

BOARD SUBCOMMITTEE ASSURANCE REPORT

Presented for:	Information/Escalation
Committee Name:	Finance and Digital Committee
Presented by:	Ray Harding, Non-Executive Director (Committee Chair)
Date of Committee Meeting:	25 April 2022

Items received by the committee for assurance:

Agenda Item	Level of Assurance	Board Action Required? <small>(double click to select)</small>
Finance Report	Substantial Assurance	X
CIP Programme	Reasonable Assurance	
Financial Planning	Reasonable Assurance	
Capital programme	Reasonable Assurance	
Digital Report	Reasonable Assurance	
IMO Report	Reasonable Assurance	

POINTS OF ESCALATION

- The Finance Planning Process was reviewed. The Assumptions used in the budgeting process were now clearly and significantly unrealistic. In conjunction with the System partners NWAFT had agreed to revise the Submission from Break-even to deficit of £22.4million – a simple arithmetic function of the changes in assumptions. This was recommended to the Board for approval, but for timing reasons will be subject to Chair's action.
- The Capital Plan, whilst lower than this year's, had been approved at Board and was approved with minor amendments. It was noted that Long Term Maintenance was not adequately provided for in the allocation and that the backlog would therefore grow.

KEY ISSUES

- Month 12 Financial report was reviewed: the full year recorded an Adjusted Financial Performance (control total) surplus of £1.0m - in line with budget. The draft financial accounts report a deficit of (£0.7m) for 2021/22 with the movement from the control total reflecting changes in the asset valuation, donations/grants and donated consumables.
- The CIP Programme was reviewed: £9.3m was achieved in the year compared to the target of £10.1m, primarily a shortfall in FISS. There is now new leadership in FISS, and we have the base to improve in all areas because of the delegation of authority and accountability over the past period.
- The Capital Plan - RAAC Plan was spent in full; the remainder of the Capital Plan was short of plan by £2m, due to supply chains lengthening and Digital lead times. These achievements were both in excess of expectation due to great efforts to ensure expenditure was achieved in the period.

<p>BOARD ASSURANCE FRAMEWORK & RISKS</p>	<ul style="list-style-type: none"> • The M12 Digital Report - there is a continued move away from unsupported operating systems. The Shared Care Records project is being pursued in conjunction with our system partners; this is delayed but the first phase should now be implemented by July. • IMO – the steps to get to Level 1 and Level 2 CMAD (Cyber Maturity Assessment) were outlined. • The Committee approved an Investment Proposal of £3.96m for RAAC phase1 (separable items each below £1m). • The Committee approved an increase in the cost of the Theatres Redevelopment at Hinchingsbrooke of up to £1.224m, due to material inflation. This was under delegated authority from the Board.
	<ul style="list-style-type: none"> • Successes in Digital during the year were noted, in particular: the single system for Endoscopy and the UTC set-up. • The Finance team were commended and thanked for all their effort and success in delivering the Full Year Financial result and spending the full RAAC capital allocation.
<p>CELEBRATING OUTSTANDING PRACTICE & INNOVATION</p>	

LEVELS OF ASSURANCE

Level	Description of Level of Assurance
Substantial Assurance	The report highlighted a sound system of control, designed to address the relevant risks with controls being consistently applied. Highly unlikely to impair the achievement of both system and strategic objectives.
Reasonable Assurance	The report did not highlight any material weaknesses in the system of internal control that would present material risks to the achievement of both system and strategic objectives.
Partial Assurance	The report highlighted some material weaknesses in the system of internal control that would present material risks to the achievement of system objectives. May also impair achievement of strategic objectives.
Limited Assurance	The report highlighted significant material weaknesses in the system of internal control that would present material risks to the achievement of both system and strategic objectives.