

BNSSG ICB Audit and Risk Committee Meeting

Minutes of the meeting held on 8th December 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
Jane Norman	Audit Committee Chair - Non-Executive Member, UHBW	JN
Jo Walker	Chief Executive Officer, North Somerset Council	JW
Steve West	Non-Executive Member – Finance, Estates and Digital	SW
Apologies		
Jeff Farrar	Chair of BNSSG ICB	JF
In attendance		
Nick Atkinson	Head of Internal Audit, RSM	NA
Catherine Cookson	Associate Chief Finance Officer, BNSSG ICB	CC
Mostafa El Hussein	Observer	ME
Victoria Gould	Client Manager, Internal Audit RSM	VG
Rob Hayday	Chief of Staff, BNSSG ICB	RH
Lucy Powell	Corporate Support Officer, (note taker) BNSSG ICB	LP
Jon Roberts	Partner, Audit Grant Thornton	JR
Rosi Shepherd	Chief Nurse Officer, BNSSG ICB	RS
Sarah Smith	Local Counter Fraud Service, ASW Assurance	SS
Sarah Truelove	Chief Financial Officer and Deputy Chief Executive, BNSSG ICB	ST
Gail Turner-Radcliffe	Manager, PS Audit Grant Thornton	GTR

	Item	Action
A	Meeting with Auditors without the Executive	
1	Welcome and Apologies John Cappock (JCa) welcomed Gail Turner-Radcliffe (GTR) back following a period of absence and noted that this was Jon Roberts' (JR) last BNSSG ICB meeting. Mostafa El Hussein was introduced as the Head of Internal Audit for	



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	<p>the British University in Egypt and Mostafa was observing the meeting to understand how Audit Committees worked in the UK. The above apologies were noted.</p> <p>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.</p> <p>JCa explained that the system Audit Chairs had met to socialise the system risk work and they had been asked to share the discussion with provider Non-Executive Members.</p>	
2	<p>Declarations of Interest</p> <p>Alison Moon (AM) declared a new interest; Interim Non-Executive Director for BSW ICB. No existing declared interests conflicted with agenda items.</p>	
3	<p>Minutes of the Previous Meeting and Action Log</p> <p>The minutes of the previous meeting were agreed as a correct record. The Committee reviewed the action log:</p> <p>Action 40 – Rob Hayday (RH) confirmed that there was a secondary employment policy and therefore the action could be closed. RH noted that NHS Employers were developing guidance on hybrid vs home working and this would be developed into a policy for the ICB.</p> <p>Actions 41 and 44 – Sarah Truelove (ST) confirmed the Value for Money report had been circulated and discussed by the ICB Executive Team and any outstanding actions had been followed up. ST noted that there was comprehensive work ongoing across the Committees which aligned with the recommendations. ST highlighted that there was more work to do to around attendance at the Quality Strategy Group but this had improved and the quality strategy was in development. The actions were closed.</p> <p>Action 42 – Jaya Chakrabarti (JCh) confirmed that no content from the Value for Money report had been presented at the People Committee. The action remained open.</p> <p>Action 43 – RH confirmed that the conflict of interest guidance had not yet been received from NHS England. The action remained open.</p> <p>Action 46 – Rosi Shepherd (RS) confirmed that the new safeguarding training modules would be launched on the 12th December which closed the outstanding management action. RS explained that the Safeguarding Audit had been delayed to February 2024 whilst work was completed in the system. Nick Atkinson (NA) confirmed the safeguarding action had been closed and agreed with the delay to the safeguarding audit. RS was involved in the audit scoping process to ensure that the audit included the right actions for the ICB. RS noted the importance that the audit reviewed the aspects of safeguarding that the ICB could control rather than the wider system elements. The action was closed.</p>	

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	All other due actions were closed	
4.1	<p>Internal Auditor Progress Report</p> <p>NA confirmed that the People Programme Plan and Financial Sustainability and Reporting final reports had been issued. The draft Project Gateway report had been issued and the internal auditors were waiting for comment. Feedback had been provided to the Project Gateway team early in the process to support the development of the gateway. The feedback suggested more clarity and embedding of the criteria and more robust reporting through the ICB governance routes.</p> <p>NA noted that closure on management actions had been good and although deadlines had not been met, generally actions were moving along.</p> <p>NA noted that across their ICB client base audits had been delayed and noted that BNSSG ICB had delayed two audits, Safeguarding and Risk Management. These had been delayed to ensure that the processes to be audited were in place. NA confirmed that the resource was in place to undertake the work.</p> <p>JCa asked about the flow of the reports within the ICB to support the completion of actions. ST noted that it may be prudent to receive the draft report earlier to allow the Executive Team to review and chase responses. JCa noted that the recommendations were designed to drive and improve performance in the ICB and therefore Executive oversight was important.</p> <p>AM asked who made the decision when deadlines changed, and how much check and challenge of these changes was there. NA explained that the original report was agreed and then signed off by the Executive Director who agreed the deadline date. The Internal Auditors contacted managers for updates when the actions were due and where these were not completed, a new date was agreed with the manager and this was flagged in the internal audit report. NA confirmed that the Executive Team could use the report as a tool to provide visibility to consider whether the revised deadlines were reasonable. JCa asked whether there was scope for those deadline extensions to be agreed by the Audit and Risk Committee. NA noted that the timings between meetings may be an issue and confirmed that where deadlines had changed this was indicated in the report for the Audit and Risk Committee members.</p> <p>Jon Roberts (JR) noted that BNSSG ICB was not the only organisation where there were delays and that it was positive that the issue was recognised and discussed by the ICB. JR noted the scope for designing the best method of audit engagement through the Executive Team and suggested that internal audit, external audit and counter fraud met to discuss how this could be optimal.</p>	

Item	Action
<p>Ellen Donovan (ED) agreed that a proactive approach was the best way forward and suggested that if requests for extensions had to come through the Executive Directors this may reduce the number of extensions.</p> <p>ST agreed to review process noting that visibility and opportunity to challenge was important. ST noted that the Risk Management audit had slipped the most and the Audit and Risk Committee had been involved throughout, with the decision made to ensure that the right aspects were being reviewed.</p> <p>AM noted that one of the management actions had not received an update yet. ST confirmed that a response had been sent to a member of internal audit but this may not have been received by NA and Victoria Gould (VG) yet.</p> <p>NA noted the two final audit reports, both had reasonable assurance and the scope covered the ICB and Integrated Care System (ICS). NA brought the Committee's attention to the Financial Sustainability and Reporting report. This area was noted as challenge nationally. The processes followed by the ICB were robust, and there was good system engagement. NA highlighted two management actions which were around formalising reporting arrangements. NA noted the importance of the ICB as the system facilitator and explained that the report supported ICB process but recognised that more work was needed around accountability. NA noted that the BNSSG ICB system was more mature than other systems in working together and system partnership. NA explained there was more work to do in terms of reporting at Integrated Care Partnership (ICP) level but by utilising the right resources. SW commented that partnership working in this way would be further discussed at the ICB/ICP Boards development session in January 2024.</p> <p>SW asked whether ICB management was prompt in responding to the reports. NA noted that once the report was issued, turnaround was quick and this was due to the review conversations throughout the audit so there were no surprises.</p> <p>NA highlighted the People Programme Plan audit report noting that BNSSG ICB had developed a system wide people plan. The audit had highlighted acknowledged concerns with the quality of the data received which underpinned the system external consultancy information used to build the plan. There had also been some concerns regarding engagement and NA noted that that to further improve processes, the ICB could improve and develop the reporting process. JCa confirmed that the People Plan had been presented to the People Committee and an update provided at the ICB Board. JCh had reported that a number of lessons learnt had been noted whilst developing the plan and considered throughout development.</p>	

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	<p>NA explained that the progress report also included benchmarking against the Data Security and Protection (DSP) Toolkit self-assessments. BNSSG ICB had provided a similar self-assessment to other ICBs and benchmarked averagely. NA also highlighted another paper which had been included in the progress report which outlined emerging risk considerations from across a number of sectors. NA highlighted the significant work the ICB was undertaking around Risk Management and suggested that this risk report may be useful to consider.</p> <p>AM highlighted the DSP benchmarking report and noted that BNSSG ICB had rated amber on the standards 1,2 and 4. AM considered these basic standards which should be rated green and asked how the ICB could improve these. NA explained that the toolkit was a tick box exercise which relied on proving the ICB was green rated through evidence. NA agreed to send the particulars around those standards to the Committee but assured that improvement action plans were in place. ST noted that the first standard around ensuring all staff handled confidential information correctly would have been amber rated because of the issues surrounding the joiner's checklist and so the evidence for all staff may not have been available. ST provided this as an example of the improvement actions to progress to green ratings next year.</p> <p>ED noted the key developments and news from both the NHS and other sectors and asked how this information was communicated to the Executive Team. ED highlighted that the Audit and Risk Committee received important and rich information and asked that consideration be given to how the Executive Team accessed this. ST explained that the Executive Team could receive the report so that it could be discussed prior to presentation at the Audit and Risk Committee. SW noted the opportunity for the Executive Team to build in regular time to review the reports. NA supported providing the report to the Executive Team early to allow those discussions to happen and it was agreed that NA would work with RH to develop a plan.</p> <p>The Audit and Risk Committee received and discussed the Internal Audit Progress Report</p>	<p>NA</p> <p>RH/NA</p>
5.1	<p>Counter Fraud Progress Report</p> <p>Sarah Smith (SS) provided an update noting that Royal Assent had been granted to the Economic Crime and Corporate Transparency Act 2023. Under the new corporate offence of failure to prevent fraud, an organisation would be liable where a specified fraud offense was committed by an employee or agency and the organisations did not have 'reasonable fraud prevention procedures' in place. The Counter Fraud team were awaiting the government guidelines in respect of the term 'reasonable fraud prevention procedures'. SS noted that BNSSG ICB procedures were likely robust enough to ensure compliance but explained that there may be an impact on larger providers who</p>	

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	<p>may need to improve processes. SS noted that the Act should provide additional security for NHS transactions.</p> <p>The Counter Fraud team continued to raise awareness of the ongoing and increasing risks of fraud and marked international fraud awareness week with newsletters and presented at the all staff stand up meeting. The Counter Fraud team attended the BNSSG Financial Services network meeting and updated quick guides from the NHS Counter Fraud Agency (NHSCFA) had been disseminated to ICB staff and included on the BNSSG ICB staff intranet.</p> <p>SS highlighted that Gareth Cotterall had been nominated for a Public Sector Counter Fraud Award in recognition for his work in setting up the Counter Fraud Champions Network. SS confirmed that the team had attended training updates provided by the NHSCFA and had recruited a local counter fraud specialist.</p> <p>The Counter Fraud team had attended a Healthcare Security Conference where it was anticipated that NHS England would release a new national security standard. It was confirmed that NHS England were in the early stages of developing the new standard and indicated that these would be available in 2025. The Counter Fraud team would continue working to the original standard requirements but would review and update the Security Management policy and this would be presented to the Corporate Policy Review Group to start the amendment and ratification process.</p> <p>JCa welcomed the communications from the team and congratulated Gareth Cotterell on his nomination. JCa noted the Counter Fraud Champions Network was a good way to share national good practise and learning.</p> <p>The Audit and Risk Committee received and discussed the Counter Fraud Interim Report</p>	
6.1	<p>External Auditor – Audit Plan</p> <p>JR noted his retirement and confirmed that Julie Masci had been recruited to the Director role. Internal introductions and handovers with ICB colleagues including ST had taken place.</p> <p>JR brought the Committees attention to page 7 of the plan which set out the financial statement audit including the assessment of materiality and risk. The document also set out how the positions were determined and the drivers. JR explained that the first ICB Value for Money report had been broad whereas the second report would be a more focussed approach on the delivery of the system wide financial plan, and the cumulative deficit position. JR confirmed that the Value for Money work would also review health inequality processes. JR reported a fee reduction and noted that Grant Thornton was working to protect the NHS audit window despite challenges in other areas. The planning for the mental health investment standard work had taken place, the work was</p>	

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	<p>ongoing, and there were no findings to raise at this point. JR confirmed that Julie Masci would attend the next Audit and Risk Committee and would meet informally with JCa prior to that meeting.</p> <p>ST raised concerns with the Value for Money report and the planned review of health inequalities. ST noted that the current focus was on workforce planning and ICB management of commissioned services which felt very narrow. ST confirmed that she would discuss the remit of the audit further with Julie Masci.</p> <p>Jo Walker (JW) agreed that the areas highlighted for review were too narrow for a system view due to the huge breadth of work taking place to tackle health inequalities. JW supported the discussions with the auditors and offered her support if needed. SW noted the importance of both financial delivery and reducing health inequalities and the interdependencies between these. SW noted the importance that the ICB understood the impact on the finances if health inequalities were not reduced. JR agreed and explained that the Value for Money audit was designed around the elements of financial sustainability, governance and arrangements for economy, efficiency and effectiveness. ED asked how health inequalities fit within the structure of the ICB in terms of accountability and monitoring. ST confirmed that Jo Medhust, Chief Medical Officer, was due to bring a full update regarding health inequalities to the ICB Board early 2024. JCa suggested that discussing health inequalities as a seminar session may be beneficial and asked ST to discuss this with Jeff Farrar and Shane Devlin.</p> <p>NA highlighted that internal audit work around the People Programme Plan could support the workforce planning element of the external audit. NA offered to provide this information as well as any work around financial sustainability to the external auditors if helpful.</p> <p>The Audit and Risk Committee received and discussed the 2023/24 External Audit plan</p>	ST
7.1	<p>Governance Policies</p> <p>RH explained that the four policies presented to the Audit Committee; gifts and hospitality, freedom of information, individual rights and records management, had been reviewed in line with their review cycles. These policies had been reviewed and amended by the Corporate Policy Review Group and were presented to the Audit and Risk Committee to recommend approval to the ICB Board. The cover paper outlined any changes to the policies.</p> <p>RH highlighted one changed to the Freedom of Information policy which now included the steps the ICB would take when considering vexatious and repeat requests. JCa welcomed the change to the policy and the clarity provided</p>	

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	<p>around vexatious requests. JW also supported the changes regarding vexatious requests.</p> <p>ED noted that the policies indicated that the Executive Director had not seen or agreed the policies. RH confirmed that Shane Devlin had seen and agreed the policies and this was an error that would be corrected prior to approval by the ICB Board.</p> <p>RH noted that following a recent meeting with Deborah El-Sayed as Senior Information Risk Owner (SIRO) for the ICB, an amendment would be made to the records management policy which would reference regular reporting to the Information Governance Group.</p> <p>The Audit and Risk Committee:</p> <ul style="list-style-type: none"> • Considered the four reviewed policies in line with its responsibilities included in the ICB’s Scheme of Reservation and Delegation • Recommended to the Board through the Committee Chair’s update that the policies should be approved, subject to the amendments above • Noted that by virtue of the Chair’s recommendation the policies would be recorded as agreed in the minutes of the ICB Board meeting 	<p>RH</p> <p>RH</p>
7.2	<p>Risk Management Framework</p> <p>RH confirmed that following the September ICB Board and Audit and Risk Committee meetings where risk management was discussed, one of the recommendations was to update the risk management framework. This was being presented today as the policy document behind the risk management arrangements. The framework had been updated to include the risk appetite statements and information about the differences between ICB and system risks and those which were operational and strategic for both. The framework also included the risk thresholds across the governance structure including the Health and Care Improvement Groups (HCIGs), and System Executive Group (SEG). RH noted that references to the responsibilities of the Corporate Secretary within the framework had not been amended despite the current role vacancy due to the reorganisation. RH confirmed that for now those responsibilities would sit with the Chief of Staff.</p> <p>JCa highlighted that the December ICB Board had discussed risk management particularly around the refinement of strategic risks and asked whether the risk registers needed to be socialised throughout the Board Sub-Committees more regularly. JCa also noted the importance that risk management was owned by Executives and asked how risk would be managed across the provider organisations. ED agreed with JCa’s point about the Sub-Committees and explained that the approach was not consistent as risk registers were reviewed at some Committees but not others. ST confirmed that the appropriate risks</p>	

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<p>would be provided to the Sub-Committees on a regular basis to provide oversight and to inform the work plans. ST confirmed that the deep dives undertaken by the FED Committee reflected the risks which the Committee had oversight for. It was noted that the Primary Care Committee (PCC) had discussed the triangulation of risk across the Executive Team and this work was being developed.</p> <p>NA noted that other ICBs were struggling with similar issues and noted that those ICBs with successful approaches had clear guidelines on what constituted an ICB risk and what was a system risk, who the risk was for and who owned the risk. NA agreed that the Sub-Committees could set their agendas to reflect the strategic level risks and then review the different elements of the risk to gain assurance. The Audit and Risk Committee would then review the whole process to ensure the Sub-Committees were reviewing the right risks. NA noted that system partners would be engaged through the Sub-Committees and partners would be able to consider their own risks as a system and provide feedback is necessary.</p> <p>JW noted that risk had not been discussed at the HCIGs but acknowledged that these were in the development stage and the Mental Health, Learning Disability and Autism HCIG in particular was determining whether it was a transactional or transformational group. JW noted that despite this work, managing risk was at the heart of what the HCIGs were developed for and would expect risk to be part of a standard agenda for all the HCIGs and informing the business of the group.</p> <p>RH explained that an enablers and resources group had been convened which was working to produce a standard agenda template for HCIGs which included standing items for all. A standard template for the risk registers would also be developed.</p> <p>RH noted that the framework needed to be embedded within the organisation as did the supporting processes and these would be tested through practical application and use. RH acknowledged that one of the biggest issues was in describing the risks in a way which made sense to the whole system and work continued in this area.</p> <p>Lorna Harrison (LH) asked how the framework and processes would be socialised across the system and asked whether there were plans to practice the process or raise through the provider Audit Committees. ST agreed that practical examples were useful and explained that significant work had been undertaken to understand the system flow risk with the different elements of the pathway broken down to understand who was responsible for each aspect. ST noted that consideration had been given to how to make each element visible</p>	

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	<p>and practical. It was agreed ST and RH would consider how to provide examples alongside the framework to support understanding as well as consider an Audit Chairs meeting to work through examples. JW asked that HCIG Chairs were included in any meeting. JW noted that people were struggling to understand system vs organisation risk and also whether Executives or HCIGs were accountable for the risks. JW noted that examples working through the practicalities would be helpful. JCa agreed and noted that Section 151 Officers had been invited to a similar meeting previously and would be again.</p> <p>RH explained that although the next ICB Board was in February 2024, the processes described would start immediately and SEG were currently considering the ICS Strategic risks. The Committee agreed that item 8.1 had been discussed as part of this item.</p> <p>The Audit and Risk Committee:</p> <ul style="list-style-type: none"> • Considered the revised Risk Management Framework in line with its responsibilities including in the ICB’s Scheme of Reservation and Delegation • Recommended to the ICB Board through the Committee Chair’s update that the framework should be approved • Noted that by virtue of the Chair’s recommendation the framework will be recorded as agreed in the minutes of the ICB Board meeting 	ST/RH
8.1	<p>ICB Corporate Risk Register and ICS Risk Register Development This item was discussed as part of item 7.2.</p>	
9	<p>Matters for Information The Committee received the following matters for information:</p> <ul style="list-style-type: none"> • Losses and Compensation Payments • Waiver of Standing Financial Instructions • Committee Workplan • Information Rights Report • Management of Conflicts of Interest <p>AM noted that one of the waivers related to a LeDeR review backlog. AM noted the significant work which had taken place to ensure that these reviews were part of a sustainable process and noted that although the waiver was correctly applied, the Committee needed assurance that this important process was sustainable. ED explained that RS was aware of the backlog and trying to reduce this and noted that the team who had undertaken the reviews had been reduced and so the chance of a backlog remained a risk. This had been raised at the Outcomes, Performance and Quality (OPQ) Committee. ED asked AM to raise the concerns at the next OPQ Committee under Any Other Business.</p>	AM

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	<p>ED highlighted that the Information Rights report reported contact from the Information Commissioner's Office (ICO) regarding a delayed FOI response and asked whether breaches of the statutory deadlines continued to be a concern. RH confirmed that the ICO contact had been an error and the ICB confirmed that the response had been sent to the requester within the statutory deadlines. Lucy Powell (LP) confirmed that although quarters 1 and 2 had seen reduced performance due to the capacity within the team, quarter 3 had seen a significant increase in performance with no responses having currently breached the statutory deadlines.</p> <p>The Audit and Risk Committee received the matters for information</p>	
10	<p>Review of Meeting Effectiveness</p> <p>JR provided the review, noting that it had been a good meeting, well Chaired and with good input from all attendees. The meeting had been positive with well-informed challenge which had been answered honestly and not defensively.</p> <p>JR noted that the pre meeting had been a useful introduction to the key matters and although some of the challenges raised at the pre meet had not been raised directly in the meeting, these had been discussed indirectly.</p> <p>JR noted that it may be helpful to provide clarity on the roles of the people at the Committee but noted that the way the Chair reminded the Committee members of the four aims of the ICB and framed this in terms of the items was a helpful steer.</p> <p>JR highlighted that the theme of Executive Team engagement had been raised throughout the meeting with suggestions on how the reports presented to the Committee could be presented to the Executive Team in in proactive and anticipatory way to ensure that the ICB made the most of the reports.</p> <p>The risk management paper had raised the most discussion and JR noted that this had been the last item on the agenda and suggested that the order of the agenda be considered so that the items which were likely to generate more discussion were earlier on the agenda. JR also welcomed the questions regarding the items for information and noted the importance of challenge.</p> <p>JCa thanked JR for his comments and thanked him for all his work and contributions at the Audit and Risk Committee and wished him all the best for the future.</p> <p>JCa highlighted the key messages for the ICB Board:</p> <ul style="list-style-type: none"> • The internal audit progress report including the two final reports, Financial Sustainability and Reporting and the People Programme Plan 	

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	<ul style="list-style-type: none"> • The Economic Crime and Corporate Transparency Act 2023 and the work of the Counter Fraud team. To include the concerns around simultaneous employment. • The discussion around widening the brief for the Health Inequalities part of the External Audit plan • The recommendation for Board approval for the governance policies • Risk Management and the work to bring the proposed approach to life • The concerns raised around the LeDeR backlog 	
B	Members meeting with the Executive without Auditor	
	Date of Next Meeting Friday 19 th April 2024: 2.00pm – 4.00pm	

Lucy Powell, Corporate Support Officer, December 2023