

## BNSSG ICB Audit and Risk Committee Meeting

Minutes of the meeting held on 28<sup>th</sup> April 2023 at 2pm, MS Teams

### Minutes

Present		
John Cappock	Audit Committee Chair - Non-Executive Member	JCa
Jaya Chakrabarti	Non-Executive Member – People	JCh
Ellen Donovan	Non-Executive Member – Quality and Performance	ED
Lorna Harrison	Sirona Non-Executive Member, Audit and Assurance Committee Chair	LH
Alison Moon	Non-Executive Member – Primary Care	AM
Steve West	Non-Executive Member – Finance, Estates and Digital	SW
Apologies		
Jane Norman	Audit Committee Chair - Non-Executive Member UHBW	JN
Sarah Truelove	Chief Financial Officer and Deputy Chief Executive, BNSSG ICB	ST
Jo Walker	Chief Executive Officer, North Somerset Council	JW
In attendance		
Nick Atkinson	Head of Internal Audit, RSM	NA
David Bray	Audit Manager, Grant Thornton	DB
Gareth Cottrell	Counter Fraud Manager, ASW Assurance	GC
Victoria Gould	Client Manager, Internal Audit RSM	VG
Catherine Cookson	Associate Chief Finance Officer	CC
Sarah Carr	Corporate Secretary, (note taker) BNSSG ICB	SC
Rob Hayday	Chief of Staff	RH
Jo Hicks	Chief People Officer	JH
Jon Lund	Deputy Chief Finance Officer	JL
Michael Richardson	Deputy Director of Nursing & Quality	MR
Jon Roberts	Partner, Audit Grant Thornton	JR
Sarah Smith	LCFS, ASW Assurance	SS
Ellie Wetz	ICS Development Programme Manager	EW

	Item	Action
A	Meeting with Auditors without the Executive	

	Item	Action
	JCa welcomed Committee members and auditors to the meeting without the executive. The auditors raised no issues to discuss. SC apologised for the circulation of unredacted minutes.	
1	<p><b>Welcome and Apologies</b></p> <p>JCa welcomed all to the meeting. It was agreed to take item 7.3, Strategic Risk Register, Assurance Mapping and ICB Corporate Risk Register with item 4.2 Draft Head of Internal Audit Opinion. JCa noted that MR was in attendance to discuss progress on the Safeguarding actions. JCa explained as this was SC's last meeting, he had asked her to provide the effectiveness review at the end of the meeting. JCa reminded members of the four aims: to improve outcomes in population health and healthcare, tackle inequalities in outcomes, experience and access, enhance productivity and value for money and support broader social and economic development. JCa observed it was important to consider the agenda items in terms of all aims.</p> <p>JCa drew attention to the Internal Audit Plan item and invited members to consider its appropriateness and timings as ICB committee chairs.</p>	
2	<p><b>Declarations of Interest</b></p> <p>There were no new declarations and no existing declared interests that conflicted with agenda items.</p>	
3	<p><b>Minutes of the Previous Meeting and Action Log</b></p> <p>The minutes were agreed as a correct record with the following corrections.</p> <p>7<sup>th</sup> February 2023 minute:</p> <ul style="list-style-type: none"> <li>• GC title to read Counter Fraud Manager ASW Assurance</li> <li>• SS title to read Local Counter Fraud Specialist, ASW Assurance</li> </ul> <p>10<sup>th</sup> March 2023 minute:</p> <ul style="list-style-type: none"> <li>• JL attended the meeting</li> </ul> <p>The Committee reviewed the action log.</p> <ul style="list-style-type: none"> <li>• Action 29/09/22 ref 04 item 15 It was noted this had been revised and reviewed and was coming to the ICB Board meeting in May. It was agreed to close the action.</li> </ul> <p><b>[Post meeting note: the Committee papers did not include a full copy of the Action log. A full, updated Action Log will be circulated to all members in May 2023]</b></p>	SC
4	<p><b>Draft Internal Audit Plan 2023/24</b></p> <p>NA explained the draft plan had been reviewed by the Executive team and included their comments. The Governance at Place review had been carried forward from the 2022/23 plan. NA welcomed the Committee's thoughts on the plan and whether it focused on the areas expected and provided the assurance required. JCa explained he had discussed sharing the plan with system Directors of Finance and it had been agreed that given its focus on the ICB this was not needed at this point. The Governance at Place review would be shared with the Locality Partnerships, noting the different approaches adopted across BNSSG.</p>	

Item	Action
<p>AM commented that it was important for the Terms of Reference for each review to be shared with teams and approved by the appropriate executive leads. AM commented it would be helpful for all of the ICB Locality Partnership Leads to review the scope of the reviews. AM highlighted the safeguarding review and observed there was an opportunity to review arrangements and processes across the system, and not focus only on the commissioning role of the ICB. AM welcomed the Pharmacy, Ophthalmic and Dentistry (POD) Services review and reflecting on the timing of the review noted that this was in transition from NHS England. AM asked if the Primary Care review covered POD services as well as primary medical services, noting it would be helpful to include POD services in this review. There were significant transformation programmes for these services.</p> <p>NA confirmed that the scope of each review would be agreed with the appropriate executive director. NA commented that there were reviews where the scope would be shared with non-executive directors for comment, such as the governance reviews however this would not be routine. NA welcomed the comments about the safeguarding review, noting the description focused on the ICB responsibilities, and the opportunity to broaden the review. NA noted that the review would not test provider's arrangements, however could look at how assurance was sought by the ICB from partners and agreed to include this. It was confirmed that the Primary Care Transformation would cover POD services and this would be amended to reflect this. MR supported AM's comments about a wider scope for the safeguarding review.</p> <p>JCh asked if the timing of the People Programme Plan review had been aligned to the review of priorities by the People Programme Board, observing it would be helpful to co-ordinate with the review. NA welcomed the comment and asked to pick this up outside of the meeting to ensure timings and scope provided the assurance required. JCh noted Jo Hicks would be the executive lead. <b>[JH was not present for this discussion]</b>.</p> <p>SW welcomed the Funded Care review, noting this area of concern had been discussed at the Finance, Estates and Digital Committee. JL commented that the review was aligned with the financial risks. JL agreed to raise the alignment of the People Programme Plan review with JH as the executive lead.</p> <p>ED observed the ICB had a complex digital agenda and commented it was important that there was assurance that this was joined up, noting the important role of the Finance, Estates and Digital Committee. ED asked whether it would be helpful to include in the audit plan assurance on the development of the ICB, whether it was fit for purpose and how it benchmarked to other, similar ICB's. NA explained that the individual reviews would include a benchmarking</p>	<p>NA</p> <p>NA</p> <p>NA</p> <p>JL</p>

	Item	Action
	<p>element, for example how the ICB was progressing on matters such as the Board Assurance Framework. JCa noted the ICB's continued development would be part of the ongoing discussion between the non-executive directors and the chair. SW reflected on the digital agenda and commented that there would be an ICB Board seminar on the 1<sup>st</sup> of June focused on digital development. SW agreed it would be appropriate to seek assurance on the digital programme to ensure that activities were co-ordinated so that they delivered the impact required across the system, including the local authorities. JCa agreed that it would be helpful to consider a review of the digital programme in the future. JR commented that the external audit Value for Money work included a comparative element.</p> <p>JL noted that the Finance, Estates and Digital Committee had recently had a briefing on the role of the committee in the context of assurance and delivery. JL explained that the ICB Chief Executive had written to the system chief executives about the establishment of the Health and Care Improvement Groups; an executive level meeting was planned for May that would look at the roles of individuals and organisations to ensure these were understood in relation to the delivery of the 2023/24 plan.</p> <p>JCa highlighted that where audit reports highlighted issues relating to the core business of the ICB executives would be asked to attend the Audit and Risk Committee to explain the position and discuss the actions to be taken.</p> <p><b>The Committee approved the plan</b></p>	
5	<p><b>Internal Audit 2022/23 Progress Report and Draft Head of Internal Opinion</b></p> <p>It was agreed to take item 7.3 Strategic Risk Register, Assurance Mapping and ICB Corporate Risk Register as part of this discussion. NA highlighted the completion of the Key Financial Controls audit which had been given an opinion of reasonable assurance. The System Performance Management report was being completed and would be issued soon. The Data Security and Protection Toolkit review would be aligned with the ICB June submission date.</p> <p>There was a discussion about the Safeguarding management actions referenced in the report. MR explained that there were two areas for action to be finalised. These included the development of a Safeguarding Strategy and recording compliance with training requirements and training delivery. MR explained the development of the Strategy had been delayed in part to the transition to the new ICB organisation. Safeguarding priorities continued to be set for the system and the CCG and ICB in the Safeguarding Annual Reports. Work was now underway with system partners to develop a system wide strategy. A Local Governance Association review had been secured which would inform the development of the strategy. This was at the diagnostic stage working in partnership with the local authorities. It was important to ensure that the safeguarding arrangements across the ICS were aligned. The</p>	

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	<p>design stage of the process would start in July 2023 with the intention of having a final strategy in the Autumn. MR explained the issues regarding training related to the delivery and compliance recording of level 3 and level 4. The delivery of Childrens Safeguarding training had improved with ICB staff now receiving training from the Safeguarding Partnerships with ICB staff providing support to the Partnerships in a reciprocal arrangement. Level 3 Adult Safeguarding training was provided by the ICB team and a plan was in place to complete this for quarter three. Training plans for the delivery of level 4 and 5 training were in place. MR noted that there was still progress to make on recording compliance with level 3 training. Currently this was recorded manually, however there were capacity considerations and a long-term resolution was under investigation using either the ESR platform or the Consult OD training platform. JCa thanked MR for the update. There was a discussion about closing the actions. NA commented that the actions would continue to be tracked by Internal Audit. MR commented it was helpful to report back to the committee and it was agreed that there would be a further progress update at the September meeting and RS/MR would be invited to the meeting. ED welcomed the update and asked if there were wider concerns about safeguarding and whether sufficient resources were available. MR noted there were two elements to the question of resourcing; the ICB's internal resourcing for safeguarding and the wider system's resources. MR explained that additional resource had been secured to support the ICB's safeguarding function. Safeguarding was also a feature of the wider system Joint Forward Plan and additional funding had been secured to support children with experience of care and for multi-agency safeguarding hubs. NA noted that the plan was to report on the 2023/24 audit review of safeguarding at the September meeting. NA observed that the issue of resourcing was one that could be considered as part of the review.</p> <p>JCa commented on the number of actions that had slipped and commented that it was important that the ICB improved its response to recommendations. NA commented that the actions relating to the Agency review had slipped and it was expected that with the appointment of the substantive Chief People Officer these would now progress. AM noted that all of the reported outstanding actions had slipped and how changes to deadlines were agreed. NA explained that the report included only those actions where the deadline had changed and that a number had been implemented. NA explained that there was not a process for management to request changes in deadlines. Teams shared updates with the Internal Auditors, including changes to timescales and these were reflected in the report to the committee. AM observed that lead managers should be setting the timescales for actions and it was important that these should be realistic and worked to. NA agreed and commented that Internal Auditors would check timescales with the ICB. JCa agreed to raise this issue, with ST noting that there were high priority actions to be completed.</p>	<p>RH</p> <p>JCa</p>

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	<p>NA drew attention to the Risk Management (management letter) which informed the Head of Internal Audit Opinion. This work had been held back to enable the ICB to develop its assurance framework over the course of the year. There had been an ICB Board seminar on January 2023 which had focused on system risks. NA observed that the ICB was not as advanced as other ICBs in the development of the Board Assurance Framework and the approach taken had been designed to ensure that the system was fully engaged in the development process. The management letter approach reflected this. NA noted that there would be a further discussion about the management of risk at the May ICB Board meeting. NA observed that the view was that there was sufficient evidence to demonstrate that the ICB had been managing risk during the nine-month period.</p> <p>JCa thanked NA for the letter, noting it was timely and helpful. JCa observed that the ICS continued to develop its strategy and that this affected the ICB's ability to articulate risk. JCa asked for this to be reflected in the Head of Internal Audit Opinion. NA agreed to reference the development of the ICS strategy. The ICB would have been established for a year at the end of June 2023 and other systems were further ahead. JCa thanked NA noting it was helpful context for the non-executive directors and would be part of the discussion with the ICB Chair. ED noted the corporate secretary was leaving, and commented it would be important to raise with the ICB Chair in discussion how this was being taken forward. It was agreed to raise this.</p> <p>The committee discussed item 7.3 the strategic risk register at this point. EW presented the paper and explained that as the strategic objectives were in development describing the strategic risks was challenging at this point. EW drew attention to the workshops described in the paper. The first had been held and the learning used to inform the second workshop which would be the week of the 1<sup>st</sup> of May. The diagram at page 5 was highlighted, illustrating ICB corporate and system risk reporting. The importance of ensuring system partners were engaged with system risk reporting was highlighted. The workshop explored the interface with individual organisations' internal risk reporting. A paper reflecting the discussion would be presented to the May ICB Board. It was understood that the ICB progress was not in line with other systems; EW explained that the work to disaggregate the ICB corporate risk register and system risks had been completed and the ICB corporate risk register would also be presented to the ICB Board meeting. Attention was drawn to the proposed template for the Strategic Risk Register, which was the term used to describe the Board Assurance Framework. ED asked about the second risk workshop. EW confirmed that the non-executive directors had been invited to attend the workshop. ED confirmed she was attending the meeting and that it would help inform comments on the paper and templates provided.</p>	JCa



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	<p>It was noted that AM and JCa were also attending the event. NA welcomed the update and the progress being made.</p> <p>EW explained that there had been discussion about risk appetite and risk tolerance. Work to describe a collective system risk appetite and how this sat within the agreed decision-making framework was ongoing. EW observed there had been discussions about how sovereign organisations align risk appetite and this question would be put to the ICB board. It was noted that misalignment of risk appetite could impact on the management risk across the system. SW observed that risk appetite and risk management were central to a number of key issues and that differences in approach would have an impact on the decisions of the ICB and the actions taken. LH asked about the involvement of Sirona in the development of the system risk approach. EW confirmed that the risk and governance leads from all partners including Sirona had been involved in discussions. Sirona had been represented at the first workshop and the Director of Operations was attending the second workshop.</p> <p>AM thanked EW for the paper and noted that the system partner's risk appetites were unlikely to be aligned and how this would be taken forward would be important. The workshop and board discussion would help inform this. JCa asked what the recommendation to the ICB Board would be? EW explained the Board would be asked to note progress and the paper would include specific points for the Board to consider and discuss. The paper was intended to raise the profile of system risk management and the issues surrounding a collaborative approach to risk appetite and risk tolerance. JCa noted these matters were critical to the success of the ICB and the non-executive directors agreed to raise this with the ICB Chair prior to the Board meeting.</p> <p>The committee considered the Draft Head of Internal Audit Opinion. NA explained a positive opinion that "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." JCa thanked the team for the report</p> <p><b>The Committee received the reports</b></p>	JCa
6	<p><b>Draft Counter Fraud Work Plan 2023/24</b></p> <p>JCa congratulated SS on her promotion to LCFS. GC drew attention to the Draft Counter Fraud Work Plan highlighting the risk-based nature of the plan and the focus on the requirements of the counter fraud functional standard. GC explained that the team were in the process of completing the ICB's functional standard submission. Attention was drawn to the number of days proposed in the plan. It was noted that no national exercises were anticipated at this point. The committee would be informed if this position changed.</p>	

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	<p>GC provided an update on the National Fraud Initiative, the national exercise conducted by the Cabinet Office across the majority of the public sector focused on payroll, data matching and creditor data. The Counter Fraud service would provide the ICB with advice and guidance to ensure appropriate action was taken. Initial discussions had been held regarding a local proactive exercise for 2023/24 related to Personal Health Budgets. It was noted this issue had been discussed at the Finance, Estates and Digital Committee and the inclusion of the exercise was welcomed.</p> <p><b>The Committee approved the plan</b></p>	
7	<p><b>Counter Fraud Interim report</b></p> <p>GC informed members that fraud was increasingly cyber related. Attention was drawn to the Spring Staff Newsletter that highlighted the prevalence and increase in cyber fraud. A further newsletter would be issued focusing on cyber-enabled crime to prepare staff to deal with fraudsters, both personally and in the workplace. The preparation of the ICB's Counter fraud Functional Standard return 2022/23 had started. Prior to submission this would be approved by the Chief Finance Officer and the Chair of the Audit and Risk Committee. The submission deadline was 31<sup>st</sup> May. The submitted return would be included in the Counter Fraud Annual Report which would come to the ICB in the Summer.</p> <p>AM noted there were 13 components to the Counter Fraud Functional Standard and asked about the reporting of the components not covered in the paper, and the risk assessment approach. GC explained the Function Standard's components covered three areas; strategic governance ensuring that controls were in place, a proactive element that included educating staff and proactive exercises, and reactive work. CG explained the risk assessment was a live exercise and informed the work plan. A risk-based assessment was used to inform the reporting to the committee which pulled out the key issues.</p> <p>SW reflected on the information in the Newsletter that fraud was believed to account for 40% of crime in the UK with 2% of police resources dedicated to combatting fraud. The role of educating people about cyber fraud was vital. SW asked about this and the ability to investigate. GC explained the Counter Fraud Service investigated fraud in line with legislation. Cyber crime was a high risk given the ability to perpetrate crime and its international nature with criminals based in other jurisdictions. CG noted that cyber crime was to be treated at the same level as terrorism in the UK. ICBs would be responsible for ensuring that their areas were cyber protected. SW observed this would be a significant challenge for the ICB and staff engagement and understanding were important. It was important to understand what would be done nationally, what would be required locally, and how this would be resourced. GC commented that technical defences were important and that SW Assurance had a specialist audit team that could offer support if this area was not covered by the ICB's</p>	



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	Internal Auditors. There were no further questions. JCa thanked CG and SS for the report. <b>The Committee approved the plan</b>	
8	<b>External Audit Progress Report</b> JR explained that in Gail Turner-Radcliffe's absence the CCG audit had been taken forward by DB. The ICB audit would be led by Katie Whybray. KW had previously worked on the Bristol CCG audit and had experience and knowledge of the area. JR highlighted the completion of the Mental Health Investment Standard audit for the NHSE submission of 31 <sup>st</sup> March and that there were no issues to bring to the committee's attention. JR explained that the CCG audit was progressing well and ahead of other CCG audits. The focus was on completing the CCG audit prior to commencing the ICB audit work.  DB confirmed the CCG audit was progressing well and that the priority was to finish this work before the ICB audit work started. DB noted there were areas of overlap, for example the Remuneration Reports. This work would be done once to avoid duplication. The CCG audit would involve a light touch Value for Money exercise reflecting the three-month operational period. At this point no significant weakness had been identified. DB noted that the ICB accounts had been received a day ahead of the submission date. There were no questions. JCa thanked the External Auditors for the update. <b>The Committee received the update</b>	
9	<b>Annual Accounts Process and year end plan</b> CC explained the accounts had been submitted and would be presented with the draft Annual Report to the Closed ICB May Board meeting. The Board would be asked to delegate authority to approve the final Annual Report and Accounts to the Audit and Risk Committee. The key documents had been shared with the External Auditors and the Audit had commenced. CC explained that the Service Auditor Reports would be received in May. There were no questions. JCa thanked the team. <b>The Committee received the report</b>	
10	<b>Draft Annual Governance Statement</b> SC explained that the comments provided by the committee had been added to the draft and had been shared with the Chief Executive prior to submission on the 27 <sup>th</sup> April. The Service Auditor Reports would be added to the statement once available with the final Head of Internal Auditor Opinion. There were no questions. <b>The Committee received the update</b>	
11	<b>Strategic Risk Register, Assurance Mapping and ICB Corporate Risk Register</b> Taken at item 5	
12	<b>HFMA Checklist Update</b> CC explained that the ICB continued to implement the actions identified and this would be completed by the summer which aligned with the proposed	

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	<p>Internal Audit review. A number of actions were linked to the final implementation of the ICB's internal structure which had been launched on the 2<sup>nd</sup> of May. The full implementation of the decision-making framework would also take forward a number of actions. The checklist would be revisited in the Autumn, ahead of the 2024/25 planning round to identify further improvements.</p> <p>NA reflected a key challenge identified in other areas was the change in culture and this would be something for the ICB to be aware of as it progressed. NA noted the structural elements were progressing. JCa commented on the importance of focusing on culture and the role of training, ensuring issues were owned and addressed. JCa thanked CC and congratulated the team on the progress made. JL asked NA if the culture issue highlighted was a feature of ICBs or Trusts. NA confirmed this was an issue for provider organisations and noted that the pandemic had impacted on the control environment. It was important now to return to a central control model. It was important to ensure control environment was developed within ICBs as part of their own development. There were no further questions.</p> <p><b>The Committee received the update</b></p>	
13	<p><b>Matters for Information</b></p> <p>The Committee received the following matters for information:</p> <ul style="list-style-type: none"> <li>• Losses and Compensation Payments</li> <li>• Waiver of Standing Financial Instructions</li> <li>• Claims and litigation report</li> <li>• Committee Workplan</li> </ul> <p>There were no comments or questions</p>	
14	<p><b>Review of Meeting Effectiveness</b></p> <p>SC provided the review of meeting effectiveness and commented that:</p> <ul style="list-style-type: none"> <li>• The meeting had been well chaired and ran to time.</li> <li>• All present had the opportunity to contribute to the meeting which had been inclusive of all</li> <li>• There had been a positive discussion about the Internal Audit plan with significant engagement of the non-executive directors as chairs of the ICB committees</li> <li>• The discussion of the safeguarding audit had been positive and the progress reported reflected the perseverance of the committee to ensure the actions were implemented</li> <li>• The detailed discussion of risk had been important. SC highlighted the challenges in aligning the individual organisational approaches and encouraged the members to support the discussion at the May Board meeting</li> <li>• Assurance had been given regarding the progress of the External Audit and the work of the team to ensure that this was delivered to time</li> <li>• The breadth of the audit plan and counter fraud had encompassed the four aims of the ICB.</li> </ul>	

	Item	Action
	<p>JCa and the Committee thanked SC for her contribution to the committee and her support to individual members. NA thanked SC on behalf of the Internal Auditors for her support.</p> <p>JCa thanked all for their contribution to the meeting.</p>	
15	<p><b>Date of Next Meeting</b></p> <p>Tuesday 20<sup>th</sup> June: 14:00-16:00, MS Teams</p>	

**Sarah Carr, Corporate Secretary, May 2023**