

ITEM: 13

Meeting: Trust Board
Date: 16 April 2008

Title: **Action plan in response to the Ernst & Young Due Diligence review of working capital and financial reporting procedures**

Executive Summary: At its meeting on 20 March 2008, the Trust Board received the Ernst & Young Stage 2 Foundation Trust Assessment incorporating a review of working capital and financial reporting procedures. This report was circulated in a separately bound document. The Board also received a progress report on the Trust's action plan in response to Ernst & Young's Stage 1 assessment.

It was agreed that an action plan should be drawn up in response to the Stage 2 report.

Appendix 1 is the Stage 1 progress report, with changes from the March update highlighted in grey. In addition, the outstanding issues identified by Ernst & Young in its Stage 2 review against each of the Stage 1 recommendations are highlighted in blue. These form the recommendations in the Stage 2 report.

Appendix 2 sets out the Stage 2 recommendations (cross-referenced to the Ernst & Young report) and the actions identified by the trust, along with timescales and lead responsibilities. Progress against the action plan will be closely monitored by the Foundation Trust project board, chaired by the Chief Executive, which is now meeting fortnightly. It is proposed that the FT Project Board will report back to the Trust Board in June.

Action: To note progress against the Stage 1 action plan and approve the action plan in response to Stage 2.

Report from: Susan Sorensen
Director of Strategy and Performance

Sponsor: David Sloman, Chief Executive

Financial Validation

Lead: Director of Finance

Name of finance officer

N/a

Compliance with statute, directions, policy, guidance

Lead: All directors

Reference:

Monitor guidance to applicants

<p>Compliance with Healthcare Commission Core/Developmental Standards</p> <p>Lead: Director of Nursing & Clinical Development</p>	<p>Reference:</p> <p>N/a</p>
<p>Compliance with Auditors' Local Evaluation standards (ALE)</p> <p>Lead: Director of Finance</p>	<p>Reference:</p> <p>N/a</p>
<p>Evidence for self-certification under the Monitor compliance regime</p> <p>Lead: All directors</p>	<p>Compliance framework reference:</p> <p>Development of financial reporting procedures to support annual risk assessment and in-year monitoring returns</p>