

## Introduction to North Yorkshire Audit Services

The Internal Audit service at NHS Harrogate and Rural District CCG is provided by North Yorkshire Audit Service (NYAS). North Yorkshire Audit Service is an award-winning NHS internal audit and counter fraud service provider. We have significant experience of proactively identifying risks and supporting our clients in controlling their risks across all their operational areas.

North Yorkshire NHS Audit Service's (NYAS) main purpose is to provide a professional high quality internal audit and counter fraud service to its stakeholders. The organisation was formally established on 1 April 2004 and covers the geographic area of North Yorkshire. It is an established shared service and provides internal audit services to the NHS Foundation Trusts in North Yorkshire and the Clinical Commissioning Groups in North Yorkshire.

### **Our mission is**

***“To meet the Audit Committees’ expectations in contributing to their objectives, by providing an excellent client focussed service which reflects the changing environment whilst maintaining the highest standards of independence and integrity.”***

The strategic direction of Internal Audit is overseen by an Alliance Board which comprises the Audit Committee Chair and Finance Director/Chief Finance Officer of each member organisation together with the Head of Internal Audit. The Alliance's strategic objective is to support the member organisations in achieving their business goals and responsibilities through the provision of an effective and efficient internal audit function. The Alliance Board determines and approves its constitution, governance and membership. It also sets the financial, performance and staffing strategy for the next financial year and reviews final performance from the previous year through the receipt of NYAS's Annual Report.

We are specialists in our field and deliver assurance, challenge and solutions. We have considerable experience in working with customers who aspire to deliver services that are of high quality but have reducing or constrained resources to do this. To achieve this we have a business ethos and have a commercial outlook in identifying business value for our clients whilst providing a cost effective service as a not for profit organisation. Unlike private sector providers we are 'in the NHS for the NHS', and our financial objective is to recover year on year the full costs of providing the service, not to make a profit. Stakeholders of our service have a say in our costing and charging.

## The Role of Internal Audit

Internal Audit's primary role, as a service to management and the Board, is to provide an opinion and assurances on the adequacy and effectiveness of the system of internal control. In accordance with the requirements of the Audit Committee Handbook, the plan covers the two key roles of internal audit:

- ① *The provision of an independent and objective opinion to the Accounting Officer, the Board, and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives.*
- ② *The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.*

The audit plan is structured to meet the mandated requirements and inform the Head of Internal Audit Opinion which will subsequently contribute to the Governing Body's completion of the Annual Governance Statement.

The requirement for all NHS Accountable Officers to sign an Annual Governance Statement as part of the statutory accounts and annual report heightens the need for Governing Bodies to be able to demonstrate that they have been properly informed about the totality of their organisation's risks, both clinical and non-clinical. To do this, they need to be able to provide evidence that they have systematically identified their objectives and managed the principal risks to achieving them. Internal Audit will review integrated risk management arrangements, including ensuring that they are properly established and embedded to support the CCG in its preparation of the Annual Governance Statement.

Our audit plans are based on consideration of the whole internal control system and the magnitude and incidence of the risks that the control system is designed to mitigate. This risk assessment approach is built around discussions and assessments with senior officers, the Audit Committee and is linked to the assurance framework and corporate risk. This approach informs our Head of Internal Audit Opinion which in turn informs the organisation's Annual Governance Statement.

## Counter Fraud Services

In addition to Internal Audit Services NYAS also provides a comprehensive counter fraud service. The Department of Health (DH) sets out a national strategic approach to countering fraud in its publication 'Countering Fraud in the NHS'. This addresses the seven generic areas of counter fraud activity:

- Creating an anti-fraud culture
- Deterring fraud
- Preventing fraud
- Where it cannot be deterred, detecting fraud
- Where it is not prevented, professionally and objectively investigating suspicions of fraud where they arise
- Consistently applying a range of sanctions where fraud is proven

- Seeking redress to recover funds obtained through fraud.

Under current Secretary of State Directions each health body is required to appoint a Local Counter Fraud Specialist (LCFS). NYAS has five qualified and experienced LCFSs with a designated Counter Fraud Manager who ensures that all counter fraud activity is performed in compliance with the NHS Counter Fraud and Corruption Manual and Secretary of State's Direction.

## **Additional Services**

### **Value for Money Studies**

Each audit NYAS undertakes will have regard to Value for Money (VFM). Wherever possible, consideration is given to achieving efficiency and economy in the operation of systems and processes.

### **Specialist Computer Audit**

NYAS has staff qualified and experienced in this area who lead and carry out audits of Information Governance (IG) and Information Management and Technology (IM&T), and who have experience working in NHS IT and Finance teams respectively. This experience and insight into the day-to-day activity within these departments and practical experience of the IT systems ensures a balanced and pragmatic approach to our audit work.

### **Patient Safety and Quality Issues**

Providing excellent patient care and reducing clinical risk is core to NHS business. Similarly, NYAS regard Quality Governance as an essential element of the Internal Audit Operational Plan. Our ability to provide a high standard of service in this area is supported by the clinical knowledge and expertise of the qualified nurses on our team.

### **Training for Audit Committee Members**

For the past 7 years, NYAS has organised an annual workshop event based around the theme "Improving Audit Committee Effectiveness" which is open to all Audit Committee members in the Yorkshire and Humber region. The event is financially supported by the Strategic Health Authority and usually attracts approximately 30 delegates, many of whom return every year.

The event is intended to be topical, informative and participative, and to provide an opportunity for Audit Committee members to network with like-minded colleagues. The agenda typically includes presentations on local and nationally relevant topics and a workshop session allowing open discussion and the sharing of ideas. As the CCG is a member of our Alliance Board, your organisation will have the opportunity to shape the agenda for this event, to provide meaningful training for your Audit Committee.

Additionally, NYAS offers training for all new Audit Committee members including a face-to-face induction with the Head of Internal Audit and/or Audit Manager.