



Public Health
England

Protecting and improving the nation's health

Minutes

Title of meeting	Audit and Risk Committee	
Date	Tuesday 21 November 2018	
Time	13:30 – 15:30	
Venue	Wellington House, 133-155 Waterloo Road, London SE1 8UG	
Present	Sir Derek Myers Michael Hearty Martin Hindle	Non-executive member of the Advisory Board and Chair Independent external adviser Independent external adviser
In attendance	Michael Brodie Catherine Hepburn Kishor Mistry <i>Abdul Mohib</i> <i>John Newton</i> <i>Patrick Nolan</i> Niki Parker David Robb Cameron Robson Duncan Selbie Alex Sienkiewicz Alan Stapley Mike Surman <i>Mike Yates</i>	Finance and Commercial Director National Audit Office Deputy Director, Corporate Risk and Assurance <i>Lead Risk Adviser (for Risk Management Items)</i> <i>Director of Health Improvement</i> <i>DHSC Anti-Fraud Unit</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>
Apologies	Simon Reeve Graham Reid	Department of Health Department of Health and Social Care

- 1 Introduction and apologies**
18/169 Apologies were recorded as indicated above. There were no declarations of interest.
- 2 Minutes of the previous meeting: 25 September 2018**
18/170 Catherine Hepburn was not in attendance, as recorded, and should be removed from the attendees list. Otherwise, the minutes (enclosure AR/18/043) were accepted as an accurate record.
- 3 Matters arising**
18/171 Enclosure ARC/18/044.
18/172 The Committee **NOTED** the report.

4 Health Improvement risk management deep-dive

18/173 Enclosure AR/18/045. John Newton presented the report.

18/174 Risk management in the directorate was managed at a number of levels:

- Team - some of the larger teams manage risks and maintain a local team risk register, with risks escalated when required to the divisional risk register;
- Divisional - divisions within the directorate hold monthly senior management team meetings at which they discuss their risk register. These meetings provide an opportunity to discuss new and existing risks and to consider if any need to be escalated to the directorate risk register;
- Directorate - the directorate's senior management team reviews current risks and escalated risks on a quarterly basis, as well as discussing new risks and those that require possible escalation to the Strategic Risk Register.

18/175 Risk distribution (by number and type) varied across the directorate's divisions, but reflected the size and particular focus of each.

The key risks highlighted were:

- Funding for the decennial adult dental health survey and decennial child dental health survey;
- Quality of screening programmes;
- PHE suffers a serious information governance failure;
- PHE access to data is restricted.

Screening

18/176 The external review report on breast screening may propose changes to the way PHE operates its screening programmes generally. It was suggested that PHE take advantage of this review and consider how organisational leadership, governance, and joint-agency working (including on managing risk) might be strengthened as a result. The review should be seen as an opportunity.

18/177 It was suggested that this be revisited in around six months' time - post-review - to see what positive impacts the review had had; what changes had resulted or were planned; and, to consider how the risk on the strategic risk register had changed as a result. This action would be picked up through discussions on the review report and action plan, and through discussions on the strategic risk register.

Action: Alex Sienkiewicz and Kishor Mistry

Health Improvement risk register

18/178 The directorate risk register was provided for discussion.

18/179 The Committee felt that an overhaul of the risk register was due. The content Action: John

had become complex and a little confusing, some action dates were overdue and the content didn't represent clearly enough the key risks that the directorate faced.

Newton with assistance from Kishor Mistry and Abdul Mohib.

18/180 The Committee **NOTED** the report.

5 Strategic Risk Register

18/181 Enclosure AR/18/046. Abdul Mohib presented the report. No new risks had been added and no changes to overall risk ratings.

18/182 At the recent Department of Health and Social Care (DHSC)/PHE Quarterly Accountability Review meeting, it was agreed that Risk 21 (PHE's wider screening programmes) would be reviewed jointly in the context of the external independent review. A date for this was being arranged with DHSC sponsor team colleagues.

18/183 The Chair commended the team on the continuing improvement in quality of the strategic risk register, how it was being managed by the senior team and how risk information was being reported.

18/184 The Committee **NOTED** the report.

6 DHSC Anti-Fraud Unit

18/185 Enclosure AR/18/047. The Committee welcomed Pat Nolan from the DHSC Anti-Fraud Unit (DHSC-AFU). Unfortunately Georgia Klein, who prepared the presentation, was unable to attend.

18/186 The DHSC-AFU key objective is to maintain an effective counter fraud policy and deliver stretching and targeted financial reductions in the level of NHS fraud. It does this by:

- Working to prevent fraud, bribery and corruption;
- Setting the counter fraud policy and strategy for DHSC, the bodies it funds and the NHS in England;
- Supporting ministers;
- Raising awareness and supporting policy teams;
- Investigating allegations of fraud;
- Supporting and holding to account the NHS Counter Fraud Authority – the body responsible for tackling fraud in the NHS.

18/187 Pat then described the process once a referral had been made. DHSC-AFU has specialist investigators who are accredited with the cross-Government Counter-Fraud Profession. With this expertise, the Unit:

1. Processes referrals;
2. Advises on alternative disposal and deterrents;
3. Conduct investigations and present cases to the Crown Prosecution Service (CPS) when appropriate;
4. Give evidence in court;
5. Secure financial recovery.

18/188 The DHSC-AFU and PHE now have regular stocktake meetings to discuss PHE compliance with standards and associated issues. The DHSC-AFU had been assisting PHE with its review of its fraud, bribery, corruption and theft

policies and procedures which were due for revision. The unit had also made a number of other recommendations to strengthen governance in this area. Further discussion on the policy and procedure documents, risk assessment and management, and governance would take place to ensure that PHE's fraud, bribery, corruption and theft processes were aligned with the Cabinet Offices functional standards.

18/189 The Chair asked if all fraud needed to be reported to the DHSC-AFU. Pat confirmed this. For those cases that the unit did not pursue itself, alternative disposal arrangements and actions would be recommended. The cases that the DHSC-AFU would pursue were the more complex cases, particularly where funds were immediately at risk.

18/190 Michael Brodie, who had championed much of the work that PHE was now doing to counter fraud, told the Committee that the key objective for PHE going forward was, as far as possible, to avoid fraud investigation by strengthening prevention.

18/191 The Committee thanked Pat for his report and looked forward to continued close working between the two teams.

7 Integrated Governance Report

18/192 Enclosure AR/18/048. The report was presented by Kishor Mistry, and Martin Hindle led the discussion.

Adverse Incident Reporting

18/193 Martin suggested the figures on page 2 of the report required revision as they did not total 100%. Action: Kishor Mistry.

Health and Safety interactions

18/194 Alex Sienkiewicz reported that PHE and the Health and Safety Executive (HSE) enjoyed a good, balanced annual meeting. Another meeting with HSE would be taking place in February 2019 to take stock of the improvement work at Porton.

18/195 Kishor reported that an HSE intervention visit had taken place at Colindale recently connected with health and safety in CL3 laboratories. The outcome of that inspection was awaited.

Breast screening complaints

18/196 The table on page 10 of the report refers. The handling of individual cases would be investigated and processes reviewed following publication of the external review report. However, it was suggested that Paul Cosford, Director of Health Protection and Medical Director, be asked for a status report on contacting those women referred for clinical review. Action: Alex to discuss with Paul Cosford and report back.

Caldicott

18/197 Michael Hearty asked if the delay in appointing a Caldicott Project Manager posed a significant risk. Alex had written to Paul Cosford for a view and this Action: Alex Sienkiewicz

would be shared with the Committee once received.

(following discussion with Paul Cosford.

18/198 The Committee **NOTED** the report.

8 Outstanding Internal Audit actions summary

18/199 Enclosure AR/18/049. Kishor Mistry reported the latest position.

18/200 The Chair was pleased to see the continued improvement in closing actions.

18/201 The Committee **NOTED** the report.

9 Internal Audit progress report for 2018/19

18/202 Enclosure AR/18/050. Cameron Robson presented.

18/203 Steady progress was being made with the review programme. The programme was back-loaded with a lot of work planned for Q3 and Q4; probably more than he would have liked but the programme should still be completed. Cameron was hoping to report 70% completion at the February meeting.

18/204 There had been some delays in getting meetings in diaries to discuss the scope of reviews. The Chair suggested more should be done to ensure that inaction over agreeing the scope of reviews, and recommendations at the end of the process, does not delay the audit programme. He suggested (short) deadlines be given for comments - should none be received by the deadline, the scope or recommendations would be agreed as drafted.

18/205 The Committee **NOTED** the report.

10 Losses and special payments

18/206 Enclosure AR/18/051.

18/207 The Committee **NOTED** the report.

11 National Audit Office - 2018/19 financial audit

18/208 Enclosure AR/18/052. Mike Surman presented the report.

18/209 The risks assessed for the forthcoming audit round were similar to those for 2017/18. However, one risk category had been assessed as lower for the coming round ('Regularity within procurement'), and three new risk categories had been added:

- Proposed changes to PHE's workforce model;
- Changes in the *Financial Reporting Manual*;
- Impact of the UK exiting the European Union.

18/210 Areas of audit focus would be:

- Accounting for stockpiled goods and vaccines;
- The classification and valuation of Porton Biopharma Ltd;
- Impact of the proposed move to PHE Harlow;

- 18/211 as well as the new risk categories identified.
- The Committee **CONFIRMED** that there was nothing they wished to add regarding the actions set out at page 2 of the report.
- 12 Any other business**
- 18/212 The Chair thanked Michael Hearty for acting as interim Chair of the Committee, and chairing it so effectively since September 2017.
- 18/213 The tabled McNeil report was discussed briefly. The Chief Executive confirmed that he was happy with progress.
- 18/214 With no further business, the meeting concluded at 15:00
- 13 Date of next meeting**
Tuesday 19 February 2019, 10:00 to 12:30, Wellington House.

Mike Yates
Head of Governance
November 2018