

Draft Minutes of the Audit, Risk and Governance Committee (ARGC)
Zoom Conference
21 September 2021, 4.30pm – 7.15pm

Present:

Name	Details	Initials
Caroline Spillane	Committee Chair	CS
Bernadette Costello	Committee member	BC
Dónall Curtin	Committee member	DC
Tony McNamara	Committee member	TMcN
Martin Higgins	Committee member	MH

In Attendance:

Phelim Quinn	Chief Executive Officer	CEO
Kathleen Lombard	Board Secretary & Chief Risk Officer	KL
Sean Angland	Acting Chief Operating Officer	SA
Lisa Verhees	Executive Officer (minute taker)	LV

Apologies: No Apologies

1. Quorum

A quorum was present and the meeting was duly convened. The Chair welcomed Tony McNamara as a new member to the Committee.

KL advised the committee members that an incorrect link for the meeting was issued to the members which resulted in the delay of one member, DC, joining the meeting. It was clarified that the calendar invite was correct but the link included on Decisiontime was incorrect. MH was delayed joining the meeting due to another appointment.

2. Conflict of interest

No conflicts were declared.

3. Minutes of 22 June 2021

The Committee reviewed the minutes of 22 June 2021. One minor typographical error was highlighted. DC (when he joined the meeting) requested that the text **“other options could have been considered” be inserted to item 7 of the minutes. Subject to** these changes, it was agreed that the minutes were an accurate record of the meeting; BC proposed approval of the minutes and CS seconded the proposal; accordingly the minutes of the committee meeting of 22 June 2021 were approved by the Committee.

4. Review of actions

KL updated the committee on the status of the actions. All were noted as complete with the exception of considering if a separate investigation procedure is required in the context of the policy on ant-fraud. KL will discuss with relevant units in HIQA and update the Committee.

5. Matters arising

The review of the internal audit tender process carried out by the IPA was noted. It was agreed to discuss this item later in the meeting.

6. Emerging Issues

No emerging issues were noted.

7. Internal audit programme – update

The internal audits planned for Q4 are as follows:

- Follow up on previous audit recommendations – 1 November
- Annual Review of Internal Controls – 22 November
- Project Management – 28 November
- Cyber Security – 29 November

KL advised the Chair that time will be allocated to the January and February meetings to facilitate review of the audit reports by the committee.

The Chair briefed the committee on her meeting with Mazars following their appointment, the purpose of which was to ensure a smooth transition process from the previous service provider.

It was agreed that Mazars should attend the November meeting and present a paper confirming the schedule and timelines for the audit reports. In addition, the audit programme for 2022 should be for discussion and attendance by a representative from the Comptroller and Auditor General is also scheduled.

7.1 Culture – initiatives underway

PQ presented a paper to the committee on various initiatives underway within HIQA that relate to organizational culture. PQ explained that the Resource Oversight Committee (ROC) where oversight responsibility for organizational culture lies, had requested the paper, following a discussion on the range of initiatives currently underway in this space and an acknowledgment of the input required from staff to deliver them.

In response to the committee’s queries, PQ clarified the following:

- The Board and Resource Oversight Committee, having considered issues of capacity within the organization agreed that the audit on culture be deferred until quarter one 2022
- In terms of assurances on the organisational culture, there had been extensive engagement with **HIQA’s staff** and external stakeholders as part of the development of the 2022 – 2024 Corporate Plan which reflects positively on HIQA as an organisation
- There has also been significant staff engagement on the corporate plan, future working models, the staff survey, wellbeing initiatives and a range of other activities in the same space.

The Committee thanked PQ for a very informative paper. It was noted that the ROC will continue to oversee relevant culture initiatives and that the culture audit will form part of the discussion with Mazars in November.

7.2 Audit Recommendations – Implementation

KL presented a new report which records and tracks the implementation of internal audit recommendations from previous audit reports. She explained that as new reports are generated, the recommendations are added to the system and assigned an owner and a due date for implementation.

The report illustrated the recommendations that have been implemented, those that have not been implemented in accordance with timelines, those that are on target to be achieved and those unlikely to be achieved by the due date.

The committee noted that the implementation of a number of recommendations are dependent on the Prism replacement project. **In response to the committee’s questions, PQ provided a brief update to the committee on the Prism project and advised that a comprehensive briefing on this as part of the wider digital strategy is scheduled for next week’s Board meeting.**

The Committee welcomed the new report and the assurance it provides on the status of audit recommendations.

8. Finance Modernisation project

██████████ from Clarion consulting joined the meeting at this point to present an update on the finance modernisation project. ██████ described the background and scope of the project, the findings and the recommendations. The findings relate to structure and people, business issues and processes and technology.

In response to the committee's queries, ██████ and SA clarified the following:

- additional resources will be required and this will account for the main costs for implementation
- a key priority will be to replace the current system
- the project lead has yet to be decided
- the new structure should facilitate better support to the business and increase innovation
- the interface between the finance system and the billing activity within the regulation directorate will be addressed
- the business partnering approach require specific skills and people have been recruited for their relationship building skills as well as the usual accounting and technical skills
- two business partners are currently in place and
- the required resources will be reflected in the business plan and budget for 2022 and costs for technology and systems will be included in the start of year submission.

The Committee welcomed the project update and indicated their support for progressing it as discussed. It was agreed, given the importance of the project, that it should be kept as a standing agenda item so that the committee would receive regular updates.

The Chair thanked PM for the presentation, who left the meeting at this point.

9. Finance Report to end of July

SA presented the Finance Report to the end of July and referred the committee to the cover paper accompanying the *actual spend* versus the *revised budget* report. SA explained that a full reforecast had been carried out for the second half of 2021 with a reduction in income that will be matched by a similar reduction in expenditure; this is driven by the treatment of the funding to implement the recommendations of the Nursing Home Expert Panel.

SA also clarified the main areas where underspends have occurred and the reasons for these. **In response to the committee's queries, SA clarified the following:**

- It is expected that the DoH allocation will be drawn down in full and in line with reforecast
- This is dependent on all programmes being delivered as planned

- Expenditure will be monitored closely and action will be taken as appropriate to address variance
- While there has been significant recruitment, some positions have been filled by internal staff and therefore full costs have not been actualised notwithstanding the successful filling of some positions
- There is ongoing monthly engagement with the DoH in relation to the drawdown of the annual funding allocation and
- A report on staff turnover will be included in the next Board report.

The Committee thanks SA for his report and the clarifications provided.

10. Communication of Corporate Policies

SA presented a short paper on the dissemination and communication of corporate policies and procedures.

In **response to the committee's queries, SA and KL clarified the following:**

- New staff are provided with information on relevant policies and procedures and links to key policies
- All policies and procedures are maintained on the *Precision* document management system
- When a corporate policy or procedure is updated, the old one is obsoleted which means information is current
- Periodic reviews are run quarterly to identify policies and procedures that are out of date or coming up for review to ensure that document owners are aware of the need to review and update where necessary and
- KL is discussing with PMO office on a system for tracking the completion of mandatory training.

SA also advised that it is the intention in the longer term to procure a system which can record and track confirmation by staff that they have read and understood key corporate policies.

11. Risk Review

KL presented the corporate risk register report and highlighted the changes since the last meeting of the committee. It was noted that a new risk had been entered by the regulation directorate as a result of a number of control issues in registration administration system. While the issues were minor, the frequency highlighted the need for management to establish a number of controls and additional actions. PQ confirmed that since these actions have been taken, the situation has improved.

KL drew attention to a proposal approved by the EMT for membership of HEANet, the purpose of this membership is to avail of efficient procurement opportunities and more access to a wider range of services. This initiative reflects additional management actions to mitigate the risk of delays in OGP procurement.

The Committee noted that the new risk register format works well and thanked KL for her report.

11.1 Report on risks reviewed by other board committees

KL advised the committee on risks discussed by other board committees as follows:

- HTA risks – The HTA management team have recognised that their Directorate activities have expanded and diversified and therefore they are undertaking a full review of their risk environment in Q4.
- Progress had been indicated in relation to the risk regarding the delay in the approval of **Overarching Children’s Standards** – it has been agreed with Department of Children, Equality, Disability, Integration and Youth (DoCEDIY) that a guidance document to accompany the standards should be developed.

KL confirmed that a report from the committees is provided at each standard business Board meeting.

12. ARGC checklist review

KL informed the Committee that the checklist for audit and risk committee forms part of the Code of Practice for Public Sector Bodies and this is reviewed annually by the Committee Chair and the Board secretary.

As a result, a number of areas were brought to the attention of the Committee including the importance of Committee members raising any relevant interests they might have at meetings and arranging any training that the committee might find beneficial.

Committee members are to revert to KL with suggestions for training.

In response to a query as to the relevance of the audit committee checklist, KL advised that it forms part of the current Code of Practice for the Governance of State Bodies, with which HIQA, as a public sector body, is obliged to comply.

It was confirmed that the checklist is not the annual evaluation of the Committee, which is planned for November. KL agreed to issue the evaluation template to the committee members when it has been finalised.

13. AOB

DC raised the issue of the IPA review of the recent process for procuring an internal audit service, (the IPA Review) which **was included as a paper under “matters arising”** and expressed his disagreement to the commissioning of a review by the Chairperson of the Board. CS, as Chair of the ARGC, advised that she had discussed DC’s previous observations with the Chairperson of the Board on the process for procuring an internal audit service and had agreed with the Chairperson of the Board, that a review be commissioned to establish

HIQA's compliance with public sector requirements and to make recommendations for improvement of any areas of the process if required.

Following a lengthy discussion, the Committee welcomed the assurance provided by the IPA review and the decision of the Chairperson to commission it in agreement with the Chair of the ARG. However, it was noted that DC wished his views be recorded, i.e. his disagreement regarding the process through which the IPA review was commissioned and that communication with ARG members should have been via the ARG Chair.

Signed:



Caroline Spillane
Chair



Kathleen Lombard
Board Secretary

Actions following from the ARGC Meeting of 22 September 2021

	Action	Person Responsible	Time-frame
1	Insert text "other options could have been considered" to item 7 of the June minutes.	KL	immediate
2	Allocate time to the January and February meetings to facilitate review of the audit reports by the committee.	KL	January
3	Mazars to attend the November meeting and present a paper confirming the schedule and timelines for the audit reports. audit programme 2022 for discussion also	KL	immediate
4	attendance of a representative from the Comptroller and Auditor General to be arranged		immediate
5	Keep the finance project as a standing agenda item to ensure regular updates.		immediate
6	A report on staff turnover to be included in the next Board report.		immediate
7	issue the committee evaluation template to the committee members		When finalised
8	Correct date of Chairperson's letter issued to committee members		immediate

Carried forward Actions

	Action	Person Responsible	Time-frame
1	Consideration will be given to developing an investigation procedure	KL	Jan/Feb 2021

Recurrent actions

1	Inform Committee between meetings of risks escalated or de-escalated to corporate risk register.	KL/PQ	As arises
2	future ICT reports to include budget versus actual costs and planned versus actual timelines	BK	ongoing