

MINUTES

**Minutes of the Governance and Audit Committee
Wednesday 12th April 2017 at 9.30am,
Fifth Floor Meeting Room, 12/22 Linenhall Street,
Belfast, BT2 8HS**

PRESENT:

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| Mr Brian Coulter | - Chair |
| Mr Leslie Drew | - Non-Executive Director |
| Mr Thomas Mahaffy | - Non-Executive Director |

IN ATTENDANCE:

- | | |
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| Mr Ed McClean | - Director of Operations |
| Miss Rosemary Taylor | - Asst. Director, Planning and Operational Services |
| Mrs Michelle Tennyson | - Asst. Director, Nursing and AHPs |
| Mr Simon Christie | - Asst. Director, Finance, HSCB |
| Ms Jane Davidson | - Head Accountant, HSCB |
| Mrs Catherine McKeown | - Internal Audit, BSO |
| Mr David Charles | - Internal Audit, BSO |
| Ms Catherine James | - NI Audit Office |
| Ms Christine Hagan | - ASM |
| Ms Megan Williamson | - ASM |
| Mr Robert Graham | Secretariat |

APOLOGIES:

- | | |
|--------------------|-----------------------------|
| Ms Deepa Mann-Kler | - Non-Executive Director |
| Mr Paul Cummings | - Director of Finance, HSCB |

		Action
15/17	Item 1 – Welcome and Apologies	
15/17.1	The Chair welcomed everyone to the meeting. Apologies were noted from Ms Deepa Mann-Kler and Mr Paul Cummings.	
16/17	Item 2 - Declaration of Interests	
16/17.1	The Chair asked if anyone had interests to declare	

relevant to any items on the agenda. No interests were declared.

17/17 Item 3 – Minutes of previous meeting held on 6 October 2016

17/17.1 The minutes of the previous meeting, held on 6 October 2016, were approved as an accurate record of the meeting, subject to two amendments.

17/17.2 In paragraph 6/17.24, the words "... to extend the Lifeline contract" were inserted at the end of the first sentence and in paragraph 10/17.1, Mrs McKeown suggested the last sentence read, "She said that guidance should be issued."

18/17 Item 4 – Chair's Business

18/17.1 Mr Coulter noted that there were three items on the agenda relating to Information Governance, and that there are legislative changes coming in due course which will see increased powers for the Information Commissioner's Office. He said that the potential for increased penalties and sanctions could place significant demands on public bodies, but he noted that some of PHA's recent work, particularly in the area of training, will ensure that its procedures are more robust.

19/17 Item 5 – Matters Arising

5/17.2 Child Death Overview Function

19/17.1 Mr Coulter asked if there was any further information regarding this. Mr McClean said that he anticipated that there would be a paper coming to the PHA Board regarding this, but that Mrs Hinds was awaiting some information from the Department of Health.

6/17.11 Lifeline Contract

19/17.2 Mr Coulter asked if there was an update on the decision regarding the Lifeline contract. Mr McClean explained that, in the absence of Minister for Health, there has

been no further progress.

6/17.27 Schemes of Delegated Authority

19/17.3 Mr Coulter said that he had raised this with the Chair and that this will form the subject of discussion at a future Board workshop.

20/17 Item 6 – Corporate Governance

PHA Assurance Framework 2017-19 [GAC/13/04/17]

20/17.1 Miss Taylor said that members will be familiar with the Assurance Framework as it is brought to the Committee twice a year. She highlighted the main changes and explained the rationale for these.

20/17.2 Mr Coulter asked about the frequency of reporting of learning lessons from SAIs. Miss Taylor said that she was awaiting clarification from the SAI team regarding this.

20/17.3 Mr Drew asked about the Equality Review report that was due to be completed in April 2016. Miss Taylor said that there had been a delay but this would be completed in April 2017.

20/17.4 Members **APPROVED** the PHA Assurance Framework which will be brought to the PHA Board meeting on 20 April.

*PHA Corporate Business Continuity Plan
[GAC/14/04/17]*

20/17.5 Miss Taylor advised members that the Business Continuity Plan (BCP) was tested as part of Exercise Cygnus, and that no major changes were required as a result of that exercise.

20/17.6 Mr Drew asked if there was a link between PHA's Business Continuity Plan and BSO's Disaster Recovery Plan. He asked if the BCP would still function if the IT service was down. Mr McClean said that PHA works

hand in hand with BSO, and that if their IT system were to fail, then not only PHA, but possibly the whole system would be vulnerable. He agreed that cyber security is a big issue.

- 20/17.7 Mr Drew said that the BCP focuses on disaster and the key services PHA needs to keep going. Mr McClean said that Health Protection is a priority area.
- 20/17.8 Mrs McKeown said that Internal Audit is becoming more interested in the area of cyber security. She said that initial findings suggest that this is an area that requires more work. Mr Coulter asked who would lead on this. Mrs McKeown said that she would link with BSO in the first instance, but that each organisation has its own responsibilities. Mr Drew said that BSO, as the ICT provider, would need to take the lead on this.
- 20/17.9 Mr Coulter asked what the main challenge is for Internal Audit. Mrs McKeown explained that at the moment Internal Audit have an IT Manager who specialises in this area, but if that member of staff were to leave, it would create a major gap in expertise.
- 20/17.10 Mr McClean thanked Miss Taylor and Mrs Carol Hermin for their work in preparing this revised plan. Mr Coulter noted that the locations where the Plan is stored are all the same, but Miss Taylor advised that there are plans kept in other PHA offices.
- 20/17.11 Members **APPROVED** the PHA Corporate Business Continuity Plan which will be brought to the PHA Board meeting on 20 April.

21/17 Item 7 – Information Governance

PHA Data Protection / Confidentiality Policy
[GAC/15/04/17]

- 21/17.1 Miss Taylor advised members that as there will be new Data Protection regulations in place from May 2018, a “light touch” review of the Policy was conducted, in advance of a more in-depth review next year. She said

that the main changes relate to the update of terminology and ensuring that the links with other policies are correct.

21/17.2 Mr Coulter asked how good PHA is at reviewing data in terms of its use. Miss Taylor acknowledged that this is an area in which PHA is continuing to learn. She said that while Good Management Good Records can be difficult to interpret, but that through the work of the Records Management Working Group, staff are being made aware of the correct procedures for disposal of information.

21/17.3 Mr McClean said that following the implementation of the new regulations, PHA will have to be more attentive in terms of how it processes information that is personally identifiable, as there needs to be a clear business need for retaining such information.

21/17.3 Mr Drew asked about the Information Governance Manager post. Miss Taylor explained that PHA had attempted to recruit for the post, but were unable to make an appointment, however, the post will be re-advertised as a Governance Manager post. Mr McClean added that PHA had also tried to link with HSCB, but there was no satisfactory outcome to the discussions.

20/17.4 Members **APPROVED** the PHA Data Protection / Confidentiality Policy which will be brought to the PHA Board meeting on 20 April.

Information Governance Action Plan 2016/17
[GAC/16/04/17]

21/17.5 Miss Taylor advised that the majority of the actions in the 2016/17 Information Governance Action Plan had been completed, however there were a few actions rated as “red”. She said that one of these related to the review of Information Asset Registers, however the delay in completing these had allowed for a more in-depth review to take place. The majority have now been reviewed with two outstanding. She added that

some outstanding issues were linked to this: risk assessments and a register of data access agreements.

- 21/17.6 Mr Drew said that the review of Information Asset Registers will become more important and he asked if PHA had given thought to how to better organise its information assets. He added that rather than looking back, PHA should look forward and see if there is an easier way of organising its assets. Miss Taylor said that the Registers are kept live, and she added that this year, bespoke Information Asset Owner training had been organised for senior PHA staff, which had given those staff a greater insight into dealing with Information Asset Registers.
- 21/17.7 Mr Drew said that Sharepoint is a useful tool. Miss Taylor said that PHA had begun to look at the use of an electronic records management system, but that with the forthcoming review of HSC structures, it was not an appropriate time to looking to develop a new system.
- 21/17.8 Members **NOTED** the Information Governance Action Plan 2016/17.
- Information Governance Action Plan 2017/18*
[GAC/17/04/17]
- 21/17.9 Miss Taylor presented the Information Governance Action Plan 2017/18 and said that following discussion at the last Information Governance Steering Group there is an increased focus on training, as this has been a particular issue. She said that there had been issues with regard to reporting, but it was hoped that there would be an improved system in place.
- 21/17.10 Miss Taylor gave an overview of other areas that will be looked at, for example, Data Sharing Agreements, Information Asset Registers and Privacy Impact Assessments.
- 21/17.11 Mr Mahaffy asked whether e-learning is the best type of training. Miss Taylor said that it had previously proved difficult to get people to attend face-to-face training.

She added that the training has been reviewed and that it is anticipated that it will now consist of two modules instead of four modules. Mr McClean said that he recognised that there are different learning styles and preferences, and that it is an ongoing challenge for management.

21/17.12 Mr Mahaffy said that Data Protection is a crucial area. Mr Coulter noted that NIAO had produced a report looking at training within the public sector and that the capacity of the public sector is starting to impinge on training. Mr Mahaffy said that training budgets are constantly being reduced.

21/17.13 Mr McClean said that PHA is open to new ideas for undertaking training. He said that this is a challenge for both Trusts and regional organisations.

21/17.14 Miss Taylor advised that the Action Plan will be monitored by the Information Governance Steering Group, with regular reports brought to the Governance and Audit Committee.

21/17.15 Members **NOTED** the Information Governance Action Plan 2017/18.

22/17 Item 8 – Internal Audit

IA Progress Report [GAC/18/04/17]

22/17.1 Mrs McKeown said that the first audit contained within the progress report related to finance, and that a satisfactory level of assurance was being given. She advised that there was one Priority 1 finding which related to Direct Award Contracts. She added that there were four Priority 2 findings, and that management had accepted all of the recommendations.

22/17.2 Mr Drew asked whether there were issues relating to procurement. Mrs McKeown said that the issue was related to ensuring that the correct process was being adhered to in relation to Direct Award Contracts.

- 22/17.3 Mr Coulter noted that only 44% of Internal Audit reports are finalised within 4 weeks. Mrs McKeown said that she would be reluctant to reduce the target, and would also like to increase the turnaround time. She noted that there is often an increased effort in getting reports finalised in advance of Audit Committee meetings and she is seeking to discourage that. Mr Christie said that in some cases, the turnaround time may be in part due to the complexity of the area that is being audited. He added that it is important that the reports are accurate, the management comments measured, and that the recommendations can be adhered to.
- 22/17.4 Mr Coulter queried why 11% of reports are “significantly amended”, but Mrs McKeown pointed out that as the number of audits carried out in PHA is small, 11% may relate to only one report, and that she was not concerned. She added that if additional evidence is produced relating to an audit then it will be considered, and it is important that the final report is a joint report that both Internal Audit and PHA are happy with.
- 22/17.5 Mrs McKeown moved on to the verification of Controls Assurance Standards. She said that Internal Audit had reviewed five of the Standards and were content with the scores obtained from PHA’s self-assessment.
- 22/17.6 Mrs McKeown said that Internal Audit had carried out an audit in the area of Serious Adverse Incidents and Falls and added that this dovetailed with a similar audit carried out across all HSC Trusts. She said that PHA had achieved a satisfactory level of compliance, and that there were no Priority One recommendations. She added that there were some Priority Two recommendations, and that management had accepted the recommendations.
- 22/17.7 Members NOTED the Internal Audit Progress Report.
- IA Year End Follow Up on Previous IA Recommendations 2016/17 [GAC/19/04/17]*
- 22/17.8 Mrs McKeown informed members that the year-end

follow up would normally include the Shared Services audit, but that these were available when the papers were issued. She advised members that the results of those audits were now available and were as follows: Accounts Payable, Satisfactory; Income, Satisfactory; Recruitment, Limited and Payroll (2 parts), Unacceptable and Limited. Mr Coulter asked about the impact of these for PHA. Mrs McKeown said that these opinions will apply to the PHA. Mr Christie suggested that there will be no material impact for PHA. He said that the issues are greater for bigger organisations giving the example of one Trust where there were errors relating to superannuation that are being resolved. Mr McClean said that there are issues in terms of confidence with the system.

22/17.9 Mr Charles advised that of 57 recommendations, 46 have been fully implemented, and 11 partially implemented. With reference to the audit carried out on the Local Supervising Authority, it was suggested that these audit recommendations should be cleared as Mrs Tennyson explained that PHA no longer has the statutory supervisory role for midwives. Mrs Tennyson agreed to brief Mrs Hinds on the matter.

Mrs
Tennyson

22/17.10 Mr Coulter expressed concern at the low number of recommendations implemented as part of the Connected Health audit. Miss Taylor said that two of the recommendations had been fully implemented, and that work is ongoing with the other two. Mr McClean said that some of the delay is outwith the control of the Connected Health team.

22/17.11 Members **NOTED** the Internal Audit year end follow up.
IA Charter [GAC/20/04/17]

22/17.12 Mrs McKeown advised that the Internal Audit charter was previously brought to the Committee two years ago, but that it required to be considered and approved again by the Committee.

22/17.13 Members **APPROVED** the Internal Audit charter.

IA Benchmarking Update [GAC/21/04/17]

- 22/17.14 Mrs McKeown explained that Internal Audit had undertaken a benchmarking exercise with its equivalent body in NHS Wales as it had been difficult to undertake a similar exercise in Northern Ireland. She said the exercise showed that Internal Audit's service is 20% cheaper and has better productivity, but that it has less fully qualified staff.
- 22/17.15 Mr Coulter asked whether the recent budget reduction or Voluntary Exit Scheme had had any impact on Internal Audit. Mrs McKeown said that VES didn't have an impact. She said that, like other organisations, Internal Audit is required to make savings, which it passes on to its clients.
- 22/17.16 Members **NOTED** the internal Audit benchmarking exercise.

23/17 Item 9 – Finance

Fraud Liaison Officer Update Report [GAC/22/04/17]

- 23/17.1 Mr Christie presented the Fraud Liaison Officer update report, and advised that there were no new cases from the previous report. He said that the case that was ongoing is now a matter between SportNI and the Colin Glen Trust.
- 23/17.2 Mr Christie advised that 91 data matches will be investigated as part of this year's National Fraud Initiative from the Cabinet Office. He also gave members a short update in relation to fraud awareness activity.
- 23/17.3 Mr Coulter sought clarification as to whether the ongoing fraud case was a matter for the Belfast Trust or Belfast City Council. Mr Christie said that it was Belfast City Council, but he would verify this.
- 23/17.4 Members **NOTED** the Fraud Liaison Officer update report.

Direct Award Contracts Guidance and Process
[GAC/23/04/17]

23/17.5 Mr Christie said that this guidance has been updated and outlines the steps required to be undertaken when making a direct award for a contract. He clarified that DACs are generally not encouraged, but should only be used when absolutely necessary. Mr Coulter asked if this revised guidance takes account of the Internal Audit recommendation, and Mr Christie confirmed that this was the case. He added that this revised guidance would be fed into the next review of PHA Standing Orders and Standing Financial Instructions.

23/17.6 Members **NOTED** the Direct Award Contracts guidance and process.

24/17 Item 10 – PHA Governance and Audit Committee Annual Report [GAC/24/04/17]

24/17.1 Mr Coulter presented the Governance and Audit Committee's own Annual Report which he said was self-explanatory and highlighted the key elements of work of the Committee. In conclusion, he said he was satisfied with the reliability and integrity of the assurances provided to the Committee.

24/17.2 Members **APPROVED** the Governance and Audit Committee Annual Report which will be brought to the PHA Board meeting on 20 April.

25/17 Item 11 – Draft PHA Annual Report and Governance Statement [GAC/25/04/17]

25/17.1 Mr McClean explained that the draft Annual Report follows the set format outlined by the Department and gives a sense of the breadth of the work of the Agency. He said that the report contains an overview of key initiatives within each of three directorates; public health, nursing and operations. He highlighted areas such as 10,000 Voices, Health Protection and Anti-Microbial Resistance, early years and older people.

25/17.2	Mr McClean said that there is a section on looking forward and the potential future role of the Agency. Mrs Watts advised members that in that regard, the Permanent Secretary has made it clear that the Health and Social Care Board will be closing, and that a re-focused PHA will remain.	
25/17.3	Mr McClean drew members' attention to the Governance Statement which sets out the systems in place for ensuring a sound system of internal governance and shows compliance against Controls Assurance Standards as well as the Internal Control Divergences.	
25/17.4	Mr Christie advised that, from a financial perspective, the biggest issue for PHA is the lack of an Executive to confirm the budgets for 2017/18. He said that if the situation is not clarified within the next 6/8 weeks, this may need to be reported within the Governance Statement.	
25/17.5	Mr Drew commented that he would like to see reference in the Annual Report to the key outcomes in the Corporate Plan. Miss Taylor pointed out that the five key outcomes relate to the Corporate Plan for 2017/21, but this Report is for 2016/17. Mr McClean suggested that the equivalent goals for this period should be included and he agreed to review this.	Miss Taylor / Mr McClean
25/17.6	Mr Coulter thanked staff for their work in completing the Annual Report and Governance Statement.	
25/17.7	Members APPROVED the Draft Annual Report and Governance Statement which will be brought to the PHA Board meeting on 20 April.	
26/17	Item 12 – Emergency Preparedness Annual Report [GAC/26/04/17]	
26/17.1	Mr Coulter expressed his disappointment that Dr Waldron was unable to attend the meeting to present this Report as he had some queries he wished to raise, particularly concerning what impact the new structures	

will have on future arrangements. He noted that there are gaps in terms of notifications, and issues about quarterly reports not being issued and staff training. Mr Drew said that he shared some of those concerns, particularly where it appeared that arrangements are not joined up.

26/17.2 Mr Coulter asked about the cancellation of the most recent quarterly Joint Emergency Plan meetings. Mrs Watts asked if this was due to issues for the Trusts, or for PHA and HSCB. Mr McClean said that he was not certain, and that the officers involved in these meetings would be best placed to respond.

26/17.3 Mr Drew noted that the Report does not contain an Action Plan.

26/17.4 Mr Coulter said that he would raise his concerns at the next PHA Board meeting.

26/17.5 Members **NOTED** the Emergency Preparedness Annual Report.

**27/17 Item 13 – SBNI Declaration of Assurance
[GAC/27/04/17]**

27/17.1 Miss Taylor presented the SBNI Declaration of Assurance which she explained is required as part of PHA's Governance Statement. She said that there were no surprises and no major issues of concern.

27/17.2 Members **NOTED** the SBNI Declaration of Assurance.

28/17 Item 14 – Any Other Business

28/17.1 There was no other business.

29/17 Item 15 – Date and Time of Next Meeting

Date: Monday 5 June 2017
Time: 1.30pm
Venue: Fifth Floor Meeting Room
Belfast
BT2 8BS

Signed by Chair: **Brian Coulter**

Date: **5 June 2017**