

**Minutes of the Governance and Audit Committee  
13 December 2012 at 8:30am,  
Held in the PHA Conference Room,  
18 Ormeau Avenue, Belfast, BT2 8HS**

**Present:**

- |                      |                          |
|----------------------|--------------------------|
| Mrs Julie Erskine    | - Chair                  |
| Mr Thomas Mahaffy    | - Non-Executive Director |
| Mr Ronnie Orr        | - Non-Executive Director |
| Alderman Paul Porter | - Non-Executive Director |

**In Attendance:**

- |                       |  |
|-----------------------|--|
| Mr Ed McClean         | - Director of Operations                                       |
| Miss Rosemary Taylor  | - AD Planning & Operational Services                           |
| Mr Paul Cummings      | - Director of Finance, HSCB                                    |
| Mrs Tracey McCaig     | - Finance, HSCB  |
| Mr B McCambridge      | - Northern Ireland Audit Office                                |
| Mr Martin Pitt        | - Pricewaterhouse Coopers                                      |
| Mr Ian McClure        | - DHSSPSNI   |
| Mr Mark Anderson      | DHSSPSNI   |
| Mrs Catherine McKeown | Internal Audit, BSO  |
| Mrs Gill Murphy       | - Safety Quality and Patient/Client Experience<br>(for item 9) |
| Mrs Cathy McAuley     | Secretariat  |

**APOLOGIES:**

- |                  |                            |
|------------------|----------------------------|
| Mr David Charles | - Internal Audit, BSO      |
| Mrs Mary Hinds   | - Director of Nursing, PHA |

**72.12 | Item 1 – Apologies**

72.12.1 | The Chair welcomed everyone to the meeting. She noted apologies from David Charles and Mary Hinds and welcomed Gill Murphy and Tracey McCaig.

**73.12 | Item 2 – Declaration of Interests**

73.12.1 | The Chair asked if anyone had interests to declare

relevant to any items on the agenda. None were declared.

74.12 **Item 3 - Chair's Business**

74.12.1 The Chair briefed members on various events which she had attended since the last GAC meeting.

- Anti-Bribery Training - CIPFA
- Fraud Academy - PWC
- Managing Public Monies – NI Audit Office

75.12 **Item 4 - Minutes of the GAC Meeting held on 11 October 2012**

75.12.1 Members agreed the minutes of the GAC meeting held on 11 October 2012 as an accurate record of the meeting.

76.12. **Item 5 - Matters Arising**

76.12.1 56/12.2 - Internal Audit Strategy, Charter and Terms Of Reference for IA Partnership Forum

The minutes of this meeting will be brought to the next meeting.

Mrs McKeown

76.12.2 60/12.2 – Incident and Near Miss Reporting Policy and Procedure

Miss Taylor advised the amendments had been made and the policy had been placed on to the Connect Intranet Site.

76.12.3 63/12.1 – IT Security Policies

Mr McClean advised that the IT security policies are in place. Protocols have been developed with BSO for designated communications staff with the business need for social media.

76.12.4 64/12.2 – Internal Audit Plan

Mrs McKeown advised the minor amendment had been made to the Internal audit report.

- 77.12 **Item 6.1 – PHA Corporate Risk Register as at 30.9.12**
- 77.12.1 Mr McClean presented the Corporate Risk register as at the 30 September 2012 for approval. He confirmed two new risks, one with a ‘high’ risk grading and one with a ‘medium’ risk grading had been added to the register;
- (CR26) Lack of market testing for roll forward contracts – high risk
  - (CR27) Delays affecting PHA public information campaign programme for 2012/13 – medium risk
- 77.12.2 He said that one risk (CR3 Financial Control) had been removed from the register and de-escalated to the Operations Directorate risk register and that one risk (CR20 Failure to adhere to financial controls) had been reduced in rating from high to medium.
- 77.12.3. Members approved the PHA Corporate Risk Register as at 30 September 2012. Members also asked that when the Corporate Risk Register is reviewed at 30 December 2012 that suitable reference should be made to the audit report on the management of voluntary and community contracts.
- 78.12 **Item 6.2 Controls Assurance Update**
- 78.12.1 Miss Taylor presented an update to members on the Controls Assurance Standards arrangements for 2012/13. She said a process was underway for self-assessment of the controls assurance standards, within the required timescales.
- 78.12.2 She advised that PHA was awaiting confirmation from DHSSPSNI of the remaining standards to be externally verified.
- 78.12.3 Miss Taylor asked the GAC committee to note the process being adopted to take forward the controls assurance agenda for the PHA for the period 2012/13.

- 78.12.4 Members noted the control assurance update.
- 79.12 **Item 6.2 – Corporate Business Plan Requirement Update**
- 79.12.1 Miss Taylor gave a verbal update on the new departmental requirements for Corporate Business Plan. She advised that the development of the PHA is required to produce by March 2013 an approved annual Corporate Business Plan, in line with the Management Statement and complying with new DHSSPS objectives.
- 79.12.2 Miss Taylor said that the paper setting out the requirements and timescales for the corporate business plan 2013/14, and the proposed process for developing and approving the PHA Corporate Business Plan to meet these new requirements and encompass PHA priorities within the required timescale would be included on the agenda at the PHA board meeting on 20 December for noting.
- 79.12.3 Members noted the business plan requirement update.
- 80.12 **Item 6.4 Governance Statement**
- 80.12.1 Miss Taylor advised members that it is the DFP's intention to replace the Statement of Internal Control (SIC) with a Governance Statement for the 2012-13 financial year. She added that the DHSSPS has not issued any further guidance to date.
- 80.12.1 Members noted the governance statement.
- 81.12 **Item 7 – Internal Audit Progress Report**
- 81.12.1 Mrs McKeown gave a summary of the progress report; this included the management of voluntary and community organisations contracts, which included 4 visits to 4 voluntary organisations.

81.12.2	Internal Audit provided limited assurance on the system of internal controls over the PHA management of voluntary and community organisation contracts with 4 priority 1 weaknesses identified.	
81.12.3	This assurance was provided on the basis that payment approval documents were not being consistently retained on files, that contract files were being retained in an inconsistent manner and that contract addendums were not always available for review and material funding being provided to organisations which had not been utilised.	
81.12.4	During discussion all members expressed concern at the findings of the audit report. Mr Mahaffy queried that if these issues were identified in the sample of contracts examined, were they present in other contracts to the same extent.	
81.12.5	Members discussed the management response to the audit findings and agreed that they did not reflect the seriousness of the issues identified, and gave the impression of a culture that did not give sufficient weight to the appropriate management of comments.	
81.12.6	Mr Pitt queried whether these findings were more widespread as only 4 voluntary and community organisations had received a visited by Internal Audit. He suggested to members that further visits on a smaller scale be arranged to ensure the committee that there are basic controls in place.	
81.12.7	Members also specially recommended that the Director responsible should be requested to attend the next GAC for this item. The Committee requested the Chair write to the Chief Executive	Chair
81.12.8	Mrs Erskine summed up the discussions, she thanked Mrs McKeown for a thorough report, but stated that the committee could not accept the management responses as they stood. Members agreed that the report should be sent back to senior management, with the following brought back to the next GAC meeting:	

1. Revised management response including the names of the responsible managers
2. An action plan with associated progress report
3. Relevant Director to attend the next GAC meeting.

81.12.9 Miss Taylor tabled a summary report on manager's self-assessment of progress with implementation of the Internal Audit recommendations as at December 2012.

81.12.10 Members noted the progress report with one minor change to the colour coding.

R Taylor

81.12.11 The Committee also asked that consideration be given to including actions to address audit findings in officer's personal objectives and to be followed up through the staff appraisal system.

81.12.12 Mrs McKeown outlined the remaining two reports carried out during this period, Risk Management and Governance Arrangements 2012/13 and Performance Management. Members noted these two reports. Mrs McKeown also advised members that as the PHA had no claims, she proposes removing this audit from the 2012/13 audit plan. Members accepted the proposal.

82.12 **Item 8.1 - Report to those charged with Governance Progress Report**

82.12.1 Mr Cummings presented the PHA progress report to those charged with governance as at November 2012 to members and summarised the report to members.

82.12.2 Members noted the report.

83.12 **Item 8.2 – BSTP Update**

83.12.1 Mr Cummings presented the BSTP update to members. He expressed his sincere thanks especially to finance and operations staff for all the extra work in implementing the new Finance, Procurement and Logistics (FPL) system which is part of the Business

Services Transformation Project during November.

- 83.12.2 Mrs McCaig said the paper set out the verification testing process followed, issues identified and the current position.
- 83.12.3 Mrs McCaig added the Finance Directorate has been working with the Central BSTP project team since December 2011.
- 83.12.4 Mrs McCaig said there are a number of additional issues which have been identified since the Go-Live date of 5 November, and which have been or are in the process of being rectified within the system. She said that the majority of these relate to the E-Procurement System and that these are being progressed by BSO PALS, the Central Team and the developers.
- 83.12.5 Mr Cummings advised members that plans for 3 of the HSC Trusts to Go-Live this weekend had been suspended.
- 83.12.6 Miss Taylor said she had concerns regarding the HRPTS system, which is planned to go live in December 2012. Mr Cummings added that he would strongly challenge proposals for early implementation of payroll through the new system until he could be assured that financial stability would be achieved.
- 83.12.7 Members noted the BSTP update.
- 84.12 **Item 9.1 - Patient and Client Experience Standards  
Emergency Department Report**
- 84.12.1 Mrs Murphy presented the QIP annual report to members, drawing attention to the key areas covered;
- Infection Rates
  - World Health Organisational Surgical Checklist
  - Venous Thromboembolism Prophylaxis
  - Reduction of Crash Call Rates
  - Pressure Ulcer Prevention

- Falls Reduction in Secondary Care

84.12.8 She gave an overview of the key findings of the report and the areas which needed improvement and action.

84.12.9 Mr Mahaffy highlighted and members agreed that further information should be requested to address the small sample sizes and variable response rates and the different methodologies used with no stated rationale. Mrs Murphy agreed to raise these issues with the Director of Nursing.

Mrs Murphy

84.12.10 Members noted the report.

### 85.12 **Item 9.3 - Learning from Serious Adverse Incidents**

85.12.1 Mrs Murphy presented the Learning from Serious Adverse Incidents report for the period April 2012 – September 2012 to members.

85.12.2 Mrs Murphy gave an overview of the main findings of the report, the key regional learning, and action taken and proposed from SAIs reported to the HSCB. She advised that 280 SAIs are reported to the HSCB. She added that the report had made recommendations to be taken forward and a number of training and learning events are being organised. She added work is on-going to assist in the review of the management of SAIs.

Members expressed concern that the numbers reported were low. Mrs Murphy explained that the report deals with serious adverse incidents only; Trusts deal with adverse incidents internally. This is being actively kept under review

Both reports will be brought to the PHA board meeting in December.

85.12.3 Members noted the report.



86.12

**Item 10 – Date of next meeting**

Date: 7 February 2013

Time: 1:00 pm

Venue: Conference Room,  
18 Ormeau Avenue,  
Belfast.