

BOARD PAPER - NHS ENGLAND

Title: Report of the Audit and Risk Assurance Committee to the Board

From: Joanne Shaw, Chair, Audit and Risk Assurance Committee

Purpose of Paper:

- To update the Board of the meeting of the Audit and Risk Assurance Committee held on 07 December 2016

Summary of Paper:

Key points from the meeting:

- There has been continued progress with the implementation of internal audit recommendations.
- Good progress has been made with actions to resolve issues with NHS SBS and Capita.
- The improving internal audit picture will inform the planning of internal audit activity for next year so that the right balance is struck between assurance and audit burden. No significant new risks have been identified.
- No particular problems are anticipated with the Annual Report and Accounts and external audit process.
- There was a useful stocktake of NHS England programmes which highlighted the scale of the work going on and the challenges with benefits realisation.

The Board is invited to:

- Note the Report

REPORT TO THE BOARD FROM: **Audit and Risk Assurance Committee**

COMMITTEE CHAIR: **Joanne Shaw**

DATE OF COMMITTEE MEETING: **07.12.2016**

MATTERS FOR THE BOARD'S ATTENTION

Progress on Internal Audit Programme and Head of Internal Audit Opinion

1. The Internal Audit update included a report on work carried out on the NHS SBS data processing incident and the services provided by Capita.
2. The Committee noted the good progress made on CSU Service Auditor reports for 2016-17 in particular the declarations which had been made by CSUs.
3. The issue of gaining assurance over third party service providers was considered a key risk particularly in light of the recent incidents with Capita and NHS SBS.
4. The Committee was told that planning for benefits realisation in NHS England programmes is still variable.
5. The update on the Head of Internal Audit Opinion for 2016-17 showed that a number of areas have made good progress. It will however not be possible to assess the operating effectiveness in two areas: Off Payroll workers; and Project and Programme Management, as they won't be ready to be audited until Quarter 4.
6. The Committee also received an update from the Chief Financial Officer on key risks, control issues and outstanding audit actions in the Finance Directorate.

Governance

7. The Committee noted good progress on the implementation of internal audit management actions
8. The Committee received an update on the Primary Care Services problems. It was noted that the recovery plans would be signed off shortly and that progress was now being made
9. The Committee received an update on the NHS SBS incident. It was noted that the issue of payments to GPs in respect of the repatriation of documents was being resolved. The NAO intend to undertake a separate piece of work on this issue.
10. The new Risk Management Framework and Risk Register were noted by the Committee

Annual Report and Accounts

11. The Committee received the planning memorandum from the NAO in preparation for the production of the 2016-17 Annual Report and Accounts and noted the risks highlighted by the NAO. No particular issues are anticipated this year.

Counter Fraud

12. The Committee received the counter fraud update and noted the difficulties with obtaining access to data.

Oversight

13. The Committee received a mid-year stocktake of NHS England's programmes. Progress has been made and benefits realisation management was identified as a key focus.

ITEMS FOR THE BOARD'S INFORMATION AND ASSURANCE

14. In summary, risk & governance elements are in place but need to be embedded, whilst considerable further work is required to further detail and embed Internal Controls in certain areas across the organisation. This will remain a focus for ARAC going forward

PROGRESS AGAINST THE COMMITTEE'S ANNUAL WORK PLAN

15. The Committee reviewed the workplan which covers the period up to December 2017. The plan will remain under continual review by the Committee.

RECOMMENDATION

16. The Board is asked to note the report.

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