



# NHS Norfolk and Waveney Integrated Care Board **Auditor's Annual Report**

Year ended 31 March 2024

27 June 2024



Audit and Risk Committee Members  
NHS Norfolk and Waveney Integrated Care  
Board  
County Hall  
Martineau Lane  
Norwich  
NR1 2DH

27 June 2024

Dear Committee Members

### **2023/24 Auditor's Annual Report**

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for NHS Norfolk and Waveney Integrated Care Board. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2023/24.

This report is intended to draw to the attention of the ICB any relevant issues arising from our work. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the next Audit Committee meeting on 18 September 2024.

Yours faithfully

Mark Hodgson  
Partner  
For and on behalf of Ernst & Young LLP  
Encl

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The contents of this report are subject to the terms and conditions of our appointment as set out in our engagement letter of 23 April 2021. This report is made solely to the Audit and Risk Committee, Board and management of NHS Norfolk and Waveney Integrated Care Board in accordance with our engagement letter. Our work has been undertaken so that we might state to the Audit and Risk Committee, Board and management of NHS Norfolk and Waveney Integrated Care Board those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit and Risk Committee, Board and management of NHS Norfolk and Waveney Integrated Care Board for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



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# 01 Executive Summary



# Executive Summary

## Purpose

The purpose of the Auditor's Annual Report is to bring together all of the auditor's work over the year and the value for money commentary, including confirmation of the opinion given on the financial statements; and, by exception, reference to any reporting by the auditor as required by AGN07. In doing so, we comply with the requirements of the 2020 Code of Audit Practice (the Code) and Auditor Guidance Note 3 (AGN 03). This commentary aims to draw to the attention of the ICB and the wider public relevant issues from our work including recommendations arising in the current year and follow-up of recommendations issued previously, along with the auditor's view as to whether they have been implemented satisfactorily.

## Responsibilities of the Appointed Auditor

We have undertaken our 2023/24 audit work in accordance with the Audit Plan that we issued on 27 February 2024. We have complied with the National Audit Office's (NAO) 2020 Code of Audit Practice, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- The 2023/24 financial statements;
- The parts of the remuneration and staff report to be audited;
- The consistency of other information published with the financial statements, including the annual report;
- The regularity of the ICB's income and expenditure; and
- Whether the consolidation schedules are consistent with the ICB's financial statements for the relevant reporting period.

Reporting by exception:

- If the governance statement does not comply with relevant guidance or is not consistent with our understanding of the ICB;
- To the Secretary of State for Health and Social Care and NHS England if we have concerns about the legality of transactions or decisions taken by the ICB;
- Any significant matters or written recommendations that are in the public interest; and
- If we identify a significant weakness in the ICB's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

## Responsibilities of the ICB

The ICB is responsible for preparing and publishing its Financial Statements, Annual Report and Governance Statement. It is also responsible for ensuring the regularity of its income and expenditure and putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

# Executive Summary (continued)

## 2023/24 Conclusions

<b>Financial statements</b>	Unqualified - the financial statements give a true and fair view of the financial position of the ICB as at 31 March 2024 and of its expenditure and income for the year then ended. We issued our Auditor's Report on 27 June 2024.
<b>Regularity of income and expenditure</b>	Unqualified - financial transactions were conducted within the ICB legal framework.
<b>Parts of the remuneration report and staff report subject to audit</b>	We had no matters to report.
<b>Consistency of the other information published with the financial statement</b>	Financial information in the Annual report and published with the financial statements was consistent with the audited accounts.
<b>Value for money (VFM)</b>	We had no matters to report by exception on the ICB's VFM arrangements. We have included our VFM commentary in Section 03.
<b>Consistency of the annual governance statement</b>	We were satisfied that the annual governance statement was consistent with our understanding of the ICB.
<b>Referrals to the Secretary of State and NHS England.</b>	We made no such referrals.
<b>Public interest report and other auditor powers</b>	We had no reason to use our auditor powers.
<b>Reporting to the ICB on its consolidation schedules</b>	We concluded that the ICB's consolidation schedules agreed, within a £300,000 tolerance, to the audited financial statements.
<b>Reporting to the National Audit Office (NAO) in line with group instructions</b>	We reported one matter to the National Audit Office. Our audit procedures identified that the ICB made system support payments totalling £13.7 million to other NHS bodies within their Integrated Care System. The ICB expects to receive these back as part of their submitted 2024/25 financial plan.
<b>Certificate</b>	We issued our certificate on 27 June 2024.

# Executive Summary (continued)

## Value for Money

## Scope

Auditors are required to be satisfied that NHS Norfolk and Waveney Integrated Care Board has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report 'by exception' in the auditor's opinion on the financial statements. In addition, auditors provide an annual commentary on arrangements published as part of the Auditor's Annual Report.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of ICB committee reports;
- meetings with Management;
- information from external sources; and
- evaluation of associated documentation through our regular engagement with ICB management and the finance team.

# Executive Summary (continued)

## Value for Money (continued)

### Reporting

Our commentary for 2023/24 is set in Section 03. The commentary on these pages summarises our understanding of the arrangements at the ICB based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2023/24. We include within the VFM commentary below any associated recommendations we have agreed with the ICB.

Appendix A includes the detailed arrangements and processes underpinning the reporting criteria. These were reported in our 2022/23 Auditor's Annual Report and have been updated for 2023/24.

In accordance with the NAO's 2020 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether we have concluded that there is a significant weakness in the body's arrangements.

Reporting Criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
<b>Financial sustainability:</b> How the ICB plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
<b>Governance:</b> How the ICB ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
<b>Improving economy, efficiency and effectiveness:</b> How the ICB uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified



# Executive Summary (continued)

## Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the ICB, and its Members and Senior Management and its affiliates, including all services provided by us and our network to the ICB, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2023 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

## EY Transparency Report 2023

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2023:

[EY UK 2023 Transparency Report | EY UK](#)



# 02

## Audit of the financial statements

# Audit of the financial statements

## Key findings

The Annual Report and Accounts is an important tool for the ICB to show how it has used public money and how it can demonstrate its financial management and financial health.

On 27 June 2024, we issued an unqualified opinion on the financial statements. We reported our audit scope, risks identified and detailed findings to the 20 June 2024 Audit and Risk Committee meeting in our Audit Results Report. We outline below the key issues identified as part of our audit. We reported one internal control recommendations for improvement in the control environment in the Audit Results Report. See Appendix B.

Significant risk	Conclusion
<b>Misstatements due to fraud or error - Management override of controls</b>	We have not identified any material weaknesses in controls. We have not identified any instances of inappropriate judgements being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the ICB's normal course of business. We identified that the ICB made two system support payments to other NHS bodies within their Integrated Care System totalling £13.7 million to other NHS bodies within their Integrated Care System. The ICB expects to receive these back as part of their submitted 2024/25 financial plan.
<b>Misstatements due to fraud or error - Risk of fraud in expenditure recognition through key estimates/judgements</b>	Our audit work found no indication of fraud in expenditure recognition through key estimates or judgements. We identified two audit differences relating to the prescribing and continuing healthcare accruals, which Management chose not to adjust on the grounds of materiality. This position was agreed by the Audit and Risk Committee.
<b>Misstatements due to fraud or error in relation to management override - classification of admin and programme costs</b>	Our work did not identify any material weaknesses in controls or evidence of material management override concerning the classification of admin and programme costs. Our work did not identify any instances of inappropriate judgements being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the ICB's normal course of business.



03

## Value for Money Commentary

# Value for Money Commentary

**Financial Sustainability: How the ICB plans and manages its resources to ensure it can continue to deliver its services**

**No significant weakness identified**

The ICB is required to have arrangements in place to ensure proper resource management and the primary responsibility for these arrangements and reporting on the design and operation of these arrangements via the Annual Governance Statement, rests with management. In accordance with the NAO's Code of Audit Practice, the focus of our work should be on the arrangements that the ICB is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements in respect of securing financial sustainability.

The ICBs 2023/24 financial planning was completed in line with NHSE guidelines. Primary oversight is the responsibility of the Board, with delegated authority to the Finance Committee. The Board approved the ICB's financial plan, following review and challenge by the Finance Committee. The plan included achievement of the breakeven duty for the ICB itself but included £75 million of unmitigated risks and an efficiency programme of £36.7 million.

The Finance Committee monitor the ICB's progress against the budget and recommend corrective action to the Board when year-end forecasts suggest that the financial plan will not be achieved. The ICB achieved a surplus of £0.06 million in 2023/24, therefore delivering the statutory duty to break even. The efficiency programme in 2023/24 delivered efficiencies of £39.4 million against a plan of £36.7 million to enable the ICB to break even.

The ICB follow their Risk Management Framework which is approved by the Board. Risk is reviewed regularly by the Executive Management Team with risks assessed, rated and agreed for either escalation or removal from the Board Assurance Framework. The Audit and Risk Committee reviews the risk register to ensure that matters are appropriately reported and that action plans are robust and progress is being made.

The responsibility for monitoring the ongoing impact of financial resilience has been delegated to the Finance Committee. The Finance Committee supports the Board in scrutinising and tracking delivery of key financial and service priorities, objectives and targets as specified in the ICB's Strategic and Operational Plans. The Committee also submits information as appropriate to the Audit and Risk Committee and provides advice to the Board on strategic financial matters.

**Conclusion:** Based on the work performed, the ICB had proper arrangements in place in 2023/24 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

# Value for Money Commentary (continued)

**Governance: How the ICB ensures that it makes informed decisions and properly manages its risks**

**No significant weakness identified**

The ICB is required to have arrangements in place to make informed decisions and properly manage its risks, and the responsibility for these arrangements and reporting on the design and operation of these arrangements via the Annual Governance Statement, rests with Management. In accordance with the NAO's Code, the focus of our work should be on the arrangements that the ICB is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements in respect to governance.

The ICB maintains its risk register as part of the Board Assurance Framework (BAF). The Audit and Risk Committee scrutinise the underpinning processes behind the BAF and seek assurances on the effectiveness of controls from senior managers to ensure that matters are appropriately reported and that action plans are robust and progress is being made.

Internal Audit is part of the ICB's governance and risk assessment structure. The Head of Internal Audit Opinion concluded that reasonable assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

The ICB identified that a small element of Primary Care Additional Roles Reimbursement Scheme (ARRS) expenditure was ineligible in 2023/24. ARRS is a national scheme, to increase the level of primary care availability in order to minimise the use of secondary care facilities. Year-end checks by the ICB highlighted a reconciliation difference in relation to one claim, for which appropriate evidence for the eligibility of the additional roles was not provided. The ICB has recouped the inappropriately claimed £0.510 million by deducting the claim payments from normal monthly commissioning funding from the Primary Care Network. An internal review is currently in progress. Enhanced approval controls are being implemented in 2024/25 by the ICB in respect of the authorisation of all future claims.

The Board is accountable for ensuring that the ICB has mechanisms in place to ensure that the ICB uses its resources economically, efficiently and effectively. The Finance Committee scrutinises the annual budget prior to agreement by the Board and monitors delivery of financial standing during the year, including delivery of the efficiency plan, to ensure that the ICB meets its financial statutory duties.

**Conclusion: Based on the work performed, the ICB had proper arrangements in place in 2023/24 to make informed decisions and properly manage its risks.**

# Value for Money Commentary (continued)

Improving economy, efficiency and effectiveness: How the ICB uses information about its costs and performance to improve the way it manages and delivers its services

No significant weakness identified

The ICB is required to have arrangements in place to ensure economy, efficiency and effectiveness, and the responsibility for these arrangements and reporting on the design and operation of these arrangements via the Annual Governance Statement, rests with Management. In accordance with the NAO's Code, the focus of our work should be on the arrangements that the ICB is expected to have in place during the year ended 31 March 2024. Our risk assessment did not identify any risk of significant weakness in arrangements in respect to Improving economy, efficiency and effectiveness.

The Finance Committee supports the Board in scrutinising and tracking delivery of key financial and service priorities, objectives and targets as specified in the ICB's Strategic and Operational Plans. The Committee also submits information as appropriate to the Audit and Risk Committee and provides advice to the Board on strategic financial matters.

On 30 January 2024, Ofsted issued an area SEND full inspection report to Suffolk County Council, NHS Suffolk and North East Essex ICB and NHS Norfolk and Waveney ICB. This inspection was undertaken in November 2023 and carried out at the request of the Secretary of State for Education under section 20(1)(a) of the Children Act 2004. The report concluded that there are widespread and/or systemic failings leading to significant concerns about the experiences and outcomes of children and young people with special educational needs and/or disabilities (SEND), which the local area partnership must address urgently. As a result of this inspection, His Majesty's Chief Inspector required the local area partnership to prepare and submit a priority action plan to address the two priority actions and three areas for improvement identified. This Local Area Partnership which has overall responsibility for SEND produced a Plan which has been approved by Ofsted and CQC. We have considered whether the issues raised in the SEND report represent a significant weakness in the ICB's arrangements. Given that the ICB does not have the legal requirements under the Children and Families Act 2014 and that children's continuing healthcare (CHC) expenditure is not material for the ICB, we have concluded that the findings of the report do not represent a risk of significant weakness in the ICB's overall value for money arrangements.

As reported as part of our financial statements audit, under NHS Standard Contract 2023/24 Technical Guidance (March 2023), expenditure incurred in the commissioning of services from providers should be underpinned by a signed contract between the ICB and the provider, with every effort made to agree and sign contracts in advance of 1 April 2023. Our testing of key contracts identified that, whilst working arrangements were in place with providers, no updated contract schedules including the expected annual contract values for 2023/24 had been signed in advance of 1 April 2023. In some instances, contracts remained unsigned and alternative evidence was provided to demonstrate agreement between all parties. We have raised a recommendation that the ICB obtains signed contracts in the appropriate form in line with the expectation of the national guidance. Given that the contract values are determined as part of the financial planning process with NHS England and Providers, and we have not identified any audit adjustments as part of our financial statements audit, we have concluded that this does not represent a risk of significant weakness in value for money arrangements.

**Conclusion:** Based on the work performed, the ICB had proper arrangements in place in 2023/24 to enable it to use information about its costs and performance to improve the way it manages and delivers its services.



# 04 Appendices

# Appendix A - Summary of arrangements

## Financial Sustainability

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

### Reporting criteria considerations

### Arrangements in place

How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them

In line with the Constitution, the Audit and Risk Committee reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the ICB's activities that support the achievement of the ICB's objectives. The ICB follow their Risk Management Framework which is approved by the Board. Risk is reviewed regularly by the Executive Management Team with risks assessed, rated and agreed for either escalation or removal from the Board Assurance Framework (BAF). The Audit and Risk Committee reviews the risk register to ensure that matters are appropriately reported and that action plans are robust and progress is being made. The Board meets in public every other month and public papers include the BAF.

In addition, specific financial risks are reported to the Finance Committee on a monthly basis, the combination of these together with the underlying position analysis forms the basis of short to medium-term plans and ensures these items are inherent to these plans.

How the body plans to bridge its funding gaps and identifies achievable savings

NHS Financial Planning for 2023/24 has been performed in line with NHSE guidelines. Primary oversight is the responsibility of the Board, with delegated authority to the Finance Committee. The financial plan was presented to the Finance Committee on 23 May 2023. The plan included achievement of breakeven for the ICB itself but included £75 million of unmitigated risks and an efficiency programme of £36.7 million.

The ICB achieved a surplus of £0.06 million in 2023/24, therefore delivering the statutory duty to break even. The efficiency programme in 2023/24 delivered efficiencies of £39.4 million against a plan of £36.7 million to enable the ICB to break even. The ICB has overachieved its efficiency programme since 2021/22 (the 2020/21 year being impacted by COVID and the associated redeployment of staff).

It was announced in March 2024 that the Norfolk and Waveney Integrated Care System is no longer in NHS oversight framework segment 4 and has been removed from the Recovery Support Programme (RSP), formerly known as "special measures".

# Appendix A - Summary of arrangements

## Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

### Reporting criteria considerations

### Arrangements in place

How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities

There is no medium-term financial strategy available due to the annual funding regime for ICBs. The 2024/25 financial plans were submitted for the Integrated Care System (Norfolk wide health economy) and the ICB. The ICB plan submitted to NHSE shows a break even position, which includes £51.2 million of required efficiencies and has unmitigated risks of £49.2 million. To date, only £28.3 million of these efficiencies have been identified with £22.9 million of efficiencies remaining to be identified. This plan also includes the return of £13.7 million system support made to providers in 2023/24.

The ICB is aware that there could be further financial pressures which could impact the delivery of the planned break even position, and is managing these risks through Finance Committee. Clearly, the identification of the remaining efficiency savings and management of those financial pressures is critical to the ICB achieving its statutory duty in 2024/25. The ICB do have a history of delivering its efficiency plans having delivered its efficiency programme since 2021/22. It is noted, however, that the 2023/24 closing underlying deficit is £102.3 million with the predicted 2024/25 closing underlying deficit expected to be £101.8 million.

How the body ensures that 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

The 2024/25 planning process is assessed at a system level, requiring the Norfolk and Waveney Integrated Care System (NWICS) to prepare and submit its consolidated plan.

This plan is the consolidation of the individual organisational plans which have already been through the respective Trust and ICB's governance processes. This consolidated plan was then submitted to the NWICS Executive for final approval prior to submission. This ensured consistency between organisational and system planning submissions.

With specific regards to capital investment the NWICS has a Strategic Capital Board (SCB) which includes Executive representation from all organisations within the system. SCB assesses the capital requirements for these organisations and prioritises the investments to progress, making recommendation for approval to the NWICS Executive. The outputs of the SCB forms part of the planning submission.

# Appendix A - Summary of arrangements

## Financial Sustainability (continued)

We set out below the arrangements for the financial sustainability criteria covering the year 2023/24.

### Reporting criteria considerations

### Arrangements in place

How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans

The Board approved the ICB's Financial Plan and associated savings plan for 2023/24, following review of the planning process by the Finance Committee, which included review and challenge of the planning assumptions made. The Board also recently approved the 2024/25 Financial Plan.

The responsibility for monitoring the ongoing impact of financial resilience has been delegated to the Finance Committee. The Finance Committee supports the Board in scrutinising and tracking delivery of key financial and service priorities, objectives and targets as specified in the ICB's Strategic and Operational Plans. The Committee also submits information as appropriate to the Audit and Risk Committee and provides advice to the Board on strategic financial matters.

The Finance Committee met during the year and their work included review of the annual budget, monitoring the ICB's progress against the budget and recommending corrective action to the Board when year-end forecasts suggest that the financial plan will not be achieved, receiving detailed reports at each meeting concerning the ICB's financial performance and scrutinising the Financial Risk Register. The Committee also reviews the ICS's financial position during the year.

# Appendix A - Summary of arrangements

## Governance

We set out below the arrangements for the governance criteria covering the year 2023/24.

### Reporting criteria considerations

How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud

### Arrangements in place

The ICB maintains its risk register as part of the Board Assurance Framework (BAF). We note that the fact that these risk reviews are performed, and reviewed at Board level, is in itself evidence of governance level review of organisational risk. As such we can see that the entity has procedures in place to review and address risk. The Audit and Risk Committee scrutinise the underpinning processes behind the BAF and seek assurances on the effectiveness of controls from senior managers to ensure that matters are appropriately reported and that action plans are robust and progress is being made. In addition, the Audit and Risk Committee has the role of reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the ICB's activities.

Internal audit is part of the ICBs governance and risk assessment structure and is outsourced to a third-party firm (TIAA). Internal Audit provide regular reports to the Audit and Risk Committee on key areas as set out in its audit plan. The 2023/24 plan was agreed by the Audit and Risk Committee in February 2023 along with the indicative Audit Strategy covering the 2023 to 2026 period. As part of the internal audit process the ICB responds to audit recommendations and findings and agrees the actions it will take to secure improvement in its processes. During 2023/24 internal audit identified two areas with limited assurance - Primary Care Delegated Commissioning and Risk Management. Further information is provided in the Annual Governance Statement.

The ICB has in place a programme of counter fraud and anti-bribery activity, supported by the accredited Local Counter Fraud Specialist (LCFS) whose work plan to address identified risks was monitored by the Director of Finance and the Audit and Risk Committee. The Director of Finance is the first point of contact for any issues to be raised by the Local Counter Fraud Specialist (provided by Grant Thornton). Online Fraud, Corruption and Bribery Act awareness training has been made mandatory for all ICB staff. The LCFS attends ICB Audit and Risk Committee meetings to provide progress reports and updates, as well as providing an Annual Report of the Counter Fraud Work undertaken.

The ICB identified that a small element of Primary Care Additional Roles Reimbursement Scheme (ARRS) expenditure was ineligible in 2023/24. ARRS is a national scheme, to increase the level of primary care availability in order to minimise the use of secondary care facilities. Year-end checks by the ICB highlighted a reconciliation difference in relation to one claim, for which appropriate evidence for the eligibility of the additional roles was not provided. The ICB has recouped the inappropriately claimed £0.510 million by deducting the claim payments from normal monthly commissioning funding from the Primary Care Network. An internal review is currently in progress. Enhanced approval controls are being implemented in 2024/25 by the ICB in respect of the authorisation of all future claims.

# Appendix A - Summary of arrangements

## Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2023/24.

### Reporting criteria considerations

### Arrangements in place

How the body approaches and carries out its annual budget setting process

NHS England guidance requires the ICB to set a balanced budget. Budgets for 2023/24 and 2024/25 have been reviewed for recurrency and uplifted in line with the inflation/growth allocated to the ICB. Efficiency and convergence factors have also been applied to bring budgets back within the allocation. NHS England planning guidance has been followed in all key areas. The 2023/24 plan was approved by the Board and submitted to NHS England on 4 May 2023. The 2024/25 financial plan was approved by the Finance Committee and submitted to the NHS England on 2 May 2024.

The budgets have been set in line with the agreed priorities and long-term strategic direction of the ICS, for both the ICB and the system as a whole. The priorities for the ICS and ICB are shown in the 5-year Joint Forward Plan which was refreshed in March 2024 to cover the period up to 2028/29.

How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed

The Board is accountable for ensuring that the ICB has mechanisms in place to ensure that the organisation uses its resources economically, efficiently and effectively.

Budgets are set and approved at very senior levels in the organisation to maintain a firm grip on the ICB's financial management.

The Finance Committee scrutinises the annual budget prior to agreement by the Board and monitors delivery of financial standing during the year, including delivery of the efficiency plan, to ensure that the ICB meets its financial statutory duties.

In addition, Internal Audit completed audits of Core Financial Systems, Financial Management and Efficiency Savings during 2023/24, achieving ratings of substantial for the first two audits and reasonable assurance for the Efficiency Savings audit.

# Appendix A - Summary of arrangements

## Governance (continued)

We set out below the arrangements for the governance criteria covering the year 2023/24.

### Reporting criteria considerations

How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee

### Arrangements in place

Primary oversight is the responsibility of the ICB's Board, with some delegated responsibilities (such as Integrated governance, risk management and internal control) to the Audit and Risk Committee as per the Scheme of Reservation and Delegation in the ICB's Constitution.

The Audit and Risk Committee perform an annual review of their effectiveness, which includes responses from internal audit. The Audit and Risk Committee has debriefed after meetings to ensure that it is operating as effectively as possible given the circumstances prevalent across the year.

The Board has met in public (by virtual means) over the last year including the Annual Meeting on a bi-monthly basis. In addition, the Board meets in a private development session in the intervening months.

The Head of Internal Audit Opinion concluded that reasonable assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk.

How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests)

ICB policies are reviewed in line with current legislation, from a best practice and counter fraud perspective. Details of all policies, procedures and key documents reviewed are reported to the Audit and Risk Committee.

The ICB also has a Conflicts of Interest Committee Sub Committee (it being a sub-committee of the Audit and Risk Committee). This committee is authorised to make decisions on behalf of the Board about issues which could not be decided by the Board due to conflicts of interest and thus acts independently.

Internal Audit completed a Business Interests, Secondary Employment and Declaration of Interests audit during 2023/24. The finding from this audit was that reasonable assurance could be provided on the ICB's management of Conflicts of Interest.

The ICB maintains Registers of Interests for Board and Committee members, all staff and member practice GP partners. The registers are updated throughout the year.

# Appendix A - Summary of arrangements

## Improving economy, efficiency and effectiveness

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2023/24.

### Reporting criteria considerations

How financial and performance information has been used to assess performance to identify areas for improvement

### Arrangements in place

The Finance Committee supports the Board in scrutinising and tracking delivery of key financial and service priorities, objectives and targets as specified in the ICB's Strategic and Operational Plans. The Committee also submits information as appropriate to the Audit and Risk Committee and provides advice to the Board on strategic financial matters. The Finance Committee met eleven times during the period and their work included review of the annual budget, monitoring the ICB's financial standing in-year and recommending corrective action to the Board when year-end forecasts suggest that the financial plan will not be achieved, receiving detailed reports at each meeting concerning the ICB's financial performance and scrutinising the Finance Directorate's Risk Register, identifying new risks and monitoring existing risks through to closure.

# Appendix A - Summary of arrangements

## Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2023/24.

### Reporting criteria considerations

How the body evaluates the services it provides to assess performance and identify areas for improvement

### Arrangements in place

The role of the Quality and Safety Committee of the ICB is to seek assurance that robust clinical quality is in place. The Quality and Safety Committee is accountable to the Board. The Committee provides the Board with assurance in relation to the quality and safety of its commissioned services and the internal process to support safe, effective, and continuous improvement in services.

The role of the Performance Committee of the ICB is to provide assurance that that the ICB is delivering its functions in a way that ensures a high performing system. The Committee exists to scrutinise the robustness of and gain and provide assurance to ICB regarding the delivery of key performance standards by commissioned providers, performance of the system against the NHS Outcomes Framework and progress with improving wider population health outcome measures.

The role of the Primary Care Commissioning Committee of the ICB is in respect of delivery and oversight of the primary care strategic framework and is a statutory committee of the ICB.

Wider performance considerations are linked to the BAF, which identifies the strategic objectives of the ICB. Key Performance Indicators are published as part of the ICB's Annual Report, which form part of the NHS System Oversight Framework. Performance against these is monitored through the various committees identified above and through the Integrated Care Board.

On 30 January 2024, Ofsted issued an area SEND full inspection report to Suffolk County Council, NHS Suffolk and North East Essex ICB and NHS Norfolk and Waveney ICB. This inspection was undertaken in November 2023 and carried out at the request of the Secretary of State for Education under section 20(1)(a) of the Children Act 2004. The report concluded that there are widespread and/or systemic failings leading to significant concerns about the experiences and outcomes of children and young people with special educational needs and/or disabilities (SEND), which the local area partnership must address urgently. As a result of this inspection, His Majesty's Chief Inspector required the local area partnership to prepare and submit a priority action plan to address the two priority actions and three areas for improvement identified. This Local Area Partnership which has overall responsibility for SEND produced a Plan which has been approved by Ofsted and CQC.

# Appendix A - Summary of arrangements

## Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2023/24.

### Reporting criteria considerations

How the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve

### Arrangements in place

The structure of commissioning bodies within the NHS changed significantly in 2022/23, Norfolk and Waveney CCG became Norfolk and Waveney Integrated Care Board, the statutory organisation for the Norfolk and Waveney Integrated Care System. This fundamentally changed the way that organisations within Norfolk and Waveney interact with each other, as performance is measured by national bodies as a system rather than historically as individual organisations and is designed to act in partnership with all relevant organisations in Norfolk and Waveney.

The Integrated Care Partnership is in place following the transition process and met 4 times during 2023/24 (this is held jointly with the Norfolk Health and Wellbeing Board). The Integrated Care Partnership is responsible for integrating the care system with the wider public and charitable sector and has statutory responsibility for developing the strategy to address health inequalities. The Integrated Care System brings key NHS, social care and public health partners together, to ensure the commitment of those with statutory responsibilities and funding. This with a common purpose of the triple aim of improving health outcomes and reducing unwarranted health inequalities, ensuring safe, high-quality services; and securing sustainable use of NHS resources.

It was announced in March 2024 that the Norfolk and Waveney Integrated Care System is no longer in NHS oversight framework segment 4 (mandated intensive support) and has been removed from the Recovery Support Programme (RSP), formerly known as "special measures". The ICS has moved to segment 3 (mandated regional support) after a sustained period of improvement in the Norfolk and Waveney Integrated Care System.

# Appendix A - Summary of arrangements

## Improving economy, efficiency and effectiveness (continued)

We set out below the arrangements for improving economy, efficiency and effectiveness criteria covering the year 2023/24.

### Reporting criteria considerations

How the body ensures that commissioning and procuring services is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits

### Arrangements in place

The ICB has processes in place for ensuring that procurement is carried out in accordance with the ICB Scheme of Reservation and Delegation and the NHS Constitution (including tender waivers where appropriate).

The introduction of the Provider Selection Regime (PSR) in the year has meant changes to the current procurement governance arrangements at the ICB. A new Commissioning and Performance Committee is being set up as the forum that will approve the procurement route to be used and the monitor the outcome of procurements, although this will continue to be undertaken by the Contracting and Procurement Steering Group until the Committee is established. A new process has been introduced where the Contracts Register provides prompts for all contracts at 12, 6 and 3 months prior to expiry date. This will trigger the required steps for a decision to be made as to whether to decommission the service or to continue the service and activating the appropriate procurement process. The implementation of these updated processes are being monitored by the Audit and Risk Committee.

Internal Audit's report on Contract management and performance gave the ICB's arrangements a "reasonable " assurance opinion.

As reported as part of our financial statements audit, under NHS Standard Contract 2023/24 Technical Guidance (March 2023), expenditure incurred in the commissioning of services from providers should be underpinned by a signed contract between the ICB and the provider, with every effort made to agree and sign contracts in advance of 1 April 2023. Our testing of key contracts identified that, whilst working arrangements were in place with providers, no updated contract schedules including the expected annual contract values for 2023/24 had been signed in advance of 1 April 2023. In some instances, contracts remained unsigned and alternative evidence was provided to demonstrate agreement between all parties. We have raised a recommendation that the ICB obtains signed contracts in the appropriate form in line with the expectation of the national guidance.

# Appendix B – Summary of recommendations

## Recommendations

The table below sets out the recommendations arising from both the financial statements audit and the value for money work.

All recommendations were agreed by management.

Issue	Recommendation	Management response
Financial Statements: Internal Control	We recommend that the Integrated Care Board (ICB) obtains signed contracts in the appropriate form in line with the expectation of the national guidance. Where this is not possible, signed contract should be in place as soon as is practically possible in the financial year for which the contract relates, and subsequently obtains signed contract variations for any changes to the activity provided by the relevant healthcare provider, in line with the technical guidance issued by NHS England.	Agreed
Value for Money	No recommendations made.	N/A

# Appendix C – Fees

## Fees

As outlined in the Audit Results Report were required to undertake additional procedures. We include details of the final audit fees in the table below.

Description	Current Year Final Fee 2023/24 £'s	Current Year Planned Fee 2023/24 £'s
Planned Audit Fee	201,500	201,500
Additional Audit Fee	9,579	-
<b>Total Audit Fee</b>	<b>211,079</b>	<b>201,500</b>

During 2023/24 we have undertaken additional procedures to assess a potential case of non-compliance with laws and regulations (NOCLAR). We have concluded that matter was inconsequential to our financial statements audit. We have, however, taken this into account during our audit and in our VFM procedures and have included where relevant in our VFM commentary reporting.

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