

Minutes of the PSI Audit and Risk Committee convened online on 15th March 2023.

Agenda Item 1 – Closed Session of the Committee

Issue

The Committee met in closed session with Mr. Shaw McClung and Ms. Katie McDonnell, representing the PSI's external auditor, Crowe Ireland. No members of PSI staff were present.

Agenda Item 2 - Attendees & Apologies

The Chair welcomed Ms. Joanne Kissane, newly appointed PSI Registrar, to her first Audit & Risk Committee meeting.

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
Dr. Paula Barry Walsh	Committee Member	Yes
Members of PSI staff in attendance included:		
Dr. Cheryl Stokes	Head of Governance and Programme Delivery (for part)	
Mr. Éanna Ó Lochlainn	Governance and Planning Officer	
Dr. Lorraine Horgan	Head of Corporate Services	
Ms. Aoife Mellett	Head of Practitioner Assurance (for part)	
Ms. Malika Hammani	Finance and Support Services Manager	
Ms. Joanne Kissane	Registrar	
Mr. Aidan Flynn	Business Transformation Project Manager	
External Attendee		
Mr. Tony Cooney	Partner, Crowleys DFK (for part)	
Mr. Shaw McClung	Partner, Crowe Ireland (for part)	
Ms. Katie McDonnell	Audit Manager, Crowe Ireland (for part)	

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 30th of November 2022.

Information

The Chair noted that the draft Minutes of the Audit and Risk Committee meeting held on the 30th of November 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, as amended, of the Audit and Risk Committee meeting held on 30th November 2022, on the proposal of Mr. Peter Dewhurst and seconded by Mr. John Given.

Agenda Item 5

Issue

Request for Approval of the 2022 Annual Financial Statements (a) Financial Statements Year End 2022 (b) External Audit Management Letter

Information

The Financial Statements Year End 2022 and the External Audit Management Letter had been circulated in advance of the meeting. The Committee noted the word 'free' was missing from page twelve of the Independent Auditor's Report. The External Auditors confirmed that this word should appear, and the Executive undertook to correct this in the document prior to it being submitted to Council for approval. The Executive summarised the main variances in income and expenditure and provided the Committee with an explanation for those variances. The Committee noted the PSI's financial result for 2022 was a small surplus of c.€30k versus its budgeted deficit of c.€1m. The Committee noted that the PSI was intending to operate a structural deficit, as had been approved by Council, as part of its strategic modelling and as a means of managing the accumulated reserves. The Committee was informed that the PSI's Reserves Policy, agreed by Council in June 2022, set a level of an amount of 50% of annual income as the threshold below which the reserves should not fall. The bi-annual monitoring of the assumptions underpinning the financial modelling was intended to signpost when this threshold may be crossed and that a fee review was proposed as part of the PSI's Strategic Financing Review to identify the fee levels required to operate the PSI on a sustainable financial footing.

The Committee noted the comments from the external auditor in the external audit management letter regarding the late delivery of key documents required for the financial audit, which had, in turn, impacted adversely on the delivery of the audit. The Committee expressed concern that taken in tandem with the high levels of late invoice payment, delays experienced by Council and Committee members in the payment of expenses, and other issues; there was now both a governance and a reputational risk for the wider organisation arising from the management and operation of the PSI's finance and accounting functions. The Committee requested that consideration be given to these risks being placed on the PSI's Corporate Risk Register. The Registrar informed the Committee that a plan was being formulated to deal with the issues highlighted by the Committee. The Registrar thanked the Finance and Support Services Manager for her hard work in preparing the Financial Statements.

Decision Approved and/or Action Requested

Decision Approved: The Committee approved;

(a) The 2022 Financial Statements on the proposal of Mr. Liam Burke and seconded by Dr. Paula Barry Walsh.

(b) The External Audit Management Letter on the proposal of Mr. Liam Burke and seconded by Mr. Graham Knowles.

Agenda Item 6

Issue

Request for Approval of the PSI 2022 Annual Report incorporating (a) the Statement of Internal Control, (b) Report of the Audit & Risk Committee and(c) Risk Report: Principal Risks and Uncertainties

Information

A copy of the PSI 2022 Annual Report had been circulated to the Committee in advance of the meeting. The Committee requested that the Statement of Internal Control be amended to read, 'no losses or fraud were identified', as opposed to 'no losses or fraud had occurred.'

Decision Approved and/or Action Requested

Decision Approved: The Committee approved;

(a) The Statement of Internal Control (as amended), on the proposal of Mr. Graham Knowles and seconded by Mr. Peter Dewhurst.

(b) The Report of the Audit & Risk Committee on the proposal of Mr. Peter Dewhurst and seconded by Mr. Graham Knowles.

(c) The Risk Report: Principal Risks and Uncertainties on the proposal of Mr. Peter Dewhurst and seconded by Mr. Liam Burke.

Agenda Item 7

Issue

Request for Approval of the Internal Audit Plan 2023-2024

Information

A copy of the Internal Audit Plan 2023-2024 was circulated to the Committee prior to the meeting. Mr. Tony Cooney of Crowleys DFK invited questions from the Committee. The Committee queried if Q4 2024 was too early for an Equality Diversity and Inclusion (EDI) audit of the PSI, but following discussion, it was agreed that the timeline was reasonable. The Committee agreed that the timing of the cybersecurity audit and the internal control audit should be switched to ensure that the internal control audit did not coincide with the external audit at the start of Q1 2024. The Committee requested that a list of internal audits carried out to date be circulated to them after the meeting.

Decision Approved and/or Action Requested

Decision Approved: The Committee approved the Internal Audit Plan 2023-2024 (as amended) on the proposal of Dr. Paula Barry Walsh and seconded by Mr. Peter Dewhurst.

Agenda Item 8

Issue

Request for Approval of Internal Audit Charter

Information

A copy of the Internal Audit Charter had been circulated to the Committee in advance of the meeting. The Internal Audit Charter had been updated, arising from the appointment of Crowleys DFK following a recent procurement exercise. The last Internal Audit Charter was signed in 2016. Questions were invited from the Committee. The Committee had no questions.

Decision Approved and/or Action Requested

Decision Approved: The Committee approved the Internal Audit Charter on the proposal of Mr. Graham Knowles and seconded by Mr. Peter Dewhurst.

Agenda Item 9

Issue

Update on the implementation of Internal Audit Recommendations.

Information

The Committee was informed that no recommendations to close were being proposed and that the timelines were off track in relation to the amber items. The Head of Governance and Programme Delivery highlighted the red item, which would not be completed due to delays in the delivery of Phase 1.1 of the Business Transformation Programme. It was proposed to the Committee that a new timeline for delivery be agreed upon once a deployment schedule for Phase 2 of the delayed Business Transformation Programme had been confirmed.

Decision Approved, and/or Action Requested

The Committee noted the update.

Agenda Item 10

Issue

Request for Approval of the Revised PSI Protected Disclosure Policies

Information

Copies of the revised PSI Protected Disclosure Policies had been circulated to the Committee in advance of the meeting. The Committee queried what process was in place should a protected disclosure be made relating to or in which the PSI Registrar, and the Protected Disclosure Officer, were named. The Head of Governance & Programme Delivery informed the Committee that the advice received from Fieldfisher Ireland LLP, the PSI's legal advisers, was that it is not possible to cover every eventuality in relation to conflicts of this nature. The Committee expressed concern that there were potential reputational risks arising from this and that a full articulation of a process to address such a scenario, were it to occur, was required. The Chair welcomed the oversight role the Audit & Risk Committee would play in the management of Protected Disclosures received by the PSI.

Decision Approved, and/or Action Requested

Decision Approved: The Committee approved the revised PSI Protected Disclosure Policies on the proposal of Mr. Liam Burke and seconded by Dr. Paula Barry Walsh

Agenda Item 11(a)

Issue

PSI Corporate Risk Register

Information

A copy of the Corporate Risk Register was circulated to the Committee in advance of the meeting. The Chief Risk Officer invited questions from the Committee. The Committee noted that the level of PSI staff turnover remained at 11%, unchanged since the Committee's last meeting. The Committee queried the timeframe for the measurement of staff turnover and was informed it was from February 2022 to February 2023. The Committee queried if any one business area, in particular, was responsible for the high level of staff turnover. The Committee was informed this was not the case.

Decision Approved, and/or Action Requested

The Committee noted the Corporate Risk Register.

Agenda Item 11(b)

Issue

Review of the Business Transformation Programme Risk Register

Information

The Committee was informed of the overall risk reporting status – two red risks, six amber risks and four green’ risks. The Business Transformation Programme project manager expanded on the two red risks on the Business Transformation Programme Risk Register, one of which related to factors which may negatively impact the timeline of the project and, in turn, cause a reputational risk. There was also a second red risk which related to the contract agreed between the PSI and the vendor not being extended, which could impact on delays in delivering the project and sub-optimal support for the delivered registration portal.

Decision Approved, and/or Action Requested

The Committee noted the Business Transformation Programme Risk Register.

Agenda Item 12

Issue

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

Information

The Committee was informed by the Internal Health and Safety Appointee that there had been no major incidents or near misses regarding the health and safety of PSI staff, contractors, or others present on the PSI’s premises, or whilst working elsewhere on behalf of the PSI. The Data Protection Officer informed the Committee that there had been no data breaches or cyber-attacks.

Decision Approved, and/or Action Requested

The Committee noted the update.

Agenda Item 13 – Closed Session of the Committee

Issue

Any Other Business

Information

The Committee met in closed session for a briefing from Ms. Aoife Mellett, Head of Practitioner Assurance. No other member of PSI staff was present.

Decision Approved, and/or Action Requested

None.

The meeting finished at 16:05

Signed:

Chair

Date