

**Minutes of the first meeting of the Public Health Agency
Governance and Audit Committee held at 2pm on
Monday, 29 June 2009 in the Public Health Agency,
Ormeau Avenue Unit, 18 Ormeau Avenue, Belfast, BT2 8HS**

PRESENT:

Mrs J Erskine	-	Non-Executive Director
Mr T Mahaffy	-	Non-Executive Director
Mr S Nicholl	-	Non-Executive Director
Mr R Orr	-	Non-Executive Director

IN ATTENDANCE:

Mr P Cummings	-	Director of Finance, HSC Board
Ms A Kane	-	Audit Manager, Northern Ireland Audit Office (NIAO)
Colin Langford	-	Chief Internal Auditor, BSO
Mrs Anne Madill	-	Governance Co-ordinator, HSC Board
Martine Mateer	-	Secretariat
Mr E McClean	-	Director of Operations, Public Health Agency
Marie McCloskey	-	Finance and Administration Manger, BSO
Catherine McKeown	-	Head of Internal Audit, BSO
Mr T Woodhouse	-	Director, Northern Ireland Audit Office (NIAO)

Welcome

The Director of Operations, acting as Interim Chair until item three on the agenda, welcomed the Non-Executive Directors and representatives from internal and external audit to the meeting.

GA01/09 **Terms of Reference**

Mr McClean explained that the Terms of Reference for the Governance and Audit Committee were derived from the Standing Financial Instructions. He highlighted sections 1.2.1 to 1.2.3 which laid out the roles of the Board and Governance and Audit Committee in internal control and governance.

Mr Woodhouse indicated that NIAO are satisfied with the Terms of Reference which are in standard format.

Mr McClean drew members' attention to Section 1.4 which includes the provision for the appointment of lay members. Mr Woodhouse pointed out that this provision could be invoked if the members felt that there was an absence of financial skills on the Committee.

In response to a query from Mr Mahaffy on how the process would take place, Mr Woodhouse advised that DHSSPS would be able to assist if the Committee decided to go ahead with an appointment. The Committee agreed to wait until further meetings have taken place before making any decision.

The process of external audit of the Public Health Agency (PHA) was outlined. NIAO is responsible for auditing all public bodies in Northern Ireland but because of the size of the task, some work, including the audit of the PHA is contracted out. NIAO retain responsibility for sign off of the annual accounts even when an audit is contracted out. The audit of the HSC Board and the PHA will go out to public tender as one package. It is expected that external auditors will be appointed in the autumn and a strategy will be presented to the Governance and Audit Committee in January/February 2010. After the audit of accounts, findings and recommendations will be presented in a draft report to those charged with governance. The final version

is issued after the annual accounts have been signed. Representatives from the NIAO would like to be invited to all planning and results meetings.

The Governance and Audit Committee will meet four times each year.

It was highlighted that a sub-committee will be responsible for dealing with complaints.

The Terms of Reference were noted.

Nomination of Chair

Members nominated Mrs Erskine to act as Chair.

GA02/09 Statement of assurance from HPA audit committee

Members noted a statement of assurance provided by the Audit Committee of the legacy organisation, the Health Promotion Agency (HPA) in line with DHSSPS requirements.

GA03/09 Draft Report to those charged with governance External audit report for HPA 2008/9

Ms Kane apologised for the late issue of the report. Only one significant risk has been highlighted in the report. This was the late confirmation of funding allocations from DHSSPS to HPA. This issue will be included in the audit report of the DHSSPS Resource Accounts. Although the amount of money involved may not be material in terms of the Public Health Agency budget, the main concern is that funding is confirmed on time.

HPA had met the break even financial target and achieved the level required in the controls assurance standards. NIAO reported a clean audit opinion and thanked the staff of the HPA for their work in producing the annual accounts.

Staff of the former HPA left the meeting while the external auditors and Members of the Committee discussed the annual accounts.

GA04/09 HPA annual accounts 2008/9

Ms McCloskey from the legacy organisation, HPA presented the annual accounts. Funding allocations from DHSSPS and subsequent expenditure were in line with amounts received in previous year. Debtor and creditor figures include provision for Voluntary Early Retirement payments to be made as a result of the Review of Public Administration. This expenditure will have no impact on the PHA's expenditure as funding is provided by DHSSPS to cover costs.

In response to a query from Mr Nicholl, Ms McCloskey explained that the research and evaluation projects listed in the appendix were not all contracted out but included work such as the Confidential Enquiry on Maternal and Child Health (CEMACH) and the Neonatal Intensive Care Outcomes, Research and Evaluation Group (NICORE).

Members agreed to recommend the accounts to the Board for approval.

GA05/09 HPA annual report (draft) 2008/9

Ms McCloskey presented the annual report of the HPA which contains a brief summary of activity carried out during 2008/9 and information including key performance indicators for the PHA. The document is designed to fulfil basic requirements of DHSSPS. In future years, it will be up to the Board to determine the style of the report and whether they wish to use it as a PR tool.

It was agreed that the signature of the PHA Chief Executive should be included at the front of the report as well as the signature of the Chief Executive of the HPA.

Mr Orr commended the HPA on the low levels of sickness absence and the achievement of ISO quality management

accreditation, particularly at a time when staff morale was low throughout the Health Service.

Members agreed to recommend the report to the Board for approval.

GA06/09 Corporate Risk Register (Draft)

Ms Madill joined the meeting to present the Risk Register Paper. A number of control elements are required to be in place by September 2009 so that the Chief Executive can sign a mid-year assurance statement.

Risk registers from the legacy organisations have been collated as a starting point in establishing a PHA register but there are variations in the approach adopted by each. The process for PHA will involve working with teams of staff in workshops to identify and prioritise significant risks.

An action plan will be directed by the Governance and Audit Committee.

Ms Madill confirmed that the exercise is being carried out in conjunction with the HSC Board. Mr Cummings highlighted that one of the biggest challenges is the timescale involved as staff are unlikely to be in post in time to carry out the work required.

The Committee noted the contents of the paper and approved the process as outlined in Stage two.

GA07/09 Internal audit plan 2009/10

Mr Langford presented the draft internal audit plan for 2009/10. A total of 186 indicative audit days has been included but it is difficult to estimate how much time will be required until the work has been fully scoped.

Mr Cummings expressed concern that too many audit days have been included as the internal audit should be viewed in the context of the other two HSC organisations, HSC Board and BSO who will provide financial functions to the PHA.

Mr Langford emphasised to the Committee that a watching brief will be kept on the plan as it is regularly reviewed.

The Committee was assured that funding for the work is secure within BSO.

The Committee approved the plan on the understanding that it is a working document at the moment.

Any other business

Mr Cummings reported that he has arranged training for Board members on the role of the Governance and Audit Committee and assurance framework. It will be held in Malone House, Belfast on 29 September 2009.

Items that will be referred to the Board

Terms of reference of the Governance and Audit Committee – for approval at August meeting

Draft Report to those charge with governance – for noting at confidential session of July meeting

HPA annual accounts 2008/9 – for approval at July meeting

HPA annual report 2008/9 – for approval at July meeting

Minutes of Governance and Audit Committee meeting held on 29 June 2009 –for noting at confidential session of July meeting

Date and time of next meeting

The next meeting of the Governance and Audit Committee will be held at 12 noon on Tuesday 15 September 2009 in the Public Health Agency, Ormeau Avenue Unit, Belfast.

Signed:_____ (Chair) Date:_____ |