

BNSSG ICB Audit and Risk Committee Meeting

Minutes of the meeting held on 16th February 2024 at 2pm, MS Teams

Minutes

Present		
John Cappock	Audit Committee Chair - Non-Executive Member	JCa
Jaya Chakrabarti	Non-Executive Member – People	JCh
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		
Catherine Cookson	Associate Chief Finance Officer, BNSSG ICB	CC
Ellen Donovan	Non-Executive Member – Quality and Performance	ED
Jeff Farrar	Chair of BNSSG ICB	JF
Jane Norman	Audit Committee Chair - Non-Executive Member, UHBW	JN
Jo Walker	Chief Executive Officer, North Somerset Council	JW
In attendance		
Victoria Gould	Client Manager, Internal Audit RSM	VG
Rob Hayday	Chief of Staff, BNSSG ICB	RH
Julie Masci	Director, Audit Grant Thornton	JM
Lucy Powell	Corporate Support Officer, BNSSG ICB (Note taker)	LP
Nic Saunders	Head of System Planning, BNSSG ICB (Observer)	NS
Sarah Smith	Local Counter Fraud Service, ASW Assurance	SS
Sarah Truelove	Chief Financial Officer and Deputy Chief Executive, BNSSG ICB	ST

	Item	Action
A	Meeting with Auditors without the Executive	
1	Welcome and Apologies John Cappock (JCa) welcomed everyone to the meeting. JCa welcomed Julie Masci (JM) who was taking over from Jon Roberts as lead external auditor and welcomed Nic Saunders (NS) who was observing the meeting. Apologies were noted as above.	

	Item	Action
	<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 there had been a focus at the February ICB Board on digital and system capacity which tied into the agenda items relating to the project gateway audit and the broader update on management actions.</p>	
2	<p>Declarations of Interest</p> <p>There were no new declarations of interest and 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.</p> <p>The Committee reviewed the action log:</p> <p>Action 43 – Rob Hayday (RH) confirmed that the conflict of interest guidance had not yet been received from NHS England although NHS England had provided a new conflict of interest training package specific to ICBs and this was now available for staff to complete. Alison Moon (AM) asked whether there was anything the ICB needed to put in place for Integrated Care Partnership (ICP) arrangements prior to the guidance being released. RH confirmed that there had been no indication that the ICB was responsible for management of conflicts for the ICP and the arrangements in place to manage conflicts of interest within the ICB were robust. RH agreed to provide an update regarding the ICP arrangements.</p> <p>Action 52 – RH confirmed that the System Executive Group (SEG) had reviewed and discussed the strategic risks on the risk register and had allocated ICB lead executives responsible for the risks alongside a Chief Executive to support. Shane Devlin would communicate these discussions with the ICB executive team. The updates would be reviewed by the ICB executive team and any comments presented to SEG. RH had met with the Health and Care Improvement Group (HCIG) leads to discuss how to capture the risks associated with HCIGs. This process would lead to some initial duplication. Templates were being developed to support a standardised way to manage risk and RH confirmed that internal audit were aware of the ongoing processes. JCa asked whether the Committee would receive the latest versions of the risk register as reviewed by SEG. RH confirmed that the 2024/25 Audit and Risk Committee workplan had been drafted for discussion with Sarah Truelove (ST) and this would be presented at the April meeting. Victoria Gould (VG) confirmed that RSM worked with an ICB who had won awards for their risk management and the learning and good practice from this work would be fed through to the ICB for consideration.</p>	RH
4.1	<p>Internal Auditor 2023/24 Progress Report</p>	

Item	Action
<p>VG confirmed that one final report had been issued and six audits remained ongoing. These remaining audits would be delivered within the timetable of completion with the DSP Toolkit report included as part of the end of quarter 1 reporting. VG outlined the significant work which had taken place to close management actions and noted that since the last meeting 1 action deadline had been extended. VG confirmed that the Primary Care Transformation Review audit had been requested to be deferred. VG highlighted that the papers presented included a general NHS briefing and a briefing outlining the findings from last years internal audits from across the client base.</p> <p>Due to annual leave overlap, ST did not have the detail regarding the deferral of the audit and agreed to follow this up with David Jarrett. Alison Moon noted the importance that the Committee understood why audits were deferred, what the scope of the audit was and whether it would be a long postponement. VG confirmed that internal audit were waiting for the lead Executive to confirm the scope and proposed timings. AM explained that it would be helpful for the Committee to understand whether it was a capacity issue which could be supported through the relevant Committee and noted that understanding the scope would support the Committee to determine whether a long postponement was appropriate.</p> <p>VG highlighted the Project Gateway audit report and explained that the audit had been reviewed in two parts, with part 1 a review of the gateway design process and part 2 a review of the projects which have been through the gateway process and the benefits of the process. VG confirmed that the presented report was concerned with part 1 and there was no opinion as this would be included in the second report. The internal audit team had identified actions and flagged good practice as part of the first review and this had included suggestions around the consistent use of templates and processes, and staff communications and training. VG confirmed that most of these actions had been implemented.</p> <p>AM highlighted the table within the report which outlined the projects per directorate and noted there were marked differences between the directorates. AM asked what this indicated and whether the projects were providing the most value for money. ST noted that the table represented a point in time and there were a range of projects which were being reviewed to consider whether they should be stopped, paused or continue through the gateway process. VG noted that there had been an action around retrofitting of project programmes and the second part of the audit would have more clarity on the current project register.</p> <p>JCa welcomed the identification of good practice and the reflections around training and communications. JCa noted the importance of the communications teams in supporting population health improvement through their projects and</p>	<p>ST</p>

	Item	Action
	<p>asked whether the communications team had the resource to undertake this work. RH explained that the Office of the Chair and Chief Executive had recently held a business planning day, and as part of this the communications team had identified the value in picking two or three big projects to prioritise. RH noted that resourcing conversations would need to be considered after Shaping Our Future had been completed. ST highlighted that the purpose of the gateway process was to provide clarity on the prioritisation of projects given that the organisation would be 30% smaller and programmes of work needed to offer the most value for the best use of resource. ST noted that as part of this the teams supporting the HCIGs would need to consider the skills and resource available from across the system to achieve any work programmes.</p> <p>Jaya Chakrabarti (JCh) highlighted the recent media interest in qualification fraud and noted that this was an area where communications team may need to provide information to the public in relation to how the providers check for qualifications. JCh noted this as a potential example of the system working together on communications pieces.</p> <p>VG highlighted the Building Resilience report and explained that this was useful for the Committee to consider when reviewing the internal audit plan and risks as the paper outlined the key issues from NHS clients over the previous years. JCa welcomed the briefing and noted that it was reassuring to see digital and workforce as the key issues as the ICB had focused on these areas although JCa noted that the 2024/25 Internal Audit Plan did not have a lot of focus on workforce.</p> <p>AM noted that the report outlined more management actions related to digital and workforce and asked whether the internal audits had been primarily in these areas. VG explained that the audits included the core items plus an even spread across other areas. VG explained that it was sensible to audit the areas with greater risks and NHS clients were requesting audits into the areas which needed improvement which led to more management actions.</p> <p>Steve West (SW) noted the importance that it was acknowledged that the ICB's ability to manage and mitigate risk was through the system provider organisations as the delivery partners. It was important that the ICB was aware of how partners were managing risks in significant areas and noted that much of the mitigation work was out of the ICBs control. VG noted the importance of a consistent system risk matrix in these cases. It was important that organisational risk scores were challenged at the appropriate system assurance meetings.</p> <p>RH agreed to share the building resilience paper with the ICB Executive Team and SEG. ST explained that discussions with providers would inform the</p>	<p>RH</p>

	Item	Action
	<p>internal audit programme for the year to support the risk discussions. ST noted that risk management and mitigation was managed through the ICB using the standard operating procedures including financial escalation and expected peer review programmes.</p> <p>The Audit and Risk Committee received and discussed the Internal Audit Progress Report</p>	
4.2	<p>Draft Internal Audit Workplan 2024-2025</p> <p>VG explained that the ICB executive team had not yet reviewed the 2024/25 audit workplan. Following Audit and Risk Committee review the workplan would be presented to the executive team and then presented again to the Committee for approval. The work plan had been developed by internal audit NHS specialists who through workshops had identified themes from all NHS clients and provided a menu to local teams for refinement. The most important aspect was that the internal audit plan included the areas the ICB wanted assurance for. ST noted that there had been an initial discussion as an executive team but noted that Nick Atkinson would be invited to the meeting when the executives reviewed the plan in detail. ST expected the executive team to consider the workplan against population health management as well as a structured approach to improvements in health inequalities, system quality assurance and the triangulation of information. ST confirmed that the comments from the Committee would be fed into those discussions.</p> <p>JCa noted that the NHS Oversight Framework contained areas such as agency spend which might need to be considered as part of the audit plan. AM welcomed the focus on health inequalities but also asked that the plan consider value for money. AM noted that it was important that the plan reflected the audits which were important for 2024/25 and that the executive team would need to consider what audits could be undertaken in the future. AM noted that as per previous years it would be useful to see the executive team decision making processes when approving the plan.</p> <p>ST explained that the internal audit plan needed to reflect the ICB requirements and noted that some aspects of the oversight framework would require assurance from providers.</p> <p>Julie Masci (JM) noted the financial control audit and the indication of a potential ISFE 2 implementation. JM explained that the audit would need to consider the local implementation process as well as the capacity and work allocation at a local level.</p> <p>The Audit and Risk Committee received and discussed the Internal Audit Planning report 2024/25</p>	
5.1	<p>Counter Fraud and Security Management Progress Report</p>	

	Item	Action
	<p>Sarah Smith (SS) reported that Jasmine Newt had been recruited to the Bristol Council fraud team and Jasmine's NHS Counter Fraud Agency (CFA) nominations were underway to enable her to support all client organisations within BNSSG. SS confirmed that work continued on simultaneous employment, a local proactive exercise and supporting the ICB Corporate Policy Review Group.</p> <p>The team had attended a local counter fraud specialist liaison meeting for staff supporting ICBs. The teams had discussed the risks and trends posed by fraud to ICBs. The areas of concern were very similar regardless of location, size and demographics and were personal health budgets, prepaid cards, and GP and dental surgery fraud particularly where local counter fraud teams had no remit to investigate.</p> <p>Another Fraud Champion Network meeting was scheduled for April 2024 and NHS CFA would attend to discuss the counter fraud functional standard return and to demonstrate the new external reporting suite.</p> <p>The Audit and Risk Committee received the Counter Fraud Interim Report</p>	
5.2	<p>Draft Counter Fraud Workplan 2024-2025</p> <p>SS explained that the workplan had been designed to address the risks to the organisation through fraud, bribery and corruption and to be responsive throughout the year to new and emerging risks. The emphasis was on fraud prevention and raising awareness which included local proactive exercises, presentations, newsletters and staff communication.</p> <p>SS asked the Committee to consider whether there was scope for the team to provide general counter fraud advice and guidance to surgeries within BNSSG, either by attending practice manager forums or providing information through local presentations or digital means.</p> <p>SS explained that appendix B indicated that no NHS CFA led proactive exercises were planned for 2024/25. However, it had recently been announced that there would be a local proactive exercise focusing on due diligence and contract management during the first two quarters of the year.</p> <p>JCa welcomed the proactive exercise around procurement and lessons learnt. ST noted the ICB procurement policies were being updated in line with the Provider Selection Regime regulations and welcomed the counter fraud input as part of the Corporate Policy Review Group</p> <p>JCa was comfortable with the workplan and welcomed the positive profile of the counter fraud team within the ICB. ST agreed and noted that the amount of</p>	

	Item	Action
	<p>reactive work that had taken place during 2023/24 indicated that staff had a good understanding of fraud and were comfortable raising concerns.</p> <p>AM asked about the trends related to the split between strategic, reactive and proactive work set out in the workplan. SS confirmed that proactive work was preferred as reactive work indicated that more training was required. SS confirmed that the split was flexible dependent on the needs of the ICB and noted that the proactive work of the past few years to embed communications meant that the plan could contain more proactive work.</p> <p>The Audit and Risk Committee discussed and approved the Counter Fraud Workplan 2024/25</p>	
6.1	<p>External Audit Update</p> <p>JM confirmed that the Mental Health Investment Standard work had been completed with the positive opinion issued in January. JM explained that the interim audit visits would start on the 19th February 2024 and interim progress reports would be provided to the Committee. The external audit team were having active discussions with the ICB on time critical aspects of the 2023/24 accounts particularly around redundancy costs, and programme and admin running cost allocations. Discussions were also ongoing around accounting treatment for IFR 16, and a number of property related items. A fuller update would be provided at the next meeting.</p> <p>The Audit and Risk Committee received the update from External Audit</p>	
7.1	<p>Annual Accounts Process and Year End Plan</p> <p>ST presented the plan noting that this was more straightforward this year as there would only be one set of accounts. ST confirmed that the current discussions with the auditors had been highlighted as part of the external audit update. ST explained that the implementation of the next financial system had been delayed and there was no expected date for this. The ICB would continue to work on the preparation although there would be more to do once clarity was received.</p> <p>JCh noted the positive payment practices and asked for more information about the invoices which were paid late. ST explained that the target was for 95% of invoices to be paid on time and outstanding invoices were discussed monthly by the ICB executive team and the Strategic Development Forum. These were reviewed by value and directorate to encourage teams to unblock. ST noted that many of the outstanding invoices related to elements of CHC funded nursing care and lots of work had been undertaken in this area and this work continued. ST explained that the system worked to share learning and best practice in regards to the Better Payment Practice Code.</p>	

	Item	Action
	<p>AM supported the process and asked whether the annual report required a quality report for the ICB and the implications of this for the Outcomes, Performance and Quality Committee. RH confirmed that a quality report was required and the timetable for contribution and approval processes was being developed.</p> <p>JCa asked whether the ICB would be required to hold an AGM this year. RH explained that this had not yet been confirmed. The annual report needed to be publicly presented and published and last year this had been managed through the September ICB Board. RH noted that the plan was currently the same for this year which would include the development of a microsite to outline the achievements for 2023/24. JCa suggested that a dedicated AGM was a good event but understood the resource constraints of the ICB. RH agreed to speak to the Chair of the ICB and provide an update on arrangements.</p> <p>The Audit and Risk Committee noted the report</p>	RH
7.2	<p>Governance Statement M9</p> <p>RH explained that the month 9 governance statement was a required submission to NHS England and following ICB Chief Executive approval, the statement had been submitted. RH noted that the statement had been submitted in line with previous submissions and included narrative. RH noted that he had questioned the necessity of completing the narrative as it did not fully reflect the question which had been asked, but to align with last years submission, the narrative had been included.</p> <p>JCa asked whether there was a requirement that the month 9 governance statement was reviewed by an ICB Committee before submission. RH confirmed that this was not the case and the statement had been presented to the Audit and Risk Committee for information only.</p> <p>SW queried whether the ICB should be submitting statements based on previous years rather than reviewing whether the work was required and AM asked the ICB to consider whether other local NHS organisations were required to submit a month 9 governance statement and whether the content aligned. AM noted that the statement response was as expected but highlighted that it read as though written by different people rather than having one single voice.</p> <p>JM asked what purpose the return had and explained that the auditors would review the annual governance statement as a reference point for self-assessment. JM asked whether the narrative within the month 9 statement would follow through into the annual governance statement. It was confirmed that this was the case. JM noted that although there was no clear national purpose for the return, the importance for the Audit and Risk Committee was in</p>	

	Item	Action
	<p>seeing the acknowledged significant governance issues which would flow through into the annual governance statement.</p> <p>RH noted that there was probably a reflective piece for 2024/25 which involved asking for more information regarding the purpose of the return. JCa agreed and noted that a mechanism which allowed the Audit and Risk Committee to review the significant governance issues on a quarterly basis may be useful.</p> <p>The Audit and Risk Committee received the Month 9 Governance Statement for information</p>	
7.3	<p>HFMA Checklist</p> <p>ST reminded Committee members that last year the ICB undertook an assessment against the HFMA checklist which internal audit reviewed. Following the assessment, 35 actions were identified, 30 of those have been completed. The outstanding actions related to budget management and training, and monitoring of recurrent and non-recurrent spend. ST explained that the budget management actions were on hold until the Shaping Our Future programme had concluded and budget holders had been identified and the recurrent and non-recurrent actions had been delayed due to the ISFE 2 implementation, after which it was expected that the ICB would have greater functionality capabilities.</p> <p>ST explained that once the actions were concluded the ICB would assess against the HFMA checklist again to test that the actions had led to the expected outcomes. ST confirmed that the results of the assessment would be presented to the Audit and Risk Committee.</p> <p>The Audit and Risk Committee received the update</p>	
8	<p>Matters for Information</p> <p>The Committee received the following matters for information:</p> <ul style="list-style-type: none"> • Losses and Compensation Payments • Waiver of Standing Financial Instructions • Claims and Litigation Report <p>JM noted that the governance statement referenced a potential claim related to a procurement which had been escalated to the lawyers for consideration. JM asked for information on the scale of the claim. ST noted that 15th February 2024 had been the date for the next phase of escalation but ST had not yet received an update. ST agreed to provide an update to JM. JCa explained that the Finance, Estates and Digital Committee had received regular updates both throughout the procurement exercise and regarding the current legal challenge.</p> <p>AM noted that at the last meeting, she had raised the single tender waivers related to the LeDeR programme and provided an update that the backlog was</p>	ST

	Item	Action
	<p>expected to be cleared by April 2024. AM highlighted the single tender waiver related to the CVD Prevention Support and noted that the waiver included a sum of money for procurement despite two localities not having scoped the work required. It was agreed that David Jarrett would be approached to provide more information as part of the action log.</p> <p>The Audit and Risk Committee received the matters for information</p>	RH/DJ
9	<p>Review of Meeting Effectiveness</p> <p>VG reviewed the meeting and welcomed the comments made at the start of the meeting reminding the members of the ICB and ICS objectives which focused the conversations. VG noted that the discussions about the items linked to other issues and previous discussions which was positive. The wider Committee membership was noted as good but the ICB representatives, although knowledgeable about their areas, were unable to answer questions about other areas in the ICB and VG suggested that it would be sensible for the Committee to include the other ICB executives. VG thought the meeting was effectively Chaired and had run well to time.</p>	
10	<p>Any other business</p> <p>There was no other business</p>	
	<p>Date of Next Meeting</p> <p>Friday 19th April 2024: 2.00pm – 4.00pm</p>	
B	Members meeting with the Executive without Auditor	

Lucy Powell, Corporate Support Officer, February 2024