

**Draft Minutes of the Audit, Risk and Governance Committee (ARGC)**

**Zoom Conference  
18 January 2022, 16.00 – 17.40pm**

**Present:**

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

**In Attendance:**

Mairin Ryan	Acting Chief Executive Officer	MR
Kathleen Lombard	Board Secretary & Chief Risk Officer	KL
Sean Angland	Acting Chief Operating Officer	SA
Joan Heffernan	Quality and Risk Manager (minute taker)	JH
██████████	Mazars *part of the meeting	SB
██████ ██████	Mazars *part of the meeting	CM
Eleanor Noonan	Finance Manager, HIQA *part of the meeting	EN
Bala Krishnan	Chief Information Officer, HIQA *part of the meeting	BK
Robert Lambert	Information Governance and Assurance Manager, HIQA *part of the meeting	RL

No apologies were recorded.

**1.0 Quorum**

A quorum was present and the meeting was duly convened. BC, as Chair of the Committee welcomed the members to the meeting and thanked the outgoing Chair, CS for the commitment and high standards that she had displayed during her tenure as Chair.

## **2.0 Conflict of interest**

No conflicts were declared.

## **3.0 Minutes of meetings**

### **3.1 Minutes of 21 September 2021**

KL advised that the minutes of 21 September had been revised following the receipt of corporate governance advice on recording the views of individual members. With the exception of DC, the committee indicated their agreement with the revised wording. The Chair advised that no further time would be spent on these minutes and that she will reflect further on DC's comments and revert on the matter. She added that the minutes will be deferred until the next meeting.

### **3.2 Minutes of 23 November 2021**

The Committee reviewed the minutes of 23 November 2021. It was agreed that the minutes were an accurate record of the meeting and accordingly the minutes of the committee meeting of 23 November 2021 were approved by the committee.

## **4.0 Review of actions**

KL advised that the majority of the actions have been completed or are listed on the agenda for today's meeting. Information on staff turnover was included in the last Board report in December 2021.

## **5.0 Matters arising**

In response to the committee's observations, KL reminded the members to complete the committee evaluation forms including the section on individual performance before the closing date for receipt. The findings arising from the evaluation will be discussed at the March meeting.

## **6.0 Emerging Issues**

No emerging issues were noted.

## **7.0 Internal Audit Programme – update and plan for 2022**

■■■■ from Mazars joined the meeting at this point. Eleanor Noonan (EN) Finance Manager, Bala Krishnan (BK) Chief Information Officer and Robert Lambert (RL) Information Governance and Assurance Manager also joined the meeting to respond to any queries arising from the recent audit on internal controls.

■■ gave an update on the Internal Audit Plan for 2022 as follows:

- Two ongoing audits from 2021 on cyber security and IT project management are in the reporting phase. Findings will be presented at the next committee meeting

- Two audits are scheduled for Q2 2022; the culture audit and HR recruitment audit. The VFM public spending audit will commence in June 2022.

In response to committee's observations, it was agreed that the internal audit plan could be revisited if any additional areas were identified for audit attention. ■ also advised that Mazars had considered findings from the Comptroller and Auditor General's (C&AG) report.

## **7.1 Review of the system of internal controls:**

■ advised that the 'Review of the System of Internal Controls' report is comprised of two sections; the Internal Financial Controls and the Internal Controls Questionnaire.

- Internal Financial Controls – ■ outlined the main findings from the audit and advised that based on the work undertaken, three low priority findings were identified. The findings were reviewed by the committee. In response to committee's observations on the finding that HIQA did not have a non-competitive procurement form in place, CM clarified that the issue relates to the absence of the form rather than it being a concern with the process.

■ summarized the outcome of the audit as being one that showed a good control environment with the audit opinion indicating that reasonable assurance can be placed on the effectiveness and operation of internal controls.

- Internal Control Questionnaire – ■ advised that the Internal Control Questionnaire assesses the wider internal control environment and is intended to inform the Board's annual assessment of the effectiveness of HIQA's internal controls. ■ advised that management completed the questionnaire and internal audit sought evidence to verify the responses. The findings were reviewed by the Committee and in response to their observations the following was clarified:
  - Prior to the audit, management had identified the policies highlighted by the audit as requiring development and these are part of a policy review programme currently underway. This work is being outsourced as internal resources are not available.
  - Management will prioritize the development of an 'Information Security Policy' and finalizing of the 'Access Control Policy' which is currently in draft.

BK will revert with a revised timeframe.

Management also emphasized that while there is work underway on the overarching policies, procedures around access and security are well established.

The Committee recommended that potential risks associated with the migration from one IT system to another during the PRISM upgrade project be monitored closely. BK confirmed that the project will have robust project management with appropriate governance structures in place.

The committee thanked Mazars for their reports and ■ left the meeting at this point. BK and RL also left the meeting at this point.

## **8.0 Finance Report**

EN presented the finance report for the period ending November 2021 and advised that since the report was issued to the Committee, the end of year position is now clearer. Key points from the report were highlighted as follows:

- The expenditure to date in 2021, together with the percentage variance with budget and expected total costs for 2021
- The income level is ahead of revised budget due to a timing difference in grant drawdown.
- Grant details relating to work on the Nursing Home Expert Panel recommendations against allocation for 2021
- The net income over expenditure and the
- ICT programme spend for 2021 against the Start of Year budget submission.

In response to the committee's queries, EN and SA confirmed that:

- The full revenue grant for 2021 available from the DoH has been drawn down
- The headcount variance of 25 reflects a point in time (end of November) rather than a full year effect. As such, it did not impact significantly on the achievement of the 2021 business plan objectives, however a small number were not achieved and these are reported to the Board.

SA will provide a more detailed representation of the headcount figures to the next committee meeting.

The Committee also noted that:

- The spend on consultancy fees will require ongoing monitoring by the committee over the coming year and
- The costs of the Prism replacement project (capital and operational) will be reported in detail to the committee from here forward so that there is strong oversight external to the project.

The committee thanked EN for the presentation who left the meeting at this point.

## **9.0 ARGC Annual Assurance Report to the Board**

KL explained that the report provides a compilation of sources of assurance to enable the Board's responsibility for ensuring that effective systems of internal control are instituted and implemented in the State Body and for reviewing the effectiveness of these systems annually as required by the Code of Practice for the Governance of State Bodies.

KL highlighted that the sources of assurance have been drawn from internal audit work, the audit of the annual accounts by the C&AG, assurances provided to the ARGC and other Board committees, risk management and review of financial statements. A preliminary Assurance Report was presented to this committee at the November meeting.

In response to the committee's observations, KL will amend point 4 (External Audit) to reflect that DHKN were contracted by the C&AG to conduct the external audit on their behalf.

In response to an observation on the NSAI SWiFT 3000 Governance review, KL advised that assessment against this standard reflects current and emerging best practice. DC requested a copy of the SWiFT governance standard and the governance assessment report to the committee. KL agreed to circulate to the committee.

The committee accepted the report and recommended its circulation to the Board for its upcoming meeting as part of their review of the effectiveness of HIQA's internal controls prior to approval of the annual report and the annual accounts in the coming months.

## **10.0 Risk review and risks reviewed by the committee**

KL presented the corporate risk report noting that following review by the Executive Management Team (EMT) the following changes were made to the corporate risks:

- Risk 20-390 re loss of corporate knowledge – closed. This follows three recent appointments to the senior management team, two of which were internal candidates which provides continuity of corporate knowledge.
- Risk 94 – new risk added to the register by the Chief Inspector and the Director of Regulation on preparing for the number of anticipated commencements. Stronger controls and actions have been developed which have brought this risk within appetite.
- Risk 19-267 re impact of delays within OGP - the residual risk rating was reduced as there is less reliance on the OGP due to alternative established frameworks.

In response to the committee's observations it was suggested that the wording of risk 18-221 be reviewed to reflect the culture and values of the organisation and in the context of the buoyant recruitment market for professionals.

KL informed the committee that the new Statutory Compliance module on Vision is due to go live shortly.

## **11.0 ARGC annual work plan**

KL presented the committee's work plan for 2022 which is aligned with the committee's terms of reference. In addition KL highlighted terms of reference which might benefit from a review. In response, the following issues were discussed by the committee:

- Ensuring that the relationship between the Resource Oversight Committee (ROC) and the ARGC functions effectively. This is particularly important in the context of financial reporting and examination of any financial concerns. It was also noted that two members of the ARGC sit on the ROC which facilitates coverage of any issues arising.
- Review of the committee terms of reference. KL suggested that the TORs are reviewed following the completion of the annual committee evaluation.

It was noted that the committee evaluation will be on the March agenda of the Committee.

**11. AOB**

There being no further business, the meeting was closed.

Signed:



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Bernadette Costello  
Chair



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Kathleen Lombard  
Board Secretary

## Review of Actions Following from the ARGC Meeting of 18 January 2022

	Action	Person Responsible	Timeframe
1	Approval of September minutes deferred to allow BC, as the new Chair to reflect further on DC's comments and BC revert on the matter.	BC	next meeting
2	committee evaluation forms to be completed, including the individual evaluation forms, before the closing date on 21 <sup>st</sup> January 2021	All members	immediate
3	BK to ask BDO to prioritize the completion of the Information Security Policy could be brought forward.	BK	next meeting
4	SA to provide more detailed representation of the headcount figures.	SA	next meeting
5	SA to present a finance report on the PRISM replacement project costs to future committee meetings	SA	for future meetings
6	Amend point 4 (External Audit) in the Annual Assurance Report to better reflect that DHKN were contracted by the C&AG in advance of the report going to the Board	KL	Immediate
7	Forward a copy of the NSAI governance assessment SWiFT 3000 report to the committee members	KL	Advance of next meeting
8	SA to review the wording of risk 18-221 to reflect committee feedback.	SA	Advance of next meeting
9	Committee TORs to be reviewed following the completion of the annual committee evaluation.	KL	March 2022

	Recurrent actions	Person Responsible	Timeframe
1	Inform committee between meetings of risks escalated or de-escalated to the corporate risk register.	KL/PQ	As arises
2	Future ICT reports to include budget versus actual costs and planned versus actual timelines	BK	Ongoing
3	Draft Committee meeting minutes to be issued within 10 working days of the meeting and any comments in relation to those draft minutes should be returned within 10 working days of receipt.	KL	Ongoing