

**Minutes of the Audit, Risk and Governance Committee (ARGC)
Zoom Conference
28 June 2022, 16.00 – 17.15pm**

Present:

Name	Details	Initials
Bernadette Costello	Committee Chair	BC
Tony McNamara	Committee member	TMcN
Caroline Spillane	Committee member	CS

In Attendance:

Kathleen Lombard	Board Secretary and Chief Risk Officer	KL
Sean Angland	Acting Chief Operations Officer	SA
Joan Heffernan	Quality and Risk Manager (minute taker)	JH
David Murphy	Forecast Planning and Analysis Accountant, HIQA *part of the meeting	DM

Apologies:

Name	Details	Initials
Martin Higgins	Committee member	MH

1.0 Quorum

A quorum was present and the meeting was duly convened.

2.0 Conflict of interest

No conflicts were declared.

3.0 Minutes of 16 May 2022

The Committee reviewed the minutes of 16 May 2022. It was agreed that the minutes were an accurate record of the meeting: TMcN proposed approval of the minutes and CS seconded the proposal; accordingly the minutes of the committee meeting of 16 May 2022 were approved by the committee.

4.0 Review of actions

Action items were addressed or were on the agenda.

5.0 Matters arising

No matters arising were noted.

6.0 Emerging Issues

It was noted that there is an increasing focus on Environmental Social and Governance (ESG) reporting and this needs to be addressed by the Board.

SA advised that HIQA's new corporate plan and the business plan for 2022 includes developing a plan for the UN Sustainability Goals of which ESG is a subset. SA has sought external expertise on this project and will update the committee when this has progressed.

KI advised that the ROC has been given responsibility under its revised terms of reference (TOR) for oversight of HIQA's plans for addressing the UN sustainability goals.

7.0 Internal Audit Programme Update

KL gave an update on the current internal audit programme and proposed changes to the plan as follows:

- Recruitment audit – this audit is at the scoping and planning stage and is due to commence in July.
- Value for Money (VFM) Audit – It was noted that this audit was initially planned to take place following the commencement of Prism replacement project. This project has not yet commenced. In light of this and the recent audit on Project Management, it was agreed that carrying out the audit at this time would not add value and should be deferred until 2023.

KL advised that as a result of reviewing the work programme and discussion with the internal auditors on what audit could add best value at this point, it is proposed bringing forward the audit on the Code of Practice and emerging best practice which is planned for 2023 to this year in lieu of the VFM audit. In addition, KL advised that it would also add value for internal audit to do some advisory work by carrying out a review of HIQA's risk management framework with a view to progressing to the next level of maturity.

The Committee agreed with this approach and KL will revert to the Committee with the terms of reference for this work.

- Culture Audit – scoping has begun on this audit. However, given that there has been significant work carried out on related initiatives, these initiatives will be considered in the first instance to ensure that non-value work and duplication will be avoided.

7.1 Update on the implementation of audit recommendations

KL presented a high level report from Vision on the outstanding and completed internal audit recommendations to date. This is the second report of this type to be presented to the Committee following the introduction of the Audit Recommendation module to Vision in September last year.

In response to the Committee's queries, it was agreed that a more detailed report would be furnished to the Committee for the next update. The follow-up review will be carried out by internal audit and reported to the Committee at year end.

8.0 Finance Report

David Murphy (DM) Forecast Planning and Analysis Accountant joined the meeting at this point to present the finance report to the 31st May 2022. DM highlighted the main variances to date in terms of planned income and expenditure, noting that the variances are primarily related to timing which are expected to level out by year end.

In response to the Committee observations on the ICT Programme spend and associated variances, SA advised that additional focus is being given to this area to ensure that the allocated budget is on target by year end.

SA advised that the recruitment of additional accountants has created greater capacity in terms of engaging with the business and creating a business partner model with business areas. This model is working well as it brings the finance team closer to the budget holders which in turn improves quality of forecasting projections and budget management.

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

8.1 Controller & Auditor General management letter

SA updated the Committee on the management letter from DHKN Ltd, on behalf of the Controller and Auditor General (C&AG). One item was highlighted as a low risk on the management letter. This does not impact on accounts but highlights an areas for improvement. The issue relates to academic course fees for staff. The auditor recommends that HIQA adds a provision to the academic support policy to explicitly provide for HIQA recouping course fees paid for staff members if the staff member leaves the organisation within a defined period of time.

The Committee also requested that for significant academic fees that a provision is included in the policy for approval by the Board. SA confirmed that the academic support policy will be amended accordingly.

In relation to the point on UCC course fees, SA clarified that this relates to PHD placements in HIQA where the PHD research question is defined by HIQA and where a small stipend is paid.

9.0 New Banking services provider

SA advised the Committee that HIQA has used Ulster Bank since it was established in 2007. As Ulster Bank is now leaving the Irish banking market, HIQA is planning to move to Danske Bank as the winning banking provider on the Office of Government Procurement framework. SA outlined the services to be provided by the Bank and the approvals required of the Board to give effect to the transfer to Ulster Bank:

- The account be opened as described in the *Mandate for Statutory Body Opening Accounts* with named mandate holders
- Online banking administration and named Online Banking Channel Administrators
- Online banking transactions and named payment approvers
- Corporate credit cards – four additional credit cards to named individuals.

In response to Committee observations, SA agreed that the additional credit cards will provide better security to the use of corporate credit cards.

The Committee queried whether limits could be incorporated into the banking approval processes. SA agreed to raise this with Danske Bank and reflect this in the paper prior to seeking Board approval.

BC recommended the paper setting out the mandate for Ulster bank services to go to the Board subject to the amendments if appropriate. TMcN proposed the recommendation and CS seconded it.

10.0 ARGC Terms of Reference and Internal Audit Charter

KL presented the revised terms of reference (TOR) for the ARGC and the Internal Audit Charter to the Committee.

ARGC TOR

KL summarised key changes to the ToR including:

- The inclusion of oversight of quality management
- Clearer expression of financial reporting
- The Committee receives proposals for tendering for Internal Audit function and recommends to the Board approval of provider
- Alignment of membership numbers with other committees.

In response to Committee observations, it was agreed that the area of Environmental, Social and Governance (ESG) would be raised with the Board at their upcoming meeting in the context of the revised ToRs for the ROC and the ARGC. SA advised that HIQA currently has a business plan objective relating to developing a sustainability action roadmap which he will progress in the coming months.

Internal Audit Charter

KL presented the revised Internal Audit Charter and advised that no substantive changes were made other than aligning the charter with the ARGC TOR where necessary.

The Committee reviewed the ARGC terms of reference and the Internal Audit Charter and indicated their satisfaction in recommending both documents go to the Board for approval at their upcoming meeting. CS proposed the recommendation to the Board and TMcN seconded the recommendation.

10.1 Review of Audit Committee Checklist

KL updated the Committee on the Checklist for Audit Committees. Together with the Chair of the Committee, each item was reviewed and while there was full compliance with the checklist, a number of areas were highlighted for the Committee's attention.

KL advised that these areas will be included in future agendas of the committee. The Committee considered the findings and discussed specific questions raised. KL advised that a session on best practice for audit committees will be arranged for after the summer.

11.0 Corporate Risk Report

KL presented the corporate risk report noting only one change since the May Board Report. The following risk was downgraded to a Directorate risk in light of actions implemented and controls in place:

Risk 47 – Impact of non-compliance, poor quality and timeliness of the current registration administration processes associated with a paper-based system, senior and junior staff vacancies and staff lacking operational confidence working from home.

12.0 AOB

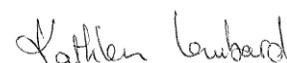
A short discussion took place on the recruitment of an external independent member to the Committee. BC to discuss the process of recruitment with KL in advance of the next Committee meeting.

The meeting concluded at 17.15hrs.

Signed:



Bernadette Costello
Chair



Kathleen Lombard
Board Secretary

Review of Actions Following from the ARGC Meeting of 28 June 2022

	Actions	Person Responsible	Timeframe
1	KL to revert to the Committee with the terms of reference for the Code of Governance audit and risk management framework review.	KL	
2	More detail will be included in the next audit recommendations report	KL	
3	Academic support policy to be amended to include a provision for sign off by the Board for significant course fees	SA	
4	Limits be added to banking approval processes as an additional security measure.	SA	
5	Environmental, Social and Governance (ESG) to be raised with the Board at their upcoming meeting in the context of revised TOR's.	KL	
6	The following documents recommended to go forward for Board approval: <ul style="list-style-type: none"> - Audit Charter - Draft ARGC TOR - New Banking Service Provider Update 	KL	
7	Meeting to be arranged between KL and BC to progress new external independent member of the ARGC.	KL	

Carried forward Actions

	Action	Person Responsible	Timeframe
1	Update on the progress of filling the Head of Project Management post at the next committee meeting.	BK	Ongoing

Recurrent actions

	Carried forward actions	Person Responsible	Timeframe
1	Inform committee between meetings of significant risks (red) escalated or de-escalated to the corporate risk register.	KL/PQ	Ongoing
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