

Governance and Audit Committee Meeting

Thursday 4 October 2018 at 10.00am

Fifth Floor Meeting Room, 12-22 Linenhall Street, Belfast

Present

Mr Leslie Drew - Chair
Mr John Patrick Clayton - 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
Mr David Charles - Internal Audit, BSO
Mr Denver Lynn - Northern Ireland Audit Office
Mr Robert Graham - Secretariat

Apologies

Ms Deepa Mann-Kler - Non-Executive Director
Mrs Catherine McKeown - Internal Audit, BSO

		Action
44/18	Item 1 – Welcome and Apologies	
44/18.1	Mr Drew welcomed everyone to the meeting.	
44/18.2	Apologies were noted from Ms Deepa Mann-Kler.	
45/18	Item 2 - Declaration of Interests	
45/18.1	Mr Drew asked if anyone had interests to declare relevant to any items on the agenda. No interests were declared.	
46/18	Item 3 – Minutes of previous meeting held on 6 June 2018	
46/18.1	The minutes of the previous meeting, held on 6 June 2018 were approved as an accurate record of that meeting, subject to two amendments: firstly, the word “which” changed to “when” in the second line of paragraph 34/18.6. The second amendment was to add the sentence, “He suggested that some of this terminology needed to be more clearly explained	

to readers within the body of the policy.” after paragraph 38/18.7.

47/18 Item 4 – Matters Arising

33/18.3 Internal Audit Review of Shared Services

47/18.1 In response to a question from Mr Drew, Mr Charles advised that the follow up audit of Payroll Shared Services is ongoing, and that the report has not yet been finalised. He added that the level of assurance remained limited, but that he would bring an update to the next meeting.

48/18 Item 5 – Chair’s Business

48/18.1 The Chair advised that he had no Chair’s Business.

49/18 Item 6 – Quality Improvement Plan Report [GAC/32/10/18]

49/18.1 Ms Mary McElroy attended the meeting for this item. She explained to members that Trusts are required to submit Quality Improvement Plans, based on locally identified quality improvement initiatives. She said that the findings of this report identify PHA’s safety and quality priorities, and that this report covers a 2-year period. Ms McElroy gave an overview of the four key areas covered in the report.

49/18.2 Ms McElroy said that in terms of pressure ulcers, there had been an increase in the Northern Trust, but that PHA has been working with the Trust towards improving their performance. She added that the two wards which showed the highest number of pressure ulcers were both high dependency wards.

49/18.3 Ms McElroy advised that there has been a consistent decrease in the reduction of harm from falls. In terms of compliance with NEWS (National Early Warning Scores), she said that regional compliance has been 90%, and that the focus of this work will move to outcomes and escalation issues.

49/18.4 Ms McElroy said that there has been an increase in the instances of the use of mixed gender accommodation on wards, and that a thematic review will now be carried out which will look to ensure that all Trusts are reporting consistently. She highlighted that there are issues with the estate in some Trusts, particularly the Northern and Southern Trusts.

49/18.5 Mr Cummings explained that there are a number of conflicting

issues that need to be borne in mind. He said that 12 hours waiting targets in A&E may be breached because it is not possible to place a patient in a single sex ward so there is a knock on effect.

49/18.6 Mr Stewart noted that there are a number of competing priorities, and that these need to be weighted. His main concern was that Trusts are carrying out their own audits (in terms of compliance with the NEWS bundle) and therefore it is difficult to get consistent data. He asked that if Trusts are implementing their own audit process, who is checking that process? Ms McElroy said that the auditing does appear to be consistent, but that the Southern Trust has decided to use external validation. She noted that the results from the Southern Trust have shown a decrease in compliance, but this was partly down to the system the Trust was using, and that PHA has been working with the Trust.

49/18.7 Mr Cummings said that each organisation will have its own Board, so it is not for the PHA to determine what types of management audits should be undertaken. He acknowledged that there are multiple types of audit and therefore it is difficult to get consistency. Mr Charles agreed and added that Internal Audit had carried out an audit of falls management which had identified inconsistencies. He added that an audit of incident management is currently being done.

49/18.8 Mr Clayton asked if there is any monitoring of the independent sector. Ms McElroy said that monitoring has commenced for those services that are commissioned by the HSC, and that there is a commissioning services group.

49/18.9 Mr Clayton asked about the root cause for the number of pressure ulcers in the Northern Trust. Ms McElroy said that leadership may have been an issue and that there has been a change of management within the two wards that were of concern.

49/18.10 Members noted the Quality Improvement Plan report which will be brought to the PHA Board on 18 October.

50/18 Item 7 – Internal Audit

Progress Report [GAC/33/10/18]

50/18.1 Mr Charles advised that to date almost two-thirds of the planned audit work for the year had been carried out. He said that he was presenting four audit reports, and began with the audit of Personal and Public Involvement (PPI),

50/18.2	<p>Mr Charles said that a satisfactory level of assurance was being given to the audit of PPI. In terms of the key findings, he noted that there is not a clear system of measuring the outcomes and impact of PPI. He noted that the Northern Ireland Ambulance Service has not yet completed a self-assessment, and that PHA is largely reliant on the information provided by Trusts, which has not been verified, but acknowledged that there are service user panels. He added that the current PPI Strategy is dated March 2012, and although it was reviewed in 2016, there is no date for its next planned review. He finished by saying that management had accepted all of the recommendations in the report.</p>	
50/18.3	<p>Mr Clayton said that the point about outcomes measurement was well made. He noted that there is a change with the concept of co-production, and that individuals within PPI may not have experience of this. He asked when the self-assessment from NIAS would be received. It was agreed that this would be followed up with Mrs Mary Hinds.</p>	Mrs Hinds
50/18.4	<p>Mr Charles moved onto the Report of the audit of PHA's vaccination programmes. He advised that PHA has 17 different programmes and has a role that includes commissioning, surveillance and quality assurance. He said that a satisfactory level of assurance was being given. In relation to the key findings, he noted that there is no policy in place for the management of vaccination programmes, and no terms of reference for the oversight group of the influenza vaccination programme. He also commented on the timeliness of reporting on the programme. Mr Charles said that all recommendations had been accepted by management.</p>	
50/18.5	<p>Mr Charles noted that the next audit report related to an assignment which was carried out across all HSC organisations about travel and compliance with the Permanent Secretary's letter of September 2016. He explained to members that the HSC has a contract with Selective Travel for the function of booking travel. He advised that a satisfactory level of assurance was being given to PHA, and there were no significant findings.</p>	
50/18.6	<p>Mr Charles went through some of the key areas from the audit. He said that while PHA is using Selective Travel, there is no assurance that it is getting value for money. He added that the current form does not allow staff to indicate that the request is in compliance with the Permanent Secretary's instruction, and he suggested that a regional form should be developed. He also noted that some of the trips are part-funded by other bodies e.g. EU programmes. He suggested</p>	

that there should be a specific code in the general ledger for travel as it can be difficult to identify any travel which has been paid for by staff and claimed back through HRPTS, rather than being booked through the regional contract.

- 50/18.7 Mr Charles said that in terms of findings which are specific to PHA, there is a need to ensure clear visibility if more than one individual is attending a specific event. He said that an audit of trips inside the UK and Ireland showed two cases of overnight accommodation in Dublin, and that this should only happen in appropriate cases. He added that management had accepted all the recommendations in the report.
- 50/18.8 Mr Stewart asked how much audit time was used on this particular assignment, as he felt that time could have been more appropriately used on follow up of other audits. He also sought assurance that any third party funding was not from private sector organisations. Mr Cummings confirmed that that this was the case. Mr Charles advised that up to 13 days had been used for this audit, and as a result, it would be necessary to defer an audit of information governance into the first quarter of next year, but this would require Committee approval.
- 50/18.9 Mr Cummings expressed his concern that this audit could result in staff not taking the opportunity to attend events which will give them learning that can be fed back into the HSC system, which will make for a poorer health service. Mr Drew agreed saying that staff could be put off requesting travel.
- 50/18.10 Mr Clayton asked about the implications of deferring the information governance audit. Miss Taylor said that PHA is required to provide an assurance to the Department regarding information governance and this will happen before the year end, therefore members will receive an assurance in this area in advance of the audit being carried out.
- 50/18.11 Mr Drew noted that PHA has its audit plan, which the Committee has agreed, but that there was no option in that this audit had to be carried out. Mr Cummings suggested that this should be raised as an issue at the next meeting of the Committee Chairs. Mr Charles said that the time spent on the audit in HSC Trusts was significantly greater.
- 50/18.12 Mr McClean said that one of the challenges for the HSC is to have a simple and effective guidance for staff, and a consistent template. Mr Charles advised that Internal Audit will be preparing an overarching report and that one of the recommendations will be the need for regional consistency.

- 50/18.13 Mr Charles asked if the Committee was content to defer the audit of information governance. Mr Drew said that he was content, on the basis that another form of assurance will be received. All members agreed with this decision.
- 50/18.14 Mr Charles moved on to the audit of risk management, and said that a satisfactory level of assurance was being given, with no significant issues. He said that there were two Priority 3 recommendations which had been accepted by management.
- 50/18.15 The Committee noted the progress report.
- Mid-Year Follow Up [GAC/34/10/18]*
- 50/18.16 Mr Charles presented the mid-year follow up review of outstanding audit recommendations and advised that 70% of these were now fully implemented, with the remainder partially implemented. He highlighted the work ongoing in terms of developing a procurement plan, and four recommendations in the area of research and development.
- 50/18.17 Mr Drew asked about procurement. Mr McClean noted that a paper had been brought to the last PHA Board meeting which outlined how PHA wants to review its approach to social care procurement and seeking the nomination of a Non-Executive Director to participate in this work. He said that procurement is a big issue for PHA given the potential for legal challenge.
- 50/18.18 Mr Clayton referred to the recommendations relating to the management of contracts with the community and voluntary sector. Mr McClean said that there are two issues for PHA, verifying and verification. He said that contracts are monitored, KPIs are agreed and performance is measured on a quarterly basis with sign-off by a manager in PHA before any payment is made. However, with regard to verification, he conceded that there is a capacity issue, but that PHA needs to be clear that it is getting the outcomes it requires for both the service user, and the HSC as a whole. He said that the issue of how PHA can do more for the end user had been discussed with Internal Audit. Mr Charles said that this is a regional issue, not unique to PHA, and that although there are processes in place which determine if payments should be made, this is reliant on providers giving accurate information.
- 50/18.19 Members noted the mid-year follow up report.
- Internal Audit Mid-Year Assurance Statement [GAC/35/10/18]*
- 50/18.20 Mr Charles explained that the Internal Audit Mid-Year

	Assurance Statement summarises all of the previous discussion, and that there are no significant issues.	
50/18.21	In terms of the follow up audits on Shared Services, Mr Charles advised that the fieldwork has just been completed on the audit of Payroll, and that an update on this will be brought to the next meeting.	
50/18.22	Members noted the Internal Audit Mid-year Assurance Statement.	
51/18	Item 8 – Finance	
	<i>Fraud Liaison Officer Update Report [GAC/36/10/18]</i>	
51/18.1	Mr Cummings advised that the PHA has provided data for the latest National Fraud Initiative, but that the report from the previous NFI exercise did not contain any benefits for the HSC. Mr Lynn added that that rate evasion and pension fraud were two of the biggest issues emanating from the Report relating to other bodies participating in the NFI exercise.	
51/18.2	Mr Cummings reported that there were no new cases of fraud, but that there remained one ongoing case. He gave members an overview of the alleged fraud, but assured members that the suspected fraud was an issue for DAERA, and no PHA and that the HSC, through the Counter Fraud Unit had done all that was required. He said that the main issue for PHA relates to service continuity.	
51/18.3	Mr Drew said that the PHA Chair was concerned about this particular case and it was agreed that an update would be provided to him.	Mr Cummings
51/18.4	Members noted the Fraud Liaison Officer update. <i>Revenue Business Case Test Drilling 2017/18 [GAC/37/10/18]</i>	
51/18.5	Miss Taylor informed members that a business case test drilling exercise is carried out annually across all HSC organisations and a report prepared, and that this year it was asked that the findings were shared with Governance and Audit Committee Chairs. She said that three PHA business cases were reviewed and two were rated as “green” and one as “amber”, with the key issue being the failure to include an approver signature or a correct project commencement date.	
51/18.6	Mr Cummings advised that 500 business cases are required	

for the Transformation work and that to date, approximately 75 relate to PHA.

51/18.7 Members noted the update on revenue business case test drilling.

52/18 Item 9 – Corporate Governance

Corporate Risk Register (as at 30 June 2018) [GAC/38/10/18]

52/18.1 Mr McClean advised that the Corporate Risk Register had been updated with four new risks added. He explained that in some instances these new risks were a reconsideration of previous risks. He went through several of the risks in turn giving an update on each.

52/18.2 Mr McClean said that risk 26, relating to market testing of contracts, is an area that presents a challenge to both HSC Trusts, and the PHA, and that PHA will continue to work with the Directorate of Legal Services and PALS in this area.

52/18.3 With regard to risk 38 on re-organisation, Mr McClean explained that this risk had been reduced as it is has been indicated that HSCB will close in March 2020, and that the PHA will remain. He said that there are a number of design teams, and that PHA will contribute to that work, and in particular the design group looking at the social care directorate as that function will transfer to PHA.

52/18.4 In terms of cyber security (risk 39), Miss Taylor advised that regional work is ongoing - an outline business case has been agreed and BSO has appointed a Programme Manager and a gap analysis has been conducted regionally.

52/18.5 For risk 41, Mr McClean advised that a paper regarding campaigns was submitted to the Department of Health in early July. He said that this outlined which campaigns could be developed if funding were to become available. He anticipated that PHA would know shortly if this will be possible.

52/18.6 Mr McClean moved on to risk 43 which relates to the Lifeline service. He said that members will recall that the service has moved to the Belfast Trust. To date, he said that the transition has gone well, but that PHA is still working with BHSCT to confirm the running costs of the service. He added that, despite this, it is possible that this issue would remain on the Corporate Risk Register until at least the end of the 18 months transition period.

- 52/18.7 Mr Clayton asking if the reduction of the rating of the risk relating to re-organisation from “high” to “medium” was as a result of investment. Mr McClean explained that for a time, there was a possibility that PHA may have also closed, but now there was more certainty regarding the future of PHA. He added that it was important that PHA uses this opportunity to look at its functions and to continue to evolve.
- 52/18.8 Mr Clayton asked about Transformation monies and if there is a contingency. He said that he attended a meeting recently at which there was an assurance that there was a contingency and that there would be a further meeting in 4/6 weeks to look at this. Mr Cummings said that to date, across HSC only a small proportion of the proposed IPTs have been authorised and only 100 of the 1200 staff regionally required have been appointed. He said that any contingency options being explored should not include options that require the appointment of staff, therefore initiatives such as campaigns, capital, ICT should be considered.
- 52/18.9 Mr Stewart asking if the risk rating for cyber security is high across all HSC organisations. Miss Taylor said that this was the case.
- 52/18.10 Members noted the Corporate Risk Register.
- Assurance Framework (as at September 2018)*
[GAC/39/10/18]
- 52/18.11 Mr McClean presented the Assurance Framework and said that it had been updated to ensure that it continued to be relevant with current PHA processes and departmental requirements. He added that this document informs what reports are brought to the PHA Board meetings.
- 52/18.12 Members approved the Assurance Framework.
- Controls Assurance Standards Replacement Assurances from 1 April 2018 [GAC/40/10/18]*
- 52/18.13 Miss Taylor reminded members that there had been discussion at previous meetings about the abolition of Controls Assurance Standards. In terms of replacement assurances, she said that there is a mix of different arrangements, some based on existing practice, but some of which are still under review. She advised that the Department will still receive an overarching assurance through the Governance Statement.
- 52/18.14 Mr Drew asked about the establishment of a procurement

board. Miss Taylor advised that there is a procurement board in place in PHA, but that the recent circular has set out wider parameters for its remit, so PHA is amending the terms of reference and membership of its board. Mr McClean added that PHA's procurement board is headed by the Chief Executive as Accounting Officer and that the Director of Operations, Director of Public Health, Director of Nursing and Assistant Director of Health and Wellbeing Improvement are also members. He said that the remit of the Board is to develop and monitor the PHA Procurement Plan.

52/18.15 Members noted the update on the Controls Assurance Standards replacement process.

Information Governance Update [GAC/41/10/18]

52/18.16 Miss Taylor provided members with an update on the Information Governance Action Plan, which had been prepared following the Information Governance Steering Group last week.

52/18.17 Miss Taylor said that there remained some challenges for PHA in terms of getting all staff to complete their mandatory e-learning training. She added that SIRO and IAO training had not yet taken place, but she was hoping to organise in-house refresher training.

52/18.18 Miss Taylor advised that a workshop will take place to assist staff with the process of reviewing Information Asset Registers. She said that PHA's corporate privacy notice is now on the PHA website, but that function-specific notices may also be required and would be developed as necessary.

52/18.19 Miss Taylor advised that PHA is working with the Directorate of Legal Services regarding contracts as these may require to be updated in line with GDPR. Mr Clayton asked for further information on this. Miss Taylor explained that PHA must ensure that clauses in contracts comply with Data Protection regulations, and that in cases where PHA is the data controller data flows need to be more explicit. She added that on occasions the organisation may be the data controller, hence clarity is needed.

52/18.20 Mr Stewart commented that he had attended the Information Governance Steering Group meeting last week, and that the attendance at the meeting was poor with certain parts of the organisation, particularly Nursing/AHP directorate, not represented. He said that this was an issue for the senior management team to look at. He expressed concern that there was little improvement in the rate of staff compliance

with the mandatory information governance training, and again highlighted issues with Nursing/AHP directorate. He added that there was an issue in terms of accurate information about staff numbers. Miss Taylor said that the Leadership Centre e-learning system is separate to HRPTS and therefore her staff have to manually match two separate lists.

52/18.21 Members noted the update on the information governance action plan.

53/18 Item 10 – External Auditor’s Report to those Charged with Governance [GAC/42/10/18]

53/18.1 Mr Lynn advised that members had seen the draft Report to those Charged with Governance at the last meeting, and that this Report had not changed. He reiterated that the accounts had received an unqualified audit opinion and that no reports on the accounts were required. He added that there were no priority one recommendations.

53/18.2 Members noted the Report to those Charged with Governance.

54/18 Item 11 – PHA Mid-Year Assurance Statement [GAC/43/10/18]

54/18.1 Mr McClean presented the PHA Mid-Year Assurance Statement and drew members’ attention to the internal control divergences, highlighting issues such as the campaigns budget, EU exit and neurology.

54/18.2 Members approved the Mid-Year Assurance Statement which will be brought to the PHA Board meeting on 18 October.

55/18 Item 12 – SBNI Declaration of Assurance [GAC/44/10/18]

55/18.1 Mr McClean introduced the Declaration of Assurance, but said that they key issue for PHA is the proposed revision of the Memorandum of Understanding between PHA, SBNI and the Department of Health. He suggested that it would be a useful area for further exploration at a Board workshop.

55/18.2 Mr Clayton expressed a concern of a potential conflict of interest if PHA takes on the social care functions currently carried out by HSCB, and has a corporate host role regarding SBNI. Mr Cummings said that there needs to be clarity about roles and functions.

55/18.3 Members noted the SBNI Declaration of Assurance.

53/18 Item 13 – Any Other Business

There was no other business.

54/18 Item 14 – Date and Time of Next Meeting

Wednesday 12 December 2018 at 10am

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

Signed by Chair:

Leslie Drew

Date: 12 December 2018