs Cathy McAuley	- Secretariat

Apologies

Mr Paul Cummings	- Director of Finance, HSCB
Mr Mark Anderson	- Sponsor Branch, DHSSPSNI

		Action
36/14	<p>Item 1 - Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting and noted apologies from Mr Paul Cummings, Mr Mark Anderson and Mr Martin Pitt.</p> <p>The Chair advised that Mr David Bingham and Mr Paddy Anderson, would be in attendance for item 7 and Dr Gerry Waldron would be in attendance for item 12.</p>	
37/14	<p>Item 2 – Declaration of Interests</p>	

The Chair asked if anyone had any interests to declare relevant to any items on the agenda. None were declared.

38/14 Item 3 – Chair’s Business

The Chair acknowledged the contribution brought to the committee by Mrs Julie Erskine during the period she was Chair.

The Chair advised he had met with executive officers regarding the Lifeline contract and this item was on the agenda.

39/14 Item 4 - Notes of previous Meeting – 11 June 2014

The minutes of the previous meeting, held on 11 June 2014, were approved as an accurate record of the meeting.

40/14 Item 5 – Matters Arising

44/14 – The Chair thanked executive officers for sending an invitation to Mr David Bingham.

41/14 Item 6 – 2013/14 Report to Those Charged With Governance

Mr Morrow presented the RTTCWG 2013/14 final report for noting and advised the report had previously been communicated in draft form. He said the tender process for the awarding the new contract for the external auditor was near completion and an announcement would follow. Mr McClean asked if definitive timescales had been set. Mr Craig replied the evaluation process would be completed by the 31 October 2014.

Members noted the report.

Alderman Paul Porter joined the meeting at 10.15am.

42/14 Item 7 – Report on Implementation of recommendations of the report to those charged with governance – September 2014

Mr Simon Christie presented the progress report on the Implementation of recommendations of the report to those charged with governance and summarised the report to members. Four internal control weaknesses were identified:

- Reliance on 3rd party organisations
- Payroll Information
- BSO Shared Services Centre

- Supplier amendments to Standing Data

Mr Christie advised that HSCB Finance, on behalf of the PHA, had made good progress in addressing the recommendations, and would continue to work primarily with BSO as well as PHA to take these forward. He added that all of the recommendations made related to new systems implemented under the BSTP in late 2012/13.

He noted that an additional bill of £25,290 had been issued by BSO to PHA, to assist the bridging cost gap between the current system costs and the savings released to date.

Mr Christie concluded that progress had been made, but a number of issues remained outstanding. Customer Forums will be set up by BSO at which governance, accountability, efficiency, key performance indicators and SLA's issues can be addressed.

Mrs Karp raised her concerns regarding the bridging costs and lack of efficiency and assurance received from BSO.

The Chair asked for clarity on the accuracy of the figure for bridging costs. Mr Christie and Mr McClean confirmed the figure was correct and that all HSC organisations were being asked to pay their proportion of the total bridging cost of £2m.

Mr Bingham and Mr Anderson joined the meeting. The Chair welcomed them and briefly outlined the committee's concerns; these included four priority 1 recommendations made within the 2013/14 RTTCWG and these referred to the services provided to the PHA under the SLA which was held with BSO.

The Chair added that all the recommendations made within the RTTCWG related to the new Shared Services environment and the operation of the new systems implemented under the Business Service Transformation Project (BSTP) in late 2012/13.

Mr Bingham acknowledged the difficulties of the previous 18 months since the implementation of the BSTP systems. He said that through working with colleagues in HSCB Finance, progress had been made and the system was now stabilised. He said that the inefficiencies regarding transactional issues had been generic system problems which were unavoidable due to the lack of resources. He apologised to members for any inconvenience caused during that past 18 months.

Mr Anderson agreed it had been a difficult period but advised that progress had been made and the system were now stabilised and that BSO had acknowledged the issues highlighted in the report to

those charged with governance, he gave his assurance to the committee that BSO would work with HSCB Finance and PHA colleagues to resolve any outstanding issues.

The Chair opened the floor to questions.

Alderman Porter highlighted his concerns regarding the bridging costs invoice.

Mr Bingham replied by advising that the bridging costs had been agreed by the DHSSPSNI to cover system costs. He stressed this cost was not for a service provided by BSO.

Mr Anderson asked members to note the fundamental shift from systems issues in the RTTCWG 2012/13 to shared services issues in the RTTCWG 2013/14.

Mrs Karp acknowledged the difficulties, progress and assurances given. She asked a question relating to the new Customer Forums and their intended outcomes.

Mr Bingham replied that Customer Forums for all HSC organisations would be set up by the end of November 2014.

The Chair asked for clarity on the Service Level Agreement (SLA) with BSO.

Mr Bingham advised the SLA was issued at the end of the financial year - 31 March 2014. Mr McClean and Ms Taylor indicated that an SLA was in place but that additions in respect of BSTP were being agreed and would be included in the SLA in as service changes were implemented.

Mr McClean highlighted the importance of the Customer Forums, working relationships and the effective communication between organisations.

Discussion took place regarding shared services and savings released to date. Mr Anderson advised that shared services would bring savings and these would be realised in year three as the old legacy systems were phased out.

Mr Anderson highlighted the importance of separating systems and shared services.

Mr Christie advised that in the RTTCWG four Priority 1 recommendations, were linked to shared services and as a result the GAC was very concerned.

Mrs McKeown advised the shared services audit was being conducted and outcomes and assurances would be shared across the HSC sector.

The Chair thanked Mr Bingham and Mr Anderson for attending today's meeting and for their informative and helpful comments.

Members noted the report presented by Mr Christie.

Mr McClean left the meeting at 11.20am.

43/14 Item 8 - Fraud Liaison Officer Update Report

Mr Christie gave an overview of the report which detailed no new cases of actual or suspected fraud. He added a regional workshop was held on 26th June 2014 with HSC Fraud Liaison Officers and that the PHA would be participating in the International Fraud Awareness week 16th – 22nd November 2014.

Members noted the report.

44/14 Item 9 – Public Accounts Committee (PAC)

Mr Christie presented the PAC report in relation to the review of Account NI – Shared Service Centre and summarised the recommendations.

Members noted the report.

Alderman Porter left the meeting at 11.35am.

45/14 Item 10.1 – Internal Audit Progress report

Mrs McKeown advised she would be presenting three reports at today's meeting.

Mr Charles gave an overview of the two audits reports; research and development and risk management, which were carried since the last report and both had received a satisfactory level of assurance, no priority one weakness had been identified.

Mr Charles advised the committee that all recommendations had been accepted by management.

46/14 Item 10.2 – Internal Audit 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.

47/14 Item 10.3 – Mid-Year Follow up on previous internal audit

recommendations 2013/14

Mrs McKeown presented the Mid-Year follow up on previous internal audit recommendations 2014/15 for noting. She said that 93% of the recommendations were implemented.

Members noted the report.

Mrs McKeown left the meeting at 11.45am.

48/14 Item 11 – Corporate Risk Register

Miss Taylor presented the Corporate Risk Register as at June 2014 for noting and summarised the report. She said one new risk CR31; Shared Services had been added to the register. The Chair expressed concern regarding CR25; PHA Belfast accommodation.

Miss Taylor advised that CR25 remains a high risk. She explained that the lease for the identified building had not been signed due to circumstances outside the control of the PHA as the landlord had decided to sell the building. She added that the risk rating for CR25 is being reviewed in light of this development and that staff remain in an overcrowded and inadequate accommodation.

Members noted the report.

48/14 Item 12 – Assurance Framework 2014/15 (Review as at September 2014)

Miss Taylor presented the assurance framework review as at September 2014 for approval and gave an overview of the report.

Members approved the report.

49/14 Item 13 – Controls Assurance Standards Process for 2014/15

Miss Taylor presented the Controls Assurance Standard Assessment Process for 2014/15 for noting and gave an overview of the report. She said that 15 of the 22 Controls Assurance Standards were applicable to PHA, and in addition as well as the three core standards the Department had determined that Buildings, Land, Plant and Non-Medical Equipment would be subject to independent verification by Internal Audit. Members were asked to note the process being adopted to take forward the controls assurance agenda for PHA.

Members noted the report.

50/14 Item 14 – Information Governance Update

Miss Taylor presented the PHA Information Governance Action Plan

to the meeting for noting, and gave a summary of the action plan and highlighted the key areas; review of the PHA Information Governance Strategy; EDRMS systems and IAO and SIRO training.

Mrs Karp asked about the timescales for completion. Miss Taylor confirmed the scope and timescales would be demanding but she was confident that they would be completed and progress reports will be brought to future meetings.

Members noted the update and action plan.

51/14 Item 15 – SBNI Declaration of Assurance

Miss Taylor presented to SBNI Declaration of Assurance for noting.

Members noted the report.

52/14 Item 16 – PHA Mid-Year Assurance Statement

Miss Taylor 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.

Miss Taylor

53/14 Item 17 – Independent Review of Clinical Processes and Protocols of the Lifeline Service

Dr Gerry Waldron joined the meeting and gave a brief overview of the independent review of clinical processes and protocols of the lifeline service.

Dr Waldon said a briefing paper was previously shared at a confidential briefing session of the PHA Board outlining the findings of the clinical audit of lifeline services. He said the audit highlighted a number of areas of concern as well as some examples of good practice. The PHA is currently working with the providers to ensure steps are taken to address specific areas of concern. The PHA is also seeking to undertake a second follow-up clinical audit and the proposal is currently with the Minister for approval.

Mrs Karp requested that as this was a priority area and as issues raised by the audit related to governance could future updates be made available to this committee.

The Chair thanked Dr Waldron for his informative update.

54/14 | Item 18 - Date and time of next meeting

Date: 10 December 2014.

Time: 10 am

Venue: PHA Conference Room

18 Ormeau Avenue

Belfast

Signed: Brian Coulter

Date: 11 December 2014