



Public Health  
England

Protecting and improving the nation's health

# Minutes

<b>Title of meeting</b>	Audit and Risk Committee	
<b>Date</b>	Friday 12 June 2015	
<b>Time</b>	14:00 – 16:00	
<b>Venue</b>	Wellington House, 133-155 Waterloo Road, London SE1 8UG	
<b>Present</b>	Rosie Glazebrook Martin Hindle Poppy Jaman Sir Derek Myers (Chair)	Non-executive member of PHE Board Non-executive member of PHE Board Non-executive member of PHE Board ** Non-executive member of PHE Board
<b>In attendance</b>	Bronwyn Baker Lis Birrane Michael Brodie Paul Cosford Victor Knight Kate Mathers Kishor Mistry Graham Reid Duncan Selbie Alex Sienkiewicz Alan Stapley Nicholas Todd Emma Worthington Mike Yates	Head of Internal Audit Communications Director (for Item 4) Finance and Commercial Director Director for Health Protection and Medical Board Secretary Audit Director, National Audit Office Deputy Director, Corporate Risk and Assurance Department of Health ** Chief Executive and Accounting Officer Director of Corporate Affairs Head of Financial Strategy & External Reporting National Audit Office Internal Audit Risk and Assurance Manager
<b>Apologies</b>	Simone Davis Simon Reeve	Deputy Head of Internal Audit Department of Health

\*\* joined by teleconference

## Introduction and apologies

- 15/044 All members were present. Apologies for absence were received from Simon Reeve of the PHE Sponsor Team in the Department of Health and Simone Davis from the internal audit team. No interests were declared in relation to matters on the agenda.

## Minutes of the meeting of 20 November 2014

- 15/045 The minutes of the meeting held on 26 February 2015 (enclosure AR/15/12) were AGREED.

## Matters arising

- 15/046 Matters arising (enclosure AR/15/13) were NOTED.

- 15/047 Minute 14/004 and 15/012: Safeguarding – the Director for Corporate Affairs advised the Committee that an independent review on safeguarding of vulnerable adults and children had recently place. A discussion paper would be put to the PHE Management Committee in due course. A note would be provided to the Audit and Risk Committee setting out the issues arising and action, if any, to be taken. **Action: Alex Sienkiewicz**
- 15/048 The Committee asked that action dates be added to the matters arising schedule, indicating particularly due dates for overdue items. **Action: Victor Knight/Mike Yates**
- Directorate risk presentation – Communications**
- 15/049 The Director of Communications presented the risk management arrangements for her directorate and summarised the risks and issues relating to that area of Public Health England’s operations, both within the organisation and the sector-wide risks that also impacted on Public Health England.
- 15/050 PHE was involved, to varying degrees, in anything up to 9,000 health protection incidents each year and a significant number of these required support from the Communications Directorate. Similarly, in the past year, PHE had put out some 2,000 other communications, many of which were supported by the Directorate. The Director of Communications said that some further work was needed to ensure that the directorate’s risk management aligned more precisely with Public Health England’s agreed risk management architecture. Progress had been made, with discussions between her business managers and the risk team. The directorate had a list of risks and issues that were regularly discussed and updated.
- 15/051 The Communications Directorate had one risk on the Strategic Risk Register (risk 13). Developing relationships was cited as a key mitigating action to ensure that PHE was able to meet its own internal communications requirements, as well as those set by the Department of Health. The Director of Communications informed the Committee that good robust relationships were in place with the Department of Health, as well as with its agencies and arm’s length bodies where appropriate. There was a particularly close working relationship with NHS England.
- 15/052 The Director of Communications described to the Committee the differences between communications relating to Public Health England’s health protection function and those associated with its health and wellbeing programme. PHE was clearly recognised as the ‘voice’ of health protection nationally and locally (and also abroad to a significant extent), and benefitted from an established and robust reputation, particularly in respect of its evidence base, information and guidance. Health and wellbeing was a far more crowded space and there was more work to be done in developing a unique voice.
- 15/053 Communications and health and wellbeing marketing now worked closely together and this was proving invaluable in terms of managing and aligning output. It was also enabling PHE to prioritise its communications better.
- 15/054 The Chair described the aim of the Committee’s work as making sure that PHE was a well-run organisation. It was satisfied that the strategic risks had been addressed at the top of PHE, but each directorate should look at other levels to ensure that such issues as suitable staffing, IT systems, fraud prevention had been assessed.

15/055 The Committee asked whether the capacity and capability of the Communications Directorate's were adequate, and able to respond to issues as they arose. The Director of Communications described the flexible working patterns that she and her team employed, and these had worked well. However, she asked the Committee to note that while they had the capacity to handle one longer term Level 3 or above incident and, depending on their nature, possibly one or two other less significant incidents for a short period of time but being required to respond to more incidents than this, on top of business-as-usual, would strain the Directorate's capacity. These ad hoc surges could be met by the temporary scaling up of staff. Some temporary staff had been employed to deal with the Ebola response, but this was on the back of robust capacity planning.

15/056 The Director of Communications assured the Committee that the identification and discussion of communications risks was taking place across the directorate, and a risk management approach aligned with Public Health England's and procedures would be in place shortly.

#### **Strategic risk register**

15/057 The Deputy Director, Corporate Risk and Assurance, introduced the strategic risk register (enclosure AR/15/14) including a 'heat map' showing a 5 x 5 impact and probability distribution of those risks.

15/058 Further changes had been made to the presentation of strategic risks, including:

- Risks had been split between 'PHE owned' risks and 'enterprise' risks;
- The heat map now showed which risks had been updated since the Committee last saw the register.

15/059 The Committee asked that the risk register itself show the changes that had been made (maybe in different coloured text).

**Action: Kishor Mistry/Mike Yates**

15/060 The Committee congratulated the Deputy Director, Corporate Risk and Assurance on the clarity and overall content of the strategic risk register. The presentation of the information helped significantly in identifying which risks needed to be focused on. With this in mind, the Committee focused on those risks highlighted on the heat map.

#### *PHE risks*

15/061 Risk 18 (Public Health England's access to patient identifiable data) had been significantly updated to reflect the differences between internally and externally held data.

15/062 Risk 19 (Ebola – effects on Public Health England's business): the Director of Corporate Affairs that the net risk rating would be reviewed and updated in the context of the reducing number of cases in West Africa, although these continued at around 20 a week at present and there were no grounds for complacency.

**Action: Alex Sienkiewicz/Mike Yates**

15/063 Risk 20 (PHE suffers a major information governance failure): The Chief Executive advised that PHE and HSCIC had agreed an MoU, which would be reviewed in October 2015. The Committee would be kept abreast of developments.

15/064 Risk 22 (Local authority access to data) was a new risk. Further mitigations needed to be added. The Deputy Director, Corporate Risk and Assurance

said the risk appetite action date of November 2015 should be achieved.

*Enterprise risks*

- 15/065 Risk 4 (Ebola response): no immediate further actions noted.
- 15/066 Risk 8 (Behavioural change): no immediate further actions noted.
- 15/067 Risk 11 (Public health messaging): no immediate further actions noted.
- 15/068 Risk 21 (Science Hub): The Chief Executive updated the Committee on progress with the business case.
- 15//069 Overall, the Committee felt that some of the wording in the strategic risk  
15/070 register on further mitigating actions could be tightened up in places and dates should be added for individual actions. The Director for Corporate Affairs advised that a further facilitated strategic risk workshop would be held in the autumn. The content of the risk register was now informed on a formal bottom-up basis through the risk leads group but it was now timely to do so on a top-down basis in a workshop setting with a view to improving it further.

**Action: Alex  
Sienkiewicz/  
Mike Yates**

**Integrated Governance Report**

- 15/071 The Deputy Director, Corporate Risk and Assurance, presented the Integrated Governance Report (enclosure AR/15/15).
- 15/072 He mentioned particularly that the Health and Safety Executive had been positive about Public Health England's approach and management to health and safety.
- 15/073 The Chair of the Committee referred to the on-going amalgamation of websites and PHE data repositories. Diarmaid Creen, Deputy Director for Digital, would be attending the next meeting of the Committee to brief the Committee on latest developments.

**Action: Victor  
Knight/ Mike  
Yates**

**Internal audit actions register**

- 15/074 The Head of Internal Audit presented the summary of overdue agreed audit recommendations (enclosure AR/15/16).
- 15/075 Supporting detail schedules had been made available. The schedule had grown considerably, but there would be a renewed focus to try and reduce the schedule by focusing on closing actions.
- 15/076 Some actions were now longstanding and the Committee felt that these should be completed as soon as possible.
- 15/077 The Committee also requested that each main item have an additional paragraph outlining what actions were being taken.
- 15/078 The Committee also suggested that it would be helpful to get views from the Management Committee on whether they felt appropriate and timely actions are being taken, and if not, what further actions might be necessary.

**Action: Alex  
Sienkiewicz**

**Action: Alex  
Sienkiewicz**

**Internal audit progress report 2014/15**

- 15/079 The Committee led the meeting through each report.

*Board effectiveness and governance*

- 15/080 The Committee noted that management had agreed the recommendations and that an action plan was in place.

*Data models*

15/081 The Committee noted that management had agreed the recommendations and that an action plan was in place.

*Royalty payments*

15/082 The Committee asked why the report had received a 'moderate' marking when there were no recommendations listed. It was explained that the mode of checking third party data, was sufficient to meet the objectives of the audit but not a suitable basis for any stronger conclusion. No specific recommendations had arisen however.

*Reference laboratories*

15/083 The Head of Internal Audit told the committee that no management response had been received for this report and, as per the established protocol, it had been issued in their absence. In order to ensure that the recommendations were recorded, monitored and reviewed, the report was added to the schedule.

*PHE delivery on commitments*

15/084 The Head of Internal Audit explained that a 'moderate' assurance rating had been given for this report to reflect the fact that some of the individual recommendations were not wholly under the control of Public Health England.

15/085 Management had accepted the recommendations and an action plan had been put in place. The Committee supported the two high-level recommendations.

*IT capability and resilience*

15/086 Management had not commented in detail on the report and although the assurance rating could have been stronger had they done so, the report and recommendations had been accepted and the actions were being taken forward.

*Data quality*

15/087 The Head of Internal Audit informed the Committee that a further detailed examination of data flows across the wider health group, including the NHS, was being planned. Some of the recommendations in this report would be looked at again as part of that work.

15/088 The Chair of the Committee said that this issue was one of real significance to Public Health England; information and data were key 'currencies' for the organisation. It was important to ensure that the recommendations were understood and rigorously pursued, and the issue should be taken to the Management Committee for discussion.

**Action: John  
Newton (to be  
alerted by  
Secretariat –  
Victor Knight/  
Mike Yates**

*Preparation for pension management*

15/089 The Finance and Commercial Director reported that a substantial transfer of staff to Civil Service Pensions had been completed. This had been challenging due to the lack of an automated interface between systems.

15/090 The Committee was alert to the increasing wave of pensions-related issues across government. The Finance and Commercial Director did not perceive any big assurance issues in this regard for Public Health England. Plans were in place to minimise risks and increase assurance.

*Update – annual programme to counter bribery, fraud and theft*

15/091 The Committee NOTED the report on fraud. The Head of Internal Audit informed the Committee that the Department of Health had recently

established an anti-fraud unit and suggested it might be asked to discuss their work with the Committee at a future meeting. This would be scheduled.

**Action:**  
**Secretariat –**  
**Victor Knight/**  
**Mike Yates**

*Performance metrics*

15/092 The Head of Internal Audit informed the Committee that she would look again at deferred reviews from 2014/15 to determine whether they were still a priority for 2015/16 over other planned work.

*Customer feedback analysis*

15/093 The Committee noted how few responses had been received. The Head of Internal Audit informed the Committee that further communications would be sent to all organisations to seek their input to future surveys.

15/094 The Committee asked that members of the Management Committee promote involvement with surveys.

*Head of Internal Audit Opinion 2014/15*

15/095 The Head of Internal Audit took the Committee through the underlying rationale for her 'reasonable' assurance to the Chief Executive on the system of internal control in place in 2014/15.

15/096 Although there were some limited reports, in her opinion, action had been taken and improvements made in some of the more significant areas audited. PHE had adequate and effective systems of control, governance and risk management in place for the reporting year 2014/15 but more could be done to fully embed these.

**Action:**  
**Secretariat –**  
**Alex**  
**Sienkiewicz**

**Internal audit strategy and plan 2015/16**

15/097 The Committee AGREED the plan. The Chair confirmed that the Head of Internal Audit's proposed budget was adequate.

15/098 The plan was bring updated and this would be presented to a future Committee meeting.

**Action:**  
**Bronwyn Baker**

**Loss and special payments**

15/099 Head of Financial Strategy & External Reporting presented the report to the Committee (AR/15/19).

15/100 There was a significant item in the report: a constructive loss of £62.5m relating to the expiration of contingency vaccine stocks. This was a routine circumstance and was not a cause for concern.

15/101 The Committee NOTED the report.

**National Audit Office (NAO) – external audit progress report**

15/102 The Audit Director introduced the NAO report (enclosure AR/15/20). This represented the NAO's formal audit report to those responsible for the governance of Public Health England.

15/103 She expected that the Comptroller and Auditor General would give an unqualified audit opinion, without modification.

15/104 Areas of audit focus had included the provisions and processes around the public health grant payments, and vaccines and counter-measures (which represented a large proportion of PHE's spend).

15/105 There had been excellent engagement and management responses had

been received for most areas.

15/106 The Committee AGREED the unadjusted misstatements, set out in the identified misstatements section (pages 23 to 24), without correction.

15/107 The Committee NOTED the report's findings and thanked all involved.

**Annual report and accounts 2014/15**

15/108 The Chair of the Committee thanked all involved in the production of the report and accounts.

15/109 The Committee APPROVED the report and the accounts.

15/110 The Chief Executive had some final editorial changes to make to his foreword and the Operating Review sections of the report and he would provide these shortly. The Chair of the Committee asked that the final report be circulated to Committee members for information.

**Action:**  
**Alan Stapley**

**Review of Audit and Risk Committee effectiveness**

15/111 The Chair of the Committee thanked PHE management and staff for the excellent support they had provided. This meeting had also tested spreading the lead responsibility for agenda items between members. This had worked particularly well and would happen at future meetings.

15/112 The Chair suggested that some independent advisory support be secured for the Committee. This was agreed by the Committee. The Chair, The Director of Corporate Affairs and the Committee Secretary would discuss the necessary arrangements. It was suggested that Committee members interview candidates.

**Action:**  
**Sir Derek Myers, Alex Sienkiewicz and Victor Knight/ Mike Yates**

15/113 The Audit Director of the NAO said there had been a good trajectory of the Committee settling into and fulfilling its role. The Committee had been business-like, attendance had been good, as had the agenda setting and discussions. She saw no specific areas of weakness.

15/114 The Chief Executive put on record his thanks to the Committee for helping PHE pursue its objectives and ambitions. It had added significant robustness to its governance and operations, and had helped focus efforts on those areas that had needed greatest support.

Deferred agenda items

15/115- Clinical governance audit report, and *sound foundations*

15/118 In the light of a limited assurance audit report, the Committee asked how PHE would develop its arrangements in this area. The Director of Health Protection and Medical Director said there was a clear link between this report's subject and the quality programme report.

15/119 He and the Chief Nurse were co-leading a piece of work to bring these areas together. They would look to build on good practice where this was in place; introduce improved quality governance; and, put in place a process to assure effectiveness. This work should also provide an opportunity to introduce innovation in delivery.

15/120 A 'task and finish' group, chaired by the Chief Nurse had been established. This would report to the Management Committee in July.

The Committee NOTED this important work and thanked the Director for

15/121 Health Protection and Medical Director and Chief Nurse for moving this on. **Action:**  
The Chair suggested that a presentation on the *sound foundations* work to a **Secretariat/**  
future Board meeting would be appreciated. **Viv Bennett**

**Date of next meeting**

15/122 Friday 18 September, 10:00-12:00, PHE Boardroom, Wellington House.

**Meeting of members and auditors in the absence of officers**

15/123 The officers withdrew and the plenary meeting closed at 15:14.

**Mike Yates***Board Secretariat*

June 2015