

Audit Committee Chair's Summary Report

**Public Board
24 September 2026**

Presented for:	Alert, Advice and Assurance
Presented by:	Gillian Taylor, Non-Executive Director and Chair of Audit Committee
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List of meeting dates:	3 September 2026

Freedom of Information Act (FOIA) Exemption	☐ YES (restricted from the FOIA) ☒ NO (available to the public under the FOIA)
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Link to Strategic Objective	N/A
Link to Provider Capability Assessment	Governance, risk and regulatory
Link to CQC Well-led Statement	Governance, Management and Sustainability
<u>Regulatory Impact</u>	Regulation 17: Good governance

Key points:	
This report provides a summary of the key highlights from the Audit Committee meeting and seeks to alert, advice and provide assurance to the Board on the areas discussed.	Alert, Advice and Assurance

<u>Risk Appetite Framework</u>			
Level 1 Risk	Level 2 Risks	(Risk Appetite Scale)	Impact
Financial Risk	Counter-Fraud Risk - We will adopt a zero-tolerance approach to workforce fraud through the maintenance of an anti-fraud culture, investigating all reported instances of fraud and following disciplinary and criminal proceedings.	Averse	Operating within
Financial Risk	Financial Management & WRP - We will deliver sound financial management and reporting for the Trust, aiming to at least break even, with no material variances to forecast.	Cautious	Operating outside
Financial Risk	Financial Reporting Risk - We will deliver sound financial management and reporting for the Trust, with no material misstatements or variances to forecast.	Minimal	Operating within
Financial Risk	Cash Management - We will retain a minimum balance of £3m in line with requirements for a Trust of our size.	Cautious	Operating within

Financial Risk	Supply Chain Risk - We will manage suppliers in a manner that protects the Trust's interests and service to our patients.	Cautious	Operating outside
Clinical Risk	Infection Prevention and Control - We will manage the risks related to infection prevention and control to reduce the transmission of infection in our hospitals.	Minimal	Operating within
Operational Risk	Business Continuity Risk - We will develop and maintain stable and resilient services, operating to consistently high levels of performance.	Cautious	Operating within
External Risk	Legal & Governance Risk - We will operate the Trust in compliance with the Law and UK Corporate Governance Code, where applicable.	Averse	Operating within

1. Introduction

At its meeting held 3 September 2026 the Committee considered significant issues and key areas to highlight to the Board under three key categories Alert, Advice, Assurance (AAA):

- Alert - areas that the Committee wishes to escalate as potential areas of non-compliance, which need addressing urgently, or that it is felt Board should be sighted on.
- Advice - on new areas of monitoring or existing monitoring where an update has been provided to the Committee and there are new developments.
- Assurance - specific areas of assurance received warranting mention to Board.

2. Alert

- The Committee received the internal audit review of the Data Security and Protection Toolkit (DSPT), which had received a high-risk rating under NHS England rules because two indicators of good practice across different outcomes had not been met. During the discussion, Internal Audit confirmed that only minor gaps had been identified and noted that the Trust had achieved 43 of the 45 indicators across the 12 outcomes reviewed. Immediate action had been taken, and a compliant DSPT submission had been made. The Committee noted the additional assurance that the high-risk rating was rule-driven and that the identified gaps were not considered material.
- Following the previous alert to the Board regarding the limited assurance received over the controls in place to manage medical devices risk, the Committee reviewed the Internal Audit Medical Devices Advisory Report, with the Chief Medical Officer in attendance. The review identified six advisory findings and set out a roadmap of what good practice could look like. The report identified the need for central ownership and oversight of the medical devices programme, and a recommendation was being prepared for consideration by the Executive Team. In response to the advisory report, a single management improvement plan would be developed, the Medical Devices Group reinstated, and digital tools explored to support the prioritisation of replacements. The Medical Devices Group would report to the Patient Safety and Quality Sub-Committee, which would provide assurance to the Quality Assurance Committee. The Committee requested that a formal review of medical devices be included in a future year's Internal Audit Plan.

3. Advice

- The Committee Chair continues to oversee the recovery trajectory for Business Continuity Plan compliance, with a view to providing assurance to the Board in

November, ahead of sign-off of the Emergency Preparedness Resilience and Response (EPRR) checklist.

- The Committee reviewed the application of Level 6 approval, as defined in the Standing Financial Instructions, and confirmed its assurance that approvals had been applied appropriately and remained within the expected limits. No further updates were required unless there was a significant variation in volume or the total value became material in relation to annual turnover. A summary of the total value would be included in the annual Standing Financial Instructions update received by the Committee.
- The Committee reviewed the performance of the External and Internal Audit Teams following the closure of the 2025/26 audit cycle. Although the minutes had been redacted because of commercial sensitivity, formal feedback had been shared with both teams.
- The Committee received an update on the 2026/27 Internal Audit Plan. Final reports had been issued on capital planning and the Data Security and Protection Toolkit, while fieldwork had commenced on Absence Management, Learning from Deaths, and Business Continuity Management. The Committee approved two changes to the 2026/27 plan: the deferral of the Clinical Audit review to 2027/28 to increase Quality Assurance coverage, and the deferral of the Safeguarding Review to 2027/28, with an e-roster review undertaken in its place. It also approved 12 extensions to audit action deadlines.
- The Committee received a progress update from External Audit summarising learning from the 2025/26 audit and providing an update on the Financial Reporting Council's inspections of Forvis Mazars' audit quality. The audit process was considered generally positive, with good processes in place. Improvements were identified in relation to the quality of evidence provided by the Trust to support best practice and would be incorporated into the 2026/27 audit. Additional fees had been agreed for risk-based Value for Money work, and the work associated with the Trust being chosen by the NAO for review in 2025/26, and planning by the Finance and Audit Teams for the 2026/27 audit was due to begin in September.
- The Committee received an annual update on the process in place for the review of policies and procedures. The Trust has 224 policies and procedures, of which 90% were in date and compliant. It was recognised that several HR policies were overdue because of a comprehensive review by the Chief People Officer and the need for consultation with staff side representatives. The Committee was informed of a proposed change to replace the current Policy and Procedures Group with individual delegation to policy owners. Quality checks before publication would remain, with compliance monitored through the Clinical Effectiveness and Outcomes Group and supported by an annual audit. Noting the changes in process it was agreed that the Audit Committee would no longer receive updates with compliance oversight to be reported by the Quality Assurance Committee sub-committee structure.

4. Assurance

- The Committee received confirmation of the completion of the 2025/26 Internal Audit Plan with three final reports issued during the last reporting period; Backlog Maintenance, rated Moderate; Asbestos Management, rated Satisfactory; and Staff Wellbeing which was issued as an advisory report.
- The Committee received a deep dive into the controls for managing infection prevention and control (IPC) risk as defined within the Risk Appetite Framework (RAF). Key controls included the IPC Board Assurance Framework, aligned with national guidance, and CSU self-assessment against a 10-point checklist, with recurring partial compliance escalated through the IPC governance structure. Healthcare-associated

infection performance was monitored daily and reported weekly, and the IPC Strategy and three-year plan had been launched in July 2026. The Trust remained within risk appetite, with no material change to the risk or controls. Areas requiring further action included addressing Emergency Department training gaps which were currently being mitigated by mutual-aid arrangements; reviews of MRSA bacteraemia cases and increased bloodstream infections which were being overseen by a Task and Finish Group; and implementation of the national framework for containing Carbapenemase-producing Enterobacterales (CPE) noting that a surveillance option was being piloted. Whilst assured by the controls and mitigations, the Committee requested benchmarking data to further its understanding of the quantification of the IPC risk and compare performance with peers.

- The Committee received a deep dive into the controls in place to manage financial risk, as defined within the RAF. Individual reports were provided on the controls relating to counter fraud, waste reduction & financial management, financial reporting, cash management, revenue funding and liquidity, and supply chain risk. The Finance and Performance Committee, Turnaround Executive Meeting and Weekly Executive Board were identified as key assurance and oversight mechanisms. The Trust is operating within risk appetite for counter fraud, financial reporting, and revenue funding & cash management, however is outside its risk appetite for Waste Reduction and Financial Management because of under-delivery against the financial plan. In addition, Supply Chain Risk had been escalated to the Corporate Risk Register with a score of 16, reflecting increased global supply chain risks and previous supplier unavailability, which puts this risk outside risk appetite. The Committee recognised the strengthened arrangements in place to support CSUs in managing financial performance through the Integrated Accountability Framework. The Committee was assured by the controls in place to manage financial risks but noted that two areas were operating outside risk appetite.
- The Committee reviewed the application of single-tender waivers during the latest reporting period. Assurance was received regarding the scrutiny undertaken by the Procurement Team before each waiver was approved. The Committee also noted the additional procurement training being delivered to teams to support the timely submission of waivers, including a presentation to the Weekly Executive Board. Details of the single-tender waivers have been withheld from the public domain due to commercial sensitivity.

5. Risk review

The Board is asked to note the areas of financial risk operating outside the agreed risk appetite and the assurance received by the Audit Committee regarding the controls and mitigations in place.

6. Recommendation

The Board are asked to receive and note the content of this report and be assured that the Audit Committee is fulfilling its assurance function as delegated from the Board and as defined within its Terms of Reference.