Auditor's Annual Report

Derbyshire Healthcare NHS Foundation Trust – year ended 31 March 2023

23 June 2023

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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 2023. 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 23 June 2023. Our opinion on the financial statements is unqualified.

Wider reporting responsibilities

In line with group audit instructions issued by the NAO, we reported that the Trust’s consolidation schedules are consistent with the audited financial statements.

Value for Money arrangements

In our audit report issued we reported that we had 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. Section 3 provides our commentary on the Trust’s arrangements;.

Other reporting powers

We have not exercised any of our other reporting powers.

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Section 02:

Audit of the financial statements

2. Audit of the financial statements

Our audit of the financial statements

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 2023 and of its financial performance for the year then ended. Our audit report, issued in June 2023, gave an unqualified opinion on the financial statements for the year ended 31 March 2023.

A summary of the significant risks we identified when undertaking our audit of the financial statements and the conclusions we reached on each of these is outlined on the following pages.

Qualitative aspects of the Trust's accounting practices

We reviewed the Trust's accounting policies and disclosures and concluded they complied with relevant accounting practice.

Other reporting responsibilities

Annual Report

We have not identified any significant inconsistencies between the content of the annual report and our knowledge of the Trust.

Annual Governance Statement

The Governance Statement has been prepared in line with Department of Health and Social Care (DHSC) requirements.

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.

2. Audit of the financial statements

Main financial statement audit risks and findings

Our audit approach is risk-based and primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment. Following the risk assessment, we identified risks relevant to the audit of financial statements and the significant audit risks and conclusions reached are set out below:

Audit Risk	Level of audit risk	How we addressed the risk	Audit conclusions
Management override of controls This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.	**Significant risk:** an area that, in our judgment, requires special audit consideration.	We addressed this risk through performing audit work over accounting estimates, journal entries and considering whether there were any significant transactions outside the normal course of business or otherwise unusual. In addition, our work included, but was not limited to: • Making enquiries of management; and • Using our data analytics and interrogation software to extract journals for detailed testing based on specific risk characteristics.	We have not identified any significant issues in relation to the management override of controls.
Valuation of land & buildings The Trust engages an external expert to value these assets. The valuation of these is complex and is subject to a number of assumptions and judgements, which can involve a greater degree of estimation uncertainty. Changes in the value of land and buildings, as well as additional capital works being completed in the year, may impact on the Statement of Comprehensive Income depending on the circumstances and the specific accounting requirements of the Group Accounting Manual. This risk covers the following balances: • Land (£14,635k – Note 15) • Buildings excluding dwellings (£36,753k - Note 15) • Assets under Construction (£59,481k – Note 15)	**Significant risk**	Our procedures to address this risk included, but was not limited to: • Liaised with management to update our understanding of the approach taken by the Trust in its valuation of Land and Buildings; • Reviewed the work of management's valuation expert and how these valuations have been incorporated into the financial statements; and • For a sample of assets, reviewed the valuation methodology used, including testing the underlying data and assumptions. We determined it was not necessary to engage an auditor's expert to support our work,	We have not identified any signficant issues in relation to the valuation of land & buildings.

2. Audit of the financial statements

Main financial statement audit risks and findings

Our audit approach is risk-based and primarily driven by the issues that we consider lead to a higher risk of material misstatement of the accounts. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment. Following the risk assessment, we identified risks relevant to the audit of financial statements and the significant audit risks and conclusions reached are set out below:

Audit Risk	Level of audit risk	How we addressed the risk	Audit conclusions
Compliance with IFRS 16 Leases IFRS 16 is applicable from 1 April 2022 and is designed to report information that better shows lease transactions and provides a better basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. This accounting standard is complex and there are detailed accounting and disclosure requirements. Given the increased risk of error or incorrect judgement in this first year of implementation we highlight this as an area of enhanced audit risk.	**Enhanced Risk:** areas that require additional consideration but not to the level of a significant risk, these include but may not be limited to key areas of management judgement, including accounting estimates.	Our procedures to address this risk included, but was not limited to: • We liaised with management to update our understanding of the approach taken by the Trust in its compliance with IFRS16; and • For a sample of leases, we reviewed the methodology used, including testing the underlying data and assumptions.	We have not identified any significant issues in relation to compliance with IFRS16.
Recognition of capital expenditure and incorrect capitalisation of revenue spend The Trust has a significant capital programme in place for 2022/23, with £55m being capitalised during the year. The level of work in progress (Assets Under Construction) was also high with £59m being recorded at the year end. The Trust is responsible for ensuring it captures all directly identifiable costs, which can be capitalised, whilst ensuring expenses which are not eligible for being capitalised are identified and charged to revenue in the normal course of business. Capital expenditure is met from ring-fenced funding and with the Trust's large capital programme, we believe there is an enhanced audit risk relating to the need to ensure that expenditure that has been capitalised meets the definition of capital expenditure and is correctly accounted for.	**Enhanced Risk**	Our procedures to address this risk included, but was not limited to: • considering the arrangements the Trust has in place to mitigate the risk of revenue expenditure being incorrectly classified; • substantively testing the appropriateness of a sample of capital additions and considering the Trust's approach to addressing the value added nature of the expenditure; and • considering the arrangements the Trust has in place for ensuring Assets Under Construction are correctly classified and substantively testing a sample of schemes to confirm they are not complete and operational.	We have not identified any significant issues in relation to the recognition of capital expenditure

03

Section 03:

Our work on Value for Money arrangements

3. Value for Money arrangements

Overall Summary

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 - How the Trust plans and manages its resources to ensure it can continue to deliver its services

Governance - How the Trust ensures that it makes informed decisions and properly manages its risks

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

Our work is carried out in three main phases.

Phase 1 - Planning and risk assessment

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.

We obtain our understanding or arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information
- Information from internal and external sources including regulators
- Knowledge from previous audits and other audit work undertaken in the year
- Interviews and discussions with staff and directors

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.

Phase 2 - Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

We outline the risks that we have identified and the work we have done to address those risks on page [x].

Phase 3 - Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this Auditor's Annual Report. We do this as part of our Commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Trust. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements**

  We make these recommendations for improvement where we have identified a significant weakness in the Trust arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.

- **Other recommendations**

  We make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant but which still require action to be taken

The table on the following page summarises the outcomes of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements or made other recommendations.

3. VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	2021/22 Actual significant weaknesses identified?	2022/23 Commentary page reference	2022/23 Identified risks of significant weakness?	2022/23 Actual significant weaknesses identified?	2022/23 Other recommendations made?
Financial sustainability	**No**	13	**No**	No matters arising in 2022/23.	**No**
Governance	**No**	17	**No**	No matters arising in 2022/23.	**No**
Improving economy, efficiency and effectiveness	**No**	19	**No**	No matters arising in 2022/23.	**No**

3. Value for Money arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services

3. VFM arrangements – Financial Sustainability

Significant weaknesses in 2021/22	Nil.
Significant weaknesses identified in 2022/23	Nil.

Position brought forward from 2021/22

As set out in the table above, there are no indications of a significant weakness in the Trust's arrangements for financial sustainability brought forward from 2021/22.

Overall commentary on the Financial Sustainability reporting criteria

Background to the NHS financing regime in 2022/23 – Revenue

The 2021 Spending Review set Government departmental budgets and spending plans for the three years from 2022/23 to 2024/25. The NHS's settlement provided additional funding for elective recovery, but also assumed inflation would be 2% and pay settlements of 2%.

The Consumer Prices Index (CPI) rose by 10.1% in the 12 months to March 2023, down from 10.4% in February (Source: ONS).

The Government announced pay awards for Agenda for Change (AfC) staff in England covering 2022/23 and 2023/24:

- A 2% non-consolidated award on top of the 2022/23 pay award, and a one-off NHS backlog bonus worth between £1,250 and £1,600
- A 5% consolidated award for 2023/24

The Trust received £5.8m to fund the 2022/23 pay award accrual, which is included in the financial statements at note 26.

The NHS is expected to plan and deliver further efficiency gains in local health systems of 2.9% and 2.2% in expenditure in 2023/24 and 2024/25.

Capital

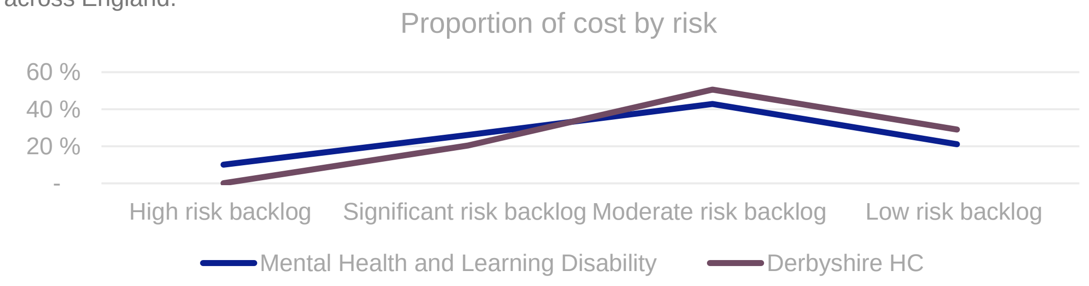
Whilst there has been an increase in the settlement and commitment for further investment in the NHS estate, the construction sector continues to experience the effects of inflation and availability of materials, increasing the cost of delivering capital projects and increasing the challenge of staying within Capital expenditure limits.

We have tested capital additions as part of our financial statement audit with no issues arising and confirmed the Trust stayed within its Capital Resource Limit.

Backlog maintenance

The most up-to-date dataset regarding NHS backlog maintenance, published by NHS Digital in October 2022, uses "Estates Returns Information Collection" provided by NHS trusts and estimated the total cost to eradicate backlog maintenance for the year ending 31 March 2022 was £10.2 billion, an 11% increase over 2020/21.

We have reviewed the data and considered this in context of the NHS as a whole and for other Mental Health and Learning Disability NHS Trusts. Majority of the backlog sits within the moderate to low risk for Derbyshire Healthcare, compared to the wider market. Total costs for Derbyshire Healthcare in respect of backlog maintenance represent £7.3m compared to £659.8m for all Mental Health and Learning Disability providers across England.



The position regarding backlog maintenance does not give rise to a risk of significant weakness in arrangements.

3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria (continued)

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 for 2022/23. These confirm the Trust Board undertook its responsibility to define the strategic aims and objectives, approve budgets and monitor financial performance against budgets and plans to best meet the needs of the Trust's service users.

The Trust's financial planning and monitoring arrangements

Through our review of board and committee reports, meetings with management and relevant work performed on the financial statements, we are satisfied that the Trust's arrangements for budget monitoring remain appropriate, and these include:

- Standing Financial Instructions with relevant provisions for budgetary control and reporting;
- Oversight from the Trust Board and its Committees, through an Integrated Performance Report and detailed reports on finance including outturn and financial planning;
- The Trust has well established arrangements for year-end financial reporting, despite increasing challenges placed on the finance team with concurrent financial reporting and 2023/24 financial planning deadlines.

2022/23 financial outturn

Financial performance is regularly reported and scrutinised by the Finance and Performance Committee alongside Audit and Risk Committee, and we have not identified any significant discrepancies between position reported in the year and the final reported position. There is regular integrated reporting of financial and performance information to the Board.

The Trust's draft financial statements showed:

- An Operating surplus from continuing operations of **£6.7m surplus** (Prior Year = £3.9m surplus);
- An Overall surplus for the year of **£2.6m surplus** (Prior Year = £0.1m surplus), against gross expenditure of £204m (Prior Year = £184m);
- Total Comprehensive Income of **£7.4m surplus** (Prior Year = £4.5m surplus);
- The Trust has positive net assets of **£184.5m** (Prior Year = £126.0m) and positive cash balance of £53.9m (Prior Year = £44.4m; and
- The positive I&E Reserve stands at **£14.0m** (Prior Year = £11.3m).

We tested pay and related costs through our work on the financial statements with no significant issues arising. The table below also summarises our calculation of temporary costs as a percentage of Trust expenditure on salaries, wages, social security and pension costs as shown in Note 8 of the draft financial statements. It shows that temporary staff costs have remained static over the prior year, with a small increase in the percentage. In our view, this does not demonstrate a risk of significant weakness in arrangements.

Note 8 (draft financial statements £k)	2022/23	2021/22
Agency / contract staff	7,596	5,713
Salaries, wages, social security and pension costs	155,595	134,025
Temporary staff costs as a % of employee benefits expenses	4.88%	4.26%

The Trust is required to make financial efficiency savings through schemes known as Cost Improvement Programmes (CIP). The Trust assesses CIP savings each month against the cumulative Year to Date (YTD) planned savings. The target was to achieve 100% of the YTD plan, with the Trust ending the year with an overall performance of 100% (£6m of savings). However, a considerable proportion of these efficiencies were non-recurrent in nature (68%) which has an adverse impact on 2023/24 financial plan.

The Trust's financial outturn for 2022/23 does not indicate a risk of significant weakness in arrangements.

3. VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria (continued)

The Trust's arrangements and approach to Financial planning 2023/24

The Trust continues to work collaboratively with the Integrated Care System (which came effective from 1st April 2022) through the development of the financial plan for 2023/24. Planning negotiations with NHS England for 2023/24 are continuing across the country.

2023/24 Priorities and Operational Planning Guidance was issued on in December 2022. A draft financial plan on behalf of the ICS was submitted on 30/03/23 based on system agreed planning principles. For the draft financial plan submitted to NHSE, the Trust identified a £8.8m CIP target, with £7.5m being from identified schemes leaving a gap of £1.5m. The level of unidentified CIPs does not, in our view, indicate a significant weakness in arrangements. We are aware that Derbyshire Healthcare has undertaken a refresh of the 2023/24 financial plan and a balanced budget has been agreed for 2023/24.

Capital plan 2023/24

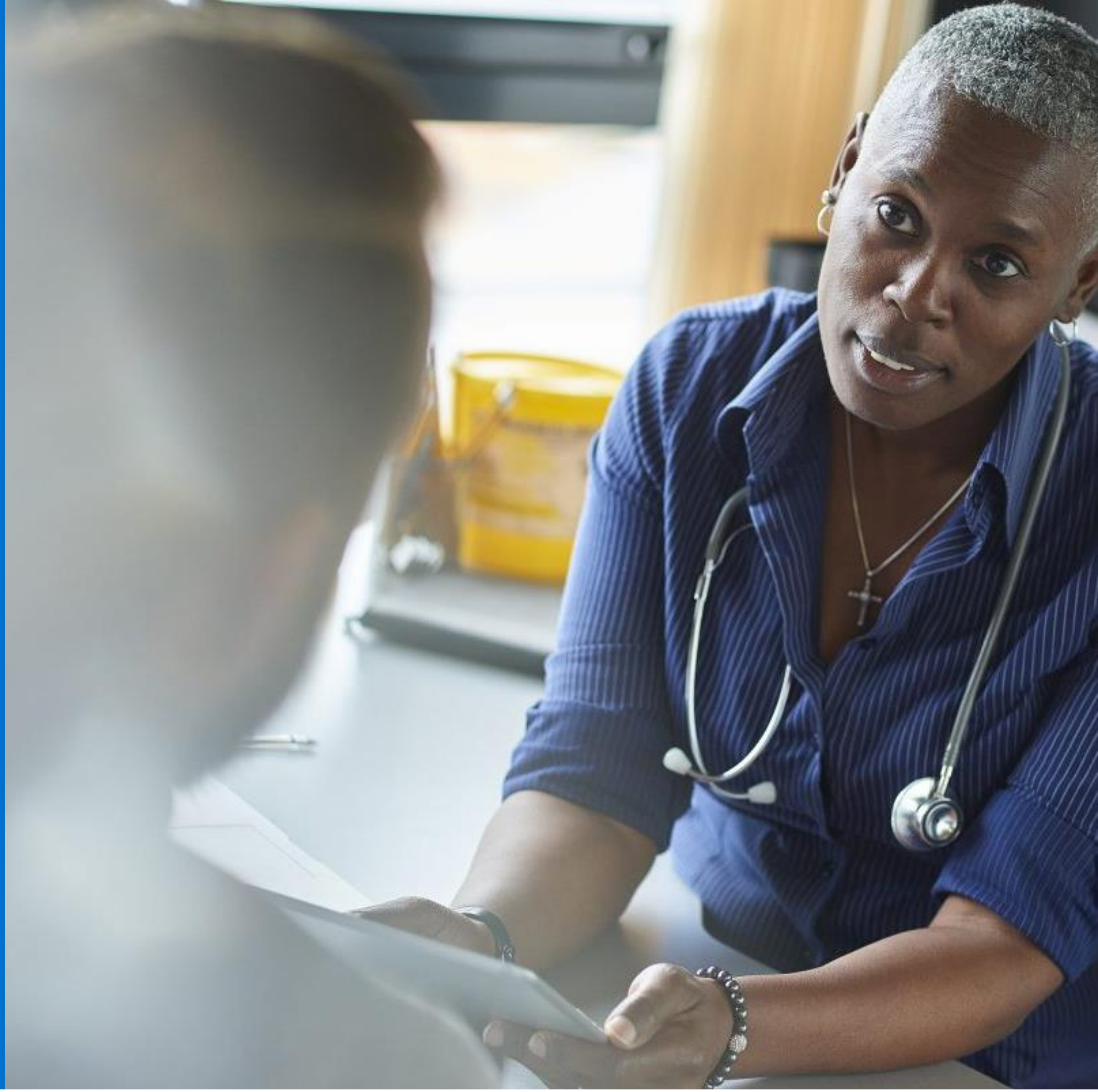
As confirmed in discussions with management Derbyshire Healthcare's capital envelope for 2022/23 is £68.3m. The main area of spending is on the eradication of dormitory accommodation through a combination of Public Dividend Capital and internally generated resources. Progress against the approved programme will be reported to the Finance and Performance Committee, along with the details of any revisions to the plan approved.

Overall, we have not identified any indicators of a significant weakness in the Trust's arrangements relating to the Financial Sustainability criteria.

3. Value for Money arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



3. VFM arrangements – Governance

Significant weakness in 2021/22	Nil.
Significant weaknesses identified in 2022/23	Nil.

Position brought forward from 2021/22

As set out in the table above, there are no indications of a significant weakness in the Trust's arrangements brought forward from 2021/22.

Overall commentary on the Governance reporting criteria

Based on our work, we are satisfied that the Trust has established governance arrangements, consistent with previous years, in place. These are detailed in the Annual Report and Annual Governance Statement. We have considered both documents against our understanding of the Trust as part of our audit.

Our review of the Trust's Annual Report and Governance Structure confirms that the Board of Directors carries the final overall corporate accountability for its strategies, its policies and actions as set out in the Codes of Conduct and Accountability issued by the Secretary of State. In order to discharge its responsibilities for the governance of the Trust, the Board has established a number of Committees of the Board including:

- Audit and Risk Committee;
- Finance and Performance Committee;
- Mental Health Act Committee;
- People and Culture Committee;
- Quality and Safeguarding Committee; and
- Remuneration and Appointments 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. Minutes are published and reviewed by the Trust Board to evidence the matters discussed, challenge and decisions made.

Our review of Board and Committee papers confirms that reports are appropriately structured, and recommendations are clear.

The Trust has a well-developed risk management process and Board Assurance Framework (BAF). The Audit and Risk Committee and Board oversees significant risk with regular reviews in specific areas. Our review of the BAF and attendance at Audit and Risk Committee confirms that the BAF and risk register is sufficiently detailed to effectively manage key risks.

No significant weaknesses in internal control have been identified from our work to date and Internal Audit have not identified or raised any concerns that warrant a change to our risk profile of the Trust.

We have reviewed the Internal audit plan for both 2022/23 and 2023/23 alongside progress reports presented to the Audit and Risk Committee on a regular basis. The Head of Internal Audit Opinion for 2022/23 provides a 'Significant assurance' conclusion.

We have attended Audit and Risk Committee meetings and reviewed supporting documents and are satisfied that the programme of work is appropriate for the Trust's requirements. Our attendance at Audit and Risk Committee has confirmed there continues to be an appropriate level of effective challenge.

Overall, we have not identified any indicators of a significant weakness in the Trust's arrangements relating to the Governance criteria..

3. Value for Money arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services

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3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

Significant weakness in 2021/22	Nil.
Significant weaknesses identified in 2022/23	Nil.

Position brought forward from 2021/22

As set out in the table above, there are no indications of a significant weakness in the Trust's arrangements brought forward from 2021/22.

Overall commentary on the Improving Economy, Efficiency and Effectiveness criteria

The Trust has performance management systems in place, this details how operational, performance and financial issues are identified and acted upon. We have reviewed key reports issued by the Board and confirmed the Trust reports its performance in several different ways including:

- an Integrated Performance Report to each Board meeting, with Committees also providing detailed scrutiny challenge of performance reports at their meetings; and
- the publication of the Annual Report, and Annual Governance Statement, which are reviewed by the Audit and Risk Committee before adoption by the Trust Board.

Our review of Trust Board and committee reports and minutes confirms that regular Integrated Performance Reports have been received. Performance is summarised in a format which shows performance against target and over time. Board members are also able to triangulate information from this report with the assurance summaries from supporting committees, where committee chairs draw attention to assurances provided or matters escalated for the full Board's attention. 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. In our view, the Trust's reports are adequately laid out and sufficiently detailed to monitor performance and take corrective action where required, which may include updating the Board Assurance Framework.

Consideration of regulatory oversight

We have reviewed board reports and minutes during the year, including those of the Quality and Safeguarding Committee. This Committee receives a regular update on the CQC Action Plan, with evidence of oversight and challenge on actions. We reviewed the CQC's website and confirmed the Trust's overall rating of "Good" has not changed since the last full inspection in November 2019.

Following the last full inspection undertaken in November 2019, the following services were also rated;

- Community health services for children, young people and families (rating of 'Outstanding')
- Community mental health services with learning disabilities or autism (rating of 'Good')
- Mental health crisis services and health-based places of safety (rating of 'Good')
- Acute wards for adults of working age and psychiatric intensive care units (rating of 'Requires Improvement')
- Community-based mental health services for adults of working age (rating of 'Requires Improvement')

Based on the overall published CQC rating of 'Good', we are satisfied there is no evidence of a significant weakness in arrangements.

Partnerships

Our review of Board minutes and discussions with management confirms the Trust continues to work in close partnership with other health and social care organisations in the area. This is evidenced through the agreement of the 2022/23 outturn position and the 2023/24 plan with partners in the Integrated Care System.

3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness criteria (continued)

Workforce indicators: NHS Staff Survey

We obtained the 2022 NHS Staff Survey published in March 2023 and reviewed Trust Board and committee papers, confirming the survey results received an appropriate level of scrutiny. The overall theme scores are shown in the table below, with the Trust being average or above in all categories, but showing no improvement compared to the previous year's scores.

Survey Area	DH (2021/22)	DH (2022/23)	Best	Average	Worst	Trend
We are compassionate and inclusive	7.8	**7.7**	7.9	7.5	7.0	**Same**
We are recognised and rewarded	6.6	**6.5**	6.6	6.3	5.9	**Lower**
We each have a voice that counts	7.2	**7.1**	7.4	7.0	6.1	**Lower**
We are safe and healthy	6.6	**6.5**	6.6	6.2	5.7	**Same**
We are always learning	5.8	**5.7**	6.1	5.7	4.6	**Same**
We work flexibly	7.1	**7.0**	7.2	6.7	6.2	**Same**
We are a team	7.3	**7.3**	7.4	7.1	6.7	**Same**
Staff engagement	7.3	**7.2**	7.4	7.0	6.2	**Lower**
Morale	6.5	**6.3**	6.5	6.0	5.2	**Lower**

We also reviewed the Trust's scores in relation to two other indicators which, in our view, represent key performance indicators relating to workforce:

- Percentage of people that would recommend the Trust as a place to work
- Percentage of people happy with the standard of care Friends and Family would receive.

I would recommend my organisation as a place to work				
	Best	**DH**	**Average**	**Worst**
2021	73.6%	**72.1%**	63.1%	43.3%
2022	73.0%	**68.0%**	62.8%	39.6%

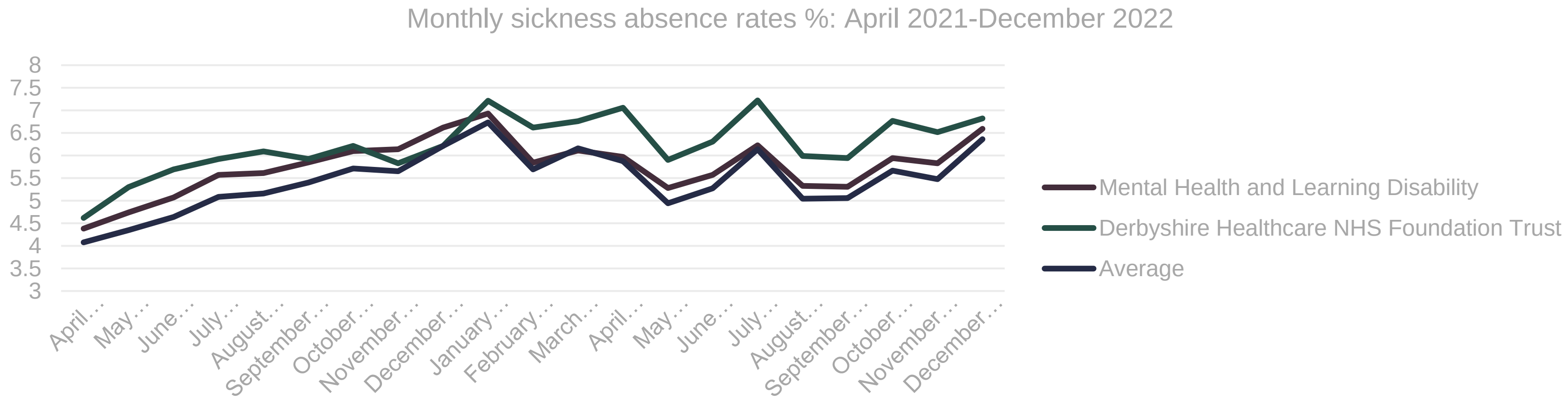
3. VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness criteria (continued)

If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation				
	Best	**BCHC**	**Average**	**Worst**
2021	82.4%	71.7%	64.9%	45.0%
2022	79.6%	66.5%	63.6%	40.1%

Workforce indicators: sickness absence

We also obtained staff sickness data from NHS digital in May 2023, where the most recent data was up to December 2022. We compared Derbyshire Healthcare against other Mental Health and Learning Disability providers in England and the average across all regions within England. As you can see from the data below, the Trust has been running at a higher than average rate of sickness absence.



From our review of board papers and discussions with management, we are aware that staff engagement is a priority for the Trust. Outcome measures such as staff sickness lag behind actions simply due to the timing of when the data is captured. As a result, we do not believe these workforce indicators lead to a risk of significant weakness in the Trust's arrangements for improving economy, efficiency and effectiveness.

Overall, we have not identified any indicators of a significant weakness in the Trust's arrangements relating to the for improving economy, efficiency and effectiveness criteria..

04

Section 04:

Other reporting responsibilities and our fees

4. Other reporting responsibilities and our fees

Other reporting responsibilities

Statutory recommendations and public interest reports

Under section 7 of the Local Audit and Accountability Act 2014, auditors of an NHS body can make written recommendation to audited bodies. Auditors also have the power to make a report if they consider a matter is sufficiently important to be brought to the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue any statutory recommendations or exercised our power to make a report in the public interest during 2022/23.

Reporting to the National Audit Office (NAO)

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 reported to the NAO that consolidation data was consistent with the audited financial statements. We reported to the NAO in line with its group audit instructions.

Fees for our work as the Trust's auditor

We reported our proposed fees for the delivery of our work under the Code of Audit Practice in our Audit Strategy Memorandum presented to the Audit Committee in March 2023. Having completed our work for the 2022/23 financial year, we can confirm that our fees are as follows:

Area of work	2022/23 fees
Planned fee in respect of our work under the Code of Audit Practice	£76,998
Total fees	**£76,998**

Fees for other work

We confirm that we have not undertaken any non-audit services for the Trust in the year.

Mark Surridge

Key Audit Partner

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