

Approved 16 March 2023

**Minutes of the ICB Audit Committee Held on
Thursday, 15 December 2022 in Boardroom 1, Chorley House, Leyland**

Name	Job Title	Organisation
Members		
Jim Birrell	Chair/Non-Executive Member	L&SC ICB
Sheena Cumiskey	Non-Executive Member	L&SC ICB
Roy Fisher	Non-Executive Member	L&SC ICB
Co-opted Member		
Ian Cherry	Co-opted Lay Member	L&SC ICB
Attendees		
Sam Proffitt	Chief Finance Officer	L&SC ICB
Katherine Disley	Director of Operational Finance	L&SC ICB
Kirsty Hollis (arrived during Item 4)	Place and Programme Finance Lead	L&SC ICB
Asim Patel	Chief Digital Officer	L&SC ICB
Debra Atkinson	Company Secretary/Director of Corporate Governance	L&SC ICB
Louise Cobain	Executive Director of Assurance, MIAA	MIAA
Lisa Warner	Senior Audit Manager	MIAA
Paul McGrath	Anti-fraud Specialist	MIAA
Tim Cutler (up to Item 20)	Partner	KPMG
Debra Chamberlain	Director	KPMG
Cath Owen (Item 12)	Head of People Services (Client Delivery)	M&L CSU
Louise Talbot	Corporate Governance Manager	L&SC ICB

Item No	Item	Action
1.	<p><u>Welcome, Introductions and Chair's Remarks</u></p> <p>The Chair welcomed everybody to the meeting.</p>	
2.	<p><u>Apologies for Absence</u></p> <p>No apologies received.</p>	
3.	<p><u>Declarations of Interest</u></p> <p>RESOLVED: That there were no declarations made relating to the items on the agenda.</p> <p>(a) Audit Committee Register of Interests – Noted.</p>	

4.	<p><u>Minutes of the Previous Meeting Held on 29 September 2022</u></p> <p>RESOLVED: That the minutes of the meeting held on 29 September 2022 be approved as a correct record.</p> <p><i>K Hollis arrived at the meeting.</i></p>	
5.	<p><u>Matters Arising and Action Log</u></p> <p>RESOLVED: That the Audit Committee approve the closure of the items listed and note the open items dated January and March 2023 for completion.</p>	
<i>The agenda was taken out of order.</i>		
12.	<p><u>Freedom to Speak Up: ICB Policy and System Approach</u></p> <p>C Owen spoke to a circulated report which had been developed to provide assurance to the Audit Committee in respect of the introduction and establishment of the Freedom to Speak Up (FTSU) Policy and practices, recently approved by the People Board for implementation across the organisation.</p> <p>MIAA had produced a briefing document relating to FTSU through the Audit Committee lens, appended with the papers, which detailed the factors that the committee should consider in providing assurance to the on its internal processes in relation to FTSU.</p> <p>A dedicated resource to create a full-time role as the FTSU Guardian would be taken forward and will work closely with the Executive and Non-Executive leads within the ICB. The policy and approach would be subject to a detailed communications plan to ensure the policy was implemented across the organisations.</p> <p>C Owen sought clarification in respect of the frequency of reporting and level of detail to future Audit Committee meetings. The Chair asked to have sight of the completed questionnaire which would be sufficient at the current time. It was recognised that as the processes were not yet firmly embedded across the organisation, the committee could not give assurance to the Board that systems are working effectively.</p> <p>S Cumiskey asked how confident people felt about speaking up and referred to two particular questions in the recent staff survey regarding FTSU, suggesting that it would be useful to have feedback from those questions. She also suggested that it would be helpful to understand where the FTSU Guardians were and the training they have undertaken in order to ensure the support was in place. This would then be the first litmus test whilst recognising that the process had only recently been put in place, would set a baseline to take forward. D Atkinson advised that the FTSU policy in place at the former CCGs had transferred across to the ICB however, she was unsure if it had been used since the ICB was established on 1 July 2022.</p> <p>S Proffitt advised that with the work taking place in respect of anti-corruption, bribery training and conflicts of interest training, it was important that there were</p>	<p>CO/ LJT</p>

	<p>clear links and references in the policy in order that staff could access the information in one place. C Owen and P McGrath would dovetail the awareness and training.</p> <p>RESOLVED: That the Audit Committee note the progress to date commenting that it was too early to assess whether the new system was working effectively.</p> <p><i>C Owen left the meeting.</i></p>	CO/ PM
<p><i>The agenda reverted to its original order.</i></p>		
<p>6.</p>	<p><u>Update on ICB Finance and Performance Committee and Draft Terms of Reference</u></p> <p>D Atkinson provided a verbal update from the inaugural meeting of the Finance and Performance Committee (F&P Committee) held on 28 November 2022. A number of issues would be taken forward including:</p> <ul style="list-style-type: none"> • Acknowledgement that the membership required a further review. • Discussion regarding regular reporting and oversight into the committee, particularly around contracts/contract monitoring. • Work was underway to establish sub-committees of the F&P Committee, the intention of which would be that contract decisions would be taken through the committee. • For the remainder of the financial year 2022/23, bi-monthly meetings would be held. • For 2023/24, it was intended to hold bi-monthly formal Board meetings with informal, development sessions or confidential briefings held in the intervening months. There would also be provision for additional F&P Committee meetings to be held if required. <p>R Fisher, Chair of the F&P Committee provided a verbal update to the Board the previous week. In addition to the update from D Atkinson, he also referred to the contracting oversight of the committee and the primary care aspects of contracting. There was also discussion aligning with the Quality Committee in respect of performance and how discussions should be taken forward. He had had a briefing discussion with S Cumiskey, Chair of the Quality Committee with a view to possibly having a joint F&P and Quality Committee meeting from time to time. S Cumiskey advised that when reviewing the membership, there needed to be additional Executive representation with either S O'Brien or Dr D Levy as a member.</p> <p>R Fisher also advised that a fuller explanation of the financial position and budgets would need to be taken to future committee meetings and S Proffitt acknowledged this commenting that it was being developed by the finance team to standardise.</p> <p>The Audit Committee Chair had also attended the inaugural meeting of the F&P Committee commenting that the terms of reference stated that the Audit Committee was required to approve the F&P Committee terms of reference. He sought clarification around this however, they were not available for the Audit Committee to have sight of. He also commented that there would be further F&P Committee meetings prior to the next meeting of the Audit Committee. D Atkinson</p>	

	<p>advised that it was intended that a number of presentations would be given at the informal meeting of the Board in January as awareness raising, part of which would be 'Making Data Count' which was noted.</p> <p>I Cherry referred to the Executive and operational functions of the F&P Committee and was mindful that the Non-Executive Members were not drawn into those areas. R Fisher welcomed the question commenting that they were there as an assurance body and since the ICB had been established, it came to light that there was a requirement for a F&P Committee to be set up in order that they had an understanding of the position of the ICB. Also working with a number of large and complex provider Trusts, it was vital the committee had an opportunity to oversee and understand the performance issues. R Fisher stressed the importance of the committee receiving regular business intelligence reports and understanding as an ICB what it is responsible for. Assurances were given that the Non-Executive Members would not be involved in operational matters but would seek assurances.</p> <p>RESOLVED: That the Audit Committee welcomed the establishment of the F&P Committee, agreed to review its terms of reference at the next meeting and looked forward to working with the committee in the future.</p>	LJT
7.	<p><u>Standardisation of Financial Systems and Controls</u></p> <p>S Proffitt spoke to a circulated report which summarised the detailed management response to the CCG Q1 financial review recommendations raised by Bill Gregory and Paul Brickwood. The review identified a number of management and accounting control recommendations for consideration as the eight CCGs transitioned over to the ICB. The recommendations focused on the standardisation of processes, assumptions and internal control improvements in order to provide assurance over the reported financial position. It was noted that in most cases, the recommendations had been fully implemented as part of the establishment of a single finance team for the ICB however, there remained a small number that were yet to be completed.</p> <p>S Proffitt advised that improvements were being seen each month which continued to be refined. She was however, less assured about how risk was being mitigated although she was seeing progress. The F&P Committee would be provided with separate reports on budgets and the financial position along with reports relating to providers, CIP, QIPP etc. in order to give the F&P Committee assurance with a view to agreeing what could then be taken to the Board. The Chair stressed the importance of standardising reporting.</p> <p>The Chair sought clarification as to when there would be a single approach and K Disley advised that there was a system level approach in place and work was taking place in reviewing the ledger to ascertain how items are coded. Across the team, each individual has a key area and standardises accordingly.</p> <p>I Cherry referred to a key issue within the report that the QIPP appeared to be an allocated figure rather than tangible plans and sought clarification as to whether the target resolution date of 31 January 2023 would be met. S Proffitt advised that when the plan was set, in terms of the CIP/QIPP, it was not fully formed at</p>	

	<p>that point and that the majority of the CIP/QIPP related to prescribing, transformation and continuing healthcare. Since then, work had taken place in reviewing the plans and actions with a view to putting a process in place recognising that it needed to be refined. S Proffitt advised that a report would be taken through the F&P Committee around whole recovery plans and action plans which were being taken forward.</p> <p>S Cumiskey conveyed her thanks to the team for the work taking place. She sought clarification as to what measures were being put in place for the 2023/24 planning round. S Proffitt advised that a planning process would be taken through the F&P Committee, adding that processes in respect of CIP/QIPP would also help with that planning process. Work was taking place with the ICB’s Chief Planning, Performance and Strategy Officer and the Director of Strategic Finance in respect of planning assumptions and guidance issued. S Cumiskey welcomed the approach and asked that assurances be conveyed from the F&P Committee to the Audit Committee and this was noted.</p> <p>RESOLVED: That the Audit Committee receive the report, noting the recommendations, the management responses and target resolution date.</p>	
8.	<p><u>Internal Audit – MIAA</u></p> <p>(a) Internal Audit Progress Report - L Cobain spoke to a circulated report which provided an update on progress made with the delivery of the internal audit plan including summaries of the following completed audits.</p> <ul style="list-style-type: none"> • HFMA Financial Sustainability Checklist audit • Conflicts of interest checklist • Risk Management checklist • Governance checklist <p>The report also set out some key changes to the audit plan which required approval by the Audit Committee:</p> <ul style="list-style-type: none"> • MIAA had developed the 2022-23 internal audit plan based upon an initial risk assessment. Given the ongoing development and implementation of the ICB’s systems and processes, they undertook a further risk assessment which included a focus on mandated and core assurance areas and included wider assurances on key areas utilising core controls assurance mechanisms. As such, MIAA proposed that identified reviews as a minimum (as referred to in Appendix A of the report) be completed to support assurances to the Audit Committee and the delivery of the Head of Internal Audit Opinion for 2022-23. The proposal had been shared with the Audit Committee Chair and Chief Finance Officer. • MIAA had been requested to undertake a review of the processes the ICB has in place in response to the Morecambe Bay Hospitals NICHE Urology report, in particular the recommendation made in the NICHE report – “Internal audit should test the efficacy of CCG assurance at a Trust specialty level as part of its annual work programme”. It was proposed that it would be accommodated within the current plan. • As discussed at the September 2022 meeting of the Audit Committee, there was a request that a review of data quality be included within the plan. It was proposed that it would be accommodated within the current plan. 	

<p>It was commented that to date, there had been limited progress on the 2022/23 internal audit plan, partly because it was weighted towards completion in Q4. It was noted that concentrating a significant programme into a relatively short time period would present logistical challenges to both MIAA and ICB staff, which could result in some planned work slipping into 2023/24.</p> <p>L Cobain had had initial conversations about the approach being taken on some of the audits and it was recognised that systems were still being developed. She was of the opinion that it was likely that elements would be deferred into 2023/24. S Proffitt commented that key financial controls were crucial and suggested that a review be undertaken to risk rate to determine what could be deferred into the next financial year. She would liaise with L Cobain and provide an update to Audit Committee members on those discussions and proposals to defer some of the audits.</p> <p>L Cobain would share the completed checklists with the Audit Committee.</p> <p>The Chair referred to Appendix D within the report which was an assurance update on key areas and whilst it was a summary of the current position, he commented that it needed further development. He would liaise with L Cobain outside of the meeting with a view to undertaking an assurance mapping exercise.</p> <p>L Cobain referred to risk management and governance within Appendix D advising that work had taken place with Hill Dickinson. A CCG sub-group had been established regarding the challenges which resulted in a number of common themes being drawn out. Counterparts from Greater Manchester and Cheshire and Mersey ICBs were involved in the sub-group and L Cobain suggested that D Atkinson also be involved. D Atkinson advised that various forms had been set up independently from governance leads where they were collectively having shared learning and she stressed the importance of having a consistent approach.</p> <p>Discussion ensued about the ICB's levels of assurance in respect of risk management with a suggestion of focusing on the statutory elements for the remainder of the financial year and then a focus on the risk register element.</p> <p>Reference was made to the three levels of responsibility for the ICB and the majority of work in the first year of the ICB which would be at level one. Consideration would then need to be given to levels 2 and 3 thereafter. It was commented that levels of assurance were different. Further and broader thought would need to be given as to how it should be taken forward and through the F&P Committee it should become clearer.</p> <p>D Atkinson advised that an ICB Board session would be held in February to discuss the development of the whole system plan, focusing on the 10-year plan, planning strategy, joint five-year plan with the Trusts aligning and to the ICP plan. Once the strategies had been signed up across the system, the ICB's strategic objectives would be revisited and conversations would then influence the ICB's internal audit plans.</p> <p>RESOLVED: That the Audit Committee receive the progress report and approve the proposed changes to the internal audit plan.</p>	<p>SP/LC</p> <p>LC/ LJT (✓)</p> <p>JB/LC</p>
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(b) Legacy Recommendation Report – K Hollis spoke to a circulated report which provided an update on progress made and/or the outcome in respect of the internal audit recommendations that were outstanding as at 30 June 2022. The report described whether the actions were still open, had been closed, were no longer valid or would be re-tested within the 2022/23 audit plan.

The Chair was mindful of the report being closed off as soon as possible and sought clarification as to whether the CCG elements of the recommendations could be closed. K Hollis advised that there was potential for processes that still needed to be embedded hence the reason for some audit recommendations remaining open. L Cobain also advised that MIAA would require evidence in order to close the audit recommendations. It was noted that outstanding elements would be included in the internal audit report and closed down as appropriate or when completed.

RESOLVED: That the Audit Committee receive the report, noting the agreed actions and resolution dates. Updates on progress would be provided via the MIAA internal audit progress report on a quarterly basis.

(c) MIAA HFMA Improving Financial Sustainability in the NHS – Final Internal Audit Report – A report was submitted which set out the results of the mandated NHSE internal audit review of the HFMA financial sustainability checklist.

The initial review identified that the actions set out in the checklist submission required further work to develop them into SMART actions and assignment of responsible officers and timescales. During the audit review, the ICB updated some of the actions, particularly in relation to the 12 questions subject to detailed internal audit review, to include more detailed actions as well as assigning responsible officers and timescales. It had been recommended that the ICB reviewed the action plans for the remaining questions on the checklist. The detailed review of the 12 questions identified that the ICB's self-assessment was reasonable.

The Chair commented that whilst he was not surprised, it was disappointing that ICBs (including Lancashire and South Cumbria) had scored relatively low in the exercise. S Proffitt commented that it had been a helpful process and was an honest reflection of where the ICB was currently. She advised that the finance team would review the position on a monthly basis and a further assessment would be held later in the year to review both its overall score and progress made since the initial exercise. A report would be submitted to the March meeting of the Audit Committee.

RESOLVED: That the Audit Committee receive the report, noting the current position in respect of the self-assessment.

(d) The Internal Audit Network Insight – November 2022 – Noted for information. L Cobain would circulate the December Insight recently published. She also advised that HFMA had recently issued an Audit Committee Handbook supplement which would be circulated to members.

RESOLVED: That the Audit Committee receive the report for information.

SP/
LJT

LC/
LJT
(✓)

<p>9.</p>	<p><u>Anti-fraud</u></p> <p>(a) Anti-Fraud Progress Report - P McGrath spoke to a circulated report which provided an update on progress of anti-fraud work undertaken during the period 1 September 2022 to 30 November 2022 particularly focussing on two matters within the 'Hold to Account' section which would be closed over the coming days. He also referred to the delivery dashboard and contract performance section with the report and anticipated that a number of the components listed as 'to be confirmed' would change to green as progressing as planned over the coming months.</p> <p>RESOLVED: That the Audit Committee receive the anti-fraud progress report.</p> <p>(b) Anti-fraud, Bribery and Corruption Policy and Response Plan – P McGrath reminded Audit Committee members that the draft policy had been submitted to the previous meeting and clarification was sought in respect of the areas of responsibility specifically for the ICB and specifically for NHSE. P McGrath advised that paragraphs 2.3, 2.4 and 2.5 within the policy provided an explanation as to when the ICB would investigate an allegation of fraud, bribery or corruption.</p> <p>RESOLVED: That the Audit Committee approve the Anti-fraud, Bribery and Corruption Policy and Response Plan.</p>	
<p>10.</p>	<p><u>External Audit – KPMG</u></p> <p>(a) ICB Audit Plan and Strategy Overview for the 9 Months Ending 31 March 2023 <u>and</u> (b) Update on Progress</p> <p>T Cutler provided a progress update in conjunction with the ICB audit plan and strategy overview for the 9 months ending 31 March 2023. The report set out their preliminary risk assessment for the audit of the ICB's financial statements and they identified the following significant risks:</p> <ul style="list-style-type: none"> • Fraud risk from expenditure recognition • Management override of controls <p>The report also provided an outline of the work on KPMG's value for money conclusion and a timetable for the delivery of the audit.</p> <p>T Cutler provided the following progress update on progress:</p> <ul style="list-style-type: none"> • Work would be undertaken in reviewing journals, engaging with IT colleagues and understand what is managed. • In terms of the approach to opening balances, KPMG will work to a draft ICB opening balance sheet and would then consider any unadjusted figures for the eight CCGs once they have liaised with the other previous auditors, ie, Grant Thornton. • There was recognition of the need to reduce the system deficit. • In terms of timescales, they were where they would want to be at the current 	

time and resource was booked for January to undertake the assessments.

(Typographical error, final paragraph on page 4 should state July 2022 to March 2023).

The Chair sought clarification on the approaches taken in respect of rolling forward allocations from CCGs, commenting that it appeared that some CCGs in Cheshire and Mersey were in a stronger position in comparison to those in Lancashire and South Cumbria. K Disley advised that there had been specific issues in Cheshire and Mersey resulting in different decisions being made. S Proffitt commented that standardisation had been undertaken across the ICBs and work was taking place to have more joined up work in respect of planning. She further commented that from an external audit perspective the ICB had not undertaken anything differently in terms of rolling forward.

I Cherry referred to the ISA 510 opening balance work and asked if Grant Thornton had been contacted. T Cutler advised that they were unable to contact Grant Thornton until the files were closed for the three-month period for the five CCGs. The potential delay of the five CCGs' ISA 260s was recognised and I Cherry would follow up with K Hollis. The Audit Committee would be kept updated on progress.

IC/KH

RESOLVED: That the Audit Committee receive the report, noting the position in respect of the audits being undertaken by KPMG and that equivalent information was required in respect of the work being undertaken by Grant Thornton.

(c) Audit Plan and Strategy for the CCGs for the Period Ending 30 June 2022 and

(d) CCG 3-month Accounts – April 2022-June 2022

– T Cutler spoke to a circulated report which detailed KPMG's plan for the audit of the financial statements of NHS Blackpool CCG, NHS Fylde and Wyre CCG and NHS Morecambe Bay CCG as at and for the period ending 30 June 2022. The plan included:

- Overview of planned scope including materiality
- Significant risks and Other Areas of Audit Focus
- Audit risks and our audit approach
- Mandatory communications
- Value for Money arrangements
- Audit cycle and timetable

I Cherry referred to the remuneration report, in particular the national issue regarding confirmation of Directors' pension disclosures by the Pensions Agency which could have implications on the audit opinion. He asked if they had explored it elsewhere. T Cutler advised that they were unable to apportion the pension disclosures confidently as they would depend on a number of schemes at large rather than individual, therefore, he could not give assurance that it was free of material error. T Cutler was attending national discussions around this matter and further clarification was awaited.

RESOLVED: That the Audit Committee approve the audit plan and strategy for the CCGs for the period ending 30 June 2022 and note the national issue relating to pension disclosures.

	<p>(e) Health Technical Update – Provided to highlight the areas of focus to the Audit Committee and enabled S Proffitt and the team to provide updates to KPMG.</p> <p>RESOLVED: That the Audit Committee receive the update.</p>	
11.	<p><u>Risk Management Update including the ICB’s Proposed Strategic Objectives, Board Assurance Framework and Risk Management Policy and Framework (as submitted to the ICB Board - 7 December 2022)</u></p> <p>D Atkinson spoke to a circulated report which provided the committee with a risk management update including the approach to the Board Assurance Framework (BAF) and Risk Management Strategy and Policy. Due to timings of meetings, the report was presented to the Board on 7 December 2022 and D Atkinson advised that both documents had been approved by the Board. She sought clarification on the detail the Audit Committee would wish to have sight on in going forward and whether updates via the internal audit plans would be sufficient.</p> <p>In terms of the BAF, D Atkinson advised that there was still a piece of work to be undertaken with the Executives regarding risk scoring and any gaps in control or areas to progress would then form the ICB’s operational corporate risk register. Work would then take place in mobilising and embedding the corporate risk register throughout the organisation. S Proffitt advised that the Board had noted that the document was in development with an action to consolidate the inherited CCGs’ risk registers. The committee felt that the development of the ICB corporate risk register was a high priority and requested that work took place in completing the document for submission to the next meeting of the Audit Committee for members to review. In going forward, it was agreed that the high-level risks should be submitted to the Audit Committee.</p> <p>RESOLVED: That the Audit Committee receive the report, noting the actions being taken forward, review the completed corporate risk register and agree that high level risks should be submitted to future committee meetings.</p>	DA
13.	<p><u>Draft Expenses Policy</u></p> <p>K Hollis provided a verbal update on the drafting of the ICB Expenses Policy advising that although the policy was not yet in place, the ICB continued to operate under the CCGs’ inherited policies which were very much rooted under national regulations.</p> <p>Due to the current financial position of the ICB, it was intended that the policy would be more restrictive and additional conversations would need to be held with staff side as there may be a requirement to step away from an element of the Agenda for Change Terms and Conditions (approximately 95% would align with the Terms and Conditions). Appropriate levels would need to be set on any variations. She assured the committee that the policy would be completed prior to the Christmas period.</p> <p>Clarification was sought as to whether the draft Expenses Policy should be taken through the F&P Committee rather than the Audit Committee for approval. It was</p>	

	<p>agreed that the policy should be taken through the F&P Committee however, consideration would also need to be given in taking it through the Remuneration Committee.</p> <p>RESOLVED: That the Audit Committee receive the verbal update, noting the approval route for the draft Expenses Policy.</p>	
14.	<p><u>Update Report - Managing Conflicts of Interest (including Gifts and Hospitality)</u></p> <p>D Atkinson spoke to a circulated report which was an update on progress to date with the implementation of the ICB's policy for Managing Conflicts of Interest (including gifts and hospitality) and the ongoing work to ensure the ICB's registers were fully refreshed and updated. She advised that a checklist issued by MIAA had been completed and positive feedback had been given in terms of assurance of the current position. L Cobain would circulate the checklist to members.</p> <p>The Board received its first annual update report at its meeting in November which included the full ICB registers; the registers of interests for the Board, its committees and those employees who were defined as "decision makers" which are publicly available via the ICB's website.</p> <p>D Atkinson advised that on 21 November 2022, NHSE had requested that all ICBs undertook an urgent self-assessment of their local registers of interests and management of conflicts of interest with a response by 5 December 2022. There were no areas of concern highlighted in the submission which was a positive reflection of the work undertaken to date and systems and processes appeared to be embedded across the ICB.</p> <p>RESOLVED: That the Audit Committee receive the report, noting the work being taken forward.</p>	LC (✓)
15.	<p><u>Information Governance Executive Summary – November Bi-monthly Report – Covering the Period September and October 2022</u></p> <p>The Chair welcomed Asim Patel, Chief Digital Officer to the meeting who had recently commenced in post. A Patel spoke to a circulated report which provided an overview on the information governance agenda with key information and progress against legal and mandatory requirements. Key areas of update covering September and October 2022 related to the Data Security Protection (DSP) Toolkit and the ICB internal delivery plan for information governance which required approval.</p> <p>The Chair welcomed A Patel's views on the types of reports to be presented to future Audit Committee meetings. A Patel would give further consideration, but initially suggested that a joint SIRO (Asim Patel as the SIRO) and Caldicott (Dr David Levy as the Caldicott Guardian) report should be provided to the committee. The report needed to be proportionate and appropriate and include duties in respect of data protection and the ICB's information networks. Being mindful of the Audit Committee's role in terms of assurance to the Board, A Patel would also expect the committee to have sight of the annual information governance statement, annual cyber security statement, and in due course, the data security</p>	

	<p>protection toolkit. Audit Committee members agreed to A Patel’s proposals. The Chair was mindful that at the time of producing the report to the Audit Committee, the F&P Committee had not been established and that it may be that that committee would pick up elements of information governance business. R Fisher agreed that there needed to be alignment into the F&P Committee.</p> <p>A Patel noted that MIAA had commenced a post integration review which would identify the ICB’s current position in respect of information governance and consideration would need to be given by the Audit Committee in focusing in on any potential gaps. A Patel confirmed that the CSU has robust systems and processes in place in terms of capturing information however, visibility needed further review. He recognised that there were different processes inherited from the former CCGs and he was looking at bringing them together from an information governance perspective. Prior to A Patel commencing in post, S Proffitt was the SIRO and she welcomed the stock take he would be undertaking to address any gaps.</p> <p>A Patel would be setting up a group to take relevant areas forward however, in the meantime, he would discuss further with the Audit Committee Chair and F&P Committee Chair to address any overlap areas.</p> <p>It was noted that information governance training is undertaken by staff via ESR and that the Board training is via an awareness session.</p> <p>RESOLVED: That the Audit Committee receive the reports however, they felt unsighted on the information governance arrangements and asked that a comprehensive report be submitted to the next meeting. The topics/areas to be reported to the Audit Committee and the F&P Committee would be reviewed.</p>	AP/JP/ RF
16.	<p><u>Financial Management Report</u></p> <p>K Disley spoke to a circulated report which provided an update on the corporate registers for the ICB.</p> <p>(a) Losses, Write Offs and Special Payments – Five new entries. (b) Tender Waivers Register – Nil. (c) Procurement Decisions Register – Six new entries, the details were appended to the report.</p> <p>The Chair requested sight of the detail relating to the losses, write offs and special payments. K Disley provided a verbal explanation and would send the information to the Audit Committee members outside of the meeting.</p> <p>RESOLVED: That the Audit Committee receive the report.</p>	KD/ LJT (✓)
17.	<p><u>Sources of Assurances from ICB Committees of the Board</u></p> <p>A report had been drawn up to provide the Audit Committee with an overview of core committee business undertaken from July through to the end of November to test if Audit Committee members identify any areas that require further profiling</p>	

	<p>in terms of deep dives or invitations of Executives to present to the Audit Committee. The report was a collation of the discussion and key decisions taken by the ICB committees and reported to the Board via the Committee Highlights report.</p> <p>The Chair advised that discussion had been held at the Board meeting in respect of reporting Alerts, Assure and Advise (Triple AAA). David Flory, Chairman of the Board would discuss it further with committee Chairs to request improvements and greater consistency in the feedback provided to the Board by the assurance committees.</p> <p>I Cherry referred to the Primary Care Contracting Group and the potential for conflicts of interest. D Atkinson referred to the Groups' terms of reference which were very clear in terms of conflicts confirming that the arrangements were robust as they were modelled on the former CCG membership. I Cherry sought clarification as to where the Audit Committee had a line of sight and was advised that a register of items declared in meetings was held which captured conflicts declared and how they were managed. D Atkinson would provide an advisory note stating how the process was being managed. Members were reminded that the Primary Care Contracting Group was not a committee and that it reported to the Executive management group.</p> <p>RESOLVED: That the Audit Committee receive the report, noting that further discussions would be held with the ICB Chair and the committee Chairs.</p>	DA
18.	<p><u>Items for the Risk Register</u></p> <p>There were no items highlighted.</p>	
19.	<p><u>Committee Highlights Report to the Board</u></p> <p>The Chair listed the following for inclusion in the committee highlights report to the Board:</p> <p><u>Advise</u></p> <p>F&P Committee - The meeting welcomed the establishment of this committee and looked forward to working with it in the future.</p> <p>Internal Audit Plan - To date there had been limited progress on the 2022/23 Internal Audit Plan, partly because it was weighted towards completion in Q4. The Committee noted that concentrating a significant programme into a relatively short time period would present logistical challenges to both MIAA and ICB staff, which could result in some planned work slipping into 2023/24.</p> <p>HFMA Improving Financial Sustainability in the NHS - Unsurprisingly, ICBs, (including L&SC), scored relatively low in the recent exercise. The L&SC finance team would complete a further assessment later in the year to review both its overall score and progress made since the initial exercise.</p> <p>Freedom To Speak Up - Progress to date was noted but the committee felt that</p>	

it was too early to assess whether the new system was working effectively.

External Audit of CCGs for period ended 30 June 2022 - The position was noted in respect of the audits being undertaken by KPMG but equivalent information was required in respect of the work being undertaken by Grant Thornton. It was also noted that there was a national issue regarding confirmation of Directors' Pension Disclosures by the Pensions Agency that could have implications for the Audit Opinion.

Assurance Committees' Feedback to Board - There was support for the ICB Chair's intention to request improvements and greater consistency in the feedback provided to the Board by the assurance committees.

Standardisation of Financial Systems and Controls - There was still some outstanding work to be completed however, the residual tasks were more about local interpretation, eg where expenditure was coded, rather than fundamental differences in approach.

Assure

Anti-fraud, Bribery and Corruption Policy - The committee approved the updated version of this policy.

Board Assurance Framework (BAF) and Risk Management Policy - The Committee was pleased to learn that the Board had approved an initial version of the BAF and the Risk Management Policy. Some clarifications were sought and minor amendments suggested but it was regarded as an important development for the organisation.

Alert

Legacy Issues - The majority of the legacy issues identified by MIAA had been completed or were in hand but a number of the outstanding tasks were of continuing relevance to the ICB, therefore, the committee would continue to monitor progress.

Assessment of current state of governance, systems and controls - The committee expressed concern at the general lack of assurance around governance, systems and controls and asked that additional focus be placed on addressing the gaps between now and the end of the financial year.

Corporate Risk Register - The inherited CCG risk registers had not as yet been consolidated into a single ICB Corporate Risk Register. Committee members strongly felt that this omission should be rectified as a matter of urgency, with a view to the finished product being reviewed at the next Audit Committee.

Information Governance - The committee felt unsighted on the governance arrangements surrounding information and asked that a comprehensive report on the subject be brought to the next meeting. In tandem, the IG topics/areas to be reported into the Audit Committee and/or the F&P Committee would be reviewed.

Conflict of Interest in Primary Care Contracting - The appropriateness of the Board's Conflicts of Interest Policy to primary care contracting was raised and it

	was agreed that the issue would be reviewed with the outcome being reported to the next meeting.	
20.	<p><u>Review of the Meeting</u></p> <p>The Chair reflected on the meeting:</p> <ul style="list-style-type: none"> • Challenging in terms of what the Audit Committee had not received so there needed to be a focus on what the committee should be receiving at future meetings. • The Audit Committee's key responsibility for 2022/23 included providing assurance around the closure of CCGs/legacy and ensuring that systems, processes and controls are embedded. • Concern had been expressed in respect of both the Corporate Risk Register and Information Governance in the broader sense. • We need to reflect on the extent to which the Audit Committee is assured on each of its spheres of responsibility, ie, ICB direct responsibilities, oversight of the local NHS and engagement with the wider health and social care system. • The feasibility of undertaking an assurance mapping will be discussed outside the meeting with L Cobain. They will also review the 10-11 identified areas requiring assurance and provide the Audit Committee with their findings. • S Proffitt will liaise with the Chair and D Atkinson to ascertain whether there should be an additional (shorter) Audit Committee meeting at the end of January/early February to cover some specific areas. <p><i>T Cutler left the meeting.</i></p>	<p>JB/LC</p> <p>SP/JB/DA</p>
21.	<p><u>Any Other Business</u></p> <p>Sources of Assurance – External Documents – K Hollis had received a communication from the Audit Committee Chair regarding assurance that appropriate action is taken in respect of external documents that are published and that might require action by the ICB, eg, the internal audit highlights report. It was agreed that an assurance document would be drawn up identifying areas of awareness and actions undertaken would be provided at each future committee.</p> <p>Mutually Agreed Resignation Scheme (MARS) – I Cherry stressed the importance of the implications of the scheme in relation to business critical staff and the potential for losing corporate memory. S Proffitt advised that James Fleet, Chief People Officer had overseen the process with criteria adhered to and that a number of applications had been rejected. K Disley further advised that any finance staff whose application had been approved would remain in post until 31 March 2023.</p>	LC/KH
22.	<p><u>Date, Time and Venue of Next Meeting</u></p> <p>Consideration would be given as to whether there was a requirement to hold an additional Audit Committee meeting at the end of January/early February. The Chair would discuss further with S Proffitt following which, committee members would be advised.</p> <p>The next meeting was scheduled to be held on Thursday, 16 March 2023 commencing at 9.30am-11.45am in Boardroom 1, Chorley House.</p>	JB/SP/LJT