

## BNSSG ICB Audit and Risk Committee Meeting

Minutes of the meeting held on 20<sup>th</sup> June 2023 at 2pm, MS Teams

### Minutes

<b>Present</b>		
John Cappock	Audit Committee Chair - Non-Executive Member	JCa
Jaya Chakrabarti	Non-Executive Member – People	JCh
Alison Moon	Non-Executive Member – Primary Care	AM
Jo Walker	Chief Executive Officer, North Somerset Council	JW
<b>Apologies</b>		
Ellen Donovan	Non-Executive Member – Quality and Performance	ED
Lorna Harrison	Sirona Non-Executive Member, Audit and Assurance Committee Chair	LH
Jane Norman	Audit Committee Chair - Non-Executive Member UHBW	JN
Steve West	Non-Executive Member – Finance, Estates and Digital	SW
<b>In attendance</b>		
Raz Akbar	Audit Committee Chair, South Western Ambulance Service NHS Foundation Trust (SWASFT)	RA
Nick Atkinson	Head of Internal Audit, RSM	NA
Emma Brown	Head of Financial Services, BNSSG ICB	EB
Gareth Cottrell	Counter Fraud Manager, ASW Assurance	GC
Victoria Gould	Client Manager, Internal Audit RSM	VG
Catherine Cookson	Associate Chief Finance Officer	CC
Shane Devlin	Chief Executive, BNSSG ICB	SD
Jeff Farrar	Chair of BNSSG ICB	JF
Rob Hayday	Chief of Staff	RH
Lucy Powell	Corporate Support Officer, (note taker) BNSSG ICB	LP
Jon Roberts	Partner, Audit Grant Thornton	JR
Sarah Smith	LCFS, ASW Assurance	SS
Sarah Truelove	Chief Financial Officer and Deputy Chief Executive, BNSSG ICB	ST
Ellie Wetz	ICS Development Programme Manager	EW

	<b>Item</b>	<b>Action</b>
A	<b>Meeting with Auditors without the Executive</b>	



	Item	Action
	<p>John Cappock (JCa) welcomed Committee members and auditors to the meeting without the executive. The auditors raised no issues to discuss. JCa highlighted that there was an item on the agenda relating to risk management. JCa noted that questions from the auditors regarding the work would be welcomed.</p>	
1	<p><b>Welcome and Apologies</b></p> <p>JCa welcomed all to the meeting including Raz Akbar, Audit Committee Chair for SWASFT who would be observing the meeting. Jeff Farrar (JF) and Shane Devlin (SD) were also present as the annual report and annual accounts were to be approved. JCa reminded members of the four aims 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 support broader social and economic development. JCa observed it was important to consider the agenda items in terms of all aims. JCa explained that the focus of the Committee was the close down reports from the CCG and first set of reports for the ICB, however there were also important papers regarding risk management, governance and performance management.</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 of the previous meeting were agreed as a correct record. The Committee reviewed the action log:</p> <p><b>Action 23</b> – The Health Inequalities Value for Money scope had been included within the papers. The action was closed.</p> <p><b>Action 24</b> – Health Inequalities has been included on the ICB Board forward planner as a future seminar item. The action was closed.</p> <p><b>Actions 28, 29 and 30</b> – It was confirmed that scoping meetings had been arranged for these internal audits. The actions were closed.</p> <p><b>Action 31</b> – Jaya Chakrabarti (JCh) confirmed that further discussion was needed regarding the People Programme Review and Sarah Truelove (ST) agreed to discuss this with Jo Hicks.</p> <p><b>Action 32</b> – Rob Hayday (RH) confirmed that Rosi Shepherd and Michael Richardson would be invited to the September meeting.</p> <p>All other due actions were closed.</p>	
4.1	<p><b>Internal Audit ICB Annual Report and Head of Internal Audit Opinion 2022/23</b></p> <p>Nick Atkinson (NA) noted that the Draft Head of Internal Audit Opinion had remained largely unchanged from the one seen previously. The final report included was the System Performance Report which was rated as having “reasonable assurance”. The progress report had been appended to the annual report. NA confirmed that all the internal audit reports had been included in the annual report.</p>	

	Item	Action
	<p>NA highlighted that the ICB had more to do around system performance reporting but explained that this was broadly the same in other areas due to the recent changes in ICB responsibilities. NA explained that there were areas of system performance which the ICB could not directly control but highlighted that the ICB had made progress through the performance framework by identifying issues. These included action tracking. NA noted that several ICB led groups were monitoring performance and suggested that clarity on the responsibilities of the groups would be beneficial. The report highlighted that the ICB had a good strategy and framework with no major gaps and compared well to the work of other ICBs.</p> <p>NA confirmed that the Head of Internal Audit Opinion remained unchanged and was positive and noted that there was nothing within the Opinion that was inconsistent with the contents of the Annual Governance Statement.</p> <p>JCa noted that the comments and findings of the report were a fair reflection of the first 9 months of ICB operation. JCa noted that the ICB had an adequate environment, and it was good that work was in train to enhance this position.</p> <p>NA confirmed that the Head of Internal Audit Opinion had been presented to the Committee to be discussed and noted rather than approved.</p> <p>RH highlighted that there had been qualifications regarding the Service Auditor Report for the Electronic Staff Record (ESR). It was noted that the issues raised did not impact on the effectiveness of the control framework and therefore did not impact on the overall opinion.</p> <p>Alison Moon (AM) asked whether there were other systems which the ICB could learn from in terms of system performance monitoring. NA confirmed that most systems were similarly mature following 9 months of development. NA noted that BNSSG ICB was more inclusive of the system which was the right way to think about performance monitoring. NA noted that more work was needed from Trusts regarding Health Inequalities to support the ICB to monitor and improve in this area.</p> <p>JCa asked about next steps. NA confirmed that the performance framework would not be audited again however it was expected that elements of this would feed into areas of ICB work. NA confirmed that good practice would be shared with the ICB for consideration and noted that the performance framework would need to be tested at ICB Board against the strategy. ST explained that a review into governance and partnership working was expected later in the year which was an opportunity to test the performance management framework.</p>	

	Item	Action
	<p>Jo Walker (JW) asked how the ICB Board would receive assurance on the progress of the actions from the System Performance report given that some of these were long term. NA confirmed that the internal audit progress report would provide updates on the actions through the Audit and Risk Committee and noted that it would be sensible for progress updates to be included for the longer-term actions.</p> <p>JW highlighted the service auditor reports and asked whether there was assurance that the unqualified reports were on track to become un-qualified. NA confirmed that the service auditor reports reported facts which the internal auditors tested. NA noted that previously the CCG had followed up these reports with a letter to ask how any issues were being managed. NA noted that progress was being made within Capita and therefore this approach may not be needed this time.</p> <p><b>The Committee received and discussed the Internal Audit Annual Report and Head of Internal Audit Opinion 2022/23</b></p>	
5.1	<p><b>Counter Fraud Annual Report</b></p> <p>Gareth Cottrell (GC) presented the Annual Counter Fraud Report noting that it followed the model template and reported from April 2022 and March 2023. The Audit and Risk Committee had agreed that the CCG workplan would carry over to the ICB and the report contained both CCG and ICB work.</p> <p>GC confirmed one reported incident of mandate fraud where £150 was not recovered and noted that work had taken place to ensure awareness of this type of fraud. GC noted that the Counter Fraud E-Learning package had been launched and compliance was part of the evaluation into fraud awareness. The ICB had supported the training and uptake was good.</p> <p>GC noted that the overall rating of the report was green and if accepted would be signed by the Chief Finance Officer.</p> <p>JCa welcomed the Counter Fraud Annual report, noting the green rating was positive. JCa highlighted that 8 system weaknesses had been identified with 4 concluded and asked whether there were any concerns. GC confirmed that there were no concerns which needed audit intervention. Many of the issues had been identified around temporary workers and GC noted that although there had been an incident during the pandemic where it had been acknowledged that systems were understandably not as robust but these weaknesses were being addressed.</p> <p>JW asked whether the training reflected the changes in terms of technology and the use of Artificial Intelligence. GC confirmed that new methods were taken into account when reviewing the training and any new significant issues</p>	

	Item	Action
	<p>would be communicated to staff outside of training. GC highlighted that fraud was a concern for people outside of work, so it was a concern for staff generally.</p> <p>JCh asked whether the training was linked with current issues and how these were communicated to staff. Sarah Smith (SS) confirmed that the current training would be reviewed and explained that a staff survey to test knowledge would be developed. SS highlighted that there would be quarterly updates at the ICB all staff meetings which would update staff on fraud trends both inside and outside of work. JCh noted the importance of protected time to complete the training. SS agreed and confirmed that the Counter Fraud team would consider how to support this.</p> <p>ST highlighted that fraud awareness was part of the statutory training which staff were expected to do but explained that when particular issues were identified, focused proactive pieces of work were undertaken with the appropriate teams. ST noted that members of staff come forward with questions about fraud which was positive.</p> <p>JF noted that the fraud awareness training package was more difficult to navigate than other packages and asked RH to review whether there were any concerns with the programme.</p> <p><b>The Committee discussed and approved the Counter Fraud Annual Report 2022/23</b></p>	RH
6.1	<p><b>External Audit 2022/23 CCG Findings Report</b></p> <p>Jon Roberts (JR) noted that the report reported from 1<sup>st</sup> April 2022 to 30<sup>th</sup> June 2022 with transition to the ICB on the 1<sup>st</sup> July 2022. JR confirmed that time had been lost with work starting in January 2023, as there had been a lack of resource capacity to undertake the audit and local audit teams had come in to supplement the teams. JR noted that resource from overseas had been utilised to undertake the early stage work which the ICB had provided feedback on.</p> <p>JR noted that BNSSG ICB had been seeking to drive the audit and ensure processes were undertaken right which supported the successful position the ICB was in. JR noted that undertaking 2 audits within the timescales was a great achievement and JR was confident that the audit would be completed within the timetable proposed.</p> <p>JR noted that it was expected that the opinion would be unqualified and highlighted that the audit had considered that although the CCG was not a going concern, the services would continue. JR noted that there was also an unqualified regularity opinion and no considerations to raise over the Annual Governance Statement, Annual Report and Remuneration Report.</p>	

	Item	Action
	<p>JR highlighted that outstanding work from the CCG perspective would be reported to the ICB, with 10 days left to reach the final position and issue a final report. JR did not expect that the Audit and Risk Committee would need to meet again, however the External Auditors reserved the right to convene a meeting if a significant issued was identified.</p> <p>JR noted that accruals testing had identified an immaterial error which would be reflected in the updated report but was not expected to impact on the financial statements or the opinion. Final evidence was expected for the joint arrangements note but there were no changes to the accounts. There was more work to do on the leases disclosures and this would be reflected in the updated report. JR also noted that there would be some minor amendments to the pension figures in the remuneration report.</p> <p>JR highlighted pages 11 and 12 of the audit findings report which outlined the interface between the CCG and ICB. It was noted that there were some performance adjustments made in the ICB accounts which should have been in the CCG and ICB accounts. There was a good understanding of what the performance adjustments were, and the auditors have agreed with the ICB that it would not have been able to have been estimated, and therefore an accrual in the CCG accounts for the majority of it. This was not considered material and therefore not considered as a disclosure item. JR noted that one item which related to the elective recovery fund should have technically been in the CCG accounts and this was shown as an unadjusted misstatement. This was also not material to either the CCG or ICB. JR also noted the prescribing accruals but noted that the way this was considered in the accounts was logical and so no changes were suggested.</p> <p>JR thanked Catherine Cookson and her team for hosting the auditors and confirmed that the accounts were well complied and the audit had been constructive.</p> <p>ST thanked Emma Brown and Catherine Cookson for the proactive working arrangements with the auditors.</p> <p>AM thanked everyone for their work. AM highlighted the amber issues in the CCG report relating to Board papers and asked whether these areas had been improved in the ICB. AM noted that the increased focus on health inequalities was a welcome suggestion. JCa confirmed that there was more work to do in this area but a deep dive was planned in September to discuss this further.</p> <p>JW thanked everyone recognising that this was twice the work. JW asked whether there would be more insight into Value for Money and what would be expected across the system. JR confirmed that the CCG audit report was a</p>	



	Item	Action
	<p>technical completeness document and noted that a more comprehensive report regarding Value for Money for the ICB would be presented at the next meeting which would provide the detailed narrative against the code of practice.</p> <p>JCa summarised the good compliance within the report and thanked the auditors and the ICB team and noted that it was inevitable that there would be some mismatches between the CCG and ICB.</p> <p><b>The Committee received and discussed the External Audit CCG Findings Report 2022/23</b></p>	
6.2	<p><b>CCG Letter of Representation</b></p> <p><b>The Committee approved the CCG Letter of Representation for signature</b></p>	
6.3	<p><b>Approval of the CCG Annual Report 2022/23</b></p> <p>RH confirmed that the ICB Board had reviewed the annual report. There had been some minor changes made suggested by the auditors which reflected the annual accounts.</p> <p><b>The Committee approved the CCG Annual Report 2022/23</b></p>	
6.4	<p><b>Approval of the CCG Annual Accounts 2022/23</b></p> <p>Catherine Cookson (CC) highlighted that there had been some amendments identified by the auditors. These amendments had been controlled through a change log. There had been no significant changes from the Annual Accounts reviewed by the Audit and Risk Committee in April 2023.</p> <p><b>The Committee approved the CCG Annual Accounts 2022/23</b></p>	
7.1	<p><b>External Audit 2022/23 ICB Findings Report</b></p> <p>JR confirmed that the ICB accounts had a higher level of materiality which helped in terms of testing and evaluating adjusted misstatements. JR confirmed there were no material issues with the accounts and noted that although some changes were expected in the updated report, these were not expected to be significant. JR did not expect that the Audit and Risk Committee would need to meet again but noted that the External Auditors reserved the right to convene a meeting if a significant issued was identified.</p> <p>JR confirmed that the ICB Opinion didn't consider the demise of the organisation and noted that the same type of misadjusted statements in the CCG accounts were present within the ICB accounts. JR confirmed that all the elements of the Opinion were qualified and there was nothing to report regarding the annual report or regularity.</p> <p>The service auditor reports had been reviewed and considered whether there was an impact on the annual accounts. JR noted that these were qualified to varying degrees but none had an impact on the findings report.</p>	

	Item	Action
	<p>JR brought the Committee's attention to page 25, which outlined two recommendations. JR explained that one related to senior management access to journals and noted that access had been amended. The second was around change of control. It was confirmed that the change of control had not diminished the quality of journal control but the auditors had expressed that preventative control was more robust than retrospective review. ICB management have discussed this with internal audit and have outlined their position. ST explained that the ICB had considered the auditors position but the ICB had maintained the original position as it was felt that retrospective review was a more appropriate control.</p> <p><b>The Committee received and discussed the External Audit ICB Findings Report 2022/23</b></p>	
7.2	<p><b>ICB Letter of Representation</b></p> <p><b>The Committee approved the ICB Letter of Representation for signature</b></p>	
7.3	<p><b>Approval of the ICB Annual Report 2022/23</b></p> <p>RH noted that similar to the CCG Annual Report, minor amendments had been made to match the Annual Accounts. Amendments had also been made to the service auditor report narrative to reflect the Head of Internal Audit Opinion. RH highlighted that the Chief Executive statement was in draft and subject to minor amendments. RH noted that some tables within the report had been amended following ICB Board feedback. RH thanked Sarah Carr who had undertaken much of the work. SD confirmed that there were very minor amendments to the Chief Executive statement, and these would be amended quickly.</p> <p>AM thanked the team for the annual report and highlighted some minor errors and typographical errors. AM agreed to send these to RH for amendment.</p> <p>SD explained that the published annual report would be interactive and would be a celebratory document reflecting on the first year of the ICB.</p> <p><b>The Committee approved the ICB Annual Report 2022/23</b></p>	AM/RH
7.4	<p><b>Approval of the ICB Annual Accounts 2022/23</b></p> <p>CC noted that similar to the CCG Annual Accounts, minor amendments had been identified by the auditors and these had been amended. These amendments had been controlled through a change log.</p> <p><b>The Committee approved the ICB Annual Accounts 2022/23</b></p>	
8.1	<p><b>Strategic Risk Register, Assurance Mapping and ICB Corporate Risk Register</b></p> <p>ST explained that risk management would be discussed at the ICB Board in July and the presentation at the Audit and Risk Committee today would outline the ongoing work including the work around risk appetite.</p>	



Item	Action
<p>Ellie Wetz (EW) was welcomed to the meeting. EW explained that the risk management work aligned with the Decision-Making Framework and Health and Care Improvement Groups (HCIGs) and outlined how risk interfaced with sovereign structures and the Health and Care Professional Leadership. EW confirmed that risk tolerance had been considered through the risk managers network with case studies developed and consideration had been given on how to communicate the work to ICB staff and system partners.</p> <p>EW outlined the risk definitions and the domains proposed which had been developed using the good governance guide. Workshops and surveys had taken place to determine the risk appetite for the domains. The proposed risk appetite was determined from the domain with the highest number of respondents. EW noted that for the majority of domains, an open risk appetite was preferred but quality had opted for cautious risk appetite. EW confirmed that work continued to refine these.</p> <p>JCa asked whether the proposed direction aligned with other system organisations view of risk. EW confirmed that these broadly aligned with the Acute Trusts. EW noted that the local authorities did not consider risk in the same way as the NHS and the GP Collaborative Board (GPCB) had a different risk system as well. EW confirmed that system analysis would be included in the ICB Board paper.</p> <p>JW asked whether clinical risk sat within the quality or regulatory domain. EW confirmed that clinical risk sat within quality and noted that University Hospitals Bristol and Weston (UHBW) had specifically identified patient safety risks within this and included a line within the UHBW policy for patient safety. JW asked whether it was too cautious. AM asked that for the ICB Board paper the risk appetite definitions either side of the dominant one were also explained. This would provide the ICB Board with the information needed to discuss and review the outcomes of the meetings and surveys. ST agreed and explained that the ICB Board needed to test and challenge the definitions and consider whether these needed to be amended or combined. AM noted the importance that the ICB Board received clarity on the meaning of 'clinical risk' and suggested that the ICB Board paper contain scenarios to support this. ST agreed and explained that case studies had been developed to support the work.</p> <p>NA noted that generally clinical risk sat within the quality domain and highlighted that when risk was considered, quality tended to be more risk averse and this was understandable given the patient aspect. NA noted the importance that the ICB considered this across the system as providers may consider risk differently. EW highlighted that one of the key principles was decisions made in partnership, and part of this was ensuring that when decisions were made at system level there was an understanding of the levels</p>	

	Item	Action
	<p>of risk that organisations were willing to hold. EW explained that discussing this at the ICB Board would provide system discussion and collective approval. ST noted that the system needed to consider how sovereign organisation statements of risk worked within the system.</p> <p>JW noted that different parts of the system would have different risk appetites and the system needed to consider how to blend system and organisational risk appetite. JW noted that there would be other considerations such as political factors which affected risk appetite. JCa noted that the work needed to be real and meaningful for all organisations.</p> <p>EW welcomed the comments from the Committee and agreed to incorporate the suggestions into the ICB Board paper. The Committee noted the positive progress and good output from the workshops.</p> <p><b>The Committee received the update on risk management</b></p>	
8.2	<p><b>ICB Governance and Partnership Review</b></p> <p>RH highlighted that as part of the authorisation process for the ICB it had been acknowledged that the ICB would be subject to a future partnership governance review. RH explained that the paper provided the draft documents which had been developed by ICBs nationally to support the ICB partnership governance self-assessments.</p> <p>RH outlined the four suggested areas to be self-assessed:</p> <ul style="list-style-type: none"> <li>• The role and function of the ICB Board</li> <li>• Assignment of decision-making to place and system level</li> <li>• Commissioning decision making</li> <li>• NHS system management</li> </ul> <p>RH noted that that papers continued case studies from other ICBs and confirmed that the scope of the review would be agreed by the Chair of the ICB Board and the NHS England Regional Director. It was expected that the review would be conducted during 2023/24.</p> <p>JF confirmed that the plans needed to be reviewed and discussed by the ICB Board soon. JF noted that the paper highlighted the future organisational change but believed that this would not affect the four areas identified. JF noted that the ICB Board needed to consider whether the ICB should undertake the review internally or hire an external company to support the review. JF noted the importance that the ICB Board discussed the process before it began. JCa highlighted that an external organisation could undertake the groundwork and support the ICB with the areas which needed additional focus.</p>	

	Item	Action
	<p>JW was assured by the conversation and agreed with the review. JW asked that the ICB consider the learning and improvements would be applied in practice across the system. JW noted that the outcome of the review needed to be tangible and provide greater clarity around governance within the system which was needed in some areas.</p> <p>SD noted that there were some examples of system working which could have been managed better and noted that decision making for partners needed to be part of the next decision-making framework and risk discussions. It was agreed that the ICB Board needed to decide the criteria and start the process and SD welcomed the opportunity to review what had worked well and what hadn't. RH confirmed that once the final confirmed pack had been received the process could start, likely to be presented to the ICB Board in September.</p> <p><b>The Committee noted the requirement for the ICB Governance Review and the involvement of ICS Partners</b></p>	RH
9	<p><b>Matters for Information</b></p> <p>The Committee received the following matters for information:</p> <ul style="list-style-type: none"> <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>	
10	<p><b>Review of Meeting Effectiveness</b></p> <p>RA provided the review of meeting effectiveness and commented that:</p> <ul style="list-style-type: none"> <li>• The audit Opinions were clear and concise and both internal and external audit had provided clear early warnings.</li> <li>• The meeting had been well led and feedback had been provided on a range of issues with good coverage from an audit perspective.</li> <li>• Debate had been robust with effective challenge.</li> <li>• Papers had been received in good time and these were well prepared.</li> <li>• Although Audit Committees normally discussed historic information, it was good to see the Committee review the development of future plans such as the risk framework. This allowed the Committee to see the progress of items which would be reviewed by the Committee when complete.</li> <li>• There was strong commonality between the SWAST Audit Committee meeting and that of the ICB. The ICB Committee had a high level of maturity.</li> <li>• The highlighting of the ICB aims at the start of the meeting had focussed the discussions.</li> <li>• The first item with the auditors only and the last item with the Executives only was a good idea as it provided the Audit Committee members with greater clarity on the issues to be discussed.</li> </ul>	

	Item	Action
	JCa thanked RA for his comments and noted that key messages for the Board included the noting of the Head of Internal Audit Opinion and the approval of the Counter Fraud Report, CCG and ICB Annual Reports and Accounts and the Letters of Representation. JCa noted that the Committee had reviewed the progress of risk management processes and the governance self-reflection. JCa thanked all for their contribution to the meeting.	
B	<b>Members meeting with the Executive without Auditors (Item redacted)</b>	
	<b>Date of Next Meeting</b> Friday 15 <sup>th</sup> September 2023: 14:00-16:00, MS Teams	

**Lucy Powell, Corporate Support Officer, June 2023**