Bristol, North Somerset and South Gloucestershire
Integrated Care Board

BNSSG ICB Audit and Risk Committee Meeting

Minutes of the meeting held on 29th September 2022 at 14:00, MS Teams

Minutes

Present		
John Cappock	Audit Committee Chair - Non-Executive Member	JCa
Ellen Donovan	Non-Executive Member – Quality and Performance	ED
Alison Moon	Non-Executive Member – Primary Care	AM
Apologies		
Jaya Chakrabarti	Non-Executive Member – People	JCh
Steve West	Non-Executive Member – Finance, Estates and Digital	SW
In attendance		
Sarah Truelove	Chief Financial Officer and Deputy Chief Executive, BNSSG ICB	ST
Jeff Farrar	Chair of BNSSG Integrated Care Board	JF
Elias Hayes	Manager, Audit South West	EH
Nick Atkinson	Head of Internal Audit, RSM	NA
Catherine Cookson	Associate Chief Finance Officer	CC
Steve Freeman	Head of Financial Services	SF
Sarah Carr	Corporate Secretary, (note taker) BNSSG ICB	SC

	Item	Action
A	**Meeting with Auditors without the Executive** JCa welcomed committee members and external auditors to the meeting without the executive those present introduced themselves. JCa explained the purpose of this part of the meeting which was an opportunity for those providing independent advice to the Committee to raise any matters without the executive present. EH confirmed he had nothing to raise. NA noted that there were two aspects to the Committee's work. The first was internally focused on the functions of the CCG that had transferred to the ICB and the second had a wider system assurance focus.	
1	**Welcome and Apologies** The executive joined the meeting. JCa welcomed all to the meeting and the above apologies were noted. The role of the committee was highlighted and JCa drew attention to the four core purposes of the ICB to improve outcomes in population health and healthcare, tackle inequalities in outcomes, experience and access, enhance productivity and value for money and help the NHS	

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	support broader social and economic development. JCa note the committee had a specific function in relation to enhanced productivity and value for money. It was important that the other aims alongside this were woven into the committee's work and were reference points. The points raised by NA were highlighted and JF noted these were helpful and there would be further discussion about ways of working at the Closed Board meeting on the 6th October and the Board seminar in November. JCa explained he had met with ST and SC to discuss the audit workplan for the committee which was transitional. There were a number of spare days in the audit plan these could be used to support the development of the system risk and assurance approach. This would support the development of the ICB internal risk approach and the focus on priorities. The presence of system partners at future committee meetings would be an opportunity to discuss assurance across the system, identify duplications and areas for greater attention. JCa commented that the Internal Auditors would have a role in supporting this. JCa drew attention to the review of meeting effectiveness and asked ED to provide the feedback at this item.	
2	**Declarations of Interest** There were no new declarations and no existing declared interests that conflicted with agenda items.	
3	**Committee Terms of Reference** JCa drew attention to the membership of the committee which had been extended to include all for the ICB non-executive directors. AM asked about the appointment of a committee vice chair. AM note that the chair of the ICB was not a member of the committee. There was a discussion about the appointment of a vice chair and it was agreed that a vice chair would be chosen by committee members on an as need basis. The Terms of Reference would be amended to reflect this. It was confirmed that JF was in attendance. JF commented that it was important that the ICB chair was not a committee member in respect of its independent assurance role. Attending the committee on an ad hoc basis provided JF with an overview of the functioning of ICB governance arrangements in support of the core aims. JF noted the importance of a focus on system risk and the core aims as well as on the immediate priorities facing the ICB. **The Committee agreed the amended Terms of Reference and recommended them to the ICB Board for approval**	**SC**
4	**Internal Audit 2022/23 Progress Report** NA explained that the first two Internal Audit agenda items related to the close down of the CCG at the end of quarter 1 2022/23. An Internal Audit plan for 2022/23 had been developed and agreed by the CCG Audit, Governance and Risk Committee and this was presented at agenda item 4.4. The plan had been structured to enable a quarter 1 Head of Internal Audit Opinion to be drafted in support of the Governance Statement. The approach had been to focus on	

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	areas where previous audits had highlighted issues. The top up testing revisited the management actions identified previously and reviewed whether these were fully implemented, required further work or were outstanding. A number of actions were closed off, and a number were considered to be ongoing. It was explained a number of these had been implemented by the CCG, however they remained pertinent to the ICB. There were also actions not yet due. The committee would continue to receive updates on actions to be implemented. JCa asked for an update on the safeguarding audit actions, voicing concern that these actions had been open for some time. ST explained that she had not received an update from Rosi Shepherd, Director (Chief Nursing Officer). ST would continue to raise this. JCa asked for an updated position before the ICB Board meeting on the 6th October. ED supported the challenge, noting that the management actions had been agreed in September 2021 and commenting that the due date for actions had been changed a number of times. ED noted that there were capacity and resource issues within the safeguarding team. AM agreed that Safeguarding was an area where there could be no complacency and asked about the process for changing implementation dates. NA explained that actions and timescales for implementation were agreed with the relevant director at the end of auditing process. There was no agreed process for seeking permission to changes to dates after audits were completed. When auditors revisited actions, teams provided updates on progress and at times amended implementation dates. AM commented that it was important that actions and timescales were owned by management and noted that the dates set were not imposed by the auditors. AM commented it was important to challenge when teams reported that actions could not be implemented to agreed timescales. AM noted that there would be occasions when delivery to the agreed timetable would not be possible, however as a rule the aim should be to deliver to the agreed implementation dates. NA noted that teams needed to agree timescales that were realistic and achievable. The committee discussed how the executive would monitor the implementation of actions and changes to implementation dates. It was agreed that the Executive would be asked to review audit actions and implementation dates once a month at the regular Executive Team meetings. **The Committee received the report**	**ST** **ST**
5	**2022/23 CCG Annual Report - including Head of Internal Audit Opinion** NA explained the national requirement was to title the quarter 1 report an Annual Report. The three-month report summarised the top up testing described in the previous paper and the proactive audit engagement with the CCG Due Diligence process. The paper presented the Head of Internal Audit Opinion for the period. The overall opinion concluded that "The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to	

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	the framework of risk management, governance and internal control to ensure that it remains adequate and effective". This was in line with the Head of Internal Audit Opinion given for 2021/22, indicating that the controls in place continued to operate. JCa explained that the Due Diligence work had been reported at both the CCG Audit, Governance and Risk Committee and the Strategic Finance Committee. The paper reflected the reports to the committees. JCa noted the comment on the actions related to recruitment and employment contracts and asked if this should be drawn to the attention of the People Committee. NA agreed that it was helpful for committees to review audit reports that were specific to their remit and would contribute to progressing actions highlighted in reports. JCa, noting the previous discussion about safeguarding, asked if there were any areas of concern to draw to the Committee's attention. NA highlighted that Continuing Healthcare (CHC) was an area of concern across ICBs with issues relating to capacity nationally. JCa asked if there were any further questions. There were none. JCa thanked the management team for the work undertaken during the last quarter of 2021/22 and the first quarter of 2022/23 to close down the CCG and ensure an effective transition to the ICB. **The committee noted the report and Head of Internal Audit Opinion**	
6	**Healthcare Benchmarking Report** NA commented that report was positive with the CCG near to the benchmark. There had been one partial assurance audit in the period which related to CHC, as highlighted in the previous papers. The CCG had identified areas where it felt it required more assurance or believed there was scope for improvement. NA highlighted the reported themes emerging across healthcare organisations, including providers. In previous years key themes included financial management and workforce. There had been less emphasis on financial management with the change in the financial regime during the pandemic however this was now likely to change. Further work to identify key themes across CCG would be completed, NA highlighted as areas of focus: CHC, maintaining up to date Contract and Procurement Registers. AM welcomed an approach where the ICB continued to focus its audit plan on areas of concern. JCa agreed and noted that the Executive had taken this approach and the Committee would continue to encourage it. JCa asked if there was anything to draw out specifically for the BNSSG system. NA commented that the main issues were waiting times, delayed discharges and bed availability. The impacts of these on ambulance hand over delays and response times were also areas of risk alongside the impact on community and mental health services. The impact on social care was also important. These were areas where further assurance might be required from across system partners. Workforce was a challenge across systems and this was another	

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	theme to explore for assurance. Financial management would also be a focus. JCa thanked NA for the report. There were no further questions. **The committee received the report**	
7	**2022/23 Internal Audit Plan for ICB** There had been a number of changes to the agreed Audit Plan. NA highlighted that the requirement to conduct an annual audit of arrangements to manage conflicts of interests had changed and the delegation of Pharmaceutical, Ophthalmic and Dental services had moved to 2023/24. Discussions had been held with the executive to reallocate audit time. It had been agreed to use some of the available time to review agency usage. Other areas of the audit plan looked at supporting the development of the ICB governance and risk management arrangements and also the wider system aspects. ST drew attention to the audit timetable, and the concentration of audits in the final quarter of the year. This reflected the establishment of the ICB at the start of July. In future years audits would be more evenly distributed. ED asked whether audits focused on workforce strategy and planning would be brought forward and whether it was too early to review the Board Assurance Framework. NA commented that he was aware from discussions with other ICBs that workforce was a common risk across systems. It was important to ensure that audits added value. The timing of a review of wider ICB workforce strategy needed to reflect its implementation. NA noted that workforce was likely to feature on the ICB Assurance Framework and risk register. ED agreed that workforce was a significant matter for the ICB. The timely development and implementation of the workforce strategy was essential. ED noted it was important to understand if there were different approaches that could be adopted and observed that this was potentially an area for further discussion with Non-Executive colleagues. ST explained the system risk management and Board Assurance Framework audit work was planned for February. Actions to develop these were underway and would come to the November ICB Board seminar. The intention was to complete early testing of the implementation of the system risk management approach to inform its continued development. ST explained that there were ongoing discussions regarding system workforce to bring together finance colleagues and chief people officers to support workforce planning. ST was responsible for operational planning and the development of the Operational Plan for 2023/24 had started. Workforce would be at the heart of this plan. JF noted that the workforce strategy had been discussed at the ICS People Committee which set out the direction of plans. Further work was required to develop the supporting financial model and JF welcomed the involvement of finance colleagues. JF noted there were two aspects to the workforce strategy cover the ICB workforce and the wider system.	

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	AM asked about the timing of the audit focused on the Out of Hospital Strategy and whether it could come forward given its key role in the delivery of the ICB's core aims. AM noted it would be helpful to understand how the audits had been allocated over the three-year plan. AM commented that it would be helpful to indicate on the plan audits that were specific to the ICB and audits with a wider system focus. This would support discussions about the division of audit time across ICB specific areas and the system. It was important to have assurance on the wider system. AM asked if audits would include as routine testing against the four core aims. NA commented that the plan was derived from the organisation's objectives and the strategic risks to these; this would be described through the Board Assurance Framework. The ICB's Internal Auditor would not be completing audits within system partner organisations. The Internal Auditors could support the ICB in the development of a system assurance map across the core areas identified. An example would be the level of visibility of partner organisations' audit plans. A system assurance map would help reduce the risk of duplication across the system or the risk of gaps in assurance in key areas. JCa thanked colleagues for their helpful contributions to the discussion and noted these would go forward at future meetings. JCa explained that he was exploring setting up a local network of Audit Chairs, to meet at least twice yearly to discuss and share some the issues discussed and other matters such as the HFMA checklist. **The committee received and approved the Plan**	
8	**Role of Counter Fraud and Security Management** EH explained that the Counter Fraud and Security Management service provided assurance and services to the ICB and to UHBW within the BNSSG system. The service included fraud prevention and deterrence. The aim was to provide guidance and recommendations on how to reduce and remove the threat and risk of fraud, bribery and corruption to the organisation and its ability to meet statutory requirements. **The committee received the briefing**	
9	**Counter Fraud and Security Management Plans 2022/23** EH explained the Counter Fraud plan had been agreed by the CCG Audit, Governance and Risk Committee. The plan was set at 60 days and was flexible to meet both planned and unplanned requirements. The plan detailed the twelve main components set out by the Cabinet Office and the NHS Counter Fraud Authority. There was an additional local component focused on investigations. The plan covered strategy, and proactive work including detection as part of the local proactive exercises undertaken. The investigative, reactive elements were dependant on the number of referrals made by staff, patients and contractors. EH highlighted the three proactive exercises detailed in the plan:	

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	• Personal Health Budgets - Direct payments and prepaid card • ICB Delegated Commissioning Risks • Cyber security EH noted the work focused on delegated commissioning would potentially change due to changes in the delegation timetable. EH noted in relation to cyber security the service was proactive in sharing information about risks with staff to increase their awareness of cyber frauds. EH noted the role of the CSU regarding cyber security. ED asked about the ICB's and the system's level of risk regarding cyber security and cyber fraud. EH explained there were cyber security risks relating to IT security and the systems used; actions to mitigate these were supported through the CSU for the ICB and through partners' IT teams. The second element concerned 'human error' risks and the vulnerability of individual members of staff and their awareness of cyber fraud. It was important to focus on raising individuals' awareness of cyber fraud particular. ST noted that the CSU actively conducted penetration tests to understand staff awareness of cyber fraud. There was a focus on sharing information about cyber fraud across the organisation and within directorates and teams. Information asset owners and administrators were identified across the organisation as part of the ICB approach to information governance and security. AM asked if awareness raising also supported staff outside of the work environment. EH noted that good practice at home would be reflected in good practice at work. The service provided a regular newsletter that included awareness raising about issues such as social media engineering and phishing, including personal emails. The focus of the annual international Fraud Awareness Week in November included security at home. Attention was drawn to the Security Management plan for 18 days. The plan was flexible to enable resources to be allocated to reactive work if required. The plan included consultancy and reactive elements. Advice in the past had included supporting vaccination centres at GP premises and staff security in GP practices. It was explained there was no national body with oversight of security management. The National Association of Healthcare Security was actively working to raise this issue. There were no further questions. **The committee received the plan**	
10	**Counter Fraud and Security Management Progress Report** EH set out the background to the report which covered activity related to: governance, proactive work and reactive work. The next report would have an increased focus on mandate fraud which was a growing issue. Attention was drawn to the new national methodology for reporting and the requirement for a central fraud risk register. Activity to raise awareness and the services' involvement with policy development was highlighted. Progress regarding	

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	prevention exercises was reported. The terms of reference for the PHB focused exercise had been agreed. EH highlighted the emerging risks, and cyber enabled bank mandate fraud which was a key issue for all organisations. Fraudsters were changing how they operated these frauds which targeted bank mandates for suppliers' invoices. This was a major concern for all organisations. The reactive work undertake to date was detailed which included a bank mandate fraud. AM asked if better compliance with component three, Fraud Risk Assessment, would help to mitigate bank mandate frauds, noting the rating for this amber. EH agreed that a better understanding of risks would help prevent fraud. Key was understanding how to prevent fraud. It was important to ensure that finance teams were aware of the risks. Information was already shared with the ICB finance team and further presentations to the team were planned. The service had raised nationally how the NHS Shared Business Service could review their processes for invoice payment to reduce risks. ED noted the work related to staff working when sick and asked what proportion of fraud related to cyber fraud and what proportion related to physical fraud. EH explained that national data didn't distinguish between provider and commissioning organisations. From this date it could be concluded that physical fraud was more prevalent. However cyber fraud was on the increase and although working whilst sick was the most commonly reported fraud across all NHS bodies it was less likely to be so prevalent in commissioning organisations and ICBs. Fraud for these organisations was more focused on procurement. ST highlighted there was further detail about one of the reactive cases in the losses and compensation paper; there were lessons to learn in terms of systems and processes that would help counter increased risks. **The committee received the report**	
11	**Draft Counter Fraud Policy** EH explained the updated policy followed the new national template and revised standards including additional information on the recovery of lost funds. Attention was drawn to the implementation plan. There were no questions. **The committee received the policy and recommended it to the ICB Board**	
12	**Counter Fraud and Security Management Annual Reports 2021/22** EH explained the background to the annual reports. Attention was drawn to the appendices that detailed the activity relating to case load, proactive exercises and the Counter Fraud Function return. JCa observed that the reports reflected reporting throughout the year to the CCG Audit, Governance and Risk Committee and that he would sign the return. Communication was a common thread running through the counter fraud and security management items. JCa asked EH to flag any issues or support required from the Committee, the Committee Chair, and the Chief Finance Officer.	

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	The committee received the reports and confirmed the signing of the return	
13	**Update on External Audit Position** ST explained that the CCG External Audit contract expired at the end of the 2021/22 financial year. The ICB approached the incumbent to extend the contract for a further year to enable the ICB to be established. The incumbent requested a two-year extension. Following discussion with the Audit Chair it was decided to undertake a procurement exercise. An Audit Panel consisting of ST, JCa, ED, CC, and SC had been established. The contract award stage had been reached; a further update would be made once the contract was in place. **The committee received the update**	
14	**2022/23 HFMA Checklist – Self Assessment** JCa noted that the checklist had been discussed by the Finance, Estates and Digital Committee. The checklist had been a helpful and reflective exercise and a plan had been developed to take forward the actions. There would be an Internal Audit review which would come to a future meeting. CC confirmed that the paper was for information at this stage. The paper set out the management assessment of the ICB against the Checklist which identified a number of areas for improvement. The actions to address these were included in the plan. The Internal Audit was due for completion in November. The intention was to ensure actions were implemented for the end of January 2023 although it was noted that some actions related to 2023/24. A further update would come to the Committee in December. NA commented that the Committee could seek assurance from partner organisations who were also completing the checklist. JCa noted that this was a topic to raise with system audit chairs. ST explained that the Directors of Finance had shared the self-assessment and audits were now in progress. It was important to ensure that the timing of the Audit Chairs' discussion linked to the completion of the audits. ST observed that the self-assessments would help to inform the ICB system assurance map. **The committee received the report**	
15	**Quarter One 2022/23 CCG Governance Statement** SC explained the requirement for the submission of an 'annual report' by the CCG for the first quarter for 2022/23. This included a requirement to complete a Governance Statement for the period. Attention was drawn to the mandatory template. The statement was presented as part of the governance process. The Head of Internal Audit Opinion would be added to the statement prior to submission. SC noted that the ICB would complete an annual report for the nine-month period from July 2022 to March 2023. This report would follow the same template. JCa commented that the statement accurately reflected the due diligence carried out by the CCG prior to the establishment of the ICB. JCa observed that the statement was made by the Chief Executive Officer.	

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	ED asked about the governance and sign off process for the nine-month ICB report. SC explained that the Governance Statement would be drafted and submitted to the February meeting for discussion and comment. The next iteration would be included in the draft annual report to be signed off by the Chief Executive and submitted in April. The Governance Statement was made by the Chief Executive Officer. The final report and statement would be submitted in June 2023. JCa noted the committee's role in providing assurance to the Chief Executive in relation to the veracity of the statement. **The committee received the Quarter One 2022/23 CCG Governance Statement**	
16	**Corporate Risk Register** SC noted the previous discussions regarding risk and assurance and explained that the register presented followed the CCG format. The register was a holding position whilst the ICB system risk approach was developed. The current register was internal to the ICB and would be reviewed and realigned to the system approach once established. SC noted that Directorates were asked to thoroughly review and deep cleanse the information held on the register. AM highlighted that a number of risks regarding primary care delegations had been discussed at the Primary Care Committee and that these would be added to the register. SC would raise this with the team to ensure risks were added. **The committee received the Corporate Risk Register**	**SC**
17	**Claims and Litigation Report** SC explained this item would in future be part of matters for information. The paper explained how the ICB was the responsible body for the management of ongoing and new clinical negligence claims relating to Adult Community Health Services provided by Bristol Community Health and North Somerset Community Partnership prior to 1st April 2020. These organisations demised on the 31st March 2020 and all outstanding and new claims up to 31st March 2020 were passed to the CCG to manage. The three high value claims were highlighted. SC explained the ICB was indemnified through NHS Resolution's risk pooling scheme, the Clinical Negligence Scheme for Trusts (CNST). The ICB's annual contribution to the scheme was £1000. Regular reports would be made in future. ED asked how the learning from claims was taken forward. SC explained that the claims reported had been logged by the demising organisations and learning had been picked up through those organisations' clinical governance arrangements. When new claims were raised the learning from these would be shared with the current service provider. There were no further questions. **The committee received the report**	
18	**Committee Work Plan** NA commented it would be helpful to consider the work plan in terms of system focused and ICB focused items. ED agreed it would be helpful to have two parts to committee meetings to differentiate items with a wider system focus. JF	

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	noted this would enable system partners present at future meetings to participate fully in discussions. JCa agreed to review the workplan with SC. **The committee agreed the workplan and the further review**	JCa
19	**Matters for Information** The committee received the following matters for information: • Losses and Compensation Payments • Waiver of Standing Financial Instructions • 2022/23 QI Information Rights Report • Managing Conflicts of Interest There were no questions.	
20	**Review of Meeting Effectiveness** ED provided the review of meeting effectiveness and commented: • The meeting had been well chaired • The meeting had been positive and the executive had been open and honest which was a welcomed approach • The introduction to the meeting and the link to the core purposes of the ICB was helpful and could be replicated at other committee meetings The number of outstanding audit actions was a concern and one approach could be to require directors to seek the committee's permission to change implementation dates for actions • The papers presented were clear • The development of an assurance map would support the committee and the ICB in its work. • It would be helpful to have the annual report and other large documents more than one week in advance of the committee meeting to ensure sufficient reading time was available for members • Having the meeting in two parts to allow a specific focus on system wide business would be helpful and it would be helpful to clearly indicate the two separate sections on agendas. JCa thanked ED for her helpful comments. JCa would meet with NA, ST and SC to consider the audit plan, work plan and agendas for future meetings. JCa thanked all present for their contribution to the meeting.	JCa/NA ST/SC
21	**Date of Next Meeting** 9th December 2022 at 2pm via MS Teams	
B	**Meeting without the Auditors Present** JCa invited comments from those present on the meeting. AM commented that the papers and presentations by the independent advisers had been clear and helpful. AM noted the importance of the ICB and the ICB executive setting the direction of the internal audit plan. JCa agreed this was important and ST confirmed the executive were involved in setting the plan. JCa reiterated that he would meet with NA and ST to discuss the forward agendas and work plan.	

Sarah Carr, Corporate Secretary, September 2022

Bristol, North Somerset and South Gloucestershire
Integrated Care Board

Meeting of the ICB Board

Date: 1st December 2022
Time: 12:15pm
Location: MS Teams

Agenda Number:	7.5.2
Title:	Review of Audit and Risk Committee Terms of Reference
Purpose: For decision	
Key Points for Discussion:	
The Committee Terms of Reference were approved by the ICB Board at the July 1st meeting. As part of the governance process the terms of reference of all ICB committees have been reviewed. Proposed amendments to the Terms of Reference are highlighted in the paper.	
Recommendations:	To approve the revised Audit and Risk Committee Terms of Reference
Previously considered by and feedback:	The Terms of Reference have been reviewed by the Audit and Risk Committee
Management of Declared Interest:	There are no potential or actual Conflicts of Interest.
Risk and Assurance:	There is a risk that without a change to increase the membership of the committee achieving a quorum may be challenging. This will affect the committee's ability to progress ICB governance business and provide the ICB with adequate assurance. The proposed amendment is intended to mitigate this risk. Unmitigated this risk is rated as 4 (probable) x 4 (major) = 16. The proposed mitigation reduces the risk score to 2 (unlikely) x 4 (major) = 8
Financial / Resource Implications:	The is a resource implication in relation to Non-executive Director time.
Legal, Policy and Regulatory Requirements:	There is a mandatory requirement to establish an Audit Committee
How does this reduce Health Inequalities:	The Audit Committee will receive reports that relate to the reduction of health inequalities as part of its work programme
How does this impact on Equality & diversity	The Audit Committee will receive reports that relate to the reduction of inequalities as part of its work programme

Patient and Public Involvement:	The Audit Committee will receive reports that relate to the patient and public involvement as part of its work programme
Communications and Engagement:	The revised Terms of Reference will be added to the ICB website as part of the Governance Handbook
Author(s):	Sarah Carr, Corporate Secretary
Sponsoring Director:	Sarah Truelove, Chief Financial Officer

Audit Committee Terms of Reference

1. Introduction

Constitution:

The Audit Committee (the Committee) is established by the Integrated Care Board (the Board or ICB) as a Committee of the Board in accordance with its Constitution.

These Terms of Reference (ToR), which must be published on the ICB website, set out the membership, the remit, responsibilities and reporting arrangements of the Committee and may only be changed with the approval of the Board.

The Committee is a non-executive committee of the Board and its members, including those who are not members of the Board, are bound by the Standing Orders and other policies of the ICB.

Purpose:

The aims of the ICB are to:

- improve outcomes in population health and healthcare
- tackle inequalities in outcomes, experience and access
- enhance productivity and value for money
- help the NHS support broader social and economic development.

To contribute to the overall delivery of the ICB objectives by providing oversight and assurance to the Board on the adequacy of governance, risk management, and internal control processes within the ICB.

The duties of the Committee will be driven by the organisation's objectives and the associated risks. An annual programme of business will be agreed before the start of the financial year; however, this will be flexible to new and emerging priorities and risks.

The Audit Committee has no executive powers, other than those delegated in the SoRD and specified in these terms of reference.

2. Delegated Authority

The Audit Committee is authorised by the Board to:

- Investigate any activity within its terms of reference;
- Seek any information it requires within its remit, from any employee or member of the ICB (who are directed to co-operate with any request made by the Committee) within its remit as outlined in these terms of reference;

- Commission any reports it deems necessary to help fulfil its obligations;
- Obtain legal or other independent professional advice and secure the attendance of advisors with relevant expertise if it considers this is necessary to fulfil its functions. In doing so the Committee must follow any procedures put in place by the ICB for obtaining legal or professional advice;
- Create task and finish sub-groups in order to take forward specific programmes of work as considered necessary by the Committee's members. The Committee shall determine the membership and terms of reference of any such task and finish sub-groups in accordance with the ICB's Constitution, standing orders and Scheme of Reservation and Delegation (SoRD) but may/ not delegate any decisions to such groups.

For the avoidance of doubt, the Committee will comply with, the ICB Standing Orders, Standing Financial Instructions and the SoRD, other than for the following exceptions:
add any exceptions agreed by the board

3. Membership

The Committee members shall be appointed by the Board in accordance with the ICB Constitution.

The Board will appoint no fewer than four members of the Committee including all of the Non-Executive Members of the Board. Other members of the Committee need not be members of the Board, but they may be.

Neither the Chair of the Board, nor employees of the ICB will be members of the Committee. Members will possess between them knowledge, skills and experience in: accounting, risk management, internal, external audit; and technical or specialist issues pertinent to the ICB's business. When determining the membership of the Committee, active consideration will be made to diversity and equality.

Chair and Vice Chair:
In accordance with the constitution, the Committee will be chaired by a Non-Executive Member of the Board appointed on account of their specific knowledge skills and experience making them suitable to chair the Committee.

The Chair of the Committee shall be independent and therefore may not chair any other committees. In so far as it is possible, they will not be a member of any other committee. Committee members may appoint a Vice Chair Committee members may appoint a Vice Chair from amongst the non-executive members. The Chair will be responsible for agreeing the agenda and ensuring matters discussed meet the objectives as set out in these ToR.

4. The members of the Audit committee are:

- Non-Executive Member of the ICB – Audit (chair)
- Non-Executive Member of the ICB – Outcomes, Performance and Quality (chair)
- Non-Executive Member of the ICB – People (chair)
- Non-Executive Member of the ICB – Primary Care (chair)
- Non-Executive Member of the ICB – Finance, Estates and Digital
- A Local Authority partner member
- A provider partner member

5. In attendance (if required)

Attendees:

Only members of the Committee have the right to attend Committee meetings, however all meetings of the Committee will also be attended by the following individuals who are not members of the Committee:

- Chief Finance Officer or their nominated deputy;
- Representatives of both internal and external audit;
- Individuals who lead on risk management and counter fraud matters;

The Chair may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

Other individuals may be invited to attend all or part of any meeting as and when appropriate to assist it with its discussions on any particular matter including representatives from the Health and Wellbeing Board(s), Secondary and Community Providers.

The Chief Executive be invited to attend the meeting at least annually. The Chair of the ICB may also be invited to attend one meeting each year in order to gain an understanding of the Committee's operations.

Attendance:

Where an attendee of the Committee (who is not a member of the Committee) is unable to attend a meeting, a suitable alternative may be agreed with the Chair.

Access:

Regardless of attendance, External Audit, Internal Audit, Local Counter Fraud and Security Management providers will have full and unrestricted rights of access to the Audit and Risk Committee.

6. Administration

The Committee shall be supported with a secretariat function which will include ensuring that:

- The agenda and papers are prepared and distributed in accordance with the Standing Orders having been agreed by the Chair with the support of the relevant executive lead;
- Attendance of those invited to each meeting is monitored and highlighting to the Chair those that do not meet the minimum requirements;
- Records of members' appointments and renewal dates and the Board is prompted to renew membership and identify new members where necessary;
- Good quality minutes are taken in accordance with the standing orders and agreed with the chair and that a record of matters arising, action points and issues to be carried forward are kept;
- The Chair is supported to prepare and deliver reports to the Board;
- The Committee is updated on pertinent issues/ areas of interest/ policy developments;
- Action points are taken forward between meetings and progress against those actions is monitored.

7. Quoracy

For a meeting to be quorate a minimum of two Non-Executive Members of the Board are required, including the Chair or Vice Chair of the Committee.

If any member of the Committee has been disqualified from participating in an item on the agenda, by reason of a declaration of conflicts of interest, then that individual shall no longer count towards the quorum.

If the quorum has not been reached, then the meeting may proceed if those attending agree, but no decisions may be taken.

Decisions making and voting:
Decisions will be taken in according with the Standing Orders. The Committee will ordinarily reach conclusions by consensus. When this is not possible the Chair may call a vote.

Only members of the Committee may vote. Each member is allowed one vote and a majority will be conclusive on any matter.

Where there is a split vote, with no clear majority, the Chair of the Committee will hold the casting vote.
If a decision is needed which cannot wait for the next scheduled meeting, the Chair may conduct business on a 'virtual' basis through the use of telephone, email or other electronic communication.

8. Frequency of meetings

The Audit Committee will meet five/ four times a year and arrangements and notice for calling meetings are set out in the Standing Orders. Additional meetings may take place as required.

The Board, Chair or Chief Executive may ask the Audit Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

In accordance with the Standing Orders, the Committee may meet virtually when necessary and members attending using electronic means will be counted towards the quorum.

9. Remit and Responsibilities

The Committee's duties can be categorised as follows.

Integrated governance, risk management and internal control:
To review the adequacy and effectiveness of the system of integrated governance, risk management and internal control across the whole of the ICB's activities that support the achievement of its objectives, and to highlight any areas of weakness to the Board.

To ensure that financial systems and governance are established which facilitate compliance with DHSC's Group Accounting Manual.

To review the adequacy and effectiveness of the assurance processes that indicate the degree of achievement of the ICB's objectives, the effectiveness of the management of principal risks.

To have oversight of system risks where they relate to the achievement of the ICB's objectives.

To ensure consistency that the ICB acts consistently with the principles and guidance established in HMT's Managing Public Money.

To seek reports and assurance from directors and managers as appropriate, concentrating on the systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

To identify opportunities to improve governance, risk management and internal control processes across the ICB.

Internal audit:
To ensure that there is an effective internal audit function that meets the Public Sector Internal Audit Standards and provides appropriate independent assurance to the Board. This will be achieved by:

- Considering the provision of the internal audit service and the costs involved;
- Reviewing and approving the annual internal audit plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the assurance framework;
- Considering the major findings of internal audit work, including the Head of Internal Audit Opinion, (and management's response), and ensure coordination between the internal and external auditors to optimise the use of audit resources;
- Ensuring that the internal audit function is adequately resourced and has appropriate standing within the organisation; and
- Monitoring the effectiveness of internal audit and carrying out an annual review.

External audit:
To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process. In particular, the Committee will review the work and findings of the external auditors and consider the implications and management's responses to their work. This will be achieved by:

- Considering the appointment and performance of the external auditors, as far as the rules governing the appointment permit;
- Discussing and agreeing with the external auditors, before the audit commences, the nature and scope of the audit as set out in the annual plan;
- Discussing with the external auditors their evaluation of audit risks and assessment of the organisation and the impact on the audit fee; and
- Reviewing all external audit reports, including to those charged with governance (before its submission to the Board) and any work undertaken outside the annual audit plan, together with the appropriateness of management responses.

Other assurance functions:
To review the findings of assurance functions in the ICB, and to consider the implications for the governance of the ICB.

To review the work of other committees in the ICB, whose work can provide relevant assurance to the Audit Committee's own areas of responsibility.

To review the assurance processes in place in relation to financial performance across the ICB including the completeness and accuracy of information provided.

To review the findings of external bodies and consider the implications for governance of the ICB. These will include, but will not be limited to:

- Reviews and reports issued by arm's length bodies or regulators and inspectors: e.g. National Audit Office, Select Committees, NHS Resolution, CQC; and

- Reviews and reports issued by professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges and accreditation bodies).

Counter fraud:
To assure itself that the ICB has adequate arrangements in place for counter fraud, bribery and corruption (including cyber security) that meet NHS Counter Fraud Authority's (NHSCFA) standards and shall review the outcomes of work in these areas.

To review, approve and monitor counter fraud work plans, receiving regular updates on counter fraud activity, monitor the implementation of action plans, provide direct access and liaison with those responsible for counter fraud, review annual reports on counter fraud, and discuss NHSCFA quality assessment reports.

To ensure that the counter fraud service provides appropriate progress reports and that these are scrutinised and challenged where appropriate.

To be responsible for ensuring that the counter fraud service submits an Annual Report and Self-Review Assessment, outlining key work undertaken during each financial year to meet the NHS Standards for Commissioners; Fraud, Bribery and Corruption.

To report concerns of suspected fraud, bribery and corruption to the NHSCFA.

Freedom to Speak Up:
To review the adequacy and security of the ICB's arrangements for its employees, contractors and external parties to raise concerns, in confidence, in relation to financial, clinical management, or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

Information Governance (IG):
To receive regular updates on IG compliance (including uptake & completion of data security training), data breaches and any related issues and risks.

To review the annual Senior Information Risk Owner (SIRO) report, the submission for the Data Security & Protection Toolkit and relevant reports and action plans.

To receive reports on audits to assess information and IT security arrangements, including the annual Data Security & Protection Toolkit audit.

To provide assurance to the Board that there is an effective framework in place for the management of risks associated with information governance.

Financial reporting:
To monitor the integrity of the financial statements of the ICB and any formal announcements relating to its financial performance.

To ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to the completeness and accuracy of the information provided.

To review the annual report and financial statements (including accounting policies) before submission to the Board focusing particularly on:

- The wording in the Governance Statement and other disclosures relevant to the Terms of Reference of the Committee;
- Changes in accounting policies, practices and estimation techniques;
- Unadjusted mis-statements in the Financial Statements;
- Significant judgements and estimates made in preparing of the Financial Statements;
- Significant adjustments resulting from the audit;
- Letter of representation; and
- Qualitative aspects of financial reporting.

Conflicts of Interest:
The chair of the Audit Committee will be the nominated Conflicts of Interest Guardian.
The Committee shall satisfy itself that the ICB's policy, systems and processes for the management of conflicts, (including gifts and hospitality and bribery) are effective including receiving reports relating to non-compliance with the ICB policy and procedures relating to conflicts of interest.

Management of Information Rights:
The Committee shall satisfy itself that the ICB's policy, systems and processes for the management of Information Rights are effective including receiving reports relating to non-compliance with the ICB policy and procedures relating to Information Rights.

Management:
To request and review reports and assurances from directors and managers on the overall arrangements for governance, risk management and internal control.

The Committee may also request specific reports from individual functions within the ICB as they may be appropriate to the overall arrangements.

To receive reports of breaches of policy and normal procedure or proceedings, including such as suspensions of the ICB's standing orders, in order provide assurance in relation to the appropriateness of decisions and to derive future learning.

Communication:

To co-ordinate and manage communications on governance, risk management and internal control with stakeholders internally and externally.

To develop an approach with other committees, including the Integrated Care Partnership, to ensure the relationship between them is understood.

10. Behaviours and Conduct

ICB values:

Members will be expected to conduct business in line with the ICB values and objectives.

Members of, and those attending, the Committee shall behave in accordance with the ICB's Constitution, Standing Orders, and Standards of Business Conduct Policy.

Equality and diversity:

Members must demonstrably consider the equality and diversity implications of decisions they make.

11. Reporting Requirements

The Committee is accountable to the Board and shall report to the Board on how it discharges its responsibilities.

The minutes of the meetings shall be formally recorded by the secretary and submitted to the Board in accordance with the Standing Orders.

The Chair will provide assurance reports to the Board at each meeting and shall draw to the attention of the Board any issues that require disclosure to the Board or require action.

The Audit Committee will provide the Board with an Annual Report, timed to support finalisation of the accounts and the Governance Statement. The report will summarise its conclusions from the work it has done during the year specifically commenting on:

- The fitness for purpose of the assurance framework;
- The completeness and 'embeddedness' of risk management in the organisation;
- The integration of governance arrangements;
- The appropriateness of the evidence that shows the organisation is fulfilling its regulatory requirements; and
- The robustness of the processes behind the quality accounts.

12. Review of Terms of Reference

The Committee will review its effectiveness at least annually.

These terms of reference will be reviewed at least annually and more frequently if required. Any proposed amendments to the terms of reference will be submitted to the Board for approval.

29/09/22

Bristol, North Somerset and South Gloucestershire
Integrated Care Board

Meeting of the ICB Board

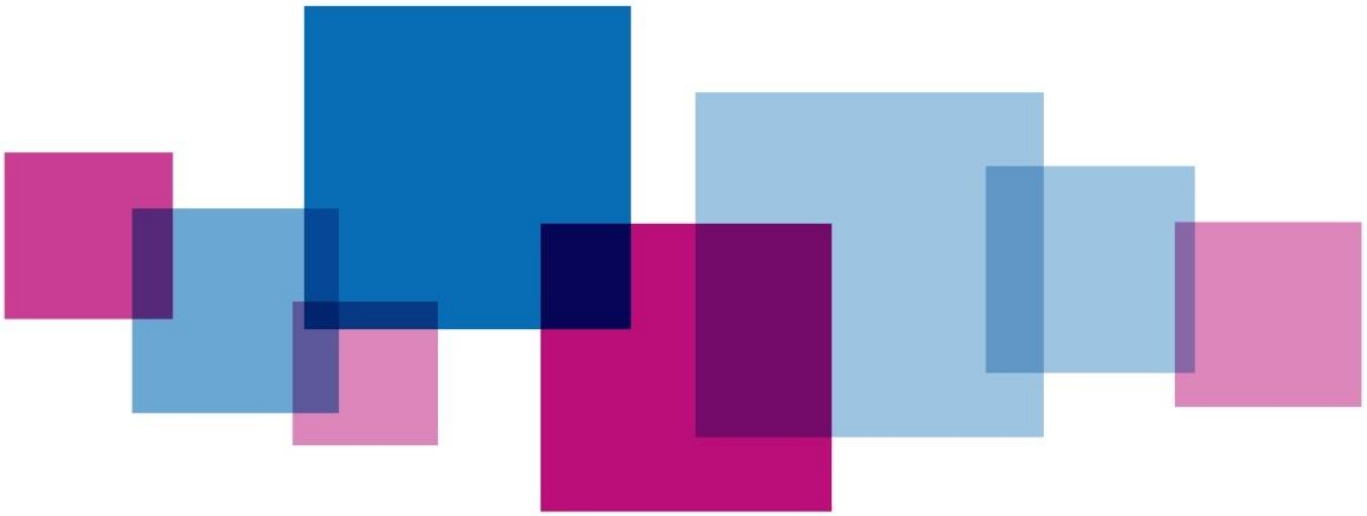
Date: 1st December 2022
Time: 12:15pm
Location: MS Teams

Agenda Number:	7.5.3
Title:	ICB Counter Fraud Policy
Purpose: For decision	
Key Points for Discussion:	
The ICB Counter Fraud Policy was reviewed by the ICB Audit and Risk Committee and it was agreed to recommend the policy to the Board for approval.	
Recommendations:	To approve the ICB Counter Fraud Policy
Previously considered by and feedback:	The policy has been reviewed by the Audit and Risk Committee
Management of Declared Interest:	There are no potential or actual Conflicts of Interest.
Risk and Assurance:	The Counter Fraud Policy is a key part of the ICB's internal controls to mitigate the risk of fraud and bribery
Financial / Resource Implications:	There are no new resource implications. Counter Fraud services are funded through the ICB management resources
Legal, Policy and Regulatory Requirements:	The policy reflects the legal framework relating to he prevention of fraud and bribery
How does this reduce Health Inequalities:	The policy does not relate to the reduction of health inequalities
How does this impact on Equality & diversity	The policy does not relate to the reduction of inequalities
Patient and Public Involvement:	There is no requirement for public engagement or involvement in the developed of counter fraud measures
Communications and Engagement:	The Counter Fraud Policy will be added to the ICB website as part of the ICB Governance Handbook
Author(s):	Sarah Carr, Corporate Secretary

Sponsoring Director:	Sarah Truelove, Chief Financial Officer

NHS
Bristol, North Somerset and South Gloucestershire
Integrated Care Board

Local Counter Fraud, Bribery and Corruption Policy



Please complete the table below: *To be added by corporate team once policy approved and before placing on website*	
Policy ref no:	To be filled in by Corporate Services
Responsible Executive Director:	Sarah Truelove, Deputy Chief Executive/Chief Finance Officer
Author and Job Title:	Elias Hayes, Senior Local Counter Fraud Specialist
Date Approved:	To be filled in by Corporate Services
Approved by:	To be filled in by Corporate Services
Date of next review:	August 2024

Policy Review Checklist

	Yes/ No/NA	**Supporting information**
Has an Equality Impact Assessment Screening been completed?	Yes	See Appendix A.
Has the review taken account of latest Guidance/Legislation?	Yes	Template and guidance Provided by NHS Counter Fraud Authority.
Has legal advice been sought?	N/A	
Has HR been consulted?	Yes	Chance to review at CPRG
Have training issues been addressed?	Yes	Please see implementation plan at Appendix B.
Are there other HR related issues that need to be considered?	No	

	Yes/ No/NA	Supporting information
Has the policy been reviewed by Staff Partnership Forum?	No	Not required
Are there financial issues and have they been addressed?	N/A	
What engagement has there been with patients/members of the public in preparing this policy?	N/A	
Are there linked policies and procedures?	Yes	See associated policies section
Has the lead Executive Director approved the policy?	No	
Which Committees have assured the policy?	Yes	Previous iterations seen by CCG AGR Committee
Has an implementation plan been provided?	Yes	
How will the policy be shared with Staff, Patients and the Public?	-	Intranet and Website
Will an audit trail demonstrating receipt of policy by staff be required; how will this be done?	No	Awareness of the policy will be tested upon completion of E-Learning.
Has a DPIA been considered in regards to this policy?	Yes	
Have Data Protection implications have been considered?	Yes	

Version Control ***please remove this box once approved and finalised***		
Version	**Date**	**Consultation**
1	6/3/2018	Approved by CCG GB

1.1	9/5/2019	Approved by CCG GB
1.2	18/5/2020	Approved by CCG GB
2	04/08/2022	Proposed new ICB policy with major changes required as a result of changes to core standards

Table of Contents

Local Counter Fraud, Bribery and Corruption Policy

1 Introduction

a. One of the basic principles of public sector organisations is the proper use of public funds. The majority of people who work in the NHS are honest and professional and they find that fraud committed by a minority is wholly unacceptable as it ultimately leads to a reduction in the resources available for patient care.

b. The NHS Counter Fraud Authority (NHSCFA) is charged with identifying, investigating and preventing fraud and other economic crime within the NHS and the wider health group. As a special health authority focused entirely on counter fraud work, the NHSCFA is independent from other NHS bodies and directly accountable to the Cabinet Office.

c. The aim is to protect staff and resources from activities that would otherwise undermine their effectiveness and their ability to meet the needs of patients and professionals. Ultimately, this helps to ensure the proper use of valuable NHS resources and a safer, more secure environment in which to deliver and receive care.

d. BNSSG ICB does not tolerate fraud, bribery or corruption. The aim is to eliminate all NHS fraud, bribery and corruption as far as possible. To meet its objectives, it has adopted the operational framework developed by the NHSCFA:

   i. Governance – supporting a zero-tolerance approach to wrongdoing; makes this clear to all staff; and monitors, at the very top of the organisation, the effectiveness of the arrangements in place. BNSSG ICB will appoint a qualified Local Counter Fraud Specialist (LCFS) to support this commitment.

   ii. Proactive - setting clear policies and a code of conduct for all staff; raising awareness of the risks; and liaising with other organisations to develop a shared resistance to wrongdoing. Undertaking comprehensive risk assessments of existing systems and processes, auditing and review of records and completing of proactive exercises to detect fraud.

   iii. Reactive - investigating allegations and indications of wrongdoing; and seeking appropriate sanctions if wrongdoing is detected.

1.1 BNSSG ICB Values

a. This policy supports the values of the organisation by informing staff of their responsibility to act with integrity and to do the right thing. The ICB is committed to reducing the level of fraud, bribery and corruption within the NHS to increase the resources available for providing better patient care. This policy details how staff should conduct themselves whilst working for the ICB, and raises awareness of fraud, bribery and corruption offences and the reporting lines available for staff who wish to report and suspicions of illicit activity.

2 Purpose and scope

a. This policy relates to all forms of fraud, bribery and corruption and is intended to provide direction and help to employees who may identify suspected fraud. It provides a framework for responding to suspicions of fraud, advice and information on various aspects of fraud and implications of an investigation. It is not intended to provide a comprehensive approach to preventing and detecting fraud, bribery and corruption. The overall aims of this policy are to:

   i. Improve the knowledge and understanding of all employees in BNSSG ICB, irrespective of their position, about the risk of fraud, bribery and corruption within the organisation and its unacceptability.

   ii. Assist in promoting a climate of openness and a culture and environment where staff feel able to raise concerns sensibly and responsibly.

   iii. Ensure the appropriate sanctions are considered following an investigation, which may include any or all of the following: criminal prosecution, civil prosecution or internal/external disciplinary action.

   iv. To reduce the occurrence of fraud, bribery and corruption at the ICB.

b. This policy applies to all employees of BNSSG ICB, regardless of position held, any individual performing duties on behalf of the ICB, consultants, vendors, contractors, and/or any other parties who have a business relationship with BNSSG ICB. It will be brought to the attention of all employees and form part of the induction process for new staff.

3 Duties – legal framework for this policy

NHS Counter Fraud Authority (NHSCFA)

a. The NHSCFA is responsible for the detection, investigation and prevention of fraud and economic crime within the NHS. Its aim is to lead the fight against fraud affecting the NHS and the wider health and social care sector, by using intelligence to understand the nature of fraud risks, investigate serious and complex fraud, reduce its impact and drive forward improvements.

b. The ICB will take all necessary steps to counter fraud, bribery and corruption in accordance with this policy and the NHS CFA Digital Fraud Manual, (available to the director of finance and information and local counter fraud specialist (LCFS) only), the policy statement 'Applying Appropriate Sanctions Consistently' published by NHSCFA and any other relevant guidance or advice issued by NHSCFA. Available at: https://cfa.nhs.uk/about-nhscfa/corporate-publications

c. The NHSCFA has also produced its Counter Fraud, Bribery and Corruption Strategy which sets out its vision and purpose, and can be found at: https://cfa.nhs.uk/resources/downloads/documents/corporate-publications/NHSCFA_Strategy_2020-23.pdf

d. All work planned and undertaken by the ICB in relation to fraud, bribery and corruption aligns to this strategy.

Government Functional Standard for Counter Fraud

a. The Government Functional Standard for Counter Fraud (GovS013), and specific NHS adjustments sets out the requirements placed on NHS organisations to aid fighting fraud. The requirements can be found at: https://cfa.nhs.uk/government-functional-standard/NHS-requirements

b. This policy document is written in accordance with these requirements and in line with the NHSCFA model policy template. The NHSCFA carries out regular engagements to check the requirements are being followed at all NHS organisations.

Economic Crime

a. Economic Crime can be defined as illegal acts committed by an individual or a group of individuals to obtain a financial or professional advantage. In such crimes, the offender's principal motive is economic gain. This term is the overarching name for crimes such as Fraud, Bribery and Corruption.

Fraud

a. The Fraud Act 2006 represents a fundamental shift in the elements required to prove a fraud offence. It is no longer necessary to prove that a person has

been deceived. The focus is now on the dishonest behaviour of the suspect and their intent to make a gain or cause a loss.

b. The offence of fraud can be committed in three ways:
    i. Fraud by false representation (Section 2) – lying about something using any means, e.g. by words or actions.
    ii. Fraud by failing to disclose information (Section 3) – not saying something when you have a legal duty to do so.
    iii. Fraud by abuse of position (Section 4) – abusing a position where there is an expectation to safeguard another person or organisation.

Bribery and Corruption

a. The Bribery Act received assent in 2010 and repealed previous anti-bribery/corruption legislation. It covers the public and private sector. The purpose of the legislation is to simplify the law on bribery and to allow a more effective response to bribery offences that occur either in the UK or abroad.

b. The main offences covered by the Act are:
    i. An offence of active bribery (i.e. giving, promising or offering a bribe), which applies in the public or private sector.
    ii. An offence of passive bribery (i.e. requesting, agreeing to receive or accepting a bribe), which applies in the public or private sector.
    iii. A specific offence of bribing a foreign public official.
    iv. A new 'corporate' offence which applies where a corporate body or partnership fails to prevent persons performing services on their behalf from paying bribes.

4 Responsibilities and Accountabilities

a. BNSSG ICB will take all necessary steps to counter fraud, bribery and corruption in accordance with this policy, the NHSCFA Digital Fraud Manual, (available to the CFO and LCFS only), the policy statement Applying Appropriate Sanctions Consistently published by NHSCFA and any other relevant guidance or advice issued by NHSCFA.

The **Board of the ICB** is responsible for gaining assurance that:

a. BNSSG ICB has adopted and is operating adequate procedures and controls to deter and prevent wrongdoing from occurring, in compliance with the Government Functional Standard requirements.

b. Adequate arrangements are in place to ensure that all staff are aware of the standards of personal and professional behaviour expected of them; and that all staff have access to this policy.

The **Audit, Governance and Risk Committee** is responsible for gaining assurance that:

a. BNSSG ICB has appointed a qualified Local Counter Fraud Specialist (LCFS) to lead the drive to maintain and improve the standards and processes for deterring, detecting and investigating wrongdoings; and seek prosecution where wrongdoing is discovered.
b. The annual counter fraud work plan is adequate and provides a reasonable balance between raising fraud awareness across BNSSG ICB and evaluating the effectiveness of BNSSG ICB's counter-fraud systems and controls.
c. It receives periodical reports from the LCFS on the progress against the work plan and update of the progress of any investigations.
d. It receives a formal annual report of BNSSG ICB's compliance with the standards set by NHSCFA.

The **Chief Financial Officer** is the lead for all anti-fraud, bribery and corruption work at BNSSG ICB, monitors and ensures compliance with Government Functional Standards and is responsible for:

a. Ensuring that an annual risk assessment is carried out by the BNSSG ICB, using the tools provided by NHSCFA.

b. Managing the continuity of appointment of a qualified LCFS to the BNSSG ICB; and ensuring that the counter-fraud service continues to be delivered in the event of the departure, or long term absence of the appointed LCFS.

c. Overseeing the delivery of services from the LCFS including induction and any relevant training or promotional activities.

d. Providing the relevant required support to the LCFS in any investigations that they carry out.

e. Depending on the outcome of investigations (whether on an interim/on-going or concluding basis) and/or the potential significance of suspicions that have been raised, inform appropriate senior management accordingly.

f. Informing and consulting with the Chief Executive in cases where the loss may be above the agreed limit or where the incident may lead to adverse publicity.

All managers responsible for commissioning or procuring services will ensure that:

a. Special regard is paid to the requirements of the Bribery Act 2010: that all organisations from which services are procured have proportionate controls and checks on their staff to deter and prevent all forms of wrongdoing, including bribery in favour of BNSSG ICB and bribery that does not benefit BNSSG ICB.

All staff are required to:

a. Act in accordance with the standards laid down by their professional institutes, where applicable, and have a personal responsibility to ensure that they are familiar with them.

b. Have a duty to protect the assets of BNSSG ICB, including information, goodwill and property.

c. Comply with all applicable laws and regulations relating to ethical business behaviour, procurement, personal expenses, conflicts of interest, confidentiality and the acceptance of gifts and hospitality.

d. Avoid acting in any way that might cause others to allege or suspect them of dishonesty.

e. Behave in a way that would not give cause for others to doubt that BNSSG ICB's employees deal fairly and impartially with official matters.

f. Be alert to the possibility that others might be attempting to deceive.

g. Ensure that public funds are safeguarded, whether or not they are involved with cash or payment systems, receipts or dealing with contractors or suppliers.

h. Reporting any suspected fraud or corruption, or any suspicious acts or events, to the nominated LCFS.

Managers at all levels have a responsibility to ensure that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively. The responsibility for the prevention and detection of fraud, bribery and corruption therefore primarily rests with managers but requires the co-operation of all employees. As part of their responsibility, managers need to:

a. Ensure that procedures to guard against fraud and corruption are followed. They should be alert to the possibility that unusual events or transactions could be symptoms of fraud, bribery and corruption. If they have any doubts, they must seek advice from the nominated LCFS.

b. Managers must instil and encourage an anti-fraud, anti-bribery and anti-corruption culture within their team and ensure that information on procedures is made available to all employees as part of local induction and on an ongoing basis. The LCFS will proactively assist the encouragement of an anti-fraud culture by undertaking work that will raise fraud awareness.

c. All instances of actual or suspected fraud or corruption which come to the attention of a manager must be reported immediately. It is appreciated that some employees will initially raise concerns with their manager. However, in such cases, managers must not attempt to investigate the allegation themselves; they have the clear responsibility to refer the concerns to the LCFS as soon as possible.

d. Inform staff of BNSSG ICB's code of business conduct and Fraud, and Bribery policy as part of their induction process, paying particular attention to the need for accurate completion of personal records and form.

e. Ensure that all employees for whom they are accountable are made aware of the requirements of the policy.

f. Assess the types of risk involved in the operations for which they are responsible.

g. Ensure that adequate control measures are put in place to minimise the risks. This must include clear roles and responsibilities, supervisory checks, staff rotation (particularly in key posts), separation of duties wherever possible so that control of a key function is not invested in one individual, and regular reviews, reconciliations and test checks to ensure that control measures continue to operate effectively.

h. Ensure that any use of computers or any access to petty cash by employees is linked to the performance of their duties within BNSSG ICB.

i. Be aware of BNSSG ICB's Fraud and Bribery policy and the rules and guidance covering the control of specific items of expenditure and receipts.

j. Identify financially sensitive posts and post-holders, to include those that have responsibilities for making financial decisions or are involved in procurement or the management of assets; and ensure they are aware of responsibilities and understand systems and controls.

k. Ensure that controls are being complied with.

l. Contribute to their Director's assessment of the risks and controls within their business area, which feeds into BNSSG ICB's and the Department of Health Accounting Officer's overall statements of accountability and internal control.

Local Counter Fraud Specialist (LCFS)

Government Functional Standard GovS 013: Counter Fraud set out the expectations for the management of fraud, bribery and corruption risks across government. All NHS organisations must comply with specific NHS requirements within this standard, set out by the Cabinet Office. One requirement is that all NHS organisations must have an appropriately qualified and nominated Local Counter Fraud Specialist (LCFS).

NHSCFA provides the NHSCFA Counter Fraud Manual to both LCFS and Chief Financial Officers. This details how counter fraud work should be delivered in order to comply with the requirements of the Counter Fraud Functional Standards. **The LCFS** is required to:

a. Regularly report on progress against the Counter Fraud Workplan to the Audit, Governance and Risk Committee.

b. Regularly report to the CFO on the progress of the investigation and when/if referral to the police is required.

c. Ensure that the Chief Financial Officer is informed about all referrals/cases.

d. Be responsible for the day-to-day implementation of the NHSCFA operational framework, in particular, the investigation of all suspicions of fraud.

e. In consultation with the Chief Financial Officer report any case to the police or NHSCFA as agreed and in accordance with the NHSCFA Counter Fraud and Corruption Manual.

f. Report any case and the outcome of the investigation through NHSCFA's national case management system, CLUE.

g. Ensure that other relevant parties are informed where necessary, e.g. Human Resources (HR) will be informed if an employee is the subject of a referral. In this situation, the LCFS will not conduct a disciplinary investigation, but the employee may be the subject of a separate investigation by HR.

h. Ensure that BNSSG ICB's incident and losses reporting systems are followed.

i. Ensure that any system weaknesses identified as part of an investigation are followed up with management and reported to internal audit.

j. Adhere to the Counter Fraud Professional Accreditation Board (CFPAB's) Principles of Professional Conduct as set out in the NHSCFA Counter Fraud and Corruption Manual.

k. Ensure that the Chief Financial Officer is informed of NHSCFA investigations, including progress updates.

l. Report any case and the outcome of the investigation to the Corporate Secretary to be reported as a Serious Incident.

m. Liaise on a regular basis with the Corporate Secretary and other members of staff as required.

n. The LCFS shall be responsible, in discussion with the Chief Financial Officer, for informing third parties such as external audit or the police at the earliest opportunity, as circumstances dictate.

o. Provision of induction, training and other activities to support understanding and adoption of LCFS matters including this policy.

Internal and External Audit are responsible for:

a. Passing any suspicions of fraud immediately to the nominated LCFS. The outcome of the investigation may necessitate further work by internal or external audit to review systems.

Human Resources are responsible for:

a. Liaising closely with managers and the LCFS from the outset if an employee is suspected of being involved in fraud, bribery or corruption, in accordance with agreed liaison protocols. HR staff are responsible for ensuring the appropriate use of BNSSG ICB's Disciplinary Policy.

b. Advising those involved in the investigation on matters of employment law and other procedural matters, such as disciplinary and complaints procedures, as requested. Close liaison between the LCFS and HR will be essential to ensure that any parallel sanctions (i.e. criminal, civil and disciplinary sanctions) are applied effectively and in a coordinated manner.

c. Taking steps at the recruitment stage to establish, as far as possible, the previous record of potential employees, as well as the veracity of required qualifications and memberships of professional bodies, in terms of their propriety and integrity. In this regard, temporary and fixed-term contract employees are treated in the same manner as permanent employees. Such information will be shared with recruiting managers.

Outsourced Contract Leads will:

a. Ensure that the contractor is aware of their responsibility to contact the LCFS immediately in all cases where there is suspicion of fraud, bribery and/or corruption, or any other concern which could pose a fraud risk.

Information Management and Technology will:

a. Contact the LCFS immediately in all cases where there is suspicion that IT equipment is being used for fraudulent purposes. HR will also be informed if there is a suspicion that an employee is involved.

Procurement will:

a. Contact the LCFS immediately in all cases where there is suspicion of fraud, bribery or corruption within the procurement process.

Counter Fraud Champion

The NHSCFA introduced the Counter Fraud Champion role to help form part of the NHS organisation's counter fraud provision and meet the requirements of the Counter Fraud Functional Standard which was introduced across the NHS in 2020-21.

The Counter Fraud Champion is a nominated role and should be held by a person who is senior, directly employed by the organisation and has enough influence to raise awareness of fraud.

Fraud Champions will support and promote the fight against fraud at a strategic level and with other colleagues in their own organisation. Fraud Champions will support the LCFS in the work they already do.

The **Counter Fraud Champion** is responsible for:

a. Promoting awareness of fraud, bribery and corruption across the ICB.

b. Understanding the threat posed by fraud, bribery and corruption.

c. Understanding best practice in counter fraud work.

d. Supporting the LCFS in their work, whilst also ensuring the accountability of the LCFS.

5 The Response Plan

a. If an employee has any of the concerns mentioned in this document, they must inform the nominated LCFS or BNSSG ICB's Chief Financial Officer, unless the Chief Financial Officer or LCFS is implicated. If that is the case, they should report it to the Audit Chair or Chief Executive, who will decide on the action to be taken.

b. Employees can also call the NHSCFA Fraud and Corruption Reporting Line on Freephone 0800 028 40 60. This provides an easily accessible route for the reporting of genuine suspicions of fraud within or affecting the NHS. It allows NHS staff who are unsure of internal reporting procedures, to report their concerns in the strictest confidence. All calls are dealt with by experienced trained staff and any caller who wishes to remain anonymous may do so.

c. Additionally, members of staff are able to report suspicions of fraud, bribery or corruption via the NHSCFA online reporting facility at: https://cfa.nhs.uk/reportfraud

d. Anonymous letters, telephone calls, etc. are occasionally received from individuals who wish to raise matters of concern, but not through official channels. While the suspicions may be erroneous or unsubstantiated, they may also reflect a genuine cause for concern and will always be taken seriously.

e. The LCFS will make sufficient enquiries to establish whether or not there is any foundation to the suspicion that has been raised. If the allegations are found to be malicious, they will also be considered for further investigation to establish their source.

Disciplinary Action

a. The disciplinary procedures of BNSSG ICB must be followed if an employee is suspected of being involved in a fraudulent or otherwise illegal act.

b. It should be noted, however, that the duty to follow disciplinary procedures will not override the need for legal action to be taken (e.g. consideration of criminal action). In the event of doubt, legal statute will prevail.

Police involvement

a. In accordance with the NHSCFA Digital Fraud Manual, the Chief Financial Officer, in conjunction with the LCFS, will decide whether or not a case should be referred to the police. Any referral to the police will not prohibit action being taken under the local disciplinary procedures of BNSSG ICB.

Managing the investigation

a. The LCFS, in consultation with BNSSG ICB's Chief Financial Officer, will investigate an allegation in accordance with procedures documented in the NHSCFA Digital Fraud Manual.

b. The LCFS must be aware that staff under an investigation that could lead to disciplinary action have the right to be represented at all stages. In certain circumstances, evidence may best be protected by the LCFS recommending to BNSSG ICB that the staff member is suspended from duty. BNSSG ICB will make a decision based on HR advice on the disciplinary options, which include suspension.

c. BNSSG ICB will follow its disciplinary procedure if there is evidence that an employee has committed an act of fraud, bribery or corruption.

d. Criminal and Disciplinary Investigations may take place at the same time. Parallel investigations are supported by NHSCFA where disciplinary sanctions could reduce the risk of further financial loss or risks to patient safety. The LCFS and the ICB's Human Resources function will liaise to ensure that appropriate sanctions are pursued.

Gathering Evidence

a. The LCFS will take control of any physical evidence, and record this in accordance with the procedures outlined in the NHSCFA Digital Fraud Manual. If evidence consists of several items, such as many documents, LCFS's should record each one with a separate reference number corresponding to the written record. Note that in criminal actions, evidence on or obtained from electronic media needs a document confirming its accuracy.

b. Interviews under caution or to gather evidence will only be carried out by the LCFS, if appropriate or, the investigating Police Officer in accordance with the Police and Criminal Evidence Act 1984 (PACE). The LCFS will take written statements where necessary.

c. All employees have a right to be represented at internal disciplinary interviews by a trade union representative or accompanied by a friend, colleague or any other person of their choice, not acting in a legal capacity in connection with the case.

d. The application of the Fraud and Bribery Policy will at all times be in tandem with all other appropriate BNSSG ICB policies, e.g. Detailed Financial Policies, Conflict of Interests Policy, Gifts and Hospitality Policy and Standing Orders (SOs).

6 Recovery of Losses due to Fraud, Bribery and Corruption

a. Redress allows resources that are lost to fraud and corruption to be returned to the NHS for use as intended, for provision of high-quality patient care and services.

b. The seeking of financial redress or recovery of losses will always be considered in cases of fraud or corruption that are investigated by either the LCFS or NHSCFA where a loss is identified. Redress can take the form of confiscation and compensation orders, a civil order for repayment, or a local agreement between the organisation and the offender to repay monies lost. The decisions will be taken in light of the particular circumstances of each case.

7 Sanctions

The types of sanction that may apply when an offence has occurred are:

a. Civil – Civil sanctions can be taken against those who commit fraud, bribery and corruption to recover money and/or assets which have been fraudulently obtained, including interest and costs.

b. Criminal – The LCFS will work in partnership with NHSCFA, the police and/or the Crown Prosecution Service to bring a case to court against an alleged offender. Outcomes can include cautions, fines and/or imprisonment.

c. Disciplinary – Where events giving rise to disciplinary action are the subject of legal proceedings, the ICB may take disciplinary action before such legal proceedings are concluded. This will depend on advice from the police or other prosecuting bodies, including the LCFS on whether it is appropriate to continue with the ICB's disciplinary process.

d. Professional body disciplinary – If warranted, staff may be reported to their professional body as a result of a successful investigation and/or prosecution.

8 Reporting the Results of an Investigation

a. The investigation process requires the LCFS to review the systems in operation to determine whether there are any inherent weaknesses. Any such weaknesses identified should be corrected immediately.

b. If fraud, bribery or corruption is found to have occurred, the LCFS will prepare a report for the Chief Financial Officer setting out the following details:
   - The circumstances.
   - The investigation process.
   - The estimated loss.
   - The steps taken to prevent a recurrence.
   - The steps taken to recover the loss.

c. This report should also be available to BNSSG ICB's Audit, Governance and Risk Committee and Board.

9 Training requirements

Associated Fraud, Bribery and Corruption eLearning is mandatory for all ICB staff and covers elements of this policy. Staff awareness will be measured through analysis of compliance rates for completion of the eLearning and through the Counter Fraud Staff Survey, created by ASW Assurance.

10 Equality Impact Assessment

An Equality Impact Assessment has been completed for this policy and can be found at Appendix A.

11 Implementation and Monitoring Compliance and Effectiveness

a. The Chief Financial Officer and the LCFS will agree annual and specific measures of the effectiveness of this policy.

b. As a minimum, the LCFS will report annually on the number and nature of instances of suspected wrongdoing reported. This report will include details of outcomes and consequences to the individuals involved.

c. The Chief Financial Officer will commission the LCFS to carry out a regular review of the levels of awareness of this policy and its contents amongst staff.

d. The LCFS will, through the annual programme of work, determine the effectiveness of the BNSSG ICB's controls and other efforts to prevent and deter wrongdoing.

e. The results of these audits will be reported in the LCFS annual report to the Audit, Governance and Risk Committee. Delivery of actions agreed to address weaknesses and lapses identified in the implementation of the policy will be monitored by the Audit, Governance and Risk Committee.

12 References, acknowledgements and associated documents

The following list is not exhaustive:

a. The Fraud Act 2006
b. The Bribery Act 2010
c. Standing Orders
d. Detailed Financial Policies
e. Conflict of Interests Policy
f. Gifts and Hospitality Policy
g. Information Governance Policy
h. Disciplinary Policy
i. Raising Concerns (Whistleblowing) Policy
j. Recruitment Policy
k. Grievance Policy

13 Appendices

Appendix A - Equality Impact Assessment

See overleaf.

Equality Impact Assessment			
Query	**Response**		
What is the aim of the document?	To facilitate issues of concern and malpractice being heard quickly and fairly.		
Who is the target audience of the document (which staff groups)?	All staff and other groups as identified in Section 3 of this policy		
Who is it likely to impact on and how?	Staff	All of the groups identified may be impacted should concerns or issues be raised with the counter fraud team. All groups will be treated fairly and in accordance with legislation.	
	Patients		
	Visitors		
	Carers		
	Other – governors, volunteers etc		
Does the document affect one group more or less favourably than another based on the 'protected characteristics' in the Equality Act 2010?	Age (younger and older people)		No
	Disability (includes physical and sensory impairments, learning disabilities, mental health)		No
	Gender (men or women)		No
	Pregnancy and maternity		No
	Race (includes ethnicity as well as gypsy travellers)		No
	Sexual Orientation (lesbian, gay and bisexual people)		No
	Transgender people		No
	Groups at risk of stigma or social exclusion (e.g. offenders, homeless people)		No
	Human Rights (particularly rights to privacy, dignity, liberty and non-degrading treatment)		No

Appendix B - Implementation Plan

Target Group	Implementation or Training objective	Method	Lead	Target start date	Target End date	Resources Required
ICB Board	Ensure ICB Board is aware of the ICB's responsibilities for countering Fraud, Bribery and Corruption.	Policy and Cover paper to be presented by the ICB Board after approval by Audit, Governance and Risk Committee.	LCFS	Upon Approval at AGR Committee	Unknown	LCFS Time AGRC Time GB Time
All staff	Ensure that all staff are aware of the policy and its contents.	Launch via ICB staff newsletter and via intranet.	LCFS	Upon approval of Board.	Unknown	LCFS Time Comms Time
Patients, public and contractors	Ensure awareness of the policy and the ICB's stance towards fraud, bribery and corruption.	Launch policy on ICB website to ensure availability to external groups.	LCFS	As above	Unknown	LCFS Time Comms Time
Contract Leads	Ensure all contract leads for outsourced contracts make contractors aware of their responsibilities.	Contact all contract leads for outsourced contracts.	LCFS	Upon approval of policy	Unknown	LCFS time Contract leads time.
Counter Fraud Champion	Ensure a Counter Fraud Champion is appointed.	Contact suitable members of staff to request nomination.	LCFS	ASAP	ASAP	LCFS time CFC time.