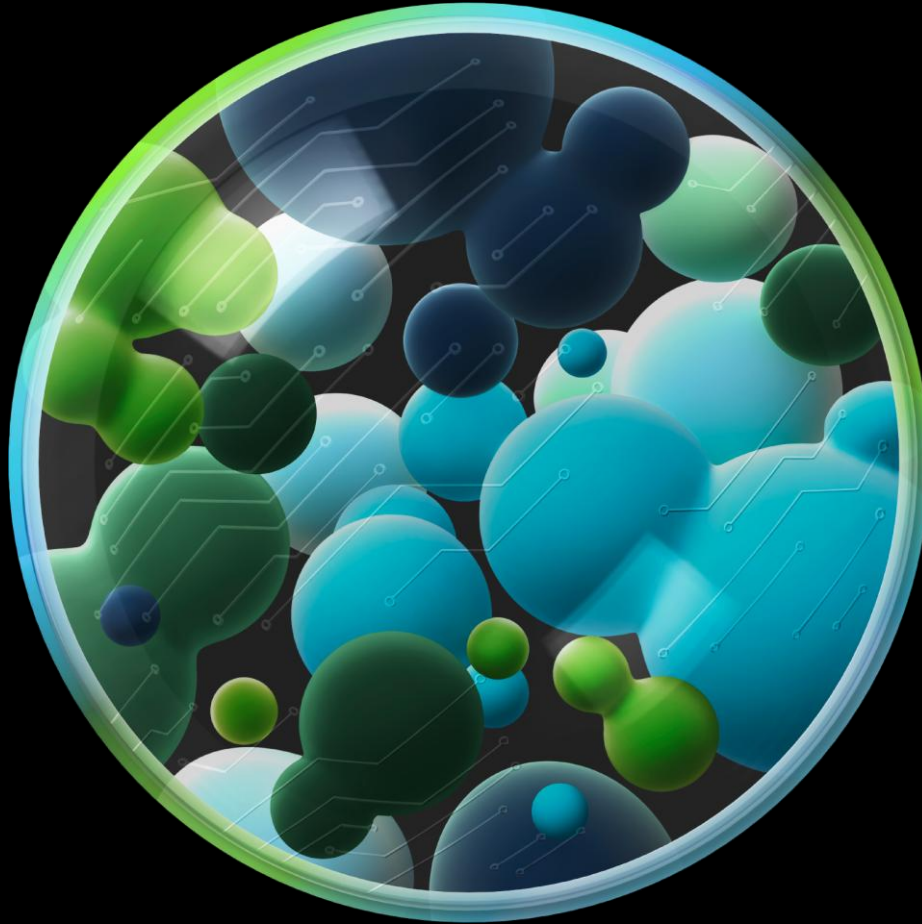




Bradford Teaching Hospitals NHS Foundation Trust Auditor's Annual Report 2025/26

(issued on 28/08/2026)

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Executive summary

We conduct our audit in accordance with the NAO's Code of Audit Practice, International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. We are independent of the Bradford Teaching Hospitals NHS Foundation Trust ("the Trust") in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard. The Trust's Annual Report and Accounts, including our audit report, are available on the Trust's website.

Audit opinion on financial statements

We issued an unqualified opinion on the Trust's financial statements on 26 June 2026. We did not identify any matters where, in our opinion, proper practices had not been observed in the compilation of the financial statements.

Remuneration and Staff Report

We reported that the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the National Health Service Act 2006.

Annual Report

We reported that the information given in the Performance Report and Accountability Report for the year ended 31 March 2026 is consistent with the financial statements.

Other powers and reports

We did not exercise our additional reporting powers (to issue a report in the public interest or a report to NHS England) in respect of the year ended 31 March 2026.

Value for money ("VfM") - arrangements to secure economy, efficiency and effectiveness in the use of resources

We are required to report if we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Our VfM assessment covers three specified reporting criteria: financial sustainability; governance; and improving economy, efficiency and effectiveness.

We did not report any significant weaknesses in the Trust's arrangements in the current year. We have, however, followed up on the significant weakness reported in the prior year, as detailed in Appendix 1. In addition, we have made some recommendations to further strengthen the Trust's arrangements, which are set out in Appendix 2.

Annual Governance Statement

We did not identify any matters where, in our opinion, the Annual Governance Statement did not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, was misleading, or was inconsistent with information of which we are aware from our audit.

Audit Certificate

We have not yet issued our audit certificate, as we are not able to do so under the National Audit Office's Auditor Guidance Note 07, Auditor Reporting, until we are advised by the National Audit Office that the audit of the NHS group consolidation is complete, which is expected to be in the autumn. We will then issue a separate audit certificate.

Reporting to the group auditor

In line with the group audit instructions issued by the NAO, we reported that the Trust's consolidation schedules that feed into the Consolidated NHS Provider Account and Department of Health and Social Care's group accounts were consistent with the audited financial statements.

1. Purpose of this report



Our report

This report presents the key findings arising from our audit work at Bradford Teaching Hospitals NHS Foundation Trust (“the Trust”) for the year ended 31 March 2026.

The report has been prepared in accordance with the National Audit Office’s (“NAO”) 2024 Code of Audit Practice and its supporting Auditor Guidance Note (“AGN”) 03 Value for Money, and AGN 07 Auditor Reporting. These are available from the NAO website.

This report includes our commentary on the Trust’s arrangements to secure economy, efficiency and effectiveness in the use of resources (“Value for Money”, “VfM”). We assess the Trust’s VfM arrangements, based on our risk assessment. Our commentary focuses on our key observations on the Trust’s arrangements and does not consider the adequacy of every arrangement the Trust has in place, nor does it provide positive assurance that the Trust is delivering or represents value for money.



VfM findings

We have not identified any significant weaknesses in the Trust’s VfM arrangements. We have however reported recommendations in respect of the arrangements in place to secure value for money. Please see Appendix 2.

2. Our financial statement audit approach

Materiality

Our work is planned and performed to detect material misstatements. We determined materiality for the Trust to be £13.7m, on the basis of 2% of revenue.

An overview of the scope of the audit

Our audit approach is based upon obtaining an understanding of the Trust, including its systems, processes, risks, challenges and opportunities, and the size, composition and qualitative factors relating to account balances, classes of transactions and disclosures. These risk assessment procedures enable us identify risks of material misstatement in the financial statements, and then then tailor our audit procedures to address those risks.

Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team, led by the audit partner, Nicola Wright.

The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations and Information Technology systems.

Procedures for auditing the Trust's financial statements

Our audit procedures included:

- interviewing members of the Trust's management team and reviewing documentation to test the design and implementation of the Trust's internal controls in certain key areas relevant to the financial statements; and
- performing sample tests and analytical procedures on amounts in the Trust's financial statements to test the recorded transactions, balances and disclosures.

Data analytic techniques were used as part of audit testing, in particular to support profiling of populations to identify items of audit interest and in journal testing, using our Spotlight data analytics platform.

Approach to audit risks

We focused our work on areas which we considered to be of higher risk, which are referred to as significant risks.

Our audit plan, presented to the Trust's Audit Committee, detailed the significant risks for the Trust's audit and our planned procedures.

Our final report to the Trust's Audit Committee reported the findings from our procedures.

We have made recommendations in our Audit Committee reporting for improvement in the Trust's policies, procedures and internal controls based on observations from our work. However, we do not consider these recommendations to reflect significant weaknesses in the Trust's VfM arrangements. We have provided a summary of each of the significant audit risks on the following page.

3. Financial statement audit significant risks

Risk	Procedures undertaken	Findings
Management override of controls Auditing standards require us to perform procedures to address the risk of management override of controls, including through influencing judgements and estimates, as well as overriding the Trust's controls for how specific transactions are accounted for.	• We evaluated the design and implementation of controls over journals, accounting estimates and review of the annual accounts. • We tested accounting estimates, including evaluating for indications of bias in estimates. Where relevant, we: evaluated the methods used to determine estimates; compared to relevant third-party information; and assessed the recognition and valuation criteria to specific requirements of accounting standards. • We used our Spotlight data analytic software to select journals for testing with characteristics indicative of potential manipulation of reporting. We traced the journals to supporting documentation and evaluated the accounting rationale for the posting.	• We reported to management two control findings. • We did not identify any instances of management override of controls.
Completeness expenditure Due to the financial pressures upon the Trust, we identified a significant risk due to fraud that judgemental liabilities and related expenditure are understated.	• We evaluated the design and implementation of controls over the completeness of year-end liability recording process. • We tested an extended sample of post year-end invoices and payments to test completeness of recorded liabilities. • We performed an analytical review of accruals and provisions to identify significant movements in these balances from prior year.	• We reported to management one control finding. • We reported to management two numeric misstatements which were both projected misstatements.

4. Auditor’s work on Value for Money (VfM) arrangements

The Trust’s Accounting Officer and the Board are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money.

The Accounting Officer reports on the Trust’s arrangements, and the effectiveness with which the arrangements are operating, as part of their Annual Governance Statement.

Under the National Health Service Act 2006, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. In accordance with the National Audit Office’s Auditor Guidance Note 3, we are required to assess arrangements under three areas:

Financial Sustainability	<i>How the body plans and manages its resources to ensure it can continue to deliver its services</i>
Governance	<i>How the body ensures that it makes informed decisions and properly manages its risks</i>
Improving economy, efficiency and effectiveness	<i>How the body uses information about its costs and performance to improve the way it manages and delivers its services</i>

This report presents our findings on the Trust’s VfM arrangements. Where we have found significant weaknesses in arrangements, we are required to make recommendations so that the Trust can consider them and set out how it plans to make improvements.

In planning and performing our work, we consider the arrangements that we expect bodies to have in place, and potential indicators of risks of significant weaknesses in those arrangements. Our assessment of potential indicators has been performed in the context of the overall operating environment for the NHS during 2025/26, including the impact of demand pressures, the need to recover elective activity levels, and financial constraints.

In addition to our financial statement audit, we performed a range of procedures to inform our VfM commentary, including:



Interviews with key stakeholders, including the Chair, Chief Executive, Chief Finance Officer, NHS England and the Assistant Director of Finance.



Review of Board and Committee reports and attendance at Audit Committee meetings.



Reviewing reports from third parties including the Care Quality Commission and NHS England.



Considering the findings from our audit work on the financial statements.



Review of the Trust’s Annual Governance Statement and Annual Report.

4. Auditor's work on VfM arrangements (continued)

Trust Performance

	2025/26	2024/25
Surplus / (Deficit)	£(38.4)m	£(13.3)m
Adjusted Surplus/(Deficit)	£(17.8)m	£(4.8)m
EBITDA as % of income	1.1%	2.7%
Cost Improvement Programme delivery (£m / % of plan)	£34.6m / 90.5% of plan	£32.9m / 84.7% of plan
Cash	£25.8m	£31.9m
Capital Expenditure (£m / % of plan)	£60.8m / 138.4% of plan	£46.4m / 103.8% of plan
NHS Oversight Framework segment	3	3
Reported breaches of Licence Conditions	Yes*	Yes*
CQC report conclusions (last full inspection report date April 2020)	Good	Good
Head of Internal Audit Opinion	Significant Assurance	Significant Assurance
Annual Governance Statement - significant internal control issues	None	None

* This relates to the licence conditions issued against the Trust in 2024 which were removed in July 2026.



The NHS Oversight Framework

The NHS Oversight Framework provides an overview of the level and nature of support required by organisations and systems during 2025/26.

It is built around five national themes:

- quality of care, access and outcomes;
- preventing ill health and reducing inequalities;
- people;
- finance and use of resources; and
- leadership and capability.

NHS England allocates trusts and ICBs to one of four 'segments'. A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4).

5. VfM arrangements

5.1. Financial sustainability



Approach and considerations

We have considered how the Trust plans and manages its resources to ensure it can continue to deliver its services, including:

- How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the body plans to bridge its funding gaps and identifies achievable savings;
- How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the body identifies and manages risks to financial resilience, e.g., unplanned changes in demand, including challenge of the assumptions underlying its plans.



Commentary

The Trust recognised a deficit for the year of £38.4m (31 March 2025: deficit of £13.3m). At 31 March 2026, the Trust had net assets of £241.2m (31 March 2025: £228.8m), net current liabilities of £35.0m (31 March 2025: £26.2m), and cash of £25.8m (31 March 2025: £31.9m). The Trust also reports its non-statutory adjusted financial performance on a control total basis which shows a deficit for the year of £17.8m (31 March 2025: deficit of £4.8m).

During the year, the Trust's position is monitored and reported on a regular basis to the Trust Board. The Trust has in place a Budgetary Management Framework that sets out the operational rules and processes which management utilise as part of their financial management. The annual budget setting is conducted as part of the annual planning exercise for which the Chief Finance Officer has overarching responsibility.

The Trust reviews its financial risks at Board on a monthly basis, and where appropriate, updates are made to either risk scores or mitigating actions and this is documented in the minutes.

The Trust, as part of the 2025/26 annual planning process, submitted a £17m adjusted deficit plan. The plan was subsequently revised to a £2m deficit in July 2025 following an additional central review and challenge process across the ICB. The Trust identified through its monthly review and monitoring of the financial position that the revised deficit plan would not be achieved and worked in collaboration with NHSE in respect of this. The Trust formally varied their plan at month 9 and implemented a number of measures in respect of the delegations, approval powers and limits, including establishing a weekly Financial Recovery Board responsible for the overseeing the Trust's outturn and delivery of the revised plan.

5. VfM arrangements (continued)

5.1. Financial sustainability (continued)



Commentary (continued)

The Trust identifies its savings plans annually as part of the budget setting process. As part of the 2025/26 plan submission the Trust identified that it would be required to deliver £33m of savings equivalent to 5% of operating expenditure. Following the revision of the plan, as described on page 9, the savings target was increased to £38.3m representing 5.5% of operating expenditure. The Trust reported delivering £34.6m of savings, equivalent to 4.8% of operating expenditure.

During the year, the internal audit provider performed a review of the Closing the Gap (“CTG”) arrangements, providing a low assurance rating. Following this review the Trust has changed the process for 2026/27. We recommend that management ensures that the recommendations raised by internal audit are actioned and that any learning is embedded into the revised control environment (Recommendation 1).

The changes made to the CTG programme have included: 1) changing Executive Director ownership from the Director of Strategy to the Chief Finance Officer; 2) changing from a CTG Steering Group which reported monthly to the Finance and Performance Committee to a weekly Financial Recovery Board focussed on reviewing and challenging the financial position including the outturn of the savings programme; and 3) establishing gateway reviews for savings to scrutinise the schemes through all phases of their development to delivery.

The Trust’s 2026/27 plan is based upon a forecast deficit, on a control total basis, of £2.3m. The plan includes savings of £58.4m which is 7.8% of planned operating expenditure, which is an increase of £23.8m, or 68.8% from the savings achieved in 2025/26. This represents an increase as a percentage of total operating expenditure, and as such, the Trust will need to ensure that there is appropriate scrutiny throughout the year.

In 2025/26, the Trust reported delivering 60.2% of its savings through recurrent measures and plans in 2026/27 to deliver 76.3% of the total savings through recurrent measures. At month 3 the Trust had reported achieving £10.6m against plan of £11.6m, with £9.7m of this being reported as delivering recurrently. Additionally, at month 3, the Trust is reporting that it forecasts to achieve 100% of planned savings, with plans fully developed of £39.8m and plans in progress of £18.5m. Given the increase in the planned savings and the changes to the associated governance, we recommend that:

- The Trust ensures that they are reporting on a timely basis the output of the CTG programme, particularly should the Trust be off plan, so that the Trust can respond and react on a timely basis as necessary throughout the year (Recommendation 2);
- The Trust reviews on a periodic basis whether the revised arrangements are supporting the delivery of the CTG programme or whether there are any required changes (Recommendation 3); and
- The Trust ensures that, as part of the oversight of CTG programme, that it challenges and reviews the delivery, or non-delivery, of the schemes planned to deliver recurrently (Recommendation 4).

5. VfM arrangements (continued)

5.2. Governance



Approach and considerations

We have considered how the Trust ensures that it makes informed decisions and properly manages its risks, including:

- How the body monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- How the body approaches and carries out its annual budget setting process;
- How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.



Commentary

The Trust has a risk management strategy which sets out the purpose and principles underlying the strategy as well as the risk scoring, monitoring and reporting processes. Alongside this the Trust has a risk assessment handbook which provides additional guidance on identification, assessment and managing of risks.

Budget setting combines elements of top down planning and modelling at a corporate level and bottom up intelligence gathering and forecasting in which individual departmental budget holders contribute. The top down review focusses on issues such as inflation rates, commissioner contracts, demographic changes and system level pressures, while the bottom up methodology considers capacity and demand at a specialty or service level, quality issues, new clinical standards or service specific issues.

NHS Provider Code of Governance

The Trust's statement of compliance with the Code is on page 120 (2024/25: page 110) of the Annual Report which states that the Trust considers it has complied with the provisions of the Code throughout the year except for provision E.2.2 for which there is partial compliance. This relates to the levels of remuneration for the chair and other non-executive directors which should reflect the Chair and non-executive director (NED) remuneration structure. The NED remuneration for the Trust is currently set at £15,000, an increase from the £13,785 in the previous year which had been in place since 2011. The annual remuneration cap set by NHS since the guidance came into place in 2019 is £13,000, therefore the new remuneration is £2,000 above the recommended cap.

5. VfM arrangements (continued)

5.2. Governance (continued)



Commentary (continued)

Licence Conditions

As part of our 2023/24 and 2024/25 audit, we reported a significant weakness in respect of the Trust's arrangements in relation to how the organisation monitors and ensures appropriate standards are met, such as meeting legislative/regulatory requirements, together with a recommendations to address the significant weakness. In 2024, NHS England imposed additional licence conditions on the Trust pursuant to section 111 of the Health and Social Care Act 2012, and the Trust agreed to a number of enforcement undertakings to address the concerns raised.

The enforcement undertakings were:

- The review of Board leadership and governance and the implementation of the findings; and
- Regular meetings with NHS England where update on progress will be reported.

During 2024/25, an Integrated Quality Improvement Group ("IQIG") was set up by NHSE to oversee and support the Trust in addressing the concerns and making the required improvements. These meetings between the Trust and the IQIG, which occur on a monthly basis, have continued in the current year and are attended by key personnel from the Trust including the Board Chair, Chief Executive, Chief Finance Officer and Chief Nurse. The Trust also had an Independent Oversight Group process which in May 2026 concluded that it had completed all of the required actions by NHSE.

Additionally, during 2025/26, the CQC performed a "Well Led" inspection which was published on 27 March 2026 with the Trust being rated "Good" having previously been rated as "Requires Improvement".

On 21 July 2026, the Trust was notified by NHSE that the licence conditions had been lifted. Our previous recommendations are included in Appendix 1, however, based on our procedures we are satisfied that this no longer represents a significant weakness.

Capital expenditure

The Trust entered into vesting certificates with certain of its capital suppliers ahead of year-end, with £2.0m (2024/25: £0.2m) of capital expenditure recognised. These agreements are intended to transfer legal title ahead of receipt of goods, in exchange for payment in advance. Vesting certificates can be a legitimate risk management tool if advance payments are required for commercial reasons to secure orders for goods in high demand or with long lead times. Managing Public Money states that public sector organisations should not use interim payments to circumvent spending controls, such as to avoid underspending the capital budget for the year. We recommend that the Trust continues to review the need for vesting certificates and ensures that they also assess whether any case is novel or contentious and therefore requires HM Treasury approval, and how it complies with Managing Public Money principles, particularly where certificates are used around year-end (Recommendation 5).

5. VfM arrangements (continued)

5.3. Improving economy, efficiency and effectiveness



Approach and considerations

We have considered how the body uses information about its costs and performance to improve the way it manages and delivers its services, including:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the body evaluates the services it provides to assess performance and identify areas for improvement;
- How the body ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives; and
- Where the body commissions or procures services, how it assesses whether it is realising the expected benefits.



Commentary

The Trust's Audit Committee approves the annual Internal Audit Plan and Counter Fraud Plan, and receives updates at Committee meetings through the year.

The Trust's Head of Internal Audit opinion for the year was "Significant Assurance with Limited Improvements Identified". Internal audit reported five limited assurance and one low assurance review. The limited assurance reviews included the Board Assurance review, with the low assurance review on the CTG program. Management are currently revising the Board Assurance Framework to address the recommendations made.

Overall, the Trust is rated as Good by the Care Quality Commission ("CQC") with the last full inspection in 2020. In the current year, the CQC performed four inspections which covered the Trust's outpatient services, maternity and community health inpatient service which were all rated as good, with the urgent and emergency services being rated requires improvement in the report published on 22 July 2026.

The Trust continues to review its partnership arrangements regularly and Trust Board receives regular reporting in respect of partnerships and the associated partnership boards. To ensure that relevant information is fed back into the Trust's processes, relevant executive directors, deputies and clinicians are involved in a range of regular meetings at Place committees covering quality, finance and performance and leadership as well as ICS meetings for Leadership and Oversight, Finance Directors and Delivery Programmes.

The Trust has a procurement function who develop the Trust's procurement strategy in line with the procurement policy. The policy's aim is to ensure that the Trust operates in an open and transparent manner and achieves value for money. It focuses on ensuring that an appropriate level of competitive tendering is used in each case and that any use of the options to waive the tendering requirements are appropriately approved by senior officers and reported to the Audit Committee.

6. Purpose of our report and responsibility statement



What we report

Our report fulfils our obligations under the Code of Audit Practice to issue an Auditor's Annual Report that brings together all of our work over the year, including our commentary on arrangements to secure value for money, and recommendations in respect of identified significant weaknesses in the Trust's arrangements.



The scope of our work

Our observations are developed in the context of our audit of the financial statements.



Use of this report

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of Bradford Teaching Hospitals NHS Foundation Trust, as a body, in accordance with the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in our Audit Report and Auditor's Annual Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



What we don't report

Our audit was not designed to identify all matters that may be relevant to the Trust.

Also, there will be further information the Board needs to discharge its governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the audit of the financial statements and work under the Code of Audit Practice in respect of Value for Money arrangements.

Deloitte LLP

Newcastle upon Tyne | 28 August 2026

Appendices

Appendices content

Appendix 1: Follow up on recommendations in respect of significant weakness

Appendix 2: Recommendations

Appendix 3: Trust's responsibilities

Appendix 4: Auditor's responsibilities

Appendix 5: Assurance sources for the Trust

Appendix 1

Follow up on recommendations in respect of significant weaknesses

This appendix provides an update on the Trust’s progress in addressing the recommendations we made in respect of the significant weakness first identified in the 2024/25 audit.

	Recommendation	Management Response	Current Status
1	The Trust acts upon the recommendations made by NHS England.	NHSE established an Integrated Quality Improvement Group in 2024/25 to support the Trust’s improvement actions. Monthly meetings were held attended by senior Trust leaders. In May 2026, the Independent Oversight Group concluded that all required NHSE actions had been completed.	Completed
2	The Trust addresses any findings that may be made by the Care Quality Commission when they report the results of their review.	The review was rated as good and all areas of concerns raised by CQC were fully addressed.	Completed

Appendix 2

Recommendations

This appendix presents our recommendations on opportunities to strengthen arrangements to secure economy, efficiency and effectiveness in the use of resources.

Number	Area	Recommendation
1	Financial Sustainability	During the year, internal audit performed a review of the Closing the Gap (“CTG”) arrangements, providing a low assurance rating. Following this review the Trust has changed the process for 2026/27. We recommend that management ensures that the recommendations raised by internal audit are actioned and that any learning is embedded into the revised control environment.
2	Financial Sustainability	Given the increase in the size of the savings target, the Trust should ensure that they are reporting on a timely basis, particularly should the Trust be off plan, the output of the CTG programme so that the Trust can respond and react on a timely basis as necessary throughout the year.
3	Financial Sustainability	Given the process and oversight changes for 2026/27, the Trust should review on a periodic basis whether the revised arrangements are supporting the delivery of the CTG programme or whether there are any required changes.
4	Financial Sustainability	Given the planned increase in delivery of the savings target through recurrent measures, we recommend that the Trust ensures that as part of the oversight of CTG programme, that it challenges and reviews the delivery, or non-delivery of the schemes planned to deliver recurrently.
5	Governance	We recommend that the Trust continues to review the need for vesting certificates and ensures that they also assess whether any case is novel or contentious and therefore requires HM Treasury approval, and how it complies with Managing Public Money principles, particularly where certificates are used around year-end.

Appendix 3

Trust's responsibilities

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The Chief Executive, as Accounting Officer of the Trust, is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Accounts Direction issued by NHS England, which requires the Trust to comply with the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. In applying the going concern basis of accounting, the Accounting Officer has applied the 'continuing provision of services' approach set out in the Group Accounting Manual, as it is anticipated that the services the Trust provides will continue into the future.

The Accounting Officer is required to confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced, and understandable, and provides the information necessary for patients, regulators and stakeholders to assess the Trust's performance, business model and strategy.

The Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources, for ensuring that the use of public funds complies with the relevant legislation, delegated authorities and guidance, for safeguarding the assets of the Trust, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounting Officer and the Board are responsible for ensuring proper stewardship and governance and reviewing regularly the adequacy and effectiveness of these arrangements.

Appendix 4

Auditor's responsibilities

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Auditor's responsibilities relating to the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required under the Code of Audit Practice and the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the guidance, published by the Comptroller & Auditor General, as to whether the Trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the Trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2026. Other findings from our work, including our commentary on the Trust's arrangements, are reported in our Auditor's Annual Report.

Auditor's other responsibilities

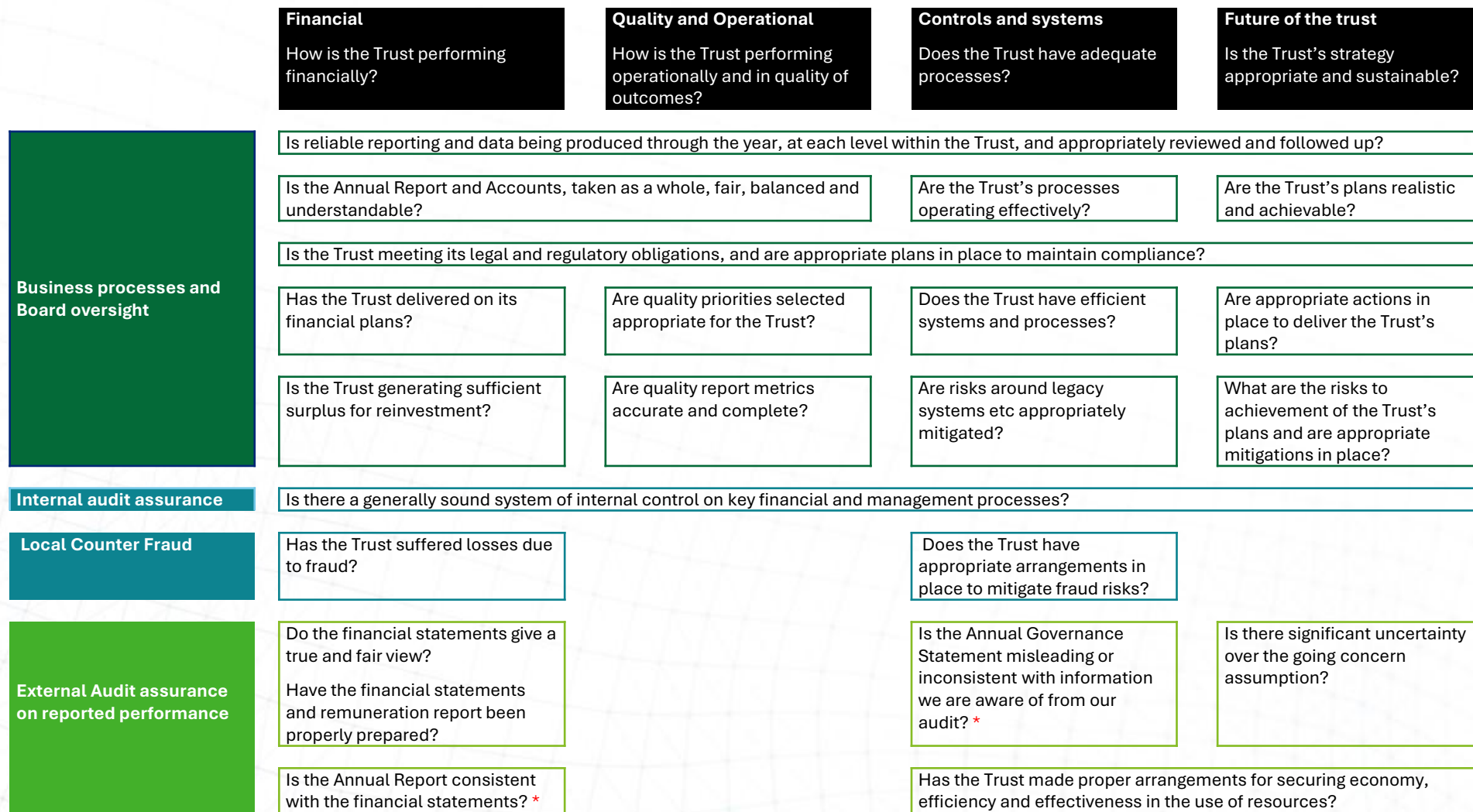
We are also required to report to you if we exercise any of our additional reporting powers under the National Health Service Act 2006 to:

- make a referral to NHS England if we believe that the Trust or an officer of the Trust is
 - about to make, or has made, a decision which involves or would involve the Trust incurring unlawful expenditure;
 - about to take, or has begun to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency; and
- consider whether to issue a report in the public interest.

Appendix 5

Assurance sources for the Trust

The diagram below illustrates the assurances provided by external audit around finance, quality, controls and systems and the future of the Trust (in the green rows) and how this fits with some of the other assurances available over the Trust's position and performance.



* The scope of external audit in this area is "negative assurance" of reporting by exception of issues identified.



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