



Protecting and improving the nation's health

Minutes

Title of meeting	Audit and Risk Committee	
Date	Wednesday 4 March 2020	
Time	10:00 – 12:30	
Venue	Wellington House, 133-155 Waterloo Road, London SE1 8UG	
Present	Sir Derek Myers	Non-executive member of the Advisory Board and Chair
	Martin Hindle	Independent external adviser
	Michael Hearty	Independent external adviser
In attendance	<i>Catherine Afolabi</i>	<i>Lead Assurance Adviser</i>
	<i>Kashem Ali</i>	<i>Government Internal Audit Agency</i>
	<i>Kirsten Hill</i>	<i>Head of Financial Accounting</i>
	Anna Kinghan	National Audit Office
	<i>Michele Lawrence</i>	<i>Safeguarding Manager</i>
	<i>Sam Lloyd</i>	<i>Head of Technical Services</i>
	Kishor Mistry	Deputy Director, Corporate Risk and Assurance
	<i>Carla Roach</i>	<i>Department of Health and Social Care</i>
	David Robb	Government Internal Audit Agency
	Duncan Selbie	Chief Executive
	Donald Shepherd	Acting Finance and Commercial Director
	Mike Surman	National Audit Office
	<i>Catherine Swann</i>	<i>Deputy Director – Maternity and Community</i>
	<i>Michele Timlin</i>	<i>Lead Risk Management Adviser</i>
	<i>Mike Yates</i>	<i>Secretary</i>
Apologies	Karen Holland	Government Internal Audit Agency
	Niki Parker	Government Internal Audit Agency
	Simon Reeve	Department of Health and Social Care
	Graham Reid	Department of Health and Social Care
	Alex Sienkiewicz	Director of Corporate Affairs
	Alan Stapley	Deputy Director, Finance

- 1 Introduction and apologies**
20/001 Apologies had been received as listed above. There were no interests declared.
- 2 Minutes of the previous meeting: 19 November 2019**
20/002 Enclosure AR/20/001. These were agreed as an accurate record of the meeting.
- 3 Matters arising**
20/003 Enclosure AR/20/002.

The Committee **NOTED** the report.
- 4 Strategic Risk Register**
20/004 Enclosure AR/20/003. Kishor Mistry presented the report.

20/005 A refresh of the Strategic Risk Register (SRR) had been undertaken to ensure that all current risks, mitigations, controls and scoring remained valid and so that new or emerging risks could be identified for consideration and discussion. The Management Committee would consider the results at the end of February.

20/006 The suggestions for de-escalation of some risks and possible new risks were noted.

20/007 On the SRR, the wording relating to meeting the requirements of the General Data Protection Regulations (GDPR) would be tightened up. The mitigating actions would be reviewed in the light of the further Internal Audit review of compliance.

20/008 Business continuity risks following diverting resource to the COVID-19 response would be picked up through the SRR and specific risk management work associated with the response.

20/009 The Committee **NOTED** the report.
- 5 Digital transformation programme**
20/010 Enclosure AR/20/004. Sam Lloyd presented.

20/011 An overview was provided on the steps being taken to address areas of delivery risk associated with the PHE Digital function. This included the pending write-off of capital monies spent on the Intranet replacement project; the establishment of a new Digital Transformation Board to oversee the implementation of a new digital operating model; and, an approach to manage the wider portfolio of digital projects across PHE.

20/012 The Committee recognised the significant review that had taken place and at a difficult time when key personnel had moved on, but also recognised that ongoing review of these areas was a mark of organisational health. It was hoped that the new Digital Transformation Board would bring strengthened governance and control to the programme by re-focusing on three workstreams covering:

- The evolution of the PHE Marketing Directorate into a Behavioural Programmes Unit, to lead all direct-to-public digital activity and to align it appropriately with health campaigns;
- The enhancement of PHE's data capability, in support of the Data and Surveillance priority in PHE's Strategic Plan; and,
- The enhancement of the organisation's technology capability, in support of the delivery of the technology enabler.

20/013 The Committee suggested that the word 'transformation' might not be helpful in the context of this work and might be dropped. To be considered by the programme managers. Action: Sam Lloyd

20/014 The Government Internal Audit Agency (GIAA) had a review of digital project governance and management in their programme for 2020/21 (Q2). In the light of this, the Committee suggested that it should revisit development of the programme at its February/March 2021 meeting. *[See also the action set out below arising from the discussion on the GIAA 2020/21 draft audit programme].* Action: Sam Lloyd

20/015 The Committee **NOTED** the report.

6 VfM Taxpayer Value Strategy (TVS) update

20/016 Enclosure AR/20/005. Donald Shepherd presented.

20/017 Since its inception, PHE has been committed to delivering more and better services for less. This is evidenced by its track record of delivering savings – by the end of 2019/20 it will have delivered £175m p.a. recurrent savings. These savings have been underpinned by the Taxpayer Value Strategy (TVS) which was formally launched in 2017.

20/018 The key aims of The Taxpayer Value Strategy are to:

20/019 Meet savings requirements in an evidenced and sustainable way;
Free up resource for investment into new priorities;
Embed a Value for Money Culture across PHE.

20/020 The Resourcing and Prioritisation Group (RPG) oversees this work.

20/021 The programme covers around 50 individual and wider reviews in the following areas:

- **Best Value reviews** – looking at functional areas for both strategic fit and the best model for delivery across PHE, as well as assessing the value for money that could be achieved. This will often be through a mix of specific teams from different directorates working together and supported by the Finance and Strategy teams.
- **Corporate level cross cutting thematic review work** – looking at cross-cutting activities, functions and services such as estates, travel, accommodation hire, courier costs.
- **Directorate level activities** - concentrating on 'macro level' opportunities.

20/022 The Committee recognised the value of this work and thanked Donald for the update. It asked that another update be given in 12 months' time (February/March 2021). Action: Donald Shepherd

7 Safeguarding - annual progress report

20/023 Enclosure AR/20/006. Catherine Swann and Michele Lawrence presented.

20/024 This presentation updated the Committee on progress since the last update a year ago. The Committee was asked to note the progress made, discuss the issues identified with recording of mandatory training, digital and direct-to-public campaigns, and incident response where assurance was challenging, and comment on the proposal to develop a strategy and work plan for 2020/21.

20/025 The presentation covered progress in the following areas:

- Safeguarding as a component of quality;
- Implementing safeguarding policies and procedures;
- Communications;
- Training;
- Monitoring progress and recording incidents;
- Internal Audit reviews;
- National campaigns and responses;
- Working with partners.

20/026 For 2020/21, picking up on progress, issues and actions outlined above, the Head of Safeguarding will lead work to:

- Review the safeguarding communications plan, leads and networks, and develop an organisation wide strategy and workplan for assuring safeguarding around PHE. Progress against this plan will be reported at the SCAB board, and through existing governance arrangements;
- Work with digital and research colleagues to understand the role of safeguarding in the world of PHE digital campaigns;
- Work with health protection colleagues to formally embed safeguarding in governance arrangements for national incident response;
- Continue to address the recommendations in the safeguarding Internal Audit reviews;
- Review the current training offer, needs and levels, and revise our offer to meet any gaps;
- Undertake joint communications and implementation activity with PHE's quality team;
- Hold a virtual safeguarding conference to coincide with the NHS month of safeguarding activity in June 2020.

20/027 On training, in November 2019 Civil Service Learning moved to a new training platform. Unfortunately, the Safeguarding mandatory training level 1 was unable to be accessed on the new platform, resulting in PHE employees having to be directed to the old site to complete their level 1 training. This issue was added to the Safeguarding Risk register. A challenge for 2020/21 was to get the training onto the new learning platform. Until this is sorted, a safeguarding training assessment algorithm is being used by quality leads to

assess levels of training.

- 20/028 Awareness raising was also seen as a challenge, but work was in hand to progress work in this area. Work was being done specifically to raise awareness at the senior executive level: this was a duty for every employee of the organisation.
- 20/029 More incidents were being identified, which was cited as progress and an indication that safeguarding leads were being more proactive in identifying issues.
- 20/030 Another update would take place in 12 months' time (February/March 2021). The focus of the next update would be on how the training challenges were being met, and worked examples of how safeguarding issues/concerns were being dealt with practically.
- 20/031 The Committee **NOTED** the report and recognised the significant progress being made.

Action: Catherine Swann, Michele Lawrence

8 Integrated Governance Report

20/032 Enclosure AR/20/007. Kishor Mistry presented the report.

20/033 Three particular areas were focused on:

Health and safety

20/034 The Annual Intervention meeting with the Health and Safety Executive (HSE) was planned for 23 April 2020. This would pick up on work indicated following the visits to Porton in December 2019 and February 2020.

Information Governance training

20/035 The progress being made against the Data Security and Protection Toolkit (DSPT) action plan had broadly been good, with several important actions completed or to be completed in the next few weeks.

20/036 However, it was emphasised that whilst good progress was being made against the action plan, work was still required to ensure that the corporate data security and protection policies and procedures were being fully implemented by all directorates. For example, work is still required to ensure that at least 95% of staff complete information governance training during the 2019/20 financial year.

20/037 A new requirement for 2019/20 is for all DSPT assessments to be independently audited prior to submission. Agreement has been reached with the Deputy Head of Internal Audit to review the PHE evidence for a sub-set of 17 assertions selected from across the ten DSPT core standards. This evidence review is currently underway.

Enquiries (particularly linked to the COVID-19 response)

20/038 Compliance ratings for January as a whole were expected to be slightly lower than usual. This was due to the COVID-19 incident, which had significantly impacted the work of the enquiries team from 23 January onwards. During this time, other than COVID-19 enquiries the team was predominantly

focused on handling only those enquiries that were deemed urgent or approaching deadlines. This arrangement is expected to continue whilst the COVID-19 incident response is ongoing. The Committee recognised the significant efforts of the enquiries team.

20/039 The Committee **NOTED** the rest of the report.

9 Outstanding Internal Audit actions summary

20/040 Enclosure AR/20/008. Kishor Mistry presented the report.

20/041 The Committee thanked the assurance team for their continuing efforts to bring an added level of sensitivity to the data underpinning this work, whilst also maintaining good control on closing actions.

20/042 The Committee **NOTED** the report.

10 Internal Audit 2019/20 audit plan

20/043 David Robb presented both reports.

Status and assurance report on the 2019/20 audit programme.

20/044 Enclosure AR/20/009i. Steady progress continued to be made with delivering the 2019/20 audit plan, with four audits completed since the last update in November 2019. At 21 February, eight audits had been completed and all but one of the remaining audits on the plan were in progress (the Dysport Royalties audit would take place in a short space of time at the year-end).

20/045 Management had requested two audits be deferred to the 2020/21 plan: Science Hub and Digital Projects. These had now been included in the draft audit plan for 2020/21, also on the agenda for this meeting.

20/046 The Committee noted that no recommendations had been made for the Global Health review, and praised the programme team for their work.

2020/21 draft audit plan.

20/047 Enclosure AR/20/009ii. It was agreed that the scope and coverage looked about right.

20/048 For the Digital Projects review, the Committee suggested that this also cover the ability of the programme to prioritise its work and plan the management a pipeline of projects going forward.

Action: David Robb
(with Donald
Shepherd and Sam
Lloyd)

20/049 The Committee **NOTED** both reports.

11 Losses and special payments

20/050 Enclosure AR/20/10. Donald Shepherd presented the report.

20/051 The Committee **NOTED** the report.

12 National Audit Office 2019/20 financial audit

20/052 A verbal update was provided by Mike Surman.

20/053 At the previous meeting, the Committee asked whether there was a way of 'normalising' the accounts treatment of stockpiling in order to de-risk the issue and suggested that Mike Surman and Donald Shepherd discuss this.

Discussions continued on this and it was hoped to reach a conclusion on handling by the end of April.

20/054 In general, good progress was being made with no significant issues to draw to the Committee's attention.

20/055 The Committee **NOTED** the update.

13 2019/20 PHE Annual Report and Accounts

20/056 A verbal update was provided by Mike Yates. There had been an exchange of e-mails between PHE and DHSC on the timing for submission, agreement and publication of this year's Annual Report and Accounts. It had been clarified that the timetable would be along the lines of that for agreement, publication and laying of the 2018/29 Annual Report and Accounts.

20/057 With the next Audit and Risk Committee meeting timetabled for the end of June, it was agreed that an option to allow members to scrutinise and agree elements of the report by correspondence or a virtual meeting would be built into the planning. However, it was also suggested that with most of Government likely to be involved in the response to the COVID-19 pandemic, timings were likely to slip to later in the year anyway. Members would be updated on the timetable as appropriate.

20/058 The Committee **NOTED** the update.

14 Any other business

20/059 There being no further business, the meeting concluded at 12:00.

15 Date of next meeting

20/060 Tuesday 30th June 2020, 10:00 – 12:30, WEL.

Mike Yates
Head of Governance
April 2020