

Minutes of the PSI Audit and Risk Committee convened in PSI House, on 30th November 2022.

Agenda Item 1 – Private Committee Time

Issue
The Committee met in private session, and was joined for part of this private session by Ms. Aoife Mellett, Head of Practitioner Assurance. No other members of PSI staff were present at any stage.

Agenda Item 2 - Attendees & Apologies

The Chair informed the Committee that Ms. Niamh O'Regan had resigned from the Committee with effect from 29 September 2022. The Chair thanked Ms. O'Regan for her contribution to the work of the Audit & Risk Committee and wished her well. She informed the Committee that expressions of interest would be sought for a replacement external, non-Council member of the Committee to be advertised via State Boards.

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	No
Mr. Peter Dewhurst	Committee Member	Yes
Dr. Paula Barry Walsh	Committee Member	Yes
Members of PSI staff in attendance included:		
Dr. Cheryl Stokes	Acting Head of Corporate Services, Chief Risk Officer	
Mr. Éanna Ó Lochlainn	Governance and Planning Officer	
Dr. Lorraine Horgan	Interim Registrar	
Ms. Aoife Mellett	Head of Practitioner Assurance (On-line)	
Ms. Malika Hammani	Finance and Support Services Manager (On-line)	
Ms. Caroline Murphy	Fitness to Practise and Legal Affairs Manager (On-line)	
External Attendee		

Mr. Tony Cooney	Partner, Crowleys DFK, PSI's Internal Auditors
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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 21st of September 2022.

Information

The Chair noted that the draft minutes of the Audit and Risk Committee meeting held on the 21st of September 2022 had been circulated to Committee members in advance of the meeting and that no amendments 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 21st of September 2022, on the proposal of Mr. Liam Burke, seconded by Mr. Peter Dewhurst.

Agenda Item 5

Issue

Discussion on Internal Audit plan for 2023-2024 period

Information

The Committee had a broad ranging discussion, focusing on business processes, systems, policies, and aspects of enterprise risk management, the internal audit of which could deliver assurance for the PSI's stakeholders. The Committee considered a number of factors, such as the length of time since a process or system was last audited, as well changes to, or new, Government policies or Government directives. The Committee also discussed the possibility of auditing areas which had not been audited before, such as organisational culture. It was agreed that the matter of a culture audit might be an area for consideration in conjunction with the Performance and Resources Committee. This should be brought to the Special Purposes Committee for further discussion in 2023.

Following the Committee's discussion, Mr. Tony Cooney of Crowleys DFK joined the meeting to share his views.

Decision Approved, and/or Action Requested

Action Requested: The Committee agreed in principle that internal audits would be conducted on the following systems, processes and polices in 2023-24:

1. The PSI's pharmacy inspection processes (Q2 2023)
2. The PSI's on-line registration processes (Q3 2023)
3. The PSI's environmental impact (2024)
4. A high-level review of the PSI's system of internal controls (early 2024)
5. Cybersecurity at PSI (Q3/4 2023)
6. Equality, Diversity & Inclusion for PSI (towards end 2024)

The Committee reserved the right to change the internal plan at any time, if the Committee felt a change in circumstances warranted this.

It was agreed the Executive and Crowleys DFK would table a fully scoped internal audit plan as per the above, for the Committee's consideration and approval, at its next meeting, which is scheduled for March 8th, 2023. The Committee also requested Crowleys DFK to give consideration to the areas that might also be considered in 2025 (ie, a potential third year).

Agenda Item 6

Issue

Request for Approval of Updated Protected Disclosure Policy, and Standard Operating Procedures.

Information

The Committee noted the Executive's explanation that the intention of the draft policies, as public facing documents, was to set out, at a high level, the PSI's general approach to dealing with internal and external disclosures in compliance with the new legislation, and that the detail of how the policies would be operationalised on a day-to-day basis, would be set out in separate process documents to be made available to staff and to the public. The Executive informed the Committee that the policies had been drafted by PSI's external legal advisers to ensure compliance with the legislation once it commences in January 2023.

The Committee requested that clear processes with regard to the reporting and management of protected disclosures received by the PSI, particularly where those disclosures might refer to senior PSI staff, be explicitly set out in the policies. The Committee requested that a mandatory reporting requirement to the Audit & Risk Committee in relation to protected disclosures be incorporated in PSI's internal protected disclosure processes, so as to provide further independent oversight.

The Committee was of the view that the policies as currently drafted were not sufficiently cast in lay person terms and requested that they be redrafted to simplify the language where possible or that the legal terms used be explained. The Committee requested that 'jargon-free' guides be drafted both for external and internal parties wishing to make a protected disclosure. These were to be separate to the PSI's Protected Disclosure Policy, and the Executive should consult with staff on the guides to ensure readability and comprehension were of an adequate standard. It was noted that training of all staff in protected disclosures would be critically important.

With regard to certain technical queries raised by the Committee relating to points in the draft policies, the Executive undertook to review these and to report back to the Committee on these at its next meeting.

Decision Approved, and/or Action Requested

The Committee agreed to postpone approval of the updated Protected Disclosure Policy, and Standard Operating Procedures, as further work was needed to bring them to the required standard before they could be approved by the Committee for recommendation

to Council for its approval. The Committee requested that, pending finalisation of the policies, a notice be placed on the relevant PSI webpage, making the public aware that work was being carried out by the PSI to update its policies and procedures in line with the requirements of the new Act as it comes into effect from 1 January 2023.

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 requested another column be added to the log summarising the number of Reds Ambers Greens (RAG) on the log at any given time. The Committee asked the Executive to confirm if the PSI had a records retention schedule. The Executive confirmed it had, and the internal audit recommendation that had been outstanding was in relation to the addition to the schedule of the legal basis as relevant. The Committee asked the Executive to prioritise the work being carried out on the PSI complaints management system as part of the next development phase of PSI's digital transformation project given its critical role in delivering the PSI's regulatory remit.

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

Q3 Financial Management Accounts to 30 September 2022 including financial forecast to year-end

Information

The Executive updated the Committee on the Q3 Financial Management Accounts to 30 September 2022, including financial forecast to year-end, a copy of which had been circulated in advance of the meeting. The Executive noted total income for the period was €5.812m which was under-budget by €177k or 3%. Pharmacy registrations were behind forecast figures by 2%. Interest payable was forecast to be higher than budgeted. Total

payroll costs for the period were €2.126m, which was €696k or 25% under-budget. Total temporary staff costs for the period was €489k, which is €111k or 29% over-budget. The payroll and temporary staff costs had given rise to a total pay cost variance of €585k or 18% under budget. Total organisational costs for the period were €120k which is €59k or 33% under budget.

A member of the Committee queried if registrant fees could be paid back to registrants as a once-off cost of living measure. The Executive informed the Committee that the fees were set by the Minister for Health and that the statutory rules for registration fees explicitly do not permit the PSI to refund registration fees. The Executive also informed the Committee that the Strategic Financing Review that is being overseen by the Performance and Resources Committee is examining PSI's core funding requirements into the future and how best to secure the organisation's future financial sustainability. The Executive also noted that the new Reserves Policy approved by Council in 2022 sets out the manner in which the reserves will be utilised over the coming years. The Committee also noted that 40% of the PSI's entire expenditure had taken place in Q3. The Executive stated this was a by-product of procurement lead-times. The Executive confirmed its Treasury Management Policy was reviewed annually by the Performance and Resources Committee.

Decision Approved, and/or Action Requested

The Committee noted the update on the Q3 Financial Management Accounts to 30 September 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 Internal Health and Safety Appointee that there had been no major incidents or near misses.

Decision Approved, and/or Action Requested

The Committee noted the update.

Agenda Item 10(b)

Issue

Review of Practitioner Assurance Risk Registers

Information

With regard to risk 5 on the Fitness to Practise and Legal Affairs Risk Register, the Committee queried if the PSI had considered paying for locum cover for expert witnesses, in order that they could take time off to provide evidence to the PSI disciplinary committees. The Executive informed the Committee that it had previously been PSI policy not to pay for locum cover, but an instance had arisen in the last year, where payment had to be made to an expert witness in order to pay for the expert witness's locum cover. The Committee stressed the importance of the PSI taking a consistent approach with regard to the payment for locum cover to all expert witnesses.

Decision Approved, and/or Action Requested

The Committee noted the Practitioner Assurance Risk Registers

Agenda Item 10(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 staff turnover appeared to have dropped from 18% to 11%. It was confirmed that this change reflects the drop year-on-year of staff turnover. The Committee expressed concern relating to the PSI's risk controls with regard to risk 6 relating to the absence of a nominated supervising pharmacist for certain pharmacies which is a breach of the Pharmacy Act 2007, as this appeared to be having no impact on the residual risk as stated on the risk register. The Committee sought clarification from the Executive with regard to the escalation process, and also questioned the rationale underpinning the timelines for escalation to PSI's Quality and Safety Team. The Committee stated the risk remained a matter of considerable concern in clinical governance terms (patient safety), and the PSI's level of risk exposure, if its regulatory remit, as set out in the Pharmacy, was not enforced, should a fatality occur. The Executive

informed that Committee, that each pharmacy which was not operating in compliance with the Pharmacy Act, was being risk assessed. The Committee asked to be provided with a copy of the escalation process currently in use. The Executive agreed to provide this. The Committee was informed that PSI's risk appetite was set by Council, but the corporate risk register was managed by the Executive.

Decision Approved, and/or Action Requested

The Committee noted the Corporate Risk Register

Agenda Item 11

Issue

PSI draft 2023 Service Plan and budget

Information

The Committee queried if the project relating to reform of the Pharmacy Act was still ongoing. The Executive confirmed it was still a work in progress.

Decision Approved, and/or Action Requested

The Committee noted the draft 2023 Service Plan and budget.

Agenda Item 12

Issue

Request for approval of Audit and Risk Committee revised Terms of Reference for recommendation to Council.

Information

The Committee had requested one amendment, that its terms of reference be reviewed annually as opposed to periodically.

Decision Approved, and/or Action Requested

Decision Approved: The Committee approved its draft terms of reference, as amended, for recommendation to Council for its approval, noting its referral to the Special Purposes Committee of a request to explicitly require an annual, rather than a periodic, review of its terms of reference, on the proposal of Mr. Peter Dewhurst, seconded by Mr. Graham Knowles.

Agenda Item 13

Issue
Any Other Business

Information
No item was tabled.

Decision Approved, and/or Action Requested
None.

The meeting finished at: 17.55

Signed:

Chair

Date