Minutes of the ICB Audit Committee
Wednesday 24 September 2025 at 10.00am – 12.30pm
MS Teams

Members		
Jim Birrell	Chair/Non-Executive Member	L&SC ICB
Roy Fisher	Non-Executive Member	L&SC ICB
Sheena Cumiskey	Non-Executive Member	L&SC ICB
Debbie Corcoran	Non-Executive Member	L&SC ICB
Steve Spill	Associate Non-Executive	L&SC ICB
Attendees		
Asim Patel	Chief Digital Officer	L&SC ICB
Stephen Downs	Acting Chief Finance Officer	L&SC ICB
Mark Bakewell	Interim Chief Finance Officer	L&SC ICB
Liz Bateman	Head of Financial Control	L&SC ICB
Debra Atkinson	Company Secretary / Director of Governance	L&SC ICB
Louise Coulson	Committee and Governance Officer	L&SC ICB
Lisa Warner	Engagement Manager	MIAA
Louise Cobain	Executive Director of Assurance	MIAA
Kevin Howells	Anti-fraud Manager	MIAA
Josh Parkinson	Audit Manager	KPMG
Saba Sadiq (item 7)	Director of Finance	L&SC ICB
Nancy Park (item 7)	Partner	PwC
Joe McGuigan (item 10)	Director of Digital Operations and Assurance	L&SC ICB

No	Item	Action
40/2526	**Welcome, Introductions and Chair's Remarks** The Chair welcomed everyone to the meeting, particularly Mark Bakewell, the incoming Interim Chief Finance Officer as of 1 October 2025. Members confirmed they were content with the meeting being recorded and for the use of Co-pilot to assist with the minute writing.	
41/2526	**Apologies for Absence/Quoracy of Meeting** Apologies for absence had been received from Tim Cutler, KPMG. Nancy Park and Saba Sadiq would be joining for item 7, All Age Continuing Care (AACC) update, and Joe McGuigan would be joining for item 10, Information Governance oversight update. The meeting was quorate.	
42/2526	**Declarations of Interest** **RESOLVED:** That there were no declarations made relating to the items on the agenda. **(a) Audit Committee Register of Interests.** Noted.	
43/2526	**Minutes of the meeting held on 23 July 2025**	

	RESOLVED: That the minutes of the meeting held on 23 July 2025 be approved as a correct record. The Chair highlighted (minutes 23 July 2025 ref: 22/2526) *The role of the Audit Committee was to ensure the agreed plan was being delivered, including governance issues, and it would be relying on assurance given to Quality and Outcomes Committee and Finance and Contracting Committee around the detailed aspects.* The committee needed to ensure the agreed plan was delivered, especially in relation to Continuing Health Care (CHC).	2
44/2 526	**Matters Arising and Action Log** The action log was reviewed and would be updated accordingly: Action 1 - Tender waiver – Transfer of specialist learning disability service to a new provide – remained ongoing. Action 7 - Annual Governance Statement: Early Assessment - agreed to close. Action 1 - KPMG 24/25 External Audit Reports – remained ongoing - in relation to the recommendations KPMG raised as part of the value for money work this would not normally be followed up until next year's report. KPMG may assess it as part of their risk assessment which would be brought out early next year (February 2026). Action 2 - Internal Audit: Progress and follow-up report – agreed to close as the outstanding recommendations were being reported to Executive Committee each month.	
45/2 526	**Deep dives** The committee discussed the need to conduct a deep dive as committed to in the annual report, noting that other committees (Finance and Contracting, Quality and Outcomes) regularly undertake deep dives. The Chair suggested business continuity and preparedness as a potential deep dive topic, given current pressures such as cybersecurity, financial systems changes, and ICB structural changes. S Downs agreed, highlighting the importance of preparedness and business continuity, especially with the changing role of the ICB. It was suggested a more rounded discussion on preparedness would be beneficial rather than focusing solely on financial issues. A Patel noted that the EPRR (Emergency Preparedness, Resilience and Response) team would likely lead the deep dive but emphasised the need to clarify the scope and whether it should cover all ICB business continuity or focus on specific areas like finance or AACC, given the ICB's limited systems compared to a Trust. S Cumiskey supported a risk-based, focused approach, suggesting the deep dive should target the ICB's core essential business functions, to ensure meaningful assurance. The Chair asked A Patel to support with defining the scope and deliver the deep dive for the December meeting, aiming for a practical, assurance-focused review rather than an exhaustive exercise. A Patel agreed, clarifying that the scope should be agreed promptly so the deep dive can be completed for the December meeting. S Downs offered to contribute to the scope discussion and suggested adding points in the 'chat' on MS Teams for consideration. He added that business continuity planning should clarify which processes are business critical for different disruption durations, noting that	

	often it comes down to a few key people (e.g., those who pay suppliers and payroll).	
	The committee agreed to proceed with this plan, with A Patel to finalise the scope and bring the deep dive to the 10 December Audit Committee meeting.	**JB/AP (planner)**
	RESOLVED: The Committee noted that deep dive topic would be business continuity and preparedness for discussion at the 10 December 2025 Audit Committee.	
46/2 526	**All Age Continuing Care (AACC) Update**	

46/2 526 continued:

N Park and S Sadiq joined the meeting at 10:22am

N Park spoke to the report and provided an update on the progress of the All Age Continuing Care (AACC) Turnaround Programme progress since July. The AACC Turnaround Plan, which was shared at July's Audit Committee, set out the ICB's formal recovery approach and has been structured around four core workstreams:
- Waste Reduction Programme (WRP)
- Grip & Control
- Quality & Governance
- Future Sustainability

The plan consolidates all improvement actions, including those arising from the MIAA internal audit and PwC rapid review, into one integrated delivery framework.

The Chair introduced the AACC item, noting significant work but ongoing concerns about not meeting financial targets, remaining above national averages for cases and costs, and a lack of clarity on the integrated action plan and committee roles for assurance. He expressed it would be difficult to provide assurance to the Board without a clear plan.

S Downs explained that AACC had been discussed at multiple committees and would be addressed at the Board Part 2 being held on 25 September 2025, highlighting the burden on the team to produce multiple reports and the need for clarity on what each committee required. He also noted that a system delivery meeting would occur next week with NHS England to discuss AACC. It had been agreed that the ICB Board would hold the oversight of AACC.

D Atkinson raised that at the Board Part 2 the Board Assurance Report would address this issue and noted that how N Parks had framed the report would provide an opportunity to assure the Board. She suggested capturing the expectations for each committee to clarify reporting needs for MIAA, the AACC team, and the turnaround director.

The Chair and S Cumiskey agreed on the need for clarity but emphasised not overburdening the team with multiple reports. S Cumiskey stated Quality & Outcomes Committee focused on quality metrics and was satisfied with a single report containing both finance and quality data, as long as each committee was clear what elements of the report pertained to the business of the respective committee. The spike in complaints and MP letters would return to Quality and Outcomes Committee.

N Park responded, welcoming feedback and noting that the month 5 Audit Committee paper was differentiated based on previous feedback. N Park confirmed the turnaround plan for AACC, which included governance arrangements and detailed project actions and offered to reshare the plan. N Park reported operational improvements: package volumes and costs were on a downward trend, eligibility was in line with national benchmarks, and the quality premium was maintained and noted that FNC (Funded Nursing Care) volumes remained high but were not financially material. That the overall CHC costs were still high compared to national benchmarks, with local demographics and provider limitations contributing to this. Further work was needed to move closer to the national averages. Staff sickness rates remained high (14%) and vacancies in the internal team could affect progress. Improvement

actions were being tracked and progress updates provided, and the team was making positive strides despite ongoing challenges.

A Patel asked for updates on the ADAM system (case management), re-procurement of the ADAM system and business continuity, and referenced the MIAA audit recommendations.

S Sadiq explained that the ADAM contract ran to July 2026, with a 1+1 year contract extension that had been approved, and that there were four improvement workstreams underway to address configuration and efficiency. The short contract allowed flexibility for regional/national solutions.

S Downs summarised that 76% of the turnaround plan actions were completed, up from 65% with the rest planned for delivery in Q3/Q4. He noted the need to define what the "right" level of CHC spend was for the population, as the ICB would likely never be below the England average due to demographics. He suggested further benchmarking by former CCG area or even breaking this down into District Council boundaries because of the differences between areas such as Blackburn and Clitheroe within East Lancashire seeing huge differences. Therefore, there was a need to set realistic targets.

S Cumiskey supported the comprehensive nature of N Park's report, highlighting the importance of assurance on both actions taken and their impact, especially regarding the spike in complaints and the need for a "helicopter view" of progress and risks. She agreed that the committee's remit was to ensure assurance and impact, not to duplicate operational oversight or reporting.

The Chair praised the comprehensive report, emphasised the need for assurance on impact, and referenced a deep dive to be reported to the Quality and Outcomes Committee into complaints and MP letters to understand quality impacts.

R Fisher agreed with S Cumiskey that N Park's report provided helpful context and acknowledged the robust discussion at the Finance and Contracting Committee, as summarised by S Downs. However, he expressed difficulty in understanding the specific remit and responsibility of the Audit Committee regarding AACC, especially in terms of how to assure the Board about progress against the plan. He noted that some recommendations in the report (e.g., supporting additional workforce and finance capacity) may be more appropriate for other committees rather than Audit, and sought clarity on the Audit Committee's role in AACC oversight.

D Corcoran appreciated the richness of N Park's report, highlighting its value in drawing together complex actions and recommendations into one place and focused on the importance of understanding which internal audit recommendations remained outstanding, noting that 10 were still amber and seeking assurance on their status and impact.

She asked whether the committee had a clear line of sight on actions for outstanding recommendations and their significance and welcomed further updates to ensure assurance was maintained. She accepted that not all recommendations were closed, but valued ongoing progress reporting and suggested keeping the assurance question open for future review.

M Bakewell noted the significant amount of work being undertaken and found N Park's report helpful for understanding the current position. He emphasised the importance of understanding if completing all planned actions (grip and control, financial systems, staffing, etc.) would achieve the desired outcome for the system and highlighted the need to be able to explain the rationale behind the numbers. He suggested the Audit Committee's role was to oversee the plan, its delivery, and the expected outcomes, distinguishing this from the roles of the Quality and Outcomes and Finance and Contracting Committees. He proposed that future work should focus on describing, defining, and timing when all actions would be in place

	and what the resulting position would be. He supported clarifying the respective roles of the Board, committees, executive team, and turnaround team regarding AACC.	
	The committee agreed to clarify governance and assurance arrangements at the Board meeting, with D Atkinson to coordinate.	**DA (email)**
	The Chair thanked N Park and S Sadiq and acknowledged the discussions, and requested this be revisited at the 10 December Audit Committee.	**LC (planner)**
	RESOLVED: The Committee: • **Noted progress on Grip & Control and WRP delivery.** • **Recognised risks from prior year invoices, workforce, timelines and backlog.** • **Endorsed continued validation of pipeline savings and targeted action on re-emerging risks (Fast Track, D2A).** • **Supported additional workforce and finance capacity requirements to sustain delivery.**	
	N Park and S Sadiq left the meeting at 10:54am	
47/2 526	**Implementation of New Finance System (ISFE2)** L Bateman spoke to the paper which provided an update on the implementation of the new national finance system, ISFE2, due to go-live on 1 October across NHSE, ICBs, CSUs and the Health Services Safety Investigations Body. L Bateman advised the implementation was being mandated externally, with the team meeting all internal requirements and deadlines to date. She expressed concerns about the lack of a testing system and that training had only involved watching videos and not hands-on experience. She highlighted that financial coding (cost centres) would change, making it difficult to report consistently across the part-year transition. There was concern of the uncertainty about the new system's reporting functionalities as the ICB had not seen what these look like and there had been issues with national user testing and no assurance had been provided. She pointed out the challenge of having two ledgers in one financial year, which would impact the ability to provide required audit evidence and may affect the timing of internal audit work on key financial systems. However, she confirmed the team were doing all they could but acknowledged ongoing risks and the need for time to embed the new system. The Chair highlighted the high risk score (16) associated with the implementation, noting that under normal circumstances, such a risk would prevent a go-live, but the ICB had no choice due to this being nationally mandated. S Downs explained the rationale for the national rollout, and noted the old ledger was outdated and the new system should bring benefits, though the transition would be difficult. Emergency payment procedures were in place to ensure suppliers and care packages were paid if issues arose. NHS England have also implemented mitigations. He noted that NHS England was facing the same transition and risks, as the new system is an SBS product used nationally. This was a unique challenge for the ICB and a high volume of non-PO invoices, about 11,000, due to historic invoicing practices from Lancashire County Council, had complicated data migration. He noted that efforts had been made to pay as many invoices as possible before the system switch, and that there would be reduced national reporting in the first months after go-live, but local reporting should still be possible. The Chair and R Fisher raised concerns about staff training, supplier payments, and the need for consistent communication with NHS England and across ICBs. The Chair noted the committee must rely on NHS England's assurance that the system was	

	safe to go live but highlighted ongoing concerns about training and the need to support staff through the transition.

The Chair emphasised the risk of reduced financial reporting capability during the transition, which was problematic given the need for up-to-date information. He asked when an internal audit of the new system should be commissioned, and L Bateman confirmed this would be part of the key financial systems audit.

L Cobain confirmed internal audit would review the system for Lancashire, and L Warner added that the audit would be coordinated with the CSU.

S Downs clarified the ledger migration timeline: when the old ledger closes, a six-day migration would occur, and the new ledger would go live at the start of October 2025. He agreed to share the follow-up report on outstanding audit recommendations with the executive team for further action.

A Patel suggested that business continuity and the new finance system could be a scenario for the upcoming deep dive, given the interdependencies and past reviews.

RESOLVED: The Committee noted the report. | |
| 48/2 526 | **<u>Managing Conflicts of Interest (including Gifts and Hospitality)</u>**

D Atkinson presented the bi-annual report and provided assurance on the effectiveness of the Integrated Care Board's (ICBs) systems and processes for the management of conflicts of interests (including gifts and hospitality).

Assurance was provided that the biannual report covered the transition to a new system for declaring conflicts of interest, gifts, and hospitality, and that a review of its effectiveness would be conducted. She highlighted the introduction of Modules 2 and 3 of NHS England's training and noted this had been rolled out for ICB staff. Module 2 was now mandated for decision-making staff, as previously agreed by the Audit Committee. Uptake figures for Module 2 appeared low, but this was due to staff only moving to Module 2 after their Module 1 compliance expires.

The Chair noted a slight dip in Module 1 training compliance (from 83% to 81%) and questioned what level was considered acceptable. D Atkinson responded that the target for mandatory training was typically 85% or above, acknowledging that 100% was unrealistic due to absences and staff leave. She noted that the team was actively promoting compliance and would move to target non-compliant staff if rates did not improve and confirmed that module 2 would only be required once module 1 expired for each staff member. She indicated that the organisation was actively promoting awareness and access to the new system and training through staff briefings and a dedicated intranet page.

The committee was assured by the current approach and compliance levels, with no further questions raised.

RESOLVED: The Committee:
- **Noted the contents of the report.**
- **Noted the work undertaken during the reporting period to ensure all registers of interests are managed and maintained in accordance with the ICB's policy for Managing Conflicts of Interests.**
- **Noted the additional role-specific conflicts of interest training modules included within the ICB's updated Statutory and Mandatory Training Policy and associated compliance rates.** | |

49/ 2526	**Information Governance oversight update** *Joe McGuigan joined the meeting at 11:15am* The paper provided oversight and assurance on information governance for the Data Security Protection Toolkit calendar year 1 July 2024 to 30 June 2025 and other associated information governance tasks. J McGuigan provided an update on the new Data Security and Protection Toolkit (DSPT) framework, and noted this was more comprehensive than last year, with 46 outcomes assessed. The ICB had completed a self-assessment and had submitted this by the national deadline, with some data still being compiled at submission. The submission was accepted as "standards met," but areas for improvement remained. He noted the internal audit (MIAA) reviewed 12 of the 46 outcomes with a focus on cyber assurance and internal controls and, due to the national scoring system, classified as "high risk" in the internal audit report despite only a small number of issues triggered this rating and that improvement actions were already underway for identified issues. He added that a risk-stratified improvement plan was being developed, prioritising urgent and important actions, and would be overseen by the IG oversight group and reported to the executive team. J McGuigan and A Patel clarified that the high-risk classification was a result of the national scoring method, not necessarily the severity of the issues, and that similar ratings had been given to other providers. L Cobain and M McCarthy (MIAA) confirmed that the scoring was mandated and not a true risk assessment, and that feedback had been given to NHS England about the limitations of the approach. It was expected that the methodology would change in future years. L Cobain and M McCarthy agreed to work with others to clarify governance and reporting arrangements for improvement plans and to ensure executive oversight. J McGuigan highlighted that the ICB was entering a period of change, which may affect responsibilities and resources for information governance, and stressed the need for executive-level oversight of improvement plans. He provided assurance that there had been a significant reduction in FOI (freedom of Information) issues and that breaches were being managed with targeted training and oversight. He confirmed that the improvement plan for DSPT was separate from those for FOIs, SARs, (Subject access requests)and breaches, but all are being managed and monitored. A Patel clarified that breach recommendations (e.g., sending information to the wrong recipient) were discussed in IGOG (Information Governance Oversight group) and addressed with targeted training and management action, especially in high-volume areas like all age continuing care. M McCarthy confirmed that the "high risk" rating in the DSPT audit was not a true risk assessment but resulted from a mandated, arbitrary national scoring approach based on the number of unmet requirements. He clarified that some high-risk areas identified related to the IT provider (BTH), and that these were being addressed collaboratively with the ICB. He stated that the supply chain issue flagged was likely straightforward for the ICB to resolve and supported the view that the high-risk rating should be interpreted in context and that improvement actions are underway. A Patel proposed creating a "wiring diagram" to clarify the governance and reporting lines for Information Governance improvement plans, noting that while the IG Oversight Group included senior leaders, there should be a stronger link to the executive team. The purpose of the wiring diagram was to map how IG improvement plans move from oversight groups to executive action and assurance. He proposed working with D Atkinson to develop this diagram to ensure clear accountability and escalation routes. The Chair supported this,	**AP** **(email)**

emphasising the need for executive sign-off to ensure actions are implemented, not just discussed at committee level.

J McGuigan and R Fisher both noted the high volume of FOIs, including a single individual submitting over 100 requests, and that the ICO supported the ICB in not responding further to that individual.

The Chair and others acknowledged the significant work done in information governance, with no major incidents reported during the year.

RESOLVED: The Committee noted the report.

51/ 2526	**MIAA Checklist – Artificial Intelligence (AI) Governance**	
	A Patel spoke to the report and noted that Lancashire and South Cumbria were advancing the adoption of Artificial Intelligence (AI) across NHS services, with technologies ranging from radiology and generative AI to ambient voice tools which convert spoken words into text and structured notes. The MIAA AI Governance Checklist guides deployment, focusing on ethical oversight, data management, human oversight, and legal compliance. The completed checklist was included in Appendix B. A Patel explained the MIAA AI governance checklist was used as a structured, educational tool to help the ICB frame its approach to AI, especially as this is a rapidly evolving area. He noted the main AI focus for the ICB was currently on ambient voice technologies, which have potential to improve productivity and clinician experience, but also raise concerns about data processing and supplier reliability. He described the formation of a multidisciplinary group to review AI projects and products, ensuring governance and assurance, and highlighted the influence of NHS England guidance and anticipated national solutions. A Patel highlighted resource constraints, especially as the ICB was not expected to retain responsibility for AI under the new blueprint, and the loss of the Chief Nursing Information Officer had impacted clinical risk assessment capacity. Collaboration with One LSC was seen as a way to maintain oversight. He emphasised the need for foundational AI literacy across the organisation and suggested a Board development session on AI. He clarified that current AI use in the ICB was limited (e.g., Copilot for minute taking), but acknowledged the potential for broader application, particularly in business process automation for areas like continuing care and Special Educational Needs and Disabilities (SEND). S Cumiskey found the paper helpful and raised three points: the need to test the impact of mitigations, clarity on ICB responsibilities for AI, especially in provider-type functions like all age continuing care, and the strategic opportunity for AI to drive transformation and productivity. She stressed the importance of balancing innovation with risk management. S Spill queried about human oversight for high-risk AI systems, questioning whether every AI decision would require human review or just system-level controls. A Patel clarified that current AI tools in the ICB were decision support (e.g., Copilot for minute taking), not decision making and should AI tools move into decision making (e.g., sending referrals), they would be regulated as medical devices. Most current cases, where AI had been used retain clinical oversight. The Chair noted the paper and suggested considering an Ethics Committee for AI, which may be needed as the agenda develops. L Cobain provided the page reference for this suggestion. The Chair suggested that the introductory paper be circulated more widely (e.g., staff	

	newsletter) and highlighted the need for foundational AI literacy across the organisation, as referenced in the document. **RESOLVED: The Committee noted the report.**	**LC (email)**
52/ 2526	<u>**Internal Audit:**</u> **a.** <u>**Progress and follow-up report**</u> L Warner summarised the progress report, highlighting the four final reports: DSPT (Data Security and Protection Toolkit), SEND (Special Educational Needs and Disabilities), Primary Care Services Annual Declaration, and CHC (Continuing Healthcare) follow-up. She noted the SEND report had found only 24% compliance with statutory responsibilities, and the CHC follow-up showed improvements, however she flagged ongoing risks due to ICB reorganisation and high absence rates. The committee discussed the changes to the audit plan, including moving the key financial systems audit to Q4 due to the new Ledger implementation and adding a review of prior year CHC invoices. L Warner asked for feedback on the revised follow-up appendix, which showed both the original and revised implementation dates and details of open high-risk recommendations. The Chair asked for agreement on the audit plan changes, which were accepted. He raised concern about the 24% SEND compliance figure and sought clarification on what it represented. L Warner explained it was a self-assessment against an NHS England quality assurance framework, and S Cumiskey agreed to take this issue back to the Quality and Outcomes Committee for further review. The Chair and S Cumiskey discussed the need to clarify governance and assurance points for the CHC turnaround plan, as current reporting was split between committees and lacks clear audit committee reference. L Cobain agreed to pick this up for future reviews. The committee discussed handling outstanding recommendations. The Chair suggested requesting written updates from directors for items over 12 months old and possibly requiring explanations for delayed high-priority actions. S Downs supported a protocol where overdue recommendations would require explanation to the audit committee and emphasised not using reorganisation as a reason for delay. L Cobain noted most high-risk items relate to DSPT and CHC, which would remain open for another cycle. The Chair and S Downs agreed that executive-level follow-up was needed for outstanding actions, with the audit committee reviewing progress at the next meeting and deciding on further action for delayed items. D Atkinson suggested adjusting the reporting template so authors reference outstanding audit actions in their reports to the audit committee. The committee agreed to try this approach. The committee agreed to move the MIAA item higher up the agenda in future meetings to set context for other discussions. **RESOLVED: The Committee noted the report and approved the changes to the timing of the audit reviews.**	**LC (email)**

	b. The Internal Audit Network (TIAN) The Chair noted The Internal Audit Network (TIAN) report contained useful updates, including artificial intelligence and productivity, and suggested this was mainly for noting unless there were specific questions. K Howells confirmed the report for noting and highlighted two main points: ● The introduction of a new corporate fraud offence: "failure to prevent fraud." He mentioned upcoming webinars for Board and senior leaders and encouraged attendance, noting the ICB could face unlimited fines if not compliant. ● The fraud risk assessment component has been temporarily downgraded to amber for all clients due to new government requirements, with plans to refresh and restore it to green by year-end. **RESOLVED: The Committee noted the report.**	
53/ 2526	**Anti-fraud Progress:** **a) Progress and follow-up report** K Howells presented the anti-fraud progress report, highlighted the introduction of the new corporate fraud offence "failure to prevent fraud," and detailed ongoing work to help the ICB demonstrate reasonable procedures. He further promoted upcoming webinars for Board and senior leaders and encouraged attendance, as the ICB could face unlimited fines for non-compliance. K Howells described a local proactive exercise on claims, which would be a standalone fraud review, and provided updates on three ongoing investigations: recovery of £229,000 from former care home as part of a historical CCG case, falsified care home claims, and a PHP (personal health plan) issue involving improper claims. He noted that the number of reported fraud cases was much lower than NHS-wide estimates and emphasised the need for staff to report suspected fraud, as only a fraction is detected. K Howells stated that a follow-up on anti-fraud recommendations is ongoing, with deadlines not yet reached; a full update would be provided at the next audit committee. J McGuigan raised the need for closer integration between fraud and cyber security, especially given the rise in cyber ransom incidents. The Chair suggested that this be taken away for further consideration. **RESOLVED: The Committee noted the report.** **b) Anti-fraud, bribery and corruption policy** K Howells presented the updated anti-fraud, bribery, and corruption policy for approval, with the main changes being the explicit inclusion of the new "failure to prevent fraud" offence and named the responsible officer. The Chair noted the policy update was straightforward and recommended for approval, with no objections or further questions from the committee. The committee agreed to adopt and recommend the updated policy for approval. No further issues or concerns were raised regarding the policy. **RESOLVED: The Committee ratified the revisions to the policy.**	**LC (planner)** **JMcG/KH (email)**

54/2526	**Report on losses/special payments/procurement decisions and waivers/breaches**	
	L Bateman explained the report was shorter this time due to the timing of contract signoffs, with most contracts signed at the start of the year. The format was changed previously to make it clearer and more concise, and the committee was asked if they wanted less or more information. The consensus was to avoid superfluous detail but retain necessary information.	
	The Chair noted the report was improved and more manageable, but highlighted a breach related to the all age continuing care team, where a contract had been extended without approval, incurring significant unapproved costs. He pointed out that this breach closely matched the earlier anti-fraud example of "failure to prevent fraud."	
	D Atkinson informed the committee of a new breach of the scheme of delegation regarding a procurement that would be reported in the next cycle, a paper would be going to the Board and possible follow-up actions may be required from the audit committee.	
	The Chair asked if there was follow-up on the breaches, and S Downs confirmed ongoing work with the national Counter Fraud team on a project (Athena) investigating coding practices in the independent sector, highlighting some providers as outliers.	
	No objections or further issues were raised, and the committee agreed to note and accept the report.	
	RESOLVED: The Committee noted the report.	
55/2526	**Committee Escalation and Assurance Report to the Board**	
	The Chair would produce the report and share with members of the committee.	
56/5726	**Items Referred to other committees**	
	The audit committee agreed to refer to the issue of the low compliance rate on SEND (Special Educational Needs and Disabilities) statutory responsibilities to the Quality and Outcomes Committee for further review and understanding. S Cumiskey agreed to take this back to the committee for more detailed consideration.	**SC** (email)
	No other items were explicitly referred to other committees during the meeting.	
58/2526	**Any Other Business**	
	The Chair announced the upcoming NW audit chairs meeting and requested a volunteer from the committee to attend on their behalf, as he could not attend. L Cobain clarified that the meeting included all three northwest systems and could be extended beyond just audit chairs. If no one could attend, L Cobain would share slide decks and materials afterward.	
	The Chair formally thanked Stephen Downs for his work and commitment as acting finance director, wishing him well in his new role.	
	The Chair noted there were no items for the risk register and reflected on the meeting's broad coverage, mentioning the challenge of writing the AAA escalation report due to the complexity of topics discussed.	
	M Bakewell commented positively on the committee's functioning and discussion quality.	
59/2526	**Items for the Risk Register**	
	There were no new items for the risk register.	
60/2526	**Reflections from the Meeting**	

	The Chair reflected that the meeting covered a wide range of topics, including broader issues not always addressed, and noted the challenge of writing the AAA report due to the complexity and volume of content discussed. The Chair asked if anyone had comments about the meeting or felt they had the opportunity to voice concerns; no one responded directly. A Patel mentioned the ongoing concern about the 14% sickness rate in the all age continuing care team, suggesting it might need further support and that it felt unresolved, though not necessarily for the AAA report. The Chair agreed it should be picked up by the executive team. M Bakewell observed that the committee seemed to function well, with good discussion, debate, and challenge, and expressed appreciation for the chair's management of the meeting. All papers had been approved with no significant changes proposed and it was agreed there had been robust debate.	**AP/SD/DA** **(email)**
61/2 **526**	**<u>Date, Time and Venue of Next Meeting</u>** The next meeting would be held on Wednesday 10 December 2025, 10am – 12.30pm via MS Teams.	