

## AUDIT COMMITTEE ANNUAL REPORT 2024/25

*In line with its terms of reference, the Committee must undertake an annual review of its performance and provide an account of its work to the Board.*

<b>Review period</b>	April 2024 – March 2025
<b>Number of Meetings</b>	Five "plus 1 extraordinary meeting"
<b>Membership and terms of reference</b>	The Committee has continued to refine its terms of reference to reflect the scope of the responsibilities within the Committee's remit and to ensure it has the appropriate representation to provide assurance to the Board.

### Role and responsibilities of the Committee

The Audit Committee has been established to contribute to the overall delivery of the ICB objectives by providing oversight and assurance to the Board on the adequacy of governance, risk management and internal control processes within the ICB.

### Details of main work areas and assurances

#### Integrated Governance, Risk Management, and Internal Control

The Committee has received regular reports throughout the year concerning the review and assurance of the corporate risk register and Board Assurance Framework – ensuring oversight of all major risks to the delivery of the ICB operational plans and that they have mitigated as effectively as possible. The Committee was assured that the Board Assurance Framework remains fit for purpose and is regularly reviewed and updated and that the risk management arrangements are robust and embedded throughout the organisation (and that they are in line with the Board agreed risk management strategy).

The Committee have reviewed and recommended to the Board suggested amendments to the Scheme of Reservation and Delegation (SoRD) and financial delegations and limits documentation as required throughout the year in line with its terms of reference.

In addition, the Committee also received assurance reports concerning:

- the appropriateness of the process for considering conflicts of interest within the ICB
- an annual review of the use of the ICB seal
- progress of the annual ICB Fit and Proper Persons Test submission report to NHS England

### **Internal audit**

The Committee received regular reports from internal audit, including considering the major findings of internal audit work, including the head of internal audit opinion, (and management's response), and ensured coordination between the internal and external auditors to optimise the use of audit resources. This has included an assessment of the effectiveness of the internal audit service as part of the annual review process.

### **External audit**

The Committee continued to have a productive relationship with our external audit providers throughout the financial year.

This has involved regular reports from the external auditors to agree and monitor a plan of work, involving the work surrounding the annual report and accounts and audit opinion as part of that annual process.

### **Counter Fraud**

The Committee received regular reports from our appointed counter fraud specialists throughout the year. The reports provided the Committee with assurance that the ICB has adequate arrangements in place for counter fraud, bribery and corruption (including cyber security) that meet NHS Counter Fraud Authority's (NHSCFA) standards.

The Committee reviewed and monitored counter fraud work plans, receiving regular updates on counter fraud activity, including monitoring the implementation of any action plans.

### **Information governance**

The Committee received regular reports throughout the year concerning information governance arrangements and assurance. This included assurance concerning the annual submission of the Cyber Assurance Framework (CAF) which is the successor to the Data Security and Protection Toolkit (DSPT).

### **Freedom to speak up**

The Freedom to Speak Up (FTSU) Guardian provided an update on FTSU processes, progress, and an overview of activity for 2024-25 through regular reporting throughout the year.

### **Financial reporting**

The Committee was provided with regular reports from the Chief Financial Officer, providing assurance to the committee around the delivery of the ICB's statutory duties and compliance with relevant financial governance arrangements.

In accordance with the financial delegations approved by the Board, certain matters must be presented to the audit committee for information, including:

- Authorisation of debt write-offs and losses
- Special payments
- Authorisation of a single tender/single quote waiver

The quarterly report presented to the Committee also provides a summary of any such items.

## Annual Report and Accounts

The Committee received regular reports throughout the year monitoring progress concerning the production of the ICB annual report and accounts. This included assurance from both internal and external audit throughout the year in the lead up to the sign off of the annual report and accounts (including internal and external audit opinions). The Committee also received assurances concerning the effectiveness of outsourced services and systems managed by external providers as part of the annual reports and accounts assurance process.

### Committee effectiveness review process and findings

The newly published Healthcare Financial Management Association (HFMA) NHS Audit Committee Handbook from March 2024 details the introduction of combined self-assessment checklists for committees to assess their own effectiveness.

The completion of the self-assessment survey in 2024 focused on the Committee's processes and the effectiveness of its performance during the year. A plan was implemented to address some areas where the Committee felt it could improve and progress on completion of these actions has been monitored throughout the year.

In 2024/25 the Committee focused on a review of the "Effectiveness of Processes" checklist. The checklist is designed to help assess the effectiveness of the Committee and was extracted from the HMFA guidance. The checklist was completed by the Committee Chair and Board Secretary as per the guidance with the outcome forming part of the narrative to support the Audit Committee effectiveness report in the ICB Annual Report 2024/25.

<b>Proposal to review terms of Reference?</b>	Audit Committee terms of Reference were reviewed and revised for approval on 09 January 2025
<b>Chair of the Committee</b>	David Stout, Non-Executive Member
<b>Report Author</b>	Lynda Hutchinson, Head of Corporate Governance
<b>Date:</b>	15 May 2025