

MINUTES

Minutes of the 27th Meeting of the Governance and Audit Committee held on Wednesday 10 December 2014, at 10 am, in the Public Health Agency Conference Rooms, 18 Ormeau Avenue, Belfast, BT2 8HS

Present:

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

In Attendance:

- Mrs Julie Erskine - Acting Chair
- Mr Edmond McClean - Director of Operations
- Mr Paul Cummings - Director of Finance
- Mr Simon Christie - AD Finance
- Mr David Charles - Internal Audit
- Ms Christine Hagan - ASM Chartered Accounts
- Dr Janet Little - Consultant in Public Health (for item 10)
- Mrs Cathy McAuley - Secretariat

Apologies

- Alderman Paul Porter - Non-Executive Director
- Miss Rosemary Taylor - AD Planning & Operational Services
- Mr Mark Anderson - Sponsor Branch, DHSSPSNI

55/14 Item 1 - Welcome and Apologies

The Chair welcomed everyone to the meeting and noted apologies. It was noted that there was no representative from the NI Audit Office present at today's meeting. The Chair welcomed Mrs Julie Erskine, Acting Chair of PHA to today's meeting and thanked Mrs Erskine for her contribution and support given as Chair to the GAC since 2009 and wished her success in her new role as Acting Chair. Mrs Erskine thanked the Chair for his kind words and indicated she wished to wish the committee well in its work. Mrs Erskine left the meeting at 10.10 am.

The Chair welcomed Ms Christine Hagan, ASM Chartered Accountants to today's meeting and introductions followed. Ms Hagan advised that ASM were delighted to be appointed as external auditors and she was deputising today on behalf of Mr Brian Clerkin. Ms Hagan added that Mr Clerkin or she would be in attendance at future meetings. The Chair informed members that Dr Janet Little

Action

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would be in attendance for item 10.

56/14 Item 2 – Declaration of Interests

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

57/14 Item 3 – Chair’s Business

The Chair highlighted the HSC (F) 38-2014 circular issued by the DHSSPS dated 21 October 2014 re: Inclusion of complaints handling in Internal Audit programmes for action by Director of Finance and Head of Internal Audit of HSC bodies. Mr Charles advised the Chair that Internal Audit had acknowledged recognition of the HSC (F) 38-2014 circular and would build it into the 2015/16 programme.

58/14 Item 4 - Notes of previous Meeting – 11 June 2014

The minutes of the previous meeting, held on 8 October 2014, were approved subject to amendments;

Secretariat

42/7 paragraph 7 – to read “these included four priority one 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.

42/16 paragraph 7 - to read additions “in respect of BSTP were being agreed and would be included in the SLA in as service changes were implemented”.

59/14 Item 5 – Matters Arising

44/14 -- BSO Shared Services Centre

Mr Cummings advised that work continues with BSO colleagues regarding the efficiency of shared services.

60/14 Item 6.1 – Corporate Risk Register

Mr McClean presented the Corporate Risk Register as at September 2014 for noting and summarised the report.

He said this quarter saw changes to the corporate risk register;

- 1 risk had its risk rating reduced from high to medium (CR26) Lack of market testing for roll forward contracts
- 1 risk had its risk rating increased from high to extreme (CR25) PHA Belfast Accommodation.

CR25 PHA Belfast Accommodation

The Chair advised that CR25 PHA Belfast Accommodation remains a concern to the board.

In response to this Mr McClean advised that the proposed move to new premises at 21 Linenhall Street, Belfast did not proceed as the lease was withdrawn by Savills (NI) Limited acting on behalf of the landlord before it was finalised.

He added that due to this recent development CR25 had therefore increased from high to extreme, as there was no alternative accommodation at the moment and pressures had increased due to maintenance issues which include water ingress in Alexander House and unacceptable density of staff in parts of Linenhall Street.

He added that an internal review of the current position and exploration of options the future for staff based at Linenhall Street was currently being carried out, but advised that this review was likely to be limited in terms of meaningful mitigation due to lack of space.

Mr McClean advised that PHA had been contacted by Asset Management, DHSSPS regarding PHA requirements as the Asset Management Unit are reviewing public bodies located in leased property assets in Belfast City Centre and are involved in the acquisition of a vacant office building in Belfast City Centre.

Members reiterated concern about this 'third party' initiative which whilst welcome insofar as access to possible funding may arise is inherently risky due to limited input and lack of control by PHA executives. The associated escalation of risk was agreed.

CR26 Lack of market testing for roll forward contracts

Mrs Karp asked for clarity regarding robustness of the processes for ensuring clarity of monitoring and referenced the management of the Lifeline contract as an example.

Mr McClean responded to this by advising that management of this particular contract (Lifeline) remains a priority given demand management, clinical governance and accuracy issues and this was reflected in the corporate risk register as CR30.

He said the reported demand for this service had increased considerably and at a time exceeded the designated budget and requires on-going attention.

Mrs Karp acknowledged the costs for additional staff time and engagement in the management of this contract.

Mr Cummings advised that these comments would be taken into

account in the business case at retendering stage.

The Chair also acknowledged that this was a critical point and the GAC ask that these assurances are clearly reflected in the business case options. Members noted the corporate risk register.

61/14 Item 6.2 - Gifts and Hospitality Register

Mr McClean presented the Gifts and Hospitality Register for noting. Members noted the register.

62/14 Item 7 – Internal Audit Progress Report

Mr Charles presented the Internal Audit progress report to members for noting and advised that two reports had been issued in draft form and would brought to the next meeting.

- Procurement and Contract Management
- Management of Contracts with Voluntary and Community Sector

Mr Charles gave a summary of the progress report and advised the Internal audit of performance management had received a satisfactory level of assurance and that three priority two weaknesses were identified and advised the committee that all recommendations had been accepted by management.

The Chair referenced the timelines for adhering to deadlines of audit assignments.

Mr Charles replied that internal audit did have agreed KPI's in place for adherence to timelines for the completion for reports, but regrettably these had not been met on this occasion as internal audit was reliant on responses from management. He added that both reports would be brought to the next meeting.

Members noted the progress report subject to one amendment on page 4, management summary to read "*PHA Board*".

D Charles

63/14 Item 8 – Single Action Tender Register

Mr McClean presented the Single Action Tender Register for noting. Members noted the report.

64/14 Item 9.1 – Finance: Report to those charged with Governance Progress report

Mr Christie presented the progress report on the implementation of recommendations of the report to those charged with governance and summarised the report to members.

He added since the last report the first meeting of the Shared Services Customer Forum for the PHA had been held and all issues identified on the RTTCWG had been raised with the managers of shared services for payroll, accounts payable and accounts

receivable. He added the terms of reference (TOR) and membership for the customer forum had been agreed and that he would be the representative on behalf of the PHA. In conclusion he advised the first customer forum meeting had provided a positive platform for current issues to be shared between Shared Services and the PHA. Members noted the report.

65/15 Item 10 – Policy on Appraisal for Medical Practitioners

The Chair welcomed Dr Little to the meeting.

Dr Little gave members a brief outline of the policy guidance which included an introduction, aims and objectives. She added that the policy had the full support of the British Medical Association (BMA) and this policy would be brought to this committee on an annual basis for noting.

The Chair enquired the ownership of the policy and referenced a recently high profile case which had attracted media interest. Dr Little advised that failure to engage and participate in the 360 degree appraisal process would raise concern.

Discussion followed regarding the ownership of the policy and members agreed that whilst they are unable to change the guidance contained in the policy as it superseded DHSSPS circulars;

- TC8 11/01 Annual Appraisal for consultants May 2001;
- TC8 1/2003 non-consultant career grade appraisal February 2003

it was agreed that the GAC would comment on the policy content and recommend it to the PHA Board.

Further Discussion took place regarding the robustness of the 360 degree appraisal system and how nominations for appraises were selected. GAC requested that they be made aware of any relevant comments which might be made by the RQIA in its role as part of the quality assuring of this Policy. The Chair thanked Dr Little for her very informative summary of the policy. Members noted the report and recommended it for noting to the PHA board.

66/14 Item 11 - Date and time of next meeting

Date: 19 February 2015

Time: 10.00am

Venue: Conference Rooms 3&4
2nd floor, 12-22 Linenhall Street
Belfast