

**Minutes of the PSI Audit and Risk Committee convened on-line, on 21<sup>st</sup> September 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	No
Ms. Niamh O'Regan	Committee Member	No
<b>Members of PSI staff in attendance included:</b>		
Dr. Cheryl Stokes	Acting Head of Corporate Services, Chief Risk Officer	
Mr. Éanna Ó Lochlainn	Governance and Planning Officer	
Dr. Lorraine Horgan	Interim Registrar	
Mr. Pádraig Corbett	Strategic Policy Officer	
Ms. Malika Hammani	Business Support and Finance Manager	
<b>External Attendee</b>		
Mr. Tony Cooney	Partner, 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 8<sup>th</sup> June 2022.

#### Information

The Chair noted that the draft minutes of the Audit and Risk Committee meeting held on the 8<sup>th</sup> June 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 8<sup>th</sup> of June 2022, on the proposal of Mr. Liam Burke, seconded by Mr. Graham Knowles.

## Agenda Item 5

### Issue

Request for Approval of Internal Auditor's Report on the PSI's Payroll, Travel and Allowances Policies and Procedures

### Information

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

Mr. Cooney noted that the audit report had assigned substantial assurance to the PSI's practices with regard to payroll, travel expenses, and allowances. He stated they were in good order, and that the 3 low level findings contained in the Report related, in the main, to documentation issues. He noted that the PSI Executive Leadership Team had accepted the findings.

Mr. Cooney advised the Committee that given the current state of flux in the retail banking sector, it might be an opportune moment for the PSI to review the access and authorisation levels within the organisation to its online bank accounts as PSI transitions to a new banking services provider.

The Chair thanked Mr. Cooney and his colleagues at Crowleys DFK for their assistance as this was due to be his last internal audit report under the current contract.

### Decision Approved, and/or Action Requested

**Decision Approved:** The Committee approved the Internal Auditor's report on the PSI's Payroll, Travel and Allowances Policies and Procedures on the proposal of Mr. Liam Burke, seconded by Mr. John Given.

## Agenda Item 6

### Issue

Request for Approval of Revised Audit & Risk Committee Terms of Reference

### Information

The Committee discussed the proposed amendments to its Terms of Reference. The Committee expressed the view that the requirement to review its terms of reference annually as opposed to periodically, should remain unchanged in its terms of reference.

#### Decision Approved, and/or Action Requested

The Committee agreed to postpone approval of its revised draft terms of reference and agreed to refer this matter the Special Purposes Committee for discussion at its next meeting with the recommendation that all PSI Advisory Committee terms of reference should be reviewed annually rather than periodically.

### Agenda Item 7

#### Issue

Update on the Implementation of Internal Audit Recommendations.

#### Information

A copy of the consolidated internal audit findings log was circulated to the Committee prior to the meeting. The Committee expressed concern that item 3 on the log which related to the PSI's Records Retention Schedule, was now 18 months behind schedule. The Committee was informed that ongoing workforce capacity issues within the organisation were the cause of the delay, and that this was unlikely to change in the short-term, but that delivery in Q4 2022 of this recommendation remained achievable.

#### Decision Approved, and/or Action Requested

The Committee noted the update on the Update on the Implementation of Internal Audit Recommendations

### Agenda Item 8

#### Issue

Q2 Financial Management Accounts to 30 June 2022 including financial forecast to year-end

#### Information

Ms. Malika Hammani, Business Support and Finance Manager, updated the Committee on the Q2 Financial Management Accounts to 30 June 2022, including financial forecast to year end, a copy of which had been circulated in advance of the meeting. Ms. Hammani highlighted significant variances in both the income and expenditure and provided explanations of same. In relation to the variance in relation to payroll she highlighted that this was due to additional posts that were included in the budget, were not yet filled as sanction was yet to be received from the Department of Health. The Committee queried

whether the delay in filling these posts was impacting on the PSI's ability to deliver its mandate. The Executive confirmed that mandate delivery was proving to be a challenge in the current environment. The Committee queried if the legal costs which had not been accrued in Q2, would be accrued in the Q3 accounts, and were informed that more details in relation to those costs would be provided in the Q3 accounts. The Committee queried when the next actuarial valuation of the PSI's pension liabilities was due to take place. The Committee was informed that a valuation had been conducted in 2021 but had not been included in the External Auditor's report due to it not being available to the External Auditor before they signed off the accounts, and that pension liability valuations were conducted every 3 to 4 years. Some members of the Committee expressed the view that whilst the PSI should accrue in anticipation of its projected pension outgoings, it should not accept liability, as this rested with the Department of Public Expenditure and Reform and the Department of Finance. The Executive stated that they continued to raise the matter with the Department of Health. The Committee queried why the Irish Institute of Pharmacy costs at €524k were down 33% on the 2021 comparative year to date and were informed that it was due to timing issue as well as savings on the practice review being cancelled and accreditation.

#### Decision Approved, and/or Action Requested

The Committee noted the update on the Q2 Financial Management Accounts to 30 June 2022 including financial forecast to year end.

### Agenda Item 9

#### Issue

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

#### Information

The Committee was informed by the Acting Head of Corporate Services that there had been no major incidents or near misses. Following discussion it was agreed the Report on the management of any major incidents, near misses, and lessons learned, and acted upon, should continue to be a standing item at all Audit and Risk Committee meetings.

#### Decision Approved, and/or Action Requested

The Committee noted the update.

### Agenda Item 10(a)

#### Issue

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 queried if the risk relating to the number of retail pharmacy businesses currently operating without a supervising pharmacist, in breach of the terms of the Pharmacy Act, was being driven by over-supply of pharmacies in the market place, and if data on this was being collated by the PSI. The Committee was informed that the PSI was in the process of appointing external advisers to support the PSI's strategic workforce project and that the pharmacy to pharmacist ratio in Ireland would be considered as part of research to be undertaken as part of that project. The Committee noted that an interim report would be ready for presentation at the December 2022 meeting of Council.

#### Decision Approved, and/or Action Requested

The Committee noted the Corporate Risk Register.

### Agenda Item 10(b)

#### Issue

Review of the Strategic Policy and Communication Risk Register

#### Information

A copy of the Strategic Policy and Communication Risk Register was circulated to the Committee in advance of the meeting. The Interim Registrar and the Strategic Policy Officer invited questions from the Committee. The Committee noted the ongoing delays regarding the commissioning of a new PSI website. The Executive informed the Committee that the preferred supplier had withdrawn from the contract without warning and at short notice. The Committee expressed concern with regard to the risk that the continued impact of staff shortages could have on PSI's ability to engage with external stakeholders. The Committee sought assurance from the Executive that PSI was continuing to engage in all relevant consultations, as well as continuing to engage with external stakeholders. The Interim Registrar advised that, in the absence of the Head of Strategic Policy and

Communication, that she was overseeing that business area and that all requests for inputs and submissions from external stakeholders were channelled through her. In order to assure organisational commitment regarding this engagement, all such requests for PSI contributions were tabled at meetings of the Executive Leadership Team and staff resources assigned at that level.

#### **Decision Approved, and/or Action Requested**

The Committee noted the Strategic Policy and Communication Risk Register

### **Agenda Item 11**

#### **Issue**

Update on commencement of tender for PSI Internal Auditor contract

#### **Information**

The Committee was informed that to date only one\* company had tendered for the internal audit contract and that the evaluation panel would meet on the 27<sup>th</sup> of September to progress the procurement.

#### **Decision Approved, and/or Action Requested**

The Committee noted the updated on the tender for PSI internal auditor contract.

### **Agenda Item 12**

#### **Issue**

Update on PSI's implementation of the Protected Disclosures (Amendment) Act 2022

#### **Information**

The Committee was informed that the PSI revised draft policy and standard operating procedures which would seek to bring the organisation into compliance with the requirements of Protected Disclosures (Amendment) Act 2022, were currently undergoing legal validation, and would be tabled for approval at the next meeting of the Committee, which was scheduled to take place on November 30<sup>th</sup>, 2022.

#### **Decision Approved, and/or Action Requested**

The Committee noted the update on PSI's implementation of the Protected Disclosures (Amendment) Act 2022.

### **Agenda Item 13**

<b>Issue</b>
Any Other Business

<b>Information</b>
The Chair informed the Committee that its next meeting, which was scheduled for November 30 <sup>th</sup> , 2022 would be convened in person, and would incorporate a workshop on regulatory risk in the pharmacy sector.

<b>Decision Approved, and/or Action Requested</b>
This was noted by the Committee.

\*Following the meeting, a further 2 submissions for the internal audit contract were received before the deadline on the 21<sup>st</sup> of September 2022, bringing the total number received to 3.

**The meeting finished at: 13.55**

**Signed:**

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**Chair**

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**Date**