

BNSSG ICB Audit and Risk Committee Meeting

**Minutes of the meeting held on 12th September 2025 at 14.00
via Microsoft Teams**

DRAFT Minutes

Present		
John Cappock	Audit Committee Chair - Non-Executive Member	JCa
Jaya Chakrabarti	Non-Executive Member – People	JCh
Alison Moon	Non-Executive Member – Primary Care	AM
Ellen Donovan	Non-Executive Member – Quality and Performance	ED
Steve West	Non-Executive Member – Finance, Estates and Digital	SW
Apologies		
Jeff Farrar	Chair, BNSSG	JF
In attendance		
Matt Backler	Deputy Director of Finance, BNSSG	MB
Rob Hayday	Chief of Staff, BNSSG ICB	RH
Sarah Smith	Local Counter Fraud Service, ASW Assurance	SS
Connor Evans	Executive PA, BNSSG ICB	CE
Nic Saunders	Head of System Planning, BNSSG ICB	NS
Emma Brown	Head of Financial Services, BNSSG ICB	EB
Joss Convey	South Gloucestershire Council	JC
Nick Atkinson	Head of Internal Audit, RSM	NA
Rosi Shepherd	Chief Nurse Officer, BNSSG ICB	RS
Kathryn Dalby-Welsh	Deputy Director of Nursing (Funded Care)	KDw

	Item	Action
1	<p>Welcome and Apologies</p> <p>John Cappock (JCa) opened the meeting, welcomed attendees and noted apologies.</p> <p>JCA informed the committee of Anne Tutte's resignation and the appointments of Martin Sykes and Richard Gaunt to finance and audit roles.</p> <p>JCA thanked Anne Tutte for her contributions.</p>	

	Item	Action
	JCA announced that the Transition Committee had been established and held its first meeting, with its remit including oversight of transition of risks relevant to BNSSG. The committee was reminded to keep transition risks in mind during discussions.	
2	<p>Declarations of Interest</p> <p>No new declarations were raised.</p>	
3	<p>Minutes of the previous meeting held and Action Log</p> <p>The minutes of the previous meeting were agreed as a correct record.</p> <p>Action Log:</p> <p>78 – Matt Backler confident that contracts would be signed by the next meeting.</p> <p>All other open actions were closed</p>	
4.1	<p>Internal Audit Progress Report</p> <p>Nick Atkinson (NA) presented the internal audit report on funded care, which received reasonable assurance, NA noted the introduction of the Care Assurance Panel, highlighting transition risks and the need for ongoing assurance during organisational change.</p> <p>Rosi Shepherd (RS) and Kathryn Dalby-Welsh (KDw) provided feedback on the audit, emphasising the value of the process in identifying complex repeat cases and the importance of cross-team collaboration, particularly for patients with learning disabilities and autism.</p> <p>KDw explained that complexity had occurred due to an increase of people with continuing healthcare eligibility who had learning disabilities and autism which often crossed service boundaries. Coordinating care involved multiple teams including mental health, learning disability providers, care package managers and CHC clinicians working together. A senior team member would attend these meetings to support case navigation, especially for recurring cases. For complex cases, there was a detailed review of timelines to identify patterns, which would help inform the approach across similar cases. KDw noted the start of a separate project to score cases, helping understand clinicians' caseload complexities. The recent audit had encouraged more innovative practices, ensuring individuals received appropriate care.</p> <p>Joss Convey (JC) raised the importance of avoiding cost shunting between organisations, and RS explained the intent to manage total system costs</p>	

	Item	Action
	<p>collaboratively, with multi-agency panels ensuring shared responsibility and transparency.</p> <p>NA discussed the challenges of transition, including the safe transfer of services and the need for clear assurance processes, especially given uncertainties around national directives and organisational restructuring.</p> <p>The Audit and Risk Committee received the Internal Audit Report</p>	
4.2	<p>Internal Audit Action tracker</p> <p>NA began by expressing that, at this stage, he was typically disappointed with the follow-up of management actions due to overdue items and the need to hold individuals accountable before the committee. However, he stated that this was not the case on this occasion, as significant improvement had been observed. He noted that this progress was especially commendable given the trend in other ICBs, where challenges such as staff changes and uncertainties had led to declining performance. NA emphasised that a new process had been implemented, with thorough evidence checks to ensure actions were completed, and he thanked those involved. NA expressed hope that the positive trend would continue and acknowledged the flexibility maintained in the rest of the plan, with much work now scheduled despite a late start.</p> <p>NA provided an internal audit perspective, mentioning ongoing work with organisations implementing a new ledger. NA highlighted that, compared to previous experiences, the process had been more challenging this time due to delays from the centre.</p> <p>NA noted that, as in other areas, organisations were being compelled to implement the ledger on the designated go-live date, with no real choice. He assured the committee that the ICB was managing local risk as effectively as possible but cautioned that the overall system implementation remained a significant risk, given the less streamlined process compared to previous experiences. NA confirmed that the ICB's red rating was consistent with other ICBs.</p> <p>NA then discussed transition risks and the need for internal audit for assurance during organisational change, including the handover of services and moves to new structures or mergers. NA indicated that later in the year, substantial changes involving transferred services were anticipated, and emphasised the importance of ensuring safe and secure handovers, using safeguarding as an example. NA observed that there had been less clarity and a slowdown from the centre regarding what services were being transferred and when. NA advised ongoing vigilance and recommended seeking assurance regarding the safe transfer of services as plans became clearer. NA also mentioned the need to ensure that risks, both general and specific, continued to be managed</p>	

	Item	Action
	<p>throughout the transition period and that new governance arrangements were being appropriately shaped for the future.</p> <p>JCa responded, stating that NA comments were helpful and had been reflected in the Transition Committee's discussions. JCa highlighted the importance of independent assurance in the safe transfer of services, referencing the process followed during the transition from CCG to ICB. JCa suggested that a similar approach would be sensible for the current transition, even if not mandated, and acknowledged the current uncertainties around service transfers. JCa thanked NA for his insights and invited Alison Moon (AM) to comment.</p> <p>AM thanked NA for his reflections and noted that both ICBs had set aside flexible days for internal audit. AM posed an open question about the potential benefit of aligning internal audit days between the two ICBs during this period. AM observed that the paper presented to the Transition Committee outlined eight work streams, each comprising transactional and transformational tasks, and suggested further clarification might be needed. AM commended the extensive work done to develop a risk register for the Transition Committee but noted that risks currently included a mix of national, regional, and potential local issues. AM recommended distinguishing between risks within local control and those resulting from national delays, to focus mitigation efforts appropriately. AM suggested that future work should ensure risks were clearly linked to their respective work streams and committees and questioned whether there could be value in collaborative efforts with the flexibility available.</p> <p>NA replied, agreeing that aligning future structures and risks would be beneficial and indicated willingness to work with local teams toward this. NA echoed Alison's point about distinguishing between issues and risks, especially regarding delays from the centre, and stressed the importance of understanding the actual impact on the ICB. NA noted that many risk registers cited potential delays as high risks, but it was crucial to assess what those delays meant locally, particularly concerning staffing and resourcing decisions. NA emphasised the need to identify the impact of delays or uncertainty on the organisation.</p> <p>JCa thanked NA and suggested that these points were shared with Shane Devlin, as they would be relevant for the upcoming October Transition Committee meeting. JCa invited NA to comment on the cost improvement benchmark.</p> <p>NA addressed the cost improvement plan benchmarking paper, which included both providers and ICBs. He noted that some areas, such as continuing healthcare, might not have applicable schemes for certain providers, and that the number and value of schemes were consistent with ICBs of similar size. NA observed that a higher proportion of recurrent schemes was present, though this was less apparent in the comparative graph. NA remarked that schemes involving budget reorganisation and continuing healthcare were common but often difficult to deliver and flagged this for the committee's awareness. NA also noted national progress in agency savings, particularly affecting providers, and considered this a positive development. However, NA cautioned that reductions</p>	

	Item	Action
	<p>in agency costs sometimes coincided with increases in staff bank or overall payroll costs, meaning the net savings were not always as substantial as they appeared.</p> <p>JCa agreed that the benchmarking information was helpful, acknowledging the ongoing tracking and monitoring.</p> <p>Joss Convey (JC) expressed interest in the agency savings, questioning whether regional frameworks and tighter controls on non-approved agencies were contributing to the observed benefits.</p> <p>NA confirmed that improved controls and more options for agency staffing had contributed to savings. However, NA pointed out that sometimes reductions in agency expenditures were offset by increases in staff bank and payroll costs and highlighted the need to monitor overall impacts.</p> <p>JCa thanked NA and proceeded to summarise the discussion. JCa stated that funded care had received reasonable assurance and that the work had been valuable. JCa returned to the action tracker, echoing NA earlier praise for improvements, noting that only ten actions remained outstanding and that the committee could be confident in the work led by Nic Saunders (NS) and the team.</p> <p>NS responded by attributing progress to the teams' efforts. NS explained that the team aimed to be as prepared as possible ahead of transition arrangements, taking care to maintain organised records. NS thanked the committee for their recognition and assured that the positive messages would be shared with the wider teams.</p> <p>The Audit and Risk Committee received the updated on the Internal Audit Action Tracker</p>	
5.1	<p>External Auditor Update</p> <p>Matt Backler (MB) provided an update on the external audit contracts. MB reported that the contracts had not been signed yet due to annual leave and sickness, which had caused delays. However, all schedules had been agreed upon, and all issues had been resolved in the final document. The completed contracts had been sent to the external auditors for signature, and it was anticipated that the process would be finalised shortly.</p> <p>MB noted that, despite the absence of an official auditor during this period, there had been ongoing communication with KPMG. KPMG had supported the ICB on several technical queries, and MB stated that there had been no detriment from not having an official auditor in place. MB fully expected the auditors to be in attendance at the next audit meeting.</p> <p>JCa asked whether any transition of files or similar matters was still pending. MB confirmed that the transfer was yet to happen but described it as a well-trodden route. MB stated that discussions had taken place with both Grant</p>	

	Item	Action
	<p>Thornton and KPMG, and both firms were prepared to complete the necessary work.</p> <p>JC asked whether KPMG was aligned with Gloucestershire ICB and inquired about the contract term, specifically whether it was around six months. MB clarified that KPMG did not audit Gloucestershire ICB, instead, Grant Thornton was their auditor and their contract was coming up for re-procurement.</p> <p>MB further explained that the ICB's contract was a call-off contract, with a term of 3 + 1 + 1 years. MB noted that the contract did not tie the ICB in the same way as some other contracts, and that this arrangement had been confirmed with procurement prior to proceeding.</p> <p>RH asked for further clarification. MB responded that the ICB would be working with Gloucestershire to harmonise and secure a single auditor as soon as possible. MB stated that the committee would be updated on progress in due course.</p> <p>The Audit and Risk Committee received the External Audit Annual Report</p>	
6.1	<p>Counter Fraud Progress Report</p> <p>Sarah Smith (SS) opened the item and reminded members that the annual report had been presented at the previous meeting without the counter fraud functional standard return attached. This omission had been corrected in the current pack, and she apologised for the earlier oversight. SS requested the committee's agreement to sign off the annual report, explaining that the contents had been reviewed through interim reports during 2024 and 2025, and that questions had already been addressed at the last meeting. SS clarified that this version was for information, with the functional standard return now included, and paused for committee agreement.</p> <p>JCa confirmed that all appeared in order and asked if everyone was comfortable with the report, noting the potential need to retrospectively update the board on previous comments regarding the accounts.</p> <p>RH queried the appropriate signatory for the wet signature required on the declaration, having noticed that it referenced "Sarah Truelove" and questioned whether MB should now sign, or if Sarah Truelove's signature was still needed. SS thanked Rob for spotting this and agreed that, should MB be happy to sign for 2024/25, the name would be corrected; otherwise, Sarah Truelove would be contacted to sign. MB was willing to sign, which SS confirmed.</p> <p>SS then proceeded to provide an interim update. SS reported that the new counter fraud manager was scheduled to join in October and would introduce himself to the client organisation. SS outlined that, of the planned 64 service days (including a four-day contingency for NFI work), only 12.25 days had been delivered so far, indicating a slight delay due to resource issues. However, proactive work was planned for the next period. SS reported that the team had attended the "ICBs Have We Got News For You" staff meeting to launch the updated counter fraud policy and to address the current pressures within the</p>	

	Item	Action
	<p>NHS that may lead to fraud. The team had also shared a communications story about a nurse struck off the register for false bank shift claims and dealt with six alerts of fraud prevention notices, primarily concerning mandate fraud or payment diversions.</p> <p>SS further noted that three staff awareness sessions had been held for finance staff on mandate fraud, including a live demonstration of how AI could be used to create more sophisticated mandate fraud communications. Work had also commenced to update the counter fraud e-learning for BNSSG staff. Finally, SS confirmed that two investigations had been opened and closed with no further action required in the period.</p> <p>JCa thanked SS and invited further comments or questions. AM commended the clarity of the report but expressed concern about the delivery of only 12.25 days against the annual plan of 64, querying confidence in meeting the target with six months remaining. SS acknowledged the challenge, explaining that four days for NFI work had been included as contingency, but the aim, as agreed with Sarah Truelove, was to deliver everything within 60 days. SS confirmed that terms of reference for local proactive exercises on economic crime and the Corporate Transparency Act, as well as a similar exercise on the Bribery Act, would be issued shortly. SS expressed hope that, with these activities underway, the team would reach the target despite staffing constraints experienced during the year.</p> <p>Action: Correct the signatory name on the Counter Fraud Functional Standard Return to reflect the current Director of Finance, ensuring Matt signs for 2024/25 instead of Sarah Truelove.</p> <p>The Audit and Risk Committee received the Counter Fraud Progress Report</p>	SS
7.1	<p>Corporate Risk Register and ICS Strategic Risk Register</p> <p>RH opened the item and led the committee through the complexities of the current transition, noting that this was a routine report for the Audit and Risk Committee. RH explained that the report included the corporate risk register, the ICS Strategic Risk Register, also known as the System Executive Group (SEG) Risk Register, and a draft of the transition risk register. RH clarified that the objective was for the committee to discuss and agree that both the corporate risk register and the ICS Strategic Risk Register could be presented to the open Board in October.</p> <p>RH further explained that the corporate risk register was generated from the Directorate Risk Register process, aligning with the agreed risk management framework. RH noted that the format had been updated following board feedback about previous versions being difficult to navigate, resulting in a 25-page document with a helpful summary table on page one. The register included risks scoring 15 and above, highlighting those that had been reduced</p>	

	Item	Action
	<p>or added. RH pointed out a new risk related to the impact of NHS reforms on ICB performance, which linked to the transition work. RH emphasised that this risk was underpinned by the transition risk register, which had been overseen by the Joint Transition Committee. Although the committee had since met and requested updates, these would be reviewed weekly at the executive level before being finalised.</p> <p>RH reported that SEG recommended increasing two risks: the first, concerning relationships, which should be elevated to a score of 9 due to uncertainties around financial settlement and organisational changes. The second was the finance risk, which should be increased because of emerging gaps in the financial plan that had not yet been fully mitigated.</p> <p>MB elaborated on the finance risk, explaining that the recommendation to increase it had emerged without direct oversight from Finance, Estates and Digital Committee (FED) due to timing. MB reported that both UHBW and NBT had unmitigated financial gaps in the £10–15 million range but were expected to present recovery plans. MB highlighted that the formal process for system-wide recovery actions was underway, accounting for the timing of the risk's surfacing.</p> <p>SW commented that previous FED meetings had signalled concerns about the financial risk. SW agreed that raising the risk was appropriate and that the executive team should work to close the gap. SW expressed concerns that ongoing change programs increased the risk of financial controls slipping, stressing the importance of tracking and recovery actions. MB agreed, noting the ICB's overall robust position and acknowledging the challenges faced by providers undergoing change.</p> <p>JCa sought clarification on the Oliver McGowan risk within the corporate risk register, expressing concerns given the region's role and the reputational damage previously suffered. JCa asked whether SEG was aware of this risk and wondered whether it should be escalated to the Chief Medical Officers or considered by SEG. RH responded that SEG had not been made aware, as the corporate risk register had not yet been presented, but agreed to relay the committee's concerns to Shane Devlin to ensure SEG was informed.</p> <p>Ellen Donovan (ED) expressed disappointment that the Oliver McGowan risk had not been raised at the quality and performance committee and supported escalation. ED suggested allocating the risk to outcomes, performance, and quality for further investigation. JCa agreed with this approach and asked RH to convey the committee's concern to Shane Devlin.</p> <p>JCa suggested that when risks escalate to the corporate risk register, the chair of the relevant committee should be notified to consider implications. JCa noted that ED felt the Oliver McGowan risk had been overlooked and supported greater awareness for committee chairs. RH agreed, referencing internal audit recommendations and assuring that due process involving non-executive directors and committee chairs was followed.</p>	

	Item	Action
	<p>JCa commended the new format and level of detail in the risk register, stating it made it easier to identify and discuss key risks.</p> <p>JC asked about the financial risk position flagged by MB and questioned the anticipated level of risk increase, noting the system-wide financial gaps and the expectation of mitigation plans. MB responded that the risk to delivery was significant but not unprecedented compared to previous years. MB emphasised that gaps needed to be managed down collectively, acknowledging their substantial nature but also the system's past success in closing them.</p> <p>The committee agreed that, subject to the discussed amendments and feedback, the three risk registers would be recommended to the open Board in October. RH clarified that the Joint Transition Risk Register was not scheduled for the open Board but would be reported through Transition Committee minutes to the closed part of the Board.</p> <p>Jaya Chakrabarti (JCh) supported the recommendation and suggested a formatting improvement: placing the risk description at the top for readability. RH agreed to implement this change if capacity allowed, otherwise for the next iteration.</p> <p>Action: Escalate the concern regarding the Oliver McGowan training risk to Shane Devlin.</p> <p>Action: Update the risk register format so that the risk description appears at the top of each entry for improved readability before submission to the Board</p> <p>The Audit and Risk Committee received the Corporate Risk Register and ICS Strategic Risk Register</p>	<p>RH</p> <p>RH</p>
8.1	<p>ISFE 2</p> <p>MB and EB provided an update on ISFE 2. MB acknowledged that the system transition was set to go live and confirmed that all necessary actions had been completed promptly and thoroughly at the local level.</p> <p>MB noted that while local preparations were robust, there had been delays and issues at the national level. The primary concern remained the poor quality of training provided, a sentiment echoed by colleagues in the CFO Forum Group. MB added that the inability to access and test systems prior to go-live heightened concerns. NHSE had confirmed lighter reporting expectations for the initial months, which was appreciated but did not fully mitigate the risks.</p> <p>EB agreed with MB and added concerns regarding increased risk of fraud and limited communication from the national team about fraud prevention and cybersecurity measures, despite assurances of ongoing efforts. EB highlighted</p>	

	Item	Action
	<p>the additional burden on the finance team, which would need to conduct more thorough checks to implement risk mitigations.</p> <p>JCa expressed disappointment that the training aspect had not improved and asked if further support or escalation was possible. SS offered to escalate concerns to the Counter Fraud Authority but cautioned that responses might not be timely.</p> <p>JCa raised the issue of year-end preparations, noting the challenges of a mid-year implementation, and Emma responded that the transition would be complex, with auditors closely examining the cutover. The reporting process would be complicated by changes in coding structures, but clear records should help auditors. MB added that finance reports might be limited for a few months and highlighted the additional audit risk due to staff consultations.</p> <p>JC inquired about business continuity risks. EB explained that payments in October were a major concern, and the team had proactively contacted key suppliers and local acute trusts, providing extra cash in advance and notifying them of possible payment delays. The plan was to pay suppliers later than usual, and similar communications had taken place with primary care providers. National arrangements for PCSE payments were also being managed by paying in advance for September.</p> <p>JC noted that business continuity depended largely on national processes functioning as expected. EB acknowledged this reliance and reported that concerns had been raised nationally.</p> <p>JCh asked about risks to workforce spend data and reporting. EB replied that no significant issues were anticipated in this area.</p> <p>NA discussed the risk of delayed payments and advised obtaining written confirmation from NHSE regarding their ability to assist with payments if system issues occurred. EB confirmed that local trusts had enough funds to manage October.</p> <p>MB explained that although guidance was to pay NHS providers on the 15th of the month, payments were usually made earlier to assist cash flow. Requests to pay in September had been denied, but local providers were confident they could manage the short delay.</p> <p>Action: Write to NHS England to obtain written confirmation that they will assist with payments if the ISFE2 system fails to process payments as required during the transition period</p> <p>The Audit and Risk Committee received the update on ISFE 2</p>	EB
10	<p>Matters for Information</p> <p>The Committee received the following matters for information:</p>	

	Item	Action
	<ul style="list-style-type: none"> • Information Rights Report • Losses and Special Payments Register <p>EB reported one loss related to a £2,000 credit note following supplier liquidation and described additional measures implemented to prevent recurrence.</p> <ul style="list-style-type: none"> • Waiver of Standing Financial Instructions <p>MB explained that the higher volume and value of waivers this month was due to timing and a significant planned waiver for the discharge pathway with Sirona, with no indication of systemic issues.</p> <ul style="list-style-type: none"> • Audit and Risk Committee Workplan • HFMA Audit Committee Handbook <p>The committee reviewed the work plan and the Audit Committee handbook, with AM and MB confirming that current practices aligned with recommended standards and no material gaps were identified.</p>	
10.1	<p>Reflection on Effectiveness of Committee Meeting</p> <p>JC noted that meeting had been well organised and thorough, with comprehensive papers and discussions. JC expressed appreciation for the chair's effective management and acknowledged the meeting ran ahead of schedule.</p> <p>Key contributions were highlighted. JC stated that perspectives from other organisations were welcomed and helped to contextualize key agenda items for everyone involved.</p> <p>It was observed that few action items arose from the meeting, reflecting its orderly conduct. However JC specifically recognised a few important issues for attention.</p> <p>Overall, the meeting was considered highly effective and well supported.</p>	
	<p>Date of Next Meeting</p> <p>Friday 12 December 2025 14:00 – 16:30</p> <p>Microsoft Teams</p>	

Connor Evans, Executive PA, September 2025