

Agenda item:	15
Attachment:	A

HRA Board Cover sheet

24 March 2021

Title of paper:	9 February 2021 HRA Audit & Risk Committee meeting summary
Submitted by:	Steve Tebbutt
Summary of paper:	To provide a brief summary of the matters discussed at the last HRA Audit & Risk Committee meeting.
Reason for submission:	For information
Further information:	See summary update
Dissemination:	Published on HRA website
Time required:	5 minutes

Audit and Risk Committee Meeting Summary

Key Summary points of the Health Research Authority (HRA) Audit & Risk Committee meeting held on 9 February 2021.

Committee governance:

- Quorate (3 of 4 members in attendance)

Key business conducted

Membership of Committee

- The Committee noted Graham Clarke's term of office as Non-Executive Director and Chair of the Committee would end on 31 March 2021. The Committee thanked GC for his work and commitment since January 2016.
- The Committee noted once GC leaves, no member of the Committee would hold a formal financial qualification. Whilst the Committee was assured certain members had appropriate financial expertise it was agreed that recruiting an additional independent member with a financial qualification would be appropriate.

HRA Audit Planning Report on the 2020/21 Financial Statement Audit

- The Committee received and noted the HRA Audit Planning Report for the 2020/21 Financial Statement Audit.

Health Group Internal Audit Service (HGIAS) Assurance reports

- **HRA Research IT System Transformation Programme – Substantial rating received.** The review found that overall a proportionate and effective overarching framework of governance, risk management and control is embedded within the way the Commercial and Resources Management Group operates which allows it to fulfil its remit.
- **Key financial controls – Substantial rating received.** The review found that overall, the HRA has an adequate and effective system of key financial controls in place. In particular, the review found that appropriate financial forecasting is in place, the management accounting and reporting processes are effective, and that fixed assets are being recorded correctly, and that payments are being processed accurately and in a timely manner.
- **Organisational design – Moderate rating received.** The review found that the structure of the HRA is appropriate overall, however areas have been identified where further consideration is required, and where improvements can be made to the organisational structure and the ways of working within this.

N.B. HGIAS rating classification

- *Substantial - the framework of governance, risk management and control is adequate and effective,*
- *Moderate - Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.*
- *Limited - There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective*

- *Unsatisfactory - There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail*

Health Group Internal Audit Service (HGIAS) Audit Plan 2021/22

- The Committee noted the draft plan as follows:

Engagement title	Risk(s) category addressed	Reason for inclusion and outline scope	Timing
Capability & Capacity	People (HR)	To assess whether the HRA has the capacity and capability (including digital skills) to meet its priority business objectives.	Q3
Expenses and Payroll	Financial	To assess the processes in place for payroll and expenses (including those for REC members).	Q2
Cyber Security	Technology	Assurance that the HRA is adequately managing cyber risk, in particular based on the current ways of working.	Q2
Research Review New models of working	Operational	Assurance that new models allow for consistency of review in order to maintain safety and quality standards for REC review.	Q4
Business Continuity	Governance / Operational	The audit focus will be on lessons learned from COVID and whether HRA need to strengthen any aspects.	Q1

- The Committee noted the Research Systems Programme is not included in the plan and discussed how assurance is currently provided. The Committee noted internal governance processes are in place in respect of the programme, an external facilitated assurance will take place this year and an HGIAS audit would be planned for early in 2022/23.
- The Committee noted the final plan would be approved at the May meeting.

Assurance Dashboard

- The Committee noted the Assurance Dashboard, which provides an overview of the different audits and assurance reviews being undertaken by HGIAS and HRA Quality Assurance (QA).
- The Committee noted a number of outstanding recommendations had been closed since the last meeting with a plan in place to update HR policies by September 2021, with high risk HR policies to be completed by the end of the financial year.

Risk appetite

- The Committee agreed the appetite reflected the discussions held at the previous Board seminar. The Committee noted a learning and development programme, following Board approval, would be rolled out to support a shared understanding within teams across the HRA.
- The Committee approved the appetite statement.

Strategic Risk Register

- The Committee reviewed and noted the latest version of the strategic risk register.

Corporate Risk Register Quarter 3 20/21

- The Committee reviewed and noted the Quarter 3 Corporate Risk Register, Overview and Issues Log.

HRA Audit & Risk Committee effectiveness survey

- The Committee approved the questions to be asked in the annual effectiveness survey, noting the survey would be circulated in April.