

**Council of Governors Meeting: Tuesday 20 November 2018**  
**CoG2018.34**

<b>Title</b>	<b>Auditors Report to the Governors on the Quality Report</b>
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<b>Purpose</b>	For information.
<b>History</b>	

# External Assurance on the Quality Report

Oxford University Hospitals NHS Foundation Trust

21 May 2018



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**Council of Governors**

Oxford University Hospitals NHS Foundation Trust The John Radcliffe Hospital  
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21 May 2018

Dear Governors,

**External Assurance on the Trust's Quality Report**

We are pleased to present our findings following our review of Oxford University Hospitals NHS Foundation Trust's ('the Trust's') Quality Report for the year ended 31 March 2018.

The purpose of this report to the Council of Governors is to set out the work that we have performed, our findings and conclusions and any recommendations for improvement concerning the content of the Trust's Quality Report and our testing on mandated and local indicators as required by NHS Improvement.

We would like to take this opportunity to thank the employees of the Trust for their assistance during the course of our work.

Yours faithfully

Maria Grindley  
Associate Partner, For and on behalf of Ernst & Young LLP  
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The contents of this report are subject to the terms and conditions of our appointment as set out in our engagement letter dated 14 May 2018.

This report is made solely to the Audit Committee, Board of Directors, Council of Governors and management of Oxford University Hospitals NHS Foundation Trust in accordance with our engagement letter. Our work has been undertaken so that we might state to the Audit Committee, Board of Directors, Council of Governors and management of the Trust those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Audit Committee, Board of Directors, Council of Governors and management of the Trust for this report or for the judgements we have formed. It should not be provided to any third-party without our prior written consent.

## Executive Summary



# 1. Executive Summary

## 1.1 Responsibilities

We have been engaged by the Trust to perform an independent assurance engagement in respect of the Trust's Quality Report for the year ended 31 March 2018 and certain performance indicators contained within the report. Our review is undertaken in accordance with the 'Detailed Guidance for Quality Reports 2017/18' issued by NHS Improvement on 23 February 2018 ('the Detailed Guidance').

NHS Improvement's 'Detailed Requirements for External Assurance for Quality Reports for Foundation Trusts 2017/18' ('the Assurance Requirements') sets out the work that we are required to complete on the Trust's Quality Report for the year ended 31 March 2018, which is published as part of its Annual Report.

As auditors we are required to:

- ▶ Review the content of the Quality Report against the requirements set out in the NHS foundation Trust Annual Reporting Manual 2017/18 ('FT ARM'), which is supported by the quality reports requirements in the Detailed Guidance;
- ▶ Review the content of the Quality Report for consistency against the other information sources detailed in Section 2.1 of the Detailed Guidance;
- ▶ Provide a signed limited assurance report in the Quality Report on whether anything has come to our attention that leads us to believe that the Quality Report has not been prepared in line with the requirements set out in the FT ARM and Detailed Guidance and/or is not consistent with the other information sources detailed in Section 2.1 of the Assurance Requirements;
- ▶ Undertake substantive sample testing on two mandated performance indicators and one locally selected indicator (to include, but not necessarily be limited to, an evaluation of the key processes and controls for managing and reporting the indicators and sample testing of the data used to calculate the indicator back to supporting documentation);
- ▶ Provide a signed limited assurance report in the Quality Report on whether there is evidence to suggest that the two mandated indicators have not been reasonably stated in all material respects in accordance with the FT ARM and Detailed Guidance; and
- ▶ Provide a report to Trust's Council of Governors ('the Governors' Report') of our findings and recommendations for improvements on the content of the Quality Report, the mandated indicators and the locally selected indicator.

## 1.2 Key findings

We have reviewed the Trust's Quality Report and found that:

- ▶ Its content is in line with NHS Improvement's requirements; and
- ▶ It is consistent with other information published by/about the Trust.

In our detailed findings section of this report (section 2) we have included comments about the content and consistency of the Quality Report.

We have also undertaken testing on two mandated indicators and one local indicator. The two mandated indicators tested are:

- ▶ Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- ▶ Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge

In both instances we found no evidence to suggest that the two mandated indicators have not been reasonably stated in all material respects. Further details of our findings are in Section 2.3.

The local indicator tested was:

- ▶ Friends and Family Test Inpatients Survey (locally selected)

We found no evidence to suggest that the local indicator has not been reasonably stated in all material respects. Further details of our findings are in Section 2.4.

We plan to issue an unqualified Limited Assurance report to the Trust. This will conclude that nothing has come to our attention through the work we have conducted in relation to the following:

- ▶ The Quality Report has been prepared in line with the relevant requirements;
- ▶ The Quality Report is consistent with the other information sources as set out in that guidance; and
- ▶ The indicators in the Quality Report subject to limited assurance have been reasonably stated in all material respects.

A copy of this report is provided in Appendix A.



## Detailed Findings

## 2. Detailed findings

### 2.1 Content of the Quality Report

#### **Compliance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2017/18**

We have reviewed the content of the Quality Report against the requirements set out by NHS Improvement in the FT ARM.

In all regards we found that the Trust met these requirements.

#### **Consistency with other specified documents**

The Quality Report is also reviewed for consistency with the following documents:

- ▶ Council of Governors minutes for the period April 2017 to May 2018;
- ▶ Papers relating to quality, reported to the Council of Governors during the same period;
- ▶ Feedback from Commissioners;
- ▶ Feedback from Governors;
- ▶ Feedback from local Healthwatch organisations;
- ▶ Feedback from the Overview and Scrutiny Committee
- ▶ The Trust's complaints report published under regulation 18 of the Local Authority, Social Services and NHS Complaints (England) Regulations 2009;
- ▶ Feedback from other named stakeholder(s) involved in the sign off of the quality report
- ▶ The latest national and local patient survey;
- ▶ The latest national and local staff survey;
- ▶ The Head of Internal Audit's annual opinion over the Trust's control environment; and
- ▶ Care Quality Commission intelligence monitoring report.

Our review concluded that the contents of the Quality Report published by the Trust are consistent with these documents.

## 2.2 Testing of mandated performance indicators

In 2017/18, we have performed testing on the following two mandated indicators:

- ▶ Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- ▶ Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.

The results of our testing of these two indicators are detailed below.

Indicator	Findings
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period	Our testing did not identify any findings that would indicate that this indicator is not reasonably stated in all material respects in accordance with the FT ARM and supporting guidance and the six dimensions of data quality set out in the Detailed Guidance.
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.	Our testing did not identify any findings that would indicate that this indicator is not reasonably stated in all material respects in accordance with the FT ARM and supporting guidance and the six dimensions of data quality set out in the Detailed Guidance.

## 2.3 Locally selected indicator

In 2017/18, NHS Improvement's guidance also requires the testing of a locally selected indicator. The assurance work on this indicator does not contribute to our limited assurance report in Appendix A.

- ▶ Governors selected Friends and Family Test Inpatients Survey

The performance measure that is used is: the percentage of responses received who are 'extremely likely' or 'likely' to recommend the ward to friends and family, if they needed similar care or treatment

The result of our testing of this indicator is detailed below.

Indicator	Findings
Friends and Family Test Inpatients Survey	Our testing did not identify any findings that would indicate that this indicator is not reasonably stated in all material respects in accordance with the FT ARM and supporting guidance and the six dimensions of data quality set out in the Detailed Guidance.

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## Appendix A

## Appendix A Limited assurance report – draft

### **Independent auditor’s report to the council of governors of Oxford University Hospitals NHS Foundation Trust on the quality report**

We have been engaged by the council of governors of Oxford University Hospitals NHS Foundation Trust (“the Trust”) to perform an independent assurance engagement in respect of Oxford University Hospitals NHS Foundation Trust’s quality report for the year ended 31 March 2018 (the ‘Quality Report’) and certain performance indicators contained therein.

This report is made solely to the Trust’s Council of Governors, as a body, in accordance with our engagement letter dated 14 May 2018. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018 to enable the Council of Governors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust’s Council of Governors as a body, for our examination, for this report, or for the conclusions we have formed.

Our work has been undertaken so that we might report to the Council of Governors those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. This engagement is separate to, and distinct from, our appointment as the auditors to the Trust.

#### **Scope and subject matter**

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period on page 194;
- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge on page 194; and
- Friends and Family Test Inpatients Survey (locally selected) on page 179 and 180.

We refer to these national priority indicators collectively as the ‘indicators’.

### **Respective responsibilities of the directors and Ernst & Young LLP**

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the ‘NHS Foundation Trust Annual Reporting Manual 2017/18’ issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the ‘NHS Foundation Trust Annual Reporting Manual 2017/18’ , which is supported by NHS Improvement’s Detailed Requirements for quality reports 2017/18;
- the quality report is not consistent in all material respects with the sources specified in detailed in Section 2.1 of the ‘Detailed guidance for external assurance on quality reports 2017/18’ and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the ‘NHS Foundation Trust Annual Reporting Manual 2017/18’ and supporting guidance and the six dimensions of data quality set out in the ‘Detailed Guidance for External Assurance on Quality Reports 2017/18’.

We read the Quality Report and consider whether it addresses the content requirements of the ‘NHS Foundation Trust Annual Reporting Manual 2017/18’ and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with the other information sources detailed in Section 2.1 of the ‘Detailed guidance for external assurance on quality reports 2017/18’. These are:

- Board minutes for the period April 2017 to May 2018
- Papers relating to quality reported to the Board over the period April 2017 to May 2018
- feedback from commissioners, dated 11/05/2018
- feedback from governors, dated 17/05/2018
- feedback from local Healthwatch organisations, dated 15/5/2018
- feedback from Overview and Scrutiny Committee dated 15/05/2018
- the trust’s complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 13/09/2017
- the latest national patient survey, dated 2016
- the latest national staff survey, dated 2017
- Care Quality Commission inspection, dated 27/03/2018, and



- the Head of Internal Audit's annual opinion over the trust's control environment, dated 18/04/2018

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Oxford University Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting Oxford University Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Oxford University Hospitals NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included, but were not limited to:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators
- making enquiries of management
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation
- comparing the content requirements of the 'NHS Foundation Trust Annual Reporting Manual 2017/18' to the categories reported in the Quality Report.
- reading the documents.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the Quality Report. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of



assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### **Inherent limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual 2017/18' and supporting guidance. The scope of our assurance work has not included governance over quality or non-mandated indicators, which have been determined locally by Oxford University Hospitals NHS Foundation Trust.

### **Conclusion**

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual 2018 and the Detailed requirements for quality reports 2017/18 published in January 2018 (updated in February 2018) issued by NHS Improvement
- the Quality Report is not consistent in all material respects with the sources specified in 'Detailed guidance for external assurance on quality reports 2017/18' and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with NHS Foundation Trust Annual Reporting Manual 2018 and the Detailed requirements for quality reports 2017/18 published in January 2018 (updated in February 2018) issued by NHS Improvement .

*Ernst & Young*  
*Reading*  
*Xx May 2018*

**[The following foot note should be added to the assurance report when it is published or distributed electronically:**

Notes:

1. The maintenance and integrity of the Oxford University Hospitals NHS Foundation Trust web site is the responsibility of the directors; the work carried out by Ernst & Young LLP does not involve consideration of these matters and, accordingly, Ernst & Young LLP accept no responsibility for any changes that may have occurred to the Quality Report since it was initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.]

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