

Paper NHSE111412

BOARD PAPER - NHS ENGLAND

Title: Audit & Risk Assurance Committee

From: Ed Smith, Audit & Risk Assurance Committee Chair

Purpose of paper:

- Report on the meeting held on 15 September 2014 and approved minutes of the meeting held on 7 July 2014.

Actions required by the Board:

- To note the report

Report of the Audit & Risk Assurance Committee

1. The Audit & Risk Assurance Committee met on 15 September 2014. All four members were present.
2. The meeting approved the minutes of the previous meeting, held on 7 July 2014 (which can be found in the following link [Audit and risk assurance committee minutes](#)).
3. The key points from the meeting which the Committee wish to draw to the Board's attention are as follows:

- *Overdue Internal Audit Actions*

The Committee noted a number of actions in response to internal audit recommendations were slipping. The Committee reinforced the need for robust accountability for delivery, to avoid a weakening of the control environment.

- *Internal Audit of PCS Payments*

The Committee received an update from internal audit on the PCS payments audit and specialised commissioning invoice validation audit. They reinforced the need to drive further improvements and maintain existing controls during the current period of organisational change.

- *Year End Planning*

The Committee discussed proposals from Management which built upon evaluation of the experience of 2013/14. They agreed the importance of a robust month 9 exercise to inform the year-end process and requested early clarity on the production and timelines associated for the Annual Report

- *Organisation Alignment & Capability Programme Risk Deep Dive*

Karen Wheeler presented a detailed progress report on the Programme. The impact and risks in relation to field operations was considered in detail.

The Committee discussed:

- the risks around delivering co-commissioning;

- whether the loss of staff, particularly senior staff, would lead to a loss of key knowledge and experience;
 - the need to build some additional central capacity in certain areas;
 - the potential to test models before full implementation;
 - the fact that part of what is occurring is a natural review of day one structures, which were always going to need reviewing after a period of operation;
 - the need to build structures today that are fit for the long term future, and not purely focussed on delivering short term cost savings; and,
 - how implementation will occur, big bang versus incremental change, and the need to design new processes with the people who are going to operate them in the long term, rather than 'from the centre'.
4. I am happy to discuss the content of this report, issues otherwise included in the Audit & Risk Assurance Committee minutes or other matters of Board concern. In summary, the required Audit & Risk Assurance Committee processes and key components of assurance on internal controls are now in operation, but with a full and challenging work programme for management and our assurance providers for the year ahead.

Ed Smith

Audit & Risk Assurance Committee Chair