**HEALTH RESEARCH AUTHORITY**

**AUDIT AND RISK COMMITTEE MEETING**

**Minutes of the Health Research Authority (HRA) Audit and Risk Committee meeting, held on 8 March from 1.30pm - 2.30pm in the De Vere Hotel Venues, West One, 9-10 Portland Place, London, W1B 1PR**

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| **Present** | | **Initials** |
| Zafir Ali Head of Internal Audit for HRA  Graham Clarke HRA, Non-Executive Director *(Chair)*  Ian Cook HRA, Director of Corporate Services  Debbie Corrigan HRA, Director of Finance, Procurement and Estates  Sara Gammon National Audit Office  Deirdre Kelly HRA, Non-Executive Director  Stephen Tebbutt, HRA, Board Secretary and Chief Executive Business Manager  Nalin Thakker HRA, Non-Executive Director  Janet Wisely HRA, Chief Executive | | ZA  GC  IC  DC  SG  DK  ST  NT  JW |
| **Item** | **Item details** | **Action** |
|  | **Apologies**  Adrian Brook, Moore Stephens  Shelley Dolan, The Royal Marsden NHS Foundation Trust, Chief Nurse  Paul Holland, National Audit Office  Stephen Robinson, HRA, Corporate Secretary  Collette Rowe, HRA Senior Finance Manager |  |
|  | **Declarations of interest**  None to note |  |
|  | **Minutes of the last meeting**  The minutes of the previous meeting were accepted as a true and accurate record of the matters discussed, without amendment. |  |
|  | **Action Log / Matters arising**  *Audit committee’s consideration of effectiveness and own performance*  The Committee noted this was due to be discussed today.  *Audit and Risk Committee meeting dates / cycle*  The Committee noted this was due to be discussed today.  *HRA Standing Orders, Reservation and Delegation of Powers and Standing Financial Instructions; and HRA Delegation of Financial Powers*  The Committee noted it had been invited by the Board to look at the delegated levels once there is a pattern of transactions. The Committee agreed to consider at a future meeting, in around 6 months time.  *Corporate Assurance mapping*  The Committee noted a corporate assurance mapping exercise by the Health Group Internal Audit Service, had been agreed and was due to begin next week. The Committee noted this was scheduled as a one off review to support the HRA’s consideration of the level of control. ZA flagged this was detailed on the updated 2015/16 audit plan in item 6a.  *Audit recommendations tracker*  GC advised he was happy to work with CR to develop this ahead of a Committee meeting, without a tight timescale, given finance’s current focus on year end.  ISO 9001:2008 Quality Assurance update  The Committee noted an awareness session had been held for EMT regarding ISO 9001. The Committee noted there was the opportunity for greater proportionality and this would be discussed at an upcoming EMT meeting. The Committee agreed a verbal update should be provided at the next meeting. |  |
|  | **Review of Audit Committee Effectiveness results**  The Committee noted that in general, the findings from the review were positive. The Committee agreed to focus on areas where further consideration or actions may be required.  *Scheduling of meetings*  The Committee discussed whether the Board and Audit and Risk Committee meetings should be held on the same day. The Committee agreed that to allow appropriate time and focus, the meetings should be held on different days. The Committee noted the possible additional travel required by members and agreed there may be meetings which would warrant the use of videoconference, or other HRA business could be scheduled for the same day. The Committee agreed teleconference should be avoided where possible.  *Length of meetings*  The Committee agreed the meetings should be schedule for longer than they are currently with 2 hours 30 minutes proposed, defined by the Agenda.  *Focus regarding risk*  The Committee agreed the findings from the review suggested there could be greater focus on risk at the Committee meetings with more dedicated time to be allocated. The Committee noted Jonathan Montgomery was willing to attend the Committee for part of the agenda if appropriate to support the consideration of risk. The Committee agreed it did not want to duplicate business between the Executive Management Team, the Audit and Risk Committee and the Board and agreed it would be more appropriate for any particular concerns the Committee has regarding risk to be escalated to Board as required. The Committee noted the possibility of holding training sessions prior to Committee meetings with risk being a possible topic.  *Embedding of corporate governance throughout the organisation*  The Committee was assured corporate governance was embedded throughout the organisation with risk registers, policies and the completion of follow on actions from audits being noted. The Committee was content this did not need to be taken any further at this stage.  *Attendance by the Department of Health sponsor*  The Committee agreed it should continue to invite the sponsor to attend meetings as appropriate.  ***Action: ST to write to the sponsor confirming they are welcome to attend***  *Private meeting with NEDs and internal audit before the Audit meeting*  The Committee agreed private meetings between the NEDs and Internal Audit should be held prior to each Audit and Risk Committee meeting. The Committee agreed the private meeting with external audit should remain as once per year.  *Membership*  The Committee agreed it should seek to recruit an additional independent member to join the Committee. The Committee agreed an advert should be placed within the REC and CAG community as it is important to recruit someone with an understanding of the culture of the organisation. The Committee noted the small cost implication of recruiting an additional member. GC confirmed a formal interview process would be followed.  *Effectiveness of relationship between internal and external audit*  The Committee noted there was a good working relationship between internal and external audit with meetings held and information shared as required.  *Providing background information relating to HRA for members*  The Committee agreed the Board Part 1 papers should be shared with external audit as a matter of process. | **ST** |
|  | **Internal Audit**   1. **Update audit plan 2015/16**   ZA provided the Committee with an update regarding the audit plan for 2015/16. The Committee noted two further reviews had been added to this year’s plan, relating to Corporate Assurance mapping and Contract & Service Level Performance Management. ZA flagged the Contract Management review will now be undertaken in 2016/17. The Committee noted ZA’s assurance the rest of the plan for 15/16 would be delivered.   1. **Draft audit plan 2016/17**   ZA expressed his thanks to JW and senior management for agreeing this ahead of schedule. The Committee noted the plan was quite heavy loaded and there were further reviews detailed in section 6 which had been discussed with management but deemed low priority (at audit planning stage). The Committee noted these would not be undertaken but may be reconsidered at the mid-year review. The Committee noted the plan and queried whether a review of Workforce planning should also take place this year. The Committee however noted a review had taken place at end of 2014 with recommendations implemented therefore it was not deemed as a priority at this stage but could be reconsidered as part of the mid-year review. The Committee was pleased to see cyber risk review detailed on the plan. |  |
|  | **External Audit update and timetable for 2015/16 accounts**  The Committee noted a verbal update had been provided at the last meeting with the plan formally noted at today’s meeting. DC flagged the tight timelines and the importance of both the HRA and external audit sticking to the dates to allow the deadlines to be achieved. GC observed the fee for audit of £35,000 appeared relatively high in comparison with fees in the commercial sector. |  |
|  | **Any other business**  None to note |  |
|  | **Date of next meeting**  20 April 2016, 3pm – 4.30pm, 127A Skipton House / via teleconference or videoconference  DC flagged, due to the tight timelines and to meet relevant deadlines, the Annual Accounts would be shared with the Committee on 19th April 2016. |  |