Audit and Risk Assurance Committee (ARAC)

Date: 6 October 2022

Time:
09.30 – 10.00	Private meeting ARAC Members only
10.00 – 12.30	ARAC meeting including deep dive session
12.30 – 13.30	Lunch
13.30 – 15.30	Training for ARAC Members

Venue: 2RP

Protective Marking: OFFICIAL

Agenda

1. Welcome and apologies **(10 mins)**

2. Declarations of interest

3. Minutes of Meeting 9 June 2022 meeting (AUD 27/22)

4. Matters arising from 9 June 2022 meeting (AUD 28/22)

Internal Audit (15 mins)

5. Item 5 is confidential and not included

Date Security and Protection Toolkit (15 mins)

6. DSPT HTA assessment and response 2021/22 and 2022/23 (AUD 30/22)

    Annex A of item 6 is confidential and not included

    Annex B of item 6 is confidential and not included

Cyber Security (5 mins)

7. Cyber Security report Q1 2022/23 (AUD 31/22)

Audit Tracker (10 mins)

8. Item 8 is confidential and not included

External Audit (15 mins)

9. Oral report from External Auditors (Oral)

Risk Update (20 mins)

10. Risk Update (AUD 33/22)

    Annex A – Strategic Risk Register Summary (AUD 33a/22)

    Annex B – Strategic Risk Register (AUD 33b/22)

Policies and Procedures (20 mins)

11. HTA Counter Fraud Cover paper (AUD 34/22)

    Annex A – HTA Counter Fraud, Bribery and Corruption Strategy (AUD 34a/22)

    Annex B – HTA Template (AUD 34b/22)

12. Reserves Policy Cover paper (AUD 35/22)

    Annex A – HTA POL 049 Reserves Policy (AUD 35a/22

13. Gifts and Hospitality Register – Cover Paper (AUD 36/22)

    Annex A - Gifts and Hospitality Register only (AUD 36a/22)

Regular Reporting (5 mins)

14. Reports on grievances, disputes, fraud, and other information (Oral)

Any Other Business (5 mins)

15. Government Functional Standards (GFS) (AUD 37/22)

16. Any Other Business (Oral)

Once the formal agenda has finished, ARAC will then complete a deep dive discussion on financial risk.

This version 26 Sept 2022

Minutes of the Audit and Risk Assurance (ARAC) meeting

Date: 9 June 2022

Time: 10.00 – 12.00

Venue: Zoom

Protective Marking: OFFICIAL

Attendees:

ARAC Members
Professor Gary Crowe (GC), ARAC Chair
Helen Dodds (HD)
Dr Charmaine Griffiths (CG)
Dave Lewis (DL)

Observers
Lynne Berry (LB), HTA Chair
Dylan Parrin (DP), Senior Policy Manager, Department of Health and Social Care
Robert McDonald (RmD) Department of Health and Social Care
Dean Gibbs (DG), (KPMG)
Laura Fawcus (LF), National Audit Office
Mohit Parmar (MP), National Audit Office

Joanne Charlton (JC) Government Internal Audit Agency
Rebecca Jones (RJ), Government Internal Audit Agency

In Attendance
Dr Colin Sullivan (CS), CEO
Louise Dineley (LD), Director of Data Technology and Development
Richard Sydee (RS), Director of Resources
Nicky Harrison (ANH), Director of Regulation
Morounke Akingbola (MA), Head of Finance and Governance
Sandra Croser, Head of HR *(item 16 only)*
TJ O'Connor (TOC), Executive Assistant
Alison Margrave (AM), Board Support (*minute taker*)

Item 1 – Welcome and apologies

1. The Chair welcomed Members, the Executive team and colleagues from the Department of Health and Social Care (DHSC), Government Internal Audit Agency (GIAA), the National Audit Office (NAO) and KPMG.

Item 2 – Declarations of interest

2. The Chair asked Members if there were any declarations of interest to be made; none were declared.

Item 3 – Minutes of 27 January 2022 meeting [AUD 15/22]

3. The Chair introduced the report and highlighted the proposed amendments to the minutes which are shown in red in the report.

4. The proposed amendments were accepted, and the revised minutes were agreed to be an accurate record of the meeting on 27 January 2022.

Item 4 – Matters arising from 27 January 2022 meeting [AUD 16/22]

5. The Chair introduced the report and spoke to the items which were still marked live. The Committee noted the report.

6. The Chair informed the Committee that he had pre-meeting calls with internal auditors, external auditors and the staff forum representative. He gave a brief overview of these discussions.

Action 1: AM to send ARAC Handbook and last 2 meeting packs to the new ARAC Members.

Item 5 – Risk Update [AUD 17/22]

7. Richard Sydee (RS) introduced the reports and stated that the Executive had reforecast the risks to better align and support the Business Plan. He spoke to each individual risk and explained its tolerance levels and the reason for this.

8. In response to questions, he stated that the coloured text on the risk register was to show when changes have been made to the various sections since the last meeting. He further explained how the Executive manage these risks and resource is allocated as required.

9. The Committee endorsed the recasting of the risks and noted the risk register and supporting summary document. Committee also noted that some of the assurances were out of date and needed updating.

10. **Risk Management Policy and Procedure**. RS introduced the policy and spoke to the minor revisions contained within. He spoke of the Board's responsibility in reviewing the risk appetite and tolerance statement which forms Annex A of the policy.

11. The Committee discussed how to frame these statements for the Board regarding the environment which HTA operates in and the gap between tolerance levels.

Action 2. The Committee noted and approved the Risk Management Policy and the proposal that this be reviewed every 3 years.

Action 3. The Committee noted the risk appetite and tolerance statement contained within the policy and recommended that these be presented to the Board for review.

Item 6 – Cyber Security Update [AUD 18/22]

12. Louise Dineley (LD) introduced the report and stated how this report supports HTA's Cybers Security Policy and provides information on the main themes of identify, protect, detect, respond and recover.

13. In response to a question, she informed the Committee of the training that all staff are required to undertake and how this is updated and refreshed as required. The Committee spoke of the increased threat levels and the actions which HTA takes to reduce these.

14. The Committee noted the Cyber Security report.

Item 7 – SIRO Report [AUD 19/22]

15. Richard Sydee (RS) introduced the report and explained his role as the Senior Information Risk Officer. RS spoke to the assumptions and assurances contained within his report. He stated that the deadline for submitting responses for the NHS Data Security Protection Toolkit (DSPT) is the end of June and that this item would be brought to the next ARAC meeting.

16. In response to a question Louise Dineley informed the Committee that the HTA team had met with GIAA's auditor this morning to arrange access to the portal and sharing of information relating to DSPT.

17. The Committee noted the Senior Information Risk Officer's (SIRO) assessment of the management of information across the HTA including compliance with the National Cyber Security Centre (NCSC) Minimum Cyber Security Standards 2018.

Item 8 – Policies and Procedures [AUD 20/22]

18. Morounke Akingbola (MA) introduced this item and the various policies brought forward for the Committee's review.

19. The Committee noted the summary report presented to them.

20. **HTA Critical Incident Response Plan**. MA introduced the revised policy and spoke to the changes contained within.

Action 4. The Committee approved the HTA Critical Incident Response Plan.

21. **HTA Business Continuity Disaster Recovery Plan**. MA introduced the revised policy and spoke to the changes contained within.

22. In response to a question Richard Sydee explained how HTA's policies are based on best practice examples provided by the Government. He informed the Committee of estate forums in place for the occupiers of 2 Redman Place, how these are managed by the landlord and that this is reflected in the policy document.

Action 5. The Committee approved the HTA Business Continuity Disaster Recovery Plan.

Item 9 – Gifts and Hospitality [AUD 21/22]

23. Morounke Akingbola (MA) introduced this item and explained the revisions to the policy.

24. The Committee noted the Gifts and Hospitality register.

Action 6. The Committee approved the Declaration of Interests, Gifts and Hospitality Policy.

Item 10 – Internal Audit [AUD 22/22]

25. Jo Charlton (JC) introduced the reports.

26. The Committee was informed that the draft internal audit opinion concluded a moderate assurance, this is in keeping with previous years. Several areas of good practice were highlighted within the report.

27. She referred to the summary reviews of the reports already presented to HTA and the need to profile the delivery of future reports so that work can commence much quicker than previously. In response to a question, representatives from GIAA provided further detail about the overview of EDI within the sector and good governance oversight.

28. JC referred to the plan for 22/23 which aligns with HTA's Business Plan and touches on several activities across the strategic risks.

29. The Committee noted the reports from GIAA.

Item 11 – Audit Tracker [AUD 23/22]

30. Morounke Akingbola (MA) introduced the summary report and spoke to a number of outstanding recommendations and the GIAA reports they relate to.

31. The Chair expressed his thanks to Morounke Akingbola for her work on this matter. The summary report could be further enhanced under exception

reporting, the addition of commentary for the overdue items and whether their target date needed revising.

32. The Committee questioned whether the Executive had accountability established for those outstanding recommendations and a robust reporting procedure to the Head of Finance and Governance.

33. The Committee noted the progress made and actions taken to move forward a number of outstanding audit recommendations.

Item 12 – External Audit [AUD 24/22]

34. Richard Sydee (RS) introduced the suite of documents. He spoke to the draft Annual Reports and Accounts and drew the Committee's attention to a number of items.

35. In response to a question, he provided further information about ~~improvements made to~~ debt recovery processes and the final resort guarantee of debts by the DHSC.   ~~and the guarantee for debts by other health organisations.~~ The Committee noted the actions taken regarding debt management.

36. Mohit Parmar (MP) and Dean Gibbs (DG) introduced themselves to the Committee. DG introduced the reports and expressed thanks to HTA's finance team for the support and co-operation.

37. He drew the Committee's attention to page 3 of the report which provides headlines of their findings including two risks. The Committee was also asked to note the confirmation of no evidence of fraudulent activity.

38. He referred to new legislation regarding the implementation of IFRS 16 and the new payroll ratios introduced by GAM and how these will affect the preparation of next year's accounts.

39. He drew the Committees attention to the recommendation to the Comptroller and Auditor General (C&AG) that he should certify the 2021-22 financial statements with an unqualified audit opinion, without modification in respect of both regularity and the true and fair view on the financial statements.

Action 7. The Committee, after considering the External Auditors annual statement and report, recommended that the Accounting Officer to sign the Annual Report and Accounts.

Item 13 – Reports on grievances, disputes, fraud and other information

40. No reports of grievances were discussed

41. There was nothing to report to the Committee under fraud or dispute.

Item 14 – Topics for future risk discussions

42. The Chair informed the Committee that he had spoken to the Executive about training opportunities for the Committee around fraud awareness. It was agreed to use the October ARAC Meeting for a deep dive on a particular risk and to provide training to ARAC members.

Action 8. The HTA Office to prepare the programme for the October ARAC Meeting.

Item 15 – ARAC Committee Effectiveness Review [AUD 25/22]

43. Richard Sydee (RS) introduced the report and spoke to the key points which could be drawn from this review.

44. The Chair thanked the office for conducting this review and spoke about the positive comments and also the opportunity for improvement in some aspects. The Committee noted that the Executive will implement these where possible.

Item 16 – Equality, Diversity and Inclusion Report [AUD 26/22]

45. Sandra Croser (SC) introduced the report which was developed following the GIAA audit response delivered in January 2022. She highlighted how HTA is working to improve its Equality, Diversity and Inclusion representation across the organisation.

46. She explained the enhanced role of RemCo in people matters and how this report would be presented to that Committee going forward. The Committee discussed the responsibilities of both Committees in overseeing this important matter,

47. The Committee noted the report.

Item 17 – Any other business (AOB)

48. There being no further business the Chair thanked all for their participation and drew the meeting to a close.

Next Meeting 6 October 2022
Proposed Programme
09.30 – 10.00   Private meeting ARAC Members only
10.00 – 12.30   ARAC meeting including deep dive session
12.30 – 13.30   Lunch
13.30 – 15.30   Training for ARAC Members

HTA Audit and Risk Assurance Committee

Matters arising and forward plan

Thursday 6 October 2022

Meeting	Action	Responsibility	Due date	Progress to date	Status
1 February 2018	Action 1: Kevin Wellard to schedule critical incident exercises within the ARAC forward plan and Corporate Business Plan Tracker to occur at approximately 12-18 month intervals.	Director of Data, Technology and Development	June 2018	The members of ARAC will receive an update on this item under the matters arising item and item 12 of the agenda for the 19 June 2018 ARAC meeting. **To be discussed with revised policies on the agenda**	
27 January 2022	Action 6: Policies to be amended and distributed.	Head of Finance and Governance	June 2022	Advice re malicious whistle-blowing yet to be received. Policy amended to remove reference to malicious whistleblowing until advice received. Anti-Fraud policy updated and shared with staff	
27 January 2022	Action 7**:** Executive to investigate training opportunities for the Autumn meeting.	Director of Resources and Head of Finance and Governance	October 2022		Ongoing

Other work

Meeting	Work in Progress	Responsibility	Due date	Progress to date	Status

Risk exploration topics

Topic	Meeting date	Progress
Topics covered		
Outstanding Topics		
HTA continuous business planning arrangements for the triaging of business planning activity		
Media handling- Critical incident handling		
Risks posed by sectors and the HTA's approach to protect public confidence. **HA and PM sector already done**		**Sectors to be done** Research Public Display and Anatomy ODT
Executive to decide whether an examination of the data from the Professional Stakeholder Evaluation is an appropriate topic for an ARAC deep dive. **Action from July 2020 Board meeting**		

Future training				

Topic	Meeting	Provider	Progress	Complete (Yes/No)
Training complete				
Joint ARAC Member/Management Team training seminar – undertaking risk assurance mapping and interdependency across the wider health group	February 2017	Internal Auditor/Director of Resources	To focus on wider suggested best practice in accordance with the Risk Management Policy and Strategy and consideration of wider interdependence across the health group.	**Yes**
Value for money auditing and the optimal deployment of resources		NAO	NAO have been invited to host a training session on 18 May 2017.	**Yes**
A NAO perspective on the risks emerging within the health sector	February 2018	NAO Catherine Hepburn		**Yes**
Training and/or discussion on risk updates - ensuring Members gain assurance on how risks are recorded and managed.	June 2019	Jeremy Nolan, (GIAA)	At the ARAC meeting on 23 October, Members invited Jeremy Nolan to facilitate discussion on risk management and how Members can assure themselves that risks are being managed and recorded correctly.	**Yes**
IFRS training	January 2020	NAO	Training given at the end of the meeting	**Yes**
Outstanding training				
Observation and feedback from another ARAC Chair. Has been previously discussed. Do we wish to do this still				
Fraud Awareness		KPMG or AN Other	To be discussed Q1 2022/23	

Forward plan

Standing items	**Assurance reports from Internal Audit** **Audit recommendations tracker report** **Risk update includes strategic risk register review and update on UK transition** **Polices/procedures updates** **Cyber security**	**Meeting Specifics to be covered**
Meeting		
January 2022	Assurance reports from Internal Audit	Review and approval of the Internal Audit proposed Audit plan for the financial year
	Audit recommendations tracker report	
	Strategic risk register review	Hold confidential joint meeting with both sets of Auditors (agenda item at start or end of meeting)
	Polices/procedures updates	
	Anti-Fraud Policy (bi-annually)	
	Whistleblowing Policy	
	Schedule of policies	
June 2022	Audit recommendations tracker report	Receive Internal Audit Annual Report
`	Strategic risk register review	Approval of the Annual Report and Accounts
	Policies/procedures updates	SIRO Report
		Review of the External Auditors ISA 260 report (management letter)
		Consider key messages for the Audit & Risk Assurance Committee's report on its activity and performance (to the Authority)
October 2022	Assurance reports from Internal Audit	Approval of External audit's planning report
	Audit recommendations tracker report	Review of the Audit & Risk Assurance Committee's Governance including Handbook and Terms of Reference
	Strategic risk register review	Operational Risk Register review (not standing agenda item)
	Policies/procedures update	DSPT

Policy and Procedures reviewed by ARAC		Frequency of review
Expenses Policy HTA/POL/032	Policy covers reimbursement of Travel, Subsistence and other expenses	Annual
Reserves Policy HTA/POL/049	Policy states the minimum level of cash reserves that the HTA should ideally keep as a contingency	Annual
Antifraud Policy HTA/POL/050	Policy covers definitions of fraud, responsibilities of HTA employees	Annual
Whistle-blowing Policy HTA/POL/017	Policy covers procedure to be followed if they have concerns about improper behaviour	Annual
Declaration of Interest, Gifts and Hospitality Policy	Policy covers the procedure for receiving/declining gifts	Annual

Audit and Risk Assurance Committee (ARAC)

Internal Audit – Confidential

Audit and Risk Assurance (ARAC) meeting

Date: 6 October 2022

Paper reference: AUD 30/22

Agenda item: 6

Author: Louise Dineley, Director of Data, Technology & Development

OFFICIAL

Data Security & Protection Toolkit (DSPT)

Purpose of paper

1. To provide ARAC with a summary and update on the HTA's 2021/22 assessment against the DSPT toolkit standards and the preparation for the 2022/23 assessment based on published standards.

Decision-making to date

2. This paper was approved by SMT on 14 September 2022.

Action required

3. ARAC Members are asked to:
   - Note the 2021/22 assessment and improvement plan
   - Note the 2022/23 DSPT standards and action plan against the mandatory assertions
   - Note an interim submission date of 28 February 2023 and a submission deadline of 30 June 2023.

Background

4. The HTA is required to submit an independently validated assessment on an annual basis against the DSPT standards. The standards are updated each year with different standards identified as mandatory.

DSPT 2021/22 Assessment

5. The 2021/22 assessment was the second assessment that the HTA had submitted. The previous assessment submitted in June 2021 identified opportunities to improve the number of standards met and strengthen evidence of practice.

6. The independent validation of the 2021/22 assessment completed by GIAA identified:
    - Overall risk assessment across all 10 standards as "Unsatisfactory"
    - Assurance level based on the confidence level of the Independent Assessor as "Limited"

7. The breakdown of compliance in the report identified:

    27 assertions risk rated as "high"
    3 assertions risk rated as "medium"
    13 assertions risk rated as "low"

8. This equates to 29 standards not met, 5 standards partially met and 9 standards met. This is a small improvement on the 20/21 assessment where 6 standards were met.

9. The assessment and report highlights a number of areas requiring significant improvement. As with the DSPT assessment these areas are not limited to areas of IT and instead encompass wider information security standards and requirements such as training, managing data access, responding to incidents, continuity planning, management of suppliers and unsupported systems.

10. A high-level improvement plan (Annex A) has been agreed by SMT and submitted to NHS Digital.   The agreement of the improvement plan will move the status of HTA's "unmet" standards to "approaching met". The HTA is currently waiting for feedback from NHS Digital.

11. A detailed internal action plan against each of the standards and a supporting narrative of the current position or rationale has been developed and agreed (Annex B).

DSPT 2022/23 Preparation

12. In the late summer, the assessment standards and process for the 2022/23 DSPT submission were published. Further detail on the supporting evidence required has been published more recently. At the time of writing this report this additional detail is being worked through to identify any additional actions and evidence to support the 2022/23 assessment. Actions currently identified are included in the second tab in Annex B.

13. To note:
    * There are 36 mandatory assertions for 2022/23, some are new and amended although the majority are the same as previous years
    * 14 assertions were assessed in 2021/22 of which 3 were rated as Medium and 11 were rated as High
    * 7 assertions were assessed in 2021. There are no ratings against these.

14. As an ALB, the HTA will be required to submit a baseline publication by 28 February 2023. The deadline for the 20222/23 assessment and submission is 30 June 2023.

15. To support the 2022/23 submission SMT have agreed additional resource until 31 March 2023 to assist with the collation, completion, and compliance with the assessment requirements. This resource is currently in the process of being recruited.

16. At the Quarterly Accountability Review meeting on 14 September, the HTA raised with DHSC sponsorship team the burden that the processes of programmes such as DSPT and function standards places on smaller organisations. To be clear it is the process of evidence generation and collation not the standards where there is discourse. The HTA is not alone with impact of this burden and the challenge to resource the production of evidence against a checklist for it to be considered and accepted. We understand that similar concerns have been raised by other ALBs.

Next Steps

17. SMT will receive a monthly monitoring report and reports of progress against the actions. As necessary these will also be included in the portfolio management process as part of the look ahead to pipeline projects and significant time limited pieces of work.

18. ARAC is asked to:
    • Note the 2021/22 assessment and improvement plan
    • Note the 2022/23 DSPT standards and action plan against the mandatory assertions
    • Note an interim submission date of 28 February 2023 and a submission deadline of 30 June 2023

19. An update will be presented to ARAC at its meeting in January in advance of the interim submission.

Audit and Risk Assurance Committee (ARAC)

DSPT Annex A – Not Included

Audit and Risk Assurance Committee (ARAC)

DSPT Annex B – Not Included

ARAC Cyber Security dashboard

September 2022

Q1 Update

AUD 31/22

HTA
Human Tissue Authority

Introduction

The Cyber Security dashboard provides a summary of cyber security systems and protection. The high level summary builds on the detailed report provided to ARAC in January 2022.

HTA
Human Tissue Authority

The Cyber Security Dashboard has been developed using the 6 key outcomes of the HTA's Cyber Security Strategy (2020) This strategy seeks to implement measures to achieve the mandatory protective security outcomes of the Minimum Cyber Security Standard. The HTA's cyber security systems are focused on the following outcomes:

Identify : We have in place appropriate cyber security governance processes. We have identified and catalogued the sensitive information we hold. We have identified and catalogued the key operational services we provide. The need for users to access sensitive information or key operational services is understood and continually managed.

Protect : Access to sensitive information and key operational services is only provided to identified, authenticated and authorised users or systems. Systems that handle sensitive information or key operational services are protected from exploitation of known vulnerabilities. Highly privileged accounts are not vulnerable to common cyber-attacks.

Detect : We take steps to detect common cyber-attacks.

Respond : We have a defined, planned and tested response to cyber security incidents that impact sensitive information or key operational services.

Recover : We have well defined and tested processes in place to ensure the continuity of key operational services in the event of failure or compromise.

Cyber security Performance Q1 2022/23 – at a glance

HTA
Human Tissue Authority

Microsoft secure score	Viruses intercepted Q1 2022/23	Device exploit availability (no known)	Device vulnerability
86.49%	100%	7/58	A total of 9 devices had 15 known vulnerabilities

Alerts received from NHS X	Number of alerts responded to in 48hrs	Staff mandatory training (Completed Q1 2022/23)	Internet use: Identified access to restricted categories
4 (1 relevant to HTA)	80%	100%	5324

ARAC Cyber Security Dashboard – Overview

The dashboard below provides an overview of our systems and the level of risk. This is an automated data generated through our systems, interpreted and accessed through the NHS Threat Protection portal. This presentation provides assurance that HTA 's protection systems are performing as intended.

HTA
Human Tissue Authority

Microsoft Secure Score	Antivirus Update Status	HTA Exposure Score	Phishing & Viruses Detected	Spam Detected	
86.49% similar NHS entities scored 46.38% Meaning we have well defined and managed processes in place	100% out of 67 devices MS Defender identifies devices as laptops and servers	24%	25 Viruses over 3 months Less than 0.074% of mail received 18 Phishing attempts sent to 17 recipients.	Month	Count
				Apr	801
				May	802
				June	563
				Total	2166

Secure score is a defined standard that shows how well we are protected. It also shows how we compare to similar NHS entities. This shows we are significantly better	Our Antivirus solution is monitored and updated real time ensuring we have the latest known virus threat and unknown breaches kept to a minimum	Higher the score the more at risk our devices are 24% is in the low bracket. There two software patches which are currently being rolled out.	With the onset of remote working email viruses and phishing attempts have never been more prevalent. The HTA had 25 viruses included in email with all intercepted by our security systems, this has seen an improvement since previous quarters	SPAM accounts for 6.4% of all inbound email. This figure is what was intercepted by our security systems. User feedback is critical in the event that spam breaches these controls. Incidents are reported to IT for follow up. This is a reduction of 3.6% of previous quarters

ARAC Cyber Security Dashboard – IDENTIFICATION & PROTECTION Summary

HTA Human Tissue Authority

The HTA have well defined Advanced Threat Protection systems in place as a result of taking advantage of the NHS arrangement. As a result, we are required to Respond to NHS Cyber Alerts (RTANCA). These are underpinned by a comprehensive set of policies and procedures that allows the monitoring and governance of all sensitive data and requests from GDPR to FOI and access to confidential/personal information internally. This dashboard is an indicator of the policies and controls we have in place to address and manage request and incidents that directly relate to information potentially being extracted for malicious purposes.

Device Exploit Availability & Device Vulnerability Severity

An exploit is an attack that leverages a known vulnerability. Even though there are vulnerabilities identified they may not be exploitable as they have further security controls to prevent the attack

7 Exploits Verified	6 Critical
0 Exploits Available	8 High
58 No Known Exploit	0 Low

Although ATP identified a total 70 devices as high or critical, they are potentially at minimal risk as they have additional security measures in place making it difficult to attack the vulnerability. With 48 devices with no known exploit is good but this includes Servers Routers and other Infrastructure devices

WWW Analysis

0% of Machines affected
0% Blocked due to gaming
Greater than 50% Social Media/Streaming/Web Mail

Web Monitoring & Filtering

5324 requests to access to potentially dangerous sites

ARAC Cyber Security Dashboard – DETECTION Summary

HTA
Human Tissue Authority

Potentially malicious events

ATP identified the following security attacks and successfully remediated the issues
1 Detections
1 Unique Files
1 Affected Devices

Health State

ATP identified 65 Active devices in the HTA estate and automatically applies security policies and default usage policies such as not allowing the use of unauthorised external USB devices

2 Inactive devices are almost certainly equipment no longer in use. The detailed logs will tell IT what devices they are so they can be removed from ATP monitors

Attack Surface Reduction

ASR polices are critical in the protection of mitigating misuse of equipment and preventing cyber threats. Currently applied to all active devices

Exposure Distribution

Of the malicious threats only
0 device was at high risk
14 devices medium
50 devices low
The same device can be in all 3 categories depending on the type of risk

ARAC Cyber Security dashboard – RESPONSE & RECOVERY Summary Breakdown

HTA
Human Tissue Authority

NHS Cyber Security Alerts

NHSx & NHS Digital require the HTA to respond to critical alerts within 48 Hours. Not all are applicable to the HTA but we have met all the required responses for those that affected us

NHS Cyber Security Alerts

Q1 2022
Total of 4 alerts
4 high
0 Medium
0 Low

HTA Affected

4 request were made 3 were not applicable
1 were addressed and dealt with

RTANCA

Responded to within 48 Hours
80%

WWW Analysis

0% Machines affected
0.54% Blocked due to gaming
Greater than 50% Social Media/Streaming/Web Mail

Web Monitoring & Filtering

5324 requests to access to potentially dangerous sites

Top Vulnerable Software

MS Office
Google Chrome
Windows 10
IT are making recommendations to remedy.

ARAC Cyber Security dashboard – Staff Awareness Training

HTA
Human Tissue Authority

Cyber Security Training Completed	Mandatory Cyber Security Training Planned	Planned Realtime Simulated Security Training
Q2 2020 Introduction to GDPR Phishing Awareness Display Screen Equipment Q1 2021 Fraud Awareness Freedom of Information Q2 2021 Using email and the internet Information security diagnostic assessment Accountability & GDPR	2022 Information Security Personal Data Security Physical Risks – Information Security Toolbox (talk) Consequences of Cybercrime	These tests are part of the NHS ATP security toolkit to test all HTA staff in Malware Attack Phishing Attempts Credential Harvest (attempt to obtain personal information) Link to Malware Attack Consent Grant Attack (this is when you give access to data that do not have the right to see it) The reports will identify those who pass or fail so more detailed training can be given

Conclusion

- Over the last quarter the HTA's cyber security threat protection has been maintained via existing monitoring systems and responding to regular alerts via the RTANCA (Response to an NHS Cyber Alert) system.

- All issues identified either through detection, reports or alerts have been actioned without risk to the organisation.

- The information highlights the HTA is in a good position to monitor and protect its systems, devices and users from potential attacks.

- The continual threat and creativity of cyber attacks means that in addition to maintenance of existing systems we need to continue to seek opportunities to improve the security of IT systems and digital data stores.

Audit and Risk Assurance Committee (ARAC)

Audit Tracker – Confidential

Audit and Risk Assurance (ARAC) meeting

Date: 6 October 2022

Paper reference: AUD 33/22

Agenda item: 10

Author: Richard Sydee, Director of Resources

OFFICIAL

Risk Update

Purpose of paper

1. To provide ARAC with an update on HTA's strategic risks, and proposed mitigations as of September 2022.

Decision-making to date

2. This paper was approved by the Director of Resources on 23 September 2022.

Action required

3. ARAC Members are asked to:
    - Comment on the strategic risks and assurances within the HTA Strategic Risk Register attached to this paper at Annex A.

Background

4. The strategic risks are reviewed annually by the SMT to ensure they align to the strategic objectives and deliverables agreed within the annual business plan. The risks are then reviewed monthly at SMT and the register is updated and stored. The strategic risk register that was discussed and updated at the beginning of September 2022 is at Annex A.

5. The executive team undertook there most recent review of the strategic risk register on 20 September 2022, the assessment is summarised below:

Risk assessment

6. **Risk 1 – Failure to regulate appropriately (10 – Medium, above tolerance).** Activity across most regulatory sectors has returned to normal, with the HTA approach to on site and virtual assessments aiming to achieve 210 inspections in the 2022/23 business year.

7. We have seen considerable escalation in the number of concurrent incidents and regulatory matters being managed with establishments, with SMT believing this risk has increased and is now above tolerance.

8. **Risk 2 – Failure to manage the impact of an incident (9 – Medium, above tolerance).** The HTA believes that our incident management response plans have been effective and robust through the last business year whilst the HTA has managed a number of concurrent extraordinary operating conditions and activity in our regulated area.

9. SMT notes that our arrangements have stood up well and that current activity levels are still high, with some uncertainty on timing in some areas – we continue score this risk above tolerance as 9 - Medium.

10. **Risk 3 – Failure to manage expectations of regulation (8 – Medium, below tolerance).** SMT noted the number of matters currently impacting on the organisation, and that these matters are all being actively managed. The HTA continues to have clear dialogue with the FII and is preparing in line with known timelines

11. At their July meeting SMT agreed this risk has reduced slightly and is now below tolerance

12. **Risk 4 - Failure to deliver a diverse, capable workforce (12 - High, above tolerance).** This risk has been recast, with a narrower focus on the delivery of a diverse and capable workforce.

13. Since this risk was changed at the start of the business year we continue to see increased areas of risk to recruiting and retaining an effective workforce. HTA levels of staff churn have increased and 11 vacancies were being actively recruited to in September 2022, in addition DHSC have recently announced recruitment controls within the core department and are in discussion with ALBs on restricting recruitment to essential posts only. Should this be implemented there would be additional clearance burdens and potentially restrictions on HTA filling vacancies.

14. SMT have increased this risk to 12, above tolerance

15. **Risk 5 – Insufficient, or ineffective, management of financial resources (9 – Medium, at tolerance).** The GIA funding from the Department has been confirmed and budgets have been amended to reflect additional funding in relation to FII. Delegation letters have been issued and initial forecast for income are in line with budgeted expectations.

16. Although there are no immediate concerns regarding affordability for the 2022/23 business year DHSC have approached all ALBs to request in year and future year savings measures. HTA have offered to return and element of the additional funds provided this business year in relation to our FII related activity, although this is affordable further requests for this or future years could require savings that may impact on HTA's delivery priorities.

17. This risk remains scored as 4, above tolerance.

18. **Risk 6 – Failure to achieve the benefits of the organisational transformation programme (12 - High, above tolerance).** This risk has been restated to reflect revisions to the HTA's programme work and revised our delivery plans for the 2022/23 business year.

19. SMT believe that some areas of activity are at risk of slipping against our initial delivery plans and this would have impacts on anticipated benefit realisation in future years.

20. **Risk 7 – Failure to optimise the safe use of digital, data & technology (12 – High, below tolerance.** This risk relates to the IT elements of the previous risk 4

and has been separated and recast to provide more oversight of the increasing dependence on DDT for current and future operational success of the HTA

21. The identified change requirement and potential disruption that transition to new services or service providers could potentially have on HTA activity has led SMT to increase the score of the potential impact from this risk to 3, raising the overall risk score to 12 – High.

![HTA Human Tissue Authority logo]

Latest review date – 20/09/2022

Strategic risk register 2022/23
Risk summary: residual risks

Risk area	Strategy link*	Residual risk	Risk owner	Status	Tolerance	Trend**
R1: Failure to regulate appropriately	Delivery (a-d & f) and Development (a-d) objectives	**12 – High**	Director of Regulation	Above tolerance	**10**	⇩⇔⇧⇔
R2: Failure to manage an incident	Delivery, Development and Deployment objectives	**9 - Medium**	Director of Regulation	Above tolerance	**6**	⇔⇩⇔⇔
R3: Failure to manage expectations of regulation	Delivery e) and Development c)	**8 - Medium**	Director of Regulation	Below tolerance	**9**	⇔⇩⇔⇔
R4: Failure to utilise our staff capabilities effectively	Delivery, Development and Deployment (a, c, and d)	**12 - High**	Director of Data, Technology and Development	Above tolerance	**9**	⇔⇔⇧⇔
R5: Insufficient or ineffective management of financial resources	Deployment (b) objective	**4 - Low**	Director of Resources	Above tolerance	**3**	⇔⇔⇔ ⇔
R6: Failure to achieve the benefits of organisational transformation	Development (a-d) objectives	**12 - High**	Director of Data, Technology and Development	Above tolerance	**9**	⇔⇔⇔ ⇔
R7: Failure to optimise the safe use of existing and available digital data and technology	Delivery (a-e), Development (a-d) Deployment (a, c and d)	**12 - High**	Director of Data, Technology and Development	Above tolerance	**9**	⇔⇔⇧⇔

* Strategic objectives 2021-2024:
** This column tracks the four most recent reviews by SMT (Senior Management Team) (e.g.⇧⇔⇩⇔).

R1: There is a risk that we fail to regulate in a manner that maintains public safety and confidence and is appropriate.

Inherent risk level:			Residual risk level:		
Likelihood	Impact	Inherent risk	**Likelihood**	**Impact**	**Residual risk**
3	5	15 - High	**3**	**4**	**12 - High**
Tolerance threshold:					**10 - Medium**

Commentary
At tolerance. We have a good regulatory framework, with moderate assurance on a recent internal audit on the Effectiveness of the Inspection Process in Quarter 4 2021/22 (final report issued 11 April 2022) and previously substantial assurance on an internal audit on key regulatory processes in Quarter 4 2018/19 (final report issued 16 April 2019). The HTA has set a target of 210 establishment assessments for 2022/23 (a combination of onsite and virtual regulatory assessments) and remains on track to meet this target. This level of assessment is a significant increase on previous years and 50% higher than the coverage in 2021/22. Even if not fully met, this will result in wider reach than in previous years. Our re-introduced KPIs and Portfolio Management Process includes reporting on delivery of our core business and provides visibility at SMT and board level. We continue to use all other regulatory tools and processes, such as managing and responding to incident reports (Serious Adverse Events and Reactions and HTA Reportable Incidents), whistleblowing / informant information and ongoing engagement with our regulated sectors, with investigations and active regulatory action having continued. We continue to be notified about and to actively manage and monitor a small number of more unusual regulatory matters with establishments. SMT believes this risk is now above tolerance given the number and serious nature of some of the incidents we are dealing with, which could lead to an increased likelihood of an impact on public confidence.

R2: There is a risk that we will be unable to manage an incident, event or issue impacting on the delivery of HTA objectives.

Inherent risk level:			Residual risk level:		
Likelihood	Impact	Inherent risk	**Likelihood**	**Impact**	**Residual risk**
4	5	20	**3**	**3**	**9 - Medium**
Tolerance threshold:					**6 - Medium**

Commentary
This risk concerns our ability to respond to incidents irrespective of their nature or cause, which could be from matters outside the HTA's remit or control as well as matters for which we are directly responsible. The Executive has therefore set a lower tolerance level on this risk as our ability to respond appropriately is within the HTA's control.
The HTA believes that our incident management response plans have been well tested and found to be robust and effective through their deployment in several different circumstances over the past two years. These have included managing the impact of the pandemic and related restrictions and in their adaptation for use in managing the potential impacts of EU Exit following the end of the Transition Period. During the 2022/23 business year we will undertake a business continuity or critical incident test event to ensure our plans and response is effective.
We also found these arrangements useful and effective in preparing for and managing our response to the public revelation of sexual offending in a mortuary through the trial of Fuller and subsequent actions from Quarter 3 of 2021/22 onwards.
Having increased the risk scoring in July 2021, in anticipation of the prospective Fuller trial, we now believe that the likelihood of this risk materialising has reduced but given continuing uncertainties, we believe it is still above the tolerance level and has remained unchanged from the last review.
We have appointed a specialist consultant to assist with formally testing our Critical Incident Response Plan and anticipate concluding this work by the end of March 2023.

R3: There is a risk that we will fail to manage public and professional expectations of human tissue regulation in particular stemming from limitations in current legislation or misperception of HTA regulatory reach.

Inherent risk level:			Residual risk level:		
Likelihood	Impact	Inherent risk	**Likelihood**	**Impact**	**Residual risk**
3	4	12 - High	**2**	**4**	**8 – Medium**
Tolerance threshold:					**9 - Medium**

Commentary
At tolerance. We have no indications of any current specific factors that would contribute to this risk. The HTA continues to communicate our remit and advise where appropriate. The HTA is in ongoing dialogue with DHSC (Department of Health and Social Care) and wider stakeholders regarding Sir Jonathan Michael's Independent Inquiry into offending by Fuller and continues to provide evidence to the Inquiry and to assist colleagues and former colleagues to have suitable access to relevant information in order to enable them to help the Inquiry when called upon to provide input. The HTA has an established Horizon Scanning process and is building its Policy function, including updating our legislative log and preparing to engage on this with DHSC. The HTA is working with colleagues in the Northern Ireland Executive and NHSBT (NHS Blood and Transplant) to ensure there is effective implementation of the recent passing of the deemed consent for organ and tissue donation in Northern Ireland through changes to the Code of Practice F, Part 2. Whilst the recent amendment to s32 Human Tissue Act 2004 by the Health and Social Care Act 2022, to introduce an offence for 'organ tourism', is not expected to have any direct operational impact, the HTA continue to engage and support implementation of this change with NHSBT and other relevant stakeholders, including the police, to ensure that a suitable referral mechanism is in place. All these matters are being actively managed. SMT consider this risk to be below tolerance.

R4: Failure to adequately deliver the diverse, capable workforce the HTA requires or needs to fulfil its functions and objectives

Inherent risk level:			Residual risk level:		
Likelihood	Impact	Inherent risk	**Likelihood**	**Impact**	**Residual risk**
4	3	12 - High	**4**	**3**	**12 – High**
Tolerance threshold:					**9 - Medium**

Commentary
Above tolerance.   A significant amount of work was undertaken in 2021/22 to mitigate the risks associated with workforce. Actions included a partial organisational redesign, recruitment of fixed term contracts to a number of significant and standalone roles ensuring the short-term skill and competencies need was addressed and the identification of additional skills required to support agreed activity going forward.   The HTA has reframed this risk for 2022/23 to reflect wider workforce issues that need to be considered beyond numbers of staff and vacancies. As we reflect on the past year and look forward the HTA requires a range and changing set of skills, capabilities and capacity to fulfil its functions and objectives. The diversity of our workforce and the adoption of new ways of working will be essential to ensure our approach to regulation remains responsive, proportionate and supportive to the sectors we regulate and the wider functions we deliver.   In addition to the general concerns relating staff churn and recruitment workload the DHSC has introduced internal controls on recruitment and have begun conversations with ALBs regarding not filling vacancies to realise in year savings. Should these controls result in the HTA needing to seek departmental approval to fill vacancies we are concerned this could delay or prevent HTA filling posts leading to potential impact on delivery.   SMT raised this residual risk to 12 in August 2022 and believe it remains at that level.

R5: There is a risk that the HTA has insufficient or ineffective management of its financial resources

Inherent risk level:			Residual risk level:		
Likelihood	Impact	Inherent risk	**Likelihood**	**Impact**	**Residual risk**
4	5	20 – High	**2**	**2**	**4 - Low**
Tolerance threshold:					**3 - Low**

Commentary
Above tolerance. Budgets for 2022/23 have been agreed and delegation letters to Directors issued. Our Grant in Aid (GIA) funding from the Department has been confirmed at previous levels and we have been provided with cover for asset purchases (Capital DEL - £80k) and depreciation and amortisation costs (Ring Fenced RDEL). Invoicing for licence fees in the HA sector were issued in April 2022, this has increased our overall debtors' figure, but aged debt continues to fall. Following the material underspend that emerged at the end of 2021/22 SMT have agreed to introduce a target of an underspend below 3% for 2022/23 and this will be monitored monthly. There are no emerging internal financial pressures within the organisation but DHSC have issued a number of requests over the summer for impact assessment of reductions in our GIA funding in year and for future years. We have offered to return £100k of the additional GIA funding the Department provided for costs incurred in assisting the FII (for 2022/23 only), we believe this is affordable in year and we anticipate further savings requests in the coming weeks. SMT will be reviewing the financial position monthly with formal quarterly reviews with each Directors feeding on to the portfolio management process to ensure more timely decisions to invest emerging underspends in areas identified in our activity pipeline. We expect to revisit the scoring of this risk following the Q1 finance review and portfolio meeting. Activity is planned later in this business year to review the current assumptions in our fees model and ensure they reflects any changes in our approach regulation activity or focus. SMT have agreed that this risk is unchanged.

R6: Failure to identify opportunities and achieve the benefits of transformation and continual change to support modernisation and improvement of the HTA.

Inherent risk level:			Residual risk level:		
Likelihood	Impact	Inherent risk	**Likelihood**	**Impact**	**Residual risk**
3	3	9 – Medium	**3**	**4**	**12 - High**
Tolerance threshold:					**9 - Medium**

Commentary
At tolerance. The Development Programme was adversely impacted in 2021/22 by the availability and commitment of resources (people and financial). Despite an agile approach and incremental developments, the deliverables at year end were not as had been intended. A review has been undertaken in Q1 2022/23 with the aim of reframing the approach to development, change and transformation. This review has included a restating of the case for change, the identification of internal and external drivers and the alignment with the strategic direction of the HTA. SMT discussed the planned activity and felt that progress in the first half of the year on the Review of Inspections and the work to refresh the HTA's values and culture would provide some demonstrable evidence that could reduce this risk. The work to establish pooled / shared services for HR and IT should help to provide a stronger foundation for realising opportunities for modernisation and transformation but it is possible that initial delivery timelines may need to shift. SMT believe that some areas of activity are at risk of slipping and this would have impacts on anticipated benefit realisation.

R7: Failure to optimise the safe use of existing and available digital data and technology

Inherent risk level:			Residual risk level:		
Likelihood	Impact	Inherent risk	**Likelihood**	**Impact**	**Residual risk**
4	4	16 – High	**4**	**3**	**12 - High**
Tolerance threshold:					**9 - Medium**

Commentary
Over the last 2 years the HTA has been progressing with the planned development of its digital data and technology (systems and architecture) as part of the Development Programme. The planned development had been incremental based on available resources and aimed to future proof business needs. The planned developments also sought to mitigate areas of potential and actual risk that have been the result of limited financial investment and build resilience into systems through compatible design. The failure to maintain investments into the development systems, architecture and supporting resources is a current risk which if left will increase. Work is underway to explore alternative models for service and resource provision and the capabilities to support the development of HTA IT systems as required. Milestones for delivery will be identified through the work to restate the development programme activity for IT and SMT acknowledged that any transition would lead to increased risk in this area As a result of this assessment SMT agreed to increase the residual impact of this risk to 3 – resulting in a high risk score of 12, which is above agreed tolerance. Work to establish pooled / shared services for IT should help to provide a stronger more assure platform on which to optimise the safe use of data and technology

Reviews and revisions

(23/02/22) SMT review March 2022

Risks 1,2 and 4 were discussed in detail. SMT agreed that the impact score of risk 1 should be reduced as the tools in place continue to work; risk 2 likelihood score was also adjusted down; and risk 4 likelihood has been reduced from 3 to 2 reducing overall rating to 8 as key posts have been recruited to.

(19/05/22) SMT review April/May 2022

The SMT reviewed the current register in light of the finalised business plan and agreed the following:

- o Risk 2 to be shortened in the summary leaving the detail to remain in the register itself;
- o Risk 4 it was agreed to separate this risk into a people risk (risk4) and a digital risk (risk 7) which is more reflective of the current situation;
- o Risk 6 it was agreed to re-framed to reflect the fact that it is broader than just the Development programme.

(09/06/22) SMT review June 2022

Following the full review of risks for the new business year SMT reviewed the risk register following a detailed discussion at the HTA ARAC meeting:

- o Risk 2 to be shortened in the summary leaving the detail to remain in the register itself;
- o Risk 4 it was agreed to separate this risk into a people risk (risk4) and a digital risk (risk 7) which is more reflective of the current situation;
- o Risk 6 it was agreed to re-frame to reflect the fact that it is broader than just the Development programme.

(26/07/22) SMT review July 2022

(08/09/22) SMT review September 2022
SMT reviewed the register at its meeting on 8 September. The following changes were made to the risk scores:
- o Risk 1 it was agreed that the likelihood should be increased based upon recent issues that may materialise, which together would increase its likelihood.
- o Risk 4 was increased. In part the reason relates to the number of recruitments currently underway and the challenge it continues be to recruit to certain roles. The SMT believed the likelihood is increasing.
- o Risk 5 has not changed however, SMT recognise the impact that restrictions on recruitment may pose if there is a change in focus of the DHSC and Cabinet Office.
- o Risk 6, SMT believe that there is a thread which impacts risks 4 – 6 from the potential savings we are being asked to make. The various pieces of work (IT Shared Services, Inspections Review) will be affected should we be required to make further savings.

Strategic Aims

Delivery: Deliver a right touch programme of licensing, inspection, and incident reporting, targeting our resources where there is most risk to public confidence and patient safety.
(a) Deliver effective regulation of living donation.
(b) Provide high quality advice and guidance in a timely way to support professionals, Government, and the public in matters within our remit.
(c) Be consistent and transparent in our decision-making and regulatory action, supporting those licence holders who are committed to achieving high quality and dealing firmly and fairly with those who   do not comply with our standards.
(d) Inform and involve people with a professional or personal interest in the areas we regulate in matters that are important to them and influence them in matters that are important to us.

Development: • Use data and information to provide real-time analysis, giving us a more responsive, sharper focus for our regulatory work and allowing us to target resources effectively.
(a) Make continuous improvements to systems and processes to minimise waste or duplicated effort, or address areas of risk.
(b) Provide an agile response to innovation and change in the sectors we regulate, making it clear how to comply with new and existing regulatory requirements.
(c) Begin work on implementing a future operating model, which builds our agility, resilience, and sustainability as an organisation.

Deployment: Manage and develop our people in line with the HTA's People Strategy
(a) Ensure the continued financial viability of the HTA while charging fair and transparent licence fees and providing value for money
• Provide a suitable working environment and effective business technology, with due regard for data protection and information security
• Begin work on implementing a future operating model, which builds our agility, resilience, and sustainability as an organisation

Criteria for inclusion of risks

Whether the risk results in a potentially serious impact on delivery of the HTA's strategy or purpose.

Whether it is possible for the HTA to do anything to control the risk (so external risks such as weather events are not included).

Rank

The risk summary is arranged in risk order.

Risk scoring system

We use the five-point rating system when assigning a rating to the likelihood and impact of individual risks:

Likelihood:	1=Rare	2=Unlikely	3=Possible	4=Likely	5=Almost certain
Impact:	1=Very low	2=Low	3=Medium	4=High	5=Very High

Risk Scoring Matrix					
5. Very High	5 Medium	10 Medium	15 High	20 Very High	25 Very High
4. High	4 Low	8 Medium	12 High	16 High	20 Very High
3. Medium	3 Low	6 Medium	9 Medium	12 High	15 High
2. Low	2 Very Low	4 Low	6 Medium	8 Medium	10 Medium
1.Very Low	1 Very Low	2 Very Low	3 Low	4 Low	5 Medium
Likelihood					
Risk score = Impact x Likelihood	**1.Rare (≤3%)**	**2.Unlikely (3%-10%)**	**3.Possible (10%-50%)**	**4.Likely (50%-90%)**	**5.Almost certain (≥90%)**

(IMPACT is the vertical axis label)

Risk appetite and tolerance

Risk appetite and tolerance are two different but related terms. We define risk appetite as the willingness of the HTA to take risk. As a regulator, our risk appetite will be naturally conservative and for most of our history this has been low. Risk appetite is a general statement of the organisation's overall attitude to risk and is unlikely to change unless the organisation's role or environment changes dramatically.

Risk tolerances are the boundaries for risk taking. The risk appetite statement informs the development of risk tolerances for the HTA and provides guidance on how the risk appetite statement is to be applied in everyday business activities and decisions.

Assessing inherent risk

Inherent risk is usually defined as 'the exposure arising from a specific risk before any action has been taken to manage it.' This can be taken to mean 'if no controls at all are in place.' However, in reality the very existence of an organisational infrastructure and associated general functions, systems and processes introduces some element of control, even if no other mitigating action were ever taken, and even with no risks in mind. Therefore, for our estimation of inherent risk to be meaningful, we define inherent risk as:

'the exposure arising from a specific risk before any additional action has been taken to manage it, over and above pre-existing ongoing organisational systems and processes.'

Contingency actions

When putting mitigations in place to ensure that the risk stays within the established tolerance threshold, the organisation must achieve balance between the costs and resources involved in limiting the risk, compared to the cost of the risk translating into an issue. In some circumstances it may be possible to have contingency plans in case mitigations fail, or, if a risk goes over tolerance, it may be necessary to consider additional controls.

When a risk exceeds its tolerance threshold, or when the risk translates into a live issue, we will discuss and agree further mitigations to be taken in the form of an action plan. This should be done at the relevant managerial level and may be escalated if appropriate.

REF	RISK/RISK OWNER	CAUSE AND EFFECTS	INHERENT I	INHERENT L	PROXIMITY	EXISTING CONTROLS/MITIGATIONS	RESIDUAL I	RESIDUAL L	ACTIONS TO IMPROVE MITIGATION	Risk Tolerance	LINE OF DEFENCE 1	LINE OF DEFENCE 2	LINE OF DEFENCE 3	TYPE OF CONTROL	ASSURANCE OVER CONTROL	ASSURED POSITION
1	There is a risk that we fail to regulate in a manner that maintains public safety and confidence and is appropriate. Risk Owner: **Nicky Harrison**	**Causes** • Failure to identify regulatory non-compliance • Regulation is not transparent, accountable, proportionate, consistent and targeted • Regulation is not sufficiently agile to respond to changes in sectors • Insufficient capacity and/or capability, including insufficient expertise, due to staff attrition, inadequate contingency planning, difficulty in recruiting (including Independent Assessors (IAs)). • Inadequate adherence to agreed policies and procedures in particular in relation to decision making • Poor quality or out of date policies and procedures • Failure to identify new and emerging issues within HTA remit • Failure to properly account for Better Regulation • Insufficient funding in regulated sectors **Effects** • Loss of public confidence • Compromises to patient safety • Loss of respect from regulated sectors potentially leading to challenge to decisions and non-compliance • Reputational damage	5	3	Ongoing	**Regulatory model** Regulatory model comprising a mixture of proactive and targeted regulatory assessments (e.g. through inspections and sector engagement) and reactive tools (such as responding to incidents reported to the HTA, investigations of concerns raised etc). Process for consideration of police referral maintained and used. Annual collection of activity data in HA sector; periodic collection of information from other sectors.	4	3	Remote assessment methodologies are embedded into business, alongside a decision-making framework to inform appropriate decisions about type and composition of inspections. A formal review of inspections is on the business plan for 22/23. An ambitious target of 210 risk-based inspections has been implemented to give greater coverage across our sectors as we emerge from pandemic restrictions.	10	X			Preventative	.	Remote assessment methodologies incorporated into BAU in all sectors, as evidenced in Business Plan and inspection schedule. Internal Audit late Quarter 3 / early Quarter 4 2020/21 on 'Inspection Process during Covid-19' - report agreed late May 2021; Moderate assurance; considered by ARAC; all actions now complete (per ARAC Quarter 3 2021). Internal audit on Effectiveness of the Inspection Process (finalised April 2022). Moderate assurance, with actions ongoing and monitored by ARAC. Police referral made Q1 20/21 has been investigated by the police, supporting Witness Statements provided by the HTA, decision pending with CPS.
						Regulatory decision-making framework			Heads of Regulation using dashboards to track open cases and ensure there is effective follow-up, in accordance with the HTA's decision-making framework.		X			Preventative	Details of Regulatory Decision Meetings recorded in CRM included in business monitoring/reporting. Case Review Meetings summarised in CRM.	Satisfactory Internal Audit Report (strong assurance) November 2020. Lessons learned from Regulatory Decision Meetings (RDMs) held January 2020 and used to inform update to Regulatory Decision Making SOP. Regulatory Decision-Making SOP updated February 2020 and currently being reviewed/revised. Evidence of regulatory decision making framework being used in practice e.g. Case Review Meetings recorded in CRM, numbers of RDMs reported monthly
						Well established processes support our core regulatory business.			Completion of further management actions identified by Internal Audit of effectiveness of the inspection process - by Quarter 3 2021. (Reviewed by ARAC.) (Principally ensuring other regulatory processes and documentation (SOPs) were updated to take account of VRAs.)				X	Detective	Internal audit conducted on Key Regulatory Processes late 2018/19, receiving substantial assurance and noting good areas of best practice. Internal audit on the Inspection Process during Covid-19 conducted late 2020/21 - see R4. Moderate assurance and management actions complete, as noted by ARAC Quarter 3 2021. Internal audit on Effectiveness of the Inspection Process (finalised April 2022). Moderate assurance, with actions ongoing and monitored by ARAC.	Internal Audit 2021: low priority actions all complete by Autumn 2021. Internal audit 2022: low and medium priority actions to be completed within the 22/23 business year.
						Quality management systems										
						HTA quality management system contains decision making framework, policies and Standard Operating Procedures to achieve adherence to the regulatory model			The HTA's Corporate Service Manager coordinates activities to ensure policies are reviewed and updated.		X			Preventative/Monitoring	Management oversight, through business monitoring and reporting.	Limitations in QMS remain. QMS and performance reporting includes evidence of degree to which the documents are current.
						Training and development of professional competence					X			Preventative	Annual PDPs, which include Development Objectives, Corporate Training Programme (led by Head of HR), Career Investment Scheme proposals to SMT, induction programme for new entrants, with a bespoke programme for RMs.	Evidence of corporate training programme, including quarterly mandatory training. Mix of in-person and virtual Regulation-led Training sessions to be scheduled following confirmation of All-HTA meeting dates. 'Lunch and Learn' programme.
						Specialist expertise identified at recruitment to ensure we maintain a broad range of knowledge across all sectors and in developing areas			As vacancies arise, SMT take the opportunity to review business requirements and target building capability and filling skills gaps.		X	X		Preventative/Monitoring	SMT assessment of skills requirements and gaps as vacancies occur. Recruitment policy.	Staffing levels and risks reported quarterly to the Board. Recruitment policy reviewed by SMT May 2021.
						Regulatory model										
									Development work being undertaken to become a more data-driven risk based regulator as part of the HTA Development Programme.		X			Preventative		
						Other										
									Strengthening horizon scanning arrangements		X			Preventative		

AUD 33b/22 Annex B HTA Strategic Risk Register 2022-23 - September 2022

REF	RISK/RISK OWNER	CAUSE AND EFFECTS	INHERENT I	INHERENT L	PROXIMITY	EXISTING CONTROLS/MITIGATIONS	RESIDUAL I	RESIDUAL L	ACTIONS TO IMPROVE MITIGATION	Risk Tolerance	LINE OF DEFENCE 1	LINE OF DEFENCE 2	LINE OF DEFENCE 3	TYPE OF CONTROL	ASSURANCE OVER CONTROL	ASSURED POSITION
2	There is a risk that we will be unable to manage an incident, event or issue impacting on the delivery of HTA objectives. This might be an incident: • relating to an activity we regulate (such as retention of tissue or serious injury or death to a person resulting from a treatment involving processes regulated by the HTA) • caused by deficiency in the HTA's regulation or operation • where we need to regulate, such as with emergency mortuaries Risk owner: Nicky Harrison	Cause • Insufficient capacity and/or capability (for instance, staff availability, multiple incidents or ineffective knowledge management) • Failure to recognise the potential risk caused by an incident (for instance poor decision making, lack of understanding of sector, poor horizon scanning) • Failure to work effectively with partners/other organisations • Breach of data security • IT failure or attack incident affecting access to HTA office • External factors such as terrorist incident, large scale infrastructure failure or pandemic Effect • Loss of public confidence • Reputational damage • Legal action against the HTA • Intervention by sponsor	5	4	Ongoing	Critical Incident Response Plan, SOPs and guidance in place, regularly reviewed, including by annual training, and communicated to staff	3	3		6	X	X		Preventative	Policies etc. reviewed annually, training specification and notes after incident reviews	Version 21 of CIRP published May 2022. CIRP deployed in March 2020 to manage coronavirus pandemic. CIRP used as framework for managing 'Operation Sandpiper' critical incident.
						All specific roles identified in the Critical Incident Response Plan are filled.					1 X	2	3	Preventative	Evidence of regular review and updating of the CIRP and no specific CIRP roles left vacant or, if role is vacant, cover arrangements put in place.	CIRP reviewed and updated to version 21 in May 2022.
						Media handling policy and guidance in place and Critical Incident Response Plan includes requirement to involve Comms team. Comms Team have embedded media handling and development of lines to take into business as usual.			Comms Team maintain close working relationships with colleagues across the business and proactively raise awareness of the need for Comms role in shaping lines and dealing with media. Experience of engaging and managing a contract with Crisis comms consultants to support the HTA on a specific critical incident.		X			Preventative	Policy reviewed as scheduled. Reports on any key media issues and activity in the Chief Executive's Report. Evidence of active Comms Team participation in issues with potential for media or public interest.	Media issues are included in the quarterly Board reporting as they arise and as relevant. Media enquiries successfully managed during critical incident phase of Fuller work.
						Availability of legal advice					X			Preventative	Lawyers specified in Critical Incident Response Plan, SMT updates	In place
						Fit for purpose Police Referrals Policy			Engagement with other potential investigatory authorities, such as NHS Counter Fraud Authority		X			Preventative	Annual review of policy (minimum), usage recorded in SMT minutes	Police referral process used regularly by SMT and captured in SMT minutes. Police referral policy approved by the Board February 2022.
						Onward delegation scheme and decision making framework agreed by the Board					X	X		Preventative	Standing Orders and Board minutes	
						Regulatory decision making framework			Regulatory Decision Making process and SOP regularly reviewed and disseminated to staff.		X			Preventative	Reports to Board of key decisions in Chief Executive's Report to the Board.	Number of Regulatory Decision Meetings detailed in monthly management performance pack, for review by SMT. Regulatory Decision Making SOP currently under review (to be finalised July 2022)
						IT security controls and information risk management					X	X		All	SIRO annual review and report Internal audit reports	Cyber security review - standing agenda item at ARAC - last discussed June 2020. Cyber Security has been a standing agenda item in the form of a dashboard report at each ARAC meeting.
						Critical incident response plan regularly reviewed and tested			Actions associated with the internal audit reported in February 2020. Need for formal IT Disaster Recovery Plan and regular exercise regime		X	X		Preventative	Critical Incident Response Plan and notes of test, reported to SMT Use of CIRP reported to SMT.	CIRP used to manage response to coronavirus pandemic from March 2020. CIRP deployed for a short period in May / June 2021 to deal with confidential matter. CIRP used as basis for Fuller response planning in Autumn 2021. Specialist consultant to assist testing our Critical Incident Response Plan by the end of March 2023.
						Evaluate test exercise of incident and feedback to all staff.			Question over whether a test of the Plan is required in light of the recent stress test presented by the coronavirus pandemic and more recently in the HTA's response to Sandpiper, managed as a critical incident.		X			Preventative	SMT content that activation and use of CIRP during first wave and first lockdown superseded the need for a test. SMT note CIRP framework used in managing the HTA's planning for and response to the critical incident arising from the police investigation, 'Operation Sandpiper'.	Noted in ARAC Audit Tracker.
						Ensure DIs (or equivalent in ODT sector) are aware of and follow the incident reporting procedure for incidents reportable to the HTA.			Awareness raised of PM sector reporting requirement (HTARIs) at external training events e.g. AAPT training Quarterly meeting with NHSBT to review ODT SAEARs cases over 90 days and any complex cases. Publication of quarterly incident numbers in the professional e-newsletter may remind establishments to report.		X			Preventative / Detective / Monitoring	Inspections (and audits for ODT) include assessment of licensed establishments' knowledge and use of the relevant HTA incident reporting process. Annual SARE (Serious Adverse Reactions and Events) HA SAEARs data reported to European Directorate for the Quality of Medicines (EDQM). Monitoring establishments' reporting of incidents through the HTARI, HA SAEARs and ODT SAEARs groups and advice, guidance and CAPAs regarding those incidents.	Findings at inspections. Minutes of quarterly meeting with NHSBT to review SAEARs cases in ODT sector - latest meeting was June 2022 Most recent SARE report submitted summer 2021. Publication of closed SAEAR and HTARI incident summaries included in the HTA publication scheme - published quarterly - and reporting in the Board's data annex. Publication of incident numbers in the regular (bimonthly) Professional Newsletter.

REF	RISK/RISK OWNER	CAUSE AND EFFECTS	I	L	PROXIMITY	EXISTING CONTROLS/MITIGATIONS	RESIDUAL RISK I	L	ACTIONS TO IMPROVE MITIGATION	Risk Tolerance	LINE OF DEFENCE 1	2	3	TYPE OF CONTROL	ASSURANCE OVER CONTROL	ASSURED POSITION
3	*There is a risk that we will fail to manage public and professional expectations of human tissue regulation in particular stemming from limitations in current legislation or misperception of HTA regulatory reach.* Risk Owner: **Nicky Harrison**	*Cause* *External factors* • *No scheduled review of Human Tissue Act 2004 and associated regulations, or Quality and Safety Regulations (other than for EU Exit)* • *Rapid advancements in the life sciences* • *Potential move away from the UK as base for some regulated establishments/sectors due to EU Exit and changes in currency exchange rates* • *Deemed consent for Organ donation in England* *Matters which certain stakeholder groups believe require review* • *Scope of relevant material e.g. waste products* • *Licensing requirements e.g. transplantation research* • *Regulation relating to child bone marrow donors* • *Issues raised by emergence of social media e.g. non-related donors* • *Strengthening of civil sanctions for non-compliance* *Matters which stakeholders/public may expect to be inside regulatory scope* • *Efficacy of clinical treatment from banked tissue and treatments carried out in a single surgical procedure* • *Police holdings* • *Products of conception and fetal remains* • *Data generated from human tissue* • *Funeral directors* • *Forensic research facilities* • *Cryonics* • *Body stores / Taphonomy* • *Imported material* • *Clinical waste* • *DNA* • *Other* • *Inadequate stakeholder management* *Effect* • *Diminished professional confidence in the adequacy of the legislation* • *Reduced public confidence in regulation of matters relating to human tissue* • *Reputational damage*	4	3	Ongoing	Horizon scanning process in place that creates and maintains an up to date log of issues known to the HTA with respect to the legislation (updates, amendments or emerging issues) to inform DHSC and manage messages	2	4		9		X		Monitoring	Ongoing log	Log in place and shared with Board in outline at the Strategic planning session in 2021. HS process under active review and
						Active management of professional stakeholders through a variety of channels including advice about relevant materials in and out of scope			*Comms & Engagement strategy under development to strengthen the HTA's approach and impact of stakeholder engagement. Updated C&E Strategy planned for Q4.*		X			Preventative/ Detective	Stakeholder Group meeting minutes Authority minutes (including Public Authority Meeting) TAG and HWG meetings Evidence of engagement with other relevant stakeholder forums, not necessarily organised by HTA.	Last Stakeholder and Fees Group meeting in October 2019; Histopathology Working Group February 2020; Transplant Advisory Group October 2019. Public Authority Meeting May 2022 Professional newsletters issued regularly - last one May 2022 Sector-specific engagement e.g. with the post-mortem sector through multi-agency forums (Death Investigation Group, Excess Deaths Working Group).
						Active management of issues raised by the media – including the development of the HTA position on issues			*Lines currently under review and update*		X			Preventative/ Detective	Quarterly reports to Board on communication (including media) activities	Last report to May Board meeting (2022).
						Regular reporting to DHSC sponsorship and policy team on matters which risk public and professional confidence						X		Monitoring	Quarterly Accountability meetings with DH superseded during the pandemic by DHSC attendance at Board meetings for assurance plus DHSC sponsor team's engagement with HTA.	Quarterly Accountability meetings restarted - last one, May 2022 Monthly DHSC/HTA meetings - last one, May 2022
						Action where we believe it will support public confidence			*COVID-19 guidance* *Reactive media lines* *Publication of statements and advice e.g. to Secretary of State*		X			Preventative	Guidance updated in response to the coronavirus outbreak and published on the website, including sector-specific guidance also published. Advice to Secretary of State published on website in Q1 (Inquiry into mortuary offences)	Updates to the Board and DHSC at Board meeting May 2022.
						Clear view of use of s.15 duty to report issues directly to Ministers in England, Wales and Northern Ireland as new issues emerge			*Demonstrate ongoing engagement of Devolved Assembly in Wales and N Ireland. Effective engagement and collaboration demonstrated through the revision of Code D.*		X			Preventative	Duty and its uses understood by SMT and Chair	Advice and guidance continues to be provided in relation to section 32 amendment (commercial dealings). Engagement with DHSC over Fuller issues - advice submitted to Secretary of State 15 December 2021 (published on website in Q1) Also engagement with Welsh Government officials on this matter. Ongoing engagement with NI Executive over NI Deemed Consent -HTA has update its Code of Practice (F) in recognition of this.
						No further changes to HTA's Standards since significant changes launched April 2017.			Work planned in 2022/23 to review and update codes of practice. Focus will be on factual updates.		X			Preventative	Updated draft guidance produced for revised Code D. Updated draft of Codes of Practice D to enhance consent expectations for imported bodies and body parts for public display.	Draft revised Code of Practice D (Public Display) to align consent expectations for imported bodies and body parts with those for material originating in England, Wales and Northern Ireland received Parliamentary approval in July 2021.
						Training and development relating to professional conduct and behaviours while engaging with stakeholders					X			Preventative/Detec	Annual PDPs, which include Development Objectives, Corporate Training Programme (led by Head of HR), Career Investment Scheme proposals to SMT, induction programme for new entrants, with a bespoke programme for RMs. Staff engagement with - and promotion of - values (HR-led)	Evidence of corporate training programme, including quarterly mandatory training. Mix of in-person and virtual Regulation-led Training sessions to be scheduled following confirmation of All-HTA meeting dates. 'Lunch and Learn' programme.
						Stakeholder evaluation surveys undertaken in Q4 2019/20 and Q4 of 2021/22, reported to Board in May 2022 and used to inform further developments.			Work in Q1 to identify and pilot new approaches to stakeholder engagement		X			Preventative	*Evidence from surveys used as an evidence and information source to inform and drive improvements*	*Evidence from stakeholder survey presented to the Board in May 2022.*

REF	RISK/RISK OWNER	CAUSE AND EFFECTS	INHERENT		PROXIMITY	EXISTING CONTROLS/MITIGATIONS	RESIDUAL		ACTIONS TO IMPROVE MITIGATION	Risk Tolerance	LINE OF DEFENCE			TYPE OF CONTROL	ASSURANCE OVER CONTROL	ASSURED POSITION
			I	L			I	L			1	2	3			
4	**Failure to adequately deliver a diverse, capable workforce the HTA requires or needs to fulfil its functions and objectives** Risk Owner: **Richard Sydee August 2022**	**Cause** Lack of knowledge about individuals' expertise • Poor job and organisational design resulting in skills being under used • Poor line management practices • Poor project management practices • Poor leadership from SMT and Head • Loss of productivity as a result of the effects of changes to ways of working • Lack of ring-fenced resource for 'no-deal' EU Exit **Effect** • Poor deployment of staff leading to inefficient working • Disaffected staff • Increased turnover leading to loss of staff • Inadequate balance between serving Delivery and Development objectives	3	4		People capability	3	4	All major projects have project management rigour further enhanced through benefits realisation and plans to assess ROI at year end.	9						
						People Strategy for the period 2019 to 2021 is in effect			Recruitment to identified vacancies and skills gaps ongoing. Succession planning and future skills needs to be developed further as part of a workforce model. Work planned for Q2 & 3.		X	X		Preventative/ Monitoring	Board approval of the Strategy	Board approved the Strategy at its meeting in February 2019 and is provided with regular updates on all facets of its progress in quarterly board reporting. Most recently in July 2021
						Full suite of people policies and procedures (including performance management)			Review of processes and procedures required to ensure these are appropriately supporting and enabling adherence to the relevant policies. Development of new policies relating to e.g. Due Diligence and Contracting of Suppliers to be undertaken to ensure alignment with DHSC and UKGOV requirements (Q2). Overarching guidance document to assist Line Managers / Heads of Function in understanding corporate policies / relevance to their teams to be developed (for Q2).		X			Preventative/ Monitoring	Full suite of policies in place and available on Wave	https://intranet.hta.gov.uk/pages/polic ies_forms
						External assessment of utilisation of capabilities			Further work may be identified as part of the Cultural Review in Q2 Q 3				X	Monitoring/ Detective	Internal audit 'Utilisation of capability' provided moderate assurance	ARAC received the audit report and monitors progress against recommendations - most recently June 2021.
						Adherence to the HTA Workforce Capability Development Framework					X			Preventative	SMT approved the Framework in September 2020 - as a response to internal audit recommendations	ARAC to receive update on the Framework at its meeting in October 2020
						Investment in the development of the HTA leadership team			Further work may be identified as part of the Cultural Review in Q2 Q 3		X			Preventative	External consultants engaged to assess team and individual development needs and design appropriate interventions	The current programme of work was completed in June 2021.
						Handover process is formalised via a checklist to ensure corporate knowledge is retained			Ensure the process identified and published is adhered to. Ensure that documentation is saved in the appropriate EDRMS folder for wider access as needed.		X			Preventative/ Monitoring	Handover checklist is in place and in operation.	Evidence provided to internal audit June 2021.
									More formal assessment of future capability needs and how these should be met including through better knowledge of internal skills. Work to adopt a portfolio management approach to support more effective resource deployment and identification of skills required.		X	X		Preventative/ Monitoring	Director and Head of HR assessing capability needs as part of future operating model HTA Workforce Capability Development Framework sets out how capability needs will be met Head of HR has implemented a register of skills within the HTA	SMT will be agreeing its approach to filling specific immediate capability needs in October Development Programme is picking up medium to long term capability needs.
									Establish a formal role within SMT terms of reference to look holistically at people and capability issues across the organisation focusing on short and long term impacts and deliverables.			X		Preventative/ Monitoring	SMT terms of reference and SMT minutes	SMT ToRs revised and approved. HMT ToRs in development HTAMG ToRs to be revised subsequently

REF	RISK/RISK OWNER	CAUSE AND EFFECTS	INHERENT RISK PRIORITY		PROXIMITY	EXISTING CONTROLS/MITIGATIONS	RESIDUAL RISK PRIORITY		ACTIONS TO IMPROVE MITIGATION	Risk Tolerance	LINE OF DEFENCE			TYPE OF CONTROL	ASSURANCE OVER CONTROL	ASSURED POSITION
			I	L			I	L			1	2	3			
5	There is a risk that the HTA has insufficient or ineffective management of its financial resources Risk Owner: Richard Sydee	**_Cause_** • _Fee payers unable to pay licence fees -_ • _The number of licenced establishments changes, leading to reduced fee income_ • _Management fail to set licence fees at a level that recover sufficient income to meet resource requirements_ • _Failure to estimate resource required to meet our regulatory activity_ • _Poor budget and/or cash-flow management_ • _Unexpected increases in regulatory responsibilities_ • _Unforeseeable price increases / reductions in GIA_ • _Fraudulent activity detected too late_ **_Effect_** • _Payments to suppliers and/or staff delayed_ • _Compensatory reductions in staff and other expenditure budgets_ • _Increased licence fees_ • _Requests for further public funding_ • _Draw on reserves_ • _Failure to adhere to Cabinet Office Functional Standards_ **_Leading to:_** • _Inability to deliver operations and carry out statutory remit_ • _Reputational damage and non payment of fees_	5	4	Ongoing	Budget management framework to control and review spend and take early action	2	2		3		X	X		All	Budgetary control policy reviewed and agreed by SMT	Revised version reviewed by SMT in November 2020. AUD 16b/21. Next review November 2022.
						Financial projections, cash flow forecasting and monitoring						X			Monitoring	Monthly finance reports to SMT and quarterly to Authority. Quarterly reports to DH	Last quarterly report to Board in May 2022
						Licence fee modelling									Preventative	Annual update to fees model	Fees agreed by the Board at the November 2021 meeting
						Rigorous debt recovery procedure						X			Preventative	Monthly finance reports to SMT and quarterly to Authority	Level of outstanding debt is being reduced. Older debt are being collected. Although we maintain a tight grip on our position, the overall environment is more uncertain than normal. Additional resource is being sourced for this area.
						Reserves policy and levels reserves						X			Monitoring	Reserves policy reviewed annually and agreed by ARAC	Last agreed by ARAC October 2021
						Delegation letters set out responsibilities						X	X		Preventative	Delegation letters issued annually	Issued in April 2022
						Fees model provides cost/income information for planning						X			Preventative	Annual review of fees model, reported to SMT and Authority	Went to the Board November 2021, a review of the current data underpinning the fees model will be undertaken in Q2-3 of 2022/23 financial year
						Annual external audit								X	Detective	NAO report annually	Unqualified Accounts produced June 2021 - 2022 awaiting final sign off by C&AG
									Monitoring of income and expenditure (RS) **Ongoing**					X	Detective	Monthly finance reports to SMT and quarterly to Authority. Quarterly reports to DH	Reviewed monthly
									Horizon scanning for changes to DH Grant-in-aid levels and arrangements (RS) **Ongoing**			X	X		Detective	Quarterly Finance Directors and Accountability meetings	Monthly DHSC Finance Director meeting provides oversight of future changes/issues. Quarterly meetings with DHSC finance covers specific HTA issues.
									Action plan to move from rudimentary to Basic level of maturity on the GovS 013 Functional Standards			X	X		Preventative	Counter fraud Strategy and Action Plan developed and presented to ARAC Oct-19. Annual training of staff completed in Q4	Cabinet Office - CDR submissions made quarterly last submission April 2021 (Q4 2020/21). Counter-fraud activities now part of BAU.

REF	RISK/RISK OWNER	CAUSE AND EFFECTS	I	L	PROXIMITY	EXISTING CONTROLS/MITIGATIONS	RESIDUAL I	RESIDUAL L	ACTIONS TO IMPROVE MITIGATION	Risk Tolerance	LOD 1	LOD 2	LOD 3	TYPE OF CONTROL	ASSURANCE OVER CONTROL	ASSURED POSITION
6	**Failure to identify opportunities and achieve the benefits of continual change and improvements to support the modernisation of the HTA** *(Development objectives a-d)* **Risk owner** Louise Dineley	**Causes** • *Uncertainty of funding* • *Programme and project benefits poorly defined and understood* • *Inadequate programme and project governance arrangements* • *Poorly specified programme and projects* • *Insufficient programme, project and change management skills* • *Inadequate leadership of change* • *Inability to access the necessary skills required at a affordable cost* • *Lack of staff buy-in to change* • *Management and Head stretch of delivering transformation alongside business as usual and other development activity* • *Insufficient agility in (re)deploying people to change projects* • *Poorly specified procurement and inadequate contract management* • *Realisation of single points of failure for DDAT and People Strategy* **Effects** • *Wasted public money* • *Failure to achieve the central strategic intent of the Authority* • *Distracts senior management from operations at a time when demands have increased* • *Reputational damage* • *Unaffordable cost over run* • *Staff demotivation* • *Data remains under-utilised* • *Technology inadequate to meet future needs (cost, functionality)* • *Limited ability to achieve improvements in efficiency and effectiveness* • *Pace of change is inadequate and impacts negatively on other work*	3	3		SMT experience of organisational change, programme and project management.	4	3	*Change Manager appointed in August 2020. Ongoing organisational preparedness remains a key workstream in the 21/22 plan.*	9	X			Preventative	Recruitment of an HTA Programme Director	The Director of Data, Technology and Development will act as Programme Director.
						HTA approach to the management of change projects *(underpinned by project management methodologies)*					X			Preventative	Dedicated permanent project manager appointed	PM in place an operating effectively
						A number of trained project managers among HTA staff			*Project Management skills further strengthened by introduction of a toolkit and induction session by PM*		X			Preventative		
						Experience of procurement and contract management					X			Preventative		
						Existing mechanisms for engaging staff			*Plans developing for strengthening internal communications function*		X			Preventative		
						Well established corporate governance arrangements and financial controls						X		Monitoring	*Internal audit of key controls*	Assurance provided by Internal Audit of adequacy of key financial controls
						Agreement to a phased delivery approach to avoid all or nothing investment and align with available funding			*Further alignment of projects on the business plan to strengthen phasing of actions, resource deployment and consolidation of actions to encourage smarter working.*		X			Preventative	*Progamme plan in place*	Update reported to July Board meeting
						Project management rigour including benefits to be realised.			Embed Benefits Realisation Management methodology within programme		X			Preventative		
						Monthly reporting to SRO in place			Introduce a Programme Management function		X			Preventative		*Ongoing focus in 21/22 to embed PMO skills and build wider capability across the business*
									Board approval to proceed at key Gateway decision points			X		Monitoring		
									Training plan to encompass project and change management and HTA approach		X			Preventative		*Change management training activity is now in progress following the appointment of the HTA Change Manager. Mandatory all staff sessions were undertaken in quarter 3. Further osu planned in Q4*
						Strengthened planning supports a single message and focus on an agreed set of priorities			Development of procurement plan to deliver the DDAT Strategy		X			Preventative		*Plan in place, work ongoing in 2020/21.*
									SROs identified for Programme and individual projects		X			Preventative		*High level plan in place for 2021/22*
						Project management includes a monitoring of costs			Schedule a regular programme of staff engagement events		X			Preventative		*Reset and relaunch event planned in Q4 providing focus to developments over the next 15 months. Review of stakeholder engagement also extends to inviting a wider contribution to future development plans.*
						Scope of projects aims to deliver benefits including on a phased and incremental design			Establish an external stakeholder communications and engagement plan		X			Preventative		*Work progressed in Q4 20/21*
									Recruitment of new Board Member(s) with digital and organisational change experience			X		Monitoring		
						Agreed priorities in Business Plan and underpinning foundations for future strategy maintain required pace							X	Monitoring/ Detective		
						Identified success measures and benefits to be realised for the Development Programme and individual projects							X	Preventative		

REF	RISK/RISK OWNER	CAUSE AND EFFECTS	I	L	PROXIMITY	EXISTING CONTROLS/MITIGATIONS	I (RESIDUAL)	L (RESIDUAL)	ACTIONS TO IMPROVE MITIGATION	Risk Tolerance	1 (LINE OF DEFENCE)	2	3	TYPE OF CONTROL	ASSURANCE OVER CONTROL	ASSURED POSITION
7	*Failure to optimise the safe use of existing and available digital data and technology* Risk Owner: **Louise Dineley**	• *Cause* • *Data holdings poorly managed and under-exploited* • *Inadequate business technology or training in the technology available* • *Lack of ring-fenced resource for 'no-deal' EU Exit* *Effect* • *Knowledge and insight that can be obtained from data holdings results in poor quality regulation or opportunities for improvement being missed* • *Poor use of technology resulting in inefficient ways of working* • *Inadequate balance between serving Delivery and Development objectives*	3	4		**Data capability**	3	4		9						
						Data relating to establishments securely stored with the Customer Relationship Management System (CRM)			Ongoing development of the electronic management of all information and records. Phase 1 complete. Phase 2 in planning.		X		X	Preventative/ Monitoring	Upgrades to CRM, are prioritised and carefully developed and managed into live environment. Internal audit of personal data security.	Major CRM upgrade completed successfully. Ongoing review of security and version patches part of routine activity.
						No common understanding of the breadth of data that we hold within systems or how it is actively managed			Creation and publication of a single common data model on intranet. Business System Owner roles, with IT collaboration to identify and work towards a Roadmap of changes needed as part of the Business Planning round					Preventative	Internal audit of data and technology practices	
						Appropriate procedures to manage personal data including GDPR compliance.					X		X	Preventative/ Monitoring	Internal audit of data and technology practices	Part of ongoing Cyber and data security and SIRO reporting. Now absorbed in BAU Information Governance and Cyber Security work
						Business technology capability										
						Staff training in key business systems and mandatory training on policies and required controls.			System development needed to enable devolution of responsibility to line managers for verifying and ensuring that all their staff are up to date on their mandatory training. Supportive guidance document to assist Line Managers / Heads of Function in understanding corporate policies / relevance to their teams and risks (to HTA) of non-adherence to training to be developed .		X			Preventative	Systems training forms part of the induction process for new starters	Ongoing records of all new starters trained in key business systems. New remote induction programme was launched in Summer 2020.
						IT systems protected and assurances received from 3rd party suppliers that protection is up to date			Quarterly Reporting to ARAC on Cyber Security and system security in place.		X	X	X	Preventative/ Monitoring	Quarterly assurance reports from suppliers. MontAMSy operational cyber risk assessments. Annual SIRO report	Cyber Security update and Annual SIRO report reviewed and agreed at SMT and ARAC June 2022
						Business technology										
									Identify refresher training plus any targeted software specific training needs via the regular PDP process.		X			Preventative	Evidence of targeted training in last quarter to support the roll out and adoption of EDRMS. Further strengthening of core training requirements included in updated induction programme.	
						System performance analytics available and reported monthly			Use of data analytics to inform and drive changes in practice.						Analytics provide assurance on system performance and support targeted intervention with members of staff as necessary.	

Audit and Risk Assurance (ARAC) meeting

Date: 6 October 2022

Paper reference: 34/22

Agenda item: 11

Author: Morounke Akingbola

OFFICIAL

HTA Counter Fraud

Purpose of paper

1. The purpose of this paper is present to the Committee the updated Counter Fraud Strategy and the Fraud Risk Assessment conducted in September 2022.

Decision making to date

2. The updated Strategy was reviewed by SMT (Senior Management Team) in September and the FRA was reviewed by the Heads of Service at their bi-weekly meeting on 20th September

Action required

3. The Committee are requested to approve the strategy, fraud risk assessment.

Background

4. The Committee are reminded that in August 2019 as part of the Governments drive to embed counter-fraud within public sector organisations, we assessed ourselves against the Government Functional Standard: Counter Fraud. At this point we assessed we had met the 'basic' standard.

5. We submitted various documents to the Cabinet Office on the 30th of August 2019. An early-stage review by the Department of Health and Social Care Anti-Fraud Unit (DHSC AFU) was undertaken in July 2021 and was shared with the Committee at the October 2021 meeting.

6. The overall position is a positive one, and we will continue to refine our processes and documentation in order that we can achieve full compliance. We are due to be assessed again at the end of October 2022.

7. One key area of the functional standard requires us to undertake a Fraud Risk Assessment periodically. We last shared the assessment with the committee in October 2021 and are required to share this at least annually.

8. The template at Annex A is a revised version which is considered best practice and was issued in January 2022. The description of risks using Actor/Action/Outcome is a change but does focus thoughts around the who and the what. The scoring of inherent risk has also been removed.

9. The FRA will be reviewed by the business quarterly and brought to ARAC annually in October or earlier if there are changes within the Standard or fraud is discovered.

10. The Committee are requested to note/comment on the strategy and approve the Fraud Risk Assessment which is at Annex B.

HTA Strategy

HTA Counter Fraud, Bribery and Corruption Strategy 2021-2024

Introduction

1. This strategy has been produced in order to promote and support the framework within which the HTA tackles fraud and theft and makes reference to the Bribery Act 2010. It sets out the aims and objectives of the Authority with respect to countering fraud and theft, whether it is committed externally or from within.

2. Awareness of, and involvement in, counter-fraud and anti-theft work should be a general responsibility of all, and the support of all staff is needed with clear direction from the CEO that there will be a zero-tolerance attitude to fraud with the HTA.

Purpose

3. The HTA is a small organisation with a less public-facing role than some other regulators, nevertheless our activities can expose us to inherent risk of fraud from both external and internal sources. Our commissioning and procurement of goods and services, our granting of Licences and site visits also presents inherent risks of corruption and bribery.

4. As well as financial loss, fraud and corruption also detrimentally impacts service provision, morale and undermines confidence in the HTA and public bodies more generally.

5. To date there is little evidence that these risks ('fraud risk') are a material risk for the HTA. This may be due to the established counter fraud arrangements as set out in the 'Ant-fraud Policy', although such evidence can, of course, only be based on what is known. There is, however, strong evidence that overall, fraud risk in the public sector is increasing, due partly to more sophisticated methods of fraud but also different ways of delivering service and revised management arrangements.

6. It is therefore essential that the HTA regularly assesses its exposure to fraud risk and ensures that its counter fraud arrangements and the resources allocated to managing the risks are appropriate – that the controls are effective and aligned to best practice. Overall, the Anti-Fraud Policy commits the HTA to achieving an anti-fraud and theft culture that promotes honesty, openness, integrity and vigilance in order to minimise fraud, theft and its cost to the HTA.

7. This Strategy therefore sets out what the HTA will need to do over the period 2021 to 2023 to successfully fulfil this commitment.

8. Many controls to manage fraud risk are already in place but these need to be maintained and where necessary, improved to help keep pace with the increased level of perceived risk. There are also other controls that either are needed or may be needed, depending on the overall assessment of fraud risk and the resources available.

9. Implementation of the Strategy will help the HTA to achieve its strategic objective of improving standards through intelligence and meet the Cabinet Office Functional Standards released in 2018.

Scope

10. All references to fraud within this Strategy include all types of fraud-related offence, i.e., theft, corruption and bribery.

11. The Strategy covers all business, activities and transactions undertaken by the HTA or on its behalf, and therefore applies to all Members and all who work for the HTA[1].

Basis – What has informed the Strategy

12. The HTA's counter-fraud arrangements are based on the Cabinet Office Government Functional Standard for Counter Fraud. These Standards set the expectations for the management of fraud, bribery and corruption risk in all government organisations.

13. This standard sets out key principles:

---

[1] Employees including casual staff and agency staff, consultants, contractors and partners.

Strategic Governance	Accountabilities and responsibilities for managing fraud, bribery and corruption risk are defined across all levels of the organisation
Inform and Involve	Staff have the skills, awareness and capability to protect the organisation against fraud
Prevent and deter	Policies, procedures and controls are in place to mitigate fraud, bribery and corruption risks and are regularly reviewed to meet evolving threats
Investigate and sanction	Thoroughly investigate allegations of fraud and seek redress
Continuously review and hold to account	Systems in place to record all reports of suspected fraud, bribery and corruption are reviewed; intelligence feeds into the wider landscape

14. This Strategy has been informed by a detailed assessment against these principles using the Functional Standards Maturity model and an organisational fraud risk assessment. The HTA has assessed itself as being non-compliant against the standard currently.

15. The basis of this Strategy is therefore to address those areas of the standard that must be met and developed in order that the HTA can move towards embedding the counter-fraud culture envisaged by the functional standards.

16. Not all areas of the standard are relevant to the HTA as the standard applies to organisations of varying sizes and type within the UK, and not all recommendations are therefore proportionate to the risks faced.

17. Detailed fraud assessments have been carried out during the period of this strategy. The outcome of these assessments has highlighted those areas of our organisation that are susceptible to fraud. The main area identified is within Travel and Subsistence and actions are being taken to mitigate the risk.

18. There are other areas of fraud risk, such as Cyber risk, mandate fraud and procurement which are considered to be business as usual and therefore are managed via the operational and strategic risk registers.

Objectives – Where the HTA needs to be

19. Based on the five principles of the Counter Fraud Functional Standards above, the objectives below set out what the HTA will need to be achieving by 2022 in order to fully have met the basic standard.

    a) Conduct fraud risk assessment of existing and new fraud threats to ensure appropriate actions are taken to mitigate identified risks;
    b) Creation of a counter-fraud culture across the organisation through training and communication;
    c) Maintain effective systems, controls and procedures to facilitate the prevention and detection of fraudulent and corrupt activity;
    d) Effective response and investigation of suspected cases of fraud and corruption and pursue redress and effective sanctions, including legal action against people committing fraud;
    e) Implement reporting of counter-fraud performance by establishing key metrics for reporting on counter-fraud activity and fraud cases.

Implementation

20. Implementation of this Strategy takes account of the controls that are already in place to mitigate fraud risk. High-level actions that are complete or to be completed to achieve the above objectives are at Annex A.

Accountability

21. The Director of Resources is the SMT member responsible for counter fraud and has delegated responsibility for maintaining, reviewing and implementing this Strategy to the Head of Finance and Governance.

22. Additionally, all other Directors and Heads of Directorates are responsible for ensuring that the Strategy is applied within their areas of accountability and for working with the Head of Finance and Governance in its implementation. All employees and Board Members have a responsibility to work in line with this strategy and support its effective implementation. Details of responsibilities are set out in the Anti-Fraud Policy.

23. A report on progress on implementing this Strategy will be provided to the Audit, Risk and Assurance Committee (ARAC) in addition to the Department of Health and Social Care Anti-Fraud Unit (DHSC AFU).

24. The effectiveness of counter fraud controls is assessed in part by Internal Audit reviews, and an overview of the effectiveness of our mitigating controls are contained in the Internal Audit reports submitted to ARAC. Any strategic concerns could be raised in these reports.

Measures of success

25. The successful implementation of this strategy will be measured by:

- successful implementation of the actions contained within the strategy;
- increased awareness of fraud and corruption risks amongst members, managers and employees;
- evidence that fraud risks are being actively managed across the organisation;
- increased fraud risk resilience across the organisation to protect the HTA's assets and resources;
- an anti-fraud culture where employees feel able to identify and report concerns relating to potential fraud and corruption.

Reporting and review

26. The HTA's approach to suspected fraud can be demonstrated in its Fraud Response Plan contained in the [Anti-Fraud Policy]

27. The responsibility for the prevention and detection of fraud rests with all staff, but Directors and Managers have a primary responsibility given their delegated contractual and financial authority. If anyone believes that someone is committing a fraud, or suspects corrupt practices, these concerns should be raised in the first instance directly with line management or a member of SMT then the Chair of the Audit and Risk Assurance Committee.

28. The Chief Executive and the Director of Resources are responsible for ensuring the HTA has a robust anti-fraud and corruption response.

29. The Audit and Risk Assurance Committee will ensure the continuous review and amendment of this Strategy and the Action Plan contained within it, to ensure that it remains compliant with good practice and national public sector standards, primarily Cabinet Office Functional Standards: Counter-fraud.

Annex A: Strategic Action plan FY 2021-23

Strategic Governance					
Action	**Description**	**Core Discipline**	**Due date**	**Outcome**	**Owner**
Roles and responsibilities	Assign accountable individual responsible for delivery of counter-fraud strategy, senior lead for counter-fraud activity	Leadership, Management and Strategy	Agreed June 2019	Director of Resources assigned as Accountable individual	Head of Finance and Governance
Annual Action Plan	Produce annual action plan that includes actions to mitigate high risk areas	Prevent	Created July 2019 Current Aug 2022	Delivery of strategy	Head of Finance and Governance
Strategy	Develop Strategy for counter fraud, bribery and corruption which will detail our arrangements for counter fraud, bribery and corruption	Leadership, Management and Strategy	Developed August 2019 and updated August 2021 Sept 2022	Embed counter fraud	Director of Resources

Inform and Involve					
Action	**Description**	**Core Discipline**	**Due date**	**Outcome**	**Owner**
Risk Assessment	Identify and assess HTA's fraud risk exposure affecting principle activities in order to fully understand changing patterns in fraud and corruption threats and potential harmful consequences to the authority	Risk Assessment	Complete July 2019 then annually July 2020 Aug 2021 Sep 2022	Controls implemented for fraud risks identified	Head of Finance and Governance
Awareness	Raise awareness of fraud and corruption by running awareness campaigns, staff surveys	Culture	Quarterly 2022/23 'Fraud' page on WAVE	Improved staff awareness – to be tested through survey (Dec-22) 100% of staff	Head of Finance and Governance
Training	Actively seek to increase the HTA's resilience to fraud and corruption through fraud awareness by ensuring that all existing and new employees in all directorates undertake a fraud and corruption e-learning course	Culture	November through January annually Astute Training platform Civil Service Learning	100% of staff have undertaken fraud awareness training via HTA's training platform and Civil Service Learning	Head of Finance and Governance Head of HR

Prevent and Deter					
Action	**Description**	**Core Discipline**	**Due date**	**Outcome**	**Owner**
Policies	Refresh and promote the HTA's suite of anti-fraud related policies and procedures to ensure that they continue to be relevant to current guidance.	Leadership, Management and Strategy	Annually, each September	Updated policies. 100% of staff aware of policy	Head of Finance and Governance
Internal Audit	Use of Internal Audit review to identify further weaknesses	Prevent	February Payables and Receivables audit Cyber Security Audit conducted in 2020/21	Robust controls (detective/preventative) Assurance and no recommendations labelled 'high'	Director of Resources
Intelligence	Use of information and intelligence from external sources to identify anomalies that may indicate fraud	Prevent	January 2022 subject to agreement with DHSC AFU – delayed till Jan 2023	Increased awareness; additional controls implemented	Head of Finance and Governance

Investigate and sanction					
Action	**Description**	**Core Discipline**	**Due date**	**Outcome**	**Owner**
Reporting	Produce fraud investigation outcome reports for management which highlight the action taken to investigate the fraud risks, the outcome of investigations e.g. sanction and recommendations to minimise future risk of fraud	Leadership, Management and Strategy	November, then quarterly as standing item on ARAC agenda	Management feel assured and sighted on any actual fraud and resulting investigations	Director of Resources
Recording	System for recording of and progress of cases of fraud to be utilised where practicable	Leadership, Management and Strategy	On-going and when necessary HTA has access to DHSC AFU team	Database of intelligence that feeds into DHSC AFU's benchmarking data	Director of Resources

Review and held to account					
Action	**Description**	**Core Discipline**	**Due date**	**Outcome**	**Owner**
Embedding the standard (GovS 013)	Maintaining staff awareness through consistent sharing of information.	Culture	March 2023	100% feedback survey results	Head of Finance and Governance
Sharing	Reporting quarterly to Cabinet Office' Consolidated Data Requests	Leadership, Management and Strategy	Commenced in Sept 2019 July 2022 Oct 2022 Jan 2023 April 2023	Reduction in 'not met' items from the 2021 review	Director of Resources

Revision history

Reference: **HTA-STR-001**

Author(s):   Head of Finance and Governance

Reviewed by: SMT

Approved by: ARAC

Owner: Director of Resources
Distribution: All staff, Board, ARAC

Protective Marking: OFFICIAL

- (30/08/2019 / Version 1.0: Strategy created and approved by ARAC)
- (31/08/2021 / Version 1.1: Reviewed, updated with actions)
- (09/09/2022 / Version 1.2: Actions updated)

Annex B HTA Template for Detailed FRA NEW Aug 22

				Assessment of Residual Risk (Scores)								Risk Owner Decision	
No	Description of Fraud Risk	Description and Assessment of Controls in Place	Description of Residual Risk	Likelihood of Occurrence	Likelihood of Frequency	Likelihood – Total Score	Impact - Duration of Fraud	Impact - Materiality	Impact - Total Score	Total Risk Score	Rationale &/or Evidence Used for Risk Assessment Scores	Residual Risk - Tolerated (Y/N)	Additional Planned Action
Guidance for Completing	Describe identified fraud risk using the Actor, Action, Outcome format. **Actor:** Who commits the fraud (may be a single individual or more individuals); **Action:** What the fraudulent action is; **Outcome:** What is the resulting impact or consequence(s). This will be mainly financial, but consider whether other aspects are relevant such as: reputational, social, physical harm, environmental; the	Identify and describe the controls which will help mitigate the risk identified. Explain how the control mitigates the risk, but also describe any limitations and weaknesses in relation to this mitigation. **Step 1:** Identify controls that have a role to play in mitigating the risk in question. **Step 2:** Identify the nature of each control - is it Directive [e.g. Guidance]; Deterrent [designed to put people off of fraud]; Preventative [designed to stop fraudulent claims being processed]; Detective [detecting fraud/error after payment]; Corrective [having the provision and legality to make post-payment corrections]. **Step 3:** Describe what each control actually does to mitigate the risk and how it operates - not just the	The purpose here is to use the identified limitations with the controls to describe how fraud could still happen with those controls in place. Start your description with the words: "Fraud could still happen because..." **Step 1:** Summarise the overall limitations identified with the controls and explain the various ways that this could still allow fraud to happen. **Step 2:** Describe the various ways that fraudsters could exploit weaknesses in the controls or invent ways to circumvent the controls.	How likely is it that this fraud will occur? ONLY HAS TO BE ONCE	How many instances of fraud do you think will occur within the spend area? Assess the ability of the controls to deter or prevent fraud.	Add together scores for occurrence and frequency and divide by 2.	Consider: possible duration of any single instance of fraud - can it be continuously repeated, and/or remain undetected, over a duration of time. Assess the ability of counter-measures to detect fraud.	Consider: materiality and reputational damage. Refer to your 'Outcome' assessment.	Add together scores for duration and materiality and divide by 2.	Normally a risk score is derived by multiplying the likelihood by impact. This gives potential scores in the range of 1 - 25. To maintain a similar range we add together	Document your rationale and evidence used for each score given for Occurrence; Frequency; Duration and Materiality. Explain the reason for each score you have given. Record if there is any element of subjectivity in your assessments. Also record if there are any limitations of the evidence base used to complete the FRA.	Yes / No - Driver for discussion about risk tolerance with risk owner and senior managers.	Agreed actions / controls that are planned but not yet in place. It is recommended that discussions have been held with control experts (such as internal audit) or the Counter-Fraud Centre of Expertise as necessary before discussing options with the Risk Owner. - **Treat** (plan for additional controls to reduce fraud risk exposures); - **Transfer** (use contractual terms to transfer some or all of the impact of the risk); - **Terminate** (re-design system / processes to eliminate or reduce a
Example (details are for illustrative purposes only)	**Actor:** Business **Action:** mis declares their annual revenue (>£45m) and receives a loan which they are not eligible for **Outcome:** which means that public funds are mis-used, scheme policy outcomes are undermined, with the possibility of reputational damage for the department. *ONE LINE FOR EACH OF THE DIFFERENT WAY THIS SCHEME COULD BE DEFRAUDED/ABUSED/AVOIDED*	[Preventative] CRA / Companies House data is used before the loan approval to check if revenue on previously filed accounts is <£45m. The weakness/limitations of this are that this is dependent upon the application and CRA/Companies House data being correctly matched; it is also dependent upon the accuracy of the information provided to those data sources.	FRAUD COULD STILL HAPPEN BECAUSE...the business is not captured on CRA / Companies House Data. Also the applicant could make use of subsidiaries or dormant companies to mask the actual revenue of their total business operations. CAN BE MORE THAN ONE, LIST THEM ALL - These need to be actual controls in place to preventing that specific risk.	5 Certain to happen	4 Likely to be a lot of instances	4.5	5 Fraud could remain undetected	4 Could bring high material loss / reputational risk	4.5	20	I have scored occurrence 5 because... I have scored frequency 4 because...		
FR1EXP	**Actor:** Staff **Action:** Claiming private expenses **Outcome:** increase in costs impacting on future budgets	**Preventative:** Training of staff using visual aids/videos; **Directive:** Expense policy shared with all staff with references to HTA zero tolerance of fraud.	Processes are currently manual which could mean that some expenses may be missed by those authorising them. Private expenses claimed for could look like a business expense such as meals purchased for late return which may be for more than the claimant.	2 A possibility it will happen	1 Only likely to be a occasional occurrence	1.5	3 Fraud could go undetected for a period of time	1 Unlikely to result in a material loss / reputational risk	2	3	I have scored occurrence 2 because we have never experienced this. I have scored the frequency 1 due to the above reasons	Yes	
FR2EXP	**Actor:** Staff **Action:** Multiple claims for the same expense **Outcome:** Increase in other staff costs impacting on future budgets	**Preventative:** Training of staff using visual aids/videos; **Directive:** Expense policy shared with all staff with references to HTA zero tolerance of fraud.	Manual process of checking expenses could mean they are missed. The finance system may not pick up duplicates if voucher numbers are different.	2 A possibility it will happen	1 Only likely to be a occasional occurrence	1.5	3 Fraud could go undetected for a period of time	1 Unlikely to result in a material loss / reputational risk	2	3	I have scored occurrence 2 because we have never experienced this. I have scored the frequency 1 due to the above reasons	Yes	
FR3PAY	**Actor:** Staff **Action:** Unauthorised changing of bank details **Outcome:** loss of income, financial distress	**Preventative:** Highlight emails from outside of the business **Detective:** Confirmation sought from staff member whose account is to change which prevents an unauthorised change.	New members of staff who are unaware (although risk very low) may not follow process and change the details without confirming.	1 Unlikely	1 Only likely to be a occasional occurrence	1	1 Fraud should be prevented or detected immediately	2 Material loss / reputational risk likely to be avoided	1.5	2	We have experienced this already and changes were put in place such as highlighting external emails and confirming the change with the account holder	No	
FR4HR	**Actor:** Potential staff **Action:** False qualification during recruitment process **Outcome:** Contract of employment awarded; staff member may be unsuitable for role	Checks are made with issuing body if role requires professional qualification Reference checks should be made for the last 3-5 years	The checks should be sufficient to ensure qualifications are correct and a check with the issuing institute or body. There would need to be collusion for the controls to fail	1 Unlikely	1 Only likely to be a occasional occurrence	1	2 Fraud could go undetected for a period of time	3 Could result in some material loss / reputational risk	3	3	Scores are relatively low as no experience of such a fraud taking place	No	
FR5SUP	**Actor:** Finance staff **Action:** Payments made to an account not related to a bonafide supplier or staff member **Outcome:** Loss of income; reported to cabinet office who publish could be reputational	For new suppliers, a form is completed and signed off by Head/Director with account details Dual approval of payments and review of invoices and account details Online banking system flags changes in bank details	New staff who do not understand or follow process could result in payments to non-bonafide accounts. Approvers do not properly check payee details prior to authorisation	1 Unlikely	1 Only likely to be a occasional occurrence	1	2 Fraud could be prevented or detected quickly	2 Material loss / reputational risk likely to be avoided	2	2	Due to the number of possible people involved in approvals the scoring for likelihood of occurance and frequency are low	No	
FR6PAY	**Actor:** Hiring managers **Action:** Ghost employees paid via payroll **Outcome:** Business suffers financial loss; inflated paybill affecting pay awards	Risk heightened during Covid where staff a remote and cannot always be verified. **Preventative:**Senior sign-off on recruitment of new staff; business case approval at SMT to recruit **Detective:** Periodic review of payroll listing by senior member of staff as a check	Leavers may not be actioned if HR are not made aware and thus payments continue to an employee who no longer works for the business. Collusion would be necessary for this fraud to exist	1 Unlikely	1 Only likely to be a occasional occurrence	1	3 Fraud could go undetected for a period of time	3 Could result in some material loss / reputational risk	3	3	As a small organisation it is felt that the risk is low and has not previously materialised.	Yes	
FR7PAY	**Actors:** Regulation staff **Action:** Inflated travel overtime claims **Outcome:** Increased cost of payroll/inspection and budget implications	**Preventative:** Sign-off of claims can only be done by a Head of Regulation **Deterrant:** Expense policy reference to fraud	Limitations of the control are that Line Managers are accepting of claims There is no real way to check the claim is valid as no time stamp available	2 A possibility it will happen	3 A number of instances likely to occur	2.5	3 Fraud could go undetected for a period of time	2 Material loss / reputational risk likely to be avoided	2.5	6	During COVID claims have increased, however this is expected as more staff use their personal vehicles.	Yes	
FR8HR	**Actors:** Staff who are home workers **Action:** Agreed hours are not being worked **Outcome:** Reduced productivity; pressure on others who may have to pick up additional duties	**Directive:** Guidance or etiquette is available to staff **Preventative:** Daily check-in with team members	Risk not fully mitigated by Line Managers do not check in with their reports Teams is the comms of choice and the green tick which signals someone is on line is not always the case.	3 Likely to happen	2 A few instances likely to occur	2.5	3 Fraud could go undetected for a period of time	1 Unlikely to result in a material loss / reputational risk	2	5	Visual evidence of staff showing as 'available', however a call delivers no repsone. However, must take into account recent issues with Teams	Yes	
FR9REG	**Actors:** Regulation staff **Action:** A favourable inspection report is issued in return for financial inducement or gifts. **Outcome:** Establishments carrying out activities that may be non-compliant	**Directive:** Declaration of Interests, Gifts and Hospitality policy is shared with staff and reminders to declare. **Preventative:** Bi-annual request for declarations Q&A on inspection reports and comparative data from previous reports would highlight a significant change in the level of compliance that may have arisen from a biassed site visit / RM report	Relies upon staff being honest and remembering to declare. Regulation Managers are not necessarily rotated therefore allowing relationship to be created with an establishment. New ways of working are making solo inspections more common and this may increase the risk of staff wishing to accept gifts without declaring these.	1 Unlikely	1 Only likely to be a occasional occurrence	1	2 Fraud should be prevented or detected quickly	1 Unlikely to result in a material loss / reputational risk	1.5	2	No evidence that this has happened.	Yes	
FR10HR	**Actors:** Contract staff who are on home-working contract **Action:** Contract staff on home-worker contracts either moonlighting or working for other organisaitons **Outcome:** Reduced productivity / delayed delivery times of work agreed.	**Detective:** Staff are required to deliver on pieces of work **Others??** **Preventative:** Regular 1-2-1's and progress reports / project updates	Since hybrid working or remote working has been introduced, it can be difficult to maintain oversight of what staff are doing without it appearing to be micro-managing or intrusive.	2 A possibility it will happen	3 A number of instances likely to occur	2.5	2 Fraud should be prevented or detected quickly	3 Could result in some material loss / reputational risk	2.5	6	There is no evidence, however other orgs have shared their experiences	Yes	HTA could have a standard contract for contracted staff that ensures consistent terms for all contractors. Contracts should consider a break clause as well as deliverables and timeframes to hold contracted staff to account.
FR11SUP	**Actors:** Suppliers/Staff **Action:** Account details are changed re-directing funds and is not checked by staff **Outcome:** Financial loss	**Detective:** Checks are carried out prior to payment and online banking indicates a change or miss match in banking details and supplier (accunt) name **Preventative:** Segragation of duty within the finance team and regular supplier account reconcilliaitons	Human error is always present and if staff forget to follow process, or new member of staff is unware of the process and this could be exploited.	2 A possibility it will happen	1 Only likely to be a occasional occurrence	1.5	1 Fraud should be prevented or detected immediately	1 Unlikely to result in a material loss / reputational risk	1	2	The scores are low due to their being no eivdence of this happening	Yes	

HTA
Human Tissue Authority

Audit and Risk Assurance (ARAC) meeting

Date: 6 October 2022

Paper reference: 35/22

Agenda item: 12

Author: Richard Sydee

OFFICIAL

Reserves Policy

Purpose of paper

1. To present to the committee the Reserves Policy

Decision making to date

2. The policy was last reviewed by the Committee in October 2021. The Committee agreed that the HTA should maintain an ongoing minimum cash balance of £900k to facilitate its usual cash flow requirements plus a £530k buffer for exceptional events.

3. It is proposed that the committee approve the unchanged policy

4. There have been previous discussions pertaining to a reduction in our cash reserves. It is proposed that we revisit this with the Department of Health and Social Care in the coming months..

5. The Reserves Policy was reviewed and agreed by the SMT on 16 September.

Action required

6. ARAC Members are required to approve the attached unchanged policy.

Cashflow for the year ended 31 March 2022

HTA
Human Tissue Authority

HTA
Cash flow forecast
Year ended 31 March 2022

	Mar-21 Actual	Apr-21 Actual	May-21 Actual	Jun-21 Actual	Jul-21 Actual	Aug-21 Forecast	Sep-21 Forecast	Oct-21 Forecast	Nov-21 Forecast	Dec-21 Forecast	Jan-22 Forecast	Feb-22 Forecast	Mar-22 Forecast	Total
Opening Balance	4,410,246	4,070,851	3,839,332	4,308,754	4,503,359	4,194,722	3,921,628	4,724,632	5,266,020	5,311,148	5,402,799	5,141,159	5,036,709	
Revenue Receipts														
Government Grant in Aid	-	-	-	176,000	-	-	198,000	-	-	199,000	-	198,000	-	771,000
Licence fees and other income	198,744	107,835	930,411	311,517	144,314	72,308	965,410	898,546	406,230	250,346	89,087	67,854	26,492	4,469,095
Other cash receipts	-	-	-	-	-	-	2,268	-	-	-	7,142	-	1,833	7,578
Total receipts	*196,911*	*107,835*	*930,411*	*487,517*	*144,314*	*72,308*	*1,165,678*	*898,546*	*406,230*	*449,346*	*96,229*	*265,854*	*24,660*	*5,247,673*
Payments														
Trade creditors	275,513	91,915	213,809	52,839	168,354	86,886	83,733	80,488	86,488	82,742	81,938	94,188	390,942	1,789,838
Other Cash payments	2,406 -	3,844	1,678	2,225	1,105	1,040	5,472	3,202	1,146	1,484	329	515	2,406	19,164
Salaries	131,974	128,949	124,655	122,307	128,068	156,046	165,738	165,738	165,738	165,738	167,031	167,031	167,031	1,956,045
PAYE & Niers & Pension	126,413	122,334	120,847	115,542	155,424	101,430	107,730	107,730	107,730	107,730	108,570	108,570	108,570	1,498,622
Total Payments	*536,306*	*339,354*	*460,989*	*292,912*	*452,951*	*345,402*	*362,674*	*357,158*	*361,103*	*357,695*	*357,869*	*370,305*	*668,950*	*5,263,668*
Net Revenue Receipts/(payments)	*(339,395)*	*(231,519)*	*469,421*	*194,605*	*(308,637)*	*(273,094)*	*803,004*	*541,388*	*45,127*	*91,651*	*(261,640)*	*(104,451)*	*(644,290)*	
Total Revenue Cash Flow	*4,070,851*	*3,839,332*	*4,308,754*	*4,503,359*	*4,194,722*	*3,921,628*	*4,724,632*	*5,266,020*	*5,311,148*	*5,402,799*	*5,141,159*	*5,036,709*	*4,392,418*	

HTA (Human Tissue Authority) Policy

Reserves Policy

Purpose

1.   The purpose of this policy is to ensure that both the Executive and Board of the Human Tissue Authority are aware of the minimum level at which reserves need to be maintained and the reasons for doing so.

Principle

2.   An organisation should maintain enough cash reserves to continue business operations on a day-to-day basis and in the event of unforeseen difficulty. It is best practice to implement a reserves policy in order to guide key decision-makers.

Reserves Policy

3.   The HTA has a reserves policy as this demonstrates:

   a)   transparency and accountability to licence fee payers and the Department of Health.
   b)   good financial management.
   c)   justification of the amount it has decided to keep as minimum reserves.

4.   The following factors have been considered in setting this reserves policy:

   a)   risks associated with its two main income streams, licence fees and Grant-in-aid, differing during the year from the levels budgeted.
   b)   likely variations in regulatory and other activity both in the short term and in the future.
   c)   the HTA's known and likely commitments.

5.   The policy requires reserves to be maintained at a level that ensures the HTA's core operational activities continue a day-to-day basis and, in a period of unforeseen difficulty, for a suitable period (refer to para 10 and 11).

Cashflow

6.   To enable sufficient cover for day-to-day operations, a cash flow forecast is prepared at the start of the financial year which takes into account the timing of when receipts are expected, and payments are to be made. Cash reserves are needed to ensure sufficient working capital is available throughout the year.

7.   Normally the HTA experiences negative cash flow (more payments than receipts) in the months July to August and again from November to April. Based upon our current forecast cash flow, the profile detailed above still largely remains and we are forecasting a small increase in the level of reserves, primarily due to an increase in activity.

8.   The HTA is also mindful of the financial risks it faces, in particular that we may be required to undertake additional activities not planned or make additional spend not costed within budget. While every effort would be made to cover costs within the budget allocated for the year, it may be necessary to use reserves to meet the cash flow needs arising from additional necessary spend.

9.   Funds of £0.9m are required to provide for adequate cash flow.

Unforeseen difficulty

10. The level of reserves required for unforeseen difficulty is based on two elements: salaries (including employer on-costs) and the cost of accommodation. These are deemed to be fixed costs that would have to be paid in times of unforeseen difficulty with all other elements of HTA's running costs being regarded as semi-variable or variable costs and thus excluded from this calculation. These two areas represent **79%** of the HTA's total annual budget.

11. The certainty and robustness of HTA's key income streams and the predictability of fixed costs, as well as the relationship with our sponsor, DHSC (Department of Health and Social Care), indicate that 2 months' salary and accommodation costs is a prudent, but sufficient, minimum level of reserves to hold.

12. Based on the HTA's revenue budget, the combined monthly cost of salaries and accommodation is around **£268k**. A reserve of two months would therefore be **£536k (rounded to £540k).**

Minimum reserves

13. The HTA's minimum level of reserves for 2022/23 will be maintained at a level that provides £540k for unforeseen difficulty and meets the cash flow volatility requirement of £0.9m. The minimum cash reserves required for 2020/21 is therefore calculated as £1.4m. These reserves will be always in a readily realisable form.

14. Each quarter the level of reserves will be reviewed by the Director of Resources as part of the HTA's ongoing monitoring of its cash flow.

15. Each autumn as part of the HTA's business planning and budget setting process, the required level of reserves for the following financial year will be reassessed.

16. In any assessment or reassessment of its reserves policy the following will be borne in mind:

    a) the level, reliability, and source of future income streams.
    b) forecasts of future planned expenditure.
    c) any change in future circumstances - needs, opportunities, contingencies, and risks – which are unlikely to be met out of operational income.
    d) an identification of the likelihood of such changes in these circumstances and the risk that the HTA would not be able to meet them.

17. The HTA will include in its annual report and accounts a short statement about the level of reserves held and the reasons for holding these.

18. HTA's reserves policy will be reviewed annually by the Audit and Risk Assurance Committee.

Revision history

Reference: **HTA-POL-049**

Author(s): Head of Finance and Governance

Reviewed by: HTA SMT (Senior Management Team)

Approved by: Audit and Risk Assurance Committee

Owner: Director of Resources
Distribution: HTA SMT (Senior Management Team) and the Board

Protective Marking: OFFICIAL

- (18/09/20 / Version 15.6: Reviewed and no changes were made)
- (26/08/21 / Version:16.0: Reviewed with changes to amount for unforeseen difficulty)
- (09/09/22 / Version:16.1: Reviewed and no changes were made)

Audit and Risk Assurance (ARAC) meeting

Date: 6 October 2022

Paper reference: 36/22

Agenda item: 13

Author: Morounke Akingbola

OFFICIAL

Declaration of Interests, Gifts and Hospitality Register

Purpose of paper

1. To present the Committee with the Declaration of Interests, Gifts and Hospitality Register for note.

Decision making to date

2. The register is presented for the committee to note. The register is only tabled when there are items added.

3. There have been 4 declarations since the register was last shared with the committee.

Action required
4. ARAC Members are required to note the register.

Register of Gifts / Hospitality Received and Provided

Version:	HTAG0001
	Sep-22

DIVISION / DEPARTMENT: HTA
FINANCIAL YEAR(s): 2021/22 - onwards

	Details of the Gift or Hospitality						Provider Details			Recipient Details	
Type	Brief Description of Item	Reason for Gift or Hospitality	Date(s) of provision	Value of Item(s)	Location where Provided	Action on Gifts Received	Name of Person or Body	Contact Name	Relationship to Department	Name of Person(s) or Body	Contact Name
Provision	Artwork from 151 Buckingham Palace Road	Hanging in the HTA offices	01/07/2021	Unknown	151 BPR - HTA Office	Given	Human Tissue Authority	Richard Sydee	Director	Government Art Collection	Sarah McFadden
Receipt	Lunch	Lunch provided on inspection	19/10/2021	Unknown	On site	Declined	London Bridge Hospital [L/N 11069}		Licenced establishment	Helen Tang/A Shackell	
Receipt	Lunch	Lunch provided on inspection	07/12/2021	Unknown	On site	Accepted	CRF GMP Unit [l/n 22643]		Licenced establishment	Helen Tang	
Receipt	Box of chocolates	Interview given	??	£8	Sent to office	Accepted	Board Intelligence		None	Lynne Berry	
Receipt	Lunch and stationary items (x2 pens)	Lunch provided on inspection	18/03/2022	Unknown	On site	Accepted	NHSBT Colindate [22600]		Licenced establishment	Helen Tang/Louise Knight	
Receipt	Lunch	Lunch provided on inspection	17/05/2022	Unknown	On site	Accepted	Oxford DRWF [22496]		Licenced establishment	Helen Tang/Helena Tate	
Receipt	Lunch	Lunch provided on inspection	24/06/2022	Unknown	On site	Accepted	The London Clinic [11052]		Licenced establishment	Louise Knight/Adam Whittaker	
Receipt	Lunch	Lunch provided on inspection	06/09/2022	£10 e.a	On site	Accepted	Queen Elizabeth Hosp B'Ham [11100]		Licenced establishment	Adam Whittaker/Philip Bergin	
Receipt	Lunch	Lunch provided on inspection	15/09/2022	Unknown	On site	Accepted	South Tyneside [12380]		Licenced establishment	Shane Mongor/Mark Wrigley/Rachel McCarthy	

![HTA - Human Tissue Authority]

Audit and Risk Assurance Committee (ARAC)

Date: 06 October 2022

Paper reference: AUD 37/22

Agenda item: 15

Author: John McDermott/Gisela Amabilino

Protective marking: OFFICIAL

Government Functional Standards

Purpose of paper

1. To bring awareness to the Government Functional Standards (GFS) and to the work the HTA is currently undertaking to ensure that guidance and governance processes align with the relevant functional standards for 2022/23.

Action required

2. ARAC is asked to note the initial summary assessment against each Functional Standard and agree the proposed proportional approach as set out in the recommendation.

Decision making to date

3. A paper was presented to SMT on 11 August 2022 that outlined the full list of the GFS along with an initial assessment of the relevant actions for the HTA to undertake.

4. SMT read and noted the summary assessment and agreed the proposed actions and action holders.

5. A subsequent meeting was held between the Deputy Director and the Director of Resources to map out a plan to carry out the review of the standards.

6. SMT later agreed the initial approach and review template for use in quarters three and four.

Background

7. The GFS were created to promote consistent and coherent ways of working across government, and provides a stable basis for assurance, risk management and capability improvement.

8. Standards have been issued and updated since 2021 and are mandated for use across Government and Arms Length Bodies. All bodies are expected to have ensured guidance and governance processes align with the relevant functional standard during 2022/23 and, where relevant, undertaken an assessment against the continuous improvement framework.

Review

9. There are currently 14 published functional standards, and these were initially assessed for relevance to HTA at Annex A to this paper.

10. Of the 14 standards 3 (Human Resources – exemption provided by the Department of Health and Social Care (DHSC), Property and Grants) are known not to be applicable to HTA. A further 2 are felt to have limited, or very limited, relevance to the HTA, which leaves 9 standards that the HTA should review existing policies and approaches for compliance and consider a self-assessment.

11. The self-assessment process requires consideration of an organisation's compliance with levels of maturity against each standard. In summary these levels are:

   o **Good** – meets all mandatory elements and key advisory elements
   o **Better** – building on the above, the majority of advisory elements are met
   o **Best** – meets all mandatory and advisory elements of the standard

   An organisation not meeting all mandatory statements would be assessed as "Developing". Each organisation can set its own level of ambition to be good, better or best, based on relevance of the standard to their own business need. Assessment is not prescribed, and it is anticipated that an assessment would be undertaken as part of routine assurance rather than be an additional process. Assessments can be undertaken in conjunction with the Function owners or centres of expertise.

12. It is anticipated that future Internal Audits will make specific reference to, and expect to see demonstrable compliance with, functional standards. These standards will also need to be considered in the Annual Governance Statement within the Annual Report and Accounts, which is signed by the Accounting Officer on the approval of ARAC.

13. Given the size and scale of the organisation, the intention is to take a proportionate approach in reviewing the standards. We will liaise with the GIAA and DHSC to confirm our thoughts on the application of the standards to HTA.

Recommendation

14. ARAC is asked to agree the proportionate approach in carrying out the review of the Functional Standards.

Annex A. Functional Standards Review

Functional Standard	Summary	Applicable to HTA	Action
GovS 001: Government functions	Sets out the role of the Accounting Officer in ensuring functional standards are embedded in Governance and management of functions	Yes	Reference for application of al Functional Standards **Action - HTA Accounting Officer and Executive to read and note**
GovS 002: Project Delivery	Sets expectations for the direction and management of portfolios, programmes, and projects	Yes - limited	Focus is on "Major" programmes and projects, but we should ensure HTA documentation reflects responsibilities and terminology on next review. **Action - DD Performance and CS to review**
GovS 003: Human Resources	Leadership and management of human resources across government	No	DHSC HR advised this was not proportionate for organisations such as HTA. **Action - Good practice for Head of HR to be aware.**
GovS 004: Property	Sets expectations for the management of government property	No	HTA do not own or manage Government property or property leases directly. Will take lead from DHSC Estates
GovS 005: Digital, Data and Technology	Sets out how all digital, data and technology work and activities should be conducted across government.	Yes	This standard is to be considered alongside Government' DDAT Framework and should be considered as reference material for HTA's DDAT approach. **Action - Director DDAT to note and discuss with CTIO in terms of reference in HTA policy and as part of Shared Service consideration**

GovS 006: Finance	Sets the expectations for the effective management and use of public funds	Yes	Applies to ALBs in the same way as HMT Managing Public Money and refers to agreed Framework agreements between sponsor and ALB. **Action - Director Finance & Resources to ensure key points are referenced on next refresh of Finance and associated policies**
GovS 007: Security	Set expectations for protecting government's assets (people, property, and information), visitors to government property and citizen data	Yes	Physical security is provided by FM management at 2 Redman Place, more pertinent is the need to keep Citizen Data secure. **Action - Director DDAT to ensure Cyber and Information security requirements are contained within HTA polices**
GovS 008: Commercial and Commercial Continuous Improvement Assessment Framework	Purpose is to set expectations and drive consistency in the planning and management of buying goods, works and services	Yes	Primarily focussed on larger procurement and contract activity than the HTA undertakes, but no explicit exceptions for scale in the standard. **Action - Director Finance & Resources to review and ensure HTA commercial and contract guidance is updated and refers to this suite of guidance where required**

GovS 009: Internal Audit	Expectations for internal audit activity to enhance the effectiveness and efficiency of governance, risk management and control in government organisations	Yes	Although this has a particular focus on providers of IA services there is content for both Accounting Officers. Audit Committees and Audit action owners to note. **Action - Director of Finance & Resources to circulate pertinent sections to ARAC and wider organisation**
GovS 010: Analysis	Set expectations for the planning and undertaking of analysis to support well informed decision making to deliver better outcomes	Very limited	Although no specific exclusions not assessed as having relevance to HTA as we are not a routine provider of analysis or statistics to Government or the public. **Action - to note**
GovS 011: Communication	To set expectations for the management and practice of government communication - Communication, in the context of this functional standard, includes announcements, media management, coordinated communication activities (including social media, branded campaigns, external affairs and stakeholder management) aimed to support the organisation's policy and priority objectives. This includes external and internal audiences.	Yes	No explicit exemptions for small organisations. **Action - Head of Communications to review and where necessary consult with Departmental colleagues on expectations of alignment in practice**

GovS 013: Counter Fraud	Expectations for the management of counter fraud, bribery, and corruption activity in government organisations	Yes	Establishes requirement in line with extant Cabinet Office guidance and expectations. **Action - Head of Finance to ensure appropriate reference to Functional Standard on next refresh of Anti-Fraud policies**
GovS 014: Debt	Sets expectations for the management of debt owed to government departments and their arm's length bodies	Yes	Focussed primarily on taxes, fines, and overpayments there are no exemptions. Guidance on establishing Debt strategy, Board member and a Senior Officer accountable for debt in an organisation. **Action - Director Finance & Resources to review existing approach and prepare paper for ARAC on compliance and proposals relating to this standard**
GovS 015: Grants	Sets expectations for the management of grant schemes and award	No	HTA does not award Grants