



HNY ICB Committee Assurance and Escalation Report

Report to: HNY ICB Board
Report from: Audit Committee
Date of meeting: 20 March 2025

Committee Chair: Stuart Watson, Non-Executive Director
Director Sponsor: Mark Brearley, Interim Executive Director of Finance and Investment
Karina Ellis, Executive Director of Corporate Affairs
Author: Sasha Sencier, Head of Governance & Compliance

Key agenda items covered by the meeting

(A bulleted list of the key agenda items discussed at the meeting)

- Cloud based accounting system and implementation
- Collaborative or pooled resources arrangements
- Governance Assurance Report
 - Statutory Registers
 - Internal Audit Recommendations
 - Use of Emergency Powers and Urgent Decisions (if any)
 - Any non-compliance with Standing Orders and Prime Financial Policies
 - Bad Debts / Special Payments / Write Offs
 - Aged Debtors
 - Single Tender Waivers
- Q4 Audit Committee Governance Review
 - Annual Report
 - Terms of Reference
- Internal Audit progress
- Internal Audit effectiveness review 2024/25
- External Audit progress
- External Audit effectiveness review 2024/25
- Counter Fraud update

ALERT

(BY EXCEPTION ONLY - key matters and / or risks to alert or escalate to the ICB Board)

- **Individual Funding Request (IFR) Audit** - The IFR audit received a limited assurance rating due to several key issues identified. Agreed actions include establishing a designated budget, improving training for clinical panel members, enhancing communication with referrers, consolidating panels for consistency, and appointing a lay chair for better governance. These actions aim to address the identified issues and improve the overall effectiveness of the IFR process. The audit committee will receive updates on the progress of the IFR audit recommendations to ensure timely implementation and adherence to agreed deadlines.
- **Climate Change Compliance:** Concerns were raised about the ICB's readiness to meet climate change reporting requirements. It was agreed that a note from the Executive Director Lead, Peter Thorpe would be sought to provide assurance on compliance in this area.
- **Cloud based accounting system and implementation:** Given the recent announcements on ICB workforce reductions, there are concerns about the timing of the implementation of the new financial ledger which is scheduled for October 2025. An update will be provided at the June meeting.

ADVISE AND / OR ASSURE

(BY EXCEPTION ONLY - Key updates to advise the ICB Board on the matters the Committee was able to take assurance on or where additional information was required)

1. **Collaborative or pooled resources arrangements:** Section 75 Agreements: A high-level summary of pooled budget arrangements will be provided in June to ensure the audit committee can assess the assurance needed.
2. **Financial Governance Assurance:** The committee reviewed single tender waivers and noted the need for compliance with size requirements.
3. **Internal Audit Plan:** The plan was approved with flexibility to accommodate changes due to recent announcements. Specific audits on emergency preparedness and climate change will be prioritised.
4. **Internal Audit Engagement:** The Executive Committee will be informed of any delays in audit responses.
5. **Counter Fraud:** The plan for the 2025/26 was presented, with a focus on maintaining awareness and addressing heightened fraud risks due to potential workforce changes.

END.