Minutes of Audit and Governance Committee meeting 15 June 2016

Strategic delivery:	☐ Setting standards	☐ Increasing and informing choice	☐ Demonstrating efficiency economy and value

Details:

Meeting	Audit and Governance Committee
Agenda item	2
Paper number	AGC (21/09/2016) 505
Meeting date	21 September 2016
Author	Dee Knoyle, Committee Secretary

Output:

For information or decision?	For decision
Recommendation	Members are asked to confirm the minutes as a true and accurate record of the meeting
Resource implications	
Implementation date	
Communication(s)	
Organisational risk	☐ Low ☐ Medium ☐ High
Annexes	

Minutes of Audit and Governance Committee meeting on 15 June 2016 held at HFEA, 10 Spring Gardens, London SW1A 2BU

Members present	Rebekah Dundas (Chair)
	Gill Laver
	Jerry Page
	Margaret Gilmore
	Anita Bharucha
Apologies	None
External advisers	Internal Audit:
	Paul Foreman, Price Waterhouse Coopers (PWC)
	National Audit Office (NAO):
	Sarah Edwards
	George Smiles
Observers	Kim Hayes (Department of Health)
Staff in attendance	Peter Thompson, Chief Executive
	Sue Gallone, Director of Finance & Resources
	Ian Brown, Head of Corporate Governance
	Dee Knoyle, Committee Secretary
	Morounke Akingbola, Head of Finance
	Wilhelmina Crown, Finance & Accounting Manager
	Paula Robinson, Head of Business Planning
	Helen Crutcher, Project Risk and Performance Manager
	Patrick Winters, Information for Quality (IfQ) Internal Systems Project Manager
	David Moysen, Head of IT
	Ian Peacock, Analyst Programmer
	Hocine Amrane, Programme Support Officer

1.   Welcome, apologies and declarations of interests

1.1   The Chair welcomed attendees to the meeting, including Ian Brown who was attending for the first time in his new role as Head of Corporate Governance for the HFEA.

1.2   There were no apologies or declarations of interest.

2.   Minutes of the meeting held on 16 March 2016

2.1   The minutes of the meeting held on 16 March 2016 were amended at paragraph 7.2 in advance of the meeting. The Chair agreed that the amended version was a true record of the meeting and approved the minutes for signature.

3.   Matters arising

3.1   The committee noted the progress on actions from previous meetings. Some items were ongoing and others were dependent on availability or were planned for the future.

3.2   Action (3.2), one of the two new members had completed the online information governance training.

3.3   Action (f), this item was completed. Gill Laver and Jerry Page had both observed an inspection and this was reported at the last meeting.

3.4   Action (i), the Head of Corporate Governance will circulate the formal annual report to members before it is presented to the Authority in July 2016.

Action

3.5   Head of Corporate Governance to circulate the formal annual report to members before it is presented to the Authority in July 2016.

4.   People Strategy & HR Risks

4.1   The Chief Executive provided the committee with a paper and briefing on the outcome of the staff survey and HR risks.

4.2   The annual staff survey was completed in October/November 2015. The responses could be compared to the Civil Service (CS) People Survey for the first time and the HFEA compares well with the Department of Health (DH) and CS. Staff were given the opportunity to discuss the results of the survey at the all staff conference in December 2015.

4.3   The committee noted that despite some disappointing results, staff turnover has decreased and staff are generally enthusiastic and interested in the work they are involved in. Staff also have a good understanding of their work and how it links to the HFEA strategy.

4.4   The committee agreed that action as a result of the all staff survey should continue and that workloads should be monitored. It is important to continue to feedback the Authority's views of good performance and engagement to all staff.

5.   Information for Quality (IfQ)

5.1   The committee was provided with a paper, presentation and briefing by the Information for Quality (IfQ) Internal Systems Project Manager, Programme Support Officer, Analyst Programmer and Head of Business Planning.

5.2   **The Programme**

5.3   The committee noted that a comprehensive assessment was carried out on the new HFEA Website and Clinic Portal, conducted by the Department of Health (DH) and Government Digital Service (GDS), to ensure that they meet the required standards before they are released in the 'Public Beta' stage. The committee was pleased to hear that the Executive was successful in achieving the required standards. There were recommendations made by the assessors which have been categorised as urgent and non-urgent and the Executive are working on these. Some are dependent on user testing to determine what action to take.

5.4   The IfQ programme is progressing well and currently operating within budget. Risks have been at similar levels over the last three months. The internal systems team are preparing for the final conclusion of the programme which is estimated in October 2016. The committee noted that the timeline is flexible and that extra financial resource had been approved by SMT (£90k).

5.5   The committee acknowledged the rigorous process of approvals that the Executive had to go through to move forward to the public beta stage and congratulated the project teams on the positive result.

5.6   The Information for Quality (IfQ) Internal Systems Project Manager will circulate a list of the recommendations and planned actions to the committee after they have been reviewed by the Programme Board.

Action

5.7   Information for Quality (IfQ) Internal Systems Project Manager to circulate a list of recommendations and planned actions to the committee after review by Programme Board.

5.8   **Data Migration**

5.9   Data must be migrated from the existing Register to the new Register and before this process takes place a 'data cleansing' process will be completed to improve the quality of historical data being transferred.

5.10   The data migration strategy sets out five phases of activity, 'trial loads', each of which has key processes which are to be undertaken to ensure that an appropriate level of testing, quality control and assurance has been carried out. The committee was informed of the risks and issues associated with data migration.

5.11   The Executive is currently seeking to identify a supplier to provide assurance over data migration. There are funds set aside within the budget and a supplier should be easier to find as the strategy is already in place.

5.12   The committee discussed the security considerations around the systems being developed in IfQ and stressed the importance of bringing in resource to ensure these are adequate and that penetration testing takes place.

6.   Internal Audit

a) Annual Assurance Statement – 2015/16

6.1   The committee was provided with the annual assurance report for 2015/16.

6.2   The committee noted that the three areas of risk management, governance and control were all graded moderate, which is positive. The committee discussed the meaning of the term "moderate" as not reflective of the organisation. The committee noted that internal audit make limited reviews at the HFEA but that in future the individual areas of risk management, governance and control will be assessed in each audit.

b) Annual Internal Audit Plan – 2016/17

6.3   The committee was provided with the draft plan for 2016/17. The 2016/17 audit is structured in order to meet tight deadlines.

6.4   The committee discussed board effectiveness and the need to take account of the Triennial Review to ensure there is no duplication.

6.5   The committee noted the importance of cyber security and linking this audit to the work the HFEA has in train to review IT systems. The timing of IfQ work may have an impact on when this particular audit takes place.

6.6   The committee agreed the plan.

7.   Implementations of recommendations progress report

7.1   The Finance Manager provided the committee with an update.

7.2   The committee was very pleased to hear that all actions have now been completed.

8.   Information Assurance & Security

8.1   The Director of Finance and Resources and the Head of IT provided the committee with a report.

8.2   The committee was informed that the organisation has not suffered any data loss. The culture of information security is good, however there are plans in place to formalise procedures, such as developing the information asset register and embedding further policies within the organisation. The SIRO needs to be more closely involved in the assurance process and the committee discussed who is best placed to take on this role, taking into account practicality and independence.

8.3   The committee queried whether new staff are vetted. Independent checks do not take place at present and proportionality needs to be considered.

8.4   The committee noted that penetration testing is planned every two years, although with the changes, this last took place in 2012 and vulnerability testing is carried out every two weeks. The committee was of the view that penetration testing should next take place as planned in October 2016, regardless of IfQ progress. The committee need assurance about the IT infrastructure.

Action

8.5   The Executive/HR to consider the need for possible security checks for new staff, such as DBS.

8.6   Head of IT to provide the committee with a further update on information security and testing at the next meeting in September 2016.

9.   Strategic Risks

9.1   The Project Risk and Performance Manager presented the strategic risk register.

9.2   There has been little change to risks levels in the last two months. The Business Continuity Plan needs to be updated to reflect the IT and office changes.

9.3   The committee noted that re-licensing will probably not be necessary as a result of the EU Regulations impacting on the movement of gametes. If it is necessary, changes during renewal of licences using variations would be the least resource intensive way.

10.   Annual Report and Accounts (including Annual Governance Statement) - Approval

10.1   The Head of Finance presented the annual report and the Finance and Accounting Manager highlighted significant areas in the accounts.

10.2   The committee noted the significant changes to the format of the report with an additional disclosure on whistleblowing within the Governance Statement. The committee suggested some small additions to the reports.

10.3   Subject to the suggested changes, the committee recommended that the Accounting Officer, the Chief Executive, signs the annual report and accounts.

10.4   The committee noted the Executive's plan to sign off the annual report and accounts by 27 June 2016 and for the NAO to certify and lay by 30 June 2016.

10.5   The committee thanked staff in the finance team for their efforts.

11.   External audit

11.1   The National Audit Office (NAO) presented the audit completion report for 2015/16.

11.2   The committee noted the audit completion report and that there were no unadjusted errors.

11.3   The treatment of Information for Quality (IfQ) was identified as an adjusted error.

11.4   There were no items found that raised issues in relation to regularity or propriety and NAO's opinion is unqualified.

11.5   The NAO made a recommendation in relation to following IAS 38 (intangible fixed assets), to stress the importance of ensuring expenditure capitalised is true development expenditure.

12.   Forward plan

12.1   The committee was satisfied with the content of the Forward Plan of agenda items for the forthcoming meetings, with the addition of training on best practice from other audit committees to be delivered by the National Audit Office (NAO).

12.2   Members were invited to make other suggestions for training.

13. Any other business

13.1 There was nothing to report on whistleblowing or suspected fraud incidents and no contracts were awarded since the last meeting.

13.2 The Chair informed the committee that the Director of Finance and Resources will be retiring from her post in the next few months. The committee thanked her for her efforts of providing the committee with regular updates over the years.

13.3 Members and auditors retired for their confidential session.

13.4 The next meeting will be held on Wednesday, 21 September 2016 at 10am.

14. Chair's signature

14.1 I confirm this is a true and accurate record of the meeting.

Signature

Name

Rebekah Dundas

Date

21 September 2016

Audit and Governance Committee Paper

Paper Title:	**Matters arising from previous AGC meetings**
Paper Number:	**[AGC (21/09/2016) 506]**
Meeting Date:	21 September 2016
Agenda Item:	**3**
Author:	Morounke Akingbola, Head of Finance
For information or decision?	Information
Recommendation to the Committee:	To note and comment on the updates shown for each item.
Evaluation	To be updated and reviewed at each AGC.

Numerically:

- 4 items added from June 2016 meeting, 2 completed.
- 4 items carried over from earlier meetings, 1 completed.
- 2 items carried over from AGC self–assessment of performance, 1 completed.

Matters Arising from Audit and Governance Committee – actions from 11 June 2014 meeting

ACTION	RESPONSIBILITY	DUE DATE	PROGRESS TO DATE
3.2 HFEA to monitor Authority members' completion of online information governance training	Executive Assistant to Chair and Chief Executive	20 September 2014	**Completed**

Matters Arising from Audit and Governance Committee review of performance December 2014

ACTION	RESPONSIBILITY	DUE DATE	PROGRESS TO DATE
e) Arrange for external members to attend Authority meeting as observers	Head of Governance & Licensing	September 2015	**Ongoing** – members invited to meetings, suitable dates to be agreed.
i) Institute formal annual report to Authority board	Head of Governance & Licensing	July 2015	**Completed**

Matters Arising from Audit and Governance Committee – actions from 10 June 2015 meeting

ACTION	RESPONSIBILITY	DUE DATE	PROGRESS TO DATE
9.6 Report progress on actions from the information governance group to AGC	Director of Finance and Resources	December 2016	**Ongoing**

Matters Arising from Audit and Governance Committee – actions from 9 December 2015 meeting

ACTION	RESPONSIBILITY	DUE DATE	PROGRESS TO DATE
12.6 The Executive to add a review of the procedures for representations to the Business Plan for 2016/17 and report back to the Authority with recommendations, in due course.	Head of Business Planning	April 2016	**Ongoing** – added to business plan, work to start in October 2016

ACTION	RESPONSIBILITY	DUE DATE	PROGRESS TO DATE
14.5 The Triennial review report is to be sent to committee members.	Director of Finance	When published	**Ongoing** – Review report not yet published

Matters Arising from Audit and Governance Committee – actions from 15 June 2016 meeting

ACTION	RESPONSIBILITY	DUE DATE	PROGRESS TO DATE
3.5 Circulate the formal annual report to members before it is presented to the Authority	Head of Corporate Governance	July 2016	**Completed**
5.7 Circulate a list of recommendations and planned actions (relating to public beta) to the committee after review by Programme Board.	Information for Quality (IfQ) Internal Systems Project Manager	January 2017	**Ongoing**
8.5 Consider the need for possible security checks for new staff, such as DBS	CEO/Head of HR	October 2016	**Ongoing – needs and most appropriate checks being considered**
8.6 Provide the committee with a further update on information security and testing	Head of IT	September 2016	**Completed – on September agenda**