

Item: 10.3

REPORT CLASSIFICATION	✓	CATEGORY OF PAPER	✓
Official		Proposes specific action	
Official: Sensitive Commercial	✓	Provides assurance	✓
Official: Sensitive Personal		For information only	

BOARD	
30 SEPTEMBER 2026	
Committee Escalation and Assurance Report	
Committee Name:	Audit Committee Highlight Report
Committee Chair:	David Stout, Non-Executive Member
Dates of Committee Meeting/s:	Audit Committee meeting held on 30 July 2026
Alert: <i>Matters that need the Board's attention or action e.g. area of non-compliant, safety issue, new risks identified.</i>	
None to note	
Advise: <i>Matters to inform the Board of - developments, opportunities or areas subject to ongoing monitoring.</i>	
Global Internal Audit Standards Briefing Paper The Associate Director of Internal Audit presented a briefing on the revised Global Internal Audit Standards, highlighting the responsibilities of Audit Committee members and Boards under the new professional framework. Particular attention was drawn to Domain III, which sets out governance and oversight responsibilities for Audit Committees, and members were asked to familiarise themselves with these requirements and formally acknowledge their role within the framework. It was also noted that completion of the Data Security and Protection Toolkit (DSPT) forms an important part of this assurance framework and that additional responsibilities will arise as services transfer in-house. Counter Fraud Progress Report (including Review of Counter Fraud Annual Report and Self-Review Assessment) The Committee received the Counter Fraud Progress Report from AuditOne, covering activity across the 2025/26 and 2026/27 work plans. The report highlighted several fraud referrals received during the period, including concerns relating to conflicts of interest, personal health budget expenditure, and supplier claims. While most referrals did not identify evidence of fraud, one allegation concerning potentially fraudulent care home claims remained under active investigation. Updates were also provided on a number of ongoing investigations, including national and local cases relating to travel expenses, false declarations, supplier disputes, and personal health budgets. The Committee was advised that the ICB retained an overall green rating against the Counter Fraud Functional Standard. A single area had moved to amber as a result of changes to the national fraud risk assessment methodology rather than any weakness in local controls, with work underway to align risk assessments to the revised requirements.	

Assure: Areas of assurance that the Committee has received

ICB Board Assurance Framework and Risk Management Report Quarter 1 2026/27

The Committee received the Quarter 1 2026/27 Board Assurance Framework (BAF) and Risk Management Report and discussed ongoing work to comprehensively review and refresh the BAF. The review, being undertaken with external support from Beechcroft, aims to ensure that the framework remains aligned with the ICB's evolving role, governance arrangements, the Modernisation Bill, and the changing commissioning landscape. The Committee reviewed the adequacy of the BAF and Corporate Risk Register and gained assurance that principal risks and mitigations were appropriately reflected.

Cyber Assurance Framework (CAF) – Aligned Data Security and Protection Toolkit (DSPT) Assurance 2025/26 Report

The Committee received assurance that the ICB successfully submitted the annual submission for 2026. It was reported that the organisation had achieved "Standards Met", the highest available rating, in the published Cyber Assurance Framework return. The return had received high assurance from Internal Audit with no follow-up actions required.

Information Governance Assurance Report Quarter 1 2026/27

The Committee received the Quarter 1 Information Governance Assurance Report and reviewed performance across key information governance activities, including Freedom of Information (FOI) requests, Subject Access Requests (SARs), and Data Protection Impact Assessments (DPIAs). The report highlighted increasing volumes and complexity of FOI requests, partly attributed to the growing use of AI-generated correspondence.

Fit and Proper Person Test Compliance Report

The committee received the annual fit and proper person test (FPPT) report. The report confirmed that the annual assessment process had been completed in accordance with national guidance and submission requirements. All Board members were found to meet the required standards and were assessed as fit and proper to serve on the Board.

ICB Finance Update Report

The Chief Finance Officer presented the Finance Report, providing assurance on the ICB's financial governance arrangements and progress towards meeting its statutory financial duties. The Month 2 financial position indicated that the ICB remained on track to achieve its planned break-even position, despite limitations associated with early-year reporting and delays in prescribing and expenditure data. This position remained unchanged following review of Month 3 figures.

Internal Audit Progress Report

The Associate Director of Internal Audit presented the Internal Audit Progress Report, providing assurance on delivery of the Internal Audit Plan and progress against agreed audit actions. The Committee reviewed progress against overdue audit actions and was advised that only five actions remained outstanding, all of which had revised implementation dates agreed.

External Audit Progress Report

The Committee received the External Audit Progress Report from Forvis Mazars, noting that the external audit opinion had been issued in line with the agreed timetable. Members were advised that, whilst the audit work was substantially complete, the audit could not yet be formally closed pending confirmation from the National Audit Office on whether any additional national review activity would be required. The external audit team confirmed that it remained available to support any further procedures arising from the national quality assurance process.

Supporting Documentation

Ratified Extraordinary Audit Committee minutes 11 June 2026 (Appendix 1)

Conflicts of Interest

Any potential/actual conflicts of interest associated with the paper?

Yes

No

✓

Recommendation / Action Required

The Board is asked to receive the Committee Escalation and Assurance Report and ask any questions of the Committee Chair.

The Board is asked to receive confirmed minutes from the meeting held on 11 June 2026 for information and assurance.

Report author

Marc Rice, Senior Corporate Governance Manager

Date of Approval

15 September 2026