

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: <ul style="list-style-type: none">To update the Board on key aspects of the meeting of the Audit and Risk Assurance Committee held on 3 July 2018
Summary of Paper: <p>Key points:</p> <ul style="list-style-type: none">The final Annual Report and Accounts (ARA) for 2017-18 were approved for signature by the Accounting Officer.The NAO updated on their audit and indicated there should be no problem in getting the ARA certified by the Comptroller and Auditor General (as indeed he subsequently did). It was agreed that the NAO will engage with NHS England on the VFM programme at the October meeting of ARAC.Work was being concluded on the 2017-18 internal audit plan. The final Head of Internal Audit opinion was also considered. It was noted that the 2018-19 Internal Audit plan would be revisited in light of the proposals for Joint Working with NHS Improvement (NHSI). The updated Internal Audit Charter was approved.The Committee received an update on the Cyber Security Programme and also on the approach to strengthening Assurance over Primary Care Commissioning.A revised approach to Risk Management was discussed and agreed by the Committee.The Committee received an update on the governance issues arising from the proposals for Joint Working with NHSI. The Committee approved the updated Scheme of Delegation.A further update was provided on the issues and options arising from the delivery of Primary Care Services. The Committee acknowledged the progress shown on the timeline presented. This will continue to be closely monitored.The Committee received an update on Counter Fraud. The updated Economic Crime Strategy and Tackling Fraud, Bribery and Corruption policy were approved. The future arrangements for Proactive Counter Fraud were considered.
The Board is invited to: <ul style="list-style-type: none">Note the report; andRatify the Committee's approval of the updated Scheme of Delegation

REPORT TO THE BOARD FROM:
COMMITTEE CHAIR:
DATE OF COMMITTEE MEETING:

Audit and Risk Assurance Committee
Joanne Shaw
03.07.2018

Matters for the Board's attention

Progress on Internal Audit Programme

1. The delivery of the 2017-18 Internal Audit plan is substantially complete. The final Head of Internal Audit Opinion for 2017-18 was presented to the Committee. There was discussion of the need to revisit the 2018-19 Internal Audit plan in light of the proposals for joint working with NHS Improvement.
2. The Internal Audit Ways of Working were presented and the updated Internal Audit Charter was approved.
3. The Committee noted the audit work carried out to date on Primary Care services.
4. Standard control objectives for core mandated business processes have been agreed with CSUs.

Governance

5. The Committee noted the status of Internal Audit management actions.
6. The Committee received proposals on Risk Management and agreed the future approach.
7. The Committee received an update on governance with the proposals for Joint Working with NHS Improvement. It was agreed to review proposed changes to the Governance Manual by correspondence. The Committee approved the updated Scheme of Delegation.
8. The Committee received a further update on Primary Care Services.

Annual Report and Accounts

9. The final version of the Annual Report and Accounts for 2017-18 were presented and approved for signature by the Accounting Officer. It was agreed that any further minor changes would be cleared by the Chief Financial Officer.
10. The NAO provided an update on their 2017-18 audit work noting that no major issues had been identified to date. The fraud risk was considered as a key area in the work undertaken.
11. It was agreed that the NAO would engage with NHS England on their Value for Money (VFM) Programme, at the meeting of ARAC to be held on 2nd October.

Oversight

12. An update on Cyber Security was provided which included the National Cyber Security Centre Strategic cyber Threat assessment.
13. The Committee received a report on Assurance over Primary Care Commissioning and agreed to review the outcome of this at a future meeting.

Counter Fraud

14. An update was provided on counter fraud activity which included the work of the new in house counter fraud team.
15. The Committee considered and approved the Economic Crime Strategy and the Tackling Fraud, Bribery and Corruption policy. The Counter Fraud Annual Report was noted.
16. The proposed arrangements for proactive counter fraud work were considered and the approach was approved.

Items for the Board`s information and assurance

17. In summary, governance elements are in place, a suitable framework exists for risk management and significant improvement has been made in respect of internal control. This will remain a focus for ARAC going forward.

Committee matters

18. The Committee's Annual Report to Board was considered and the updated Terms of Reference for the Committee were approved.
19. The Committee received feedback on the meeting from the Chief Financial Officer.

Progress against the Committee's annual work plan

20. The Committee received the workplan which covers the period up to May 2019.

Recommendation

21. The Board is asked to:
 - Note the report; and
 - Ratify the Committee's approval of the updated Scheme of Delegation

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