

## 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 27 February 2018

**Summary of Paper:**

Three non-executive committee members were present, along with key executives. Apologies were received from John Burn. Key points:

- Good progress is being made on the 2017-18 internal audit plan. A deep dive was requested on key contracts with third parties at the next meeting;
- The Committee reviewed the status of internal audit actions and noted the continued improvement and the need to maintain the position;
- The Committee received an update on Risk Reporting, noting that the risk management process will continue to be refined and improved;
- A further update was provided on the issues and options arising from the delivery of Primary Care Services. This will continue to be closely monitored;
- The Committee reviewed proposed changes to the Standing Financial Instructions (SFIs) and recommends that the Board approves these;
- The Committee received an update on the implementation of the General Data Protection Regulation (GDPR); and
- The NAO presented an update on their audit work for 2017-18. An update was also provided on the Value for Money programme. It was agreed that an opportunity would be found for NHSE to input to the NAO's VFM workplan.

**The Board is invited to:**

- Ratify the recommendation of the Committee to approve the updated Standing Financial Instructions; and
- Note this update report.

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

**COMMITTEE CHAIR:**                      **Joanne Shaw**

**DATE OF COMMITTEE MEETING:**      **27 February 2018**

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## **MATTERS FOR THE BOARD'S ATTENTION**

### **Progress on Internal Audit Programme**

1. It was noted that whilst good progress was being made on delivery of the 2017-18 Internal Audit plan there is still a lot to complete in Quarter 4.
2. The Committee noted issues identified in the third party assurance framework audit, and requested a deep dive on key contracts at the next meeting.
3. The Committee noted the audit work carried out to date on Primary Care services.
4. There was an update on the key deliverables which had been agreed as part of the new internal audit contract which will commence on 1 April 2018.

### **Governance**

5. The Committee noted the status of Internal Audit management actions, recognising the progress made and the importance of maintaining this position.
6. The Committee received an update on Risk Reporting. The risk management process will continue to be refined and improved as it is embedded.
7. The Committee reviewed the updated Standing Financial Instructions and recommends that the Board approve the changes.
8. The Committee received a further update on Primary Care Services and requested a recommendation on next steps at the next meeting.

### **Annual Report and Accounts**

9. The NAO presented their update on the 2017-18 audit, noting no major concerns. A draft of the Month 9 Annual Report was noted.
10. The Committee discussed the update on the Value for Money Programme and it was agreed that the NAO would propose a date for NHS England to engage on developing the future VFM workplan.

### **Counter Fraud**

11. The Committee noted the update on the outcome of the Counter Fraud Self Assessment and progress on implementing the actions arising from it.

## **Oversight**

12. The Committee received verbal updates on Cyber Security in the NHS and on the implementation of the General Data Protection Regulation (GDPR) including the associated opt out issues.

## **ITEMS FOR THE BOARD'S INFORMATION AND ASSURANCE**

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

## **COMMITTEE MATTERS**

14. The Committee discussed the quality and content of the papers and provided feedback.

## **PROGRESS AGAINST THE COMMITTEE'S ANNUAL WORK PLAN**

15. The Committee received the workplan which covers the period up to December 2018. There was discussion on items which should be considered by the Committee in future.

## **RECOMMENDATION**

16. The Board is invited to:
  - Ratify the recommendation of the Committee to approve the updated Standing Financial Instructions; and
  - Note this update report.