

BOARD PAPER - NHS ENGLAND

Title: Report of the Audit & Risk Assurance Committee

From: Ed Smith, Audit & Risk Assurance Committee Chair

Purpose of Paper:

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

Actions for the Board:

- To receive the report

Report of the Audit & Risk Assurance Committee

1. The Audit & Risk Assurance Committee met on 15 December 2014. There were three members present, as Dame Moira Gibb has stepped down from the Committee since the last meeting. The Committee thanked Moira for her valuable contributions to the work of the Committee.

The meeting approved the minutes of the previous meeting, held on 15 September 2014, which can be accessed via the following link:

<http://www.england.nhs.uk/wp-content/uploads/2015/01/audit-risk-ass-comm-mins-150914.pdf>

2. The key points from the meeting which the Committee wishes to draw to the Board's attention are as follows:

Internal Audit

- a) The Committee noted the reduction in the percentage of overdue outstanding audit recommendations from 22% to 13% but set a target to reduce that to 5% by April 2015.
- b) There was discussion of the Service Auditor Reports (SARs) on CSUs and the ability of CSUs to improve their performance by the year end. This was in the context of the reorganisation of a number of CSUs. The Committee was advised that the CSU Transition team would be working closely with CSUs to address the issues raised in the SARs.
- c) The Committee noted the limited assurance on the Risk Management and Governance internal audit report and was advised that actions were in hand to address this area before the year end.
- d) The Committee was also advised of work carried out by Deloitte on Programme and Project Management and Organisational Change and Ownership.

Counter Fraud

- e) The Committee noted the progress made with Deloitte in developing the proactive counter fraud plan, expressing concern that some significant risk items would not be covered until future years. The Committee requested assurance be provided on those areas.

Conflicts of Interest Guidance

- f) The Committee received the updated conflicts of interest guidance. This will be published by the end of 2014. It will be discussed at the CCG Audit Committee Chairs' forums in February 2015.

Governance

- g) The Committee received a paper on the Board Assurance Framework. KW set out the process for National Directors to provide assurance on compliance for their respective areas for 2014-15 which would feed into

wider assurance for the Annual Governance Statement. This process would be developed further in 2015-16.

- h) The Committee reviewed the updated Risk Management policy and the updated Standing Orders and Scheme of Delegation.
- i) The Committee agreed the approach to signing off updated Operating Frameworks for CSUs.

Year End Planning

- j) The Committee received an update on planning for the production of the Annual Report and Accounts, and preparation for the Month 9 hard close. The Committee requested a draft of the Annual Governance Statement for the meeting in February 2015.

- 3. I am happy to discuss the content of this report, 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 coming quarter to be in a good position for the current year and then for further enhancement in 2015/16.

Ed Smith

Audit & Risk Assurance Committee Chair