

BOARD PAPER - NHS ENGLAND

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| <p>Title: Report of the Audit and Risk Assurance Committee to the Board</p> |
| <p>From: Joanne Shaw, Chair, Audit and Risk Assurance Committee</p> |
| <p>Purpose of Paper:</p> <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 2 October 2018 |
| <p>Summary of Paper:</p> <p>Key points:</p> <ul style="list-style-type: none">• The NAO presented the final audit completion report on the Annual Report and Accounts for 2017-18. There were no significant changes since the draft was presented to the July Committee.• The NAO presented the fraud management letter• The NAO presented their emerging Value for Money Programme and were asked to provide a further update when the next iteration is available.• Work is almost complete on the 2017-18 internal audit plan and the 2018-19 audit programme is underway.• The Committee discussed the status of internal audit management actions and was satisfied with the progress made.• The Committee considered the Risk Register .• The Committee discussed the governance issues arising from the proposals for Joint Working with NHSI.• A further update was provided on the delivery of Primary Care Services. |
| <p>The Board is invited to:</p> <ul style="list-style-type: none">• to approve the Risk Register and endorse the Risk Appetite Statement as recommended by the Committee• note the Report |

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

COMMITTEE CHAIR: **Joanne Shaw**

DATE OF COMMITTEE MEETING: **02.10.2018**

MATTERS FOR THE BOARD`S ATTENTION

Two non-executive committee members were present and the Chair of the DHSC Audit Committee, along with key executives. One non-executive left during the meeting and the Committee was not quorate from that point.

There were no declarations of interest.

Progress on Internal Audit Programme

1. The delivery of the 2017-18 Internal Audit plan is substantially complete. The 2018-19 internal audit programme is now well under way. There was discussion on aligning the work programmes of NHSE and NHSI internal audit in light of joint working arrangements.
2. A half-year review of the 2018-19 audit plan was considered. The only significant change is the addition of the audit of joint working arrangements.
3. The Committee noted the audit work carried out to date on Primary Care Services.
4. CSU service auditor reporting is progressing well and appropriate management disclosures have been received.

Governance

5. The Committee noted the status of Internal Audit management actions.
6. The Committee received an update on the status of the Risk Register including new risks.
7. The Committee considered and endorsed the Risk Appetite statement and recommended approval of the Risk Register by the board. (Note this was done out of Committee as the meeting was not quorate at this point).
8. The Committee received an update on the emerging governance issues arising from the proposals for Joint Working with NHS Improvement.
9. The Committee received a further update on Primary Care Services. The timeline showing progress was included. It was agreed that an update would be provided to the next meeting.

Annual Report and Accounts

10. The NAO updated the Committee on the development of the Value for Money Programme and the topics being considered for inclusion. There was discussion of the merit of NAO engaging with NHS England as the programme is shaped, in order to gain the greatest value for Parliament and the public from the NAO and NHSE resources invested in the programme. As it is still being developed the NAO were asked to provide a further update when the next iteration is available
11. The NAO presented the final audit completion report on the Annual Report and Accounts for 2017-18. There were no significant changes since the draft was presented to the July Committee.
12. The NAO presented the fraud management letter which had been produced in light of the decision by the NAO to escalate fraud as a significant risk. NHS England has responded to the recommendations identified in the letter.

ITEMS FOR THE BOARD'S INFORMATION AND ASSURANCE

13. 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

14. The Committee received feedback on the meeting from Gerry Murphy, Chair of DHSC Audit and Risk Committee.
15. The Committee noted that this was Paul Baumann's final ARAC meeting as CFO. The Chair paid tribute to his exceptional contribution to the financial management of NHSE and the wider NHS, thanked him for all his support for the Committee, and wished him well for the future.

PROGRESS AGAINST THE COMMITTEE'S ANNUAL WORK PLAN

16. The Committee received the workplan which covers the period up to July 2019. Note that work is ongoing to align the dates of NHS England and NHS Improvement Audit Committees in 2019.

RECOMMENDATION

17. The Board is asked to:
 - to approve the Risk Register and endorse the Risk Appetite Statement as recommended by the Committee
 - note the Report

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