



Protecting and improving the nation's health

# Minutes

<b>Title of meeting</b>	Audit and Risk Committee	
<b>Date</b>	Tuesday 17 September	
<b>Time</b>	10:00 – 12:30	
<b>Venue</b>	Wellington House, 133-155 Waterloo Road, London SE1 8UG	
<b>Present</b>	Sir Derek Myers	Non-executive member of the Advisory Board and Chair
	Martin Hindle	Independent external adviser
	<i>Dame Julia Goodfellow</i>	<i>Chair, Advisory Board</i>
<b>In attendance</b>	<i>Catherine Afolabi</i>	<i>Lead Assurance Adviser</i>
	<i>Mark Driver</i>	<i>NIS Deputy Chief Operating Officer</i>
	<i>Richard Gleave</i>	<i>Deputy Chief Executive and Director of Operations</i>
	<i>Rupert Goodman</i>	<i>Deputy Director – Corporate Services</i>
	<i>Tim Harry</i>	<i>Science Hub Programme Manager</i>
	<i>Jason King</i>	<i>NIS Programme and Business Support Manager</i>
	Anna Kinghan	National Audit Office
	<i>Deborah McKenzie</i>	<i>Chief People Office</i>
	Kishor Mistry	Deputy Director, Corporate Risk and Assurance
	Niki Parker	Government Internal Audit Agency
	<i>Sharon Peacock</i>	<i>NIS Director</i>
	Cameron Robson	Government Internal Audit Agency
	Duncan Selbie	Chief Executive
	Donald Shepherd	Acting Finance and Commercial Director
	Alex Sienkiewicz	Director of Corporate Affairs
	Alan Stapley	Deputy Director, Finance
	Mike Surman	National Audit Office
	<i>Michele Timlin</i>	<i>Lead Risk Adviser</i>
	<i>Mike Yates</i>	<i>Secretary</i>
<b>Apologies</b>	Michael Hearty	Independent external adviser
	Simon Reeve	Department of Health and Social Care
	Graham Reid	Department of Health and Social Care
	David Robb	Government Internal Audit Agency

**1 Introduction and apologies**

- 19/129 The Chair welcomed Anna Kinghan, NAO, who had taken over the Director role from Catherine Hepburn. The Chair also asked that Catherine's significant contribution to the work of the Committee be noted.
- 19/130 This was also Donald Shepherd's first Committee meeting in his capacity as Acting Finance and Commercial Director.
- 19/131 This would also be Cameron Robson's last Committee meeting. The Chair thanked Cameron for his contribution to the work of the Committee and more widely in overseeing an effective internal audit programme for PHE.
- 19/132 Other than Martin Hindle declaring that he was a member of the Science Hub Programme board, there were no declarations of interest made in respect of the agenda items.

**2 Minutes of the previous meeting: 19 February 2019**

- 19/133 Enclosure AR/19/032. The minutes were accepted as an accurate record of the meeting. Mike Surman had suggested a minor change before the meeting; this change had now been made.

**3 Matters arising**

- 19/134 Enclosure AR/19/033. There were no matters arising due that were not covered elsewhere on the agenda.
- 19/135 The Committee **NOTED** the report.

**4 Corporate Affairs Directorate risk management deep-dive**

- 19/136 Enclosure AR/19/034. Alex Sienkiewicz presented.
- 19/137 The presentation focused on two elements of risk management: the support the directorate provides across PHE; and the risks it faces itself as a directorate. The directorate carries the lead for risk management and assurance for PHE as a whole, as well as a number of other risk prevention areas including fraud, corruption, bribery and theft; health and safety and legal issues.
- 19/138 The most significant risks on the directorate risk register included those relating to:
- Working with the National Infection Service (NIS), managing the risks to staff, the public and environment associated with PHE's work with high hazard pathogens (CL3 and 4);
  - (with a deliberately lean staffing structure) recruitment, retention and succession planning of skilled and experienced staff in a number of areas (with a particular focus on the Parliamentary, Security and Porton Engineering and Facilities Teams);
  - (subject to business case approval later in the 2019/20 year) managing the risks associated with moving from Trackwise to a system with improved functionality;

- Managing the Porton site to modern day health and safety standards, and improving and maintaining resilience and security standards for as long as necessary;
- Managing the transition from an outsourced total Facilities Management (FM) arrangement at Porton to separate 'hard' FM, 'soft' FM and guarding services in 2020/21.

19/139 Alex also presented a full risk register. The risk owner for risk 4 (relating to a serious governance failure) was missing. Alex confirmed that he was the risk owner and this would be included. Action: Alex Sienkiewicz

19/140 The Chair asked that the lessons being learned as a result of strengthening and maintaining resilience at Porton be considered and applied, as appropriate/necessary, to other parts of the campus including Colindale.

19/141 The Committee **NOTED** the report.

## **5 Strategic Risk Register**

19/142 Enclosure AR/19/035. The risk register was presented by Alex Sienkiewicz and Kishor Mistry.

19/143 There had been no new risks added since the last report, and none had been closed, de-escalated or consolidated.

19/144 In terms of the highest rated risks - risk 10 relating to health and safety/high containment: the rating would be further reviewed on completion of the mitigating actions included and a decision would be taken on whether the probability rating could be reduced from 'medium' to 'low'.

19/145 The Committee **NOTED** the report.

## **6 PHE Harlow assurance report**

19/146 Enclosure AR/19/036. Richard Gleave and Tim Harry presented the report. As well as covering the most significant risks, the report also included the latest position on revenue and capital costs.

19/147 The prime objective for the current financial year was to submit the Programme Business (PBC). Final submission was planned for February 2020.

19/148 The latest Gateway Review (Gate 0) was held in July with a particular focus on the management of cost pressures. The Review Team gave a rating of Amber/Red (a shift from the previous rating of Amber), recognising the significant cost and scope pressures. However, the Review Team also concluded that the programme was being well run and had the right actions in-train to produce a robust programme business case and move forward to the next stage of delivery. Also, that the programme management processes were exemplary in many respects. Further reviews would take place in November and February (the latter as part of the PBC submission and approval process).

19/149 Key risks and mitigations included:

- capability projects within the Science Hub Programme unable to meet the business need at the required quality within the agreed timelines/budgets (this was being mitigated through the Value Management/Value Engineering (VM/VE) work, judicious use of contingency funding, and robust change control and cost management;
- Business Change projects do not deliver sufficient information required for the PBC, and the business change, benefits and robust and effective business-as-usual (BAU) from 2024 onwards (this was being mitigated by (amongst other things) the creation of a budget for “backfill” and additional subject matter experts; detailed review of changes in scope from OBC; the creation of a toolkit to support line management through the change; the creation of expanded teams with explicit links between the programme and the wider organisation to address challenges.

19/150 A highly structured approach had been put in place for the identification and management of risks, with relevant content in the Strategic Risk Register regularly reviewed and updated. All high probability programme risks were being treated and managed as issues. The programme risk register was being refreshed in recognition of the increasing maturity of the programme. Martin Hindle confirmed that a discussion on risks took place at each Programme Board meeting.

19/151 A new Programme Director, Martin John, had recently been appointed. Martin’s appointment would provide an opportunity to look afresh at the programme, and its capacity and capabilities. The Committee and attendees thanked Tim for his significant contribution as Programme Director.

19/152 The Chair thanked the team for the update. He suggested that the next assurance update to the Committee focused on the on-going and future skills and expertise required by the programme, and an analysis of any significant gaps and the actions being taken to fill these. He asked that an information note on this be provided for the February 2020 Committee meeting. Another full assurance update on the programme would take place in September 2020.

Action: Richard Gleave, Tim Harry, Martin John

## 7 National Infection Service (NIS)

19/153 Enclosure AR/19/037. Sharon Peacock and Mark Driver presented. As well as an overview of NIS, the 2018/19 review of the directorate and its governance, the presentation focused specifically on the management of incidents and risks, and improving NIS business information.

### *Incident management*

19/154 Like the rest of PHE, incidents are recorded and managed on the Trackwise system. In NIS, information on incidents is monitored within divisions by Deputy Directors. The PHE Adverse Incident Review Group (AIRG) looks at the detail of incidents for trends and transferable lessons – the NIS Clinical Governance Lead sits on AIRG. Relevant lessons are brought back from

AIRG and shared within the relevant NIS Divisions.

19/155 NIS incidents are reported to the NIS Risk & Governance Group on a monthly basis with periodic review (quarterly as a minimum). Reports show all 'open' incidents and the length of time they have been open. The NIS Risk and Governance Group reports quarterly to the NIS Senior Leadership and Management Team, and Deputy Directors are prompted to close long-open incidents appropriately.

19/156 The number of open overdue incidents had steadily declined between May and August 2019. However, concerted efforts were being made to improve the situation further; significant progress was promised within the next two months on closing incidents older than six months. The Chair asked that we monitor progress through the integrated governance report, but also asked for a separate brief information note for the November ARC meeting on progress.

Action: Mark Driver, Andrew Mumford

*Business information.*

19/157 On improving the collection, recording, management and use of NIS business information, one receptacle of business information was being developed. Although NIS, like other directorates in PHE, had benefited from new people, finance and risk management information systems, it was developing an NIS management dashboard to unify the existing business information. All management key performance indicators (KPIs) would be in one place with a clear indication of status for each. The development of the dashboard had two phases:

- Collecting and reporting information on health and safety; human resources; finance; and, lab turnaround times;
- Inclusion of a wider set of quality data and individual divisional performance.

19/158 Existing reporting would be used for the first phase where appropriate, including incident reports from Trackwise.

19/159 Provisional user requirements had been defined, engagement had taken place with NIS teams and with the main data providers, and presentation solutions were being explored. It was hoped that the work would be completed and a full dashboard available from April 2020.

19/160 The Chair asked that further assurance update, including the completed dashboard, take place in June 2020.

Action: Sharon Peacock, Mark Driver

19/161 The Committee thanked the team for the update and was assured by the developments described.

**8 Integrated Governance Report**

19/162 Enclosure AR/19/038. Kishor Mistry presented the report.

*Complaints Assurance Framework*

19/163 The Committee welcomed the development of a national Complaint Handling policy and guidance.

19/164 The Committee **NOTED** the report.

**9 Outstanding Internal Audit actions summary**

19/165 Enclosure AR/19/039. Kishor Mistry presented the report.

19/166 It was noted the situation was at best static and had probably slipped a little, and the Committee suggested that a new push was needed to make further progress.

19/167 The Committee **NOTED** the report.

**10 Internal Audit 2019/20 audit plan**

19/168 Enclosure AR/19/040. Cameron Robson presented.

19/169 Steady progress was being made with the audit programme. Two reviews had been completed, one audit was at the draft report stage, a further three were in fieldwork and six were at the scoping stage. This meant that 65% of the 2019-20 plan was either completed or in progress.

19/170 The GDPR preparedness second follow-up review had continued to rate PHE's compliance position as unsatisfactory. Alex Sienkiewicz said that a plan of action had been considered at recent Management Committee meetings and was being progressed. The Chair requested that a further GDPR compliance check by Internal Audit colleagues be included in the 2020/21 audit programme (Q1 or Q2).

Action: GIAS

**11 Losses and special payments**

19/171 Enclosure AR/19/041. Donald Shepherd presented the report, which the Committee **NOTED**.

**12 Any other business**

19/172 Anna Kinghan mentioned that a strategic review of the NAO was taking place. Committee members, attendees and others in PHE who had had regular contact with NAO officials were encouraged to provide feedback. Mike would share the link with Mike Yates who would circulate it as appropriate.

Action: Mike Yates and Mike Surman

19/173 With no further business, the meeting concluded at 12:10.

**13 Date of next meeting**

Tuesday 19 November 2019, 10:00 – 12:30, WEL.

**Mike Yates**  
*Head of Governance*  
October 2019