



Addendum to the Annual Report and Accounts 2019/2020

The audited annual report and accounts for 2019/2020 have been published by the Trust. The Annual Governance Statement includes reference to the Head of Internal Audit Opinion. For 2019/20 the Head of Internal Audit reported good assurance that there was a sound system of internal control, designed to meet the organisation's objectives, and that controls were generally being applied consistently. No significant control weaknesses arose from the core areas audited that were recommended for specific reference in the Annual Governance Statement.

However, as noted in the Annual Governance Statement, issues were identified by the Trust's external auditors during the completion of the audit of the 2019/20 annual accounts. As a result of this and further information arising from the review process, the Trust has concluded that a significant control issue has been identified, in relation to oversight of a significant in-year financial transaction.

In view of the issues raised through the external audit process after completion of the Head of Internal Audit Opinion and closure of the annual report, the Head of Internal Audit has advised that their current working assessment of the Trust control arrangements has now been reviewed. The Head of Internal Audit has confirmed that, as the external audit review evidenced that compliance with the control framework was not found to be taking place in a consistent manner, their assessment is that the information available provides reasonable rather than good assurance that the risks identified are managed effectively and that some moderate remedial action is required.

In the light of issues identified during the completion of the audit of the 2019/20 annual accounts, action has been put in place to further strengthen Board oversight of significant in-year financial transactions and to ensure the action plan to address areas for improvement is delivered. As part of this action plan the Trust will work with the Head of Internal Audit to ensure that the internal audit programme for 2020/21 includes a sufficiently robust focus on key areas of financial governance and control.