Oxford University Hospitals
NHS Foundation Trust

Cover Sheet

Trust Board Meeting in Public: Wednesday 25 November 2026

TB2026.93

Title:	**Audit Committee Report**

Status:	**For Decision**
History:	**Regular Reporting**

Board Lead:	**Committee Chair**
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Confidential:	**No**
Key Purpose:	Assurance

Audit Committee Report

1. Purpose

1.1. As a Committee of the Trust Board, the Audit Committee provides a regular report to the Board on the main issues raised and discussed at its meetings.

1.2. This report summarises the matters considered by the Audit Committee at its meeting held on 11 November 2026.

1.3. This report summarises the Committee's work using the following definitions: Alert escalates key risks, opportunities, issues requiring Board attention and gaps in assurance; Advise sets out areas where the Committee received partial assurance but wishes to see improvements, further follow-up or additional reporting; and Assure summarises areas where the Committee received sufficient assurance or undertook routine oversight.

2. Alert: matters escalated to the Board

2.1. Financial understanding and management – Despite improvements, the Financial Forecasting, Budget Setting and Procurement CIP audits together highlighted continuing concerns about how well financial understanding and management were embedded at lower levels of the organisation.

2.2. Exit package governance – Exit package governance had been raised as an external audit control recommendation and new NHS England guidance had been received.

2.3. Accounting policies and practice, judgements and material estimates – the Board's position in relation to a contractual issue could impact the associated accounting treatment.

3. Advise: partial assurance received and referrals to other committees

3.1. Board committee delegated authority and risk responsibilities – The Board should consider all Board committee Terms of Reference together to clarify delegated decision-making authority before their return to the Audit Committee. This should explicitly articulate the Audit Committee's responsibilities for the Board Assurance Framework and Corporate Risk Register.

3.2. Route for internal audit referrals — Responsibility for referring internal audit reports to the relevant Board committees rested with the Trust Management

Executive. The Audit Committee would retain oversight of the internal audit programme and timely completion of recommendations.

3.3. Finance Committee — the Committee advised that the Finance Committee should consider the budget-setting approach and financial planning assumptions; review and validate the Divisional elements of the forecast; consider the Forecasting Standard Operating Procedure; receive a briefing on insights from half-year costing data; and receive the results of the estate valuation exercise.

3.4. People Committee — the Committee advised that the People Committee should consider the Staff Retention internal audit and the Audit Committee's discussion. The audit, which focused on onboarding and wellbeing for administrative and clerical staff and allied health professionals, provided substantial assurance on design and moderate assurance on effectiveness.

4. Assure: sufficient assurance or routine oversight

4.1. Internal audit programme — the 2026/27 programme was reported to be on track, with five of ten planned reports presented and four expected in February 2027. The Committee welcomed improved report completion. The Discharge Planning audit provided substantial assurance on design and moderate assurance on effectiveness. The Committee received updates on outstanding recommendations and noted the statement of conformance with Global Internal Audit Standards, including the alternative condition for conformance with Standard 8.3.

4.2. External audit and financial controls — EY confirmed that the approximately £9.9m PFI valuation difference remained below materiality, with discussion planned between EY and NHS England to seek resolution. The Committee took reasonable assurance from controls over nil net book value assets, while noting residual risk, and noted directorate ownership and monitoring of the remaining external audit recommendations concerning fixed asset records, inventory counts and exit packages.

4.3. Counter fraud — the Committee noted the progress report and recommendation update. All matches from the previous National Fraud Initiative exercise had been completed, with 2026/27 matches expected in December 2026. TIAA confirmed that reactive activity could currently be managed without affecting proactive work. Benchmarking showed comparatively high reactive activity, attributed by TIAA to a robust reporting culture and good-quality referrals.

4.4. Accounting policies and practice, judgements and material estimates — apart from potential accounting issue reported under Alert, management had not identified additional matters expected to have a material impact at this stage.

4.5. Board Assurance Framework and Corporate Risk Register — the Committee noted the proposed assurance arrangements, while recognising that cross-committee assurance required further work.

4.6. Standing Financial Instructions and Scheme of Delegated Authorities — the Committee recommended the revised SFIs and SoDA to the Board for approval. The revisions reflected the changed committee structure and included an increase in TME's approval threshold from £3m to £5m, intended to support the expanded Investment, Digital and Estates Committee's focus on strategic projects.

4.7. National cost collection and service line reporting — the Committee noted assurance that the 2025/26 submission had received sufficient scrutiny and diligence; the identified pathology data risk had been mitigated. It noted the 2026/27 costing workplan, the proposed assessment of service line reporting and plans to improve engagement with cost data. In the absence of a national costing audit, a review to assure the Committee that the costing process produced robust data was scheduled for May 2027.

4.8. Routine compliance and other oversight — the Committee noted the Q1 and Q2 losses and special payments and single tender waiver reports.

5. Recommendations

5.1. The Trust Board is asked to:

- **note** the Audit Committee's report from its meeting held on 11 November 2026;
- **consider** the matters escalated under **Alert**;
- **note** the matters brought to its attention under **Advise**;
- **take assurance** from the matters set out under **Assure**, subject to the actions and qualifications identified; and
- **approve** the revised Standing Financial Instructions and Scheme of Delegated Authorities, including the increase in TME's approval threshold from £3m to £5m (in Reading Room).