

NHS ENGLAND – BOARD PAPER

Title:

Report of the Audit and Risk Assurance Committee to the Board

Lead Director:

David Roberts , Interim Chair, Audit and Risk Assurance Committee

Purpose of the paper:

To update the Board of the meeting of the Audit and Risk Assurance Committee held on 10 May 2016

The Board is invited to:

Note the report

REPORT OF THE AUDIT AND RISK ASSURANCE COMMITTEE TO THE BOARD

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

COMMITTEE CHAIR: **David Roberts**

DATE OF COMMITTEE MEETING: **10 May 2016**

MATTERS FOR THE BOARD'S ATTENTION

1. Progress on Internal Audit Programme and Head of Internal Audit Opinion
 - i. The Committee discussed in detail the assessment of the organisation provided in the draft Head of Internal Audit Opinion. The opinion finds that the organisation is satisfactory on Risk Management and Governance but that more work is required on Internal Control
 - ii. The Committee noted the satisfactory outcome of the CSU Service Auditor Reporting process for 2015-16 but repeated concerns about the failure of CSUs to disclose areas of concern prior to the work being carried out for the report.
 - iii. The Committee discussed in detail the significant issues arising from Internal Audit reports on Managing Performer Concerns and Dental Performance Management. The Head of Primary Care Co-commissioning attended the meeting to explain how the issues were being addressed, identifying resource as a key factor in making necessary changes. .
 - iv. The Committee noted progress on implementation of Internal Audit recommendations. The overall overdue rate is now 8% which has decreased slightly since the last meeting although there is likely to be a spike in overdue actions as many use the end of the Financial Year as a completion date and were not captured in the update for his meeting.
 - v. The Committee approved the Internal Audit Workplan for 2016-17. Urgent and Emergency Care and the Rightcare programme were highlighted as other areas which merit considering as part of future internal audit work.
 - vi. The Committee received an update on the future approach to Internal Audit, recognising that the contract with Deloitte has been extended for the first of two possible years with a latest end date of 31 March 2018. A more detailed proposal on options will be considered at the meeting in September 2016.

2. Annual Report and Accounts
 - i. The Committee noted the very good progress with the Annual Accounts. The Annual Report will be subject to further drafting and review prior to consideration by the Board. The Board will be asked to delegate the approval of the final Annual Report and Accounts 2015-16 to ARAC.

3. Counterfraud
 - i. The Committee considered NHS England's draft economic strategy. It will be updated to highlight key counter fraud priorities which could then be the basis of

future reporting to the Committee. The Committee noted concerns about access to data which had slowed progress on the use of data analytics.

- ii. The Committee approved the counter fraud workplan for 2016-17,

4. NHS Shared Business Services

- i. The Committee received an update from the National Director, TCO, on SBS's PCS Service.

5. Governance and Assurance Plan update

- i. The Committee noted the good progress on delivering the Governance and Assurance Plan. The project will now move towards embedding new structures and processes across the organisation.

ITEMS FOR THE BOARD`S INFORMATION AND ASSURANCE

- 6. In summary, the required Audit & Risk Assurance Committee processes and key components of assurance on internal controls are now in operation but there is work required as noted in paragraph 1.1. The incident reported at paragraph 1.4 reinforces the need to work closely with third party providers and secure full assurance over their controls and their operations. This will remain a high priority for the Committee.

PROGRESS AGAINST THE COMMITTEE`S ANNUAL WORK PLAN

- 7. The Committee reviewed the workplan which covers the period up to June 2017. The plan will remain under continual review by the Committee.

RECOMMENDATION

- 8. The Board is asked to note the report.

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