

Board Meetings held in Common

Date: 27 June 2019

Agenda item: 8

Paper Title: Audit and Risk Assurance Committee Report

Report by: Joanne Shaw, Non-Executive Director & NHS England Audit and Risk Assurance Committee Chair
Richard Douglas, Non-Executive Director & NHS Improvement Audit and Risk Assurance Committee Chair

Decision Making Responsibility:

NHS England	<input type="checkbox"/>
NHS Improvement	<input type="checkbox"/>
NHS England and NHS Improvement	<input type="checkbox"/>
N/A - joint discussion	<input checked="" type="checkbox"/>

Report to the Boards from: NHS England's and NHS Improvement's Audit and Risk Assurance Committees

Committee Chairs: Joanne Shaw and Richard Douglas

Date of the committee meeting: 17 May 2019

Matters considered in the joint Audit & Risk Assurance Committee meeting

NHS England and NHS Improvement Joint Corporate Risk Register

1. The Committees considered the draft joint corporate risk register.

Boards to note:

The following conclusion for information:

2. Detailed comments were provided and the Committees emphasised the importance that the register reflected organisational risks that were within the control of the two organisations as well as risks associated with the failure of the two organisations to deliver its main joint objectives.

The following recommendation:

NHS England and NHS Improvement



3. That an Executive session be scheduled to discuss the corporate risk register and revised version would be brought to a joint Board session in due course.

NHS England and NHS Improvement risk management framework and risk management process and procedures manual

4. The Committee considered the new risk management framework and risk management process and procedures manual. The documents provided clarity on the management of risk in the new organisation and detailed the scheme against which all categories of risk would be identified and assessed.
5. The Committees noted that the risk scoring methodology adopted to rank risk was NHS England's approach using a colour 'traffic light system' rather than NHS Improvement's numeric methodology.

Boards to note:

The following recommendation:

6. The Committees endorsed the framework and manual for submission to the Boards in due course.

NHS England and NHS Improvement Risk Appetite Strategy

7. The Committees discussed an early draft of the joint risk appetite strategy.

Boards to note:

The following conclusion for information:

8. The Committees expressed concern that the proposed approach was overly elaborate and that the emphasis should be more on trade off conversations focusing on risks and their categories rather than approaching risk appetite as a quasi-science.

The following recommendation:

9. That a joint Board session be scheduled to discuss and agree the most appropriate approach to risk appetite.

FY2019/20 joint internal audit plan

10. The Committees considered and provided feedback on the 2019/20 internal audit plans for NHS England and NHS Improvement.

Boards to note:

The following conclusion for information:

11. The Committees provided detailed feedback on the plans and emphasised the need for the audits to focused on whether the new organisation has proper controls, governance and risk management process in place.

The following recommendation:

12. Management should consider feedback provided by the Committees and authorised the Chief Financial Officer to approve the final list of audit reviews for Q1 of 2019/20.

Preparation and presentation of Consolidated Providers Accounts and NHS England group accounts 2019/20

13. The Committees considered a report which explained why a joint set of commissioner and provider accounts could not legally be produced. It was noted that the Consolidated Provider Accounts would include an unaudited section explaining the financial position of the NHS but no corresponding section would be included in NHS England's accounts. Instead NHS England's Committee members would be provided with a separate briefing note.

Boards to note:

The following conclusion for information:

14. The Committees noted the position and highlighted the importance of ensuring that the reporting of performance and the position of the NHS as a whole was consistent across all accounts.

Matters considered in the NHS England only Audit & Risk Assurance Committee meeting

Update on NHS England 18/09 Internal Audit Plan

15. NHS England's Committee received the draft Head of Internal Audit Opinion (HoIAO) for 2018/19 and reviewed the progress of the internal audit plan. The HoIAO reflected the good progress made in respect of governance, risk management and internal control.

Boards to note:

The following conclusion for information:

16. The Committee noted the internal audit update and the opinion set out in the draft HoIAO.

Update on Primary Care Support Services

17. NHS England's Committee received an update on Primary Care Support Services (PCSS). It was noted that a number of operational problems and contractual issues were still to be resolved. The issue of screening programmes

was discussed and the Committee asked to maintain oversight over the PCSS issue.

The Boards to note:

The following conclusion for information:

18. The Committee noted the update on PCSS and requested further updates on these issues.

Annual Report and Accounts 2018/19

19. NHS England's Committee reviewed the draft NHS England group accounts for 2018/19 with supporting analytical information. The NAO updated the Committee on their work on the interim accounts noting that no major issues had been identified. The Committee received an update on the Value for Money (VfM) programme.

The Boards to note:

The following conclusion for information:

20. The Committee noted that good progress had been made on the NHS England group accounts for 2018/19. The VfM programme was noted and the Committee requested that NAO's VfM team be invited to attend the next meeting.

Matters considered in the NHS England only Audit & Risk Assurance Committee meeting

External audit and financial reporting

- 1.1. NHS Improvement's Committee considered reports, which provided an update on issues impacting Monitor's and NHS Trust Development Authority's statutory accounts and identified risks in relation to the preparation of the 2018/19 consolidated provider accounts and consolidated NHS foundation trust accounts and planned assurances to manage those risks.
21. The NAO provided a summary of the interim audit of Monitor's, NHS TDA's and the consolidated NHS Provider 2018/19 accounts.

The Boards to note:

The following conclusion for information:

22. The Committee noted the planned assurance set out in the reports and that to date the NAO had not identified any additional new significant risks.

Update on NHS Improvement's 18/09 Internal Audit Plan and internal audit reports.

23. The representatives from PwC, NHS Improvement's internal auditors, introduced the reports, which set out progress made against the 2018/19 internal audit plan and provided a summary of the internal audit reports that had been completed since the last meeting.

The Boards to note:

The following conclusion for information:

24. NHS Improvement's Committee noted progress made against the 2018/19 internal audit plan and discussed the finding of some of the internal audit reviews.

Recommendation

25. The Boards are invited to note the work and key recommendations of the Audit and Risk Assurance Committees.

Board Meetings held in Common

Date: 27 June 2019

Agenda item: 8

Paper Title: Delivery, Quality and Performance Committee Report

Report by: Dido Harding, Committee Chair

Decision Making Responsibility:

NHS England	<input type="checkbox"/>
NHS Improvement	<input type="checkbox"/>
NHS England and NHS Improvement	<input type="checkbox"/>
N/A - joint discussion	<input checked="" type="checkbox"/>

Report to the Boards from: NHS England's and NHS Improvement's Delivery, Quality and Performance Committees

Committee Chair: Dido Harding

Date of the committee meeting: 2 May 2019

Final terms of references

1. The final terms of reference for the Committees were considered.

Boards to note:

The following decision:

2. The Committees resolved to approve their terms of reference.

Current operational, quality and financial performance and 2019/20 planning update

3. The Committee received an update on the current operational, quality and financial performance and the 2019/20 planning process.

Boards to note:

The following for information:

NHS England and NHS Improvement



4. Performance against the A&E target had deteriorated in April and a discussion took place on steps taken to address this.

Operating model including regional/national approach to improvement

5. The Committee considered a paper setting out the developing operating model for NHS England and NHS Improvement, including a proposed approach to improvement.

Boards to note:

The following for information:

6. The Committees asked for progress updates in June and September with a focus on the regional/national approach.

Draft business plan for 2019/20

7. The Committee received the draft business plan for NHS England and NHS Improvement for 2019/20.

Boards to note:

The following for information:

8. An executive workshop to facilitate this process had been arranged and the business plan would be resubmitted to the Committee once this work was completed.

Update on the implementation of the NHS Long Term Plan

9. An overview was provided of the progress made on the implementation of the NHS Long Term Plan (LTP). An early draft of the Implementation Framework had been submitted to the Committee.

Boards to note:

The following for information:

10. The Implementation Framework would be circulated to the Committee for any further comments. In the autumn, the Committee would receive a summary of stakeholder engagement including support received and issues raised together with the rolled up implementation plan and how delivery would be tracked.

Recommendation

11. The Boards are invited to note the work of the Committees.

Board Meetings held in Common

Date: 27 June 2019
Agenda item: 8
Paper Title: Remuneration Committee Report
Report by: Laura Wade-Gery, Non-Executive Director & Committee Chair

Decision Making Responsibility:

NHS England
NHS Improvement
NHS England and NHS Improvement
N/A - joint discussion

Report to the Boards from: NHS England's and NHS Improvement's
Remuneration Committees
Committee Chair: Laura Wade-Gery
Date of the committee meeting: 8 May 2019

Final terms of references

1. The final terms of reference for each Committee were considered.

Boards to note:

The following recommendation:

2. Each Committee resolved to approve its terms of reference, subject to a few final comments made at the meeting.

Update on Phase 2 appointments and redundancies and Phase 3 consultations

3. The Committee received an update on the current position regarding the Joint Working Programme and the associated restructuring.

Boards to note:

The following for information:

NHS England and NHS Improvement



4. The Committees noted the posts which were currently not filled, and which had been advertised. The position on redundancies was also considered.

Chief Operating Officer salary approval

5. The Committees were presented with a paper which sought the Committee's endorsement of the maximum pay range for the successful Chief Operating Officer candidate.

Boards to note:

The following recommendation:

6. The Committees resolved to endorse the proposal set out in the paper.

Draft diversity and inclusion strategy and approach to further development

7. The Committees received a paper which provided an update on progress on the Diversity and Inclusion Strategy which was originally developed in May 2018. The paper also set out proposals for creating a new Diversity and Inclusion Strategy, proposals for a single Diversity and Inclusion governance structure and a request for support with the campaign to improve updating of demographic data on Electronic Staff Records (ESR).

Boards to note:

The following conclusion for information:

8. The six ambitions for the NHS England Diversity and Inclusion Strategy were set out and the Committees noted the approach taken to developing a combined Strategy for NHS England and NHS Improvement. The governance structure and delivery framework were considered, and Committee members discussed the most effective roles and seniority for the Named Diversity and Inclusion contacts.

The following recommendations:

9. The Committees suggested that NHS England and NHS Improvement should undertake to complete the same actions as those which trusts and CCGs had been asked to undertake as part of the Workforce Race Equality Standards (WRES) programme. It was noted that work on this was already underway although a final target trajectory would be developed with assistance from the WRES team once the restructuring had been completed. Recommended targets would be presented to the Committee by the end of 2019.
10. A final Strategy would be presented to the Committee in September 2019.

Application to extend Additional Responsibility Allowance

11. The NHS Improvement Committee received a paper which set out the case to further extend the additional responsibility allowance (ARA) currently in place for a senior member of staff who continued to undertake a range of additional responsibilities because of the Joint Working Programme

Boards to note:

The following recommendation:

12. NHS Improvement's Committee approved the proposal set out in the paper.

Approval of new Committee member

Board to note:

The following recommendation:

13. NHS Improvement's Committee resolved to add Dido Harding, Chair of NHS Improvement, to its membership.

Recommendation

14. The Boards are invited to note the work and key recommendations of the Committees.