NHS
East of England
Community Health and Care
NHS Trust

Key Matters and Escalation Report to the Trust Board

Name of Committee: Audit and Risk
Chair: John Kennedy, Non-Executive Director
Meeting Date: 12 October 2026

Key matters

The committee received and discussed the following:

- **Local Counter Fraud Service (LCFS) Annual Report:**
  The invoice and mandate self-assessment have been finalised with actions to introduce a 'no purchase order, no pay' procedure and define supply responsibilities relating to conflicts of interest. Four cases were investigated during the reporting period. Legal steps were being taken in relation to an ongoing case linked to Dental Services. The annual fraud and bribery risk assessment was underway. Proactive work to increase uptake of staff awareness training sessions continues.

- **Internal Audit Progress Report / Annual Report:**
  - Recent audit reviews completed:
    - Appraisals (**reasonable assurance**)
    - Contract Management (**reasonable assurance**)
    - Compliance with Standing Financial Instructions (**reasonable assurance**)

  - All reviews had provided positive assurance, and common improvement themes were policy harmonisation, bringing legacy contract arrangements together and strengthening training.

  - It was expected that the 2026-27 Internal Audit programme would be materially complete by Christmas, and it was anticipated that an early indication of the Head of Internal Audit opinion would be provided at the next meeting in February 2027.

- **Update on External Audit activities:**
  A verbal update was provided, confirming that the 2025–26 audit certificate was still expected in November or December 2026. The transition of the finance team would help to facilitate earlier budget planning and preparation for the first single set of East of England Community Health and Care NHS Trust accounts.

- **Waivers and Special Payments (Quarters 1 & 2, 2026-27):**
  One waiver had been processed during the period and four special payments or losses.

- **Review of Risk & Issue Management Policy** *(policy approved)*:
  The committee reviewed minor amendments to the policy which included an additional appendix containing the Good Governance Institute guidance used by the Board to determine its strategic risk appetite, along with small amendments to the remaining accompanying appendices. The new organisation is now reporting all risks and issues onto one register and work continues to improve reporting technique.

- **Deep Dive – Issues Management** *(reasonable assurance)*:
  A summary was provided on all current major issues linked to Board committees as well as a thematic overview of all open issues on the issue register. A follow-up report will be presented at the next committee meeting in February 2027 and will provide any outcomes of a planned review of legacy risks / issues which have been transferred onto the single register.

- **Board Assurance Framework (BAF)** (*reasonable assurance)*:
  The committee reviewed a revised BAF containing links for each current risk score to specific actions, showing whether each action is expected to reduce likelihood, consequence or both, and when the target score should be reached. It was agreed that further enhancements would be added before the new BAF was presented to the Board in November 2026, considering the committee's feedback, and a more in-depth board discussion would be scheduled for the December Board Development Session.

Key escalations
There were none identified.

Key risks and issues
There are currently 13 strategic risks on the Trust Board Assurance Framework, with one rated as 16 (Cyber Security). No new risks or issues had been added since the last review by the Trust Board on 30th September 2026.

Good Practice and Innovation
The planned strengthening of issue management reporting and the Board Assurance Framework.

Escalation Framework - assurance rating definitions

Substantial:

- Demonstrates effective system of control and mitigations to address risks supported by information and evidence in the report.
- Evidence that controls are consistently applied.
- Very unlikely to negatively impact the achievement of the Trust ambitions and strategic objectives.
- Supported by subject matter expert opinion in the rationale for assurance rating.

Reasonable:

- Does not raise any concerns that are material weaknesses of internal control with information and evidence in the report.
- Highlights further action or development work underway to improve assurance.
- Supported by subject matter expert opinion in the rationale for assurance rating.

Action: **ongoing monitoring** by Committee.

Partial:

- Demonstrates some material weaknesses of internal control in the information and evidence in the report.
- Highlights further development work necessary to improve assurance.
- May negatively impact the achievement of Trust ambitions and strategic objectives.
- Some level of risk to improvement highlighted by subject matter expert opinion in the rationale for assurance rating.

Action: **increase** Committee scrutiny and **escalate** to the Trust Board for awareness.

Minimal:

- Demonstrates significant material weaknesses of internal control supported by information and evidence in the report.
- Actions that have been taken are not improving assurance.
- Will impair achievement of strategic aims and objectives.
- Significant risks to improvement highlighted by subject matter expert opinion in the rationale for assurance rating.

Action: **immediate escalation** to agree action at Trust Board level.