

Auditor's Annual Report

Derbyshire Healthcare NHS Foundation
Trust – year ended 31 March 2021

June 2021



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This document is to be regarded as confidential to Derbyshire Healthcare NHS Foundation Trust. It has been prepared for the sole use of the Audit and Risk Committee as the appropriate sub-committee charged with governance by the Board of Directors. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

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Section 01: **Introduction**

1. Introduction

Purpose of the Auditor's Annual Report

Our Auditor's Annual Report (AAR) summarises the work we have undertaken as the auditor for Derbyshire Healthcare NHS Foundation Trust ('the Trust') for the year ended 31 March 2021. Although this report is addressed to the Trust, it is designed to be read by a wider audience including members of the public and other external stakeholders.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 and the Code of Audit Practice ('the Code') issued by the National Audit Office ('the NAO'). The remaining sections of the AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

We issued our audit report on 11 June 2021. Our opinion on the financial statements was unqualified.



Value for Money arrangements

In our audit report we reported that we had not completed our work on the Trust's arrangements to secure economy, efficiency and effectiveness in its use of resources and had not issued recommendations in relation to identified significant weaknesses in those arrangements at the time of reporting. Section 3 confirms that we have now completed this work and provides our commentary on the Trust's arrangements.

Following the completion of our work we have issued our audit certificate which formally closes the audit for the 2020/21 financial year.



Wider reporting responsibilities

In line with group audit instructions issued by the NAO, on 11 June 2021, we reported that the Trust's consolidation schedules were consistent with the audited financial statements.

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Section 02:

Audit of the financial statements

2. Audit of the financial statements

The scope of our audit and the results of our opinion

Our audit was conducted in accordance with the requirements of the Code, and International Standards on Auditing (ISAs).

The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Trust and whether they give a true and fair view of the Trust's financial position as at 31 March 2021 and of its financial performance for the year then ended. Our audit report, issued on 11 June 2021 gave an unqualified opinion on the financial statements for the year ended 31 March 2021:

"In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2021 and of the Trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2020/21; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006."

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Section 03:

Commentary on VFM arrangements

3. VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:

- Financial sustainability;
- Governance; and
- Improving economy, efficiency and effectiveness.

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Trust has in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements. Where we identify significant risks, we design a programme of work (risk-based procedures) to enable us to decide whether there is a significant weakness in arrangements. Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Our assessment of what constitutes a significant weakness is a matter of professional judgement, based on our evaluation of the subject matter in question, including adequacy of the Trust's responses. The NAO's guidance states that a weakness may though be said to be significant if it:

- Exposes (or could reasonably be expected to expose) the body to significant financial loss or risk;
- Leads to (or could reasonably be expected to lead to) significant impact on the quality or effectiveness of service or on the body's reputation;
- Leads to (or could reasonably be expected to lead to) unlawful actions; or
- Involves a failure to take action to address a previously identified significant weakness, such as failure to implement or achieve planned progress on action/improvement plans.

Where our risk-based procedures identify actual significant weaknesses in arrangements, we are required to report these and make recommendations for improvement.

To arrive at our assessment, we performed a variety of work to obtain an understanding of the Trust's arrangements for each specified reporting criteria. This included performing a detailed risk assessment, drawing from a variety of sources, including, but not limited to:

- Meeting with management and reviewing management's self-assessment;
- Considering the views of the Audit and Risk Committee;
- Reviewing supporting guidance from the National Audit Office, including indicators of significant weaknesses;
- Considering our understanding of sector developments and any local issues;
- Reading and reviewing Board and Committee reports;
- Reviewing the Trust's Annual Governance Statement and Annual Report;
- Considering the outcomes from the work of internal audit;
- Reading risk registers and risk management reporting; and
- Considering the work of regulators and inspectorates.

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Summary

The table below summarises the outcomes of our work against each reporting criteria.

Reporting criteria	Commentary page reference	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Trust plans and manages its resources to ensure it can continue to deliver its services	10	No	No
Governance: How the Trust ensures that it makes informed decisions and properly manages its risks	13	No	No
Improving economy, efficiency and effectiveness: How the Trust uses information about its costs and performance to improve the way it manages and delivers its services	16	No	No

3. VFM arrangements – Overall summary

Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services

Overall responsibilities for financial governance

We have reviewed the Trust’s overall governance framework, including Board and Committee Reports, the Annual Governance Statement, and Annual Report and Accounts to confirm the Trust Board has a responsibility to make the best use of financial resources and deliver the services people need, to standards of safety and quality which are agreed nationally.

The Finance and Performance Committee oversees all aspects of financial management and operational performance on behalf of the Board. This includes:

- detailed oversight of financial performance, forward projections and the assumptions that underpin forward plans;
- scrutiny of reports on performance;
- workforce budgets;
- the cost-improvement programme;
- reviewing the Trust’s capability and capacity to meet the commercial and marketing requirements of potential business opportunities; and
- assurance on health and safety and emergency planning.

Budget monitoring and control

We have reviewed the Trust’s financial plans and supporting policies and procedures to confirm that the Trust’s budget monitoring and control processes identify and incorporate significant pressures into the financial plan to ensure it remains achievable and realistic. Clear responsibilities are outlined for budget holders and the Trust’s Standing Finance Instructions include specific provisions for the preparation and approval of the Annual Plan and budget.

At the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit revenue and capital expenditure start budgets for approval by the Board. Budgets are produced following discussion with appropriate budget holders and are linked to workforce plans where pay budgets are linked by Whole Time Equivalents. During the budgeting process, new requirements for the workforce are considered and included in the budget if applicable.

We read the Trust’s Standing Financial Instructions and these include specific provisions for budgetary control and reporting and Finance Managers provide reports and support to budget holders and teams to support effective financial management of those component parts of Trust financial performance.

The 2020/21 financial year and medium-term financial planning for the Trust was severely disrupted by Covid-19, with both a change in NHS financing arrangements as well as the suspension and revision of the operational planning process for both 2020/21 and 2021/22. NHS Planning Guidance for 2020/21 was suspended and replaced with a new financial regime to support the NHS response to Covid-19. From April through to September 2020, NHS foundation trusts and NHS trusts were paid on a ‘block contract’ basis and made reimbursement claims for additional costs arising from Covid-19. For the second half of the year, each health system was given a financial envelope to achieve overall financial balance. This allowed individual organisations to deliver a surplus or deficit position by mutual agreement within the system.

We reviewed the system financial plan for Joined Up Care Derbyshire covering the period October 2020 to March 2021 was submitted on 5 October with an aggregate deficit of £43million. The system finance lead also summarised system level work on the potential mitigations to tackle the deficit amounting to £25million. Individual organisational plans were submitted on 22 October in line with that system plan, with the Trust planning an organisational deficit of £0.6million. The Trust’s financial plan for October 2020 to March 2021 did not include any savings plans. We reviewed Trust’s financial plan, Board report and the minutes of relevant meetings where the revised financial plan was considered. We confirmed that the reports were clear and concise and adequate scrutiny was evident at the approval meeting.

3. VFM arrangements – Overall summary

Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services

Financial performance in 2020/21

Our discussions with management and our review of committee reports confirms that throughout 2020/21, the Finance and Performance Committee and the Trust Board, through an Integrated Performance Report, have received regular reports on financial performance and planning. The Finance and Performance Committee oversees all aspects of financial management and operational performance on behalf of the Board. The reports include sufficient detail to identify and manage risks to financial resilience, including showing actual financial outturn and the forecast for the financial year. The Executive Leadership Team also monitors financial performance on a monthly basis and any unplanned pressures are considered against a contingency reserve. Each month, detailed forecasting analyses financial outturn against plan and forecast assumptions are reviewed and adjusted accordingly.

Where the Trust identifies a significant risk to achieve the target, it will update the Board Assurance Framework, including the controls and mitigating actions required to help the Board monitor and oversee risk management. The Board receives the Board Assurance Framework regularly, with an update up to the end of the 2020/21 financial year at the March 2021 Board meeting. Our review of the Board Assurance Framework includes a specific risk that the Trust may fail to deliver its revenue and capital financial plans that recognises the financial risks associated with the temporary NHS financial arrangements, including the need for funding clarity beyond October 2021.

As reported in the audited financial statements, Total Operating Income for 2020/21, as recorded in the Statement of Comprehensive Income, was £174million and Total Operating Expenses were £173million. As set out in Note 7 Operating Expenses, staff costs are the main cause for the increase, rising from £113million in the prior year to £126million in 2020/21. This ultimately resulted in an operating surplus for 2020/21 of £1.5million, compared to £6.1million in 2019/20 and, after taking account of finance costs, the Trust ended the year with a deficit of £2.1million.

The Trust’s financial position forms part of the overall financial position of Joined Up Care Derbyshire (JUCD) and the system overall managed costs within the fixed income allocation with no material variance at the year end.

We have reviewed performance reports and financial outturn and are satisfied that the Trust has proactively participated and contributed to system planning during 2020/21.

3. VFM arrangements – Overall summary

Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services

Financial planning for 2021/22

On 25 March 2021 NHS England and Improvement (NHSE/I) published the priorities and operational planning guidance for 2021/22. This overarching document sets out six priorities for the year ahead and asks systems to develop fully triangulated plans across activity, workforce and money for the next six months. These arrangements are supported by an additional £8.1bn of funding to reflect the ongoing impact of Covid-19. This included the details of the finance and contracting arrangements for the first half of 2021/22 (April to September). The financial arrangements are similar to the latter half of 2020/21, including:

- a financial envelope for the local health system based on the financial envelope for October to March 2021, adjusted for known pressures and policy changes;
- the continuation of block contract payments and no requirement for signed contracts between commissioners and providers;
- uplifting specialised and directly commissioned services from NHS England by 0.5%; and
- additional funding to support the delivery of the Mental Health Investment Standard and Long-Term Plan priorities.

Within the context of the temporary financial framework, the Trust is developing its savings programme with due regard to the financial envelope for Joined Up Care Derbyshire.

The Trust has an Operational Plan for 2021/22 and the strategic priorities have been considered by the Trust and by Joined Up Care Derbyshire. From our review of board reports and minutes, as well as discussions with management, the Trust’s strategy and delivery priorities for 2021/22 have been considered and triangulated with financial, activity and workforce data, including considering the wider system plans of Joined Up Care Derbyshire.

We have considered the financial performance of the trust for the year ending 2020/21, including the level of

debt within the Trust, being mainly made up of an outstanding PFI liability at 31 March 2021 of £23m. We have also considered the Trust’s ongoing monitoring of financial performance and it is clear that the Trust is closely monitoring the progress against plan to date, is fully aware of where the gaps lie. We reviewed the system wide financial plan, both for October 2020 to March 2021 and for 2021/22, which shows there is a substantial system level gap, but this is driven by issues in the acute sector and not the Trust.

3. VFM arrangements – Overall summary

Governance: how the trust ensures that it makes informed decisions and properly manages its risks

Governance structure

We have reviewed the Trust’s Board and Committee Reports during the year as well as key documents in relation to how the Trust ensures that it makes informed decisions and properly manages its risks. The Trust Board is accountable for the Trust’s strategies, policies and performance actions as set out in the Codes of Conduct and Accountability issued by the Secretary of State. Each Executive Director is responsible for their specific area to ensure this occurs.

We read the Trust’s Vision and Strategy and confirm this sets out the direction of travel and the things the Trust must do to achieve its vision and deliver its statutory responsibilities. The Trust translates this into an annual operating plan including the financial plans for enabling sustainable delivery of services. The annual operational planning cycle takes into account service priorities in the long-term plan and agreed developments with commissioners to deliver strategic priorities.

Our review of the Trust’s governance framework confirms arrangements are in place, with the Trust Board being accountable for the Trust’s strategies, policies and performance. The Trust has established committees with responsibility for specific areas, such as finance and performance, and the quality of care, including:

- Audit and Risk Committee;
- Finance and Performance Committee;
- Mental Health Act Committee;
- Quality and Safeguarding Committee; and
- Remuneration and Safeguarding Committee.

We consider the committee structure of the Trust is sufficient to provide assurance that decision making, risk and performance management is subject to appropriate levels of oversight and challenge.

We have also reviewed minutes and reports from the Council of Governors, who are responsible for representing the interests of the Trust’s members, the public and partner organisations and for holding non-executive directors to account. The Trust has arrangements in place to review the performance of executive and non-executive directors. The appraisal of Executive Directors is overseen by the Remuneration and Appointments Committee; and the appraisal of Non-Executive Directors is overseen by the Nominations and Remuneration Committee of the Council of Governors. The Chair’s performance is overseen by the Senior Independent Director using a process which is agreed by the Nominations and Remuneration Committee.

Our review of Board and Committee papers confirms that a template covering report is used for all Board Reports, ensuring the purpose, strategic context, governance issues, and recommendations are clear. Minutes are published and reviewed by the Board to evidence the matters discussed, challenge and decisions made.

We read the Care Quality Commission’s most recent inspection report on the Trust from March 2020 who reported that “Governance processes operated effectively at the trust and operational, performance and risk were managed well” and “There was a good relationship between the trust board and council of governors. The council of governors held the non-executives to account.”

3. VFM arrangements – Overall summary

Governance: how the trust ensures that it makes informed decisions and properly manages its risks

Board Assurance Framework

The Trust records strategic risks in the Board Assurance Framework and our review confirms it is sufficiently detailed to manage the Trust’s key risks, identify controls, gaps in controls and obtain the assurance required to work towards a targeted risk score. Our review of reports as well as attendance at Audit and Risk Committee meetings confirms the Board Assurance Framework is regularly updated. Operational level risks are captured in “Datix”, linked to the associated strategic risk and subject to regular review at Committees. The Trust also performs ‘deep dives’ on Strategic Risks to allow for additional layers of scrutiny and challenge.

Audit and Risk Committee

The Trust has an established Audit and Risk Committee that is responsible for establishing and maintaining an effective system of integrated governance, risk management and internal control across the organisation, in a way that supports the organisation’s objectives. It achieves this by:

- Ensuring there is an effective internal audit function that provides appropriate independent assurance to the Committee, the Chief Executive and the Board of Directors;
- Reviewing the work and findings of internal audit, external audit and the counter-fraud service;
- Reviewing the findings of other significant assurance functions, both internally and externally;
- Reviewing the work of other committees within the organisation;
- Requesting and reviewing reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control;
- Reviewing the annual report, annual governance statement and the financial statements before they are submitted to the Board; and
- Ensuring that the systems for financial reporting to the Board, including those around budgetary control, are subject to review in order to be sure that they are complete and accurate.

The Audit and Risk Committee considers the Board Assurance Framework, Annual Report, Quality Report, Annual Governance Statement and progress with internal and external audit plans. It also regularly receives updates on losses and compensation payments, single source tenders and waivers of Standing Financial Instructions.

We have reviewed supporting documents and confirmed the Audit and Risk Committee has agreed terms of reference, meets regularly and reviews its programme of work to maintain focus on key aspects of governance and internal control. In response to Covid-19, the Trust moved Board and Committee meetings on-line. Our attendance at Audit and Risk Committee has confirmed there is an appropriate level of effective challenge.

Internal Audit and Counter-Fraud

The Trust’s Internal Audit and Counter-Fraud Service is provided by 360 Assurance, who provide a plan and regular progress reports to the Audit and Risk Committee. The Head of Internal Audit Opinion is reflected in the published Annual Governance Statement, where, in their view Internal Audit had Significant Assurance that there is a generally sound framework of governance, risk management and control designed to meet the organisation’s objectives, and that controls are generally being applied consistently.

3. VFM arrangements – Overall summary

Governance: how the trust ensures that it makes informed decisions and properly manages its risks

Performance management

We have reviewed key reports issued by the Board and confirmed the Trust reports its performance in several different ways:

- an Integrated Performance Report to each Board meeting;
- the publication of the Annual Report, Annual Governance Statement and the Quality Report, which are reviewed by the Audit and Risk Committee before adoption by the Board; and
- dashboard reporting on the Trust website against key performance indicators, safer staffing levels, improvement plans and health risk assessments for at-risk staff.

The Integrated Performance Report covers Finance, Quality and Operations, and Workforce. Performance is summarised in an assurance summary dashboard, which shows performance against target and over time. Board members are also able to triangulate information from this report with the assurance summaries from each Committee, where more in depth reports are provided. Where the Trust identifies a significant risk to achieve the target, it will update the Board Assurance Framework, including the controls and mitigating actions required to help the Board monitor and oversee risk management. The Board receives the Board Assurance Framework regularly, with an update up to the end of the 2020/21 financial year at the March 2021 Board meeting

The Finance and Performance Committee oversees and gains assurance on all aspects of financial management and operational performance, including contract compliance, commercial decisions and cost improvement reporting. The Committee also oversees the Trust’s business development, commercial strategies, estate strategy and workforce resource planning, prior to review by the People and Culture Committee.

Our review confirms, overall, that the Trust’s reports are clearly laid out and sufficiently detailed to monitor performance and take corrective action where required, which may include updating the Board Assurance Framework.

Conduct

We have reviewed the Trust’s suite of policies and procedures in place to maintain compliance with legislative/regulatory requirements and standards in behaviour, including conflicts of interest. These policies and procedures are subject to regular review by the Trust.

The Trust maintains a Register of Director’s Interests, which is updated with each new interest declared/removed and the revised version is then reported to each Public Board. We confirmed the Register for 2020/21 was reviewed at the May 2021 Board meeting and published in the 2020/21 Annual Report.

We read the Care Quality Commission’s most recent inspection report on the Trust from March 2020 who reported that “Staff understood their roles and responsibilities under the Mental Health Act 1983 and the Mental Health Act Code of Practice and discharged these well. Staff supported patients to make decisions on their care for themselves. They understood the provider’s policy on the Mental Capacity Act 2005 and assessed and recorded capacity clearly for patients who might have impaired mental capacity.”

3. VFM arrangements – Overall summary

Improving VFM: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services

Performance management

We have discussed arrangements with management to confirm the Trust is part of the national benchmarking club and reviews costs together with information about activity, workforce and quality. The Trust is part of the national benchmarking club and reviews costs together with information about activity, workforce and quality. The Trust also uses the national reference cost to compare its use of resources. Divisions have performance reviews with members of the Trust Management Team, where activity, targets and finance is presented, although these were paused during 2020/21 due to Covid-19. The Trust also uses the national reference cost to compare its use of resources. Divisions have performance reviews with members of the Trust Management Team, where activity, targets and finance is presented, although these were paused during 2020/21 due to Covid-19.

Our review of Board and Committee reports confirms that the Finance and Performance Committee and the Trust Board have continued to receive regular Integrated Performance Reports covering Finance, Quality and Operations, and Workforce. Performance is summarised in an assurance summary dashboard, which shows performance against target and over time. Board members are also able to triangulate information from this report with the assurance summaries from each Committee, where more in depth reports are provided. Our review confirms the reports provide sufficient detail to understand performance and published minutes demonstrate sufficient challenge from non-executive directors on the Trust’s costs, performance and service delivery.

Our discussions with management confirm the Trust has performance standards set within contracts with commissioners and internally set performance standards. Performance against these standards is monitored across all areas through periodic (monthly) reporting. Where performance is below expectations, these reports highlight the action being taken to seek the required improvement. During 2020/21, performance standards have been modified to enable the Trust to respond to Covid-19.

We have read and reviewed the Trust’s Annual Report and Quality Report, which set out its performance against key indicators and how it evaluates and assesses performance and improvement opportunities. We read the Care Quality Commission’s most recent inspection report on the Trust from March 2020, who rated the Trust “Good” overall and the report includes the following comment: “Staff collected and analysed data about outcomes and performance and engaged actively in local and national quality improvement activities.”

NHS Staff Survey

In June 2020, the People and Culture Committee reviewed the 2019 NHS Staff Survey and the planned responses for 2020. The Staff Survey Results for 2020 were reviewed at the May 2021 Trust Board, which showed the Trust performing above average in all areas and an improvement in all 10 themes.

3. VFM arrangements – Overall summary

Improving VFM: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services

Joined Up Care Derbyshire

The Trust works in close partnership with other Health and Social Care organisations in the area, but notably with the Integrated Care System: Joined Up Care Derbyshire, whose Board is comprised of the region’s main health and care senior executives and chairs. The Board has oversight of the whole system, sets the strategic direction and defines the outcomes the system should deliver. We have reviewed reports presented to the Trust’s Board, Board Reports of Joined Up Care Derbyshire and other reports relating to the governance and performance of Joined Up Care Derbyshire, The Trust’s objectives are aligned to Joined Up Care Derbyshire and our review of the Integrated Performance Report confirms it enables the Board to monitor the Trust’s performance against national and local objectives.

The Trust’s Council of Governors is responsible for representing the interests of the Trust’s members, the public and partner organisations, in how the Trust is governed. It meets six times a year and consists of 16 elected public and staff governors, alongside 12 appointed governors from local partners and councils. The Council of Governors is supported by a monthly governance committee looking at key issues in greater depth: strategy and finance, governor development, membership development and quality.

NHSE/I maintains a Single Oversight Framework, which is designed to help NHS providers attain, and maintain, Care Quality Commission ratings of “Good” or “Outstanding”. For 2020/21, the Trust has maintained a score of 2 in the framework, which is defined as “Providers offered targeted support: there are concerns in relation to one or more of the themes. We’ve identified targeted support that the provider can access to address these concerns, but which they are not obliged to take up.”

The Care Quality Commission’s most recent inspection report on the Trust is from March 2020, with the Trust given an overall “Good” rating, and included the following comment: “There was good systemic leadership within the local Sustainable Transformation Partnership, with board and service leaders engaged actively with other local health and social care providers to ensure that an integrated health and care system was

commissioned and provided to meet the needs of the local population.”

We read and reviewed an independent report produced by 360 Assurance (the Trust’s internal auditor’s) on System Shared Decision Making, issued in draft form in April 2021. The report did not highlight any significant concerns and noted that good progress had been made in the development of effective system wide decision making.

3. VFM arrangements – Overall summary

Improving VFM: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services

Procurement

We read the Trust's Standing Financial Instructions and confirm these adequately set out the procedures, controls and the authorisation sign offs that are required for the commission or procurement of services. In 2020/21, to assist the management of the Trust's response to Covid-19, supported by the Cabinet Office's Procurement Policy Note (PPN 02/20) issued in March 2020, the Trust introduced temporary Standing Financial Instructions.

We reviewed the Trust's organisational structure and noted that the Trust's Director of Business Improvement and Transformation is supported by a Head of Strategic Procurement and Tendering. Discussions with management established that the Procurement Team ensures that due diligence is undertaken for all new and ongoing suppliers of goods and services to the organisation and their associated Supply Chains. All contracts and associated purchase orders are raised on the NHS Standard Terms and Conditions which suppliers are mandated to comply with. The Procurement Team upholds the Chartered Institute of Procurement and Supply (CIPS) Code of Professional Conduct.

Our attendance at the Audit and Risk Committee confirms it receives regular reports on any breaches of Standing Financial Instructions and Single Tender Waivers to assure the Board that the Trust is working in accordance with relevant legislation, professional standards and internal policies. Sufficient information is provided to enable an adequate level of review and we have observed an appropriate level of challenge from Committee members through the year.

04

Section 04:

Other reporting responsibilities

4. Other reporting responsibilities

Matters we report by exception

The NHS Act 2006 provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest; and
- make a referral to the regulator.

We have not exercised any of these statutory reporting powers.

We are also required to report if, in our opinion, the governance statement does not comply with relevant guidance or is inconsistent with our knowledge and understanding of the Trust. We did not identify any matters to report in this regard.

Reporting to the NAO in respect of consolidation data

The NAO, as group auditor, requires us to report to them whether consolidation data that the Trust has submitted is consistent with the audited financial statements. We have concluded and reported that the consolidation data is consistent with the audited financial statements.

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