

Item: 12.4

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

## BOARD

26 NOVEMBER 2024

**Report Title:**

**Audit Committee Highlight Report and Approved Minutes**

### Purpose of report

To provide the Board with the key highlights from the Audit Committee meeting held on 10 October 2024 and the confirmed minutes from the meeting held on 23 July 2024.

### Key point

The Audit Committee is chaired by David Stout, Non-Executive member of the Board, and provides oversight and assurance to the Board on the adequacy of governance, risk management and internal control processes within the ICB.

The Committee confirmed minutes for the meetings held on 23 July 2024 are attached in **Appendix 1**

### Highlights from the Meeting held on 10 October 2024

The Committee considered the following key items at the meeting held on 10 October 2024 including:

- Risk Management and Board Assurance Framework report
- Finance Update
- Mental Health Investment Standard
- Internal Audit progress report
- External Audit progress report
- Counter Fraud progress report
- Annual review of Internal and External Audit Effectiveness

The key points from each item are noted below:

#### **Risk Management Report and Board Assurance Framework:**

The Committee received the latest risk management report, corporate risk register and board assurance framework for review and assurance for quarter 2 of 2024/25. A standardised approach has been introduced and adapted by staff in the management of risks with a series of roadshows to provide training and support. A significant amount of improvement has been evident in risk reporting and the quality of information being administered on the system with an escalation process in place to the relevant risk manager.

#### **Finance Update**

The Committee received an update on the ICB's financial position and essential financial governance matters covering financial performance, losses and special payments, tender waivers and aged debtors and creditors.

Work is continuing on updating the medium-term financial plan across the ICS and delivery of financial recovery plans and programmes with the System Recovery Board working closely with the Provider Collaborative with the medium-term plan being drafted and with further refinement to take place.

### **Mental Health Investment Standard**

The Committee received an update on the Mental Health Investment Standard (MHIS) report. The ICB published a statement of compliance at the end of the final year to state MHIS obligations had been met. A review was undertaken with two areas highlighted as non-compliant around MHIS: Section 117 spend and Mental Health Continuing Healthcare spend. Due to the consistent approach adopted in previous years, this has not impacted on achievement of MHIS for this year. The ICB were provided with a final reasonable assurance report.

### **Internal Audit Progress Report**

A progress report was shared for information and assurance highlighting a new metric showing the planned profile of internal audit delivery throughout the year, this would track the reports issued against the planned delivery up to 30 June 2025.

A formal review of the audit plan has been undertaken by the Executive Team and as a result the Committee were requested to support the deferral of three audits into 2025-2026, with the addition of the cancellation of the LeDer audit from 2023-2024 work plan. This deferment has been supported in balancing the risks involved.

### **External Audit Progress Report**

A progress report was received on external audit activity with the engagement letter for 2024-2025 agreed and sent to the ICB's Chief Executive, with no changes to the audit fee. The Committee noted that last year's audit had gone well and a similar approach would be taken with the 2024-2025 audit work.

### **Counter Fraud progress report**

The Committee was provided with a progress report providing an update on the work undertaken for period 02 July to 20 September 2024 with the current workplan continuing to be managed using a risk-based approach. Presentations are being undertaken with staff in the ICB and a session has taken place on fraud awareness to approximately 40 members of the business support team with plans in place to continue the staff training exercise.

### **Annual review of Internal and External Audit Effectiveness**

The Committee received a brief update on the plans to progress with the annual review of effectiveness of both Internal Audit (AuditOne) and External Audit (Forvis Mazars). The annual process is to gauge the quality of service with outcomes and value for money. The findings will be presented to the Committee members at the meeting on 09 January 2025, with any areas of improvement communicated to both Internal and External Auditors.

The minutes from the meeting held on 10 October 2024 will be approved at the next Audit Committee meeting on 09 January 2025 and submitted to the Board at its next meeting on 28 January 2025 for assurance.

## **Risks and issues**

N/A

## **Assurances**

- The Counter Fraud awareness presentations are progressing in the ICB with staff training to raise awareness.
- The annual review of the effectiveness of Internal Audit (Audit One) and External Audit (Forvis Mazars) will be conducted with feedback at the next Audit Committee meeting which will be communicated to both auditors to review any areas of improvement.

## **Recommendation/action required**

The Board is asked to:

- Receive the approved minutes for the Audit Committee meeting held on 23 July 2024 for assurance (Appendix 1)
- Note the key highlights from the Audit Committee meeting held on 10 October 2024 for information and assurance.

## **Acronyms and abbreviations explained**

ICB – Integrated Care Board ICS – Integrated Care System MHIS – Mental Health Investment Standard						
<b>Sponsor/approving executive director</b>	C Riley, Chief Corporate Services Officer					
<b>Date approved by executive director</b>	18 November 2024					
<b>Reviewed by</b>	D Cornell, Director of Corporate Governance and Board Secretary					
<b>Report author</b>	L Hutchinson, Head of Corporate Governance					
<b>Link to ICP strategy priorities (please tick all that apply)</b>						
Longer and Healthier Lives						✓
Fairer Outcomes for All						✓
Better Health and Care Services						✓
Giving Children and Young People the Best Start in Life						✓
<b>Relevant legal/statutory issues</b>						
Note any relevant Acts, regulations, national guidelines etc						
<b>Any potential/actual conflicts of interest associated with the paper? (please tick)</b>	<b>Yes</b>		<b>No</b>		<b>N/A</b>	✓
If yes, please specify						
<b>Equality analysis completed (please tick)</b>	<b>Yes</b>		<b>No</b>		<b>N/A</b>	✓
<b>If there is an expected impact on patient outcomes and/or experience, has a quality impact assessment been undertaken? (please tick)</b>	<b>Yes</b>		<b>No</b>		<b>N/A</b>	✓
<b>Key implications:</b>						
<b>Are additional resources required?</b>	N/A					
<b>Has there been/does there need to be appropriate clinical involvement?</b>	N/A					
<b>Has there been/does there need to be any patient and public involvement?</b>	N/A					
<b>Has there been/does there need to be partner and/or other stakeholder engagement?</b>	N/A					
<b>Has there been/does there need to be appropriate finance or digital involvement?</b>	N/A					