

Minutes of the Performance and Resources Committee meeting held on 26th November 2024 at 9:30am at PSI House and online via MS Teams.

Name	Role	Present (Yes/No)
Ann McGarry	Committee Chair	Yes
Emily Kelly	Committee Member	Yes
Denis O’Driscoll	Committee Member	Yes
Martin Sisk	Committee Member	Yes until item 7.
Sean Reilly	Committee Member	Yes
Martin Higgins	Committee Member	Yes
Joan Peppard	Committee Member	Yes
Richard Hammond	Committee Member	Yes
Members of PSI staff in attendance included:		
Joanne Kissane (JK)	Registrar	Yes
Cheryl Stokes (CS)	Head of Corporate Services	Yes
Isabel Turnock (IT)	Business Support Services Executive	Yes
Neil Wall (NW)	ICT and Corporate Reporting Manager	Yes – for item 8.
Elaine Cronin (EC)	Finance and Business Support Officer	Yes
Grainne Egan (GE)	HR and People Development Manager	Yes
Eileen Troy (ET)	Finance and Support Services Manager	Yes
Aidan Flynn (AF)	Programme Delivery and Innovation Manager	Yes – for item 9.2.

Agenda Item 1 – Apologies

Information

No apologies were received.

Agenda Item 2 – Declaration of Interests

Information

There were no conflicts of interest declared.

Agenda Item 3 – Approval of Agenda

Information

The Committee considered and approved the agenda for the meeting.

Decision Approved, and/or Action Requested

The agenda for the meeting was approved on the proposal of Martin Sisk and seconded by Denis O’Driscoll.

Agenda Item 4 – Approval of Draft Minutes of Committee meeting held on 17th September 2024.

Information

The Minutes of the meeting held on 17th September 2024 were considered by the Committee, and no changes had been notified in advance of the meeting.

Decision Approved and/or Action Requested

The Committee approved the Minutes of the 17th September meeting, on the proposal of Martin Higgins and seconded by Denis O’Driscoll.

Agenda Item 5 – Finance and Support Services

Agenda Item 5.1 – Finance and Support Services Update

Information

The Executive outlined the Finance and Support Services Update, highlighting key items to the Committee.

The Committee was informed that a tender process had commenced for external auditing services, as the option to extend the contract with the current provider for another year was not exercised by the current provider. The Executive confirmed that a Supplementary Request for Tender was published on 19th November, using an OGP Framework, with a closing date of 10th December, for a contract term of 3 years with an option for a further 12 month extension. The Committee was informed that the evaluation would take place as soon as possible, with an outcome confirmed before the Christmas break. The Committee discussed difficulties in public sector procurement and options available to public service bodies where the possibility of extension is not exercised.

Information

The Executive highlighted the significant ongoing procurement activities, including the procurement of a provider for the Irish Institute of Pharmacy (IIOP), which is at evaluation and clarification stage. The Committee was informed that market consultation is ongoing for examinations under the new Third Country Qualification Recognition (TCQR) route, and that specifications are in development for the facilities management services contract.

Decision Approved and/or Action Requested

The Committee requested notification by email that the appointment of an external audit provider had been confirmed. The Executive advised the Committee that the process would be that the Audit and Risk Committee would receive a recommendation of appointment via email, which would then go to Council for approval at its December meeting.

Agenda Item 5.2 – Approval of Management Accounts to 30 September 2024

Information

The Executive outlined the management accounts to 30 September, noting key variances, and welcomed questions from the Committee. The Executive confirmed legal costs recently awarded to PSI were recognised on receipt, but that this may vary on a case-by-case basis to ensure recognition of costs awarded in the appropriate financial period.

The Executive confirmed that while no formal outturn to year end was completed for quarter 3, the deferral of TCQR exams, a decrease in fitness to practise costs, and deferral of key strategic projects were likely to impact favourably against the deficit projected in the 2024 budget.

Decision Approved and/or Action Requested

The Committee agreed to recommend to Council the approval of the management accounts on the proposal of Richard Hammond and seconded by Martin Higgins.

Agenda Item 5.3 – Annual review of PSI’s Reserves Policy for recommendation to Council

Information

The Committee discussed the proposed revisions to the Reserves Policy, with reference to the changes in the organisation’s risk appetite. The Executive highlighted the defining of the Revaluation Reserve in the updated policy, which does not form part of the Reserves policy parameters and the Fitness to Practice Rolling Reserve, which is directly related to FTP operational activity and volumes of complaints.

Information

The Committee discussed the minimum threshold set for all reserves, currently set at 50% of turnover/fee income, and whether this is appropriate, and discussed the interaction between registration fees and the reserves. The Executive confirmed that the minimum threshold and other income streams will be reviewed as part of the Core Funding Review in 2025, which will ensure the PSI maintains a sustainable financial position and appropriate funding model. The Executive also noted the outputs from the Life Cycle Review, carried out in 2024, will inform the costs relating to the building over the next few years, and which will be considered as part of updates to the Strategic Financing Review Model in 2025.

The Committee emphasised the importance of completing the Core Funding Review quickly, to enable the required actions to be introduced with sufficient lead in time and socialisation with the profession where necessary. The Executive noted its concern in relation to this, and the importance of prioritising this review, and providing the Committee with updated information, early in 2025. The Executive discussed the need to examine all options under the review, including the impact of efficiencies in areas such as those identified in the Business Transformation Project, through the retirement of old systems. It was emphasised by the Committee that increasing registration fees should not be the sole option to be considered as part of the review, and the Committee noted that a fee benchmarking exercise would be useful to support communication of any changes. The Committee noted that the last benchmarking exercise was conducted in 2017, comparing national and international regulators and pharmacy bodies, though some comparisons were not directly applicable. The Executive highlighted to the Committee that the outputs from the previous Core Funding Review, carried out in 2017 by Mazars was available on the Council iPads, in the Strategic Financing Review Folder.

The Committee discussed exploring ways to differentiate between essential and desirable expenditure, particularly in relation to additional regulatory or statutory services and functions to be carried out by the PSI. The Committee was informed that PSI has communicated to the Department of Health that it is operating annually within financial deficits, and continues to communicate challenges with the Department, most recently regarding the Network and Information Security Directive (NIS2), where PSI highlighted the difficulties in operationalising additional functions while operating within these deficits. The Executive confirmed that a governance meeting with the Department is scheduled for next week, where these issues will be reiterated. The Registrar highlighted that additional funding had been sought from the Department of Health for delivery of the IOP services, the operationalisation of common conditions arising from the implementation of the recommendations from the Taskforce set up by the Minister for health, as well as resources and additional funding to implement NIS2.

Information

The Committee further discussed the increase in accreditation costs due to the increasing number of Schools of Pharmacy, and the impact on the budget of this activity. The Executive confirmed that no additional funding had been sought in relation to accreditation at this time, but that letters could be issued to the Higher Education Authority and Department of Health on this matter. The Executive emphasised, however, that any applications made at this stage wouldn't be recognised in funding until the end of 2025. The Executive confirmed that PSI continues to explore additional income streams through renting out meeting rooms.

A query was raised by the Committee regarding the projected income and costs of operating new TCQR route and the effect on the reserves, and the Executive provided a breakdown of the costs associated with the old and new routes.

Decision Approved and/or Action Requested

The Committee agreed to highlight to Council the need for additional funding to cover accreditation costs through its Report to Council for the next Council meeting, and agreed to approve the Reserves Policy, for recommendation to Council, as proposed by Marin Sisk and seconded by Richard Hammond.

Agenda Item 5.4 – Approval of Treasury and Investment Management Policy for recommendation to Council

Information

The Executive noted that the policy was brought before the Committee at its last meeting, where changes were requested, which have been actioned. The Executive welcomed questions from the Committee.

The Executive confirmed that the policy had been drafted to set out the governance structure, parameters and controls to be put in place in relation to the appointment of an Investment Manager, as well as the process for the development of an Investment Strategy.

The Committee discussed the cost of appointing an Investment Manager versus the financial returns realised, and whether this could be referenced in the policy. The Executive confirmed that the initial contract can be limited to a short term with the opportunity to extend, and allow for ongoing review of whether the service delivered is beneficial to the PSI. The Committee was advised that the appointed Investment Manager will attend Committee meetings bi- annually, and updates will be reported at each

Information

Committee meeting. The Executive noted that the Committee had given instruction to the Treasury Management Group to go out to tender to procure an Investment Manager.

Decision Approved and/or Action Requested

The Treasury and Investment Management Policy was approved, for recommendation to Council, as proposed by Martin Sisk and seconded by Richard Hammond.

Agenda Item 5.5 – Recommendation to Council on the wind up of a pension scheme established prior to the Pharmacy Act 2007

Information

The Executive outlined the rationale for winding up a pension scheme, established prior to the Pharmacy Act 2007, as at the conception of the PSI Superannuation Scheme, the scheme's membership was entirely of deferred former employees. The Committee was informed that Aviva is overseeing the scheme and engaging with the one remaining individual in the scheme.

Decision Approved and/or Action Requested

The Committee agreed to recommend to Council to wind up the aforementioned pension scheme, as proposed by Martin Higgins and seconded by Denis O'Driscoll.

Agenda Item 5.6 – Health Card: Strategic Financing Review

Information

The Committee noted the Health Card for the Strategic Financing Review, for which the assumptions and model were updated earlier in 2024. The Committee was informed that the further updates to the assumptions and model will be completed in Quarter 1 2025, once the actual figures for 2024 are available, and emphasised the importance of this update.

The Executive noted that updates will be before the Committee at their meeting in May 2025, and procurement of an external provider to assist with the Core Funding Review will be complete at this point.

The Executive confirmed that the procurement process for this core funding review has been brought forward due to the important nature of the project, with tender documentation due to be drafted in January 2025, and a contractor confirmed by April 2025.

Agenda Item 6 – 2025 Budget

Agenda Item 6.1 – PSI Draft 2025 Service Plan

Information

The Committee noted the draft Service Plan for 2025, provided to Council as part of the Council development day. The Executive confirmed the timelines for accreditation of the additional Schools of Pharmacy, with the reports drafted and submitted to Council by June 2025, where they will be considered against the accreditation standards.

Agenda Item 6.2 – Review of 2025 Budget for recommendation to Council

Information

The Executive outlined the 2025 Budget, highlighting key items for the Committee's attention, including the deficit which was larger than anticipated in comparison with that identified in the Strategic Financing Review Model. The Executive noted that the deficit is largely driven by increased accreditation costs and increased numbers of TCQR applicants, and the inadequacy of fees to cover costs in the absence of updated fee rules.

The Committee discussed the budget memo, noting the use of the reserves to fund operating expenditure, and that operating in this way is unsustainable. The Executive noted the Committee's concerns and advised that the decision was made by Council in 2017 to operate under an operational deficit through the use of the reserves, and that the Strategic Financing Review Model was subsequently approved by Council in 2021, under which these deficits were expected and predicted and reviewed on an annual basis by the Committee and Council.

The Committee noted that updated Fees Rules for TCQR applications will be before the Regulatory and Professional Policy Committee this week, before consideration by Council in advance of public consultation, and also discussed the timeline for ministerial sign off.

The Executive clarified the capitalisation of the Business Transformation Project costs, as the spend becomes an asset to PSI through the probable flow of future economic benefits, hence this is capitalised on the balance sheet.

The Executive also highlighted that capital budget includes costs for a bike shelter and solar panel which are deliverables under PSI's Climate Action Mandate, in meeting decarbonisation targets, and will support staff who cycle to work.

Decision Approved and/or Action Requested

The 2025 Budget was approved for recommendation to Council, as proposed by Martin Higgins and seconded by Richard Hammond.

Agenda Item 7 – HR, People and Organisation Development

Agenda Item 7.1 – Workforce Planning and Recruitment Update

Information

The Workforce Planning and Recruitment Update was outlined by the Executive, confirming that a number of recruitment competitions are ongoing. The Executive highlighted the two roles filled, roles with ongoing recruitment, and roles pending sanction. The Executive outlined the training completed this period, with further training sessions outlined for the remainder of the year.

Agenda Item 7.2 – Health Card: HR Strategy Implementation

Information

The HR Strategy Implementation Health Card was taken as read by the Committee.

Agenda Item 7.3 – Health Card: Organisation Development Project

Information

The Organisation Development Project Health Card was taken as read, and the Executive confirmed that a contractor had been appointed and that the contract had been finalised.

Agenda Item 8 – ICT

Agenda Item 8.1 – Penetration Testing and General Cybersecurity Update

Information

The Penetration Testing and General Cybersecurity Update was taken as read by the Committee, and the Executive welcomed questions. The Executive confirmed that it had written to the Department of Health in relation to its role under NIS2 and is still awaiting a response, which will provide clarity in relation to the PSI's role. The Executive noted that the National Cybersecurity Centre are developing documents to support organisations under NIS2, however uncertainty still exists as to the responsibilities of individual competent authorities. The Committee noted that there is limited relevant experience amongst members in relation to NIS2 and cybersecurity, and that further clarity from the Department would be useful.

The Committee requested a short presentation at its next meeting outlining the roles and expectations relating to NIS2.

Agenda Item 8.2 – Health Card: ICT Strategy Implementation

Information

The Committee noted projects which have been completed, including the SharePoint migration and server upgrades. The Executive confirmed that the additional functionality to the Finance system is due to go live within the next two weeks, and that procurement documentation is being prepared for the implementation of a cloud-based Council meeting documentation system.

Agenda Item 9 – Performance Update

Agenda Item 9.1 - Update on 2024 Service Plan Project Health Tracker

Information

The Executive outlined the 2024 Service Plan Project Health Tracker update, which was taken as read by the Committee.

Agenda Item 9.2 - Health Card: Business Transformation Programme

Information

The Committee was provided with an update on the Business Transformation Programme Health Card, which is trending green overall. The Committee noted that Phase 2 was delivered on time and within budget, and that Phase 3 is ongoing.

Agenda Item 10 – General matters

Agenda Item 10.1 – Annual review of Committee Terms of Reference

Information

The Committee agreed to defer the annual review of its Terms of Reference until the performance review of the Committee had been completed but agreed that the terms of reference were generally fit for purpose. The Committee noted that a review of the expertise among Committee members would be useful, particularly in reference to technological experience, which would be beneficial for NIS2.

Agenda Item 10.2- Performance review of the Committee

Information

The Committee noted the ongoing performance review, and the Executive highlighted the timelines, requesting the Committee complete the questionnaire as quickly as possible, with the aim of receiving an update at the December Council meeting.

Agenda Item 10.3 –Proposed dates of meetings in 2025 for approval:

Information

The Committee noted the proposed dates for meetings in 2025 and agreed to defer consideration of the dates until after the meeting. The Executive agreed that an email will

Information

be circulated to the Committee for confirmation of the proposed dates and noted that the May meeting was proposed to be in person.

Agenda Item 10.4 – Areas of focus for next meeting

Information

The Committee confirmed the areas of focus for its next meeting in February, including the Core Funding Review, monitoring the performance of the Committee, ongoing projects, and a closer look at the information in the Registrar’s report, and an update on tabled information in the Service Plan. The Executive noted that an additional meeting could be scheduled with the Committee, if required.

Agenda Item 10.5- Recap of decisions taken at this meeting for Committee Report to Council

Information

The Committee confirmed the decisions taken at the meeting, including the approval of the management accounts to 30th September 2024, the Reserves Policy, the Treasury and Investment Management Policy, the wind up of the old pension scheme, and the 2025 Budget. The Committee further agreed to bring to the attention of Council the situation relating to the Strategic Financing Review, and the increased requirements relating to the accreditation of new Schools of Pharmacy.

Meeting Concluded at: 11:08am

Signed by:

Alex H. Sweeney

Chair

03/03/2025

Date



Minutes PR Ctee_26Nov

Final Audit Report

2025-03-03

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