



Report Title	Audit and Risk Committee Chair's Report	
Author	Amanda Moat, Non-executive Director and Chair of Audit and Risk Committee	
Accountable Director	Kathryn Vause, Executive Director of Finance	
Previous committees/groups	N/A	
Recommended action(s) (assurance, approval, information)	Assurance/Information	
Purpose of the paper	The report provides highlights of the Audit and Risk Committee to provide assurance to the Trust Board.	
Executive Summary	<p>The report provides highlights of the Audit and Risk Committee to provide assurance to the Trust Board.</p> <p>The paper aims to update the Board on discussions taking place to reduce the risks set out in the Board Assurance Framework.</p>	
Recommendation(s)	The Board are asked to note the contents of the report.	
Link to Board Assurance Framework Risks (board and level 2 committees only)	<p>10. Act as a collaborative, integral, and influential system partner.</p> <p>12. Secure sufficient revenue resources and use them wisely to ensure value for money.</p>	

## Highlight Report

**Report from:** Audit and Risk Committee

**Date of the meeting:** 11 November 2026

### Key discussion points at the meetings and matters to be escalated to board:

#### Alert:

- The Committee recommends to the Board that the Contract Clause to be able to extend the external auditors Bishop Fleming term for another two years to include the 25/26 and 26/27 audits is approved.
- The Well Led Review will commence in March 2026 with observations being made across Board and Committee meetings in that month and ARC in April.

#### Advise:

The Committee noted that since the last Audit and Risk Committee held in November, the following reports have been issued:

- Board Assurance Framework (significant assurance)
- Financial ledger and reporting (split opinion - significant (financial reporting/ & ledger arrangements / moderate assurance for reconciliations between the asset register and financial ledger. The latter relies on changes to data system interfaces and timetabling for manual processing but action plan delivery date is April 30th 2026).
- Policy Equality Impact Assessment process (limited assurance). The Associate Director of People Development made representations at the meeting and asked members to support the need for EIA champions across all business areas.

Draft Terms of Reference have also been issued for approval in the following areas:

- Digital implementation
- Abstraction rates
- Sickness absence management (2026/27)
- The follow-up statistics of internal audit actions show a deterioration in performance: 1st first follow up rate for high and medium risk actions - 59% (17 from 29) and overall implementation rate for high and medium risk actions - 66% (19 from 29). Discussions revealed this is in part due to the quality of evidence submitted to close actions is not meeting required standards. Committee members receive information for oversight of risk and control issues raised by internal audit, and I would ask them to understand where quality of evidence is not meeting standards and to support teams in this regard. Internal audit's view on risks and delays in terms of action closures should correspond to risk profile reporting within each committee's remit.
- External Audit confirmed that on the 11 December 2025, NAO issued its certification which officially closed the 24/25 audit and filing of YAS accounts and will be appended to the annual report.
- Interim visits and early testing for 2025/26 year end accounts will commence early March 2026, draft accounts submission currently 27th April with a final

accounts submission deadline date of 26th June 2026. Approvals from ARC and Board will therefore fall to the scheduled June meetings.

- The Committee agreed with the proposed approach and timelines for production of its annual governance documents for 25/26 and the 26/27 workplan.
- Central to discussions was the need to keep triangulating and cross-referencing messages across committees and a suggestion that risk tolerance is understood at key risk issue level when strategic objectives are not green.

### **Assure:**

The Committee:

- Received the Internal Audit Update Report, noting the key messages and were assured by the progress of the plan's delivery and outputs.
- Received and noted the position with regard to completion of management actions raised by Internal Audit across the Trust.
- The Committee were assured by the counter fraud (CF) progress report against plan and noted outputs from CF activity. Recent legislation, 'failure to prevent fraud offence', has been written into Trust policy for presentation at April's meeting. Additional risks have been identified for discussion with senior leaders.
- The Board were assured that the Board Assurance Report and Corporate Risk report reflected risks and issues being managed by the Trust.
- Risk assurance reports from Quality, Finance & Performance and People committee were received and noted.
- Standard Exception reports for the following were received and the committee noted the assurance the papers gave with regards to key processes and control reporting:
  - Single Tender Waivers / Direct Awards (non-framework) and Contracts over Threshold.
  - Scheduled of Losses and Special payments (April 1 - December 31 2025), increased volumes seen this period compared to prior year, but no driver identified.

The Committee received an assurance paper on the status of Policies and Procedural documents across the Trust.

### **Risks discussed:**

Regulatory reporting; fraud; corporate governance.

### **New risks identified:**

No new risks were identified

Report completed by: Amanda Moat, Committee Chair

Date: 21 January 2026