



Public Health
England

Minutes

Title of meeting Audit and Risk Committee
Date Tuesday 23 September 2014
Time 10:00 am – 12:00 noon
Venue 4th Floor Conference Room, 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 |
| Poppy Jaman | Non-executive member of PHE Board |
| Sir Derek Myers (Chair) | Non-executive member of PHE Board |

In attendance

| | |
|------------------|--|
| Bronwyn Baker | Group Chief Internal Auditor |
| Stuart Bartlett | Internal Auditor |
| Joanne Bosanquet | Deputy Director Nursing and Midwifery (for item 4) |
| Michael Brodie | PHE Finance and Commercial Director |
| Simone-Davis | PHE Deputy Head of Internal Audit |
| Victor Knight | PHE Board Secretary |
| Kate Mathers | National Audit Office, Audit Director |
| Kishor Mistry | Deputy Director risk and assurance. |
| Rachel MacLehose | Business manager, Health Protection (for item 4) |
| Duncan Selbie | Chief Executive and accounting Officer |
| Imogen Stephens | Consultant in Public Health Strategy (for item 4) |

Apologies

| | |
|------------------|----------------------|
| Tim Baxter | Department of Health |
| Alex Sienkiewicz | Chief of Staff |

1. Introduction, apologies and declarations of interest

14/115 All members were present. Apologies had been received from attendees the Chief of Staff and the Department of Health observer. The Chair welcomed new attendees.

14/116 No interests were declared in respect of matters on the agenda.

2. Minutes of the meeting of 2 June 2014

14/117 The Committee **AGREED** the minutes of the previous meeting (enclosure AR/14/021).

3. Matters arising

14/118 The Committee **NOTED** the schedule of matters arising (Enclosure AR/14/022) and the progress made. An updated list of the actions completed at the time of the previous meeting was also provided.

14/119 Minute 13/100: An assurance framework was being developed by the Chief of Staff, the Deputy Director for Risk and Assurance and the Finance and Commercial Director. A report on progress and the next steps would be

Kishor Mistry
November 2014

provided to the next meeting.

- 14/120 Minute 14/083 and 14/089: A copy of the full mandatory training schedule was tabled for information, including the Information Governance item.

SECTION 1 - PLANNING AHEAD

4. Directorate Risk presentation – Health Protection

Health Protection risks

- 14/121 The Directorate Business Manager advised the Committee of steps taken in the two previous quarters to complete the Health Protection risk register. A copy of the register was tabled at the meeting for information, using the PHE risk management tool developed by the corporate risk team.
- 14/122 There were 23 active risks, compiled from 113 source risks in the six divisions of the Directorate, some of which were common to more than one division. There were three risks rated 'high', including information governance, and these were reflected where appropriate in the PHE Strategic Risk Register.
- 14/123 An action plan on Information Governance had been received by the Directorate from the Chief Knowledge Officer. This was to ensure a high level of corporate compliance in handling confidential data for the 2014/15 Information Governance Toolkit assessment, by November 2014. The actions had been distributed to owners in the Directorate and progress was monitored monthly.
- 14/124 The Committee noted that the need for basic information governance training for all PHE staff had been raised at its June 2014 meeting and was mandatory.
- 14/125 The third risk rated as high related to health protection advice and guidance available on part of the legacy Health Protection Agency website which had been moved over to PHE area of "GOV.UK". Established users of this information source had raised concerns over the completeness and indexing of the material in the new location, which had taken on data from numerous archived systems. PHE had compiled a full record of each of the concerns, which were raised through Regional Directors, to address specific questions, identify any underlying problems and avert the reputational risk.
- 14/126 The Committee was advised that the Health Protection Business Manager also acted as the Directorate's risk manager and ensured that risk was an agenda item at Divisional meetings.
- 14/127 The process for analysing the full list of risks within a Directorate, including those from business planning, and the identification of items for the strategic risk register would be presented to the next meeting. Kishor Mistry
November 2014
- 14/128 The Committee noted arrangements to address cyber risks and the work being undertaken across government health organisations led by the Health Group Internal Audit Service.
- ##### Clinical Governance risks
- 14/129 Clinical Governance risks fell under the Director for Health Protection and Medical Director.
- 14/130 An overview and hardcopy register of clinical governance risks was provided to the Committee. The risk register identified seven risks, of which six were major/high rated and five were increasing.

- 14/131 Significant areas for attention included information governance and issues with the use of the IGI system; the development of a PHE policy for the professional registration of all practising staff to supersede the legacy policies of the Health Protection Agency; mandatory training requirements for those handling clinical data; and the complexity of inherited matrix structures from over 120 sites making it difficult to define those involved in clinical care.
- 14/132 Once the revised policy on professional registration had been adopted and implemented the Quality, Improvement and Assurance Board would have responsibility for compliance oversight.
- 14/133 The Committee agreed that the profile of clinical governance needed to be raised in conjunction with the identification of key issues affecting delivery and management in the risk register. The Chair would write to the Director for Health Protection and Medical Director asking for the resolution of clinical governance issues to be escalated. Sir Derek Myers
October 2014
- 14/134 The Committee noted that risk owners were referred to by their post and not by name within the register. It recommended that the actual names of responsible individuals be stated. The Committee also noted the follow up processes within internal audit to ensure that the agreed recommendations of the report on clinical governance were implemented. Rachel
MacLehose
November 2014
- 5. Risk register**
- 14/135 The Deputy Director of Risk and Assurance introduced the latest version of PHE's Strategic Risk Register (enclosure AR/14/023) and indicated its various review processes through the Management Committee of the National Executive and the Partnership and Accountability meeting of PHE with the Department of Health. The Committee asked that the names risk owners be stated on the Strategic Risk Register, and not just their job titles, as for Directorate registers. Kishor Mistry
November 2014
- 14/136 Risk 1 PHE funding: The Chair agreed with the risk of funding reduction that PHE faced from the financial and economic environment in which it operated, and recommended that the continuing drive for efficiency value for money be incorporated in the text. Kishor Mistry
November 2014
- 14/137 Risk 6 Air pollution: There had been extensive discussion in respect of air pollution risks. The Chair asked that a note be drafted for him to escalate the matter to the Department of Health for the government risk register, citing the PHE study on the effects of air pollution which resulted in 25,000 deaths annually in England. Victor Knight
October 2014
- 14/138 Risk 7 System levers: The Committee was unclear on the terminology and nature of PHE's intended actions to mitigate the risk. The lack of health communities and lifestyles was acknowledged as an area of high risk, in which England had a poor national record, with an overemphasis on treatment, widening inequalities. The biggest mitigation PHE would achieve in this area was in contributing to the five year forward strategy of the NHS to be published in October 2014. The strategy of the Health and Wellbeing Directorate set out a basis which was valuable and should be made available to members. Victor Knight
October 2014
- 14/139 The Committee was advised that a Risk and Assurance Manager, Mike Yates, had been seconded from the Department of Health to progress PHE's risk management work.

SECTION 2 – MONITORING PROGRESS

6. Integrated governance report

- 14/140 The Committee reviewed the report (enclosure AR/14/024).
- 14/141 A number of issues within Microbiology Services were noted that needed addressing and were brought to the attention of the executive.
- 14/142 The Committee noted the reference to the construction of a 'safe haven' for the processing of patient identifiable information compliant with the Information Governance Toolkit level 2 within PHE, which was underway.
- 14/143 The Committee noted a tabled update in relation to the section on professional revalidation.

7. Internal audit actions register

- 14/144 The Group Chief Internal Auditor introduced the paper (enclosure AR/14/025) and highlighted the increased number of open actions. This was because a number of recommendations, stated to have been completed by management, being reinstated after a follow-up review by internal audit.
- 14/145 Action 12509: The Committee **NOTED** the continued delay in respect of the agreed action to develop a plan that considered all the options available to automate the raising of invoices for Microbiology Services. The Finance and Commercial Director advised that completion had been affected by the shared service initiative, and the need was repeated across other parts of the organisation.
- 14/146 The report of all outstanding actions (agreed recommendations) had been provided to the Chief of Staff for the Management Committee to consider. Directorate reports on actions outstanding were also provided to the National Executive to further raise awareness of actions outstanding and to prompt implementation. It was **AGREED** that the action list should be taken to the Management Committee before being circulated to the Audit and Risk Committee, and that the Finance and Commercial Director would take the matter forward. Finance and Commercial Director
November 2014
- 14/147 A short summary would be presented in future on key open actions that had past their agreed due date, allowing the Committee to focus its time and attention. The summary report could detail directorate, owner and category of recommendation (highs or mediums, and excluding lows).

8. Internal Audit Progress report 2013/14

- 14/148 The Committee **NOTED** the content of the report (Enclosure AR/14/026) and queried whether an alternative presentation was possible. The report was lengthy (171 pages) because it reproduced the long form reviews. The Committee and auditors **AGREED** that details should only be provided for recommendations on weak and unsatisfactory reports, with a summary level report for other reviews. Further details could then be provided as required. Deputy Head of Internal Audit
November 2014
- 14/149 There had been a government-wide change in the terminology for risk assurance levels in internal audit reports, over which the Health Group had no control. The assessment now reflected “the framework of governance, risk management and control” and was graded substantial, moderate, limited or unsatisfactory (in place of strong, satisfactory, unsatisfactory and weak).

- 14/150 The Group Chief Internal Auditor was content with the volume of work that had been completed to date and was confident that the Internal Audit plan would be completed by the end of financial year.
- 14/151 Procurement – follow-up (rated weak) The Committee **NOTED** the content of the report. There would be no further review of procurement in 2014/15, but it would also be considered as part of the annual external audit. The Committee was advised that a new head had been recruited to the Procurement Team, whose would be responsible for individuals, strategy and leadership in the section. The Committee wished to see progress on a number of recorded procurement issues which had been static for some time.
- 14/152 IT Strategy (rated weak) The Committee **NOTED** the content of the report and was advised that a review of cyber risk was underway which would cover the interdependencies of data flows between health organisations. PHE would receive one report on PHE’s actions to mitigate cyber risk; and another detailing the overall health family’s approach to cyber risk management. Finance and Commercial Director
November 2014
- 14/153 Additional reports The progress report was supplemented by two additional papers: the Health and Wellbeing Directorate advisory report, and the Corporate Governance follow-up report. These concluded the Internal audit work that was carried forward from 2013/14.
- 14/154 Health and Wellbeing Advisory Review The Committee **NOTED** the content of the report (enclosure AR/14/027) on which the Deputy Head of Internal Audit commented. The review was based on the Directorate’s own self-assessment using the Health Group Internal Audit Framework for governance, risk, budgeting, planning and assurance over deliverables. The Directorate’s actions and the documents provided for review were examined and commented on by internal audit. The Committee observed that the work of the Health and Wellbeing Directorate was a significant element of PHE’s mission, with a high profile for the population and economy. The Committee was advised that the limited scope of this initial review nonetheless added value in assuring the foundations for Directorate actions and decisions and provided a baseline for assurance reviews to be undertaken in 2014/15 internal audit plan.
- 14/155 Corporate Governance follow-up The Committee **NOTED** the content of the report (enclosure AR/14/028). The original review in 2013/14 had been undertaken at an early stage of the organisation’s history and was rated ‘satisfactory’ taking into account the expected progress in addressing the governance issues raised. The follow up had confirmed this and the assessment was now ‘moderate’, with three medium or low rated recommendations to be implemented in the remainder of the year. Among these was a recommendation to revise the PHE Board terms of reference in the light of its first year of activity. Victor Knight
March 2015
- 9. Audit completion report on the 2013-14 financial statements**
- 14/156 The National Audit Office Audit Director presented the Audit Completion Report on the 2013/14 Financial Statements (enclosure AR/14/029) which was substantially the same as the draft considered by the Committee in June. An unqualified opinion had been given on PHE’s first set of accounts by the end of June deadline. The Finance and Commercial Director had responded to the report and a follow up meeting on the audit was being held later that day. The National Audit Office thanked the Committee Chair and the Chief Executive for participating in a moderated feedback visit.

- 14/157 The external audit plan for 2014/15 would be provided for the November 2014 meeting of the Committee. A National Audit Office value for money study was underway with a draft report timetabled for October and final report by December 2014.
- 14/158 The Committee **NOTED** the report.

SECTION 4 – OTHER BUSINESS

10. Any other business

- 14/159 There was no other business and the attendees to the Committee withdrew.

11. Date of next meeting

- 14/160 Thursday 20 November 2014, 11:00-13:00, at Wellington House.

12. Meeting of members and auditors in the absence of officers

- 14/161 There were no further actions arising from this section of the meeting.

Victor Knight
Board Secretary
October 2014