

Agenda item 4.i

Report to:	Board of Directors	Date: 5 June 2025
Report from:	Chair of the Audit Committee	
Principal Objective/ Strategy and Title	GOVERNANCE: To update the Board of Directors on discussions at the Audit Committee meeting on 28 May 2025	
Board Assurance Framework Entries	FSRA BAF (Unable to maintain financial, operational, and clinical sustainability)	
Regulatory Requirement	Regulator licensing and Regulator requirements	
Equality Considerations	Equality has been considered but none believed to apply	
Key Risks	Lack of Governance Assurance Overview Non-compliance resulting in financial penalties	
For:	Information	

1. Significant issues of interest to the Board

Summary

For the Governance Assurance Overview, following our March 2025 meeting where the Chair of Quality & Risk outlined how their Committee was assured in managing risks and issues, this month we received another excellent report from the Chair of the Performance Committee.

The BAF Assurance Map was presented to the Committee noting that the Executives are continuing their in-depth review and updates.

The 2024/25 Trust's rating against NHS Counter Fraud Authority standards was agreed as an overall green.

BDO's internal audit update included an advisory review of the Electronic Patient Record (EPR) system and an evaluation of the 2024/25 Data Security and Protection Toolkit (DPST). They also shared progress on follow-up recommendations, which has not adversely impacted on their overall assessment of the Trust in their Final Annual Audit report as being "Moderate".

KPMG, the external auditors, reported that the year-end audit is progressing smoothly, with no issues to flag at this time.

The Committee noted the Losses and Special Payments, and circulated draft reports for the Annual Accounts, Annual Report, and Governance Statement. Final comments will be submitted for approval before sending them to the Department of Health.

Governance Assurance Overview

Gavin Robert, Chair of the Performance Committee, delivered an excellent presentation on the Committee's risk assurance approach. He highlighted that the Committee oversees 11 of the Trust's 18 Board Assurance Framework (BAF) risks.

Using Waiting List Management and Cyber Security as examples, he demonstrated how assurance is structured—starting with Controls that shape Management actions (inputs), which then lead to intermediate or key outputs, despite the differences in processes and outcomes.

The Committee has invited Amanada Fadero, Chair of Workforce to the July 2025 Audit Committee meeting to give her presentation.

BDO Local Counter Fraud Service (LCFS)

The Trust's rating against NHS Counter Fraud Authority standards has been confirmed as an overall green and has been submitted.

As reported to the Board in May 2025, whilst the overall assessment is green there are two amber elements for:

8: Report identified loss – due to the Trust's low levels of reporting. Only one allegation has been logged onto "CLUE" (The Counter Fraud Reporting system) for 2024/25. As the Trust's position is to record incidents on CLUE where triage suggests the allegation to be substantiated and requiring further investigation.

11: Access to and completion of training – due to the Trust not making counter fraud training mandatory.

The Committee is comfortable with the self-assessments as these have been discussed in depth at past meetings and previously reported to the Board.

BDO Internal Audit Service (IA)

EPR System Review - The Committee received the finalised advisory review of the EPR system, which provided high-level guidance, challenge, and oversight on governance, risk management, and budget approvals for the Trust's planned EPR procurement and implementation. This review, however, did not cover all key risks associated with system implementation. Its timing was aligned with the approval of the Outline Business Case (OBC) by the NHSE EPR Investment Board (EPRIB).

The discussions and evidence review confirmed that the Nexus EPR Programme is being managed in line with best practices in governance, risk management, and financial oversight. The Programme is well integrated into the Trust's decision-making framework through established governance groups, including the Strategic Projects Committee and Performance Committee, alongside key processes such as Authority to Invest Requests (ATIR), Datix, risk management, and financial planning.

The management structures - Workstream Groups, Steering Group, and Programme Board - are clearly defined and effectively positioned within the governance hierarchy. While some governance areas require enhancement and key stakeholders have flagged emerging risks, these concerns are actively addressed through appropriate forums, with measures in place for divisional engagement, risk management, future funding, and resourcing.

DPST Assessment - The DPST audit provided an independent review of the Trust's DSPT self-assessment, identifying areas for compliance improvement in the year-end return.

Following the NHS England-prescribed Cyber Assessment Framework (CAF), the review covered 12 outcomes. BDO's assessment aligned with the Trust's self-assessment in 10 of the 12 outcomes, with only minor deviations in the remaining two.













This resulted in a **high confidence** level in the accuracy of the DSPT self-assessment. The **overall risk assessment** for the Trust was also **high**, reflecting the widespread cyber threats facing all organisations.

Final BDO Internal Annual Audit Report 2024/25

BDO is expecting to give a “**Moderate** Assurance” that there is a sound system of internal controls, designed to meet the Trust’s objectives, and that controls are being applied consistently across various services.

This is based on the completion of a total of eight reviews (six assurance audits and two advisory reviews) as shown in the table below.

2024/25 Internal Audit Reviews Outcomes

Assurance Reviews	DESIGN	EFFECTIVENESS
Private Patients	 Moderate	 Moderate
Outpatients	 Moderate	 Moderate
Performance Reporting Framework (PIPR)	 Moderate	 Substantial
Cyber Security	 Moderate	 Limited
Agency Expenditure & Temporary Staff	 Moderate	 Limited
Key Financial Systems - Cost Improvement Plans	 Substantial	 Moderate
Advisory Review	DESIGN	EFFECTIVENESS
Data Security & Protection Toolkit	Overall Risk Rating - High	
	Overall Confidence Rating - High	
Electronic Patient Record Programme	N/A - Advisory Review	

Of the six assurance audits, one was rated substantial and five moderate in control design, mirroring the previous year’s distribution.

For operational effectiveness, one audit was substantial, three moderate, and two limited - consistent with last year’s findings.

The limited ratings pertained to Agency Expenditure, Temporary Staff, and Cyber Security, which remain key BAF risks. While frameworks were well designed, inconsistencies in applying and monitoring controls across the Trust and its divisions posed risks to system objectives.

2. Key decisions or actions taken by the Audit Committee

- Approval of the Counter Fraud Functional Standard Return 2024/25

3. Recommendation

The Board is asked to note the report.