

# **Final Report to those charged with Governance**

**South Eastern Health and Social Care Trust**  
2024-25

**Date of Issue**

2 September 2025

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*We have prepared this report for South Eastern 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 South Eastern Health and Social Care Trust (SEHSCT) financial statements which we must report to the Audit Committee, as those charged with governance. We would like to thank the Director of Finance & Estates and Deputy Chief Executive and her staff for their assistance during the audit process.

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## Audit Opinion

This report covers the SEHSCT Public Funds, Charitable Trust 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 1 July 2025.

The Audit Certificates are included at [Appendix Two](#).

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## Misstatements and Irregular Expenditure

### Financial Statement Adjustments

The net effect of adjustments on the statement of comprehensive net expenditure and statement of financial position for public funds was £nil.

### Uncorrected misstatements

Uncorrected misstatements would increase the spend and reduce the net assets position by £4.883 million.

### 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 Accounting Officer signed the annual report and accounts together with a letter of representation, the wording of which is included at [Appendix One](#).

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.

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

SEHSCT 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 other than those disclosed in the Annual Report 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 the UK 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, including the management responses to our audit findings.

## **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.

However, following the receipt of the CTF financial statements a reduction in the audit materiality was applied from that reported in the audit strategy, due to the encashment of investments in the year. The overall materiality reduced from £174k to £160.8k and error reporting threshold reduced from £8.7k to £8k.

## 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.

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#### Audit Response

As required by ISA (UK) 240, we undertook to:

- test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
  - review accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud;
  - consider significant transactions that are outside the normal course of business for the entity, or that otherwise appear to be unusual;
  - consider whether the projected deficit gives rise to any unusual spending patterns around year end; and
  - consider how the year end deficit has been disclosed in the Governance Statement and annual accounts in the context of both an expectation that Trusts will break even and the going concern disclosure.
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#### Outcome

No issues in relation to management override of controls were identified during the audit.

While a forecast deficit was identified at planning stage, additional funding became available to assist HSC bodies to achieve year-end breakeven.

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## **Significant Risk 2**

### **Internal Control Environment and Governance Arrangements**

We noted during the 2023-24 external audit that the Trust's Head of Internal Audit identified a number of areas within the Trust's internal control environment where there was limited or unacceptable level of assurance. Our Report to Those Charged with Governance for 2023-24 also identified a deterioration in the 'first line of defence' elements of some aspects of the Internal Control environment.

We note that at audit planning stage, a number of reports with a limited level of assurance have been issued for the 2024-25 period. We considered the implications of these reports and determined if some aspects of the Internal Control environment have continued to deteriorate since the prior year which may increase the risk of irregular spend.

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### **Audit Response**

We reviewed all internal audit reports issued relating to the financial year and ensured that any issues impacting the audit were taken into consideration during our substantive testing.

We assessed the impact of any limited reports at an operational level as part of our continuous assessment.

We reviewed the Head of Internal Audit Annual Opinion, and considered the impact this had on the Governance Statement.

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### **Outcome**

We noted that the Head of Internal Audit's Annual Opinion provided satisfactory level of assurance and the strong performance of the Trust in implementing previous audit recommendations. However, the opinion did also highlight a number of limited assurance reports in areas such as IT Supply Chain Security, Management of Contracts with Voluntary Organisations and Absence Management and advised the Trust to maintain the focus on implementing outstanding audit recommendations especially significant matters.

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## **Significant Risk 3**

### **PSNI Holiday Pay provision**

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, at the time of audit planning, the calculation methodology was being clarified.

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

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## **Audit Response**

During the audit we reviewed any changes made to the calculation and classification of the PSNI Holiday Pay case. We also reviewed correspondence and guidance from the Department of Health to ensure that the calculations and disclosures in relation to the case are appropriate and have been based on the guidance issued.

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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 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 SEHSCT to determine the Holiday Pay provision in the 2024-25 accounts was consistent with the regionally agreed model and the data available, and was an appropriate methodology to produce an estimate which could produce a true and fair view. The figures provided by SEHSCT 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. No issues were identified in this respect.

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, subject to the outstanding item noted in the Status of the Audit section.

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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.

SEHSCT has robust processes in place for the production of 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

Accounting policies adopted by the SEHSCT have not changed or altered since the prior year financial statements. Our substantive testing has provided us with sufficient assurance over the accounting policies adopted.

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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 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 were appropriately reflected in the valuation, resulting in a reduction in the asset value of £33.3 million.
- We note that there is a significant degree of estimation inherent in both the PSNI Holiday Pay Provision and Clinical negligence provisions. We are satisfied that disclosure made in the financial statements is sufficient to inform the reader of these matters. (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.

## **Going Concern**

No events or conditions were identified from our audit work that cast significant doubt about SEHSCT'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 made 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**

We found no issues in relation to irregularity, impropriety or losses during our audit.

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## **Internal Control**

No material weaknesses in the design and implementation of the SEHSCT's internal control systems have come to our attention during the audit.

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## **Related Parties**

No significant matters were arising during the audit in connection with SEHSCT'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 (DAC)

The Trust have 50 new DAC's this year with a value of £12.1m, compared with 49 in the prior year with a value of £21.3m. Whilst there has been a reduction in value of new DAC's in the current year we did note that there has been a marked increase in the number of contracts requiring retrospective approval i.e. in 2023-24, 51% of DACS had prior approval in place, compared to 26% in 2024-25. The level of spend on the retrospectively approved DACs in 2024-25 was £9.5m.

Our review of the DAC register indicated that the over 57% of these contracts related to activity commissioned from Independent Sector Hospitals and Clinics regarding Waiting List Initiatives with total contracted spend of £7m.

During testing a sample of ten direct award contracts were selected for review and in seven instances the final approval was provided after the DAC start date.

The Trust's procedures and good practice require DACs to be approved in advance of spend being incurred, except in exceptional circumstances. Relying on the retrospective approval of DACs runs the risk that the Trust misses the opportunity to use more appropriate alternative procurement and the risk that approval may not be provided, potentially giving rise to irregular expenditure.

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### Priority Rating

2

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## **Recommendation**

We recommend that procurement procedures are reinforced to all staff and action taken to ensure that any necessary DACs are approved prior to expenditure being incurred. The Trust should consider if the two months' notice currently given to requestors that their DAC is due to expire is sufficient.

With regard to spend on Waiting List Initiatives, we recommend that the Trust continues to liaise with colleagues across Trusts to consider what can be done differently to enable approvals to be in place before spend is incurred.

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

The Trust will now notify DAC requestors 3 months before their DAC is due to expire. The Trust is actively starting the process to write DACS earlier to ensure prior approvals are in place before spend is incurred.

Target Date 15 August 2025

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## **Finding 2**

### **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

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### **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 work with DoH to ensure that a sensitivity analysis for the Holiday Pay provision is undertaken for production of the 2025-26 year end accounts.

Target Date 31 March 2026

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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](#).

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

### **Adjusted misstatements**

There were no adjusted misstatements identified above our clearly trivial threshold of £300k.

There were no adjusted audit misstatements arising in our testing of the CTF and PRM accounts.

## Uncorrected misstatements

### Public Funds

The table below lists unadjusted misstatements which exceed our clearly trivial threshold of £300k. Uncorrected misstatements would increase expenditure and decrease net assets by a further £4.88m.

ISSUE	AREA	SoCNE DEBIT / (CREDIT) £'000	SoFP DEBIT / (CREDIT) £'000
<b>Being to reclassify credit balances within receivables</b>	Receivables	-	3,225
	Payables		(3,225)
<b>Being to reclassify debit balances within payables</b>	Receivables	-	1,521
	Payables		(1,521)
<b>Being to reclassify capital accruals from trade payables</b>	Trade payables	-	1,010
	Accruals		(1,010)
<b>Being to reclassify discount received on purchases</b>	SoCNE – Income	835	
	SoCNE – Purchases	(835)	
<b>Being to increase clinical negligence provision for changes advised by DLS in May 2025</b>	SoCNE Provisions	4,883	(4,883)
<b>TOTAL</b>		<b>4,883</b>	<b>(4,883)</b>

### Charitable Trust Funds

There were no uncorrected misstatements arising in our testing of the CTF and PRM accounts.

We recommend that uncorrected misstatements, other than projected errors, be corrected by the Trust.

### **Irregular Expenditure**

We did not identify any irregular expenditure during the course of our audit.

# Appendix One –Letter of Representation

## [Client Letterhead]

The Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
BELFAST  
BT7 1EU

### **Letter of Representation: South Eastern Health and Social Care Trust 31 March 2025 Incorporating: Public Funds, Charitable Trust Funds and Patients' and Residents' Monies (PRM/PPP)**

As Accounting Officer of the South Eastern Health and Social Care Trust (SEHSCT) 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 SEHSCT 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), including the relevant accounting and disclosure requirements and 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 SEHSCT 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 SEHSCT'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 SEHSCT 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 SEHSCT 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 SEHSCT 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 SEHSCT 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 SEHSCT.

### **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 SEHSCT's operations.

### **OTHER CURRENT ASSETS**

On realisation in the ordinary course of SEHSCT'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 SEHSCT which are known, or may be expected, to be irrecoverable.

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## **Liabilities**

### **GENERAL**

All liabilities have been recorded in the Consolidated 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 £113.4 million;
- Employer's and Occupier's Liability £4.2 million;
- Injury Benefit and employment law £1.8 million; and
- Holiday Pay relating to overtime £114.2 million.

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, when it is probable that the Trust will be required to settle the obligation, and where 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.

The Trust 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 £113.4 million. The Trust 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.

### **PSNI Holiday Pay Provision**

The PSNI Holiday Pay Provision has been included in the financial statements at £114.2 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.

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## **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 SEHSCT, or circumstances of an exceptional or non-recurring nature.

### **UNCORRECTED MISSTATEMENTS**

The following uncorrected misstatements have been brought to my attention:

- Reclassification of payroll payables held in receivables - £3.225m
- Reclassification of payments on account - £1,521m
- Reclassification of capital accruals held in POP accruals - £1.010m
- Reclassification of discount received on purchases of drugs - £835k
- Unadjusted entry recognising changes in provisions between April 2025 and May 2025 - £4.883m

I consider the effect of these uncorrected misstatements to be immaterial, both individually and in aggregate, to the financial statements taken as a whole.

### **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.

Roisin Coulter

Chief Executive and Accounting Officer

20 June 2025

## **Appendix Two – Audit Certificates**

### **SOUTH EASTERN 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 South Eastern 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 the South Eastern Health and Social Care Trust's affairs as at 31 March 2025 and of the group's and the South Eastern 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 the South Eastern 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 the South Eastern 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 South Eastern 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 the South Eastern 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 South Eastern 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 South Eastern 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 the South Eastern 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 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 South Eastern 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 and Department of Health directions issued thereunder;

- making enquires of management and those charged with governance on the South Eastern 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 South Eastern 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: expenditure recognition 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;
- 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 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*

*1 July 2025*

## **SOUTH EASTERN 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 South Eastern 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 the South Eastern Health and Social Care Trust's Charitable Trust Funds' affairs as at 31 March 2025 and of its incoming 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 the South Eastern 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 the South Eastern 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 work I have performed on the South Eastern Health and Social Care Trust's Charitable Trust Funds, 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 South Eastern 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 South Eastern 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.

## **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 South Eastern 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 the South Eastern 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 South Eastern 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 and Department of Health directions issued thereunder;
- making enquires of management and those charged with governance on the South Eastern 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 the South Eastern 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 the following areas: expenditure recognition 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 expenditure and income recorded in the financial statements have been applied to the purposes intended 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*

*1 July 2025*

## **SOUTH EASTERN 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 South Eastern 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 South Eastern 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 South Eastern 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 South Eastern 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 South Eastern 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.

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; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made.

## **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 South Eastern 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 Trust anticipates that the services

provided by the South Eastern Health and Social Care Trust 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 South Eastern 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 the South Eastern 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 South Eastern 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.

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

*1 July 2025*

## **Appendix Three – Implementation of Prior Year Priority One Recommendations**

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### **Recommendation 1 PSNI Holiday Pay provision**

Where there is a significant change in the basis of calculation of a key estimate within the financial statements, we would expect management and the Board to consider the extent to which appropriate disclosure is required to enable the users of the financial statements to understand the changes made and the factors that have influenced the change, and to comply with financial reporting standards. The Trust should also continue to engage with the Department of Health on this matter.

We also recommend that management reviews the calculations for such significant changes to ensure that it is considering all of the available information to enable it to make the best possible estimate of the provision, and to consider the extent to which estimation errors may arise. It is important that this review is documented.

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### **Status Resolved in current year**

See findings at Significant Risk in this report.

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