



<b>MEETING</b>	<b>PUBLIC BOARD MEETING 16 May 2018</b>
<b>Agenda item Paper Number</b>	<b>6 CM/04/19/06</b>
<b>Agenda Title</b>	<b>Audit and Corporate Governance Committee (ACGC): Report to the Board</b>
<b>Sponsor</b>	<b>Paul Rew, Chair, Audit and Corporate Governance Committee</b>
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## **PURPOSE OF PAPER:**

To provide the Board with a report of the meeting of the Audit and Corporate Governance Committee (ACGC) on Wednesday 3 April 2019

## **Introduction**

1. This is an information report from the meeting of the Audit and Corporate Governance Committee (ACGC) which was held on 3 April 2019. A number of reports and briefings were discussed. The most significant are summarised below.

## **Recommendation**

2. The Board is asked to **NOTE** the Audit and Corporate Governance Committee report.

## **Summary**

### **Risk and assurance**

3. The Committee considered CQC's latest Strategic and High-Level Risk Register, noting new risks added as part of the review of the register in light of work on the 2019-20 business plan. The Committee provided some comment on the detail but was assured that the register reflected the highest-level risks as identified by Board and the Executive Team and that there was appropriate oversight and management of the risks.

### **Management assurance assessment 2018-19**

4. The Committee was presented with the ratings and scores outlined in the 2018-19 management assurance assessments. The Committee noted the predominantly positive assessments and was assured that these had undergone a robust process of review to ensure that the assessments were evidence based. The output from this work helps to focus on improvement within CQC and will also inform the Governance Statement in the Annual Report.

### **Change portfolio**

5. Subject to some comment, the Committee approved terms of reference for its sub-committee that will be looking at work around the change programme. We also received a helpful presentation on the Future IT services programme. This illustrated the breadth of work taking place across the change programme, a range of work programmes with clear aims but also with key inter-dependencies across the change portfolio. With the assistance of the newly established sub-committee, the Committee will continue to keep this under review.

### **Internal Audit: Progress update**

6. The Committee received a progress report on the 2018-19 internal audit programme and management actions set out within the final reports.

### **Internal Audit Risk Assessment and Plan 2019-20**

7. The Committee approved the draft Internal Audit plan for 2019-20 subject to some comment on the detail of the plan. The Committee was assured that, in view of ongoing developments in the sector and within CQC, the plan retains sufficient flexibility to effectively cover any significant emerging issues during the course of the year.

### **Interim external audit progress report on 2018-19 Financial Statement**

8. The Committee was presented with the interim progress report on 2018-19 financial statement audit by the National Audit Office. Nothing of significance has been identified so far and a full year end report will be received at our next meeting.

### **National Audit Office (NAO) and Public Account Committee (PAC) action plan**

9. The Committee received an update on the action plan to address recommendations from the NAO and PAC reports.

### **Draft Annual Report and Accounts Financial Year 2018-19**

10. The Committee provided comments and suggestions on an early draft of the Annual Report narrative. The Committee will focus on the Annual Report and Accounts at its next meeting on 5 June.

### **Fraud Report**

11. The Committee received its twice-yearly fraud update report setting out fraud cases reported and investigated between 1<sup>st</sup> October 2018 and 31<sup>st</sup> March 2019. There were 2 cases reported and, following further investigation, these cases have been closed with no further action required.
12. There have been a consistently low number of cases reported to the counter fraud team during the reporting period with a total of 6 cases investigated to date during 2018/19. This represents a decrease in the number of reports compared to the corresponding period in the previous year. Cases are always thoroughly investigated and, while reports may be made in good faith, it is often found that they are the result of misunderstandings or incorrect assumptions.

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**Title:** Chair, Audit and Corporate Governance Committee  
**Date:** 12 April 2019