

Approved at the meeting held on 27 March 2025

## Minutes of a Meeting of the ICB Audit Committee Held on Thursday, 19 December 2024 in the Coniston Room, ICB Offices, County Hall, Preston and MS Teams

<b>Members</b>		
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
<b>Co-opted Member</b>		
Ian Cherry	Co-opted Lay Member	L&SC ICB
<b>Attendees</b>		
Sam Proffitt	Chief Finance Officer / Deputy Chief Executive	
Asim Patel	Chief Digital Officer	L&SC ICB
Elaine Collier	Deputy Director of Operational Finance	L&SC ICB
Liz Bateman	Head of Financial Control	L&SC ICB
Joe McGuigan	Digital Operational and Assurance lead	L&SC ICB
Debra Atkinson (via MS Teams)	Director of Corporate Governance / Company Secretary	L&SC ICB
Claire Moore	Head of Risk, Assurance and Delivery	L&SC ICB
Lisa Warner	Engagement Manager	MIAA
Paul McGrath	Anti-fraud Manager	MIAA
Michael McCarthy	Principal Digital Risk Consultant	MIAA
Louise Cobain	Executive Director of Assurance	MIAA
Josh Parkinson	Audit Manager	KPMG
Louise Coulson	Committee and Governance Officer	L&SC ICB

No	Item	Action
AC/ 56/ 24	<p><b><u>Welcome, Introductions and Chair's Remarks</u></b></p> <p>Introductions were made and the Chair welcomed everyone to the meeting.</p> <p>The Chair took the opportunity to thank Mr. Ian Cherry, co-opted lay member for his valuable insights and input into the Audit Committee adding the work Mr. Cherry conducted in the transition from CCG's (Clinical Commissioning Groups) to the Integrated Care Board (ICB), including the closure of the accounts was very supportive. Both the support to Audit Committee and Primary Care Commissioning Committee and the support offered to the Chairs had proven to be invaluable</p>	
AC/ 57/ 24	<p><b><u>Apologies for Absence/Quoracy of Meeting</u></b></p> <p>Apologies for absence had been received from Katherine Disley, Andrew Harrison and Tim Cutler.</p> <p>The meeting was quorate.</p>	
AC/ 58/ 24	<p><b><u>Declarations of Interest</u></b></p> <p><b>RESOLVED: That there were no declarations made relating to the items on the agenda.</b></p> <p><b>(a) Audit Committee Register of Interests – Noted.</b></p>	

AC/ 59/ 24	<p><b><u>Minutes of the Meeting Held on 26 September 2024</u></b></p> <p><b>RESOLVED:</b> That the minutes of the meeting held on 26 September 2024 be approved as a correct record.</p>	
AC/ 60/ 24	<p><b><u>Matters Arising and Action Log</u></b></p> <p>The action log was reviewed and would be updated accordingly.</p>	
AC/ 61/ 24	<p><b><u>Assurance Mapping</u></b></p> <p>The report presented the findings of a further assurance mapping exercise undertaken in relation to seven priority programmes of work which in July 2024 were assessed as having “limited assurance”.</p> <p>The report outlined progress made in the areas reviewed since July. Using a consistent approach to the review, improved levels of 1st and 2nd lines of assurance can be demonstrated against all the remaining seven areas tested. A complete list of all areas tested during the review demonstrated substantial progress across the board since the original review in June 2023.</p> <p>A high-level summary of the actions planned in relation to any remaining gaps in assurance was also provided. This included their alignment to risks held on the Board Assurance Framework (BAF) and the deliverables identified by the Executive Team as the key work programmes needed to progress the achievement of the Strategic Objectives.</p> <p>J Birrell thanked D Atkinson for the report noting the paper was helpful and offered assurance that all key deliverables are rated at moderate assurance or higher.</p> <p>L Cobain stated the mapping had been reviewed in detail and will be used in drafting the 2025/26 internal audit plan. J Birrell responded that it would be helpful for assurance mapping to become an annual exercise and reiterated that future assessments should also consider whether the work being undertaken is fit for purpose. D Atkinson responded by saying that the scope and approach will be brought back to Audit Committee in Q2 2025.</p> <p><b>ACTION:</b> D Atkinson to bring the next annual assurance mapping to the Audit Committee in Q2 2025</p> <p>I Cherry noted this was a good paper, but it would be more helpful if it captured outcomes.</p> <p><b>RESOLVED: The Committee:</b></p> <ul style="list-style-type: none"> <li>•<b>Noted</b> the contents of the report.</li> <li>•<b>Supported</b> the proposed movement in assurance levels from “limited” to “moderate” for each of the seven areas tested; and</li> <li>•<b>Noted</b> the actions underway to progress the remaining gaps in assurance.</li> </ul>	
AC/ 62/ 24	<p><b><u>Board Assurance Framework and Risk Management Update (Bi-annual)</u></b></p> <p>The report provided an update on the ICB’s risk management systems and processes since the last report to the committee on 17 July 2024.</p> <p>The document summarised the activity undertaken in respect of the risks held on the Board Assurance Framework (BAF) and Operational Risk Register (ORR) as reported through the Executive Management Team (EMT), the board and its assuring committees. The report also included a brief overview of the arrangements to support staff training and awareness, a summary of the positive findings from recent internal audit reviews and a planned review of Committee arrangements.</p>	

	<p>J Birrell thanked D Atkinson for the ongoing work in this area. However, he queried the BAF dashboard which had a maternity service risk scored as a 20 and S Proffitt said she thought this had been reduced as a discussion as held this week in Executives but may not have been updated in these papers. It was noted that an assessment of the extent to which strategic objectives are being delivered is not included and it was suggested that consideration be given to including such information in future reports.</p> <p><b>ACTION:</b> C Moore to check and feedback to committee.</p> <p><b>ACTION:</b> S Proffitt will review the maternity services risk.</p> <p>E Woollett added that consideration be given to incorporating a risk relating to the impact of the system-wide financial, particularly given the work to be undertaken by PwC. It was agreed that this would be discussed outside the meeting.</p> <p>S Cumiskey suggested that in future where appropriate, appendices providing more detail for reference purposes be added to the papers pack. However, it was noted that committees review individual risks in much more detail. R Fisher asked that if required, additional detail be shared via hyperlinks.</p> <p><b>ACTION:</b> D Atkinson and J Birrell to review the level of detail to be provided in future reports.</p> <p><b>RESOLVED: the Committee:</b></p> <ul style="list-style-type: none"> <li>•<b>Noted</b> the contents of the report, including the positive outcomes and assurance from the recent MIAA reviews of the ICB's Assurance Framework and systems and processes for risk management; and</li> <li>•<b>Noted</b> the work underway to review the ICB's Committee arrangements which will inform any review and further development of the BAF for 2025/26</li> </ul>	
AC/ 63/ 24	<p><b><u>External Audit (KPMG):</u></b></p> <p><b><u>Progress Report/Health Technical Update</u></b></p> <p>J Parkinson gave a verbal update on recent work, including the planning work underway in respect of the VFM and the Mental Health Investment Standard statement.</p> <p>In terms of the work regarding completion of the ICB's 2024/25 accounts, S Proffitt reported that Katherine Disley will be seconded to One LSC for the next 12 months and A Harrison will take the lead for Audit Committee with Liz Bateman supporting as the lead officer. A Harrison had outlined all the requisite internal actions to the Executive Members Group this week.</p> <p><b>RESOLVED: the Committee noted the update</b></p>	
AC/ 64/ 24	<p><b><u>Internal Audit:</u></b></p> <p><b><u>(a) Progress and follow-up report</u></b></p> <p>L Warner introduced the MIAA internal audit progress report that sets out progress being made with the 2024/25 internal audit plan.</p> <p>The following final reports were presented to this Audit Committee:</p> <ul style="list-style-type: none"> <li>• CHC follow up Quarter 2 – Assurance rating not applicable</li> <li>• Risk Management – Substantial assurance</li> <li>• Assurance Framework Phase 1 – Meets NHS requirements</li> <li>• Quality of Commissioned Services – Maternity &amp; Neonatal services - Moderate assurance</li> </ul>	

- Health Inequalities – Moderate assurance
- Workforce Controls – Pre-employment checks – Substantial assurance

An update on the follow up of previous internal audit recommendations was also provided and the Committee agreed two proposed changes to the audit plan.

J Birrell thanked L Warner for a comprehensive update. With regards to the CHC follow-up Quarter 2 audit, the five high priority recommendations will need to be reviewed in more detail and actioned as soon as possible.

I Cherry noted that Continuing Health Care (CHC) remains a matter of concern, particularly around the efficacy of work. Clarity is also required as to whether the issues relate to quality, finance or a combination of both. There are also ongoing issues around the ADAM Ledger System.

J Birrell noted that Sarah O'Brien, ICB Chief Nurse is closely monitoring the savings and quality perspectives and reminded the Committee that the deep dive at the last Committee provided a good deal of assurance on the work underway to address the issue. However, the ledger issues around the ADAM system does require further scrutiny.

S Proffitt added that both the Finance and Performance Committee and Quality Committee are following up on both issues (AACC and CHC) and there is agreement with I Cherry's concern about the ADAM System. Additional commercial and financial support is being provided to the AACC Team and a dedicated senior finance resource and internal turnaround director had been put in place

S Cumiskey asked how the operational issues could be monitored as Committees are not the suitable place for undertaking such detailed work. R Fisher agreed and said this needs to be triangulated with the work that is undertaken within Committees. S Proffitt added that looking at the operating model would be helpful.

**ACTION:** S Proffitt to review how this is reported through the IMT meetings and focused recovery work.

J Birrell asked about progress on the audits due in Q4. L Cobain said that most of the audits will be completed between now and March 2025.

#### **(b) The Internal Audit Network (TIAN)**

MIAA TIAN Briefing December 2024 -

J Birrell noted the publication of documents on Statutory and Mandatory training and the NHS Insightful ICB Board, suggesting that the latter could be considered at a Board development session.

D Atkinson responded noting that the ICB has reviewed the NHS Insightful ICB Board document, including the creation of a self-assessment tool. E Woollett added that the publication contains a model checklist that will inform the way committee agendas are constructed. S Proffitt would ensure this was considered as part of the Executive Agenda and will also bring this into the transformational road map. D Atkinson added she was very supportive of this measure.

#### **(c) Artificial intelligence**

On behalf of the ICB, Asim Patel has completed the MIAA questionnaire on dealing with the Artificial Intelligence /Machine learning (AI/ML) threats and opportunities. He informed the Committee that there are no current critical issues, but future

	<p>procurements will be subjected to a detailed security assessment. He is hoping to arrange a Board Development session on the subject in the foreseeable future.</p> <p>S Cumiskey noted that the current AI/ML position is fast moving and these tools may be used where it is not appropriate to do so. A Patel replied this is an area where more education is required. ChatGPT and Copilot (in a work setting) are sometimes used without understanding the potential around diagnostics. Copilot is underway across the organisation currently. AI maturity around the ICB system is limited at this stage. S Proffitt concurred in relation to upskilling and raising awareness</p> <p>J Birrell thanked both Asim and MIAA and noted that knowledge on the subject needs to be shared wider than this committee.</p> <p><b>RESOLVED: the Committee noted the content of the completed questionnaire.:</b></p>	
AC/ 65/ 24	<p><b><u>Anti-fraud progress and follow-up report</u></b></p> <p>The Committee reviewed the Anti-Fraud work undertaken during the period 01/09/2024 – 30/11/2024.</p> <p>J Birrell discussed the need for the ICB to achieve the 80% staff training compliance target and enquired whether the committee could contribute to this being achieved. P McGrath noted the comment and added that mandatory training should be undertaken every 2-3 years.</p> <p><b>RESOLVED: the Audit Committee noted the contents of the report.</b></p>	
AC/ 66/ 24	<p><b><u>Policies:</u></b></p> <ul style="list-style-type: none"> <li>• <b><u>Information Governance Handbook</u></b></li> <li>• <b><u>Information Governance and Data Security and Protection Policies</u></b></li> <li>• <b><u>Information Governance Staff Code of Conduct</u></b></li> </ul> <p>J Birrell outlined that the proposed revisions to the information governance documents. He explained that he had spoken with A Patel yesterday regarding some presentational changes, but subject to those, he proposed that the three documents be approved. This was agreed.</p> <p><b>RESOLVED: the Audit Committee approved and ratified for publication:</b></p> <ul style="list-style-type: none"> <li>• The LSC ICB Data Protection and Security Policy - approved</li> <li>• The LSC ICB Information Governance Handbook - approved</li> <li>• The LSC ICB Information Governance Code of Conduct – approved subject to the changes discussed.</li> </ul>	
AC/ 67/ 24	<p><b><u>Business escalated from other committees/review inter-relationships/sources of assurance/key decisions.</u></b></p> <p>The paper provided the Audit Committee with an overview of key approvals by committees of the Board, and referral or escalation of items to other committees or the Board over the reporting period April 2024 – September 2024. This is the third report of this kind the committee has received, with the last report presented at the July 2024 meeting covering the reporting period October 2023 - March 2024.</p> <p>This report illustrated that several actions have been referred between committees and from Board to committees; demonstrating that the committees are remaining within their agreed terms of reference and interacting effectively within the governance structure.</p>	

	<p>D Atkinson stated this review will help to inform the annual governance statement, as well as offering assurance on the BAF and committee effectiveness.</p> <p>J Birrell thanked D Atkinson for the report.</p> <p><b>RESOLVED: the Audit Committee noted</b> the assurances relating to committee interactions and cross-committee referrals.</p>	
AC/68/24	<p><b><u>Financial Management Report:</u></b>  <b>(a) <u>Losses, Write-offs and Special Payments Register</u></b>  <b>(b) <u>Tender Waivers Register</u></b></p> <p>J Birrell enquired as to why a new cancer decision support tool was under development given that such systems are available elsewhere. A Patel suggested that this is not a standard resource tool. L Bateman will investigate.</p> <p><b>ACTION:</b> L Bateman will look at the case of need and will feedback on this to Audit Committee.</p> <p><b>(c) <u>Procurement Decisions Register</u></b>  <b>(d) <u>NHSE Protocol Breaches</u></b>  <b>(e) <u>ICB/SoRD/SFI Breaches</u></b></p> <p><b>RESOLVED: the Audit Committee noted the components of the report:</b></p>	
AC/69/24	<p><b><u>Committee Escalation and Assurance Report to the Board</u></b>  It was suggested that the AAA report include:</p> <p style="padding-left: 40px;"> <b>Alert: AACC</b>  <b>Advise: Completed internal audit reviews, BAF update, extension of internal and external audit contracts</b>  <b>Assure: Assurance mapping, IG, Committee Effectiveness and AI/ML</b> </p> <p><b>RESOLVED: the Committee agreed with the proposed content for the AAA report.</b></p>	
AC/70/24	<p><b><u>Items Referred to Other Committees</u></b>  No items were referred to other Committees</p>	
AC/71/24	<p><b><u>Any Other Business</u></b></p> <p><b>RESOLVED : No AOB raised</b></p>	
AC/72/24	<p><b><u>Items for the Risk Register</u></b></p> <p>E Woollett requested that consideration be given to including system-wide financial risk; S Proffitt will review the risk.</p> <p><b>RESOLVED: Proposed action noted.</b></p>	
AC/73/24	<p><b><u>Reflections from the Meeting</u></b></p> <p>The Committee felt that papers were appropriate and discussions helpful.</p>	
AC/74/24	<p><b><u>Date, Time and Venue of Next Meeting</u></b></p> <p>The next meeting would be held on Thursday, 27 March 2024 at 10.00am-12noon, Coniston Room, ICB Offices, County Hall, Preston.</p>	