

Audit Committee Chair's Report

Public Board

31 July 2025

Presented for:	Information and Assurance
Presented by:	Gillian Taylor, Audit Committee Chair
Author:	Jo Bray, Company Secretary
List of meeting dates:	25 June 2025 (Year-end Process)

Our Annual Commitments for 2025/26 are:	
Recognise and act upon moments that matter to our patients	✓
Support our patients to get home a day sooner	✓
Be in the top 25% for patient experience and efficiency in outpatients	✓
Support each other to act with kindness and compassion	✓
Reduce our carbon footprint by creating greener patient pathways	✓
Support our staff to manage every £ wisely	✓
Make best use of our estate, equipment and digital assets	✓

Trust Risks (Type & Category)				
Level 1 Risk		Level 2 Risks	(Risk Appetite Scale)	Risk
Workforce Risk				
Operational Risk				
Clinical Risk				
Financial Risk		Counter Fraud We will adopt a zero-tolerance approach to workforce fraud through the maintenance of an anti-fraud culture, investigating all reported instances of fraud and following disciplinary and criminal proceedings	Averse	↔ (same)

Financial Risk		Financial Reporting We will deliver sound financial management and reporting for the Trust, aiming to at least break even, with no material variances to forecast	Cautious	↔ (same)
Financial Risk		Financial Reporting Risk We will deliver sound financial management and reporting for the Trust with no material misstatements or variances to forecast	Minimal	↔ (same)
External Risk		Legal & Governance We will operate the Trust in compliance with the law and UK Corporate Governance Code, where applicable	Averse	↔ (same)

Key points	
This summary provides an overview of significant issues of interest to the Board, highlights key risks discussed, key decisions taken, and key actions agreed.	For information and assurance

ISSUES OF INTEREST TO THE BOARD – 25 JUNE 2025

The focus of the meeting was the review of yearend and the recommendation to the Board for approval.

Internal Audit

The Committee received the yearend report for Internal Audit activity during 2024/25.

As at 18 June 2025, 16 internal audit reviews had been carried out with two deferred. This had resulted in the identification of zero critical, five high, 25 medium, 22 low and seven advisory risk findings reported to the Trust. The five high rated findings related to the reviews of Consultant Job Planning (two high risk findings), Stakeholder Engagement and Partnerships, Patient Property/Valuables and Control of Substances Hazardous to Health (COSHH) (currently in draft). These reviews have been finalised recently and will be followed up as agreed actions become due.

No audits of the 'Building the Leeds Way' were completed in 2024/25.

The Audit Committee has considered the outputs of this work when endorsing the 2024/25 AGS. Head of Internal Audit opinion states, *'We are satisfied that sufficient internal audit work has been undertaken to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion, it should be noted that assurance can never be absolute. The most that the internal audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control'*.

The Committee also received a report to update on the completed Internal Audits for;

- Quality Governance (moderate)
- Waste Reduction Plan (moderate)
- Safeguarding (satisfactory)
- CSU Compliance – Complaints (satisfactory)
- Management of Health Scientists (moderate)
- Estates and Facilities Risk Management (moderate)

The Committee were delighted that there were no outstanding or overdue actions to report which was a significant step change. There was a wider discussion on the new details which would be included in future reports seeking extensions to agreed action dates.

The Committee were updated on the progress that had commenced to the 2025/26 Internal Audit Plan, with a wider update on the DPST Toolkit, noting the changes by NHSE to the defined criteria for assessment. From this year there would be a rotation each year to review in detail four of these standards within the Toolkit.

Annual Accounts and Financial Statements

The Committee reviewed the accounts and supported the recommendation to the Board.

Annual Report

The Committee reviewed the annual report and recommended approval by the Board, which in due course would be published and available to the public at the Annual General Meeting.

Annual Governance Statement (AGS)

The Committee reviewed the AGS and the Committee recommended to the Board for sign off by the Chief Executive against the required templates setting out; the supporting statement of the Chief Executive and statement of Directors' responsibilities in respect of the accounts.

Quality Account

The Committee noted the work and oversight by the Quality Assurance Committee for the Quality Account. As required, was published on the website at the end of June 2025.

External Audit Completion (ISA 260) Financial Statements 2024/25 and Value for Money Conclusion

Forvis Mazars confirmed the Trust's yearend financial position of a surplus of £19.9m, commended the Finance Team in the quality of the preparation of the accounts and the helpful support throughout the process concluding a clean audit for the 2024/25.

Fovis Maszars identified significant weakness arrangements for value for money in light of the recent CQC Inspections in December 2024 and January 2025 in Maternity and Neonatal services at SJUH and LGI sites with ratings of inadequate and requires improvement along with a Warning Notice under section 29A of the Health and Social Care Act 2008 for focus the Trust's attention on making significant improvements in maternity services at both hospitals, to ensure there are safe staffing levels to meet people's need. With the conclusion that this was evidence in weakness in the Trust's

arrangements for evaluating the services it provides to assess performance and identify areas for improvement specifically in the improving the economy, efficiency and effectiveness reporting criteria.

The Audit letter would be received in due course and published with at the next Board meeting once available.

The Audit Committee recommended the approval of the accounts to the full Board on 26 June 2025 which were adopted.

Gillian Taylor, Chair Audit Committee
2 July 2025