Public Health England

Protecting and improving the nation's health

Minutes

Title of meeting	Audit and Risk Committee
Date	Tuesday 24 November 2015
Time	10:00 – 12:00
Venue	Wellington House, 133-155 Waterloo Road, London SE1 8UG

Present	Rosie Glazebrook	Non-executive member of PHE Board
	Martin Hindle	Non-executive member of PHE Board
	Sir Derek Myers (Chair)	Non-executive member of PHE Board
In attendance	Michael Brodie	Finance and Commercial Director
	Mark Driver	National Infection Service Programme Director *(for Directorate risk presentation)*
	Jason King	Regional Business Manager *(for Directorate risk presentation)*
	Dermid McCausland	DH Anti-fraud Unit *(for Anti-fraud item)*
	Al Main	National Audit Office, Engagement *(for external audit strategy item)*
	Kishor Mistry	Deputy Director, Corporate Risk and Assurance
	Jeremy Nolan	Department of Health Group Internal Audit
	David Robb	Department of Health Group Internal Audit
	Alex Sienkiewicz	Director of Corporate Affairs
	Alan Stapley	Deputy Director, Finance
	Andrew Strodder	Lead Assurance Adviser *(for IA actions item)*
	Nicholas Todd	National Audit Office, External Audit
	Mike Yates	ARC Secretary
Apologies	Bronwyn Baker	Group Head of Internal Audit
	Poppy Jaman	Non-executive member of PHE Board
	Simon Reeve	Department of Health
	Graham Reid	Department of Health
	Duncan Selbie	Chief Executive
	Felicia Wright	National Audit Office

Introduction and apologies

15/186   Apologies for absence were received from Bronwyn Baker, Poppy Jaman, Simon Reeve, Graham Reid, Duncan Selbie and Felicia Wright.

Minutes of the meeting on 12 June 2015

15/187   The minutes of the meeting held on 18 September 2015 (enclosure AR/15/30) were AGREED as an accurate record.

Matters arising

15/188	The Chair raised a general point about engagement with the Department of Health's risk managers and Audit and Risk Committee. He said it was essential that both parties engaged fully to ensure appropriate dialogue and risk management took place on risks of national importance, involving other national health organisations as well as Public Health England.	Action: Alex Sienkiewicz and Kishor Mistry to raise the management of wider public health risks with Department of Health colleagues, and at the next PHE/DH accountability meeting.
15/189	The air quality risk was cited as an example of a risk that had a high prominence on Public Health England's strategic risk register, but relied on significant contributions from a number of Government departments in managing and resolving.	
15/190	The Chair asked that PHE engage with the Department of Health to ensure that the wider management of public health risks be referred to the Department of Health's Audit and Risk Committee for discussion, and that risks of common interest be discussed as part of accountability meetings.	
15/191	The Chair asked for an update at the February meeting of the Committee.	Action: Alex Sienkiewicz and Kishor Mistry to report back on discussions with DH colleagues on managing wider public health risks.
15/192	15/088 – This issue (informing the Chief Knowledge Officer to ensure that data quality is discussed at Management Committee meetings as necessary) was closed. However, the Committee asked whether the action itself had actually been taken and that assurance be given that the issue was being discussed by the Management Committee when appropriate.	Action: Mike Yates to find out if Management Committee meetings are discussing data quality issues.

15/193	15/004 – Date in 'OUTCOME' column should read 'February 2016'	Action: Secretary to amend *(not included in matters arising).*

Directorate risk presentation – National Infection Service (NIS)

15/194 Martin Hindle welcomed the NIS Programme Director to the meeting.

15/195 The National Infection Service had been formed on 1 June 2015, following extensive review. It was made up of a number of parts including specialist microbiology services and research, operations and reference functions. There was also the Centre for Infectious Disease Surveillance and Control (CIDSC) and field epidemiology services. Importantly, for risk management purposes, a Programme and Business Support Team had been established.

15/196 The NIS team was working through some of the legacy arrangements for risk management and the use of risk registers that NIS had inherited, some of which had been in place for some time and required reviewing. Good progress had been made in streamlining risk management process, and NIS would be using the generic PHE risk management tools and processes in due course.

15/197 As well as managing day-to-day operational risks, there were some big strategic risks that needed monitoring and tackling. The NIS Programme Director was meeting the Deputy Director, Corporate Risk and Assurance to discuss how this should be done effectively.

15/198 A NIS risk and Governance Group had been established to consider directorate–wide risks and review how these might impact on and be impacted by the organisation's national programmes and then managing them accordingly. The Group would report to the NIS Management Team, monitoring issues relating to information governance, security, health and safety and clinical governance.

15/199 Significant NIS risks included compliance with procurement regulations, but NIS was now working closely with the Finance and Commercial Director in tackling this issue.

15/200 The lack of a clear mechanism for coordinating the Whole Genome Sequencing development activities, and the lack of an agreed and costed plan, posed risks. If not done effectively, there could be consequences in realising health benefits for the public. This risk would be tackled through the formation of a genome sequencing unit.

15/201	Rosie Glazebrook asked how NIS would help ensure clinical governance in the quality units arising from the Sound Foundations work. The NIS Programme Director confirmed that links had been made through the Sound Foundations Task and finish Group's membership. Mike Yates, being a member of the Task and Finish Group would also ensure that the work of the Quality and Clinical Governance Steering group, currently being established, would ensure effective links.	Action: Mike Yates to ensure that the Quality and Clinical Governance Steering Group ensures NIS clinical governance coverage is picked up.
15/202	The Chair asked when the transition to NIS would be complete. The Programme Director informed the Committee that there were many complex elements associated with transition, including the need to develop some new skills and the links to the Science Hub programme. Although a two-year development plan was being progressed, it would take probably five years for the full transition to be realised.	Action: Mark Driver to provide a further update to the ARC in September 2016 on the National Infection Service Transition.
15/203	The Chair recognised the significant amount of work being done. He asked that a further progress update be presented at the September 2016 Committee meeting.	

Strategic risk register

15/204	Martin Hindle led the discussion on the strategic risk register.	
15/205	The Deputy Director, Corporate Risk and Assurance highlighted a number of issues. The risk relating to the Science Hub (risk 21) would need to be updated further pending the funding decision. The information governance risk had been significantly updated.	Action: Kishor Mistry to arrange for the science hub risk to be updated.
15/206	There was a proposal to include a new risk on quality and clinical governance on the strategic risk register. This would support the work of the *Sound Foundations* programme and the work of the recently convened Quality and Clinical Governance Committee. A form of words was being put to the Risk Leads Group for consideration.	
15/207	Rosie Glazebrook suggested the mitigating actions for risk 9 relating to Public Health England's public profile were a little vague and suggested clear and specific actions be added.	Action: Kishor Mistry, with tri-directorate, to include specific mitigating actions for risk 9 relating to public profile.

15/208	Rosie Glazebrook also suggested there was some overlap between risks 2 and 3 relating to PHE's workforce and capability and PHE staff respectively. The Corporate Affairs Director and the Deputy Director, Corporate Risk and Assurance both agreed that the risks should be merged.	Action: Kishor Mistry, with Human Resources colleagues, to merge risks 2 and 3 relating to PHE's workforce and capability, and PHE staff.
15/209	Martin Hindle also noted the due date of November for the establishment of a working group to evaluate fully Public Health England's appraisal process, and asked if this had been done. This would be followed up with human Resources colleagues. All other close due dates would also be followed up to ensure that actions had been taken.	Action: Kishor Mistry and the risk management team to check that close due date actions on the strategic risk register have been taken.
15/210	The Committee suggested that the risk of terrorism might also need to feature on the strategic risk register.	Action: Kishor Mistry, with Health Protection colleagues, to consider whether the risks from the terrorist threat should be represented on the strategic risk register.
15/211	On the short-termism risk (risk 10), Martin Hindle suggested a due date be added for making the clear economic case for interventions that reduce health inequalities.	Action: Kishor Mistry, with the Director of Strategy to add date for making the case for health inequalities interventions.

Quality and Clinical Governance Committee

15/212   Rosie Glazebrook provided an update on the quality and clinical governance work programme. The first meeting of the Quality and Clinical Governance Committee had taken place. Attendance at the first meeting had been a little disappointing and Rosie said every effort would be made to ensure participation at future meetings.

15/213   A paper (enclosure AR/15/33) was presented to the Audit and Risk Committee to show how duplication of effort regarding the work of the two committees could be avoided. Mike Yates would provide the secretariat for both committees as part of Public Health England's overall governance work, which should also help avoid duplication and robust linkage between committees.

15/214   There were joint executive leads for the quality and clinical governance work: the Medical Director and the Chief Nurse. Some clarity was needed on their respective roles, as well as the role to be played by a new quality and Clinical governance Steering Group and its alignment to the Quality and Clinical Governance Committee. Roles and responsibilities would be clarified as part of setting and agreeing the terms of reference for the Committee and the Steering Group, and these would be circulated to members of the Audit and Risk Committee for information. This would include information on the quality units and what they would be expected to do going forward.

> Action: Mike Yates to circulate the terms of reference for the QCGC and the QCGSG once agreed.

15/215   The Quality and Clinical Governance committee would focus on many of the areas covered in the integrated governance report presented to each Audit and Risk Committee. Members were asked whether the integrated governance report in its current format should continue to be submitted to the Audit and Risk Committee meetings. The Chair said the reports should continue to come to the Audit and Risk Committee for the time being. The positioned could be reviewed when the Quality and Clinical Governance Committee was more established.

Anti-fraud

15/216   Dermid McCausland, Head of the Department of Health's Anti-fraud Unit, discussed the Unit's work with members.

15/217   NHS Protect had previously gathered information on fraud types, trends and patterns across the health sector. Four officers from NHS Protect were now conducting investigations into the risk exposure to fraud across the piece.

15/218   Although it would be down to individual organisations to control and to mitigate against fraud, the Department of Health Anti-fraud Unit was supporting them by providing on-going advice but were also running a series of awareness workshops. NHS Protect had approached Public Health England in this regard and Mike Yates would be taking this forward and making appropriate arrangements for awareness sessions.

15/219   Past intelligence suggested that around 3-5 per cent of allocated health funding had been lost to fraud. However, the Head of the Department of Health's Anti-fraud Unit suggested this was likely to be nearer 1 per cent. But for the health sector, this equated to more than £1 billion, so there was pressure from HM Treasury and others to tackle fraud effectively. The aim was extend the work for gathering information and intelligence on fraud and using that information more effectively to target future potential fraud.

15/220   Contracting and tendering had been susceptible to fraud in the past and these areas remained a focus. The scrutiny and control of third-party delivery of contracted services in some instances probably hadn't been as tight as it should have been. The aim was tighten up checks and processes.

15/221   Better comprehensive assessment on fraud should help the whole health community, with the Department's help, change processes and help target fraud in the future. The awareness sessions would also promote the importance of fraud, how it could be identified better and then avoided.

15/222   The Finance and Commercial Director told the Committee that there was a close working relationship with the Department of Health Anti-fraud Unit. Many of the traditional fraud areas had been looked at by Public Health England and robust payroll and accounts controls meant that fraud could be contained to a large extent. Conflicts of interest and procurement remained fraud risks in an organisation with the complexity of Public Health England. Social marketing spend accounted for a large proportion of Public Health England's budget, but the controls on this spend were good and there was minimal risk of fraud.

15/223   Martin Hindle, who had introduced this item, thanked Dermid for the discussion.

Integrated Governance Report

15/224   The Deputy-Director, Corporate Risk and Assurance introduced this item and the accompanying report (enclosure AR/15/34).

15/225   Members expressed some concern with some of the wording in the report on information governance. The Deputy-Director, Corporate Risk and Assurance suggested that although the report was cautious, the issues were being addressed robustly.

15/226	The development of services for safeguarding children and vulnerable adults was described under clinical governance and risk. A report describing progress generally in this area, as well as on take up of relevant mandatory training, was being drawn up for the next Audit and Risk Committee in February. However, the Chair suggested that it was more appropriate now for the new Quality and Clinical Governance to consider this issue. A progress report should be presented to the Quality and Clinical Governance Committee in January.	Action: Mike Yates, with clinical governance colleagues, to ensure a paper on safeguarding is presented to the QCGC meeting in January.
15/227	Martin Hindle referred to the 43 medium rated clinical incidents that occurred between April 2015 and September 2015, and suggested that these be considered in more detail. It was suggested that they be referred to the new Quality and Clinical Governance Committee for consideration.	Action: Kishor Mistry, with the responsible officer, to provide a report for the January meeting of the QCGC on the 43 medium rated clinical incidents reported through Trackwise.
15/228	Under the adverse incident reporting section, Rosie Glazebrook suggested that the average time to enter records of 24 days was too slow. Rosie asked if a breakdown by directorate could be provided, to see if there any outliers that were likely to skew the information.	Action: Kishor Mistry to provide a directorate breakdown of incident reporting rates.

Agreed internal audit actions register

15/229	The Chair introduced this item.
15/230	Group Internal Audit colleagues presented a paper (enclosure AR/15/35) with the latest information on outstanding high and medium rated audit actions. They informed the Committee that good engagement had taken place between them and Public Health England's governance team and that good progress had been made in closing actions. Both parties had also been working on a more proactive approach to ensure that the good momentum was maintained moving forward.

15/231   The Director of Corporate Affairs informed the Audit and Risk Committee that the target set at the last Committee meeting had been met. He and his team had been working hard with all of Public Health England's directors and directorates to ensure immediate action was taken and that future action is sustained.

15/232   The Chair was pleased to see that progress had been made in this area. The Audit and Risk Committee would continue to scrutinize the information provided on open actions to ensure that an unacceptable backlog of open and overdue actions did not arise again in the future. He welcomed the Director of Corporate Affairs' commitment to ensure that internal audit reports and actions were accorded a high level of priority with senior executive colleagues.

Internal audit progress report 2015/16

15/233   Rosie Glazebrook introduced this item.

15/234   Group Internal Audit colleagues confirmed there was only one new report to present to the Committee. However, there were several in the pipeline which should be presented to the next meeting of the Committee.

15/235   In the summary of audits list (in enclosure AR/15 36) the Committee suggested that it would be helpful to have a date to indicate when the scoping or fieldwork of audits was likely to finish by. Under the sponsor column, it was also suggested that a name be added as well as the sponsor's title.

Action: David Robb to include estimated dates for completing scoping or fieldwork for audits in progress. Sponsor names to be added also.

Losses and special payments

15/236   Enclosure AR/15/37 was NOTED.

Implementing the National Audit Office/Public Accounts Committee recommendations

15/237   The Finance and Commercial Director presented a report (enclosure AR/15/38) as requested by the Committee. He was confident that good progress in implementing the recommendations was being made.

15/238   Progress reports were submitted periodically to the Management committee for discussion. Reports were also submitted to the Delivery Board for discussion every two months, and to Strategy Board meetings. A report was also made to the Department of Health Accountability meeting in November.

15/239   The Chair thanked the Finance and Commercial Director for the good progress being made. The Committee NOTED the contents of the report.

National Audit Office (NAO) – external audit strategy 2015/16

15/240   National Audit Office colleagues presented their proposed financial statement audit approach for Public Health England for the year ending 31 March 2016.

15/241   A number of significant risks were highlighted including regularity of grants to local authorities; risk of fraud; the Science Hub programme; and accounting for Porton BioPharm Ltd.

15/242   Fees for the audit were slightly higher than the previous year, but this reflected the additional work needed to get assurance on the Science Hub programme and the transfer of functions to Porton BioPharm in April 2015.

15/243   The Chair thanked the National Audit Office for its comprehensive report. The Committee NOTED the report and AGREED the audit fee.

Implementing the recommendations from the 2014/15 Management Letter on the final accounts

15/244   The Finance and Commercial Director presented a note of progress made against the recommendations made by the National Audit Office as a result of its audit of Public Health England's 2014/15 Annual Report and Accounts.

15/245   Three financial statement risks were highlighted and five key findings had been recommended. No recommendations were rated as high.

15/246   Good progress had been made in implementing the recommendations and the Finance and Commercial director confirmed that all would be addressed fully by year-end.

15/247   The Committee NOTED the report.

Any other business

15/248   A short information paper had been circulated covering the mental health of the Public Health England workforce (enclosure AR/15/41). Martin Hindle referred colleagues to Table 3 which suggested that the counseling service didn't appear to be very well used. The Director of Corporate Affairs said he would find if this was the case.

Action: Mike Yates to put on the agenda for the June ARC meeting a presentation on the mental health of the workforce and the use of

15/249	It was suggested that a further discussion on this be arranged for the Audit and Risk Committee in June 2016.	counselling services.
15/250	A comprehensive workforce report paper had also been tabled (enclosure AR/15/43). The Chair asked for clarification on the figures under 3.1 which suggested a large increase in the headcount at a time of decreasing budgets. He asked whether the increase was temporary (for instance, the figures suggested a large increase in staff numbers to cover Securing our Future activity), or whether number were expected to continue to increase. A clarification note was requested.	Action: Mike Yates to seek a note on workforce numbers from the Director of HR and circulate with February meeting papers for information.

Date of next meeting

15/251   Tuesday 23 February 2016, 10:00-12:00, PHE Boardroom, Wellington House.

Meeting of members and auditors in the absence of officers

15/252   The officers withdrew and the plenary meeting closed at 11:45.

Mike Yates
Board Secretary
December 2015