

**HEALTH RESEARCH AUTHORITY
AUDIT AND RISK COMMITTEE MEETING**

Minutes of the Health Research Authority (HRA) Audit and Risk Committee meeting, held on 18 February 2015 from 11.00am – 12.30am at Avonmouth House, 6 Avonmouth Street, London

Present		Initials
Zafir Ali	DH, Head of Internal Audit for HRA	ZA
Adrian Brook	Moore Stephens, Partner	AB
Graham Clarke	HRA, Non-Executive Director (Chair)	GC
Debbie Corrigan	HRA, Director of Finance	DC
Sara Gammon	National Audit Office	SG
Allison Jaynes-Ellis	HRA, Non-Executive Director (in part – items 1 -5)	AJE
Stephen Robinson	HRA, Corporate Secretary	SR
Collette Rowe	HRA, Senior Finance Manager	CR
Stephen Tebbutt	HRA, Board Secretary and CE Business Manager (Secretariat)	ST
Nalin Thakker	HRA, Non-Executive Director	NT
Janet Wisely	HRA, Chief Executive	JW
Item	Item details	Action
1.	Apologies Shelley Dolan - The Royal Marsden NHS Foundation Trust, Chief Nurse Paul Holland - National Audit Office Deirdre Kelly - HRA, Non-Executive Director	
2.	Declarations of interest None to note	
3.	Audit Committee handover meeting The Audit and Risk Committee noted GC and DC had met with the previous Audit and Risk Committee Chair, Sally Cheshire, to facilitate a smooth transition. The Committee noted no concerns had been raised.	
4.	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.	
5.	Action and Decision Log <u>Audit reports and tracker</u> The Committee noted a discussion had been held between ZA and DC to clarify the outstanding actions. The Committee noted one action relating to the expenses review had not been accepted by management. ZA confirmed he was	

	<p>content that there was sufficient control in place.</p> <p><u>External Audit planning report</u> Completed</p> <p><u>Audit and Risk Committee dates 2015</u> ST agreed to circulate the dates after the meeting.</p>	
6.	<p>Audit and Risk Committee Manual 2015</p> <p>The Committee noted it would receive the HRA Corporate Risk Register on a regular basis and had an important role to play in ensuring the register is appropriately completed and the relevant procedures followed to provide assurance to the Board. The Committee agreed, on a yearly basis, to receive the directorate risks of 12 and over which are reviewed quarterly by the Executive Management Team.</p> <p>The Committee noted the requirement to have two NEDs in attendance under the terms of reference to ensure the Committee is quorate. GC requested NEDs to inform ST ahead of time if they are unlikely to be available.</p> <p>The Committee noted up to two external members are allowed to be represented on the Committee. Shelley Dolan had indicated she would be willing to continue.</p> <p>The Committee agreed the Chief Executive, and other Directors as required, should be invited to attend on a needs basis depending on the nature of the agenda.</p> <p>The Committee approved the Audit and Risk Committee Manual 2015.</p>	
7.	<p>Assurance reports from internal audit</p> <p>The Committee received and noted the Audit recommendations tracker which highlighted the open audit recommendations as at February 2015 and the progress made.</p> <p><u>Expenses audit</u> The Committee noted this had been completed</p> <p><u>Information Governance audit</u> DC highlighted the main issue related to printer security options however a contingency 'buddying system' measure had been introduced.</p> <p><u>Information governance audit</u> DC advised ISO 9001 was in the process of being rolled out beyond the Quality Assurance Department to other aspects of HRA business.</p> <p><u>Risk Management Advisory review</u> The Committee noted the outstanding action related to the implementation of training for relevant staff and this would be taken forward once the Board has</p>	

	<p>approved the updated policy.</p> <p><u>Workforce planning advisory review</u> DC flagged this was part of the work plan for 2015/16. IC confirmed workforce planning would be discussed at the next EMT meeting on 4th March with a draft plan to be developed in March / April.</p> <p><u>Complaints handling review</u> The Committee noted there was only one recommendation which can only be implemented once iCasework is rolled out.</p> <p><u>NDPB transition arrangements</u> The Committee noted there were a few low level recommendations and congratulated the HRA and Department of Health, in particular Christine Holmes, for the successful transition.</p> <p><u>Governance assurance Quality Assurance department</u> DC advised the recommendations had been accepted and would be added to the tracker.</p> <p><u>Review of HRA Ethical Conduct Arrangements</u> The Committee noted the moderate report rating with the main recommendation relating to communications. DC advised the management team had accepted the findings and actions are in place to resolve the issues as soon as possible. The Committee discussed the importance of measuring the culture within the organisation as well as recording whether staff have accessed policies. A validated questionnaire to look at the culture could be utilised and fed into future staff surveys.</p> <p>The Committee noted the code of conduct will need to be considered on a future Board agenda. The Committee noted work was being undertaken regarding the terms and conditions for REC members and this could link with that piece of work.</p> <p><u>Stakeholder management and engagement arrangements</u> The Committee noted a limited rating had been awarded for this review. The Committee noted the recommendations had been accepted by EMT with work in train to resolve the issues. The Committee noted the positive feedback from the perceptions audit. The NEDs confirmed they were happy to support any future engagement activities.</p> <p><u>Review of Public Involvement in the HRA</u> The Committee noted the moderate rating with management having accepted the recommendations. IC clarified a more detailed action plan for 2015/16 is being developed with more defined objectives. The Committee noted the HRA had a good reputation for public involvement with extensive work undertaken.</p>	ST
8.	<p>Review of registers</p> <p>The Committee noted the registers.</p>	

	<p>CR advised one additional loss of £856 required reporting which related to four debts written off relating to ex Research Ethics Committee Chairs.</p> <p>The Committee noted in any instances where multiple single tender actions are awarded to the same provider in total above the £100,000 threshold requiring reporting to the Board, consideration should be given to flagging these items, to ensure appropriate governance and assurance is in place.</p>	
9.	<p>Internal audit update</p> <p><u>HRA Audit Plan 2014/15</u> ZA presented the progress of delivery of the 2014/14 plan. The Committee noted planned audit work is currently underway to ensure delivery against the plan and all parties are working together to deliver this. The Committee had no concerns regarding the progress of the delivery of the plan.</p> <p><u>HRA Audit Plan 2015/16</u> ZA advised a draft plan was being prepared which should be ready for review at the next Committee meeting. The Committee noted the plan is flexible and a mid-year review will be undertaken to consider if anything requires adding to the plan.</p>	
10.	<p>Draft accounts April to December 2014</p> <p>The Committee received the draft 9 month accounts up to 31 December 2014. DC flagged although the accounts were only for a 9 month period the comparator period was for 12 months. DC expressed her thanks to the Finance team for delivering the draft accounts on time.</p> <p>DC highlighted the underspend position which had been predicted and communicated to Department of Health finance and sponsor colleagues early on with regular updates provided. This is largely due to the time taken to recruit successful candidates to HRA Approval posts.</p> <p>DC advised last year's cash position had been high; the cash position has been reduced by £1.4 million this year following discussions with DH colleagues and the Audit Committee.</p> <p>DC advised the accrual or provision for the possible clawback for VAT associated with agency staff had not been included following advice received from the HM Revenue & Customs (HMRC). DC however flagged that NHS Shared Business Services had advised that a consistent message across other Arm's length bodies had not been received. SBS advised they and others would contest any proposed clawback from the HMRC. The Audit Committee agreed with the decision not to accrue for the possible clawback of VAT associated with agency staff and noted this was consistent with last year.</p>	
11.	<p>External audit update</p> <p>AB tabled an update at the meeting. AB flagged the systems and key controls had been document and evaluated with no significant risks or material</p>	

	<p>misstatement or material irregularity identified. Similarly no evidence or indicators of material misstatement or material irregularity in respect of identified risks had been identified.</p> <p>The Committee discussed the timings regarding the accounts and agreed to have a progress update in April with the formal reporting to follow in June.</p>	
12.	<p>Risk register</p> <p>The Committee noted the risk register was due to reviewed for the first time by the Board this afternoon. JW flagged a number of new risks had been added, largely relating to the estates strategy with some detailed risks relating to HRA Approval removed from the previous version of the register.</p> <p>The Committee noted a discussion regarding the best way to present the information to the Board and Audit and Risk Committee would be held with consideration of a cover sheet with a highlight report, including flagging any risks which have gone up considerably or had been removed.</p>	GC/DC/ JW
13.	<p>Any Other Business</p> <p>None to note</p>	
14.	<p>Date of next meeting</p> <p>21 April 2015</p>	