

Audit Committee Chairs Summary Report

**Public Board
28 May 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:	15 April (Extra-Ordinary meeting) and 7 May 2026

Freedom of Information Act (FOIA) Exemption	<input type="checkbox"/> YES (restricted from the FOIA) <input checked="" type="checkbox"/> NO (available to the public under the FOIA)
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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	Operating within
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	Operating within
Operational Risk	Business Continuity Risk - We will develop and maintain stable and resilient services, operating to consistently high levels of performance.	Cautious	Operating outside
External Risk	Legal & Governance Risk - We will operate the Trust in compliance with the Law and UK Corporate Governance Code, where applicable.	Averse	Operating within

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

- The Committee received an update on the controls in place to manage the Business Continuity and Capacity Planning Risk and agreed an alert to the Board regarding a compliance gap in the volume of validated Business Continuity Plans recorded on the central system managed via the Emergency Prevention Preparedness and Response (EPPR) Team. The Committee reviewed the rationale for this gap and noted that resources within the Team had been redirected towards other priorities within the year. It was recognised that whilst there was a compliance gap in recording, services did still have Business Continuity Plans in place. The Committee reviewed the plans in place to improve compliance with initial focus on a selection of priority services (in that there would be a significant impact on patients, services or staff), and a further update would be provided to an Extra-Ordinary Committee meeting that had been arranged in July 2026.
- With reference to the previous alert escalated to the Board on the risks in place to manage the risk associated with medical devices and equipment, the Committee received a further update and was positive of the improvements been made in the reporting against this risk. Increased assurance was received of the active processes in place for the management, oversight and assurance functions regarding the risks associated with medical devices and equipment, including the process for review and escalation through the Trust Committee structure and supporting groups. An Internal Audit Advisory review is taking place against the medical devices and equipment function during Q1.
- The Committee reviewed the Internal Audit findings of the procurement review following its classification of a 'limited' rating. It was recognised that several of the recommendations related to the Teams application of the management of conflicts of interest and the Committee was notified of communication plans in place to address this. It was anticipated that all recommendations would be enacted by the end of May and the Committee was assured of the Procurement Teams response and actions to the findings.

3. Advice

- The Committee held an Extra-ordinary meeting on 15 April 2026 to revisit a number of areas that had not provided sufficient assurance at its previous meeting (as reported to the Board in March 2026). Subsequent assurance was received on the controls and mitigations in place to manage the Research and Innovation (R&I) and Patient Experience risks, and a verbal update was received on the recruitment process within the Quality Team that would support improvements within the completion of the External Visitors register. A verbal update was received on process in place to manage medical devices and equipment and it was agreed that an escalation would be made to the Risk Management Committee on the associated perceived risk. In addition, it was agreed that a formal written report be provided to the Committee to provide an update on the improvement actions agreed and process moving forward to bring the Trust back into operating within its risk appetite. There was also an agreement that an Advisory Internal

Audit Report would be commissioned to support the process as raised at the alert section of this report.

- The 2026/27 Internal Audit Plan was approved subject to the inclusion of the medical devices and equipment Advisory Report which would take place during quarter 1.
- At the March Board meeting the Committee was granted delegated authority to review and approve minor changes to the approval limits within the Standing Financial Instructions (SFI). The Committee reviewed the rationale for these changes and approved the increase of the approval limit to £750k for the Chief Pharmacist and Clinical Director of the Medicines Management and Pharmacy Services CSU and for service managers (Band 8a) to be moved to level 2 within the scheme of delegation.
- The Committee received detail on the losses and compensation (special) payments made during the year-to-date during 2025-26, it was noted that whilst there had been a reduction in the volume of cases, there had been an increase in value by circa 22%. A disclosure statement would be included with the Annual Accounts.
- The Board are also advised that progress to complete the Annual Accounts, Annual Report and Quality Account are progressing in accordance with their required timescales. The Committee received the draft Annual Governance Statement with the attendance of the Chief Executive. The Committee will review the draft final documents at its next meeting with a view to provide a recommendation of approval to the Trust Board.
- The Committee agreed its key objectives for the current year. These are in addition to its agreed workplan, and duties defined within its Terms of Reference and include:
 - Smooth transition and handover process to the new Chair of the Audit Committee by end of December 2026.
 - Continue the additional focus on the risk section of the workplan. A new template was rolled out in March 2026, and this will be refined during the year to minimise effort for paper writers, whilst highlighting the pertinent points, facts and KPIs which the Committee need for assurance. Support will continue to be offered to paper writers.
 - Ensure the Committee actively use and review the Corporate Risk Register (CRR) and Board Assurance Framework (BAF), keeping the document and discussion live and relevant.
 - Deliver the Audit Committee training plan, ensuring that the Committee are kept informed and understand the impact of developments in the wider operating environment.

4. Assurance

- The Committee received assurance of the updated controls and governance in place to support workforce related risks. The Chief People Officer attended the meeting to present the update, and the Committee recognised the improved oversight of the people related metrics via the new People Improvement Framework with each metric aligned to an appropriate workforce risk. The Committee was informed of a proposal to close the workforce supply risk on the Corporate Risk Register with specific workforce supply risks to be managed via CSUs. The revised governance structure reporting via the People and Culture Committee was recognised.
- The Committee received assurance on the processes and mechanisms in place for the management of Regulatory Risk and Legal & Governance risk, noting the Trusts averse appetite for this risk. There was recognition of the breaches of the CQC regulations within 2025/26 and the ongoing assurance being provided to the Board on the actions been taken in response.

5. Risk review

There were no areas arising from the meeting for escalation, noting the previous escalation to the Risk Management Committee (RMC) regarding medical devices. The consideration been given to the removal of the workforce supply risk by the RMC is also noted.

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.