Royal Papworth Hospital
NHS Foundation Trust

Agenda item 6.i

Report to:	**Board of Directors - Part 1**	**Date: 6 November 2025**
Report from:	**Chair of the Audit Committee**	
Principal Objective/ Strategy and Title	**GOVERNANCE: To update the Board of Directors on discussions at the Audit Committee meeting on 16 October 2025**	
Board Assurance Framework Entries	**FSRA BAF (Unable to maintain financial, operational, and clinical sustainability)**	
Regulatory Requirement	**Regulator licensing and Regulator requirements**	
Equality Considerations	**Equality has been considered but none believed to apply**	
Key Risks	**Lack of Governance Assurance Overview** **Non-compliance resulting in financial penalties**	
For:	**Information**	

1. Significant issues of interest to the Board

Summary

For the Governance Assurance Overview, we have now had comprehensive presentations from all four of the Board Committee Chairs, the latest was from the Chair of the Strategic Projects Committee. A presentation will be scheduled from the Charitable Funds Committee in due course to inform the Trustee Board.

A briefing on the RPH's Consultants Job Planning review was received from the Medical Director. The briefing assessed the Trust's performance against other organisations which were assessed by BDO (Internal Auditors).

Reports on those BAF risks that are scored 20 and those with "limited assurance" were reviewed, and the Audit Committee confirmed these risks are being addressed appropriately in the relevant Committees.

Discussion on revised BAF risks is being postponed to the January 2026 meeting, pending completion of the Executive review.

The Local Counter Fraud Service (LCFS) reported one new and one ongoing referral, with no current concerns.

The Internal Audit recommendation follow-up report did show some improvement as promised by the Executive. However, follow-ups on Outpatients remain an area of concern.

Two final internal audit reports were received one which was an assurance review and the other a benchmarking report. However, there are seven reports that will be reported to the January

2026 Audit Committee due to some delays in the audits. A plan on how to manage this has been agreed.

Ensors, the new External Auditors for the Charity presented the ISA 260 highlighting an issue with the timing of legacy income recognition. This is being worked through. The Charity's Annual Report and Accounts was noted.

The annual report on "Raising Issues of Concern" was discussed and the DN259 "Policy Freedom to speak up: Speak up policy for the NHS" was approved.

Governance Assurance Overview

Diane Leacock, Chair of the Strategic Projects Committee (SPC), presented a clear overview of the Committee's risk assurance approach, covering the two SPC risks of the Trust's 18 BAF risks**.** The two BAF risks overseen by SPC are:

- BAF Risk 858 - Optimisation and Development of Electronic Patient Record System
- BAF Risk 3449 - Risk to delivery of strategic partnership working

Diane reported that as well as reviewing the risks, triangulating with other reports and using the three lines of defence model the Committee goes one step further for the EPR risk. Whilst BAF risk 858 is about the current EPR system, SPC has sought assurance on the Strategic Outline case (SOC) and the Outline Business Case (OBC) and Full Business Case (FBC) processes. This included an Internal Audit report that was presented to SPC and reported at the May 2025 Audit Committee.

The Audit Committee maintains its satisfaction that assurance on delegated risks is being robustly managed and can report this confidently to the Board.

Arrangements will be made for a presentation from the Charitable Funds Committee to enable an assurance for the Trustee Board.

Consultant Job Planning Review

At the last Audit Committee in July 2026, BDO provided a briefing on their Consultant Job Planning review conducted across ten NHS Trusts (excluding RPH). Their findings offered valuable benchmarking opportunities for RPH.

The Medical Director, Ian Smith, presented a report to the Audit Committee outlining RPH's benchmarking position and proposed actions to address any areas requiring improvement. The paper presented was very informative and demonstrated that RPH is performing well in a number of areas in comparison to other Trusts with good team plans in place, a well-structured, regular committee reporting to the Board, with good (and improving) engagement of the consultant body. However, RPH has a high number of jobs plans above 12 and 15 Programmed Activities (PAs) which need to be reviewed as well as the high average ratio of the distribution of Direct Clinical Care (DCC) to Supporting Professional Activities (SPAs).

The Audit Committee was assured that this would be a focus for the Workforce Committee.

BAF

The Audit Committee received reports on those BAF risks that scored 20 and those that have been given "Limited Assurance " by the relevant committees. The Committee was assured that these are being monitored and reviewed in the relevant committees.

The Committee is now expecting to be able to review the new BAF risks at its meeting in January 2026 as work is still ongoing.

BDO Local Counter Fraud Service (LCFS)

The main report from LCFS was on work on two investigations, one new referral and one ongoing, From the work so far there are no concerns.

A report on the review of the current Fraud Risk Assessment (FRA) to ensure we are compliant with the new legislation on "Failure to Prevent Fraud Offence." from the Economic Crime and Corporate Transparency Act (ECCTA) 2023 is expected from LCFS at the January 2026 meeting.

BDO Internal Audit Service (IA) – Recommendation Follow-ups

The Audit Committee, at its meeting in July, was not satisfied with the status of internal audit recommendations. It noted concern that several recommendations remain unresolved over extended periods, with completion dates frequently revised at each meeting. The Executive reassured the Committee that these recommendations would be resolved. This has taken place with BDO confirming that 90% of the recommendations have been completed.

However, there are three medium-level recommendations from the Outpatients audit which took place in October 2024 where no clear reason has been given as to why they are still outstanding. The Chief Executive has been asked to follow this up.

BDO Internal Audit Service (IA) – Internal Audit Reports.

Internal Audit presented two final reports one an assurance review audit on "CT Scanning Reporting Backlog" and a benchmarking report on Health and Safety.

The CT Scanning Audit was given a moderate assessment for both control design and control effectiveness. A discussion was had as to whether a limited assurance should be given for control effectiveness. It was decided that given the scope and the terms of reference the internal audit assessment was accurate.

The Health and Safety Benchmarking audit showed that RPH has developed a health and safety governance structure largely in line with other Trusts.

Each report has been sent to the Performance and Quality and Risk Committees respectively for them to oversee the recommendations.

A number of internal audits that should have been finalised for the October 2025 meeting have now been scheduled to come to the January 2026 meeting.

It was noted by the Committee that for the January 2026 meeting due to these delays, there would be seven final reports from Internal Audit. It was recognised that with other items on the agenda there would not be enough discussion time. It was therefore agreed that four/five of these reports will be sent to those who attend the meeting by end of November 2025. The final two/three will be sent out with the meeting agenda papers for January 2026. It is hoped that this will enable good scrutiny and challenge for the Committee to discharge its duty.

Charity Audit for 2024/25

The Charity year end audit for 2024/25 is still ongoing. The most significant area of outstanding audit work relates to legacy income recognition. Ensor the new Charity External Auditors believe that legacy income has historically been recognised and accrued by the Charity too

soon. This is in relation to whether the executors have established that there are sufficient assets in the estate, after settling any liabilities to pay the legacy. It would seem that this condition has not always been met at time of income recognition.

It is important to note that the amount of the legacy income is not in question. It is the technical issue of recognising it in the accounts. Depending on the outcome, the prior year adjustments may need to be made which will reduce the reserves shown in the accounts.

The draft 2024/25 Annual Report and Accounts for the Charity was also presented and reviewed with the conclusion this was a particularly good report.

The Charity Accounts is expected to be signed off at the Extraordinary Audit Committee on the 20th of November 2025 in time for recommendation at the Trustee Board on the 4th of December.

Raising Issues of Concern Annual Report & Freedom to Speak Up Policy Review
The Audit Committee received a report that outlined the actions taken during 2024/25 to ensure that the Trust discharges its responsibilities to ensure staff are able to raise concerns in line with regulatory requirements and good practice.

It was felt that the Trust is discharging it s duties although there were concerns about the number of people who say they would not "speak up" again. However, this was in line with national trends and is being addressed.

The DN259 "Policy Freedom to speak up: Speak up policy for the NHS" was approved after noting the use of anonymity reports and other minor changes.

2. **Key decisions or actions taken by the Audit Committee**

- Approved DN259 "Policy Freedom to speak up: Speak up policy for the NHS"

3. **Recommendation**

The Board is asked to note the report.