

## BOARD PAPER - NHS ENGLAND

<p><b>Title:</b> Report of the Audit and Risk Assurance Committee to the Board</p>
<p><b>From:</b> Joanne Shaw, Chair, Audit and Risk Assurance Committee</p>
<p><b>Purpose of Paper:</b></p> <ul style="list-style-type: none"><li>• To update the Board on key aspects of the meeting of the Audit and Risk Assurance Committee held on 12 December 2018</li></ul>
<p><b>Summary of Paper:</b></p> <p>Key points:</p> <ul style="list-style-type: none"><li>• The Committee discussed Brexit in particular planning for a possible no deal situation.</li><li>• Internal audit provided an update on the status of the 2018-19 audit programme.</li><li>• The Committee received an update on the status of internal audit management actions and was satisfied with the progress made.</li><li>• The Committee received an update on the governance issues arising from the proposals for Joint Working with NHSI.</li><li>• A report was provided on the Assurance Certifications process.</li><li>• A further update was provided on the delivery of Primary Care Services.</li><li>• An update was provided on the planning of the 2018-18 Annual Report and Accounts.</li><li>• The NAO presented the audit planning report for 2018-19 which included an update on the status of the Value for Money Programme</li><li>• The Committee received an update on the approach taken by NHS England to address the risk from fraud.</li><li>• The Committee received an update on Cyber security highlighting NHS England's response as part of the system wide programme.</li></ul>
<p><b>The Board is invited to:</b></p> <ul style="list-style-type: none"><li>• note the Report</li></ul>

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

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

**DATE OF COMMITTEE MEETING:**       **12 December 2018**

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

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

1. The 2018-19 internal audit programme is now well under way although slightly behind plan. There was discussion on aligning the work programmes of NHSE and NHSI internal audit in light of joint working arrangements.
2. The Committee noted:
  - good progress on development of the Management Assurance Framework.
  - the audit work planned in 2018-19 on Primary Care Services.
  - CSU service auditor reporting is progressing well and appropriate management disclosures have been received.

### **Governance**

3. The Committee:
  - Noted the status of Internal Audit management actions and was satisfied with the continuing progress made.
  - Received an update on the emerging governance issues arising from the proposals for Joint Working with NHS Improvement, noting the imminent requirement to review and approve changes to Standing Orders and to the Scheme of Delegation.
  - Received a report on the Assurance Certifications process noting the success achieved.
  - Received a further update on Primary Care Services. Areas of concern were discussed in detail, and the proposal to move the cervical screening service to an alternative provider was supported. The timeline showing progress was included. It was agreed that an update would be provided to the next meeting.

### **Annual Report and Accounts**

4. An update was provided on planning for the delivery of the 2018-19 Annual Report and accounts including the emerging structure of the Annual Report.
5. The NAO presented the audit planning report on the Annual Report and Accounts for 2018-19 highlighting key risks which had been identified, including management override of controls and the estimated level of fraud in the NHS, along with an update on the status of the Value for Money Programme.

### **Counter Fraud**

6. The Committee received a report on counter fraud against the four key priorities in the Economic Crime Strategy. The Committee noted the good progress made by the in-house team since it commenced work on 1 April 2018.

## **Oversight**

7. The Committee considered planning led by DHSC for the possibility of a no deal Brexit situation and progress across streams of the DHSC Cyber Security Programme which included an update on actions arising from the review of the Wannacry incident.

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

8. 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.

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

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

## **RECOMMENDATION**

10. The Board is asked to:
  - note the Report

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