

Key Matters and Escalation Report to the Trust Board

Name of Committee: Audit and Risk Committee (In Common)

Chair: John Kennedy

Meeting Date: Monday, 16 March 2026

Key matters

The committee received and discussed the following:

Cambridgeshire Community Services NHS Trust (CCS)

- **Local Counter Fraud Service (LCFS) Progress Report** – delivery of the proactive plan was ongoing and included tailored training for the Brookfields Dental Service and an annual presentation to the Senior Leadership Forum. Two new referrals of alleged fraud had been received since the last meeting. A benchmarking analysis of single tender waivers had highlighted that the number of waivers recorded by the Trust was above the sector average, although the overall value remains below the sector average of £7.6m. A deep dive report on waivers for 2024-25 would be presented at the next meeting.
- **Internal Audit Progress Report** – no reviews had been completed during the period; two final reports for 2025-26 remained in draft (Bank and Agency / Key Financial Controls - cash and card payments). The majority of management actions had now been implemented.
- **Update on External Audit activities** – planning procedures were almost complete. Early testing had been carried out on fixed asset additions, contract income, payroll and expenditure for transactions up to the end of December 2025. The VFM (Value for Money) work would commence mid-April 2026.

Norfolk Community Health & Care Trust (NCHC)

- **Local Counter Fraud Service (LCFS) Progress Report** – delivery of the proactive plan was ongoing. 166 responses to the annual Fraud Awareness Survey had been received. Most areas of the current counter fraud functional standard assessment were rated as green, with a few rated as amber due to ongoing work. Staff were currently 94.02% compliant with anti-fraud training requirements, against a target of 90%. One referral of alleged fraud had been received since the last report.
- **Update on Missing IT equipment (*partial assurance*)** - all actions related to the missing IT equipment had been completed, including policy updates, staff training, and revised procedures for secure storage and insurance assessment.
- **Internal Audit Progress Report** – two audits had been finalised:
 - Estates and Facilities (**reasonable assurance**).
 - Core Financial Systems (**substantial assurance**)
- **Update on External Audit activities** - all planning work was complete, along with some early substantive testing. An initial VFM (Value for Money) risk assessment had been carried out with no significant risk areas identified to date. The Materiality level

for 2025-26 had been set at £4.4m and the misstatements reporting threshold set at £215,000.

- **Annual Quality Assurance Update** – the committee were assured that oversight of the clinical audit programme was strong with thematic reviews occurring through both the Quality Committee and Service Assurance Committees, which provided effective triangulation. The 2026-27 audit programme would focus on 14 strategically aligned planned audits. Three outstanding audits from 2025-26 would be carried forward into quarter one, 2026-27. Areas of focus during 2026-27 will be to align practices and policies with an aim to have this in place in time for 2027-28.

Discussion in Common

- **Review of Governance Manual, including Audit & Risk Committee's terms of Reference** – The committee reviewed proposed changes ahead of submitting to Board for approval (and to recommend adoption by the new Trust from 1 April 2026). Key changes included new Standing Financial Instructions and committee membership updates.
- **Annual Committee Workplan for 2026-27** – the committee reviewed the proposed work plan for the coming year and agreed that it would be sensible to focus any future deep dive topics on priorities identified in the Board Assurance Framework.
- **Group Trust Board Assurance Framework (*substantial assurance*)** – more detail under 'key risks and issues'.
- **Counter Fraud Outcome Metrics 2026-27** - proposed counter fraud metrics for the merged Trust were reviewed by the committee.
- **Annual Committee Effectiveness Survey** – latest results highlighted the need for clarity in reporting key risks and balancing the volume of committee papers.

Key risks and issues

The committee reviewed the latest iteration of the Group Board Assurance Framework, including an annual review of all risks and issues, and noted that no new risks had been added since the last review by the Group Board on 28th January 2026.

It was noted that the Board's strategic risk appetite would be reviewed again in autumn 2027 and the joint risk management policy will be updated further at that time.

Key escalations

There were no escalation points to report for either Trust.

Key Points to note:

- The committee had undertaken a comprehensive review of the Governance Manual, prior to it going to the Group Board on 18th March 2026 for approval.
- The committee had reviewed its annual work plan for 2026-27 and noted that future board development sessions and ongoing committee discussions would help to identify topics for the proposed deep dives.
- Development of the 2026-27 BAF for the new Trust would begin in April 2026.