

COUNCIL OF GOVERNORS 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 July 2022
Governor Observer	Kenneth Leafe

Items received by the committee for assurance:

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

POINTS OF ESCALATION

- The Committee recommended to the Board for approval, expenditure of £14.8m for Hinchingsbrooke Pathology and Pharmacy Relocation as noted in the OBC for RAAC programme - £5.1m in 2022/23 and £9.7m in 2023/24.
- The Committee had approved at its June meeting £479k for the PMO cost for the Theatres at Hinchingsbrooke; this was queried at the following Board Meeting as being additional to the original approved business case. It was confirmed that the PMO cost had been reported previously as being additional to the case. The business case is not fully funded so the shortfall and any variances would come from Trust capital funds, as does the necessary PMO cost.

KEY ISSUES

- Month 3 Financial report was reviewed: the YTD deficit was £1.9m, in line with the revised Plan at the end of the first quarter, assuming full receipt of ERF. The Divisions' total expenditure was adverse to budget by £2.1m, offset by Corporate savings and income. The underlying pay rate continues to rise slightly, but this should reverse when the effect of previous recruitment is felt in terms of Bank and Agency staff costs.
- The CIP Programme was reviewed: £16.4m of this year's revised target of £23.9 had been identified and planned at the end of M3. The target had been adjusted to take into account changes to the budget, principally related to a change in assumption regarding Covid costs. The actual performance at M3 was £2.5m against a plan of £3.6m.
- The Committee received a further update on the Financial Planning for the current year; NWAFT had submitted a Break-even revised Plan, following confirmation of significant support from the ICB, The steps necessary to achieve this, in spite of current financial

BOARD ASSURANCE FRAMEWORK & RISKS	<p>challenges, were set out, involving additional CIP and a reduced Pay run-rate, as well as Rates rebate received.</p> <ul style="list-style-type: none"> • IMO – The SIRO report was received and recommended to the board – it shows major progress. There is continued emphasis on IG Training. • The M3 Digital Report was reviewed – supply chain pressures continue as well as resource restraints, particularly affecting the MS365 roll-out.
	<ul style="list-style-type: none"> • There remains a serious risk to the achievement of the Revised Plan, without major adverse effects on Services. This is mitigated by the Financial Delivery Plan and management structure and procedures.
CELEBRATING OUTSTANDING PRACTICE & INNOVATION	

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.