Item: 10.3

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

BOARD 25 NOVEMBER 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 08 October 2026
Alert: *Matters that need the Board's attention or action e.g. area of non-compliant, safety issue, new risks identified.*	
None to note	
Advise: *Matters to inform the Board of - developments, opportunities or areas subject to ongoing monitoring.*	
None to note	
Assure: *Areas of assurance that the Committee has received*	

Freedom to Speak Up Update, Quarter 2 2026-27

The Quarter 2 update provided assurance that established Freedom to Speak Up (FTSU) routes continue to be utilised, with reporting remaining elevated, particularly within All Age Continuing Care. Staff continued to raise concerns through alternative executive routes during the FTSU Guardian's absence, demonstrating awareness of wider speaking-up mechanisms. In response to the Thirlwall Inquiry, greater emphasis is being placed on evidencing how concerns lead to organisational learning and measurable improvement, supported by the development of case studies. Leadership and management development and changes to working arrangements have already been introduced in response to staff feedback, with further improvement activity expected following the Independent Culture Review. Future reporting will provide clearer narrative on the scope of the ICB's FTSU arrangements and provider responsibilities. Ongoing assurance will focus on reporting trends, the outcome and implementation of the Culture Review, and evidence that concerns raised result in demonstrable action, learning and sustained improvement.

ICB Board Assurance Framework and Risk Management Report Quarter 2 2026/27

The Quarter 2 review provided assurance that the Board Assurance Framework (BAF) continues to appropriately reflect the principal risks to delivery of the ICB's objectives and associated mitigations. An independent review by Beechcroft identified no significant gaps at draft stage, with further alignment to be undertaken against the refreshed organisational strategy, Model ICB Blueprint and evolving operating model. The Integrated Single Financial Environment 2 implementation risk reduced below the BAF reporting threshold, reflecting improved financial and payment processing assurance, while a new corporate risk relating to prescribed antipsychotic medicines has been identified for ongoing oversight. Three risks were closed during the quarter. The Committee recommended the Quarter 2 BAF to the Board for approval and received the Corporate Risk Register for assurance, with further work focused on ensuring the framework remains aligned to the ICB's future strategic direction, operating model and commissioning responsibilities.

Information Governance Assurance Report Quarter 2 2026/27

The Quarter 2 report provided assurance that statutory Information Governance requirements continue to be effectively managed, with overall FOI performance remaining strong. However, FOI demand increased by 30% compared with the same period last year, alongside increasing complexity across Freedom of Information, Subject Access Requests and complaints activity. The Committee noted that these pressures extend beyond the Information Governance function, with operational and clinical teams increasingly required to support searches and evidence gathering, creating potential workforce and service capacity pressures. Ongoing assurance will therefore focus on monitoring demand, complexity, statutory performance and the wider organisational impact of information rights activity.

Transition of Services Following Closure of North of England Commissioning Support (NECS)

The transition of services following the closure of NECS continues to progress well, with a number of key services successfully transferred and no significant operational IT concerns identified to date. The principal outstanding risk remains the implementation of the GP IT module, where timescales are challenging and delay could present service continuity, compliance and operational risks. Progress continues with preferred provider arrangements and the safe transfer of staff. The Committee received assurance on the overall programme while emphasising the need for continued close oversight of GP IT to ensure outstanding arrangements are completed within required timescales and services remain safe, secure and resilient.

ICB Finance Update Report

The Committee considered the Finance Update Report and received assurance regarding delivery of the ICB's statutory financial duties and compliance with financial governance arrangements. The ICB continues to report an overall break-even position at Month 6, with unmitigated financial risk reducing from £31m in plan to just over £15m. However, significant expenditure pressures remain, particularly across ADHD and autism assessments, Local Authority section 117 agreements, All Age Continuing Care, drug price concessions and higher-than-planned elective activity. Aged debt has improved substantially, reducing from almost £10m to £4.9m. The Committee received assurance on the ICB's financial position and governance arrangements, while recognising that continued active management of expenditure pressures is required to maintain financial balance and protect future investment capacity.

Internal Audit Progress Report

The Internal Audit programme remains on track, with the 2025/26 programme nearing completion and delivery of the 2026/27 plan progressing as expected. Four final reports have been issued since the previous meeting, with two receiving Good Assurance and two Reasonable Assurance. A high-priority finding relating to financial review controls for Personal Health Budgets is being assessed for potential disclosure within the Annual Governance Statement. The Committee also noted a recurring concentration of audit findings and governance concerns within All Age Continuing Care, requiring continued management focus and oversight. The positive External Quality Assessment of Internal Audit, which achieved General Conformance with applicable standards, provided further assurance regarding the effectiveness of the Internal Audit function.

External Audit Progress Report

Certification of the ICB's 2025/26 accounts remains dependent on resolution of the national audit position and the National Audit Office issuing its opinion on the Department of Health and Social Care accounts. External Audit confirmed that no findings from work completed to date are expected to prevent or adversely affect certification once the national position is resolved. The Committee received the report and noted the position, providing assurance that there are currently no ICB-specific issues affecting certification.

Counter Fraud Progress Report

The annual Counter Fraud work programme remains on track, with outstanding activity continuing to reduce and investigations progressing in line with revised national reporting requirements. Four new referrals were received during the period, with existing investigations continuing to be actively managed.

The Committee noted the relatively low level of identified fraud activity and sought further assurance on whether this reflects effective controls or potential under-reporting, with benchmarking against other ICBs to be undertaken. The introduction of mandatory counter fraud training, supported by continued awareness activity, was welcomed as strengthening the ICB's prevention and reporting arrangements.

Supporting Documentation

Audit Committee Minutes 30.07.2026 Ratified 08.10.2026 (Appendix 1).

Conflicts of Interest

Any potential/actual conflicts of interest associated with the paper?	**Yes**		**No**	✓

Not applicable paper sent for Board assurance, no decision required.

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 in Appendix 1 from the meetings held on 08 October 2026 for information and assurance.

Report author	Marc Rice, Senior Corporate Governance Manager
Date of Approval	09/11/2026