



NHS Bristol, North Somerset and South Gloucestershire Integrated Care Board

Auditor's Annual Report
Year ending 31 March 2025

19 June 2025

Contents

01	Introduction and context	03
02	Executive summary	06
03	Opinion on the financial statements and use of auditor's powers	10
04	Value for Money commentary on arrangements	13
	Financial sustainability	15
	Governance	19
	Improving economy, efficiency and effectiveness	23
05	Summary of Value for Money Recommendations raised in 2024/25	25
06	Follow up of previous Key recommendations	27
	Appendices	29
A	Responsibilities of the NHS Integrated Care Board	30
B	Value for Money Auditor responsibilities	31
C	Follow-up of previous improvement recommendations	32



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Grant Thornton UK LLP is a limited liability partnership registered in England and Wales: No.OC307742. Registered office: 8 Finsbury Circus, London, EC2M 7EA. A list of members is available from our registered office. Grant Thornton UK LLP is authorised and regulated by the Financial Conduct Authority. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

01 Introduction and context

Introduction

This report brings together a summary of all the work we have undertaken for NHS Bristol, North Somerset and South Gloucestershire Integrated Care Board (the ICB) during 2024/25 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. The responsibilities of the NHS ICB are set out in Appendix A. The Value for Money Auditor responsibilities are set out in Appendix B.

Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the ICB as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2024/25, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006, as amended by the Health and Care Act 2022.

We also consider the Annual Governance Statement, the relevant disclosures within the Annual Report including the Remuneration and Staff Report and whether income and expenditure has been incurred 'as intended by Parliament'.

Auditor's powers

Under Section 30 of the Local Audit and Accountability Act 2014, the auditor of an NHS body has a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the Secretary of State and notified to NHS England. They may also issue:

- Statutory recommendations to the ICB Board which they must consider publicly
- A Public Interest Report (PIR).

Value for money

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the ICB has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:

- financial sustainability
- governance
- improving economy, efficiency and effectiveness.

Our report is based on those matters which come to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify.

The NHS – context for NHS Bristol, North Somerset and South Gloucestershire Integrated Care Board

The NHS has remained under significant pressure in 2024/25

National



Long-Term Underinvestment

Lord Darzi’s independent report highlighted that the NHS has suffered from prolonged revenue and capital funding underinvestment, negatively impacting quality, productivity, and workforce sustainability.



Tackling Health Inequalities

The reduction of health inequalities, which is a key Integrated Care Board (ICB) objective, have been hampered by inconsistent national funding and other competing priorities.

Local

Past

Present

Future



Public Health System Complexity

Public health is shared by local government and the NHS, requiring system-wide collaboration, but integration remains challenging.



Community and preventable care

Pressures on primary care services and local government social care hamper integration which can lead to higher admissions and delayed hospital discharges increasing strain on NHS capacity.



Structural uncertainty

The planned abolition of NHS England, uncertainty over longer-term funding arrangements and structural re-organisation affects systems’ ability to plan for the long term.



Future Demand and Expectation

Public expectations of what the NHS will treat and cure are expected to continue to rise with growing demand placing further strain already limited services and funding.

Bristol, North Somerset and South Gloucestershire is home to a diverse population of around 1.1 million people. Bristol has the greatest proportion of Black and Minority Ethnic (BME) people (16%) compared to South Gloucestershire (5%) and North Somerset (2.7%). There are significant pockets of deprivation with around one in ten people living in a deprived area. Average life expectancy varies between those living in the most and least deprived areas by around six years, with some places seeing a 15-year difference. We note that the NHSE annual assessment of the ICB for 2023/24, published in January 2025, highlighted the ICB’s effective system leadership, progress made in urgent and emergency care, while noting there is more to do on cancer and elective performance. NHSE also noted the need to move the system to a recurrently balanced financial position in the medium term.

It is within this context that we set out our commentary on the ICB’s value for money arrangements in 2024/25.

02 Executive Summary

Executive summary – our assessment of value for money arrangements

Our overall summary of our Value for Money assessment of the ICB’s arrangements is set out below. Further detail can be found on the following pages.

Criteria	2023/24 Assessment of arrangements	2024/25 Risk assessment	2024/25 Assessment of arrangements
Financial sustainability	A No significant weaknesses identified; one improvement recommendation raised in relation to the delivery of Cost Improvement Plans.	No risks of significant weakness identified.	G Our work did not identify any areas where we considered that key or improvement recommendations were required.
Governance	R Significant weakness in arrangements identified in relation to awarding grants with external bodies and one improvement recommendation also raised around risk reporting.	One risk of significant weakness identified in relation to awarding grants as per our prior year 2023/24 key recommendation.	A The prior year significant weakness has been addressed and is closed. One prior year improvement recommendation around strengthening risk reporting has been partly addressed and is updated.
Improving economy, efficiency and effectiveness	A No significant weaknesses identified; one improvement recommendation raised in relation to reporting against the Joint Forward Plan.	No risks of significant weakness identified.	G Our work did not identify any areas where we considered that key or improvement recommendations were required.

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Executive Summary

We set out below the key findings from our commentary on the ICB's arrangements in respect of value for money



Financial sustainability

The ICB has continued to lead the system effectively, delivering a breakeven position for 2024/25. In 2025/26 the ICB plans to achieve its own breakeven position and support provider trusts to do the same, with non-recurrent funding as set out in the Medium Term Financial Plan. This document, while kept up to date, will be refreshed over the Summer.

The ICB delivered its efficiency plan in 2024/25 and has appropriately developed schemes for 2025/26. Financial planning assumptions are clearly explained and linked to system objectives.

In-year financial reporting provides a clear and comprehensive explanation of the ICB and provider trust position, including risks.



Governance

The ICB has appropriate governance arrangements to support effective internal control, although there remains scope to further develop risk reporting and assurances to Board.

Following on from previous recommendations, the ICB has strengthened its arrangements for awarding grants and subsequent oversight. These are now appropriate.

Arrangements to support informed decision making are effective, underpinned by clear reporting and the committee structure.

Oversight of legislative and regulatory compliance is effective, including procurement and commissioning arrangements, with tender waivers reported to the Audit and Risk Committee.



Improving economy, efficiency and effectiveness

Performance reporting arrangements are reasonable, including the work of the Outcomes, Quality and Performance Committee, but could be further strengthened by enhanced links to strategic priorities and risks.

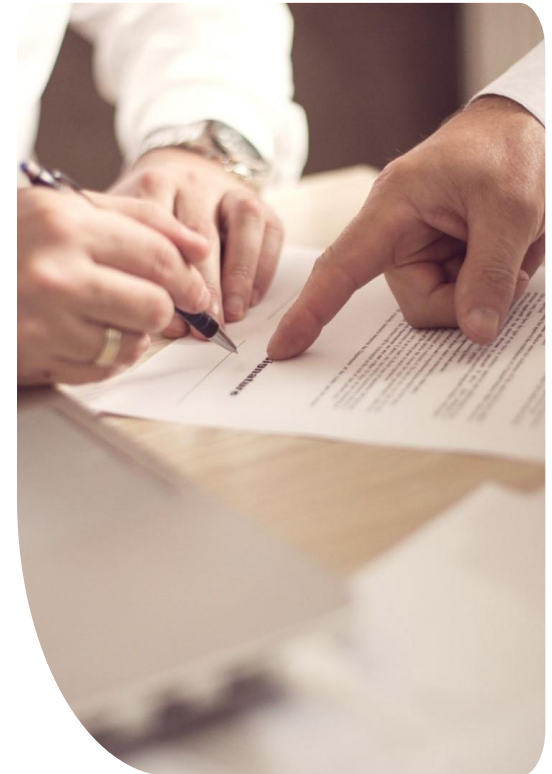
The ICB works well with system partners to progress common objectives, with appropriate structures in place to oversee delivery.

Procurement and contract management arrangements are effective.

Executive summary – auditor’s other responsibilities

This page summarises our opinion on the ICB’s financial statements and sets out whether we have used any of the other powers available to us as the ICB’s auditors.

Auditor’s responsibility	2024/25 outcome
<p>Opinion on the Financial Statements</p>	<p>Our audit work is complete, and we issued an unqualified audit opinion, following the Audit and Risk Committee meeting on 19 June 2025. Our findings are set out in further detail on pages 10 to 12.</p>
<p>Use of auditor’s powers</p>	<p>We did not issue a section 30 referral to the Secretary of State for Health and Social Care regarding the ICB’s break even duty. We do not consider that any unlawful expenditure has been made or planned for.</p> <p>No other issues have been identified during our work which require us to make statutory recommendations, or issue a Public Interest Report (PIR).</p>



03 Opinion on the financial statements and use of auditor's powers

Opinion on the financial statements

These pages set out the key findings from our audit of the ICB's financial statements, and whether we have used any of the other powers available to us as the ICB's auditors.

Audit opinion on the financial statements

Our audit work is complete, and we issued an unqualified audit opinion, following the Audit and Risk Committee meeting on 19 June 2025.

The full opinion is included in the ICB's Annual Report for 2024/25, which can be obtained from the ICB's website.

Grant Thornton provides an independent opinion on whether the ICB's financial statements:

- give a true and fair view of the financial position of the ICB as at 31 March 2025 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2024/25, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006, as amended by the Health and Care Act 2022.

We conducted our audit in accordance with: International Standards on Auditing (UK), the Code of Audit Practice (2024) published by the National Audit Office, and applicable law. We are independent of the ICB in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

Findings from the audit of the financial statements

The ICB provided draft accounts in line with the national deadline.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. This was presented to the ICB's Audit and Risk Committee on 19 June 2025 and updated on conclusion of the audit. Requests for this Audit Findings Report should be directed to the ICB.

Other reporting requirements and use of auditor's powers

Remuneration and Staff Report

Under the Code of Audit Practice (2024) published by the National Audit Office, we are required to audit specified parts of the Remuneration and Staff Report included in the ICB's Annual Report for 2024/25.

These specified parts of the Remuneration and Staff Report have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2024/25. A few minor disclosure changes have been made to the final report.

Annual Governance Statement

Under the Code of Audit Practice (2024) published by the National Audit Office, we are required to consider whether the Annual Governance Statement included in the ICB's Annual Report for 2024/25 does not comply with the guidance issued by NHS England, or is misleading or inconsistent with the information of which we are aware from our audit.

We have nothing to report in this regard.

Regularity of income and expenditure

Under the Code of Audit Practice (2024) published by the NAO, we are required to consider whether in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions in the financial statements conform the authorities which govern them.

Our regularity work has found that income and expenditure included in the financial statements has been applied for the purposes intended by Parliament.



04 Value for Money commentary on arrangements

Value for Money – commentary on arrangements

This page explains how we undertake the value for money assessment of arrangements and provide a commentary under three specified areas.

All NHS ICBs are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. NHS ICBs report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under the Local Audit and Accountability Act 2014, we are required to be satisfied whether the ICB has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas:



Financial sustainability

Arrangements for ensuring the ICB can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).



Governance

Arrangements for ensuring that the ICB makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, making decisions based on appropriate information.



Improving economy, efficiency and effectiveness

Arrangements for improving the way the ICB delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

Financial sustainability – commentary on arrangements

We considered how the ICB:	Commentary on arrangements	Rating
<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>In 2024/25 the ICB and wider system achieved financial breakeven as planned. For 2025/26 the ICB and ICS have submitted a breakeven plan, which does not include any NHSE deficit provider funding for the system. Financial Planning reporting to Board clearly sets out the key assumptions, including following national guidance. The ICB is also conscious of the main challenges within the financial plan, including funded care costs and delivering planned efficiencies.</p> <p>The system-wide Medium Term Financial Plan (MTFP) is kept up to date, with a planned refresh after the Comprehensive Spending Review. Reporting to the Finance, Estates and Digital Committee explains that the 2025/26 budget includes £45.1m of non-recurrent deficit support funding from the ICB to provider organisations and is in line with the MTFP. The underlying (recurrent) deficit across NHS system partners, brought forward into 2025/26 is £135m, which is £66m adverse to that planned following submission of the 2024/25 financial plan and £86m adverse compared to the September 2023 MTFP trajectory. This is because, at a system level, in-year financial balance has been achieved using non-recurrent measures. The arrangements the ICB has in place are appropriate, and it is working well with partners, so we have not raised an improvement recommendation.</p>	<p>G</p>

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements

We considered how the ICB:	Commentary on arrangements	Rating
<p>plans to bridge its funding gaps and identify achievable savings</p>	<p>In 2024/25 the ICB overachieved against its own efficiency target, net of the impact on ICS providers, of £21.6m by £2.4m. For 2025/26 the ICB is planning efficiencies of £57.983m, all of which are recurrent. Of these, at the end of March, the ICB assessed £11.8m as "High" risk; £11.9m as "Medium" and £32.2m "Low". £27.5m were considered to be "Fully Developed"; £27.2m "In Progress"; £3.3m "Opportunity" and £0m "Unidentified". Having over 90% of schemes either Fully Developed or In Progress at the end of March puts the ICB in a strong position to deliver its targeted savings. Of the £57.983m, £31.1m reflects national tariff assumptions and is included through contracts with providers. We tested three higher value schemes, totalling £19.0m and found that the ICB has been developing programmes over a period of time, including the use of benchmarking to identify opportunities, for example in Funded Nursing Care.</p> <p>Provider trusts had a 2024/25 efficiency target of £79.6m, with £63.7m achieved, £15.9m below plan. Total system efficiencies, net of the impact of ICB savings on providers, was a plan of £101.4m, with £87.951m achieved, being £13.453m under plan. Whilst the system has reported financial balance there have been significant shortfalls in recurrent CIP delivery at the two acute trusts, offset by non-recurrent items. Mature and constructive relationships underpin system working enabling a more collaborative and trusting approach, with more challenge and support where partners raise risks around delivery.</p> <p>For 2025/26 the provider efficiency target is £104.9m, of which they assessed £36.757m as "High" risk. After deducting the impact on providers of ICB efficiencies this gives a net system target of £142.1m.</p>	<p>G</p>
<p>G No significant weaknesses or improvement recommendations.</p> <p>A No significant weaknesses, improvement recommendations made.</p> <p>R Significant weaknesses in arrangements identified and key recommendation(s) made.</p>		

Financial sustainability – commentary on arrangements

We considered how the ICB:	Commentary on arrangements	Rating
<p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<p>The ICB has appropriate arrangements in place to plan its finances to support the sustainable delivery of services in accordance with strategic and statutory priorities. The Joint Forward Plan clearly sets out the four strategic objectives, as set by NHSE, and budget setting reports to Board explain how the ICB and ICS has applied national planning guidance. Financial planning reports explain how the annual plan supports the MTFP - <i>"the plan includes £45.1m of non-recurrent deficit support funding from the ICB to provider organisations and is in line with Medium-Term Financial Plan. The financial plan improves the underlying deficit at March 2025 (£134.7m) to a planned underlying deficit at March 2026 of £44.9m, an in-year improvement of £89.8m."</i></p> <p>The ICB also uses information and data to identify services or providers requiring additional support to become more cost effective. For example, it has identified that - <i>"Funded nursing care (FNC), benchmarking has suggested that we are an outlier in terms of number on patients on the caseload. The criteria will be tightened which should lead to a 25% reduction in new eligible patients and mean that as reviews occur, 15% of the patients can be moved (either full step down or to other areas of care)."</i></p>	<p>G</p>

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Financial sustainability – commentary on arrangements (continued)

We considered how the ICB:	Commentary on arrangements	Rating
<p>ensures its financial plan is consistent with other plans such as workforce, capital, investment and other operational planning which may include working with other local public bodies as part of a wider system</p>	<p>The ICB has appropriate arrangements in place to ensure that its financial plan is consistent with other plans. For example, it has a detailed workforce plan which shows a total system workforce in post at 31 March 2025 of 28,928, decreasing to 28,402 by 31 March 2026. This is primarily driven by a planned decrease in bank staff from 2,094 to 1,693 and a decrease in agency staff from 306 to 220. This is consistent with the intention to reduce the cost of temporary staffing. The 2025/26 capital plan allocates £3.0m across the three trusts for "Net zero projects". This is allocated to projects in support of the ICS Green Strategy, prioritised based on reduced carbon emissions. The Joint Forward Plan includes how it supports the "Green Plan", including workstreams such as procurement, estates, travel, waste and medicines. Metrics with specific targets are set out - for example - reducing the carbon footprint of the supply chain by 50% before 2028 and reducing the carbon footprint of estates by 80% by 2028.</p>	<p>G</p>
<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>The ICB has appropriate arrangements in place to identify and manage risks to its financial resilience. Finance reports and Corporate Risk Register reports to Board clearly set out the key financial risks including local authority social care costs and funded care and placements. The 2025/26 budget setting report to Board sets out the key risks with scenario analysis. In their Financial Governance and Performance review Internal Audit conclude "we have concluded that the ICB has a robust and mature framework in place to continuously identify threats to achieving financial balance and subsequently implement measures to address weaknesses identified."</p>	<p>G</p>

- G No significant weaknesses or improvement recommendations.
- A No significant weaknesses, improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the ICB:	Commentary on arrangements	Rating
monitors and assesses risk and how the ICB gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	The ICB has a Risk Management Framework that outlines responsibilities, escalation routes, and a corporate risk register. Strategic and operational risks are reviewed through the Board and its sub-committees. We noted, the ICB has decided not have a formal Board Assurance Framework (BAF). This was identified in the previous year. The ICB is introducing a revised Risk Management Assurance Framework, aiming to align risks to strategic objectives and strengthen oversight. However, this does not currently provide the structured assurance required of a BAF. While it outlines strategic risks, controls, and mitigating actions, it does not clearly align risks to strategic objectives, lacks defined sources of assurance, and does not incorporate the structured three lines of defence model expected in a BAF. This presents a gap in strategic oversight and assurance, particularly in how the Board gains confidence in the effectiveness of risk mitigation as it lacks clear links to sources of assurance. Internal audit and counter-fraud arrangements in place and operating as expected. We have not identified any significant weaknesses, but the ICB should further strengthen its oversight of strategic risk and assurance. We have raised an improvement recommendation around strengthening arrangements.	A
approaches and carries out its annual budget setting process	The ICB has appropriate annual budget setting arrangements in place. The budget is compiled with system partners and is set in a robust manner based on current year spend, known changes, pressures, and a deliverable savings plan. Financial pressures impacting trusts are reflected in the budget - for example, high-cost drugs.	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements

We considered how the ICB:

Commentary on arrangements

Rating

<p>ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships</p>	<p>The ICB has appropriate budget monitoring and financial reporting arrangements. Finance reports to Board clearly set out the year to date position and forecast outturn for both the ICB and ICS. Key issues such as efficiency savings delivery, elective recovery funding, capital expenditure, the cash position, areas of over and underspend and risks and mitigations are included.</p>	<p>G</p>
<p>ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee</p>	<p>In our prior year report we identified a significant weakness in regard to the ICB's grant oversight arrangements. These arrangements have been strengthened and are appropriate. The ICB now uses the NHS England model grant agreement, maintains a grant register, and has processes for monitoring grant expenditure and ensuring oversight by designated officers and governance committees. The updated Standing Financial Instructions (SFIs) set out delegated authority levels for approving and signing grant agreements, and the operating procedure note includes monitoring and due diligence requirements. The Board agendas distinguish between items for approval, discussion, or information, helping to focus attention on areas requiring decisions. Minutes show that both Executive and Non-Executive members engage with issues and provide challenge. Committees report regularly to the Board on finance, quality, performance, and workforce. These reports highlight risks and actions, allowing the Board to consider key matters before making decisions. The Audit and Risk Committee reviews governance, internal control, and financial risk. Minutes confirm that members challenge internal audit findings and management responses and follow up on issues where needed.</p>	<p>G</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance – commentary on arrangements (continued)

We considered how the ICB:

Commentary on arrangements

Rating

monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour

Oversight of legislative and regulatory compliance is provided through regular reporting to the Board and the Audit and Risk Committee, which reviews key compliance areas, including data security, internal audit outcomes, and regulatory risks. The ICB’s Governance Handbook outlines how compliance is managed and supports transparency. Audit and Risk Committee minutes show that the ICB monitors key areas including system risks. Where issues are identified, the ICB has actions in place to address them. Procurement and commissioning processes are governed by the Standing Financial Instructions, and tender waivers are reviewed by the Audit and Risk Committee. The Gifts and Hospitality Policy ensures that declarations are recorded and reviewed, helping to manage conflicts of interest.

In October 2024 NHSE began an investigation into the Board and governance arrangements at one of the ICB’s major healthcare providers - Sirona Care and Health. This concerned high turnover and temporary staff in post. Sirona has agreed with NHSE a series of enforcement undertakings. Our review of Board papers indicates that Sirona representatives attend ICB Board and performance is appropriately reported and challenged. We understand that, when made aware of the investigation by NHS England into potential governance failings at Sirona Care, the ICB Board formalised a strategic risk and agreed a range of mitigating actions to address it. The most significant of these was the establishment of more formalised contract oversight, with the instigation of a Director chaired formal contract meeting. In addition, Senior ICB staff were in attendance at key Sirona assurance meetings. These actions (together with the continuation of system governance activity which Sirona is a key partner in) have sought to ensure that Sirona is supported to continue to deliver and develop important community services for the BNSSG population.

G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Governance (continued)

Area for Improvement: Board Assurance

Findings: The ICB has developed its Board Assurance arrangements, but there is scope to go further.

Evidence: In our prior year report we noted that the ICB had decided not to have a formal Board Assurance Framework (BAF) in place. While the Board receives updates on strategic risks, such as those relating to urgent and emergency care, these discussions are not guided by a structured BAF that links principal risks to the ICB's strategic objectives, identifies assurance sources, and highlights any gaps. The ICB has confirmed that it does not intend to implement a separate BAF, but instead plans to enhance its existing Risk Management Assurance Framework. Internal audit has reviewed the revised risk reporting framework, which was reviewed by the Board in May 2025. However, our review of the Corporate Risk Register presented at that meeting identified that it does not provide the core functions of a BAF. Specifically, it does not clearly align risks with strategic objectives, identify sources of assurance, or apply the three lines of defence model. These elements are necessary to support structured Board oversight of strategic risks and to provide assurance on whether risks to delivery are being effectively managed. The ICB has indicated that further enhancements may be made as part of the annual review of the framework.

Impact: Without these enhancements, the Board may lack visibility on how strategic risks are mitigated and whether controls are operating effectively.

Improvement Recommendation 1

IR1: Given the ICB's decision not to implement a separate Board Assurance Framework (BAF), the existing Risk Management Framework should be enhanced to incorporate the core functions typically provided by a BAF. This includes aligning strategic risks to corporate objectives, identifying the controls in place and assessing their effectiveness, setting out the sources of assurance, and applying the three lines of defence model to evaluate the strength of that assurance.

Strengthening Board oversight

Performance and finance reports are reviewed by sub-committees before being submitted to the Board, and while they provide a narrative overview of key issues and system pressures, they currently offer limited linkage between financial and performance challenges and strategic objectives. Further enhancements would strengthen this.

The three lines of defence model comprises:

- first line (operational management)
- the second line (risk and compliance functions)
- the third line (internal audit).

Economy, efficiency and effectiveness – commentary on arrangements

We considered how the ICB:	Commentary on arrangements	Rating
uses financial and performance information to assess performance to identify areas for improvement	While reporting arrangements are in place, performance and finance reports do not consistently link challenges to strategic objectives, limiting Board oversight. Reports highlight underperformance and provide some narrative on causes and mitigating actions, though the level of detail varies across areas. Assurance over data validation is not explicitly stated, but data governance policies are in place. The ICB does not have a formal Board Assurance Framework, but enhancements to the Risk Management Framework are underway and are expected to strengthen the alignment between reporting, strategic objectives, and oversight mechanisms. These planned improvements remove the need to raise a separate improvement recommendation as we have already raised one in the Governance section on page 23.	G
evaluates the services it provides to assess performance and identify areas for improvement	The ICB has established governance arrangements that support the monitoring and oversight of quality and performance. The Outcomes, Quality and Performance Committee provides assurance to the Board, scrutinising compliance with statutory and regulatory requirements, including those set by the Care Quality Commission (CQC), National Institute for Health and Care Excellence (NICE), and NHSE. The Chief Executive’s Report and Performance Report confirm that the ICB tracks progress against national targets, oversees performance challenges, and implements structured improvement plans. The ICB’s NHS Oversight Framework segmentation status (as determined by NHSE) is reviewed regularly, and actions are in place to address system performance risks. The ICB has invested in system-wide improvements, including initiatives to reduce non-criteria to reside (NCTR) delays and improve admission avoidance strategies.	G

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

Economy, efficiency and effectiveness – commentary on arrangements (continued)

We considered how the ICB:	Commentary on arrangements	Rating
<p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p>	<p>The ICB has structured arrangements in place, including the Joint Forward Plan (JFP), Board governance structures, and sub-groups, which demonstrate ongoing engagement with ICS partners, local authorities, provider collaboratives, VCSE organisations, and service users. The JFP outlines the ICB’s strategic priorities, confirming that engagement with key stakeholders has been sought and that system-wide objectives are regularly reviewed. It also identifies shared challenges such as urgent and emergency care, mental health in children and young people, and tackling health inequalities, with programme boards and sub-groups established to lead on these areas. Additionally, the Performance Report to the Board confirms monitoring through mechanisms such as the System Coordination Centre, which enables oversight and coordination of system-wide responses to operational pressures.</p>	<p>G</p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>The ICB follows a structured policy for contract oversight, which includes regular performance reviews and governance processes. The ICB is working to deliver procurement efficiencies through participation in two procurement collaboratives. It commissions NHS South, Central and West Commissioning Support Unit (SCWCSU) to provide procurement services for healthcare commissioning and uses the Bristol and Weston Purchasing Consortium (BWPC) for goods and services procurement. These arrangements support strategic purchasing and reduce duplication across the system. We did note that the ICB’s procurement policy states that the Procurement Oversight Group is responsible for ensuring a register of procurement decisions and contracts awarded is published on the ICB’s website. The register includes both new and existing contracts. The latest available register was uploaded in July 2024. Our work was completed during May 2025, and the ICB has confirmed it intends to upload an updated register in June 2025 following the transition to the Atamis contract management system.</p>	<p>G</p>

- G** No significant weaknesses or improvement recommendations.
- A** No significant weaknesses, improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendation(s) made.

05 Summary of Value for Money Recommendations raised in 2024/25

Improvement recommendations raised in 2024/25

Recommendation	Relates to	Management Actions
<p>IR1</p> <p>Given the ICB’s decision not to implement a separate Board Assurance Framework (BAF), the existing Risk Management Framework should be enhanced to incorporate the core functions typically provided by a BAF. This includes aligning strategic risks to corporate objectives, identifying the controls in place and assessing their effectiveness, setting out the sources of assurance, and applying the three lines of defence model to evaluate the strength of that assurance.</p>	<p>Governance (page 23)</p>	<p>Actions: The revised Risk Management Framework was agreed by the ICB Board in May 2025 following the involvement in its development by the Audit and Risk Committee in March and April. ICB objectives affected by risks identified through the Risk Management Framework are attributed to risks included on directorate risk registers from which the Corporate Risk Register is produced. The forthcoming reorganisation of BNSSG ICB in line with the national direction, will prompt a revision to current governance arrangements including the management of risk. As part of the annual review of the Risk Management Framework, and in line with any organisational changes affecting risk management, the ICB will ensure that consideration is given to strong oversight of strategic risk and assurance including the core functions typically provided by a Board Assurance Framework.</p> <p>Responsible Officer:</p> <p>Executive Lead:</p> <p>Due Date:</p>

06 Follow up of previous Key recommendations

Follow up of 2023/24 Key recommendations

	Prior Recommendation	Raised	Progress	Current status	Further action
KR1	<p>To ensure that it has appropriate approval and oversight arrangements in place when awarding grants to external bodies, thereby providing assurance that public money is spent in accordance with the intended purposes, the ICB needs to:</p> <ul style="list-style-type: none"> ensure that it uses the appropriate national NHS template agreement; monitor expenditure against grants, requiring recipients to provide supporting evidence; maintain a grant register; and ensure senior officer and appropriate Committee oversight and that this is documented. 	2023/24	<p>We have reviewed the ICB’s updated Standing Financial Instructions (January 2025), the Grant Agreement Standard Operating Procedure (introduced in September 2024) and the Grant Register which was introduced alongside the new procedure. These confirm that the ICB now uses the NHS England model grant agreement, maintains a grant register, and has processes for monitoring grant expenditure and ensuring oversight by designated officers and governance committees. The updated SFIs set out delegated authority levels for approving and signing grant agreements, and the SOP includes monitoring and due diligence requirements.</p>	Implemented in full	No

07 Appendices

Appendix A: Responsibilities of the NHS Integrated Care Board

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The ICB's directors are responsible preparing the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are required to comply with the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the ICB is informed of the intention for dissolution without transfer of services or function to another entity. An organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to function for the foreseeable future, usually regarded as at least the next 12 months.

The ICB is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



Appendix B: Value for Money Auditor responsibilities

Our work is risk-based and focused on providing a commentary assessment of the ICB’s Value for Money arrangements

Phase 1 – Planning and initial risk assessment


As part of our planning we assess our knowledge of the ICB’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations.

 A range of different recommendations can be raised by the ICB’s auditors as follows:

Statutory recommendations – recommendations to the ICB under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014.

Key recommendations – the actions which should be taken by the ICB where significant weaknesses are identified within arrangements.

Improvement recommendations – actions which are not a result of us identifying significant weaknesses in the ICB’s arrangements, but which if not addressed could increase the risk of a significant weakness in the future.

Information that informs our ongoing risk assessment

Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Board
Interviews and discussions with key officers	NHS Oversight Framework (NOF) rating
Progress with implementing recommendations	Care Quality Commission (CQC) reporting
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR1	The ICB needs to ensure that the financial plan submitted to NHSE in May 2024 is delivered and that it works with provider trusts to deliver financial balance on a recurrent basis. This should include working with provider trusts to build on the existing strong relationships to ensure that provider trusts deliver their planned Cost Improvement Plans (CIPs) in full on a recurrent basis.	2023/24	In 2024/25 the ICB and provider trusts delivered a small surplus against a breakeven plan. Strong system-wide working has continued. However, the underlying ICS deficit position has increased to £134.7m - £66m adverse to the submitted plan for 2024/25 - owing to some provider trust savings being delivered non-recurrently. The ICB continues to work with provider trusts to move the system to a recurrent breakeven position. The ICB has an efficiency plan for 2025/26 of £57.983m, all of which are recurrent. We have not made a further recommendation as it would add little value, given the arrangements in place.	Implemented and closed	No

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR2	<p>The ICB should:</p> <p>Obtain explicit documented discussion and approval from the Board for the removal or alteration of the Board Assurance Framework (BAF) from the risk management framework considering a BAF is widely recommended within the NHS framework for effective oversight and risk management.</p> <p>Further develop risk management arrangements to align risk registers with strategic goals with clear metrics for assurance and control effectiveness, gaps in controls, and detailed mitigation actions.</p>	2023/24	<p>The ICB has developed its Board Assurance arrangements, but there is scope to go further in order to provide greater assurance that risks around strategic priorities are being managed effectively. We have refreshed our improvement recommendation.</p>	<p>Recommendation updated – please see page 23</p>	Yes

Appendix C: Follow up of 2023/24 improvement recommendations

	Prior Recommendation	Raised	Progress	Current position	Further action
IR3	The system-wide Joint Forward Plan clearly sets out the key priorities and outcomes, together with metrics showing how delivery will be measured. Given the importance of this the ICB should enhance public reporting and accountability by including update reports, including performance information to demonstrate progress and highlight areas where greater focus is needed.	2023/24	We reviewed the ICB website, Joint Forward Plan, and the draft Annual Report for 2024/25. The ICB has set out clear priorities, outcomes, and measures to track progress against its strategic aims. It is reporting progress through Board reports, its Annual Report, and other publicly available documents published on its website. These arrangements meet the requirement of the recommendation and support its closure.	Implemented and closed	No



© 2025 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.