

minutes

Governance and Audit Committee Meeting

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| **Date and Time** | 8 August 2024 at 10.00am |
| **Venue** | Fifth Floor Meeting Room, 12/22 Linenhall Street, Belfast |

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| **Present** |  |  |
| Mr Joseph Stewart  Mr John Patrick Clayton  Mr Robert Irvine | -  -  - | Chair  Non-Executive Director  Non-Executive Director |
| **In Attendance** |  |  |
| Mr Stephen Murray  Mr Stephen Wilson  Mrs Catherine McKeown  Mr Ryan Falls  Mr Roger McCance  Mr Robert Graham | -  -  -  -  -  - | Interim Assistant Director of Planning and Business Services  Interim Head of Chief Executive’s Office  Internal Audit, BSO  Cavanagh Kelly  NIAO  Secretariat |
| **Apologies** |  |  |
| Ms Leah Scott  Mr Stephen Bailie | -  - | Director of Finance and Corporate Services  Head Accountant |

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| **38/24** | **Item 1 – Welcome and Apologies** |
| 38/24.1 | Mr Stewart welcomed everyone to the meeting. Apologies were noted from Ms Leah Scott and Mr Stephen Bailie. |
| **39/24** | **Item 2 - Declaration of Interests** |
| 39/24.1  39/24.2 | Mr Stewart asked if anyone had interests to declare relevant to any items on the agenda.  Mr Clayton declared an interest in relation to Public Inquiries as Unison is engaging with the Inquiries. |
| **40/24** | **Item 3 – Minutes of previous meeting held on 13 June 2024** |
| 40/24.1 | The minutes of the previous meeting, held on 13 June 2024 were **approved** as an accurate record of that meeting, subject to a minor amendment in paragraph 33/24.3. |
| **41/24** | **Item 4 – Matters Arising** |
| 41/24.1  41/24.2  41/24.3 | Mr Stewart went through the actions for the last meeting. For action 1 regarding the Internal Audit recommendation on screening, Mr Murray noted that members had asked for a summary paper and this will be picked up as part of the mid-year review of audit recommendations.  Mr Stewart noted that action 2 regarding share the Internal Audit HSC General Report with the PHA Board, and action 3, which related to the updating of the Annual Report following comments by members, had both been completed.  Mr Stewart advised that an update paper regarding monies owed to PHA by the Special EU Programmes Body (SEUPB) had been circulated to members. Mr Clayton said that the paper was useful, but noted that there was still a large amount of debt to be recovered. He acknowledged that there is an expectation that this will be received by the end of the year and he asked that a further update be brought to the Committee. Mr Murray advised that the delay in with SEUPB, and PHA is not the only organisation impacted, but that PHA will continue to keep up the pressure. |
| **42/24** | **Item 5 – Chair’s Business** |
| 42/24.1 | Mr Stewart advised that he had no business to update on. |
| **43/24** | **Item 6 – Corporate Governance** |
| 43/24.1  43/24.2  43/24.3  43/24.4  43/24.5  43/24.6  43/24.7  43/24.8  43/24.9  43/24.10  43/24.11  43/24.12  43/24.13  43/24.14  43/24.15  43/24.16  43/24.17  43/24.18  43/24.19  43/24.20  43/24.21  43/24.22  43/24.23  43/24.24  43/24.25  43/24.26  43/24.27  43/24.28  43/24.29 | *Corporate Risk Register as at 30 June 2024 [GAC/31/08/24]*  Mr Stewart said that he was pleased to see that the Corporate Risk Register has been substantially revised and a lot of work has gone into it.  Mr Murray agreed that a lot of work has gone into this review to ensure that it reflects the current position. He reported that 3 new risks have been added, the first of which relates to the financial planning context for 2025/26, thereby changing the focus of the previous risk on finance. He added that a new risk has been added around the new HSC planning system, which replaces the risk around migration and puts more focus on the Integrated Care System (ICS) and PHA being clear about its role. He advised that the last new risk relates to pandemic preparedness and PHA’s ability to stand up a response given its staffing capacity. He said that the risk around information governance, which related specifically to health protection, had been removed as a paper had been presented to the Agency Management Team (AMT) giving an update on the current position and it was felt that there was sufficient assurance that the issues were under control and could be managed at directorate level. Mr Stewart said that all of these new risks were significant and should be reported to the Board.  Mr Clayton said that redrafting some of the previous risks has been beneficial. He asked why there is a risk around the financial context for 2025/26 given we are still in 2024/25 and if PHA has received an indication from the Department about what can be expected going forward. Mr Murray explained that there is a degree of uncertainty going into next year. He advised that PHA has been asked for an additional £1m of savings this year, and it is the recurrent element that brings a risk. He added that PHA will need to constantly review its budget and the impact of having to make more savings. He noted that to date PHA has been able to make savings without impacting services, but the longer this goes on, that could change.  Mr Clayton said that there should be a fuller discussion at the Board about the risk on pandemic preparedness. He noted that previously there was a concern about the multiplicity of different groups working this space and asked if PHA has been involved in any of the discussions around the new Regional Board. In terms of the risk around staffing and public health consultants, he said that it was his understanding that the Chair was raising this issue with the Permanent Secretary.  Mr Stewart said that it was encouraging that AMT is looking ahead to next year with regard to the financial context, because following the meeting he attended with other HSC Audit Committee Chairs, it was felt that there might be more funding put into health, but he was not confident.  Mr Stewart asked what “SoC” stood for in the risk around cyber security and Mr Murray advised that it meant Strategic Outline Case.    Members **APPROVED** the Corporate Risk Register.  *At this point Mr Wilson joined the meeting.*  As Mr Clayton had to leave the meeting, Mr Stewart asked if he had any comments on any of the other papers being presented today.  Mr Clayton said that with regard to the terms of reference for the Committee, it should be flagged up that the Committee does not currently have a full complement of members. He noted that there is also a reference to the Committee having expertise in clinical and social care governance, and he was not sure if that was relevant to PHA, or was more applicable to Trusts.  Mr Clayton said that with regard to Direct Award Contracts (DACs), there should be a rationale for why there is a DAC in place, although he appreciated that there are issues around procurement. Mr Murray explained that there are 44 DACs linked to contracts and the time required for the tender process to be completed. Mr Clayton noted that the number of social care DACs is relatively low, but said that that it is an area that PHA needs to keep control of, and reiterated the suggestion for narrative around the rationale for DACs.  *At this point Mr Clayton left the meeting.*  *Update on Use of Direct Award Contracts [GAC/33/08/24]*  Mr Stewart said that he had not fully appreciated the levels at which a DAC is required and he speculated whether it would be worth getting those levels reviewed and increased from £5k to £10k given inflation. He noted that this goes back to the principle of organisations having to expend huge effort for minimal value and suggested that this should be raised with the Department of Finance because unless it is challenged, it will never change. He added that it feeds into the concern expressed by smaller organisations about the administrative burden on them, but these organisations can make a big difference. Mr Murray said that there is that balance to be found between good governance and open competition, but PHA works under the Minicode.  Mr Stewart asked if this is something that External Audit could look at. Mr McCance noted that the limits are set and the role of External Audit is to ensure that organisations are adhering to them, but he added that if there is rationale for changing the limits, they would be open to having that discussion. Mr Stewart said that the new ICS model will require working with Local Council to pool resources and minimise duplication of effort so there needs to be an alignment of systems and processes. He suggested that this should be raised with the PHA Board as a whole.  Mr Irvine commented that PHA is wallowing in process and paperwork and that the biggest enemy is the need to conform to a process. He noted that the private sector is more streamlined than the public sector where audit is directing organisations to process-driven ways of doing business. He said that people would see that there is a reduction in business, but they would not appreciate the amount of work going on in the background. He added that the PHA has a limited pot of funding and it needs to make the best use of it.  Mr Irvine said that PHA commissions many services on a cyclical basis, but the question is not asked as to whether this is the right service, or how outcomes can be measured, but rather the focus is on delivery. He added that there needs to be a decision to change how things are done. He said that a process is audited, and mistakes may be identified, but the question should be around whether it is the right process.  Mr Irvine said that he would query if PHA has enough capacity to look after all of its contracts. He added that if PHA is using a Shared Service and it is under pressure, then External Audit should be looking at that. He suggested that each ALB should have a dedicated team within that Shared Service to improve efficiency. Mr Murray agreed that there are capacity issues within PALS, but PHA is mandated to use them. He said that the system is under pressure since changes were made to the social care procurement regulations and that PHA has not been properly resourced both in terms of pre-planning and technical procurement. He added that PHA’s resource is stretched in many different directions, and that is not a criticism of staff, but a recognition that PHA is an operational organisation, as well as a strategic one. He advised that one of the fundamental reasons for using DACs is because the timeline for tenders has expired. He noted that one positive is that the number is reducing.  Mr McCance advised that the Public Accounts Committee is looking at procurement with a particular interest in the strategic infrastructure. He said that it comes down to having the right people in the right place, and that procurement is not just a PHA issue, but one for the public sector as a whole. Mr Stewart said that if the Comptroller and Audit General releases a report, the way it is interpreted makes departments produce recommendations which makes processes more complicated. Mr Irvine commented that across the EU, the United Kingdom is top in terms of making a bureaucracy out of statutory rules and regulations where other countries adopt a “light touch” approach. He added that there is a mindset within the Civil Service that everything has to be gold-plated, which makes processes constricted and confined.  Mrs McKeown said that from an Internal Audit perspective, they do not set the rules, but look at compliance. However, she added that they would consider looking at the design of the process. She agreed that procurement could be more efficient, but by and large the rules are set by the Department of Finance. She noted that from looking at social care procurement, the main challenge is the planning stage, rather than the Shared Services element. Mr Murray said that while he would not disagree with that, he pointed out that if that part of the process became unblocked PALS would not be able to deal with the volume of work. He added that if work has to be completed by the end of the financial year, then it needs to be with PALS by November/December. He said that PHA needs to look at what skills it requires over the next 3/5 years.  Mr Stewart said that all PHA can do is lobby, but from an Executive point of view, it needs to ensure that its internal systems are operating to the best of their ability. He suggested that this report should be brought to the PHA Board.  Members noted the update on Direct Award Contracts.  *HSCQI Directorate Risk Register as at 30 June 2024 [GAC/32/08/24]*  *Dr Keaney joined the meeting for this item.*  Dr Keaney presented the HSCQI Directorate Risk Register as at 30 June and reported that there are five risks with no new risks having been added. She added that the risk ratings have remained the same with the risk around accommodation rated as medium, while the risks around staffing, the impact of the Reshape and Refresh programme, the resources required to deliver programmes and the impact of competing priorities across the system to allow HSCQI to compete its workplan all remain rated as high.  Mr Stewart asked about the impact of the Reshape and Refresh programme on HSCQI staff and how Dr Keaney would gauge this. Dr Keaney said that her team has handled the uncertainly well as there is not yet clarity on the timescales for the move to RQIA. She added that the process is causing some anxiety, but the staff are content with the move.  Mr Stewart asked whether Dr Keaney has seen any increased difficulty with people across the system engaging with HSCQI given current pressures. Dr Keaney replied that through the work of HSCQI, there has been good engagement with over 41 teams coming together at a recent event. She noted that during the period of industrial action it was difficult for people to attend events. She added that if the HSCQI work is in a priority area, people do make the effort to ensure they are represented.  Mr Stewart asked if Dr Keaney’s team is engaged in the ICS work, but Dr Keaney replied that it is not. Mr Stewart suggested that engagement may be useful in terms of looking at processes and Dr Keaney agreed that it could be something that is looked at in the future.  Mr Stewart noted the risk around accommodation and asked whether that is now academic given the move to RQIA. He also noted that there has been an accommodation review carried out and if this was now defunct post-COVID. Dr Keaney said that at a time, there was a specific request for HSCQI to have its own accommodation, and she felt that there is still a need for that given the number of regional events HSCQI organises and which it has to pay for by using external venues. She added that in the long term, there is a vision to grow the team.  Mr Irvine said that it is important that there is certainty around what is happening with the move to RQIA. Dr Keaney said a number of meetings are taking place and perhaps there will soon be certainty.  Members noted the HSCQI Directorate Risk Register.  *Complaints Report [GAC/34/08/24]*  Mr Stewart noted that within the Complaints Report, there is a claim relating to an employment law issue and he wished to draw attention to the fact that this highlights the implications of PHA hosting SBNI because PHA is going to become the single respondent for a case relating to an individual who is not employed by PHA and works under the direction of SBNI. He said that this is why the hosting arrangement is not satisfactory.  Mr Wilson agreed that this case does flag up the failings of the corporate hosting arrangement, but he advised that the current MOU that PHA has with SBNI is currently being revised by all parties.  Members noted the Complaints Report. |
| **44/24** | **Item 8 – Governance and Audit Committee Terms of Reference [GAC/36/08/24]** |
| 44/24.1  44/24.2 | Mr Stewart asked if members wished to raise any issues on the terms of reference. Mr Irvine noted Mr Clayton’s earlier comments around the composition of the Committee and the need for particular expertise. Mr Stewart said that he would flag this with the PHA Board and suggested that there should be a member on the Committee with clinical and social care governance expertise.  Members **APPROVED** the terms of reference, subject to the references around having the relevant expertise. |
| **45/24** | **Item 7 – Internal Audit** |
| 45/24.1  45/24.2  45/24.3  45/24.4  45/24.5  45/24.6  45/24.7  45/24.8  45/24.9  45/24.10  45/24.11  45/24.12  45/24.13  45/24.14 | *Mr Andrew Cheung, Mr Eamon Farrell and Dr Louise Flanagan joined the meeting for this item.*  *Internal Audit Progress Report [GAC/35/08/24]*  Mrs McKeown reported that with regard to the Internal Audit plan for the year, a report on the audit of vaccination programmes had been completed and is being presented at this meeting, and that an audit on board effectiveness is ongoing. She added that the mid-year follow-up on outstanding recommendations will be completed in a few weeks’ time.  Mrs McKeown reported that for the audit on vaccination programmes, a limited level of assurance is being given. She acknowledged that there are arrangements in place for monitoring the uptake of vaccines, that PHA’s responsibilities are being fulfilled and that advice is being given to stakeholders to minimise wastage.  Mrs McKeown advised that there are three significant findings, the first of which relates to the need for a formal MOU between all of the various stakeholders. She said that the second finding was that although PHA has a contract with a pharmaceutical supplier to receive, store and deliver vaccines, spend was approved against invoice without appropriate checks. She advised that the third finding was that there is no process to validate stock levels.  Mrs McKeown said that there was one key finding which related to the need for formal evaluation and monitoring of the impact of promotional activity on uptake rates. She advised that management has accepted all of the recommendations.  Mr Stewart commented that he would be keen to understand whether PHA can achieve some of the recommendations it has signed up to within the timescales. With regard to stock management, he noted that this would be an issue of interest to politicians for example, and many of the actions relate to PHA being able to obtain information. He asked how confident PHA is that it can bring all of the parties together to get this information. Mr Farrell replied that PHA is currently recruiting a logistics co-ordinator and an integral part of their role will be to liaise with stakeholders. He added that PHA does carry out validation checks and has received assurances from Movianto around deliveries. Dr Flanagan explained that PHA has no control over those vaccines that go to GP surgeries, added that for certain vaccines these are logged on VMS, but VMS does link with systems in GP surgeries so there is a challenge in getting a work around.  Mr Stewart asked about community pharmacies. Mr Cheung explained that pharmacies do not receive payment for vaccinations until the information has been recorded on VMS, but the GP system is not set up that way. He advised that there are weekly meetings with stakeholders and there is good communication with Movianto. Mr Stewart asked if PHA has access to Movianto’s system. Mr Cheung replied that PHA does not, but it can obtain data when required.  Mr Stewart asked who manages the contract with GPs and Dr Flanagan replied that this is done through SPPG. She said that payments used to form part of that contract but this is no longer the case. She advised that another stakeholder in this is the Trusts. Mr Stewart asked if the Trusts are responsible for staff. Dr Flanagan explained that school nurses are employed by Trusts. She said that that the MMR campaign was partly done by GPs and partly done by Trusts and work is continuing to work out the best way to deliver it.  Mr Stewart said that vaccines change every year, and asked why the GP contract cannot be changed. Dr Flanagan advised that it is currently being renegotiated. Mr Stewart said that, given what PHA knows about vaccinations, should it not be having an influence over SPPG to ensure that PHA has greater visibility. Dr Flanagan said that while there are discussions with SPPG, those discussions also include the BMA and GMC. Mr Farrell noted that PHA has more control over catch up campaigns rather than general ones. Dr Flanagan said that each vaccine programme is different and some of the issues are historical. Mr Murray said that the GP contract predates many of the vaccination programmes.  Mr Stewart pointed out that PHA has an audit report that indicates that systems need to be improved and asked PHA is doing and if the Chief Executive needs to be influencing these discussions. He said that PHA needs to use whatever levers it can. Mr Wilson advised that a Vaccine Management Programme Board has been established and there is a representative on it from Integrated Care so issues are being fed back. He added that now that PHA has overall responsibility for vaccines, it is bringing pressure to bear, and not simply accepting that the system has worked well. Dr Flanagan said that it would be preferable that GP systems were tied to VMS as GP can claim for payments up to 6 years later. Mr Stewart said that this issue needs to be raised at the PHA Board.  Mr Stewart noted that there is a recommendation around promotion and monitoring of campaigns. Mr Wilson explained that it would be very difficult for PHA to trace the impact of its social media outputs, whereas there is always an evaluation carried out of a mass media campaign. He said that no advertising campaign would be able to track this at a generic level and he expressed concern about having this recommendation. Mrs McKeown said that it is a general recommendation, but she would be happy to discuss it with Mr Wilson. Mr Wilson explained that as PHA does not administer vaccines, it does not have that direct contact with clients.  Mr Farrell advised that for the MMR campaign, PHA was able to go out and link with different agencies and was able to monitor the uptake, but for general vaccination programmes, these are tied into the school nursing programme or GPs allocating specific time. He added that PHA can monitor specific programmes if it puts out social media content about those programmes.  Mr Stewart said that if PHA has VMS and can get GPs on board, then it should be able to see clearly the uptake of vaccines which is an important issue politically and one which the Minister has an interest in. He added that it is important that PHA can get access to good information from a social benefit point of view. Mr Wilson noted that VMS will specifically allow PHA to see those areas where it is missing its mark. Dr Flanagan pointed out that VMS is only used for certain vaccines, and these are adult vaccines and not children. Mr Stewart asked what PHA needs to do to get information on children’s vaccines onto VMS and Dr Flanagan explained that this is currently done through the Child Healthcare System (CHS) which is a paper-based system, but she is keen to be able to get better data and hopes that Encompass will assist with this.  Mr Stewart noted that PHA is content to take on these responsibilities and said that the Board will be supportive of any measures that need to be taken to advance this work. He said that he will look forward to hearing how this work is progressing.  Members noted the Internal Audit Progress Report. |
| **46/24** | **Item 9 – Any Other Business** |
| 46/24.1 | There was no other business. |
| **47/24** | **Item 10 - Annual meeting with Auditors (External and Internal) without Officers present** |
| 47/24.1 | This meeting took place in advance of today’s meeting. |
| **48/24** | **Item 11 – Details of Next Meeting** |
|  | *Thursday 10 October 2024 at 2pm*  *Fifth Floor Meeting Room, 12/22 Linenhall Street* |
|  | Signed by Chair: ­­­­­­­­­­­­­­­­  Joseph Stewart  Date: 10 October 2024 |