

**Draft Minutes of the Audit, Risk and Governance Committee (ARGC)**

**Zoom Conference  
21 March 2022, 16.30 – 18.00pm**

**Present:**

<b>Name</b>	<b>Details</b>	<b>Initials</b>
Bernadette Costello	Committee Chair	BC
Tony McNamara	Committee member	TMcN
Martin Higgins	Committee member	MH

**In Attendance:**

Mairin Ryan	Acting Chief Executive Officer	MR
Kathleen Lombard	Board Secretary & Chief Risk Officer	KL
Joan Heffernan	Quality and Risk Manager (minute taker)	JH

**Apologies:**

<b>Name</b>	<b>Details</b>	<b>Initials</b>
Caroline Spillane	Committee member	CS

**1.0 Quorum**

A quorum was present and the meeting was duly convened.

**3.0 Conflict of interest**

No conflicts were declared.

**4.0 Minutes of 9 February 2022**

The Committee reviewed the minutes of 9 February 2022. It was agreed that the minutes were an accurate record of the meeting: MH proposed approval of the minutes and TMcN seconded the proposal; accordingly the minutes of the committee meeting of 9 February 2022 were approved by the committee.

## **5.0 Review of actions**

KL updated the committee on the status of the actions. A number of actions were completed or listed for discussion on the agenda. KL advised that the EMT carried out a preliminary review of the Board's comments on risk and a number of changes to the corporate risk register are proposed. KL will present the proposed changes to the Board at their upcoming meeting.

Under recurrent actions it was agreed to amend the text to state "significant risks" rather than "risks". The committee also agreed to delete the action on future ICT reporting as a new reporting template is being developed.

## **6.0 Matters arising**

KL advised that EN will present a paper on the additional accrual to the 2021 accounts when she joins the meeting.

## **7.0 Emerging Issues**

No emerging issues were noted.

## **8.0 Internal Audit – Cyber security audit**

██ from Mazars joined the meeting at this point. Bala Krishnan (BK) Chief Information Officer and Robert Lambert (RL) Information Governance and Assurance Manager also joined the meeting.

████ presented the findings of the cyber security audit stating that the findings of the audit provided a reasonable assurance level. There were no high priority findings, three were rated medium and three were low priority findings.

In response to the Committee's observations, it was noted:

- that processes are in place in most cases for the management of the ICT environment, however procedural documentation needs further development
- while not a formal recommendation, cyber security training for the Board should be considered
- HIQA's cyber security from a technical perspective compares favourably with similar type organisations
- Information on threat intelligence is provided to HIQA on an ongoing basis
- New cyber security standards are due to be issued by the Government and HIQA's policies will be aligned to these.

The Committee suggested that the dates for implementation of some of the recommendations should be brought forward if possible, particularly security penetration testing given the current climate. In addition, a full security review of the incoming replacement solutions for Prism before migration progresses should be implemented by management.

In relation to the action arising from the January meeting, on the earlier completion of the Information Security policy, BK advised the committee that he is currently working on this and on a vulnerability assessment.

The Chair thanked AB for his report and BK and RL left the meeting at this point.

## **8.0 Internal Audit Programme 2021 – 2023 – Progress Update**

█ gave a progress update on the Internal Audit Plan for 2021-2023 as follows:

- The fieldwork for the IT project management is complete and a draft report has issued to management. Findings from this audit will be presented at the next ARGC meeting on 12 April 2022
- A Value for Money audit is scheduled for 20 June 2022 and the terms of reference will be issued in advance
- Culture audit – the committee discussed the timing and format of the culture audit. Following discussion with Mazars, it was acknowledged that to carry out a complete culture audit, six key themes should be reviewed. It was agreed that the audit should take place in two phases with three themes being the focus in Q3 2022 and the other three themes addressed in Q1 2023. An interim report will follow the first phase audit and a final composite report will draw the two phases together. It was also agreed that this was sensible given the timing of the incoming Chief Executive.

It was agreed that the internal audit plan would be flexible if changes were needed should other issues arise.

The Chair thanked █ for the presentation and █ left the meeting at this point.

## **9.0 Budget 2022**

Eleanor Noonan (EN) Finance Manager joined the meeting.

EN presented the budget for 2022 and highlighted that there is a significant increase in both income and expenditure over 2021. Key points were highlighted as follows:

- Grant funding from the Department of Health (DOH) indicates a 10.3% increase for 2022 on the 2021 grant
- Separate grant funding is expected from the DoH for the Nursing Home Expert Panel activities and this is likely to increase to reflect additional posts.
- A separate grant is also expected from the Department of Children, Equality, Disability, Integration and Youth to fund the initial work on the monitoring approach of the International Provision of Accommodation Services which is expected to commence in 2022
- Funding is also generated from the registration fees from providers of designated centres.
- Payroll costs for 2022 are expected to increase which is driven by a sustained increase in costed headcount and expected retirements resulting in additional

pension costs. A budgetary assumption has been identified to cover unplanned leavers and positions filled by existing staff.

EN advised that the budget has been developed in line with the expected funding available to HIQA in 2022 and is aligned to the Business Plan for the year.

In response to committee observations, EN confirmed that:

- Inflation costs have been built into the budget and this will be kept under review
- The need to assimilate the funding for the Nursing Home Expert Panel activities has been discussed with the Department of Health. However, the Department of Public Expenditure and Reform provides the funding.
- Work is underway in the finance unit to identify when the costs of IT licenses will move from capital costs to annual operational costs. EN will report back to the committee on this.

The Committee thanked EN for a clear and comprehensive presentation on the 2022 annual budget and indicated their satisfaction in recommending the budget to the Board for approval at their upcoming meeting.

### **9.1 Late accrual – report to the committee**

Arising from a verbal update to the Committee at the February meeting, a paper was presented on the late addition of costs relating to a project in 2021 that had not been accrued to the annual accounts. The circumstances relating to the issue were outlined, together with the learning for the future.

The chair thanked EN for the presentation and EN left the meeting.

### **10.0 Audit, Risk and Governance Committee Evaluation 2021**

KL presented the findings from the annual Audit, Risk and Governance Committee evaluation in line with the requirements as set out in the Code of Practice for the Governance of State Bodies.

All observations and ratings had been discussed with the Chair, together with actions to address relevant areas. The actions were considered by the Committee and agreed.

It was noted that the findings overall were very positive. The committee thanked KL for carrying out the evaluation and developing the report.

### **11.0 Corporate Risk Reporting (under review)**

KL advised that the corporate risks are currently under review following feedback from the Board. The risks suggested by the Board were discussed at the EMT and KL will revert to the Board with the suggested changes at the next Board meeting on 23 March 2022.

## 12.0 Statutory Compliance

KL advised that committee that an additional module on Statutory Compliance was launched on Vision (HIQA's corporate performance and risk reporting system) today.

HIQA is required by the Code of Practice for the Governance of State Bodies (2016), to provide itself with reasonable assurance that HIQA is compliant with statutory and governance obligations. This new module has allowed HIQA to create a directory of all relevant legislation applicable to HIQA. A standard operating procedure on statutory compliance has also been developed to support this process.

## 13.0 AOB

There being no other business, the meeting concluded.

Signed:



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Bernadette Costello  
Chair



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Kathleen Lombard  
Board Secretary

## Review of Actions Following from the ARGC Meeting of 21 March 2022

	Action	Person Responsible	Timeframe
1	Recurrent actions – change text in action 1 and delete action 2.	KL	Immediate
2	Present the EMT feedback on Board suggested corporate risks to the Board on 23 March 2022.	KL	23 March 2022
3	Report on the cost of recurrent ICT licenses for cloud solutions to be presented to this committee when completed.	EN	On competition of report
<b>Carried forward actions from the ARGC Meeting of 9 February 2022</b>		<b>Person Responsible</b>	<b>Timeframe</b>
1	Specific reporting on the procurement in light of increased third party service provision.	BK/SA	Next meeting
2	In the context of the SOY submission, a paper on the governance arrangements for the constituent projects including authorisation levels and the management of stage breaks.	SK/SF	Reporting format being developed
<b>Carried forward Actions from the ARGC Meeting of 18 January 2022</b>		<b>Person Responsible</b>	<b>Timeframe</b>
1	SA to provide a more detailed representation of the headcount figures.	SA	Next full meeting of the committee
2	SA to present finance report on the PRISM replacement costs to this committee prior to Board meetings.	SA	Report under development
3	SA to review the wording of risk 18-221 to reflect committee feedback.	SA	All corporate risks under review
4	Committee TORs to be reviewed following the completion of the annual committee evaluation.	KL	April 2022
<b>Recurrent actions</b>		<b>Person Responsible</b>	<b>Timeframe</b>
1	Inform committee between meetings of significant risks (red) escalated or de-escalated to the corporate risk register.	KL/PQ	As arises
2	Draft Committee meeting minutes to be issued within 10 working days of the meeting and any comments in relation to those draft minutes should be returned within 10 working days of receipt.	KL	Ongoing