



Public Health  
England

Protecting and improving the nation's health

# Minutes

<b>Title of meeting</b>	Audit and Risk Committee	
<b>Date</b>	Tuesday 11 June 2019	
<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 Michael Hearty Martin Hindle <i>Dame Julia Goodfellow</i>	Non-executive member of the Advisory Board and Chair Independent external adviser Independent external adviser <i>Chair, Advisory Board</i>
<b>In attendance</b>	<i>Viv Bennett</i> Michael Brodie <i>Elizabeth Ebose</i> Catherine Hepburn <i>Sam Lloyd</i> Niki Parker David Robb Cameron Robson Duncan Selbie Alex Sienkiewicz Alan Stapley Mike Surman <i>Mike Yates</i>	<i>Chief Nurse and Director for Maternity and Early Years</i> Finance and Commercial Director <i>Maternity and Early Years Business Manager</i> National Audit Office <i>Finance and Commercial Directorate (ICT)</i> Government Internal Audit Agency Government Internal Audit Agency Government Internal Audit Agency Chief Executive Director of Corporate Affairs Deputy Director, Finance National Audit Office <i>Secretary</i>
<b>Apologies</b>	Simon Reeve Graham Reid	Department of Health and Social Care Department of Health and Social Care

- 1 Introduction and apologies**
- 19/071 This would be Michael Brodie's last Audit and Risk Committee. The Chair and the other Committee members thanked Michael for his enormous contribution to the work of the Committee over the last few years and wished him well for the future.
- 19/072 There were no declarations of interest made in respect of the agenda items.

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

19/073 Enclosure AR/19/016. The minutes were accepted as an accurate record of the meeting.

**3 Matters arising**

19/074 Enclosure AR/19/017. There were no matters arising due that were not covered elsewhere on the agenda.

19/075 The Committee **NOTED** the report.

**4 Nursing, Maternity and Early Years (NME) risk management deep-dive**

19/076 Enclosure AR/19/018. Viv Bennett, Chief Nurse and Director for Maternity and Early Years, and Elizabeth Ebose, Maternity and Early Years Business Manager presented.

19/077 The directorate's work programme had increased during 2017/18 and 2018/19. This had required a refresh of the risk management processes used. A new directorate risk lead had been appointed and had strengthened risk management through engagement and dialogue with the NME senior management team. There had been a particular focus on improving the quality of the directorate risk register, which had now received a 100% quality rating from the central risk management team. This was all part of a continuous quality improvement programme.

19/078 Further actions would ensure that the risk register reflected delivery of corporate objectives and the business plan.

19/079 There were a number of active risks including:

- All Our Health content not up to date, or being accessed and used by as many health staff as we have identified in business objectives;
- Ensuring PHE compliance with safeguarding policy and procedures;
- Ensuring that nursing and midwifery revalidation processes do not just become local business- as-usual;
- The directorate being unable to contribute adequately to professional Fitness to Practice concerns about nurses within PHE;
- other business areas not having access to professional advice on learning disability;
- The production and dissemination of a safeguarding procedure;
- Key products to support partner organisations and professional groups not delivered;
- Remit letter commitments not delivered.

19/080 No risks were high in both probability and impact, and all were being mitigated well.

19/081 The Committee **NOTED** the report.

**5 Strategic Risk Register**

19/082 Enclosure AR/19/019. The risk register was presented by Alex Sienkiewicz and Kishor Mistry.

19/083 In summary, since the previous report:

- There was a total of 16 risks;
- One new risk had been added;

- Two risks had either been closed or de-escalated;
- There had been one instance of risks being merged.

19/084 Risk ratings had been reviewed for each risk and the heatmap had been amended accordingly.

19/085 The risk on “Influence with the NHS” had been de-escalated, reflecting the work in recent months on the introduction of the Regional Director of Public Health role in the new NHSE/I structure.

19/086 The three risks on the ring-fenced public health grant had been consolidated into two on the basis that there was some overlap in both the risks and their mitigations.

19/087 The rating of Risk 3 relating to access to PHE data had improved based as a result of a more realistic assessment of the likelihood of probability, now lower than the previous measure.

19/088 Risk 15, relating to the public health grant not being used in accordance with the conditions, had also reflected a reduction in likelihood of probability. This reflected a further year’s positive assurance from the National Audit Office (NAO).

19/089 A number of actions arose out of discussions on the risk register:

- Risk 2, Workforce: pay, pay flexibility and rewards – it was suggested that something be included in Internal Audit’s 2020/21 review programme to measure the gap between aspirations and actions taken. Action: Internal Audit colleagues (with Alex Sienkiewicz)
- Risk 12, Caldicott (new risk) – more detail was requested on the two further mitigating actions (for next meeting’s report). Action: Kishor Mistry (with Health Protection and Medical colleagues)
- Risk 15, ring-fenced grant – NAO indicated they wouldn’t want the Comptroller and auditor General’s (C&AG’s) opinion to be taken to infer anything about the future risk of local authorities not complying with the terms of the grant (although they had looked at the assurance framework in 2018/19 and were content that there had been no material irregularity in that year, they also considered that the risk of non-compliance remained high because the ongoing financial pressures in local government might create an incentive for local authorities to use the grant in ways other than those intended). The risk register wording should be amended to reflect this. Action: Kishor Mistry

19/090 The Committee **NOTED** the report.

## 6 Health and Safety on our key sites

19/091 Enclosure AR/19/020. Alex Sienkiewicz presented PHE’s and the Health and Safety Executive’s (HSE’s) slides from the most recent PHE/HSE Annual Review meeting. This focused particularly on the remedial work to the Porton site.

- 19/092 Overall, PHE's relationship with HSE had worked well as a result of continued positive dialogue; open conversations with each other to reach better understanding and interpretation; resulting in deadlines being met with relevant evidence provided on time. Staff-side engagement had also been a focus.
- 19/093 The positive relationship would be maintained and built on through ongoing constructive engagement and dialogue.
- 19/094 PHE's Health and Safety Policy was based on adopting standards of excellence and reflected a 'Plan-Do-Check-Act' approach across PHE. The aims included embedding Health and Safety within PHE's management system and culture; underpinning this with robust risk assessment and management processes; and, increasing visibility and demonstrable leadership.
- 19/095 Priorities for 2019/20 included:
- Following up actions identified from last year's audits, especially with limited or unsatisfactory ratings,
  - Holding a further National Infection Service (NIS) Health and Safety away day – 17<sup>th</sup> May 2019
  - Acting on a gap analysis conducted on progress;
  - Producing themed audits with a focus on contractor management;
  - Continuing with risk profiling for the Colindale and Chilton sites;
  - A continuing focus on implementing the actions identified from the Formaldehyde incidents and investigations;
  - Supporting the Science Hub programme.
- 19/096 Following discussion, the following actions were suggested:
- A further session should take place at a later meeting to consider the progress and further development plans for all three sites (Porton, Colindale and Chiltern). *[Following the meeting, this item was flagged for the February 2020 Committee meeting.]* Action: Alex Sienkiewicz and Kishor Mistry
  - The relationship slide in the PHE presentation to HSE should be simplified for internal use. It was further suggested that the impact of, and on, the people involved, including skills development and training, be included in the programme's development 'story' going forward. Action: Alex Sienkiewicz and Kishor Mistry
- 19/097 The Committee **NOTED** the report.
- 7 Cyber security**
- 10/098 Enclosure AR/19/021. Sam Lloyd presented the report.
- 19/099 PHE's formation in April 2013 brought together over one hundred separate organisations, in the process creating one of the UK's largest collections of person identifiable information, and centralising critical capabilities such as public health research, surveillance and incident response. This coincided with the greatly increased prevalence of and publicity surrounding cyber-attacks, and awareness of the legal and reputational consequences of breaches.

19/100 Since PHE's formation in April 2013, much had been done to consolidate its technology architecture and establish a comprehensive approach to ensuring the confidentiality, integrity and availability of its data, and defining a cyber security strategy (that had been positively received by the Management Committee, Internal Audit, the National Audit Office and the National Cyber Security Centre).

19/101 The delivery of the Cyber Security Strategy was a cross-cutting programme, ensuring that security is at the forefront of all technology and information systems activity. Delivery projects completed or underway in the last financial year included:

- End User Device Replacement - the replacement of more than 6000 laptops across PHE was now complete;
- Network Threat Monitoring;
- Datacentre upgrades - the physical security of the PHE datacentres was now at a very high standard;
- Penetration tests - a significant programme of penetration testing against all PHE's internet facing systems had been completed.
- Cyber essentials - PHE recently received Cyber Essentials certification: a Government-backed National Cyber Security Centre standard designed to protect organisations from common online cyber security threats;
- Government Secure Email standard - the PHE mail system now meets the Government Secure Email standard;
- Legacy Systems Decommissioning.

19/102 PHE responded to the following significant incidents during 2018/19.

- *Response relate to the Salisbury poisoning incident;*
- *eFOSS system compromise - the eFOSS system provides information about food safety to registered users;*

19/103 Looking forward, PHE's technology landscape is evolving in support of organisational objectives, meaning that its approach to cyber security must evolve too. This will form a key part of the next iteration of the technology strategy, which is currently in development, and will underpin the next generation of ICT services. Examples of key planned workstreams are below.

- *Hybrid Cloud - the development of capability to extend PHE's technology estate into the public cloud is underway;*
- *Cross-Government collaboration;*
- *External Assurance - PHE is working towards additional independent assurance of its cyber security posture, including further internal and external penetration testing and working towards attaining the Cyber Essentials Plus certification.*

19/104 The Committee **NOTED** the report and was assured that PHE's cyber security capability was in good shape.

19/105 Michael Hearty thanked Sam particularly for his support on PHE's representation at the Departmental Security Advisory Board (DSAB).

**8 Integrated Governance Report**

19/106 Enclosure AR/19/022. Kishor Mistry presented the report.

19/107 The following actions were requested:

- National Infection Service (NIS): there was still quite a lot of concern over the recording and closure of incidents relating to NIS operations. One in particular (62072) had been entered on the system almost a year ago and was still under investigation. Alex Sienkiewicz and Kishor Mistry would liaise with NIS colleagues to get an update on progress and share a progress note with Committee members by correspondence. The whole issue of NIS' incident management would be picked up as part of the in-depth session with them at the September Committee meeting.

Action: Kishor Mistry (with NIS colleagues)

- It was suggested that the proximity of the Colindale site to local housing posed a risk. It was suggested that some pre-emptive work be undertaken to consider scenario testing and messaging, should an incident occur affecting local residents. Alex Sienkiewicz would discuss with Lee Bailey, Director of Communications.

Action: Alex Sienkiewicz (with Lee Bailey)

19/108 The Committee **NOTED** the report.

**9 Outstanding Internal Audit actions summary**

19/109 Enclosure AR/19/023. Kishor Mistry presented the report.

19/110 The closing of past Internal Audit actions still presented a challenge to the organisation, but the focus generated in past months in doing this had been maintained. Management Committee was playing an active role in scrutinising outstanding actions and driving early completion and closure.

19/111 The Committee **NOTED** the report, recognised the progress being made but asked that the increased focus at senior management level be maintained.

**10 Internal Audit 2018/19 report and opinion, and the 2019/20 audit plan**

19/112 Enclosures AR/19/024 and Enclosure AR/19/025. Cameron Robson presented a report on the 2018/19 audit programme, with the Internal audit opinion, and a slightly revised audit plan for 2019/20 for agreement.

*2018/19 report and opinion*

19/113 The year had progressed well in terms of audits completed; the quality of reports and recommendations; and, engagement with management on agreeing reports and recommendations (although more could always be done to improve this). The opinion given for 2018/19 was MODERATE. Recommendations for improvement were:

- Information Governance, specifically PHE's responsibilities under the General Data Protection Regulations (GDPR), where the follow up audit identified significant gaps in implementations;

- Ensuring that audit actions agreed by the Management Committee were taken forward, or reported back if not;
- Ensuring policies and procedures are prepared and approved on a timely basis and then kept up to date (some examples were cited).

19/114 On the report relating to Healthcare Public Health in Centres and Regions, there was concern about the recommendations in this Limited report. Management suggested that the recommendations should not have been agreed; a result of engagement not being as good as it might have been when the report was being finalised. A further brief report on this review would be presented to ARC in November, with a plan going forward. Internal Audit colleagues' view to be sought on the plan.

Action: Alex Sienkiewicz (with Richard Gleave)

*2019/20 Audit Review plan*

19/115 It was agreed to put the review of the National Infection Service back into the 2019/20 programme (given the concerns expressed at this meeting) but take out the review of PHE's contribution to the NHS Long Term Plan, as the implementation plan was unlikely to be available until later in 2019. This would be considered for the 2020/21 programme of audits.

Action: Internal Audit colleagues

19/116 Looking forward to the drawing up of the 2020/21 plan, a marker was put down for a review on environmental impact.

19/117 These changes and recommendations were **AGREED**.

**11 Losses and special payments**

19/118 Enclosure AR/19/026. Michael Brodie presented the report, which the Committee **NOTED**.

**12 2018/19 Financial Statement audit completion report**

*2018/19 Financial Statement report*

19/119 Enclosure AR/19/027. Catherine Hepburn and Mike Surman reported. The audit had highlighted no particular surprises or new concerns. Some areas for remedial action had been highlighted in NAO's report, but none were considered substantial.

19/120 A good working relationship between NAO and PHE colleagues had underpinned the audit.

19/121 Committee members were content with the rationale provided by the Finance Director and the Accounting Officer not to adjust the accounts for the unadjusted misstatements. The rationale provided was that the misstatements reported were not material and that the numbers reported reflected the NAO's estimate of the most likely misstatement rather than an actual known error in the accounts. The Committee was content with the report, and the draft letter of representation and audit certificate, and recommended the Accounting Officer accept these, which he did.

19/122 The Chair thanked NAO colleagues for their work and the report.

*2018/19 Annual Report and Accounts*

19/123 Enclosure AR/19/028.

19/124 The Governance statement was **AGREED** by members. It was suggested that some examples be added to next year's statement on the three lines of defence section (although it was also accepted that the current inclusion was an excellent description).

19/125 It was further suggested that brief additional lines be added to the environment and sustainability section of the Annual Report to i) explain why water usage had reduced by 32% (a good result); ii) note any exceptional issues regarding why waste had increased by 4%; iii) give the positive messages about hire care usage (e.g. cheaper, better on emissions, modern cars are better re: health and safety and insurance).

Action: Alex Sienkiewicz and Mike Yates

19/126 The Committee **NOTED** the full draft report.

**13 Any other business**

19/127 With no further business, the meeting concluded at 12:13.

**14 Date of next meeting**

19/128 Tuesday 17 September 2019, 10:00 – 12:30, WEL.

**Mike Yates**  
*Head of Governance*  
July 2019