

Minutes of Audit and Governance Committee meeting on 16 March 2016 held at etc.venues, Tenter House, 45 Moorfields, London EC2Y 9AE

Members present	Rebekah Dundas (Chair) Gill Laver Jerry Page Margaret Gilmore
Apologies	Anita Bharucha
External advisers	Internal Audit Karen Finlayson, Price Waterhouse Coopers (PWC) George Smiles, National Audit Office (NAO)
Observers	Kim Hayes (Department of Health)
Staff in attendance	Peter Thompson, Chief Executive Sue Gallone, Director of Finance & Resources Wilhelmina Crown, Finance & Accounting Manager Nick Jones, Director of Compliance & Information Paula Robinson, Head of Business Planning Catherine Drennan, Head of Legal Dee Knoyle, Committee Secretary

1. Welcome, apologies and declarations of interests

- 1.1 The Chair welcomed attendees to the meeting, including Karen Finlayson who was attending for the first time as head of Internal Audit for the HFEA.
- 1.2 There were apologies from Anita Bharucha.
- 1.3 There were no declarations of interest.

2. Minutes of the meeting held on 9 December 2015

- 2.1 The minutes of the meeting held on 9 December 2015 were agreed as a true record of the meeting and approved for signature by the Chair.
- 2.2 Clarification of the conclusions of the review of Audit and Governance Committee (AGC) effectiveness was requested. This will be circulated again and was reported to the Authority on 9 March.

Action

- 2.3** Director of Finance & Facilities to recirculate to the committee the clarification of the conclusions of the review of Audit and Governance Committee (AGC) effectiveness.

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 (f) was now complete. Gill Laver and Jerry Page had both observed an inspection. They reported that the inspections they observed were conducted professionally by the HFEA inspection team and were most informative.
- 3.3** Progress on information governance actions (Action 9.6) was slow due to other priorities but should be complete by December 2016.

4. Finance and Resources – Risks

- 4.1** The Director of Finance and Resources presented the risks in this area with details of how they are being managed.
- 4.2** Finance processes are running smoothly. However, pressure on resource available at times is an ongoing issue. Planning ahead and prioritising is essential and it is necessary for others to remember to consult finance as necessary as staff cannot attend all meetings. The shared resource with the Human Tissue Authority is working to the satisfaction of both organisations.
- 4.3** Financial management risks arise from the uncertainty of treatment numbers (the majority of the HFEA's income comes from treatment fees) and legal costs. These areas are monitored and forecast. There was a surplus from treatment fees this year, which is retained in reserves. The numbers seeking treatment do not seem to be constrained by the economic climate.
- 4.4** The HFEA will be moving to share office space with The National Institute for Health and Care Excellence (NICE) in April 2016. This will provide better facilities services for the HFEA. There will be less space in the new office, including for storage and office based staff will hot desk, rather than have their own allocated desks. However, the new office is an airy, fresh space and staff will have new IT equipment. There has been a lot of communication with staff to ensure this culture change is managed and additional travel costs will be paid for a period of time. Additional resource has been brought in to manage the office move.
- 4.5** The Business Continuity Plan will be refreshed after the office move. Although the HFEA is now using some cloud services, the HFEA's servers will move to the new office.
- 4.6** The Committee expressed their appreciation for the work on the office move and the effort that will be put into year end accounts and reports.

Action

- 4.7** Director of Finance and Resources to circulate presentation slides to Audit and Governance Committee members.

5. Information for Quality (IfQ)

- 5.1** The Director of Compliance and Information reminded the Committee of the purpose and outcomes from IfQ and presented progress to date.
- 5.2** The IfQ programme is currently in the Beta phase. The team are working on the HFEA Website and Clinic Portal, which will be subject to assessment by the Department of Health (DH), and Government Digital Service (GDS), to ensure they meet the required standards before they are released in the 'Public Beta' stage. The products exist now and user testing is underway. These digital services will be previewed at the HFEA annual conference on 24 March 2016. There is a risk of delay in securing GDS approval, but relationships are now in place to minimise this.
- 5.3** The programme plan was revised in January 2016 and the programme is operating within budget, although some spend takes place in 2016/17. Contracts with suppliers are capped which contains costs. Some IfQ related work has been absorbed into business as usual resources.
- 5.4** The HFEA will be working with clinics to cleanse data before it is migrated to the new Register.
- 5.5** The key risks in the programme are quality and resources and the Programme Board reviews these risks regularly. The pressures are on human rather than financial resources.
- 5.6** The committee found the presentation more reassuring than the paper, which was written in the midst of the work and risks. They explored whether the update was overly optimistic and were satisfied that the products are developing well and risks are at an acceptable level.
- 5.7** The committee requested that the IfQ update at the June meeting focusses on the new Register and the plan to gain assurance that data will be migrated properly.

Action

- 5.8** Director of Finance and Resources to commission Register Data Migration as the focus of the IfQ update at the Audit and Governance Committee Meeting scheduled in June 2016.

6. Strategic risks

- 6.1** The Head of Business Planning presented the strategic risk register, which had been discussed with the Authority last week.
- 6.2** Six risks were above tolerance when the register was last updated, relating to capability, IfQ programme risks, incorrect data released, the forthcoming office move and legal challenge.
- 6.3** Some of the strategic risks were discussed in depth during the review of other Agenda items. The committee was assured that the levels of risk were appropriate and that actions are being taken to mitigate the risks
- 6.4** The mitigation of providing more detailed responses separately to Parliamentary Questions for the risk of releasing incorrect data was queried. This happens rarely and only when it is appropriate to do so.

7. Legal Risks

- 7.1** The Head of Legal issued a document that was subject to legal privilege, summarising three recent cases.
- 7.2** There is a risk that costs could be awarded against the HFEA if cases brought against the HFEA were not successful. Some of the cases carry a low financial risk, but there is a risk that HFEA processes need to be reviewed or guidance written as a result of judgements. There are reputational risks too.
- 7.3** The committee noted that these cases are unusual and were assured that risks are controlled as far as possible.
- 7.4** The committee requested that legal risks should be brought to Audit and Governance Committee annually at the March meeting.

Action

- 7.5** Director of Finance and Resources to add Legal Risks to the Forward Plan for future Audit and Governance Committee meetings in March.

8. Internal Audit

- 8.1** The Head of Internal Audit reported progress against the internal audit plan. All planned audits have now been delivered. Assurance mapping was added to the plan and took place in February.
- 8.2** High priority actions outstanding from 2014/15 have been implemented – there were none in 2015/16. The annual opinion for 2015/16 is expected to be satisfactory.
- 8.3** A planning meeting with the Senior Management Team has been arranged for 19 April, to prepare the 2016/17 audit plan.
- 8.4** The report from the workshop to assurance map capacity and resilience was reviewed. Controls were in place and accord to the discussions at AGC today. Management are aware of the pressure points. Recommendations were made, which aim to be as pragmatic as possible.
- 8.5** The committee commented that assurance mapping needs to be proportionate for the HFEA and believe this exercise was. The recommendations can be addressed over time, in conjunction with other priorities.
- 8.6** The culture of support for staff was discussed, which is measured in part by the staff survey. The last survey showed that staff sometimes feel under pressure but they are supported. The committee asked to review the outcome of the staff survey.
- 8.7** The committee noted that resourcing is a live issue and were assured that there are good systems and processes in place to manage resources.

Action

- 8.8** Head of Human Resources to brief members on the HFEA Staff Survey results at the Audit and Governance Committee meeting in June 2016.

9. External audit

- 9.1** The National Audit Office provided an oral update.
- 9.2** All of the necessary information had been submitted to the auditors and some interim work had been completed. The main interim audit will take place next week.
- 9.3** The auditors will be reviewing the accounting treatment for IfQ.
- 9.4** The office move is a risk but will be past when the final audit takes place in May.
- 9.5** The system for reporting annual accounts has changed and the finance team has received some guidance from the NAO. The Director of Finance and Resources reported that there were no concerns with the timing of submitting the accounts to the NAO and is confident that they will lay the accounts in time before recess. There will be careful planning in place to ensure that the deadlines are met.

10. Implementations of recommendations progress report

- 10.1** The Finance Manager provided the committee with an update.
- 10.2** The committee was very pleased to hear that all recommendations had been implemented.

11. Training Programme

- 11.1** The committee discussed training that might be delivered after AGC meetings. The training arranged by the HTA is open to HFEA members, although there can be benefits in more tailored training and discussion. Members agreed to submit ideas for training that would be of benefit to them by email.

Action

- 11.2** The Director of Finance and Resources to circulate details of HTA training and ask Audit and Governance Committee members to propose HFEA training topics by email.

12. Forward plan

- 12.1** The committee was satisfied with the content of the Forward Plan of agenda items for meetings, with the additions discussed at this meeting.
- 12.2** It was agreed that four meetings per year are needed at present. This will be considered again in September.

13. Any other business

- 13.1** The Director of Finance and Resources confirmed the following:
- There were no whistleblowing or suspected fraud incidents reported since the last meeting.
 - There were no contracts awarded since the last meeting, however some services associated with the office move were commissioned.
- 13.2** Members and auditors retired for their confidential session.
- 13.3** The next meeting will be held on Wednesday, 15 June 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

15 June 2016

Audit and Governance Committee Paper

Paper Title:	Matters arising from previous AGC meetings
Paper Number:	[AGC (15/06/2016) 495]
Meeting Date:	15 June 2016
Agenda Item:	4
Author:	Sue Gallone
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:

- 6 items added from March 2016 meeting, 6 completed.
- 4 items carried over from earlier meetings, 0 completed.
- 3 items carried over from AGC self–assessment of performance, 0 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	Ongoing – two new members to be asked to complete
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.
f) Arrange for external members to observe an inspection	Head of Governance & Licensing	September 2015	Ongoing – Inspectorate's business support team in contact with external members and attempting to find suitable dates.
i) Institute formal annual report to Authority board	Head of Governance & Licensing	July 2015	Ongoing – To be introduced for July 2016.
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	Head of Business Planning	April 2016	Ongoing – added to business plan, work to start in October 2016

Matters Arising from Audit and Governance Committee – actions from 11 June 2014 meeting			
ACTION	RESPONSIBILITY	DUE DATE	PROGRESS TO DATE
to the Authority with recommendations, in due course.			
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 16 March 2016 meeting			
ACTION	RESPONSIBILITY	DUE DATE	PROGRESS TO DATE
2.3 Recirculate conclusions of review of AGC effectiveness	Director of Finance	April 2016	Completed
4.7 Circulate Finance and Resources risk slides	Director of Finance	April 2016	Completed
5.8 Commission Register migration at the focus of the IfQ update at June meeting	Director of Finance	June 2016	Completed
7.5 Add legal risk item to forward plan for March meeting	Director of Finance	June 2016	Completed
8.8 Brief members on staff survey results at June meeting	Head of HR	June 2016	Completed
11.2 Circulate details of HTA training and ask members for future training topics	Director of Finance	April 2016	Completed

