



OXFORDSHIRE CLINICAL COMMISSIONING GROUP

Head of Internal Audit Opinion 2020/2021

26 April 2021

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1. HEAD OF INTERNAL AUDIT OPINION

In accordance with Public Sector Internal Audit Standards, the Head of Internal Audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance statement.

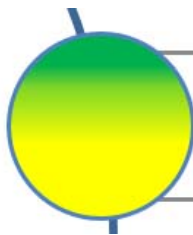
This document provides our annual internal audit opinion for 2020/21.

1.1 The head of internal audit opinion

For the 12 months ended 31 March 2021, our Head of Internal Audit opinion for Oxfordshire Clinical Commissioning Group, is as follows:

Head of Internal Audit opinion 2020/21

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The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

1.2 Scope and limitations of our work

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the Audit Committee. Our opinion is subject to inherent limitations, as detailed below:

- the opinion does not imply that internal audit has reviewed all risks and assurances relating to the organisation;
- the opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework. As such, the assurance framework is one component that the Governing Body takes into account in making its annual governance statement (AGS);
- the opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management / lead individual;
- the opinion is based on the testing we have undertaken, which was limited to the area being audited, as detailed in the agreed audit scope;
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance;

- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to our attention;
- it remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be seen as a substitute for management's responsibilities around the design and effective operation of these systems; and
- our internal audit work for 2020/21 has been undertaken through the substantial operational disruptions caused by the Covid-19 pandemic. In undertaking our audit work, we recognise that there has been a significant impact on both the operations of the organisation and its risk profile, and our annual opinion should be read in this context.

1.3 Factors and findings which have informed our opinion

Factors and findings which have informed our opinion:

We have not issued any 'no assurance' (red) opinions or 'partial assurance' (negative) opinions to the CCG during the year.

We have issued two reports with a substantial assurance (positive) opinion, these being:

- Financial Governance Arrangements
- ICS Transformation Funding (draft)

We have also issued three audits with a reasonable assurance (positive) opinion, these being:

- Conflicts of Interest
- Delegated Commissioning (draft)
- Financial Governance – Part 2 (draft)

In the audits shown as providing Reasonable Assurance, controls were found to have been adequately designed and generally well applied to mitigate the associated risks to the CCG. However, we identified some areas where controls or their application could be strengthened and in these areas we have agreed suitable management actions.

Whilst undertaken as an advisory review, our review of Cyber Security did not identify any significant issues.

In addition, our review of Governance – Alignment of Arrangements (draft) was done on an advisory basis due to the infancy of the governance arrangements being considered. Overall, we concluded from our work that the arrangements at Oxfordshire CCG surrounding the alignment of governance across the three CCGs was underway. Progress had been made against the items set out in the original alignment proposal despite the impacts that the response to COVID-19 had caused, workstreams had been identified and Director objectives had been documented and reported. In addition, we found that work was ongoing to align the Schemes of Delegation between the CCGs and draft terms of reference had been produced for BOB Audit, Finance and Remuneration Committees, with Remuneration Committees in common having already sat and plans in place for Audit and Finance Committees in common to sit in 2021. However, further work was still required to align the processes further, and it was planned that from April 2021, the CCGs hold all meetings of the Governing Bodies and Committees in-common, with the only exceptions being Audit Committee until Annual reports and Accounts are finalised, with individual CCG Executive/Commissioning Committees remaining separate. The Governing Bodies workshop in-common in April 2021 would discuss the specific implications and working arrangements for 2021/22.

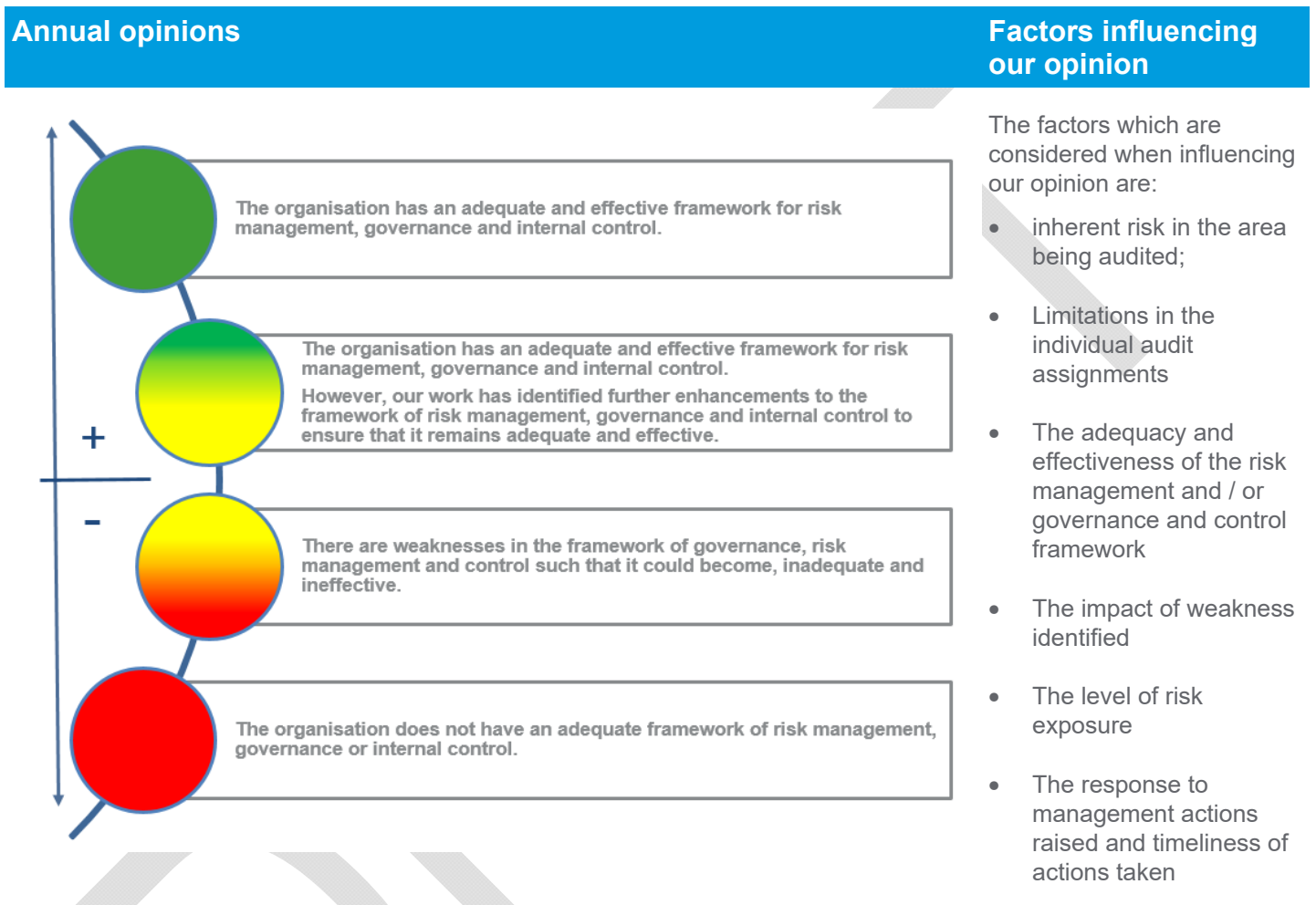
Audit Area	Assurance Level
Financial Governance Arrangements	Substantial
Conflicts of Interest	Reasonable
Delegated Commissioning	Reasonable
Cyber Security	Advisory
Governance – Alignment of Arrangements (Draft)	Advisory
ICS Transformation Funding	Substantial
Financial Governance – Part 2	Reasonable

1.4 Topics judged relevant for consideration as part of the annual governance statement

There are no issues from our work to date that we believe the CCG needs to consider as significant control issues.

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.



FOR FURTHER INFORMATION CONTACT

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Oxfordshire Clinical Commissioning Group and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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