



HSE Audit & Risk Committee Meeting

Minutes

A meeting of the HSE Audit & Risk Committee was held on Friday 8th December 2023 at 14:00 via videoconference.

Members Present: Brendan Whelan (Chair), Fergus Finlay, Pat Kirwan, John Moody, and Sharon Keogh

Apologies: Michelle O'Sullivan, Éimear Fisher, Patrick Lynch (Acting CSO), Trevor O'Callaghan (CEO Dublin Midlands Hospital Group)

HSE Executive Attendance: Stephen Mulvany (CFO), Mairead Dolan (Asst CFO), Joseph Duggan (ND IA), Dara Purcell (Corporate Secretary), Niamh Drew (Deputy Corporate Secretary), Patricia Perry (Office of the Board)

Joined the Meeting: Bernard Gloster (CEO)(Item 1), Elaine Kilroe (AND Enterprise Risk Management)(Item 3), Tom Malone (AND IA), Michelle Galvin (AND IA), Paul Hannon (AND IA) (Item 4), John Crean (Deputy Director of Audit C&AG)(Item 5.1), John Swords (ND Procurement)(Item 5.7), Paul de Freine (ND Capital & Estates)(Item 6), Mike Bermingham (AND Capital & Property), Yvonne Gregory (General Manager Capital & Estates)(Item 6.1)

Minutes reflect the order in which items were considered and are numbered in accordance with the original agenda. All performance/activity data used in this document refers to the latest information available at the time.

1. Chief Executive Officer in attendance

CEO joined the meeting

1.1 CEO Update re Centre Design

The Chairperson welcomed the CEO to the meeting.

The CEO provided the Committee with an update on the HSE Centre Design and provided feedback to questions previously sought by the Committee. He advised the Committee of the revised structure which will seek to achieve a more lean, agile, and streamlined Centre, which will support the Health Regions, which are to be operational from March 2024, achieve their key functions (planning, enabling, performance, and assurance), and deliver on national/specialist services and schemes, which was welcomed by the Committee.

The Committee were then provided with an update by the CEO on the development of draft 1 of the NSP 2024, and advised of timelines for completing NSP 2024 with submission on 20 December



2023 to the Department of Health (DoH) and Department of Children, Equality, Disability, Integration and Youth (DCEDIY).

The Planning & Performance Committee (PPC) Chair advised that the draft NSP 2024 was considered by the PCC that morning, and were advised that their comments would be reflected in the next draft of the NSP.

The CEO left the meeting at 2.53pm

The Committee held a discussion in relation to the NSP 2024 during the private session.

2. Governance and Administration

2.1 Conflicts of Interest

No conflicts of interest were declared.

2.2 Minutes

The Committee approved the minutes of 17 November 2023.

2.3 Action Log

The ARC Action Log was noted.

2.4 Workplan 2024

The ARC Workplan for 2024 was reviewed and approved.

2.5 Matters for Noting

i. Agencies Oversight Agreements

Further to a previous request from the Committee in relation to agencies that did not have their service agreements signed as at the end of 2022, the Committee noted the update and agreed that a further discussion would take place in the new year.

ii. Business Continuity Management (BCM) Policy and Handbook

The Committee noted the paper circulated, the purpose of which was to inform the approach to date to design a Business Continuity Management (BCM) Policy and Handbook and outline the next steps. It was agreed that it would be discussed at a future meeting in the new year.



3. Risk Management

AND Enterprise Risk Management joined the meeting

3.1 Corporate Risk Register Q3 2023 and Corporate Risk Review

The AND Enterprise Risk Management presented to the Committee the HSE Q3 2023 Corporate Risk Register (CRR) Exception Report. The Committee noted that as the Corporate Risk Review is being concluded in parallel with the Q3 2023 Corporate Risk Register (CRR) Report, the Q3 report is “by exception”.

3.2 ARC Risk Workshop Preparation

The AND updated the Committee that, with ARC member John Moody, a number of preliminary engagements with ARC members and Chairs of other Committees had occurred, in advance of the scheduled ARC workshop in January.

AND Enterprise Risk Management left the meeting

4. Internal Audit

AND's IA joined the meeting

4.1 Internal Audit Plan 2024

The ND IA presented to the Committee the planning approach and proposed plan for Internal Audit for 2024. He stated that given the imminent changes to HSE structures with the appointment of Regional Executive Officers and the implementation of Health Regions, the Plan of 52 topics was being proposed as 36 operational audits to be populated on a half-year basis, allowing for a special focus on the change management processes and controls in the transition to Health Regions during the first six months of 2024; 16 ICT audits to be populated on a 12 month plan basis with a programme of national technical audits; and that a rolling work plan for Healthcare Audit and Special Projects & Investigations is derived from their respective 2023 plans.

The Committee reviewed and approved the Internal Audit Plan 2024 and accepted the Plan as flexible rather than fixed for 12 months, and that audits will be linked to the enterprise risks on the Risk Register.

The Committee were provided with an update in relation to ICT auditing and requested that the ND IA review the balance between the use of internal and external resources for the delivery of ICT auditing.



4.2 Special Projects Report

The AND IA presented to the Committee a summary of findings from two reviews carried out by the Special Projects & Investigations Unit relating to :

- Issues Raised by the liquidation of a previous HSE supplier
- EU Funded Projects

Issues raised by the liquidation of a previous HSE supplier

The review commissioned by the Committee in February 2023, was to examine internal controls in order to identify weaknesses that may have given rise to risk within the area of surgical supplies expenditure in the HSE. The Committee were advised that the review aimed to identify and assess the adequacy of procedures and controls in place and undertake testing of these controls to identify any non-compliance with best practice which may have increased the risk of inefficiency, potential fraud or irregularity. The Committee noted a Moderate Audit Opinion.

The Committee considered the report and requested that the ND IA submit a report with regard to due diligence of 3rd parties to the Committee.

EU Funded Projects

The Committee were advised of the findings from the review and noted an Unsatisfactory Audit Opinion.

AND's IA left the meeting

5. Accounting, Governance and Financial Reporting

Deputy Director of Audit, C&AG joined the meeting.

5.1 C&AG Audit Planning Memorandum – the audit plan for year ended 31 December 2023

The Chair welcomed John Crean, Deputy Director of Audit from the Comptroller & Auditor General (C&AG) to the meeting.

The Deputy Director of Audit C&AG presented to the Committee the audit plan for year ended 31 December 2023, which set out the C&AG's proposed approach for the audit of the HSE, which will be conducted in line with International Standards on Auditing (ISA's). The audit will provide an opinion on whether the financial statements properly present the state of the HSE's affairs at year end and the income and expenditure for the year in accordance with the accounting standards specified by the Minister for Health as set out in the basis for preparation section of the accounting policies.



He identified for the Committee the significant business and financial statement risks faced by the HSE and explained the approach to dealing with these in the audit. Any matters of significant importance identified during the course of the audit would be reported to the Committee.

The Committee noted the additional audit requirements under ISA 260 and were advised that these requirements have been taken into account in the timetable for the audit. The Committee discussed the roll out of IFMS across two thirds of the financial reporting areas from July 2023, noting that this creates a risk that the financial statements are not complete and accurate, that a material error would not be detected or corrected, and that the Audit could be impacted by the current work to rule.

The Committee noted that a further update will be brought back to the Committee before the final audit report in May 2024.

Deputy Director of Audit, C&AG left the meeting

5.2 AFS 2024 timelines, current issues and judgements

The Committee noted the briefing paper circulated, outlining the statutory and regulatory background to the production of the Annual Financial Statements (AFS), the associated timelines and an overview of any issues which may have a material impact on same.

The Asst CFO advised that under DPERs Code of Practice for the Governance of State Bodies 2016, the HSE is required to produce a draft set of AFS and notes to the Comptroller and Auditor General (C&AG) and DoH within two months of the financial year end, which is 28 February 2024, and will be reviewed by the Committee in March 2024.

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The Committee noted the timelines as follows:

- Board adopts AR (including AFS) Friday 26 April 2024
- HSE submits within 21 days which is 17 May 2024
- Minister lays these before the Oireachtas 07 June 2024

The Asst CFO outlined in the paper presented the overview of key issues impacting on the production and Audit of AFS 2023 and the key issues that have arisen in the past 2 years that are reflected in the Statement of Internal Controls and/or Audit Certificate only.



5.3 National Service Plan 2024 & Letters of Determination

CFO joined the meeting

The CFO updated the Committee on the development of draft 1 of the NSP 2024 following receipt of the Letters of Determination (LoDs) from both the DoH and DCEDIY on 29 November and 4 December respectively, and the Committee noted the timelines for completing the NSP 2024 with submission due on the 20 December 2024.

The CFO presented to the Committee the draft chapter of the NSP 2024 relating to the Financial Management Framework and advised that feedback received from the Committee was taken into consideration in the draft presented. Committee members agreed to review and speak separately with the CFO offline with their further feedback. The Committee commended the CFO and team on the work done so far.

5.4 Financial Update incl YTD Expenditure – verbal update

The CFO advised the Committee that there was no paper to present in relation to the YTD Financial Position due to the Forsa Work-to-Rule.

5.5 Health Budget Oversight Group (HBOG)

The Committee noted that there was no meeting of HBOG in the last six weeks.

5.6 IFMS Implementation issues including HSE & Tusla RCA Duplicate Payments

The CFO advised the Committee that in relation to the IFMS IG1 go live, to which IBM were available to support Finance Shared Services Payment Services with managing some of the key changes to ensure payments were made to suppliers, a technical issue arose where two large payment files relating to the HSE and Tusla were inadvertently paid twice. He advised that at the present time 99.9% of the HSE duplicate payments, and 99.8% of the Tusla duplicate payment have been recovered successfully. The Committee noted that a Root Cause Analysis was undertaken to ensure this error will not occur again.

The Committee also noted the update from the CFO in relation to the roll out of IFMS IG2.

5.7 Contract Approval Requests

ND Procurement joined the meeting

The CFO and ND Procurement presented to the Committee the following Contract Approval Requests (CARs).



- i. International Recruitment of Nurses & Midwives
- ii. Media Agency Tender
- iii. National Contract for Oncotype Dx Testing
- iv. HSE Legal Services

The Committee considered the detail of the proposed CARs and agreed to recommend to the HSE Board for approval.

ND Procurement left the meeting.

6. Capital & Estates

ND, AND and General Manager Capital & Estates joined the meeting

6.1 Capital Plan 2024

The A/CSO presented the draft HSE Capital Plan 2024 to the Committee and advised that the final draft will be presented to the Board on the 20 December 2024 for approval prior to formal submission to the Minister for Health and Minister for Children, Equality, Disability, Integration & Youth.

The A/CSO outlined that the LoDs from the DoH and DCEDIY provided capital funding of €1,159.28m in 2024 for infrastructure and equipment and provided a summary of the capital allocation from each Department.

The Committee noted that the Capital Plan incorporates input from operational services, supported by strategic input at corporate level and in consultation with both Departments. The A/CSO outlined the allocation of funding to meet all contractual commitments with priority given to ambulance replacement, equipment replacement programme, infrastructural risk, Urgent and Emergency Care and Climate Action, and the remaining funding allocated to projects prioritised by the National Capital and Property Steering Committee, and provided a breakdown of the 2024 allocation.

The Chair thanked the A/CSO and ND Capital & Estates and team for their input and the time given to the draft Capital Plan.

The Committee agreed to endorse the draft Capital Plan 2024 for onward submission to the Board for consideration and approval.

General Manager Capital & Estates left the meeting



6.2 Building Properties & Contracts

The Committee considered the detail for the following proposed contracts and properties, and agreed to recommend the following to the HSE Board for approval.

- i. Contract Award for 20-bed purpose built Cystic Fibrosis Inpatient Facility at Beaumont Hospital
- ii. Contract for Refurbishment and Extension of North West Hospice Sligo
- iii. Lease of Primary Care Centre, Youghal, Co Cork
- iv. Lease of Primary Care Centre, Middleton, Co Cork
- v. Proposed Acquisition of JJSR Building Tralee, Co Kerry

The Chair on behalf of the Committee, and the former Committee Chair Mr Brendan Lenihan, passed on good wishes to Mr Paul de Freine, National Director Capital & Estates on his retirement and thanked him for his 25 years of service in the Department of Health and the HSE.

7. A.O.B

There was no further business. The Chair thanked the Committee and EMT members. The meeting ended at 5pm.

8. Committee Members Private Discussion

The Chair held a private session with Committee members.

Signed:

Brendan Whelan
Chairperson

Date: 19th February 2024