

**Audit Committee
Chairs Summary Report**

**Public Board
29 January 2026**

Presented for:	Alert, Advice and Assurance
Presented by:	Gillian Taylor, Non-Executive Director Chair of Audit Committee
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List of meeting dates:	Thursday 8 January 2026

Link to Strategic Objective	All
Link to Provider Capability Assessment	Governance, risk and regulatory
Link to CQC Well-led Statement	Governance, Management and Sustainability
Regulatory Impact	Regulation 17: Good governance

Key points:	
This report provides a summary of the key highlights from the Audit Committee meeting and seeks to alert, advice and provide assurance to the Board on the areas discussed.	Alert, Advice and Assurance

Risk Appetite Framework			
Level 1 Risk	Level 2 Risks	(Risk Appetite Scale)	Impact
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	Moving Towards
Financial Risk	Counter-Fraud Risk - 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	Moving Towards
External Risk	Legal & Governance Risk - We will operate the Trust in compliance with the Law and UK Corporate Governance Code, where applicable.	Averse	Moving Towards

1. Introduction

Following its last meeting the Committee has considered significant issues and key areas to highlight to the Board under three key categories Alert, Advice, Assurance (AAA):

- Alert - areas which the Committee wishes to escalate as potential areas of non-compliance, that need addressing urgently, or that it is felt Board should be sighted on.
- Advice - any new areas of monitoring or existing monitoring where an update has been provided to the Committee and there are new developments.
- Assurance - specific areas of assurance received warranting mention to Board.

2. Alert

- External Audit presented their indicative audit strategy for the year ending 31 March 2026 and the Committee were briefed on areas of significant risks, potential weaknesses and key judgment areas. These were broadly in line with the previous year with regard to Maternity and Neonatal and the addition of the CQC Well-led inspections to reflect the increased regulatory scrutiny with a need to factor in any aspects of independent reviews. There is a risk that this would surpass the timeline of the Audit process and therefore this is likely to remain an area of significant weakness for the coming year.
- The timetable for the 2025/26 Annual Accounts submission has been confirmed by NHSE with draft accounts required to be submitted by 27 April 2026 and final audit accounts by 26 June 2026. An update on the draft accounts would be presented to the Committee in March and an informal review of the draft accounts had been scheduled with Committee members in May 2026 prior to final review and sign-off. The Board are asked to note that the Accounts are being prepared on a Going Concern basis with the Audit Committee having received assurance for the justification of this.
- There is a recommendation from the Committee that the Executive Team increase ownership of the BAF in order to seek ongoing assurance on the accuracy of control descriptions. The Board will maintain overall ownership of the BAF.

3. Advice

- The Committee continued to monitor progress against the 2025/26 Internal Audit Plan. There were a number of actions seeking an extension to their completion deadline, and the Committee sought further assurance on the Executive oversight and control in monitoring actions. It was deemed that the majority of extension requests were valid and subsequently supported however the Committee did challenge reference to a deadline in 2027. The action owner would be contacted to explore what action could be taken prior to this timeframe or advise if the action description was incorrect.
- The Committee Chair recently attended the West Yorkshire ICB Audit Committee Chairs meeting which is an informal forum for regional Audit Committee Chairs to engage on key topics or areas of concern. She shared several points of interest including the process of risk management and in ensuring the psychological safety of those raising risks with further information shared with relevant personnel within the Trust.
- The Committee approved the policy for Non-Audit Work by External Auditors which had been updated to reflect minor amendments to finance officer job titles, and to ensure compliance with the NAO's Code of Audit Practice (November 2024).

- The Committee approved the updated Counter Fraud, Bribery and Corruption Policy with key updates including clarification to the Counter Fraud Champion roles and incorporation of the NHS Counter Fraud Agency (CFA) requirements related to the Economic Crime and Corporate Transparency Act 2023. The updated policy will be shared with all staff and made available on the Trusts intranet pages.
- The Committee reviewed the Single Site Evaluation proposal and confirmed its support to re-adopt a single site valuation methodology of the estate. SJUH would remain as the proposed single site for valuation purposes and Cushman and Wakefield would be undertaking an independent desktop review exercise to support this valuation which would be incorporated into the yearend accounts. It is recommended that the Board approve the single site evaluation methodology as per the report provided at agenda item 8.6.
- The Committee reviewed a number of proposed amendments to the Trusts Standing Financial Instructions (SFI) and would be recommending Board approval of these as per the report at agenda item 8.8. Proposed changes have been highlighted as tracked changes with specific attention to the increase in Level 6 approval limits which was scrutinised by the Committee however ultimately supported; the impact of this change would be monitored by the Committee for six months.

4. Assurance

- Audit Committee members held a private pre-meeting with members of the Counter Fraud and External Audit Teams. These meetings are not formally minuted however allow the Non-Executive Directors to engage directly with Teams without management present and explore any areas of concern or points of clarity to triangulate assurance.
- The Committee continues to meet with the Executive Leads for any Internal Audit reviews receiving a Limited rating. Two reports had been issued over the last period with a Limited rating; Inclusive Recruitment and Pathology Federated IT with the Deputy Director of HR and Chief Digital Information Officer attending the Committee to provide further assurance on the actions been taken in response to the audit's findings. An escalation was made to the People & Culture Committee regarding the findings related to the definition of inclusive recruitment and an escalation was made to the Finance & Performance Committee regarding the application of vacancy controls within the audit sample.
- The Committee received detail on the Losses and Compensation (Special) payments made in the financial year-to-date; whilst the number of cases was comparable to the same period the previous year the value had increased with the primary reason sighted as an increase in overseas visitors' debt.
- The Committee continued to seek assurance on the application and use of single tender waivers with the three highest value cases reported to the Committee in detail. Assurance was received on the application and justification for the use of single tender waivers with the highest usage area continuing to be Pathology due to the nature of specialist equipment used by the service. Two waivers were supported under the timescale exemption and the Committee was informed of the justification for these which was deemed as appropriate. Due to the demonstrated control around the single tender waiver process reporting to the Committee would be reduced to a bi-annual update or by escalation. It was also agreed that the single tender waiver application form would be updated to include additional information request to support future digital trend analysis.

5. Risk review

The Committee received an assurance update on the internal controls in place to support the Partnership Working and Strategic Planning risks as defined by the Board Assurance Framework (BAF). There was no change to the risk appetite or tolerance for either of these risks however the Committee did recommend an additional control against the Partnership Working risk with consideration been given to the development of an effective relationship self-assessment tool.

No new risks were identified; however, the Committee did explore how new and emerging risks would be escalated via the revised Board Assurance Committee structure.

6. Recommendation

The Board are asked to receive and note the content of this report and be assured that the Audit Committee is fulfilling its assurance function as delegated from the Board and as defined within its Terms of Reference.

The Board are asked to note that the 2025/26 Annual Accounts are being prepared on a Going Concern basis. Draft accounts are required to be submitted to NHSE by 27 April 2026 and final Audit Accounts by 26 June 2026.

The Board are also asked to note the Committees recommendation to approve the re-adoption of a Single Site Evaluation as per the report at agenda item 8.6 and approved the amendments to SFI's at agenda item 8.8.