

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 on key aspects of the meeting of the Audit and Risk Assurance Committee held on 21 September 2017

Summary of Paper:

All non-executive committee members were present, along with key executives. Key points:

- The Internal Audit update was presented, and good progress is being made on the 2017-18 plan;
- The Committee reviewed the status of internal audit actions and pushed for action on overdue actions;
- A further update was provided on the issues arising from the delivery of PCS;
- An update on Counter Fraud was presented which included a demonstration by Deloitte on the proactive analytics work on primary care which they have completed;
- The Committee approved the 2017-18 Proactive Counter Fraud plan and the Tackling Fraud and Corruption Policy;
- The NAO presented their final Audit Completion Report and management letter for 2016-17. No material issues had been identified during the audit work, and management has provided responses to the recommendations;
- The NAO presented an update on the Value for Money programme and the Committee requested further updates on this;
- The Committee considered its self-assessment and this will be discussed in more detail at a future meeting; and
- The Committee received an update on the re-procurement of the Internal Audit and CSU Service Auditor Report service.

The Board is invited to:

- Note the content of this report

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

COMMITTEE CHAIR: **Joanne Shaw**

DATE OF COMMITTEE MEETING: **21 September 2017**

MATTERS FOR THE BOARD'S ATTENTION

Progress on Internal Audit Programme

1. It was noted that good progress was being made on delivery of the 2017-18 Internal Audit plan. There had been some delays in obtaining sign off of reports by management.
2. The Committee noted the good progress made on planning for the 2017-18 CSU Service Auditor Reports. Most CSUs had made management declarations.

Governance

3. An update was provided on internal audit recommendations which are now managed using the Corestream system. The number of outstanding recommendations required continued focus.
4. The Committee noted the progress reported on dealing with the Primary Care Services issues. The work by Internal Audit on the performer lists was noted. Management continues to be strongly focussed on working with Capita to improve the service in a number of key areas and the Committee will continue to monitor progress.

Annual Report and Accounts

5. The NAO presented their final Audit Completion report and management letter for 2016-17. Management responses have been provided. No material issues had been identified during the audit work. An action plan is in place to address specific areas for improvement with the Remuneration Report for 2017-18. The status of actions from previous years' reports will be reported to a future meeting.
6. The NAO presented an update on the Value for Money Programme. There was discussion on how recommendations from these reports should be dealt with. It was felt that a more systematic approach in respect of the planning and delivery of the NAO programme is required.

Counter Fraud

7. The work on proactive counter fraud work across the NHS was described. Deloitte provided a demonstration of the proactive work they have done for NHS England on some primary care areas and how that is being followed up. There is a need to assess the level of resource required to deliver effective proactive work such as Post Payment Verification, at a Regional / Local level.
8. The Proactive Counter Fraud plan for 2017-18 was approved.

9. The updated Tackling Fraud and Corruption policy was approved.

ITEMS FOR THE BOARD'S INFORMATION AND ASSURANCE

10. In summary, risk and governance elements are in place but some elements of internal control need to be further embedded. Further work is required and this will remain a focus for ARAC going forward.

COMMITTEE MATTERS

11. The self-assessment of the Audit and Risk Assurance Committee's performance was considered by the Committee. It was agreed that a more detailed discussion of this at a future meeting would be useful.
12. An update was provided on the re-procurement of the Internal Audit and Counter fraud service.

PROGRESS AGAINST THE COMMITTEE'S ANNUAL WORK PLAN

13. The Committee received the workplan which covers the period up to July 2018. Dates for meetings in 2018 have now been fixed. The plan will remain under continual review by the Committee. Substantive items for discussion at the next meeting were suggested as follows:

- Primary Care Services Support
- Cyber Security

RECOMMENDATION

14. The Board is asked to note the content of this report