

# **Report to those charged with Governance**

**Southern Health and Social Care Trust**  
2024-25

**Date of Issue**

3 October 2025

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*We have prepared this report for Southern Health and Social Care Trust’s sole use. You must not disclose it to any third party, quote or refer to it, without our written consent and we assume no responsibility to any other person.*

# 1. Key Messages

This report summarises the key matters from our audit of the 2024-25 Southern Health and Social Care Trust (the Trust) financial statements which we must report to the Audit Committee, as those charged with governance. We would like to thank the Director of Finance, Procurement and Estates, and her staff for their assistance during the audit process.

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## **Audit Opinion**

This report covers the Trust's Public Funds, Charitable Trust Funds and Patients' and Residents' Monies accounts.

### *Public Funds and Patients; and Residents Monies accounts*

The Comptroller and Auditor General (C&AG) certified the 2024-25 financial statements with an unqualified audit opinion, without modification on 3 July 2025

### *Charitable Trust Fund accounts*

The Comptroller and Auditor General (C&AG) certified The Charitable Trust Fund accounts with an unqualified audit opinion, with no modification on 3 July 2025.

The Audit Certificates are included at Appendix Two.

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## **Misstatements and Irregular Expenditure**

### **Financial Statement Adjustments**

No financial statement adjustments were made which impacted the Statement of Comprehensive Net Expenditure or the Statement of Financial position.

### **Uncorrected misstatements**

There were no uncorrected misstatements identified in the course of the audit.

### **Irregular expenditure**

Irregular expenditure was not identified from our audit procedures.

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## **C&AG's Report**

No report on the account was required.

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## **Audit Findings**

During the audit we reviewed internal controls; accounting systems; and procedures to the extent considered necessary for the effective performance of the audit. We have not identified any priority one recommendations in relation to regularity and the internal control environment.

Full details of findings are included at [Findings from the Audit](#).

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## **Status of the Audit**

The audit is now complete.

The total audit fee charged is in line with that set out in our Audit Strategy

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## **Independence**

We consider that we comply with the Financial Reporting Council (FRC) Ethical Standard and that, in our professional judgment, we are independent and our objectivity is not compromised.

The Trust paid a total of £1,830 to the NIAO for participation in the National Fraud Initiative ("NFI") exercise.

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## **Management of information and personal data**

The Trust is required to comply with the General Data Protection Regulations (GDPR) in the handling and storage of personal data. Those Charged with Governance should ensure they have made sufficient enquiries of management to form a view on whether there were any significant specific data incidents which should be disclosed in the Governance Statement. We are unaware of any data handling incidents during the year and confirmation to this effect has been sought within the letter of representation included at [Appendix One](#).

During the course of our audit we have access to personal data to support our audit testing. We have established processes to hold this data securely within encrypted files and to destroy it where relevant at the conclusion of our audit. We can confirm that we have discharged those responsibilities communicated to you in accordance with the requirements of General Data protection Regulation (GDPR) and Data Protection Act 2018.

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### **Actions for the Audit Committee**

The Audit Committee should review the findings set out in this report.

## **2. Audit Scope**

We have completed our audit of the 2024-25 financial statements in accordance with International Standards on Auditing (UK) (ISAs) issued by the Financial Reporting Council; with Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'; and with the Audit Strategy presented to the Audit Committee in February 2025.

There are no new matters to communicate concerning the planned scope and timing of the audit.

## 3. Significant Risks

The significant risks identified in our Audit Strategy have been addressed as follows:

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### **Significant Risk 1 Management Override of Controls**

Under ISA (UK) 240, there is a presumed significant risk of material misstatement due to fraud through management override of controls. Throughout the audit process we will consider the Trust's projected breakeven position, the internal control environment (with particular regard to areas where there was a limited level of assurance identified by internal audit) and the classification of liabilities (notably accruals, payroll liabilities and provisions), and the potential for management override on controls arising from these.

### **Audit Response**

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As required by ISA (UK) 240, we:

- Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- Reviewed accounting estimates for biases and evaluated whether the circumstances producing the bias represented a risk of material misstatement due to fraud; and
- Considered significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual.

The risk applies to Public Funds, Charitable Trust Funds and Patients' and Residents' Monies.

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### **Outcome**

We have completed our testing to respond to the risk of management override of controls in all of the entities, including testing of journals on a risk basis and testing of underlying transactions. We have used data analytics to assess the relative risk of journals posted to the general ledger and used this assessment to select our sample of journals.

We reviewed accounting estimates to determine if there were any indicators of bias that may have resulted in a material misstatement.

Finally, we considered whether there were any transactions outside the normal course of business; no such transactions have been identified.

Overall, no issues to report have been noted from our procedures in relation to management override of controls.

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## **Significant Risk 2**

### **Clinical negligence provisions control**

The Trust provides for Clinical Negligence liabilities under the advisement of BSO Legal Services (DLS). In March 2024 new Guidelines for the Assessment of General Damages in Personal Injury Cases in Northern Ireland (the 'Green Book') were issued.

Assessing general damages involves judgment regarding the severity of injuries and long-term impacts. Estimation of the provision relies heavily on assumptions such as inflation or discount rates. Any inaccuracies in these assumptions will directly affect the provision's valuation.

Given the expected size of the provision as at 31 March 2025, as well as the judgement involved in the calculation, there is a risk that the valuation of the provision is materially misstated in light of the new guidance.

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## **Audit Response**

We have:

- Reviewed management's methodology for calculating the provision under the new Green Book guidelines;
  - Reviewed advice provided by BSO Legal Services (DLS), including how the guidelines were interpreted and applied;
  - Recalculated a sample of provisions using the same assumptions and methodology to ensure accuracy;
  - Tested the underlying data input into the calculation to verify the accuracy and completeness of data used;
  - Assessed and challenged the key assumptions used in determining the provision; and
  - Reviewed adjustments made to existing provisions to ensure they appropriately reflect the updated guidance.
-

## Outcome

No issues were identified from our review. Management's methodology for calculating the provision was found to be in line with the updated Green Book guidelines. Adjustments to existing provisions were consistent with the revised guidance. We confirmed with DLS that the updates in the Green Book have been fully implemented for FY25.

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### Significant Risk 3

#### Holiday pay provision control

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for holiday pay shortfall can be taken back to 1998. The PSNI appealed the CoA judgment to the Supreme Court and the hearing concluded on 15 December 2022. A judgement was handed down on 4 October 2023 confirming claimants are able to bring their claims under the 'unlawful deductions' provisions of the Employment Rights (Northern Ireland) Order 1996, and can thus claim in respect of a series of deductions potentially going back as far as 1998.

Following discussions between NIAO, Department of Health and the relevant health trusts it was agreed that the provision calculation for 2023-24 would be updated to reflect a number of additional assumptions for the period 1998 to 2014 i.e. before HRTPS information was available namely:

- to adjust the average overtime charge used in the calculation for actual staff numbers for each relevant year; and
- to adjust for the impact of annual pay agreements under agenda for change for each relevant year.

We understand that the Department of Health has instructed Health bodies to include compound interest in the calculation of 8% for the 2024-25 financial year, however the calculation methodology is currently being clarified.

Due to the level of uncertainty and estimation, there is a risk that the provision calculated at year end is inappropriate.

The HSC working group considering resolution of the liability has indicated that any interim solution is likely to be a number of years away as it will require system change and, in light of industrial action, there have also been delays in initiating discussions with the Trade Unions regarding settlement of the historic liability. There is a risk that the valuation of the provision is materially misstated.

Estimating the scope of affected individuals and the value of historic liabilities is judgmental and complex. Calculating liabilities as far back as

1998 may involve reliance on incomplete or inaccurate payroll and employment records, introducing the risk of under or over accruing provisions.

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## **Audit Response**

We have:

- Reviewed any changes made to the calculation and classification of the PSNI Holiday Pay case;
  - Reviewed correspondence and guidance from the Department of Health in order to ensure that the calculations and disclosures in relation to the PSNI Holiday Pay case are appropriate and have been based on the guidance issued;
  - Evaluated management's process for estimating the provision, including the use of assumptions, historical data, and legal interpretations;
  - Tested the underlying data input into the calculation to verify the accuracy and completeness data used;
  - Assessed and challenged the key assumptions used in determining the provision; and
  - Considered any new relevant information made available before the date of certification which may impact the estimate, as part of our consideration for our audit opinion.
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## **Outcome**

The regionally agreed model for 2024-25 was designed using knowledge of settlements and retrospective liabilities that have been made in other jurisdictions and based on a number of estimates and assumptions, specifically including:

- back dating - the provision has been estimated back to 1998-99 and where data is not available, using the average cost of the three earliest years of data available as a proxy for earlier years, extrapolating back to 1998-99, and adjusting for pay awards and staff in post;
- wage types - wage types were provided for as follows: Group 1 and Group 2 staff included within the provision calculation up to 31 March 2025;
- contractual liabilities - which were costed as follows: National Insurance Contributions (15.0%); Apprenticeship Levy (0.5%); and Superannuation being the rate payable in year payment relates to;

- Working Time Directive (WTD) rate – agreed at 14.5% based on modelling;
- compound interest – agreed at a rate of 8% based on standard court rate of interest (and which had the greatest impact on the quantum of the provision when compared to 2023-24); and
- settlement year – deemed to 2026-27 with discussions progressing with the Department of Health.

A number of areas of uncertainty were considered to have an impact on the provision including:

- the reliability of the data used;
- the terms of the settlement which is subject to negotiations and agreement with Trade Unions;
- the uptake rate for current or past employees;
- the extent of attrition in the work force;
- delays in the time it will take to administer the payments, once agreed; and
- the extent to which interest will apply.

We challenged the methodology and confirmed the method used by the Trust to determine the Holiday Pay provision in the 2024-25 accounts was consistent with the regionally agreed model and was an appropriate methodology to produce an estimate which could produce a true and fair view.

No issues were identified from our audit work. The figures provided by the Trust were reviewed to ensure that the assumptions had been appropriately applied, and we performed a recalculation of the application of the 14.5% WTD and 8% compound interest. The assumptions, historical data, and legal interpretations used in the estimation process were deemed reasonable. The underlying data was found to be accurate and complete, and the key assumptions were adequately supported.

We also confirmed that disclosure in the Annual Report and Accounts reflected all key assumptions and estimates in relation to this provision and contingent liability disclosures.

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No additional significant risks were identified during our audit fieldwork.

## 4. Findings from the Audit

### Financial Reporting

As part of our audit, we evaluate the qualitative aspects of accounting practices and financial reporting. In this section we draw to your attention any significant changes or issues in respect of accounting policies; accounting estimates; and financial statement disclosures.

The Trust has robust processes in place to produce the accounts and continue to produce good quality supporting working papers. Officers dealt efficiently with audit queries, effectively prioritising them, and the audit process has been completed within the planned timescales.

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### Accounting Policies

We are content with the appropriateness of the accounting policies judged against the objectives of relevance, reliability, comparability and understandability.

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### Accounting Estimates

We examined the appropriateness of accounting estimates and judgements and are content with the consistency of assumptions and the degree of prudence reflected in the recorded amounts.

- With regard to clinical negligence and employer and public liability, we have placed reliance on the expertise of the Directorate of Legal Services (DLS).
  - With regard to valuations and indexation of land and property, we have placed reliance on the expertise of the Land and Property Services (LPS). 2024-25 marked the quinquennial revaluation of Land and Buildings, undertaken by Land and Property Services (LPS). We conducted a detailed review of the agreed terms of reference and are satisfied that LPS gave due consideration to key valuation factors, including the significant backlog maintenance and the overall condition of the estate. These factors have been reflected in the valuation.
  - We also note that there is a significant degree of estimation inherent in the Clinical Negligence Provision and the PSNI Holiday Pay Provision disclosure within the Annual Report (see response to Significant Risk 3).
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## **Financial Statement Disclosures**

We made a number of suggestions to improve narrative disclosures and to ensure completeness of the disclosures required under the Government Financial Reporting Manual (FRoM) and other relevant guidance for the public funds' financial statements and the Charities SORP for the Charitable Trust Funds' financial statements. One significant change related to the disclosure of uncertainties around the PSNI Holiday Pay Provision. See recommendation 1.

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## **Going Concern**

While the funding outlook for 2025-26 remains constrained both for the Trust specifically, and the sector more generally, there were no events or conditions were identified from our audit work that cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting.

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## **Annual Report**

The Annual Report was considered to be consistent with our understanding of the business and was in line with the other information provided in the financial statements.

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## **Accountability Report**

The parts of the Accountability Report to be audited were considered to be properly prepared in accordance with Department of Health directions issued under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

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## **Governance Statement**

The Governance Statement was considered to reflect compliance with the Department of Finance's guidance.

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## **Regularity, Propriety and Losses**

Other than what is disclosed in the Assembly Accountability and Audit Report, we found no issues in relation to irregularity, impropriety or losses during our audit.

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## **Internal Control**

No material weaknesses in internal control were identified during the audit. Control weaknesses noted in the prior year were identified and have since been addressed and updated for current year.

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## **Related Parties**

No significant matters were arising during the audit in connection with The Trust's related parties.

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## Audit Recommendations

This section outlines the findings arising from our audit, as well as management's response and target date for implementation. Our findings are defined as:

- **Priority 1** – significant issues for the attention of senior management which may have the potential to result in material weakness in internal control.
  - **Priority 2** – important issues to be addressed by management in their areas of responsibility.
  - **Priority 3** – issues of a more minor nature which represent best practice.
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### Finding 1

#### Direct Award Contracts

Testing of Direct Award Contracts (DACs) Identified a number of issues:

- There were 102 DACs let during the course of the year at a value of £35.7m, 38 of which are pharmacy contracts with a value of £7.2m;
  - 15 (23%) of the non-pharmacy DACs were only approved after the start of the contract, with one contract for mentoring and development which commenced in August 2020 only receiving approval in February 2025. A further 19 did not include details of the contract start date so it was not clear when the contract was awarded although these were subsequently provided to audit after the publication of the draft RTTCWG.
  - From the sample of five tested one of the DACs related to a contract for the support and maintenance of ECM on acute wards. This was the third time this contract had been let via a DAC with the same company since 2019;
  - A further DAC for the provision of engineering inspections was raised to cover the period after the end of an eight year contract, while the tender process was taking place for the letting of a new PALS regional contract. The three month period of the DAC had to be extended for an additional month to 31 Jul 24 prior to the introduction of the new regional contract.
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## Priority Rating

2

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### Recommendation

We recommend that the Trust ensures that:

- Competitive tendering is the default procurement approach, thus enabling value for money to be achieved. DACs should only be entered into on an exceptional basis and should only be used when there is clear justification to do so;
  - Procedures/regulations are updated to provide specific guidance on the use of DACs. Importantly, there should be a requirement for DACs to be scrutinised and approved in advance of performance/award of the contract.
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### Management Response (including target date)

The Trust adheres to DOH Circular HSC (F) 03/2025 'Guidance to HSC on Direct Award Contracts'.

All guidance and training on Direct Award Contracts is hosted regionally on the eDAC BSO Portal and local Trust guidance is available on Sharepoint as well as directing to the eDAC BSO Portal. The Trust has a DAC pathway in place which outlines the steps for appropriate approval of a DAC.

To further strengthen compliance with processes in this area, the Trust Senior Leadership Risk and Assurance Group has agreed to receive a quarterly report on DAC usage in 2025/26 which will highlight areas of non-compliance.

Target Date: 31 October 2025

Responsible Manager: Assistant Director of Finance for Financial Services and Procurement and Supply Chain Manager

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## Finding 2

### Fixed Asset Register

The Trust carried out a full revaluation of land and building assets during the year and in preparation for the transition to a new system in the coming year, a detailed review of assets and their values was also undertaken to ensure that the register was complete and accurate. During our audit of this area we noted a number of issues:

- There were a number of separate items on the fixed asset register that we understand are related to asset enhancements that should have been grouped within the asset that they related to. In prior years indexation associated with these asset enhancements was not properly considered when an asset was impaired. The impact of this is that the revaluation reserve and associated movements and impairments were likely misstated in prior years, albeit our assessment is that any error would not have been material. These assets have now been 'summed up' into the asset that they related to as part of the fixed asset register review undertaken by the Trust.
  - The review of 'nil net book value' assets is still ongoing, and there remains 3,564 of these fully depreciated assets at a cost of approx. £62 million still included within the fixed asset register at 31 March 2025.
  - The process in place needs strengthened for asset verification/use and for notification of disposal of assets to be communicated to the finance team, so that the fixed asset register could be kept up to date.
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## Priority Rating

2

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## Recommendation

We recommend that the Trust:

- reviews their practice for capturing and recording capital expenditure on the fixed asset register and also ensures that subsequent indexation and revaluation adjustments are correctly accounted for and presented;
  - puts procedures in place to ensure that asset disposals are identified and communicated to the finance team on a timely basis, so that the fixed asset register can be kept up to date and accurate. This should include regular verification of asset existence and of assets still being in use; and,
  - finalises the review of 'nil net book value' assets and going forward, regularly reviews fully depreciated assets to ensure they tie in with the asset existence/in use checks recommended above.
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## Management Response (including target date)

The Trust is currently revising the process for recording capital expenditure so that enhancement is recorded against the underlying asset

on the fixed asset register. This will facilitate more accurate indexation and other revaluation adjustments.

The Trust Finance team will continue to work with Estates teams on the identification and recording of asset disposals. However, this will focus on higher value assets such as vehicles, equipment, buildings etc. For smaller lower value assets such as those fixtures and fittings capitalised as grouped assets at the time of a new build or substantive refurbishment, it will not be possible to maintain a detailed record of disposals e.g. for ward lockers and other furniture. These assets will be managed on the fixed asset register in accordance with the estimated useful economic life, after which the assets will be fully written down and so removed from the fixed asset register.

The Trust continues to work on the cleansing of the nil net book value assets remaining in the fixed asset register. The work carried out to date indicates that there are a small number of the originally high value equipment assets still in use beyond their estimated useful economic life. These assets are on the replacement schedule and will be replaced within 12 months, the delays have been due to funding issues. For the lower value assets, work continues on verification and cleansing. The Trust has confirmed that for any of the assets, both high value and lower value, there are none that require to be re-lived to the extent that would require a revaluation adjustment in excess of the clearly trivial threshold.

Target Date: March 2026

Responsible Manager - Corporate Financial Accountant and Assistant Director of Estates.

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### **Finding 3**

#### **Amounts owed for untaken annual leave**

IAS 19 requires entities to estimate the outstanding liability of amounts of annual leave earned but untaken at the year-end.

The financial statements include an accrual of £14.1 million for untaken leave at 31 March 25, based on management's estimate.. Our testing of this estimate identified that:

- It was largely based on data gathered from staff, (through a survey) for the 2023-24 accounts, which was updated at 31 March 2025 for known variables and estimated changes in average leave balances across different grades/departments. We understand that changes in leave balances were estimated by line management based on their knowledge of staff and other broad assumptions but there was no evidence or documentation to support the estimates.

- The Trust considered the information collected through the 23-24 staff survey to be representative, on average, of the entire population despite there only being a 41% response rate.
- The head count at 31 March 2024 was used and not updated for the current year,
- Time worked in Lieu (TOIL) has not been considered in the accrual.

In summary, NIAO's view is that there are some questionable assumptions within the methodology and there was a lack of robust evidence to support the reasonableness of the data used in the calculation of this liability.

We acknowledge that the Trust is limited in that there is no electronic leave recording system at present. We understand the HRPTS system does have a leave recording function but the decision was made regionally at implementation that this was not to be used. Furthermore, the new Equip system will have a leave management module and using this may help the Trust be better placed to refine and improve the accuracy of this estimate.

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## Priority Rating

2

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## Recommendation

In the absence of a digital solution, we recommend that a formal methodology is established to determine the scope and detail of information needed to produce a robust and reliable estimate for amounts owed in respect of untaken leave, including TOIL worked. Statistical analysis and expertise could also be used to ensure an appropriate level of assurance is obtained.

As the Equip system is implemented the Trust should explore the options for a digital solution for recording management information on staff leave and TOIL.

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## Management Response (including target date)

For year end 31 March 2026 the Trust will carry out a full survey of managers in order to gain a high level of responses. The Trust will liaise with other HSC Trusts to explore best practice in obtaining accurate information about the untaken leave and TOIL/flexible leave balances at year end.

At present under the current HRPTS, it is not possible to use a digital solution for recording and extracting annual leave information. With the planned implementation of the Equip HR and Finance system due in September/November 2026, there may be a system solution for recording and reporting on annual leave and TOIL/flexible leave available for year ending 31 March 2027.

For year ending 31 March 2026, the Trust will formulate an interim methodology in line with other HSC Trusts in order to estimate the untaken leave liability. To note, while the employee benefit accrual balance is significant, there has been some statistical review carried out to consider the range of estimates and so potential error, and this has been determined to be immaterial.

Target Date: March 2026

Responsible Manager – Corporate Financial Accountant and Assistant Director of Finance for Financial Management

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## **Finding 4**

### **Holiday Pay Provision**

A sensitivity analysis for the key assumptions used in determining the provision should be prepared to determine how sensitive the total provision is to changes in each of the assumptions. This will assist management in making informed judgements about the future and about other key sources of estimation uncertainty. The nature and extent of the information to be considered will vary according to the nature of the assumptions and the other circumstances. Examples of the types of considerations to be made are:

- the nature of the assumption or other estimation uncertainty;
- the sensitivity of the carrying amounts to the methods, assumptions and estimates underlying their calculation, including the reasons for the sensitivity;
- the expected resolution of an uncertainty and the range of reasonably possible outcomes within the next financial year in respect of the carrying amounts of the assets and liabilities affected; and
- an explanation of changes made to past assumptions concerning those assets and liabilities, if the uncertainty remains unresolved.

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## **Priority Rating**

**3**

## **Recommendation**

Going forward, prepare a sensitivity analysis which shows how the estimate would change with reasonably possible changes in the assumption.

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## **Management Response (including target date)**

The Trust will continue to work with DoH and regional Trust colleagues to ensure any assumptions applied are reasonable, based on latest available information, and where appropriate subject to sensitivity analysis calculations and disclosures.

Target Date: March 2026

Responsible Manager: Corporate Financial Accountant

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A review of management's implementation of priority one recommendations made in our prior year Report to those charged with Governance is set out at [Appendix Three](#).

## **5. Misstatements and Irregular Expenditure**

### **Adjusted misstatements**

During the audit process we did not identify any misstatements above our clearly trivial threshold of £300,000.

### **Uncorrected misstatements**

None identified at present.

### **Irregular Expenditure**

No irregular expenditure was identified during the course of our audit.

# Appendix One – Letter of Representation



The Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
BT 7 1EU

## **Letter of Representation: Southern Health and Social Care Trust 31 March 2025**

As Accounting Officer of the Southern Health and Social Care Trust (SHSCT) I have fulfilled my responsibility for preparing accounts that give a true and fair view of the state of affairs, net expenditure, cash flows, Changes in Taxpayers' Equity; and the related notes of the SHSCT for the year ended 31 March 2025.

In preparing the accounts, I was required to:

- observe the accounts direction issued by the Department of Health (DoH) apply appropriate accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclosed and explain any material departures in the accounts; and
- make an assessment that SHSCT is a going concern and will continue to be in operation throughout the next year; and ensure that this has been appropriately disclosed in the financial statements.

I confirm that for the financial year ended 31 March 2025:

- neither I nor my staff authorised a course of action, the financial impact of which is that transactions infringe the requirements of regularity as set out in Managing Public Money Northern Ireland;
- having considered and enquired as to the SHSCT's compliance with law and regulations, I am not aware of any actual or potential non-compliance that could have a material effect on the ability of the SHSCT to conduct its business or on the results and financial position disclosed in the accounts;

- all accounting records have been provided to you for the purpose of your audit and all transactions undertaken by the SHSCT have been properly recorded and reflected in the accounting records. All other records and related information, including minutes of all management meetings which you have requested have been supplied to you; and
- the information provided regarding the identification of related parties is complete; and the related party disclosures in the financial statements are adequate.

All material accounting policies as adopted are detailed in note 1 to the accounts.

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#### Internal Control

I have fulfilled my responsibility as Accounting Officer for the design and implementation of internal controls to prevent and detect error and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated.

I confirm that I have reviewed the effectiveness of the system of internal control and that the disclosures I have made are in accordance with DoF guidance on the Governance Statement.

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#### Fraud

I have fulfilled my responsibility as Accounting Officer for the design and implementation of internal controls to prevent and detect fraud and I have disclosed to you the results of my assessment of the risk that the financial statements could be materially misstated as a result of fraud.

I am not aware of any fraud or suspected fraud affecting the SHSCT and no allegations of fraud or suspected fraud affecting the financial statements has been communicated to me by employees, former employees, analysts, regulators or others.

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#### Assets

##### **GENERAL**

All assets included in the Statement of Financial Position were in existence at the reporting period date and owned by the SHSCT and free from any lien, encumbrance or charge, except as disclosed in the accounts. The

Statement of Financial Position includes all tangible assets owned by the SHSCT.

### **NON CURRENT ASSETS**

All assets over £5,000 are capitalised. Land and Property Services (LPS) undertook a quinquennial valuation of applicable land and buildings in January 2025 and this valuation is reflected in the accounts. Except in the year of full valuation, all non current assets are revalued annually using indices. Depreciation is calculated to reduce the net book amount of each asset to its estimated residual value by the end of its estimated useful life in the SHSCT's operations.

### **OTHER CURRENT ASSETS**

On realisation in the ordinary course of SHSCT's operations the other current assets in the Statement of Financial Position are expected to produce at least the amounts at which they are stated. Adequate provision has been made against all amounts owing to SHSCT which are known, or may be expected, to be irrecoverable.

### **BACKLOG MAINTENANCE**

Backlog maintenance as at 31 March 2025 has been estimated at £134 million. This level of backlog maintenance has not impacted service delivery.

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## **Liabilities**

### **GENERAL**

All liabilities have been recorded in the Statement of Financial Position.

There were no significant losses in the year and no provisions for losses were required at the year end.

All litigation and claims have been disclosed to you and correctly accounted for.

### **PROVISIONS**

Provision is made in the financial statements for:

- Clinical Negligence;
- Employer's and Occupier's Liability;
- Injury Benefit and employment law;
- Senior executive pay;
- Job evaluation; and

- Holiday Pay relating to overtime.

Provisions are recognised when SHSCT has a present legal or constructive obligation as a result of a past event, it is probable that SHSCT will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.

SHSCT has engaged Directorate Legal Services as an expert in relation to provisions.

### Clinical Negligence

Provision relating to clinical negligence cases has been included in the accounts at £141 million. SHSCT relies on professional legal advice to estimate the appropriate level of provision, for each individual case, with Periodic Payment Order (“PPO”) calculations based on estimated life expectancy data. A discount rate is applied by courts to a lump-sum award of damages for future financial loss in a personal injury case, to take account of the return that can be earned from investment. Estimated settlement values at 31 March 2025 are provided by DLS.

Whilst there is a degree of estimation uncertainty in this estimate, I consider it to be reliable enough to meet the definition of a provision in accordance with IAS 37, and consider the disclosure provided to be sufficient to provide a reader of the accounts a clear understanding of the uncertainty.

### Holiday Pay Provision

The Holiday Pay Provision has been included in the financial statements at £119 million. The HSC regionally agreed model to calculate the 2024-25 provision, was designed using knowledge of settlements and retrospective liabilities that have been made in other jurisdictions and based on a number of estimates and assumptions. I have agreed the assumptions applied.

Whilst there is a degree of estimation uncertainty in this estimate, I consider it to be reliable enough to meet the definition of a provision in accordance with IAS 37, and consider the disclosure provided to be sufficient to provide a reader of the accounts a clear understanding of the uncertainty.

## **CONTINGENT LIABILITIES**

Other than matters disclosed in the contingent liability note to the accounts, I am not aware of any pending litigation which may result in significant loss to the Trust and I am not aware of any action which is or may be brought against the Trust under the Insolvency (Northern Ireland) Order 1989 and the Insolvency (Northern Ireland) Order 2005.

## **Other Disclosures**

## **RESULTS**

Except as disclosed in the accounts, the results for the year were not materially affected by transactions of a sort not usually undertaken by the SHSCT, or circumstances of an exceptional or non-recurring nature.

## **UNCORRECTED MISSTATEMENTS**

No uncorrected misstatement have been brought to my attention.

## **EVENTS AFTER THE REPORTING PERIOD**

Except as disclosed in the accounts, there have been no material changes since the reporting period date affecting liabilities and commitments, and no events or transactions have occurred which, though properly excluded from the accounts, are of such importance that they should have been brought to notice.

## **ACCOUNTING ESTIMATES**

The methods, significant assumptions and the data used in making the accounting estimates and the related disclosures are appropriate to achieve recognition, measurement or disclosure that is in accordance with the financial reporting framework. I reference specifically the estimation involved in determining provisions associated with clinical negligence and PSNI Holiday Pay and the valuation of land and buildings by LPS.

In addition to the above, I have reviewed the information provided to experts and the final report produced by experts and I can confirm the input information provided to the experts is correct and the reports are consistent with my understanding of the estimates.

## **Management of Personal Data**

Except as disclosed in the Directors' Report, there have been no personal data related incidents in 2024-25 which are required to be reported.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Steve Sperry', with a large, sweeping flourish underneath.

Steve Sperry

Chief Executive and Accounting Officer

Southern Health and Social Care Trust

26 June 2025

## **Appendix Two – Audit Certificate**

### **SOUTHERN HEALTH AND SOCIAL CARE TRUST – PUBLIC FUNDS**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

#### **Opinion on financial statements**

I certify that I have audited the financial statements of the Southern Health and Social Care Trust for the year ended 31 March 2025 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise: the Group and Parent Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual.

I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the group's and of Southern Health and Social Care Trust's affairs as at 31 March 2025 and of the group's and the Southern Health and Social Care Trust's net expenditure for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

#### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## **Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of Southern Health and Social Care Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that Southern Health and Social Care Trust's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Southern Health and Social Care Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for Southern Health and Social Care Trust is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Trust and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

## **Other Information**

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited, and my audit certificate and report. The Trust and the Accounting Officer are responsible for the other information included in the annual report. My

opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Department of Health directions made under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Southern Health and Social Care Trust and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

## **Responsibilities of the Trust and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer Responsibilities, the Trust and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- ensuring the annual report, which includes the Remunerations and Staff Report, is prepared in accordance with the applicable financial reporting framework; and
- assessing the Southern Health and Social Care Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Southern Health and Social Care Trust will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

My 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 a certificate that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Southern Health and Social Care Trust through discussion with management and application of

extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended;

- making enquires of management and those charged with governance on Southern Health and Social Care Trust's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Southern Health and Social Care Trust's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: in relation to management override of controls and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;


- o assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- o investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## **Report**

I have no observations to make on these financial statements.



*Dorinnia Carville*  
*Comptroller and Auditor General*  
*Northern Ireland Audit Office*  
*106 University Street*  
*BELFAST*  
*BT7 1EU*  
*3 July 2025*

## **SOUTHERN HEALTH AND SOCIAL CARE TRUST – CHARITABLE TRUST FUNDS**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

#### **Opinion on financial statements**

I certify that I have audited the financial statements of the Southern Health and Social Care Trust's Charitable Trust Funds for the year ended 31 March 2025 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended. The financial statements comprise: the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Trustees' Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of Southern Health and Social Care Trust's Charitable Trust Funds' affairs as at 31 March 2025 and of its income and expenditure of resources for the year then ended; and
- have been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

#### **Opinion on regularity**

In my opinion, in all material respects the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### **Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of Southern Health and Social Care Trust's Charitable Trust Funds in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that Southern Health and Social Care Trust's Charitable Trust Funds' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the Southern Health and Social Care Trust's Charitable Trust Funds work I have performed, I have not disclosed in the financial statements any identified any material uncertainties that relating to events or conditions that, individually or collectively, may cast significant doubt on the Southern Health and Social Care Trust's Charitable Trust Funds' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trust and the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

### **Other Information**

The other information comprises the information included in the Annual Report other than the financial statements and my audit certificate and report. The Trust and the Accounting Officer are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

In my opinion based on the work undertaken in the course of the audit, the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

In the light of the knowledge and understanding of the Southern Health and Social Care Trust's Charitable Trust Funds and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Annual Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit, or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

### **Responsibilities of the Trust and Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer Responsibilities, the Trust and the Accounting Officer are responsible for the preparation of the financial statements and for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the Southern Health and Social Care Trust's Charitable Trust Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trust and Accounting Officer anticipates that the services provided by Southern Health and Social Care Trust's Charitable Trust Funds will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to examine, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

My 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 a certificate that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Southern Health and Social Care Trust's Charitable Trust Funds through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended;
- making enquires of management and those charged with governance on Southern Health and Social Care Trust's Charitable Trust Funds' compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Southern Health and Social Care Trust's Charitable Trust Funds' financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I

identified potential for fraud in relation to management override of controls and posting of unusual journals;

- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial statements conform to the authorities which govern them.

## **Report**

I have no observations to make on this account.

A handwritten signature in black ink that reads "Dorinnia Carville". The signature is written in a cursive style with a large initial 'D'.

*Dorinnia Carville*  
*Comptroller and Auditor General*  
*Northern Ireland Audit Office*  
*106 University Street*  
*BELFAST*  
*BT7 1EU*  
*3 July 2025*

## **SOUTHERN HEALTH AND SOCIAL CARE TRUST – PATIENTS’ AND RESIDENTS’ MONIES**

### **THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY**

#### **Opinion on account**

I certify that I have audited the Southern Health and Social Care Trust’s account of monies held on behalf of patients and residents for the year ended 31 March 2025 under the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

In my opinion the account:

- properly presents the receipts and payments of the monies held on behalf of the patients and residents of the Southern Health and Social Care Trust for the year ended 31 March 2025 and balances held at that date; and
- the account has been properly prepared in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended and Department of Health directions issued thereunder.

#### **Opinion on regularity**

In my opinion, in all material respects the financial transactions recorded in the account statements conform to the authorities which govern them.

#### **Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 ‘Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom’. My responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the account section of my certificate.

My staff and I are independent of the Southern Health and Social Care Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council’s Revised Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

## **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the Southern Health and Social Care Trust's use of the going concern basis of accounting in the preparation of the financial statements for the monies held on behalf of the patients and residents is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Southern Health and Social Care Trust 's monies held on behalf of the patients and residents ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

## **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the account is not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit.

## **Responsibilities of the Trust for the account**

As explained more fully in the Statement of Trust's Responsibilities in relation to patients'/residents' monies, the Trust is responsible for:

- the preparation of the account in accordance with the applicable financial reporting framework and for being satisfied that they properly present the receipts and payments of the monies held on behalf of the patients and residents;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing the Southern Health and Social Care Trust's monies held on behalf of the patients and residents ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trust anticipates that the services provided by the Southern Health and Social Care Trust for the monies held on behalf of the patients and residents will not continue to be provided in the future.

## **Auditor's responsibilities for the audit of the account**

My responsibility is to examine, certify and report on the financial statements in accordance with the Health and Personal Social Services (Northern Ireland) Order 1972, as amended.

My 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 a certificate that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Southern Health and Social Care Trust for the monies held on behalf of the patients and residents discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Health and Personal Social Services (Northern Ireland) Order 1972, as amended;
- making enquires of management and those charged with governance on the Southern Health and Social Care Trust's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the Southern Health and Social Care Trust's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud;

- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial transactions recorded in the account conform to the authorities which govern them.

## **Report**

I have no observations to make on this account.

A handwritten signature in black ink that reads "Dorinnia Carville". The script is cursive and fluid.

*Dorinnia Carville  
Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT7 1EU  
3 July 2025*