

Minutes of the PSI Audit and Risk Committee held on-line due to the COVID-19 public health emergency, on 8th June 2022.

Agenda Item 1 – Private Committee Time

Issue
The Committee met in private session at the start of the meeting with Mr. Tony Cooney, representing Crowleys DFK, the PSI's internal auditors. No members of PSI staff were present.

Agenda Item 2 - Attendees & Apologies

Name	Role	Present (Yes/No)
Ms. Geraldine Campbell	Committee Chair	Yes
Mr. Graham Knowles	Committee Member	Yes
Mr. Liam Burke	Committee Member	Yes
Mr. John Given	Committee Member	Yes
Mr. Peter Dewhurst	Committee Member	Yes
Ms. Niamh O'Regan	Committee Member	Yes
Members of PSI staff in attendance included:		
Dr. Cheryl Stokes	Acting Head of Corporate Services	
Mr. Éanna Ó Lochlainn	Acting Head of Governance and Programme Delivery, and Chief Risk Officer	
Dr. Lorraine Horgan	Interim Registrar	
Mr. John Bryan	Head of Community Pharmacy Assurance	
Ms. Ciara Dooley	Regulatory Risk Coordinator	
Ms. Malika Hammani	Business Support and Finance Manager	
External Attendee		
Mr. Tony Cooney	Crowleys DFK, PSI's Internal Auditors	

Colour code: *Red—for decision; Green—for discussion; Blue—for information*

Agenda Item 3

Issue

The Chair invited members of the Committee to declare any conflicts of interest with regard to any of the items scheduled for discussion at the meeting before it commenced.

Information

Members of Committees of Council are subject to Section 9, Schedule 1, of the Pharmacy Act 2007 regarding disclosures of interest, as outlined in Appendix 1 of the meeting agenda.

Decision Approved, and/or Action Requested

No conflicts of interest were declared by any member of the Committee, with regard to the items scheduled for discussion at the meeting.

Agenda Item 4

Issue

Request for Approval of the Minutes of the Audit and Risk Committee meeting held on the 9th March 2022.

Information

The Chair noted that the draft minutes of the Audit and Risk Committee meeting held on the 9th March 2022 had been circulated to Committee members in advance of the meeting, and that one amendment had been received.

Decision Approved, and/or Action Requested

Decision Approved: The Committee approved the minutes of the Audit and Risk Committee meeting held on 9th March 2022 as amended, on the proposal of Mr. Peter Dewhurst, seconded by Ms. Niamh O'Regan.

Agenda Item 5

Issue

Update on the Implementation of Internal Audit Recommendations

Information

A copy of the consolidated internal audit findings report was circulated to the Committee prior to the meeting. The Committee noted that there is currently no Document Management System in place and the feasibility of this will be explored as part of the digital transformation project. It was also noted that the current complaints Case Management System is a stand-alone platform that does not have an integrated Document Management system of its own. The Committee was informed that under the Business Transformation Programme, phase 2 of the Programme will look at developing the new REGIE system for complaints, concerns and queries. The Committee was informed that specifications gathering in relation to this will commence shortly with the aim of deployment in the latter half of Q1 2023. The Committee was informed that currently it is the responsibility of each individual Business Area to manage its own document retention in line with the PSI's records management policy and retention schedule, which is currently under review.

Decision Approved, and/or Action Requested

The update was noted by the Committee.

Agenda Item 6

Issue

Request for Approval of Internal Auditor's Report on PSI's Strategic Planning and on-going monitoring, systems, and procedures

Information

Mr. Tony Cooney of Crowleys DFK attended the meeting for this agenda item.

Mr. Cooney noted that the auditors assigned substantial assurance to the PSI in the audit report and that this was a good result for the PSI. He noted that there was nothing to be overly concerned about following the audit and that the recommendations were accepted by PSI management and the auditors are confident that the suggestions will be implemented.

In relation to recommendation 1.2, it was suggested by the Committee that this recommendation include approval by Council of the lifetime of the Strategy Sub-Committee, and its composition. The auditors agreed to include the recommendation of the Committee in the final internal audit report.

Decision Approved, and/or Action Requested

Decision Approved: The Committee approved the Internal Auditor's report on PSI's Strategic Planning and ongoing monitoring, systems and procedures on the proposal of Mr. Graham Knowles, seconded by Ms. Niamh O'Regan.

Agenda Item 7

Issue

Q1 Financial Management Accounts to 31 March 2022

Information

Ms. Malika Hammani updated the Committee on the Q1 Financial Management Accounts to 31 March 2022, a copy of which had been circulated in advance of the meeting. Ms. Hammani informed the Committee that the total income year to date was under budget by 8% noting that funding from the Department of Health in relation to the Irish Institute of Pharmacy (IIOP) had not been received by the 31st of March date. Ms. Hammani explained that the PSI does not accrue for that income as it is not guaranteed that it will be received each year. It was noted that total expenditure was under budget by 14%. It was noted pay costs were under budget due to new posts that have not yet been filled. It was also noted that the Corporate Governance costs were over budget and that this was due to Council remuneration that is paid in June and December each year, and accrued for in the 1st quarter, whereas it is included in the budget in the 2nd quarter of the year. The Committee was informed that the 2021 budget, and 2022 year to date, did not show a significant variance. The Committee asked that the percentage of variance to the Statement of Income and Expenditure with Prior Year comparison table, be added in future.

The PSI was asked to explain the jump in costs in relation to the judicial review from €2K in 2021 to €21,500 in 2022. Ms. Hammani noted the question and agreed to check the reason for the variance in these figures and revert to the Committee via email. It was noted there was a very large cash amount held in accounts and it was queried what the plan was for this money. The Committee was informed that the PSI has a reserves

policy and that Council would be looking at this policy and the minimum level of reserves it would tolerate.

Decision Approved, and/or Action Requested

The Committee noted the update on the Q1 Financial Management Accounts to 31 March 2022.

Agenda Item 8

Issue

Reports on the management of any major incidents, near misses, and lessons learned, and acted upon.

Information

The Committee was informed that there was nothing to report in relation to this agenda item.

Decision Approved, and/or Action Requested

The Committee noted the update.

Agenda Item 9(a)

Issue

Corporate Risk Register

Information

The Corporate Risk Register was circulated to the Committee in advance of the meeting. Mr. Éanna Ó Lochlainn, Chief Risk Officer brought the Committee through the Corporate Risk Register. It was noted in relation to risk number one on temporary absence of a pharmacist that the rules drafted were not signed by the Minister for Health and that PSI would have to draft new updated rules. As part of this process, and in advance of drafting new rules, it was suggested to the Committee that a lessons learned exercise be carried out that would assist in informing the new draft rules and improve the development process. It was noted in relation to risk number three, relating to cybersecurity, that this risk would remain a standing risk on the risk register because of the constant threat to cyber security and the continuously evolving and complex nature of these threats. The Executive was asked to review the risk, to ensure it captures the dynamic nature of the risks on the risk register.

It was noted in relation to risk number five that the percentage turnover of staff had reduced from 20% to 18% since the last meeting, but was continuing to impact on the organisation. The reason for the turnover was queried by the Committee. The Committee was informed that the PSI offers exit interviews to departing employees. It was noted some of the reasons cited for leaving the organisation included limited opportunities for career progression within PSI, and staff availing of career opportunities elsewhere .

The Committee was also informed of the risk arising from the increase in the number of retail pharmacy businesses operating without supervising and superintendent pharmacists in attendance, (Risk No. 8) as required under the terms of the Pharmacy Act 2007, and the escalation process the PSI had in place to address this risk.

Decision Approved, and/or Action Requested

The Committee noted the Corporate Risk Register.

Agenda Item 9(b)

Issue

Review of Business Transformation Programme Risk Register

Information

The Business Transformation Programme(BTP) Board Risk Register was circulated to Committee in advance of the meeting. It was noted that the BTP is currently at phase 1.1 of the project. The Committee was informed of the governance structure of BTP. The Committee was informed that the BTP Steering Group consists of members of the ELT who meet on a weekly basis, and the Programme Board, which includes three members of the PSI Council and one external member, who meet on a monthly basis, and that both the Steering Group and the Programme Board review the risk register on a regular basis. The Committee was informed that a number of risks on the register related to resourcing issues both in the PSI, and its contractor which had impacted adversely on phase 1 of the project. The Committee was also advised that Council had recently approved additional funding for phases 1.1, and 1.2, as these items had not been included in the original tender, and that the scope of the business transformation programme and its budget was being kept under constant review.

Decision Approved, and/or Action Requested

The Committee noted the Business Transformation Programme Risk Register

Agenda Item 10

Issue

Update on commencement of tender for PSI Internal Auditor contract

Information

A memo in relation to this agenda item was circulated to the Committee in advance of the meeting.

The Committee was informed that the contract for the current provider of internal auditor services to PSI concludes on 21 August 2022 and the PSI would draw down services from the OGP Framework on Internal Audit Services in order to procure a new service provider.

The Audit & Risk Committee was asked to consider the following:

- Whether a total of 3 internal audits per year should form the basis of the tender specification.

In line with the terms of reference of the Audit and Risk Committee, and its remit in relation to advising on proposals for tendering for internal audit services whether the Committee would like to appoint a member to participate as a member of the evaluation panel to be established to assess tender submissions received.

Decision Approved, and/or Action Requested

The Committee agreed with the suggestion of 3 internal audits per year be conducted in the PSI, and Committee member, Mr. Liam Burke volunteered to participate as a member of the evaluation panel.

Agenda Item 11

Issue

Any Other Business

Information

The Chair informed the Committee that she had attended the annual Audit & Risk Committee Chairpersons Roundtable on 26 May 2022. She noted its value and the useful discussions that were had including discussions around moving from a blame culture to a just culture. She also informed the Committee that there was discussions on culture audits and cultivating culture, noting that an unhealthy/sub culture impacts on organisations.

It was noted that Committee the meeting in September would take place in person.

Decision Approved, and/or Action Requested

None.

The meeting finished at: 12.05

Signed:

Chair

Date