



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

HSE Audit & Risk Committee Meeting

Minutes

A meeting of the HSE Audit & Risk Committee was held on Friday 11th December 2020 at 08:00 via videoconference.

Members Present: Ann Markey, Brendan Lenihan (Vice Chair), Fergus Finlay, Fiona Ross, Pat Kirwan, Colm Campbell, Martin Pitt.

Joined the meeting Sarah McLoughlin (item 4.3), Deirdre Madden (from item 4.3 and 6), Tim Hynes (item 6), Yvonne Traynor (item 6)

HSE Executive Attendance: Patrick Lynch (ND Quality Assurance and Verification), Geraldine Smith (ND Internal Audit), Stephen Mulvany (CFO), Mairead Dolan (ACFO), Anné Marie Hoey (ND HR) (item 8) Dara Purcell (Corporate Secretary), Hannah Barnes.

Minutes reflect the order in which items were considered and are numbered in accordance with the original agenda.

2. Governance and Administration

The Vice Chair welcomed Committee members to the meeting and held a private session to consider the agenda and papers for the meeting and the approach to conducting the meeting. Ann Markey agreed to formally act as Committee chair for the purposes of signing the minutes at this meeting and then asked the Vice Chair to handle the conduct of the meeting.

No conflicts of interest were declared.

The Committee approved the minutes of the 13th November, 2020.

2.4 2021 Draft Workplan

The draft workplan as circulated was reviewed. It was agreed to include GDPR to the Committee's work plan early in the year, noting that the DPO is currently working on the organisation's Data Retention Policy. The workplan as amended was approved as a working document noting changes will be made as required during the year.

3. Accounting, Financial & Governance Reporting

3.1 Special legislative Accounts

The ACFO briefed the Committee on the Special legislative accounts which had been circulated in advance of the meeting. The Committee noted that the Hepatitis C Insurance Scheme Accounts, the Long Stay Repayments Account, and the Long Stay Donations Fund had been submitted to the C&AG for audit on 4th June 2020 in accordance with the legislative requirement. These accounts have now been audited by the C&AG and are now ready to be brought to the Board for final approval and signature. The Committee noted that the Board approved that the CEO could sign these accounts and the Letter of Representation for the 2018 Accounts and that the same process will be followed for the 2019 accounts.

In response to discussion regarding administrative expenditure costs in the Long Stay Repayments Accounts in particular which appear significant compared to the cost of repayments from the account, the CFO was requested to examine if some of these costs should be redistributed and to provide a briefing note to the Committee in the new year.

The ACFO also briefed the Committee on the 2019 National Patient Private Property Accounts which were circulated in advance of the meeting. She informed the Committee that the accounts had been finalised and remain unchanged to the draft previously reviewed by the Committee in June of this year, however the SIC is now included at page 3 of the document.

The ACFO highlighted that a suspected fraud was discovered in late December 2019 relating to the disbursement of cash in one of the Dublin care centres. The amount involved is in the order of €450 and the matter is being investigated by An Garda Síochána.

The Committee approved the four Special legislative Accounts and recommended that they be presented to the Board.

Action:

- The CFO was requested to examine if the HSE administration costs for both the Repayment Scheme and Hep C scheme should be redistributed and to provide a briefing note to the Committee.

3.2 YTD Expenditure Report

The Committee reviewed with the CFO the YTD expenditure at the end of October 2020 and the estimated COVID-19 costs incurred up to close of business on Friday 27th November. The CFO

informed the Committee of the €514m supplementary that was approved by the Dáil on December 9th and advised that the DoH would be providing an additional €22 million. The Committee noted that it is currently anticipated that the end of year financial outturn will likely be close to breaking even. In response to questions from the V/Chair in relation to the formal sanction for the PPE expenditure, the CFO said he is satisfied this will be formally communicated soon and that it has been referenced by the Minister in the Oireachtas Select Committee when considering the supplementary estimate. It was agreed that the CFO will bring a paper on this to the next full Committee meeting.

The CFO provided a Sanction Report document for comment and guidance to the Committee. The committee suggested that the CFO consider a traffic light tracker for sanctions be included at the start of the document. The CFO agreed to bring a paper on financial strategy risks which are all linked to delivery to a committee meeting early in the new year.

Actions:

- A paper on financial strategy risks which are linked to delivery is to be brought to the Committee in the New year.

5. Internal Controls

5.2 Fraud Policy

ND HR joined the meeting at 9:02.

The ND HR briefed the Committee on the updated Policy on Fraud and Corruption. The policy provides a framework for responding to suspicions of fraud or corruption. The Committee noted that new additions to this policy include a specific section on supporting employees who suspect fraud and a section on red flags around fraud.

In relation to the revisions to the Fraud Policy the following issues were raised by the Committee for further consideration and return to the Committee in February 2021:

1. The Committee considered if it was appropriate for the policy to explicitly state that it was applicable to funded voluntary organisations (S38s and 39s organisations) and requested this be considered by ND HR with EMT cognisant that the relationships with S38 and S39s differs and are underpinned by Service levels arrangements/agreements.
2. The Committee considered the issue of corruption and bribery when dealing nationally and internationally - example discussed related to procuring resources internationally and

suggested that it should be formally documented in the relevant HSE policy(s), such as HSE procurement policies, that bribery and corruption are explicitly not permitted. The CFO undertook to revert to the Committee on this matter.

3. The Committee asked that their responsibilities be reflected in one section of the policy rather than several references in different parts of the policy. The Committee noted the approval of the Fraud policy is delegated to it as part of its terms of reference from the Board. The final updated policy will come back to the Committee for approval.

In response to queries, the ND HR said that a separate policy would be a more appropriate place for cybercrime training when asked by the Committee.

Action:

- A review of the application of the policy within funded agencies be considered by senior management.
- It should be formally documented in the relevant HSE policy(s), such as HSE procurement policies, that bribery and corruption are explicitly not permitted.
- The final updated policy will come back to the Committee for approval

4. Internal Audit

4.1 ND IA Report

Deirdre Madden and Sarah McLoughlin joined at 10:15

The ND IA spoke to the Internal Audit Report which had been circulated in advance of the meeting. The Report contained the Q3 Activity Report, Q3 Internal Audit Dashboard, Q3 Key Internal Audit Reports issued, Q3 Summary Internal Audit Reports issued, and the HSE Draft Annual Audit Plan 2021.

The ND IA informed the Committee that as of the 30th of September 29 reports were issued, 3 of which related to TUSLA. Included in the 26 HSE related reports issued in Q3 were 3 follow-up audit reports and 3 reports issued in respect of funded agencies. Overall this brings the total number of reports issued year to date to 76. The ND IA noted that overall 39% of the audit opinions in the Q3 reporting assessed the control environment as "Unsatisfactory" (9 reports), 13% as "Limited" (3 reports), 26% as "Moderate" (6 reports), and 22% as "Satisfactory" (5 reports).

The ND IA highlighted four key reports to the Committee and discussion took place in relation to audit findings concerning Travel & Subsistence - Home to Work base issues. The CFO indicated he will have a structured assessment of this issue and its underlying causes and potential solutions

carried out and considered by EMT. The ARC has accepted this proposed approach and made explicit its view that there is a need to make clear to the system that such arrangements are not appropriate.

The Committee queried HSE's role in drawing the Charity Regulator's attention to any issues of concern arising in relation to Funded Agencies which are charities, including the findings of any Internal Audit reports. The Committee consider it incumbent on the HSE to draw the Regulator's attention to any such concerns. The ND IA informed the Committee that HSE's Compliance Unit has had previous engagement with the CRA in relation to this matter. The Committee requested that the previous engagement with the CRA be progressed with the objective of establishing an MOU between both organisations to share such information and that a paper setting out a plan and process (including timelines) for engagement with the CRA on this matter be provided to the Committee.

The Committee noted that the draft audit plan 2021 contains 263 audits (risk rating: 191 high, 72 medium). Each of the 263 audits contained in the draft plan is linked to at least one HSE Corporate Goal and are linked to the Boards priorities. The Committee approved the HSE Annual Audit Plan 2021

Actions:

- It was agreed the CFO will have a structured assessment of the audit finds concerning Travel & Subsistence - Home to Work base issues and its underlying causes and potential solutions carried out and considered by EMT.
- Compliance Unit (National Services) to progress the previous engagement with the CRA with the objective of establishing an MOU between both organisations to share such information and that a paper setting out a plan and process (including timelines) for engagement with the CRA on this matter be provided to the Committee.

4.2 Internal Audit Report on GMI

The ND IA briefed the Committee on the Internal Audit Report on GMI which had been circulated in advance of the Committee meeting. The HSE Internal Audit Division was tasked by the Committee to gather information from both Statutory and Voluntary Hospitals in respect of their arrangements with Genomics Medicine Ireland to provide the Committee with an understanding of the number of arrangements in place with GMI and the nature and governance of those arrangements including the assurance frameworks in place within hospitals to ensure adherence with Data Protection legislation including patient consent for the provision of personal data. This scoping work was requested by Committee in February this year on foot of concerns about data protection compliance.

The Committee noted that the report was prepared solely based on information provided by the hospitals in their responses to the Information Request and that the Internal Audit team did not carry out any verification exercises on the data received. The ND IA informed the Committee that as part of this Report, HSE Internal Audit also commissioned Deloitte to conduct an assessment on a sample of hospital documentation linked to their arrangements with GMI in terms of their compliance with the requirements under General Data Protection Regulation.

The Committee commended the HSE Internal Audit function on compiling a very useful report that scopes this issue in terms of scale and nature of the issues identified. It was noted that there is no overarching policy for this type of research which is a key role for the HSE to fill. Concern regarding the Ethics committee in the hospital groups was also raised. It was agreed that Ana Terres from HSE Research would be asked to present to the Committee on this topic.

During discussion of the report the prospect of suspension or other interruption of the operation of these arrangements was raised, until HSE can satisfy itself that these arrangements are fully compliant. In addition, the Committee expressed the view that HSE could benefit from some clarity about whether any data breaches have arisen (as opposed to potential non compliances) as this carries with it reporting obligations with statutory authorities.

The Committee decided to refer the report to the EMT to bring forward, at an early point, a plan to deal with the concerns raised in it. This plan should cover the short, medium and longer term changes that are needed. Given the significant concerns about data protection compliance expressed in the report, the Committee will ask the EMT to specifically address what can be done to address the near term position.

Action:

- The Committee decided to refer the report to the EMT to bring forward, at an early point, a plan to deal with the concerns raised in it
- Ana Terres from HSE Research will be asked to present to the Committee on the topic of Genomics Medicine.

6. Risk Management

6.1 Corporate Risk Register Q3 and review of non COVID Risks on the CRR in advance of the December Board Meeting

The Chairpersons of the other Board Committees joined for consideration of this item – Deirdre Madden, Yvonne Traynor and Tim Hynes .

The ARC and Committee Chairs reviewed the risks as set out in the October 2020 version of the Corporate Risk Register [CRR], excluding 5 COVID 19 risks which will be the subject of review by the joint ARC/ S&Q Sub Group on the 15th December 2020.

1. Committee Feedback

Safety and Quality Committee Oversight

CRR 9: HCAI/ AMR: This risk has remained at highest level rating [5 x 5 = 25] for a long time. With increased investment, national programme and other mitigating actions has this not impacted on the likelihood or impact of the risk?

CRR 18: Policy and legislation: Information was sought on why the rating had been reduced from [4 x 3 = 12 to 3 x 2 = 6]. Need to see evidence of how the 'Oversight Agreement' which is the only amended action has impacted on this rating.

It was recommended that someone at EMT level have responsibility for policy/ legislation horizon scanning and assessing implications for the health service.

People and Culture Committee Oversight

CRR 10 Recruitment and CRR 14 Delivering Transformation: Realignment of these risks was suggested as there is an overlap between CRR 10 Recruitment and CRR 14 Delivering Transformation and the associated actions.

Performance and Delivery Committee Oversight

No issues were raised at the Committee meeting in relation to the reassessment of risks assigned and considered by the P and D Committee.

Audit and Risk Committee Oversight

CRR 26: Brexit: Given that the CRR October Review will be considered by the Board in the context of a potential 'no deal' position, the Board should receive an update briefing on the current position at its December meeting.

CRR 23: Business Continuity Management: The ARC will seek a more detailed briefing on the BCM risk at a future meeting.

Other ARC risks: The remaining ARC risks have been reviewed by the ARC at recent meetings.

NSP 2021: The ARC advised that while the NSP 2021 was developed having reviewed the Corporate Risk Register, there is an on-going need to ensure alignment between the CRR and the NSP.

2. New risks for consideration

Vaccine rollout risks

Second Pandemic risk: This risk has been raised by the Board and Committees on a number of occasions. While there are a number of COVID risks on the CRR this is a separate and independent risk in terms of probability (e.g. emergence of a second pandemic of a different origin).

Data Protection: A number of discussions at ARC on data protection refer to this general area, including data retention risks with sensitive personal data, and risks related to contractual relationships with Genomics Ireland, for example. This class of risks are coming to the fore in recent times.

Sustainability and Climate Change Risks. Executive should consider a plan to identify and address risks in this area. Much useful material from other organisations in this area.

Actions:

- The feedback provided by the ARC and other Board Committees should be considered in the context of finalising the CRR for approval at the December 2020 Board meeting.
- The V/Chair asked that the NSP is circulated to non Committee members for information

6.2 Risk Workshop with John Moody

The Committee held a workshop on HSE risk management, risk appetite and tolerance with John Moody who presented and discussed with the committee the findings of the Board and EMT's assessment of the current level of HSE's risk maturity and the target level of maturity, and Risk Appetite.

At the conclusion of the workshop it was agreed the report on the work carried out by J. Moody will be discussed in draft format by the Committee before it is finalised.

Actions:

- The report on the work carried out by J. Moody will be discussed in draft format by the Committee before it is finalised.

9. A.O.B

The meeting concluded at 13:05.

Signed: 

A/Chairperson

12.02.2021

Date