



UK Health  
Security  
Agency

UNCONFIRMED

Enclosure AB/23/044

# UKHSA Advisory Board

**Title of paper**            Audit and Risk Committee Annual Report 2022/23 and Effectiveness Review  
**Date**                        Wednesday 19 July 2023  
**Sponsor**                    Ian Peters

**1. Recommendation**

- 1.1 The Advisory Board is asked to **NOTE** the Audit and Risk Committee Annual Report and effectiveness review for 2022/23



# UKHSA Audit and Risk Committee

<b>Title of meeting</b>	Audit and Risk Committee
<b>Date</b>	Tuesday 6 June 2023
<b>Sponsor</b>	Ian Peters
<b>Title of paper</b>	UKHSA ARC Chair Annual Report 2022/23 and Effectiveness Review

## 1. Purpose of the paper

- 1.1 The purpose of the paper is to present the UKHSA ARC Annual Report for 2022/23 and the outcome of the effectiveness review, including proposed recommendations for the coming year.

## 2. Recommendation

- 2.1 The Audit and Risk Committee is asked to:

- a) **NOTE** the ARC Annual Report for 2022/23
- b) **NOTE** the summary of the ARC Effectiveness Review 2022/23
- c) **COMMENT** on and **AGREE** the recommendations and implementation for the 2023/24 reporting year.

## 3. UKHSA ARC 2022/23

- 3.1 The UKHSA ARC was established during 2022/23. The appointment of non-executive members of the Advisory Board, from whom membership of the ARC is drawn, concluded in April 2022. At that point in time, a substantive ARC Chair was still to be appointed, so with written agreement from the Department of Health and Social Care (DHSC), Ian Peters was interim Chair of the ARC while the recruitment of the substantive Chair was completed. This concluded in April 2023 with the appointment of Cindy Rampersaud.
- 3.2 The Chair would like to start this report by thanking the other members of the Committee, Sir Gordon Messenger, and Simon Blagden for their excellent contributions to its work over the period of this report.
- 3.3 The first formal meeting of the ARC took place in July 2022, with Terms of Reference prepared and agreed for its first meeting. These were developed in

line with HM Treasury guidance for Audit and Risk Committees and have also been endorsed by the Advisory Board. All ARC minutes are published with the Advisory Board papers on the UKHSA webpages, with key points raised at each public meeting.

- 3.4 This has been a developmental year for the ARC, something which has been reflected in the outcomes of the effectiveness review. It has also been a challenging year for the organisation more generally due to high levels of volatility, including the very significant workforce ramp down, the move to its future operating model, and the continued uncertainty over its medium-term funding. One specific context for the ARC was the response to the disclaimed audit opinion by the National Audit Office (NAO).
- 3.5 The agendas in the main focused on a number of key governance and assurance areas including:
- a) **Strategic risk management**, including discussion of UKHSA's strategic risk register and its development which took place throughout the course of 2022/23, following a top-down review by the Executive Committee. The coming year, with the incoming of the new ARC Chair will see further developments, including further scrutiny of the controls and risk appetite.
  - b) Monitoring and scrutiny of the Government Internal Audit Agency's (GIAA's) **internal audit programme**, including how well the organisation responds to and supports the programme of audits; and, whether the actions and recommendations arising from audits are being met and closed within agreed timescales. Good progress had been made on ensuring that there were timely responses to audit recommendations and actions, but close scrutiny would continue in the coming year.
  - c) **External audit and scrutiny** through the reports received from the NAO, particularly on their financial audit planning. The DHSC is also represented on the committee.
  - d) Scrutiny of a number of **cross-organisational** issues, closely related to the Strategic Risk Register and specifically including cyber security, health and safety, fraud arrangements and workforce. Further work would be required for the coming year to ensure that the breadth of UKHSA's strategic risks were considered in detail throughout the reporting year.
- 3.6 The ARC also reviewed the Annual Report and Accounts for 2022/23 and discussed in detail with the NAO the reasons and background to the disclaimed audit opinion. The ARC also has oversight of the Finance and Control Improvement Plan which has been a focus of its work for the last quarter of 2022/23 and will remain a priority for the coming year. To support this Ian Peters attended the meetings of the Finance and Control Improvement Board in his capacity of interim ARC Chair and Cindy Rampersaud has been invited to attend all meetings in future.

#### 4. **Audit and Risk Committee Effectiveness Review** Process

- 4.1 A short questionnaire was shared with members of the ARC as part of the Advisory Board effectiveness review process and a more detailed toolkit questionnaire was completed by the interim ARC Chair which focused specifically on how the Committee operated in line with the requirements of the HM Treasury toolkit.

#### Findings and recommendations

- 4.2 Both reviews found that the ARC was operating in line with its terms of reference and was meeting the standards as set out in the toolkit. Of particular value were the conversations after the formal agenda with the NAO and GIAA. The appointment of Cindy Rampersaud has resolved a number of findings in respect to the skills and membership of the committee.

- 4.3 The following areas were identified as areas for focus over the coming year:

- a) To ensure that ARC meetings are aligned with the audit and assurance cycle. This will be particularly important as the production of the annual report and accounts moves to a more regular reporting timetable.  
**Action: [Titles redacted]**
- b) That all matters within the terms of reference are covered throughout the reporting period. A robust long term forward look would be developed by the secretariat to support both the ARC and the Executive Committee in discharging this function. This should also include specific topic areas including UKHSA's sustainability commitments  
**Action: [Title redacted]**
- c) That as risk processes are strengthened the ARC are able to discuss deep dives into the strategic risks, and in particular the effectiveness of the mitigations and control are scrutinised with the relevant Executive Committee owner. This will also support the Committee in its work in providing challenge  
**Action: [Title redacted]**
- d) That during 2023/24 the ARC review and provide support to the Accounting Officer on the system of internal control, including providing challenging on the adequacy and effectiveness of control processes in responding to risks, understanding the assurance map for the organisation, reviewing "near misses" to help determine whether the systems in place are sufficiently robust to mitigate future risk events and ensuring that the ARC understands how governance arrangements in particular supports the achievements of the organisation's strategies and objectives.  
**Action: [Title redacted]**
- e) The ARC has access to sufficient funding to cover the costs incurred in fulfilling its role. This may have been resolved following the budgetary agreements for 2023/24 and 2024/25 and the associated costs for the operation of the ARC have been identified in the 2023/24 Business Planning process.

## **5. Next Steps**

- 5.1 Final recommendations will be developed into a detailed action plan for discussion with the ARC chair and updates on progress will be reported at future ARC meetings. Looking ahead, the organisation should be in a period of relative stability enabling the evolution of the Committee towards maturity and improved alignment with the Board and the other Committees.