

**Minutes of the Governance and Audit Committee
Thursday 7 February 2013 at 1:00pm
Held in the PHA, Conference Room,
18 Ormeau Avenue, Belfast, BT2 8HS**

Present:

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

In Attendance:

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| Mr Ed McClean | - Director of Operations |
| Miss Rosemary Taylor | - AD Planning & Operational Services |
| Mr Paul Cummings | - Director of Finance, HSCB |
| Miss Mary McMahan | - Chair, PHA |
| Mr Martin Pitt | - Pricewaterhouse Coopers |
| Mr Mark Anderson | - DHSSPSNI |
| Mr David Charles | - Internal Audit, BSO |
| Mr Gary Christie | - NI Audit Office |
| Dr Carolyn Harper | - Director of Public Health (for Item 7) |
| Mrs Cathy McAuley | - Secretariat |

Apologies:

- | | |
|-----------------------|--------------------------|
| Mr Thomas Mahaffy | - Non-Executive Director |
| Mrs Mary Hinds | - Director of Nursing |
| Mrs Catherine McKeown | - Internal Audit, BSO |

1/13 | Item 1 – Apologies

- 1/13.1** Mrs Erskine welcomed everyone to the meeting. She noted apologies from Mr Thomas Mahaffy, Mrs Mary Hinds and Mrs Catherine McKeown. Mrs Erskine added Alderman Paul Porter would be joining today's meeting at 2pm and that Dr Carolyn Harper would be in attendance for item 7 on today's agenda.

- 2/13** **Item 2 – Declaration of Interests**
- 2/13.1** Mrs Erskine asked if anyone had interests to declare relevant to any items on the agenda. None were declared.
- 3/13** **Item 3 – Chair’s Business**
- 3/13.1** Mrs Erskine briefed members on various events which she had attended since the last GAC meeting.
- Equality and Diversity Training
 - Booked to attend Procurement Training
 - Attended the Audit chairs meeting
- 3/13.2** Mrs Erskine advised that according to the revised code of conduct and code of accountability members could not be members of both the GAC committee and the Remuneration committee. This is causing problems in ensuring committees are quorate. Members agreed they were unable to see conflict of interest given the remit of the remuneration committee.. Mr Cummings agreed to write to the Director of Finance at the DHSSPS asking for clarification.
- 4/13** **Item 4 – Minutes of the GAC Meeting held on 13 December 2012**
- 4/13.1** Members agreed the minutes of the GAC meeting held on 13 December 2012 as an accurate record of the meeting.
- 5/13** **Item 5 – Matters Arising**
- 5/13.1** 76/12.1 – Internal Audit Strategy, Charter and Terms of Reference for IA Partnership Forum
The minutes of this meeting were circulated to members for information.

Mr Cummings

- 5/13.2** 81/12.7 – Internal Audit Progress Report
Mrs Erskine advised she had written to the Chief Executive on 19 December 2012.
- 5/13.3** 81/12.10 - Internal Audit Progress Report
Miss Taylor advised the minor change to the colour coding had been completed.
- 5/13.4** 84/12.9 – Patient and Client Experience Standards Emergency Department Report
Mrs Erskine advised Mrs Murphy had raised the issues emanating from discussion at the last meeting with the Director of Nursing.
- 6/13** **Item 6 – Information Governance Action Plan Update**
- 6/13.1** Miss Taylor presented the PHA Information Governance Action Plan to the meeting for noting.
- 6/13.2** Miss Taylor advised that good process is being made across all action, with the exception of;
- Register of Data Access Agreements for all requests to access PHA data by third parties
 - Develop a register of Information Assets and Risk Assess.
- 6/13.3** Miss Taylor said progress was slower than anticipated however it is now expected that the respective Information Asset Owners will have the work completed by 31 March.
- 6/13.4** Miss Taylor said progress was also slow in respect of Records Management and the review of legacy files being held in storage. She added that IAOs and managers needed to be involved in determining if records are to be retained or disposed of. Members acknowledged this was a significant challenge to meet this deadline. The committee emphasised the importance of completing this work by 31 March.

- 6/13.5** Members noted the Information Governance Action Plan Update.
- Alderman Paul Porter joined the meeting at 2 pm.
- 7/13** **Item 6.1 – PHA Data Protection and Confidentiality Policy**
- 7/13.1** Miss Taylor presented the PHA Data Protection and Confidentiality Policy for approval.
- 7/13.2** Members approved the PHA Data Protection and Confidentiality Policy subject to a minor amendment.
- 8/13** **Item 7 – Action Plan for Management of Voluntary & Community Organisation Contracts**
- 8/13.1** Mrs Erskine welcomed Dr Harper to the meeting.
- 8/13.2** Mrs Erskine advised Dr Harper that GAC received and considered the Internal Audit Report on PHA Management of Contracts with Voluntary and Community Organisations 12/13 on 13 December 2012 and were concerned with the management responses provided.
- 8/13.3** Mrs Erskine added that given the seriousness of the report, and reflecting the levels of concern expressed by members, taking account of the comments of the External Auditor, NI Audit Office and the Director of Finance, the committee asked that an action plan should be drawn up to address the recommendations.
- 8/13.4** Dr Harper said the Internal Audit report had provided a valuable insight into the current processes. Dr Harper added that the report's findings had been examined and the implications taken very seriously by the Chief Executive, Director of Public Health, Assistant Director and all Health Improvement staff in all offices of the PHA.

8/13.5 Dr Harper advised members a workshop had taken place on 15 January 2013 and that many actions contained within the report had already been completed and that other work was underway and this was being monitored very closely with the appropriate tracking systems in place in local offices and she added all contracts had been reviewed. Dr Harper added that reviews had been completed and all significant changes in process have been implemented and a new business process manual has been developed. Copies of the manual were tabled for information.

8/13.6 Members expressed concern that important variants of information and detail were missing from the action plan for example the various levels of meetings being held and the training which had been received. Alderman Paul Porter questioned if the issues identified in the sample of contracts audited by Internal Audit were symptomatic of wider problem Dr Harper replied that various levels of meetings with Heads of Health Improvement and Assistant Directors to review progress were taking place on a fortnightly basis.

8/13.7 Mrs Erskine welcomed the development of the business process manual however she expressed concern that Finance and Operations had not been consulted and asked that this be taken forward. .

8/13.8 Mr McClean tabled a more detailed Operations Directorate Plan detailing the actions required, the timescale and milestones in respect of recommendation falling to Operations Directorate.

8/13.9 Mrs Erskine summed up the discussions and members asked that;

8/13.10 A further revised management action plan including detail of actions taken including training given to staff, the level of various meetings held and timescales be brought back to the next GAC

Dr Harper

meeting. The action plan should incorporate both Health Improvement and Operations actions.

8/13.11 Mr Charles advised that Internal Audit will be auditing progress in implementing recommendations as part of the year end follow up of all audit reports. External Audit have also included this in their audit plan.

Members noted the action plan subject to recommendations.

9/13 **Item 7.1 – Internal Audit Progress Report**

9/13.1 Mr Charles advised members that two audit progress reports would be available for the April GAC meeting, the Financial review and Post Project Evaluation and Controls Assurance Standards will be completed before end of March.

9/13.2 Mr Charles presented a Circular “Public Sector Internal Audit Standards (PSIAS)” and the summary of the CIPFA Internal Audit Benchmarking report to members for noting.

9/13.3 Members noted the (PSIAS) Circular and the CIPFA Internal Audit Benchmarking report.

10/13 **Item 8 – Fraud Liaison Officer Update**

10/13.1 Mr Cummings gave a verbal briefing of the report which as of 6 February 2013 detailed no new cases of actual or suspected fraud since the last report. Mr Cummings said a investigation of a suspected counter fraud was launched at lunchtime today. He said he was unable to disclose any further information at this time but would report back on this at the next meeting.

Mr Cummings

11/13 **Item 8.1 – Final Accounts Timetable**

11/13.1 Mr Cummings presented the Timetable for the Annual Accounts and Report Process to members

for noting.

11/13.2 Mr Cummings advised the DHSSPS had issued a circular setting out the timetable for Statutory reporting, auditing, laying and publishing process for 2012/13 covering Annual Accounts, Governance Statement, and the Annual Report.

11/13.3 Mr Cummings added there were some changes to the reporting requirements since the previous year, namely the consolidation of the Annual Report into the Annual Accounts and the change to the Governance Statement replacing the previous Statement of Internal Control (SIC).

11/13.4 Discussion took place regarding best practice for Audit Committees to consider draft final accounts prior to submission to NIAO and it was suggested the next GAC was deferred to May. Members agreed the proposed April meeting was necessary to consider the draft Governance Statement and Annual Report prior to the PHA board meeting. It was agreed that Mr Cummings would send members a copy of the draft accounts at the same time as submitting to NIAO. If necessary a special GAC meeting will be held prior to the May board meeting.

11/13.5 Members noted the Accounts Timetable.

12/13 **Item 9 – External Audit: PHA Audit Strategy**

12/13.1 Mr Pitt presented the PHA Audit Strategy to members for noting and gave a verbal update on the audit approach and highlighted the four significant risks Voluntary Organisations, Reliance on third party organisations, BSTP and procurement.

12/13.2 Members noted the Audit Strategy.

- 13/13** **Item 10 – Business Services Transformation Project Verbal Update**
- 13/13.1** Mr Cummings and Mr McClean gave a verbal update to members on the BSTP project and the user’s perspective to date. They advised this was currently on the PHA Corporate Risk Register as a ‘high risk’. Mr Cummings advised he had written to the Director of Finance, BSO requesting a meeting but has not received a response to date.
- 13/13.2** Members noted the update.
- 14/13** **Item 11 – Board Governance Self-Assessment Tool for All DHSSPS Sponsored ALBs**
- 14/13.1** Mrs Erskine presented the Board Governance Self-Assessment Tool to members for noting and advised that an initial response had been made to the DHSSPS setting out some queries and concerns. Mrs Erskine advised that the Self Assessment tool has now been formally issued to all HSC organisations, to be completed and submitted to DHSSPS by 30 April. .
- 14/13.2** Members noted the Board Governance Self-Assessment Tool.
- 15/13** **Item 12 – Audit Committee Self-Assessment Checklist**
- 15/13.1** The Chair presented the Audit Committee Self-Assessment Checklist to members for noting. She advised slight changes had been incorporated and the document was not to be submitted to DHSSPS until September 2013.
- 15/13.2** Members approved the changes subject to two minor amendments.

16/13

Item 13 – Date and Time of next meeting

Date: 15 April 2013
Time: 9:30am
Venue: PHA Conference Room
18 Ormeau Avenue
BELFAST
BT2 8HS