

East Suffolk and North Essex NHS Foundation Trust

Auditor's Annual Report
Year ending 31 March 2025
27 June 2025



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27 June 2025



East Suffolk and North Essex NHS
Foundation Trust
Turner Road, Colchester, CO4 5JL

Dear Committee Members

2024/25 Auditor's Annual Report

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for East Suffolk and North Essex NHS Foundation Trust. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2024/25.

This report is intended to draw to the attention of the Trust any relevant issues arising from our work. It is not intended for, and should not be used for, any other purpose.

Yours faithfully

E. Jackson.

Elizabeth Jackson

For and on behalf of Ernst & Young LLP

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The contents of this report are subject to the terms and conditions of our appointment as set out in our engagement letter of 10/04/2024.

This report is made solely to the Audit and Risk Committee, Council of Governors, Board of Directors and management of East Suffolk and North Essex NHS Foundation Trust in accordance with our engagement letter. Our work has been undertaken so that we might state to the Audit and Risk Committee, Council of Governors, Board of Directors and management of East Suffolk and North Essex NHS Foundation Trust those matters we are required to state to them in this 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 Audit and Risk Committee, Council of Governors, Board of Directors and management of East Suffolk and North Essex NHS Foundation Trust for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



01 Executive Summary

Executive Summary

Purpose

The purpose of the Auditor's Annual Report is to bring together all of the auditor's work over the year and the value for money commentary, including confirmation of the opinion given on the financial statements; and, by exception, reference to any reporting by the auditor using their powers under the Local Audit and Accountability Act 2014. As set out in the Code of Audit Practice 2024 (the 2024 Code) issued by the National Audit Office (NAO) and the accompanying Auditor Guidance Note 3 (AGN 03), this commentary aims to highlight to the Trust, and the wider public, relevant issues identified during our audit. It includes the recommendations arising from our current year's audit as well as a follow-up on recommendations issued in previous years. Additionally, it includes our assessment of whether prior recommendations have been satisfactorily implemented.

Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work in accordance with the Audit Plan that we issued on 10 March 2025. We have complied with the National Audit Office's (NAO) Code of Audit Practice 2024, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- The 2024/25 financial statements;
- The parts of the remuneration and staff report to be audited;
- The consistency of other information published with the financial statements, including the Annual Report; and
- Whether the consolidation schedules are consistent with the Trust's financial statements for the relevant reporting period.

Reporting by exception:

- If the Governance Statement does not comply with relevant guidance or is not consistent with our understanding of the Trust;
- To NHS England if we have concerns about the legality of transactions or decisions taken by the Trust;
- Any significant matters or written recommendations that are in the public interest; and
- If we identify a significant weakness in the Trust's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

Responsibilities of the Trust

The Trust is responsible for preparing and publishing its financial statements, Annual Report and Governance Statement. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Executive Summary (cont'd)

2024/25 conclusions

Financial statements	Unqualified - the financial statements give a true and fair view of the financial position of the Trust as at 31 March 2025 and of its expenditure and income for the year then ended. We issued our auditor's report on 26 June 2025.
Parts of the remuneration report and staff report subject to audit	Management agreed to update minor disclosures in the Annual Report in relation to disclosures in the Remuneration Report.
Consistency of the other information published with the financial statement	Financial information in the Annual Report and published with the financial statements was consistent with the audited accounts.
Value for money (VFM)	We had no matters to report by exception on the Trust's VFM arrangements. We have included our VFM commentary in Section 03.
Consistency of the annual governance statement	We were satisfied that the annual governance statement was consistent with our understanding of the Trust.
Referrals to NHS England	We made no such referrals.
Public interest report and other auditor powers	We had no reason to use our auditor powers.
Reporting to the Trust on its consolidation schedules	We concluded that the Trust's consolidation schedules agreed, within a £1,000,000 tolerance, or £300,000 tolerance for losses and special payments, gifts and contingent liability disclosures, to the audited financial statements.
Reporting to the National Audit Office (NAO) in line with group instructions	We have reported to the NAO in line with their group instructions.
Certificate	We cannot formally conclude the audit and issue an audit certificate until the NAO, as group auditor, has confirmed that no further assurances will be required from us as component auditors of East Suffolk and North Essex NHS Foundation Trust

Executive Summary (cont'd)

Value for money scope

Under the 2024 Code, we are required to consider whether the East Suffolk and North Essex NHS Foundation Trust has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the East Suffolk and North Essex NHS Foundation Trust a commentary against specified reporting criteria (see below) on the arrangements the East Suffolk and North Essex NHS Foundation Trust has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

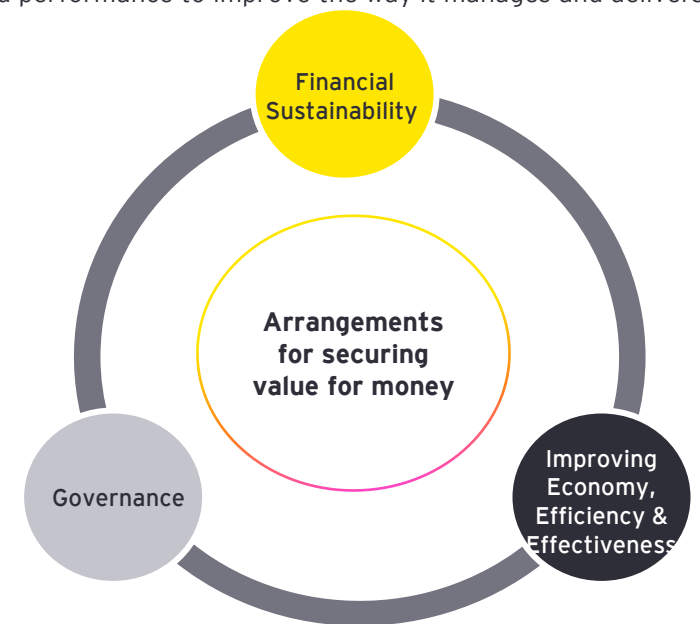
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's opinion on the financial statements.

The specified 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.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Trust committee reports;
- meetings with the senior officers (e.g., Director of Finance, Financial Controller);
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Trust management and the finance team.



Executive Summary (cont'd)

Reporting

Our commentary for 2024/25 is set out in Section 03. The commentary on these pages summarises our understanding of the arrangements at the Trust based on our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25. We include the associated recommendations we have agreed with the Trust in Appendix A and B.

In accordance with the 2024 Code, we are required to report a commentary against the three specified reporting criteria. The table below sets out the three reporting criteria, whether we identified a risk of significant weakness as part of our planning procedures, and whether, at the time of this report, we have concluded that there is a significant weakness in the body's arrangements.

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
Financial sustainability: How the Trust plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
Governance: How the Trust ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
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	No significant risks identified	No significant weakness identified

Executive Summary (cont'd)

Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Trust, and its members and senior management and its affiliates, including all services provided by us and our network to the Trust, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

EY Transparency Report 2024

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2024:

[EY UK 2024 Transparency Report | EY - UK](#)



02

Audit of financial statements

Audit of financial statements

Key findings

The Annual Report and Accounts is an important tool for the Trust to show how it has used public money and how it can demonstrate its financial management and financial health.

On 26 June 2025, we issued an unqualified opinion on the financial statements. We reported our audit scope, risks identified and detailed findings to the 24 June 2025 Audit and Risk Committee meeting in our Audit Results Report. We outline below the key issues identified as part of our audit. We reported three internal control recommendations and areas for improvement in the control environment in our Audit Results Report.

Financial statement risks

Risk	Conclusion
Misstatement due to fraud or error (Fraud risk)	We did not identify any instances of inappropriate judgements or estimates being applied. Our work did not identify any other transactions during our audit which appeared unusual or outside the Trust's normal course of business.
Risk of fraud in revenue and expenditure recognition - completeness of non-NHS manual accruals (Fraud risk)	<p>We did not find material payments made or invoices received after year-end relating to services or goods received before 31 March 2025 that were not accrued in 2024/25.</p> <p>We identified a misclassification between prepayments and accrual of £3,840k due to incorrect recording of advance payments of expenditure as debit to accruals instead of prepayments. We noted no impact on income or expenditure. No other issues identified.</p>
Inappropriate capitalisation of revenue expenditure (Fraud risk)	Our work did not identify any material weaknesses in controls or evidence of material management override concerning the capitalisation of revenue expenditure. Our work did not identify any instances of inappropriate judgements being applied.

Audit of financial statements

Financial statement risks

Risk	Conclusion
Valuation of land and buildings (Higher inherent risk)	The land and buildings balance as at 31 March 2025 is materially fairly stated. Out of the 4 samples we tested, 3 are within acceptable range. For 1 asset, we found that BCIS rate used by the valuer was incorrect. The impact was determined to be £2,609k understatement of land and buildings with corresponding understatement in revaluation reserve of £2,085k and overstatement in net impairments of £524k. We also identified an overstatement in the revaluation reserve totalling £1,673k because of assets in the register which are either fully depreciated (buildings) or valued at cost and therefore should not have revaluation reserve balances (plant and machinery). This was a reclassification error which also resulted in understatement of income and expenditure reserve by the same amount.
Valuation of right of use assets (Higher inherent risk)	The right of use assets balance as at 31 March 2025 is materially fairly stated. Out of the 2 samples we tested, both are within acceptable range. However, we found an understatement of lease liability and right of use assets of £1,359k due to incorrect calculation of present value of the lease. This also had an impact on revaluation reserve and/or net impairments.
Remuneration report disclosures (Inherent risk)	Management agreed to update minor disclosures in the Annual Report in relation to disclosures in the Remuneration Report.
Going concern (Inherent risk)	Management agreed to update minor disclosures in the going concern disclosure.



03

Value for money commentary

Value for Money Commentary

Financial sustainability: How the Trust plans and manages its resources to ensure it can continue to deliver its services

No significant weakness identified

Budget preparation:

The Trust are required to prepare a budget in line with the NHS national planning guidance which is released annually by NHSE. This guidance includes national priorities, noted below, which is designed to make the focus of all NHS bodies consistent across the sector.

- Reduce the time people wait for elective care
- Improve A&E waiting times and ambulance response times
- Improve patients access to general practice and improve access to urgent dental care.
- Improve patient flow through mental health crisis and acute pathways and improve access to children and young people's (CYP) mental health services.

For 2025/26, the Trust received the guidance in January 2025. The budget for the subsequent year is prepared following the guidance while making sure that the Trust's key objectives are considered in the budget. These are:

1. Keep people in control of their health
2. Lead the integration of care
3. Develop the centres of excellence
4. Support and develop staff
5. Drive technology enabled care

The objectives above are posted in the Trust's website which the public as well as the employees of the Trust have access to.

Each year, all divisions present for approval business plans that include not only financial budgets, but how these will then support the achievement of activity and performance targets which are aligned to the strategic and statutory priorities.

The Trust then prepares an annual financial plan for submission to NHSE. As part of this, all divisions are asked to outline significant financial pressures relevant to their areas. Inflation, potential increase in pay as well as expected funding from different sources are incorporated in the budget. Cost pressures are discussed with the Executive to agree which ones are to be funded. Those that are linked to statutory or mandatory requirements are prioritised. The process is iterative over several meetings to ensure all members have time to review and challenge. Mitigations are developed for those financial pressures that are not to receive funding support (be it internally or from external monies).

The 2025/26 financial plan was prepared by the Trust in the last quarter of 2024/25 and submitted to NHSE on 30/04/2025. In our discussion with Management, they explained that the budget was constructed in line with current national NHS planning guidance and forecasts breakeven for the year. This was prepared by the Head of Financial Strategy and Assurance Reporting and Financial Planning Accountant, reviewed and signed off by the Chief Executive and Director of Finance, and taken to the Board for approval before submission.

Value for Money Commentary

Financial sustainability: How the Trust plans and manages its resources to ensure it can continue to deliver its services (cont'd)

No significant weakness identified

In terms of the Trust's financial condition, NHS England has allocated 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). During 2024/25 the Trust was allocated to segment 2, and SNEE ICB allocated to segment 1. Note that out of 205 providers, only 27 were allocated 1 and, 74 (including ESNEFT) were allocated 2. The rest were 3 and 4.

Monitoring:

The Trust monitors the variance between budget set at the start of the year and actuals by preparing a monthly report presented to the Performance and Finance Committee. This report includes the Trust's performance against five targets: control total, cost improvement plan, budget, cash and capital programme. The performance of the Trust per month against these five targets are noted, the material variances explained and what the achievement or underachievement of the target meant for the Trust. For month 12, the finance report showed that the Trust was ahead of plan as regards the Control Total (actuals as of month 12 was £3.492m while the target was £0.250m) and cash was ahead of plan (£62.176 million as of month 12 while the target was £36.931m).

CIP, budgets and capital programme were behind plan due to a number of reasons which were all explained in the report. This include overspend on pay to Junior Doctors, support to clinical staff and consultants. Non-pay costs were also higher than plan due to increasing cost of drugs and expenditure on premises. Capital spend are also monitored; for 2024/25, the Trust incurred an underspend of £3.218m against the plan due to delays by the contractors, and actual spend for a completed project being lower than planned.

Cost improvement plan:

As noted above, Cost Improvement Plan (CIP) is one of the targets monitored by the Trust monthly. CIP targets are set early as part of the control total process at a divisional level to aid the identification of plans and to clarify for operational teams the scale of savings to be delivered. Each CIP plan identified and proposed will go through several layers of checks and approvals before ultimately being considered and approved or rejected by the Chief Medical Officer and Chief Nurse that both sit on the Trust Board.

The CIP plan for 2024/25 of £25.072m was included in the financial plan submitted to NHSE in June 2024. The Trust delivered £22.706m of the 2024/25 planned CIP savings. Although £2,366k was not achieved, the Trust still ended 2024/25 with an underspend of £3,242k above plan due to a number of factors such as favourable variance in turnover during the year compared to plan.

Conclusion: Based on the work performed, the Trust had proper arrangements in place in 2024/25 to enable it to plan and manage its resources to ensure that it can continue to deliver its services.

Value for Money Commentary (cont'd)

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

No significant weakness identified

The Trust's Annual Governance Statement shows a comprehensive list of arrangements that are in place within the Trust that shows it has a robust system of internal control. The Board of Directors provide overall leadership on the governance agenda, including risk management. It is supported by committees under it such as the Audit and Risk Committee, the Quality and Patient Safety Committee and Executive Management Committee. Committee effectiveness is reviewed annually.

The Trust places a high priority on the effective management of risk. It has a Board approved Risk Management Policy that defines responsibilities, from Managers to Director, and Board of Directors. Risk management processes are overseen by the Trust's Risk team, who provide expert advice and coordinate central monitoring and reporting, with risks escalating through the Trust's Risk Oversight Committee (ROC) to the Executive Management Committee (EMC) dependent on the rating of the risk, and to the Board via Chair's Key Issues reports.

Alongside the process for managing operational risk, the board committees review and monitor key strategic risks and these risks are recognised on the Board Assurance Framework (BAF). The Trust Board reviews the key strategic risks through the BAF which is reported to them three times a year. The Audit and Risk Committee considers the full BAF at every meeting.

All heads of service, clinical directors and managers have delegated responsibility for the management of risk and patient safety in their areas, as integral to their day-to-day responsibilities. Each division has a risk register, which aligns with the Trust's risk register requirements, in accordance with the risk management policy. Appropriate risk assessment training is provided to all members of staff.

In our review of the latest risk register for 2024/25 (23 April 2025), we noted that there are ten risks identified, seven are rated amber and three are rated red. For each risk in the BAF, controls have been identified to mitigate the risks. When there are gaps noted, actions are put in place and monitored to determine the impact on the risk rating. Responsibility for implementing the actions are assigned to the director whose department the risk was identified. We reviewed the control gaps noted in the register and the actions to mitigate and we recognise that there is a plan in place to address the gaps identified. Also, the gaps are not significant to result in significant weakness in arrangements, however, we recommend that the Department adhere to the timeline agreed for implementation of the planned actions.

For example, for one of the risks that is rated red, the Trust recognised the risk that "If there is insufficient investment available and made in respect of the Trust's estate, then the Trust will be unable to maintain, develop and transform the physical estate of the Trust." The BAF notes that there are controls in place to mitigate the risk. The gaps in control such as delay in updating Estates and Properties strategies and outdated development control plan are noted. The Trust has actions planned to improve controls and assurance such as development of property strategy and annual plan, and updated development control plans by end of quarter 1 of 25/26 have been agreed. This is the expected arrangement in place for the BAF.

Value for Money Commentary (cont'd)

Governance: How the Trust ensures that it makes informed decisions and properly manages its risks (cont'd)

No significant weakness identified

Also note that when there are risks identified in these areas, the Trust suggests to include the same in the scope of Internal Audit review in order to monitor their progress. The Internal Audit also raised recommendations to the Estates Team to improve their controls on a number of areas, some of which are not yet due for implementation as of year-end such as:

- Divisional Governance - Estates: The E&F Division will ensure that each objective in the business plan has a clear strategy outlining the steps needed to achieve it. Additionally, the Division will review these objectives to ensure they are clear and measurable. Regular monitoring will be conducted to track progress, and strategies will be adjusted as necessary.
- Medical Device Management: The Trust will determine a process to ensure there is appropriate information to develop a business case for accessible training records for Medical Device users.

Internal audit:

The Trust have appointed internal auditors to provide the Board with independent assurance of its internal control process. As part of this process, IA undertake a series of audits as per the internal audit annual plan agreed by the Audit and Risk Committee.

The Annual Internal Audit Opinion for 2024/25 confirmed that the Trust has an “adequate and effective framework for risk management, governance and internal control. However, further enhancements to the framework of risk management, governance and internal control have been identified to ensure that it remains adequate and effective.” This is the same level of assurance that was provided for 2023/24 and 2022/23. Fourteen areas were covered by internal audit in the current year and none of the areas were concluded to have no assurance.

In their report, Internal Audit mentioned that in developing their opinion, they have noted the excellent progress made by the Trust in implementing agreed actions during the financial year and in particular in implementing the actions relating to the first four reports where they only provided Partial Assurance opinions. They also note that it will be important for the Trust to maintain this momentum and seek to promptly implement the actions relating to the two Partial Assurance reports on Clinical Audit and Bank Doctor Recruitment which were conducted towards the end of their work where the actions fall due for completion during 2025/26.

Anti-fraud initiatives:

The Trust also has an Anti-Fraud, Bribery and Corruption Policy and Procedure approved through the Audit and Risk Committee. They have engaged a counter fraud specialist through their internal auditors, RSM. To ensure counter fraud resources are effective, there is a counter fraud plan and annual report which outlines the proactive, reactive and strategic counter fraud work undertaken for the Trust, with regular updates provided to the Audit and Risk Committee. In addition, ESNEFT participate in the Cabinet Office's National Fraud Initiative: a data matching exercise to assist in the prevention and detection of fraud.

Value for Money Commentary (cont'd)

Governance: How the Trust ensures that it makes informed decisions and properly manages its risks (cont'd)

No significant weakness identified

The Counter Fraud Functional Standard Return (CFFSR) for 2024/25 resulted in an overall rating of Green. The Green rating assesses the Trust as fully compliant with the requirements, with demonstrative evidence of the impact of counter fraud work undertaken available. One requirement for CFFSR was rated Amber: Policies and registers for gifts and hospitality and Conflicts of Interest. This has been marked as amber as the Trust currently has a compliance rate of 44.7% in regard to staff making declarations.

Conclusion: Based on the work performed, the Trust had proper arrangements in place in 2024/25 to make informed decisions and properly manage its risks.

Recommendations:

1. We recommend that the Estates Department adhere to the timeline agreed for implementation of the planned actions raised by Internal Audit and address the gaps noted in the BAF to effectively mitigate the risk on Estates Development and Capital Equipment
2. We recommend that the Trust enforces stricter compliance with policies on making declarations for gifts and hospitality and conflicts of interest.

Value for Money Commentary (cont'd)

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

No significant weakness identified

The Accountability Framework (AF) is the Trust's primary performance management tool aiming to align priorities and monitor the delivery of all aspects of the Trust's functioning: the quality of the services it provides, its performance against key national and local standards and the effectiveness with which it uses its resources. AF performance is monitored and discussed at monthly Divisional Assurance Meetings (DAMs) attended by the DMTs and the Executive team.

The Board reviews performance data each month using the integrated performance report. Detailed debate and constructive challenge takes place at the monthly Performance and Performance Committee and a key issues report is presented to the Board, providing alerts or escalation as required.

Workforce strategies:

In their Annual Report, the Trust reported that in January 2025, the Chief Medical Officer, Chief Nurse and Director of People and Organisational Development presented an assessment of compliance against the workforce safeguards toolkit to the People and Organisational Development Committee. This demonstrated continued progress to triangulate all the data available, supporting a clearer view on determining whether all aspects of the workforce are achieving maximum productivity and efficiency. It also noted that throughout the previous six months there had been challenges in relation to industrial action that had impacted on many staff groups. There had been progress with roll out of medirota, improved processes and governance around booking of bank staff and a continued focus on multidisciplinary working and training.

Furthermore, in April 2024 the Board received a report following the annual comprehensive review. A triangulated approach was taken to the review to inform any recommendations. This considered patient acuity and dependency, nurse sensitive indicators, roster data and professional judgement. The outcome was considered by the People and Organisational Development Committee and the Executive Management Committee.

The report raised that there are a number of key recommendations for areas of action to take forward over the next year to further optimise availability of the nursing and midwifery workforce. It will be essential that we drive effectiveness of roster planning, develop a sustainable plan for the Nurse Associate role, reduce the redeployment of nurses by tackling the root cause issues and continue to drive recruitment to establishment.

It also noted that it will be critical to understand and articulate the benefits of the implementation of EPIC in terms of releasing time to care and how we may achieve ambitions like adequate provision of professional advocacy within our funded establishment. The Trust noted that they will seek learning from other organisations, utilise updated national guidance and tools (for example the new specialist safer nursing care tools) and seek innovative ways (Bures ward model) to achieve their strategic ambitions.

We note that the Trust do action recommendations raised in reviews to improve standard of care.

Value for Money Commentary (cont'd)

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 (cont'd)

No significant weakness identified

Partnerships:

ESNEFT is part of the Suffolk and North East Essex Integrated Care System and is an "anchor" organisation. The Health Foundation describes anchor institutions "as large organisations whose long-term sustainability is tied to the wellbeing of the populations they serve." A positive example of partnership working in 2024/25 is the West Suffolk NHS Foundation Trust and ESNEFT Collaboration. Establishing a System Collaborative Oversight and Executive Collaborative Oversight group to take stock on the areas where there is existing collaboration, and proactively identify opportunities to go further and faster in terms of future collaboration.

We also confirmed that there was good partnership working in the current year for the delivery of the contract for the North East Essex Community Services (NEECS). The NEECS division team will meet with the NHS Suffolk and North East Essex ICB and Essex County Council and discuss strategy and how they work together for strategic planning. We have also confirmed that risks surrounding partnership working are managed through the BAF via the inclusion of 'Risk 1: Partnership Working', with responsibility of the risk assigned to Director of Strategy, Research & Innovation, and oversight assigned to the Board.

Inspections:

We have reported in our VFM commentary for 23/24 that a letter from Health and Safety Executive (HSE) was received whilst the audit was ongoing in relation to an announced Health and Safety Executive (HSE) site visit to Colchester and Ipswich Hospitals took place on 9, 10 and 11 April 2024 to assess the management arrangements for Violence and Aggression and Musculoskeletal Disorders (MSDs). Contraventions of health and safety law were identified, and a Notification of Contravention was received regarding the management of violence and aggression. The Trust submitted an action plan to HSE in response to the letter received. We made a recommendation in 2023/24 that the Trust should continue to monitor the implementation of the action plan that was prepared by the Trust for the two inspections and the letter from Health and Safety Executive.

In 2024/25, the Trust's Annual Governance Statement noted that the Trust responded in full, and the HSE confirmed that the action taken demonstrated the commitment of the Trust to address the issues raised and the intervention was closed. We also noted that the Trust continues to monitor compliance with the actions agreed in April 2024. The action monitoring as at 30 May 2025 notes the status of each action agreed. Out of 9 actions, 5 demonstrates compliance, 3 are partial compliance for which the status was 'in progress' and 1 action is for review. We are satisfied that the actions are continued to be monitored for compliance.

The Trust's main regulator - the Care Quality Commission (CQC) - also carried out the following inspections in 2024/25:

1. An announced HSE inspections of the Containment Level 3 (CL3) laboratory at both Colchester and Ipswich Hospitals during July 2024. A breach of regulation 13(1) of COSHH relating to emergency response arrangements was identified. The Trust completed the required actions and submitted evidence to the HSE who were satisfied the issue was addressed.

Value for Money Commentary (cont'd)

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 (cont'd)

No significant weakness identified

2. An announced Ionising Radiation (Medical Exposure) Regulations inspection of the Ipswich Hospital was completed on 1 August. The review flagged a few areas where a breach has been found but did not justify regulatory action or reporting. The Trust was required to submit an action plan which the Chief executive sent in September 2024. Shortly after, the CQC responded that they were pleased to note the progress the service had been making and that there were no repeat incidents on the theme reported to them recently. The inspection was formally closed and no additional updates required.

3. An announced IR(ME)R Inspection, Radiotherapy, Colchester Hospital, 27 November 2024. There were no areas for improvement identified where a breach had been found which justified regulatory action.

We are satisfied that the Trust have arrangements in place to timely respond to results of inspections done during the year, and monitors completion of actions agreed resulting from the inspections.

Major projects:

A number of capital projects have been completed in 2024/25 in line with the national NHS priorities such as reduction of time people wait for elective care and improvement of A&E waiting times. One of these projects is the opening of Essex and Suffolk Elective Orthopaedic Centre. It is one of the largest centres in Europe and is dedicated to elective surgery for bones, joints and muscles. Department of Health and Social Care (DHSC) performed a Gate 5 review on the project in June 2025. Although outside the audit period, we obtained a copy of the final report to determine if there were any indications of weakness in arrangements.

The Gate Review process gives independent guidance to Senior Responsible Owners (SROs), programme and project teams and to the departments who commission their work, on how best to ensure that their programmes and projects are successful. This process is anchored to the Five Case Business Case Model and looks to examine programmes and projects at key decision points in their lifecycle to provide assurance that they can progress successfully to the next stage.

For the Elective Orthopaedic Centre in Colchester, the reviewers assessed if the project had met the key objective of the business case to design, build and deliver a fully operational elective orthopaedic centre. The overall assessment per the report is green which meant: Successful delivery of the programme/project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.

Conclusion: Based on the work performed, the Trust had proper arrangements in place in 2024/25 to enable it to use information about its costs and performance to improve the way it manages and delivers its services.



04 Appendices

Appendix A – Recommendations

Recommendations from 2024/25

The table below sets out the recommendations arising from the value for money work for the year 2024/25. All recommendations have been agreed by management.

Issue	Recommendation	Management response
Governance	<ol style="list-style-type: none"> <li data-bbox="741 547 1420 703">1. We recommend that the Estates Department adhere to the timeline agreed for implementation of the planned actions raised by Internal Audit and address the gaps noted in the BAF to effectively mitigate the risk on Estates Development and Capital Equipment. <li data-bbox="741 804 1420 895">2. We recommend that the Trust enforce stricter compliance with policies on making declarations for gifts and hospitality and conflicts of interest. 	<p data-bbox="1464 547 2085 767">The Capital and Estates internal audit actions and BAF risks will be followed up and monitored throughout the year. Like all BAF risks, the Capital and Estates risks are subject to monthly review between the Executive risk owner and the central governance team, and continue to be scrutinised on a regular basis by the committee which owns them.</p> <p data-bbox="1464 815 2096 1126">The Trust is implementing a range of non-punitive actions to improve compliance. For example, the implementation of a Microsoft form for medical staff this year, in addition to the use of ESR, has made a difference. Quarterly reminders to those decision-makers whose compliance has lapsed, or is about to, and staff who have moved into the decision-making category, has resulted in more declarations being made. This will remain an area of focus in the coming year.</p>

Appendix B – Recommendations

Recommendations brought forward from previous years

The table below sets out the recommendations arising from the value for money work in the prior year, 2023/24, and progress made in the current year. All recommendations have been agreed by management.

Issue	Recommendation	Progress made in 2024/25
Governance	Continue to monitor the implementation of the action plan that was prepared by the Trust for the two inspections and the letter from Health and Safety Executive.	<p>In 2024/25, the Trust’s Annual Governance Statement noted that the Trust responded in full, and the HSE confirmed that the action taken demonstrated the commitment of the Trust to address the issues raised and the intervention was closed. This was evidenced by the email from HSE dated 25 June 2024 shared to us by Management noting that the case is closed.</p> <p>We also noted that the Trust continues to monitor compliance with the actions agreed in April 2024. The action monitoring as at 30 May 2025 notes the status of each action agreed. Out of 9 actions, 5 demonstrates compliance, 3 are partial compliance for which the status was ‘in progress’ and 1 action is for review. We are satisfied that the actions are continued to be monitored for compliance.</p>

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