

Title of Meeting	Meeting of the Public Health Agency Governance and Audit Committee
Date	12 September 2023 at 10am
Venue	Meeting Rooms 2&3, 2 nd Floor, 12/22 Linenhall Street, Belfast

Present

- Mr Joseph Stewart - Chair
- Mr John Patrick Clayton - Non-Executive Director
- Mr Robert Irvine - Non-Executive Director (*via video link*)
- Ms Deepa Mann-Kler - Non-Executive Director (*via video link*)

In Attendance

- Mr Stephen Wilson - Interim Director of Operations
- Mr Stephen Murray - Interim Assistant Director of Planning and Business Services
- Ms Claire Devine - Assistant Director of Finance, SPPG
- Ms Caren Crockett - Head Accountant, SPPG
- Mrs Catherine McKeown - Internal Audit, BSO
- Mr David Charles - Internal Audit, BSO (*via video link*)
- Mr Roger McCance - NIAO
- Mr Robert Graham - Secretariat

Apologies

- Ms Tracey McCaig - Director of Finance, SPPG
- Ms Colette Kane - NIAO

40/23 | Item 1 – Welcome and Apologies

- 40/23.1 Mr Stewart welcomed everyone to the meeting. Apologies were noted from Ms Tracey McCaig and Ms Colette Kane.

41/23 | Item 2 - Declaration of Interests

- 41/23.1 Mr Stewart asked if anyone had interests to declare relevant to any items on the agenda.
- 41/23.2 Mr Clayton noted that within the Corporate Risk Register, there are references to Public Inquiries, and how the PHA is responding to these, and therefore given Unison's involvement with Inquiries, he felt he should declare an interest.

42/23 Item 3 – Minutes of previous meetings held on 8 June 2023

42/23.1 The minutes of the previous meeting, held on 8 June 2023 were **approved** as an accurate record of that meeting.

43/23 Item 4 – Matters Arising

31/23.4 Corporate Risk Register

43/23.1 Mr Stewart advised that a risk around the Reshape and Refresh work remains under consideration by the Agency Management Team (AMT), and that he had discussed this yesterday at a pre-meeting with Mr Wilson. He noted that there a Risk Register for the Project Board, but this will be different to the one of the Agency.

43/23.2 For action 2 on the previous minutes regarding late receipt of payments from the Special EU Programmes Body (SEUPB), Mr Stewart noted that Ms McCaig had updated members on this at a previous Board meeting and he did not consider that any further action was required on his part.

44/23 Item 5 – Chair’s Business

44/23.1 Mr Stewart advised that he had no Chair’s Business.

45/23 Item 6 – Internal Audit

Internal Audit Progress Report [GAC/28/09/23]

45/23.1 Mr Charles advised that he was presenting two reports today, one following an audit of the management of community and voluntary sector contracts and a second around complaints and claims. He added that Internal Audit has delivered against 31% of its Service Level Agreement for this year and that all KPIs are on track.

45/23.2 Mr Charles reported that a limited level of assurance has been given to the audit of the management of voluntary organisation contracts. He explained that there was a specific focus on mental health and suicide prevention services.

45/23.3 Mr Charles advised that there were 2 significant findings, the first of which related to procurement. He highlighted that 291 contracts (104 of which were mental health and suicide prevention), with a value of £17.6m, have not been subject to a recent competitive award process and have been rolled forward. He added that because PHA had to refocus its resources during the pandemic, procurement timelines have been delayed. He noted that the rolling forward of contracts could mean that there may be similar contracts in different organisations, but at different rates. He said that current contracts are focused on measuring outputs rather than outcomes, but he acknowledged that work on outcomes measurement is at an early stage.

- 45/23.4 Mr Charles said that the second finding relates to contract validation as this process was stood down during the pandemic. He advised that there has been no sample validation of quarterly returns, something which was in place before the pandemic.
- 45/23.5 Mr Charles went through the key findings of the report. He noted that contract leads have not received training in how to complete Progress Monitoring Returns (PMRs), and that organisations have to manually input activity into a Word document rather than an Excel spreadsheet which could add up the data. He added that there are no KPIs in place and that there has been no formal reporting to AMT or the Board. He said that although contract leads have requested documents for review, these have not been reviewed appropriately.
- 45/23.6 Mr Charles advised that a total of 9 recommendations have been made, one of which is a Priority 1, and that management has accepted all of the recommendations.
- 45/23.7 Mr Clayton said that this was a very useful report as this has been an area of concern for the Committee and the Board for a long period. He added that the report gives the Committee a better sense of the issues regarding the current process and outlines what needs to be done going forward. He acknowledged that there has been difficulty for PHA in terms of being able to measure outcomes rather than outputs.
- 45/23.8 Mr Clayton outlined that his main concern was around the Priority 1 recommendation as PHA does not often receive many of those. He noted that there was an implementation date of this recommendation going back to 2015 and then has now been revised to 2026 and there is a significant amount of work to be done to achieve this. He asked if he could get a sense of why it will take this long and how the Committee will be kept updated on how the work is progressing. He acknowledged that there are issues around internal procurement capacity. Looking at the target to undertake 10 verification visits by March 2024, he asked how this number was determined.
- 45/23.9 Ms Mann-Kler said that she echoed many of Mr Clayton's comments and welcomed this report as it highlighted the concerns that the Committee has had. She asked how PHA intends to respond to the findings, acknowledging that management has accepted them. She queried if PHA is adequately resourced to take the recommendations forward and how progress will be communicated to the Committee and the Board.
- 45/23.10 Mr Stewart asked if the implementation date of 31 March 2026 for the Priority 1 recommendation is realistic adding that it is embarrassing having a recommendation that has been outstanding for 11 years.
- 45/23.11 Mr Wilson said that a number of the findings from the audit did not come as a surprise and reflected the operational issues that PHA is

experiencing. He added that PHA is not adequately resourced in this area and that as part of the Reshape and Refresh work, there is a need to look at where contract management sits and to bring it into the corporate side as this would be a more sensible approach. In terms of reviewing returns and completing validation visits, he conceded that there is a lack of capacity and that area at this time, but he added that the Procurement Board is well aware of these issues.

- 45/23.12 Mr Murray explained that there are legal requirements within procurement and it can take PALS a minimum of 12 months to process an individual tender, and that PHA may have up to 7/10 tenders, each of which will take time to process. He outlined that the one area that PHA is in control of is in relation to pre-procurement planning, but there are capacity issues in what is a complex and difficult area. He said that PHA's Procurement Plan requires many teams working in parallel, but the difficulty is then getting work delivered through PALS as it is working on a regional basis. He agreed that the Reshape and Refresh programme will be important in terms of pushing this work up PHA's agenda. However, he conceded that the timelines may slip and that although the implementation is possible, it is reliant on a number of factors.
- 45/23.13 Mr Stewart said that there is a serious issue if it can take 24 months to complete a procurement. Mr Murray explained that once a certain threshold is exceeded, there is a different process which looks at issues such as TUPE. He added that the nature of PHA's work makes it more open to political challenge. Mr Stewart suggested that there should be an external review of the process as he expressed concern that the deadline of March 2026 is not achievable.
- 45/23.14 Mr Wilson said that the timescale is ambitious, but that PHA does have a plan in place. He reiterated that this is a system-wide issue, not one solely for PHA and he agreed that perhaps having an external perspective may help with some of the internal issues.
- 45/23.15 Mr Clayton said that the recommendations around verification visits and KPIs will help give an oversight of how the system is currently operating. However, in terms of how long it takes for a procurement exercise to be completed, he asked if there is an appreciation about the amount of resource required at an HSC level. He noted that there is a considerable amount of money involved in these contracts for PHA, but across the HSC as a whole it would be much bigger.
- 45/23.16 Mr Murray agreed that procurement capacity is a huge issue across the HSC and that PHA has been raising this for a number of years. He said that a particular skillset is required to complete a procurement exercise. He added that this work is now becoming more complex as GDPR is causing delays of 6/7 months. He reiterated that resourcing is key and that the HSC system has not accepted the scale of resource that is required. He added that PHA is one of the organisations that is most

- likely to get challenged with regard to its procurement.
- 45/23.17 Mr Stewart said that AMT needs to clarify what the requirements are so that if the PHA Chair were to write to BSO, PHA needs to be in a position where its own house is in order.
- 45/23.18 Mr Murray advised that PHA will be undertaking a review of assurance processes and that validation visits have been re-established. He explained that PHA cannot resource any more than 10 visits this year because it is an intense process, and that PHA is dealing with 70/90 providers per year.
- 45/23.19 Mrs McKeown noted that as the implementation date of the Priority 1 recommendation is not until 2026, Internal Audit will not be returning to review this area until then. Mr Murray said that the Procurement Board will be looking at this area and can provides updates to the PHA Board.
- 45/23.20 Mr Charles moved on to the second audit report which related to the management of complaints and claims and advised that a limited level of assurance was being given.
- 45/23.21 Mr Charles advised that there were 4 significant findings emanating from the audit, the first of which related to how information on complaints is stored in PHA. He said that the second finding is that there is no reporting on complaints at either Executive or Non-Executive Director level and that PHA does not produce a report on complaints in line with a Department of Health Circular from 2019. He advised that the third finding relates to the non-reporting on the status of claims at Executive or Non-Executive level. He said that the fourth finding is that staff have not completed training in respect of complaints management.
- 45/23.22 Mr Charles reported that there were 3 key findings, the first of which related to the timely completion of complaint investigations and informing complainants if there was going to be a delay. He added that the second finding was that PHA's Complaints Procedure has not been updated since 2012 and that the third finding was that PHA does not thank complainants for bringing issues to its attention or express sympathy around the complaint.
- 45/23.23 Mr Charles advised that the process for dealing with complaints has moved from the Nursing directorate to the Operations directorate. He added that a total of 10 recommendations have been made and these has been accepted by management.
- 45/23.24 Mr Wilson reiterated that the complaints function has now moved to the Operations directorate and he welcomed the timing of this audit. Going forward, he assured members that there will a more comprehensive approach to dealing with complaints and he was content to take on board all of the findings from the audit. He noted that prior to the pandemic, PHA did not receive many complaints, but the number has

increased.

45/23.25 Mr Stewart asked Mr Wilson if he anticipated that all of the recommendations would be completed by their due date and Mr Wilson replied that they would be. Mr Stewart noted that complaints is now a standing item of the agenda of PHA Board meetings.

45/23.26 Mr Clayton said that he hoped that the Priority 1 recommendation on complaints records can be rectified quickly. In terms of Board oversight, he noted that while there has been information on complaints in the PHA Annual Report, a separate report on complaints would be helpful. He acknowledged that the number of complaints has been low. With regard to the updating of the Complaints Policy and Procedure, he said that he assumed that this would be brought back to this Committee.

45/23.27 Ms Mann-Kler noted that while the discussion has focused on complaints, compliments are also important. She said that complaints are an important part of the assurance process. She added that she was pleased to see the changes being made to the complaints process and she sought clarity on when the Committee and the Board would receive reports on complaints. Mr Stewart noted that the Chief Executive had given an overview of extant complaints at the last Board meeting and will report on any new complaints at the next month and at the end of the year there will be a cumulative report.

45/23.28 Members noted the Internal Audit Progress Report.

46/23 Item 8 – SBNI Declaration of Assurance [GAC/35/09/23]

Ms Helen McKenzie joined the meeting for this item

46/23.1 Mr Stewart welcomed Ms McKenzie to the meeting. He noted that within the SBNI Declaration of Assurance there was an issue reported around illegal payments and he wished to be assured that the figure within the report is now accurate. Ms McKenzie advised that following a review the figure is now correct.

46/23.2 Mr Stewart sought assurance that there is now a process for closer scrutiny of payments within SBNI and Ms McKenzie confirmed that there are processes in place with HR, Finance and the Department.

46/23.3 Mr Stewart thanked Ms McKenzie for attending the meeting.

46/23.4 Members noted the SBNI Declaration of Assurance.

At this point Ms Mann-Kler left the meeting.

45/23 Item 6 – Internal Audit (ctd.)

Internal Audit Annual HSC General Report 2022/23 [GAC/29/09/23]

- 45/23.29 Mrs McKeown presented the General Report and gave an overview of the main findings. She reported that 49% of reports received a satisfactory level of assurance, and that 58% of assurances were deemed to be “above the line”. She said that a total of 31 Priority 1 recommendations were made, an increase from 19 the previous year. She advised that 82% of Priority 1 and 2 recommendations were fully implemented, the highest rate since these reports were produced.
- 45/23.30 Mrs McKeown advised that this was the first year where the percentage of audits that were wholly satisfactory was less than 50%. She said that it was difficult to pinpoint the reasons why, but she highlighted that in a number of areas, there were repeat “limited” assurances given. She added that in approximately 10 areas an area where a previous level of “satisfactory” was given had moved to “limited”.
- 45/23.31 Mrs McKeown said that the number of audits carried out has reduced over time with a focus on more complex, risk-based audits. In terms of those audits where a limited/unacceptable level of assurance had been given, she advised that these audits are in areas such as people, procurement and contract management. She outlined the reasons for these levels of assurance being given, which included lack of compliance with processes and training.
- 45/23.32 Mrs McKeown commented that going forward, there is a need to reduce the volume of limited assurances and she outlined Internal Audit’s advice. She said that there needs to be a continued focus on staff training and compliance, prompt implementation of audit recommendations, reduction in the number of outstanding recommendations and development of the 3 Lines Assurance Model.
- At this point Mr Irvine left the meeting.*
- 45/23.33 Mr Stewart advised that a session for Committee members on the 3 Lines Assurance Model will be arranged and that an invite will be circulated for other Board members to join (**Action 1 – Mr Wilson**).
- 45/23.34 Mr Clayton said that it would be useful to see how PHA compares to other organisations in terms of how many recommendations it has implemented. Mrs McKeown advised that in next year’s report there could be a chart to compare implementation of recommendations year on year. Mr Clayton noted that when making a comparison, the complexity of the particular audits needs to be borne in mind.
- 45/23.34 Members noted the Internal Audit General Report.
- 45/23.35 Mr Stewart asked Mr McCance if he had any matters to update on from

an External Audit perspective.

- 45/23.36 Mr McCance advised that NIAO has completed around round of contracting and that Cavanagh Kelly will be completing PHA's audit, on behalf of NIAO, for the next three years.

Internal Audit Charter [GAC/30/09/23]

- 45/23.37 Mrs McKeown advised that the Internal Audit Charter is a standard document for all clients and outlines the activity of Internal Audit. She said that it has been approved by the Chief Executive and has been reviewed against a model Internal Audit Charter. She advised that there have not been any substantial changes made to the document, but she has extended the commentary in a number of areas.

- 45/23.38 Mr Clayton said that he had no comments on the Charter and that it was a useful document.

- 45/23.39 Members **APPROVED** the Internal Audit Charter.

47/23 Item 7 – Corporate Governance

Corporate Risk Register as at 30 June 2023 [GAC/31/09/23]

- 47/23.1 Mr Wilson advised that following a review of the Corporate Risk Register as at 30 June, a new risk has been added regarding Inquiries and a risk regarding financial break even has been removed. He explained that this update represents a further development in the implementation of the 3 Lines Assurance Model and that RAG ratings and risk scores have also been included.

At this point Mr Irvine re-joined the meeting.

- 47/23.2 Mr Wilson noted that many of the risks on the Register have been there for some time and the Register needs an extensive review and he hoped to come back to a future meeting with a more streamlined version. Mr Stewart agreed and said that some of the extensive commentary on the risks is not required. Mr Clayton commented that while some of the commentary is helpful, it could be reduced to give an overview of the most recent actions.

- 47/23.3 Mr Stewart reported that at his pre-brief with Mr Wilson yesterday, there was a discussion that the rating of the risk around staffing may be increased to severe. He agreed that there needs to a cleansing of the Register.

- 47/23.4 Mr Clayton asked about risk 55 and suggested that given Internal Audit have carried out an audit on recruitment, progress against recommendations in it should be referenced. He asked if there was any link between staffing issues and the financial position. Mr Wilson

explained that one of the main issues is that there is a dearth of public health consultants because individuals can avail of improved working terms and conditions in posts in UKHSA or in the Republic of Ireland. He added that there is also a number of staff on long term sick leave and then there is also the degree of uncertainty with the ongoing restructuring. Mr Clayton asked if the staff leaving to work in UKHSA can do more work remotely and Mr Wilson confirmed that this is the case.

47/23.5 Mr Stewart advised that it is Mr Wilson's intention to completely revise this risk and bring that forward to the next meeting.

47/23.6 Mr Stewart commented that with regard to risk 60, around the migration of HSCB to SPPG, there remains a fog in terms of the relationship between PHA and SPPG and this is an issue that may need to be raised with the Board given that it has been discussed at recent Public Inquiry hearings. He added that it was also an issue he had raised with the Permanent Secretary.

47/23.7 Mr Stewart advised that risk 61 relating to Lifeline should be removed by the next review as the issues outlined in the risk are close to being resolved.

47/23.8 Members **APPROVED** the Corporate Risk Register.

*Operations Directorate Risk Register as at 30 June 2023
[GAC/32/09/23]*

47/23.9 Mr Wilson presented the Operations Directorate Risk Register and noted that while it does not appear that there are many risks on it, this is because the nature of the business of this directorate would lead there to being a higher chance that any risks needed to be placed on this Risk Register would instead be on the Corporate Risk Register.

47/23.10 Mr Wilson advised that the first risk on the Register relates to capacity within the information governance team. He said that the second risk relates to website hosting, where it was thought that a solution had been found, but this has not yet been fully worked out so a new Direct Award Contract (DAC) is in place.

47/23.11 Mr Stewart commented that the risk on procurement may need to be elevated.

47/23.12 Mr Clayton said that the issue of capacity within the information governance team is an important one. He noted that Gartner had recently provided some support in this area in terms of updating paperwork within the health protection directorate, and suggested that there is a capacity issue for the organisation as a whole. He said that the Information Governance Steering Group will keep an eye on this issue.

- 47/23.13 Mr Murray agreed that there is a balance between corporate capacity and focused capacity, e.g. within the health protection directorate. He said that there is a large infrastructure piece that needs to be put in place as GDPR assessments have to be carried out as part of procurement.
- 47/23.14 Members noted the Operations Directorate Risk Register.
- Update on Use of Direct Award Contracts [GAC/33/09/23]*
- 47/23.15 Mr Wilson advised that the number of DACs is reducing and that this report is an analysis of those in place. Mr Stewart expressed concern about the number of DACs relating to SBNI and said that this flags up the uncomfortable nature of the relationship with SBNI. Mr Clayton asked if SBNI completes its own DACs, but Mr Wilson explained that they are signed off by the PHA Chief Executive. Mr Wilson added that there is sometimes an issue as the DACs are retrospective which he explained can be due to the specific nature of the DACs and the need to get the associated work completed quickly.
- 47/23.16 Members noted the update on the use of Direct Award Contracts.
- PHA Business Continuity Plan and Policy [GAC/34/09/23]*
- 47/23.17 Mr Murray advised that PHA is required to have a Business Continuity Plan which sets out the processes and leadership roles when responding to an incident. He said that the Plan has been revised and updated and that there was a test carried out recently, the report of which is contained within the papers. He reiterated that the Plan ensures that individuals are aware of their roles in the event of an incident. He advised that there was a recent water outage incident in Linenhall Street and while the Plan did not need to be implemented, the Health Protection team took the decision to relocate their emergency room to County Hall for a couple of days. Mr Murray said that work is taking place to update directorate operational plans which will support this overall Plan.
- 47/23.18 Mr Stewart said that he would like to see the PHA Board included in the structure diagram within the Plan. He also sought clarity on the point at which, during the operation of the Plan, the PHA Chair is advised of an incident. He asked noted the reference to telehealth within the Plan and asked if that should be in the Plan, but Mr Wilson said that it should be outside the Plan.
- 47/23.19 Mr Clayton asked if any learning from the pandemic has been applied to this Plan, or if the Plan worked well. Mr Wilson explained that work is being carried out at directorate level to look at the learning from the pandemic. Mr Murray said that there needs to be a shift in culture whereby staff have a different mindset in terms of knowing what their “first responder” roles are in an emergency. Mr Clayton sought clarity

that this Plan also links to PHA's emergency preparedness work and Mr Stewart said that any emergency situation would see this Plan implemented.

47/23.20 Mr Clayton noted that some of the appendices have not been included, but Mr Wilson explained that this is for GDPR reasons.

47/23.21 Mr Stewart said that it was useful to read the report on the exercise, which he said was very worthwhile.

47/23.22 Mr Stewart asked why the MAO (Maximum Acceptable Outage) for screening programmes has been set at 10 weeks. Mr Wilson said that he would get clarity on this (**Action 2 – Mr Wilson**).

47/23.23 Subject to minor amendments, members **APPROVED** the Business Continuity Plan and Policy.

48/23 Item 9 – Any Other Business

48/23.1 There was no other business.

49/23 Item 10 – Details of Next Meeting

Tuesday 10 October 2023 at 10am

Fifth Floor Meeting Room (or via Zoom).

12/22 Linenhall Street, Belfast, BT2 8BS

Signed by Chair:

Joseph Stewart

Date: 10 October 2023