

The Whittington Hospital NHS Trust
Action Plan arising from the Ernst & Young Stage 1 Historic Due Diligence Review November 2007
Updated progress report

E&Y Ref:	E&Y assessment and Recommendations	E&Y Timescale	Action identified by Trust	Lead Director and support	Trust progress report Ernst & Young review at Stage 2 (blue)
Exec Summary (ES) p.5 Ref: Pp 27-29	Historical accuracy of budgeting is high risk. Significant over-performance in 05/06 and 06/07. Need to demonstrate ability to commercially forecast and accurately communicate.	Jan 08 Jan 08 Mar 08 Mar 08	<ul style="list-style-type: none"> Explanation for historic variance of forecast and out-turn (for new directors) Budget-setting methodology to be documented and agreed at F&PC. Revised internal reporting to be agreed by Trust Board. In-year monitoring of accuracy of forecasting to be undertaken by FTPB 	RM RM DS/SS JL/RM	Briefings for TB in preparation for Monitor Board to Board. Circulated 4 Jan, updated 30 Jan 2008 Finance report 16 January 2008 Dashboard in development Discussion at December Board seminar, prototype at TB 16 January 2008. Further iteration at TB 16 April including discussion on traffic light thresholds and tolerance margins. Cash flow forecasting Revised financial projections to TB 19 Mar
ES P 6 Ref: Pp 35-36	The membership strategy is medium risk. The trust must ensure that it can demonstrate how the membership targets for 1 Jan 2008 are to be achieved	Dec 07 Dec 07 Dec 07 Dec 07	<ul style="list-style-type: none"> Trajectory during December to be determined and monitored Renewal of staff ambassador scheme Campaign in schools Advertorial in local papers 	FE FE FE DG	Ongoing monitoring by FTPB Staff ambassador scheme recruiting increasing number of members. Escalation of interest when elections announced. Visits to educational institutions. As at 7 March, 4,050 public and patient members. Open evening 10 March 2008
	Corporate Governance				
ES P 7 Ref: P 39	The Trust needs to ensure that any newly appointed NEDs receive appropriate support to ensure effective integration	6 – 12 months	<ul style="list-style-type: none"> Board Development programme Briefing material on strategic and operational issues Briefing on corporate governance issues 	MB All DS/MB/SS	Commenced and ongoing. Board induction days organised by the Appoints Commission. NHS Confederation material and events. Briefing packs prepared January. Mock Board to Boards given by SHA/PA and KPMG Jan and Feb 2008. Presentation to TB in Dec and ongoing E&Y – no outstanding issues at stage 2

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ES P7 Ref: P 39	The trust needs to consider that the Board responsibilities are appropriately divided between board members once any new NEDs are in place	6 – 12 months	<ul style="list-style-type: none"> • Identification of all Board responsibilities • Audit of Board competencies, interests and experience • Mapping of competencies etc into board requirements 	<p>DS</p> <p>MB</p> <p>JL</p>	Allocation of new NEDs to Board committees agreed at TB 20 February. Recommendation from Board (to go to CoG) on Deputy Chairman. Appointment of Senior Independent NED. Chair of Audit Committee, Chair of Assurance Committee and NED membership E&Y – no outstanding issues at stage 2
ES P7 Ref: P 39	The trust needs to consider how it will demonstrate that the new Board and any changes to associated structures are embedded and working effectively	6 – 12 months	<ul style="list-style-type: none"> • Board Development programme • Diagnostic review six months post authorisation 	<p>MB</p> <p>JL/SS</p>	Commenced and ongoing – see above E&Y – no outstanding issues at stage 2
ES P 7 Ref: P 40	The trust should ensure that any new appointees to the Board possess the skills required for the Board and which are appropriate for an FT organisation	6 – 12 months	<ul style="list-style-type: none"> • Review of current directors against range of responsibilities and core competencies • Review of job descriptions and person specs as vacancies arise • Training opportunities for non-execs • PDPs for all directors 	<p>DS</p> <p>MB</p> <p>JL</p> <p>DS</p>	Job profiles of chair, chief executive and director of finance reviewed as part of self-certification process TB 20 Feb. Exec directors interim and annual appraisals and PDPs in place. E&Y – no outstanding issues at stage 2
ES P7 Ref: P41	On appointing a new chair of the Audit Committee the trust must ensure the individual has the relevant financial experience. The trust must demonstrate the effectiveness of the Audit Committee under a new chair	6 – 12 months	<ul style="list-style-type: none"> • Appointment process to identify appropriately qualified candidates • Briefing for appointed chair of Audit Committee • Effectiveness of committee to be independently assessed 	<p>JL</p> <p>RM</p> <p>AM</p>	Chairman of Audit Committee (AM) has extensive commercial experience in corporate banking markets. Former director of structured corporate banking at Abbey National plc. Briefings from internal and external audits Audit Committee Annual self assessment checklist to be completed following advice

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				AM	from external auditor. AM to discuss independent assessment with auditor E&Y – no outstanding issues at stage 2
	High level controls				
ESP7 Ref: P44	The trust should ensure that its CIP portfolio is rebalanced to reflect a much larger proportion of cost based rather than income based projects	6 – 12 months	<ul style="list-style-type: none"> Establish small short-life brainstorming group to identify potential cost reduction areas Harness expertise amongst non-executive directors Increase collection and analysis of benchmarking information 	RM JL SS/RM	Will be managed through BPG Commenced with development of dashboard E&Y Stage 2- the trust should develop detailed CIP plans for 2009-10 at the earliest opportunity
ES P7 Ref: P44	The trust needs to consider maintaining a list of substitute projects to manage in house CIP performance variances rather than the use of contingencies or reserves	6 – 12 months	<ul style="list-style-type: none"> Ensure directorates have risk assessed plans for additional schemes Maintain rigour of regular meetings with CEO/FD 	RM DS	Project plans in place covering all schemes with a total value in excess of the target for 2008/09. Regular meetings CEO/FD with directors E&Y Stage 2-see above
ES P7 Ref: P45	The trust should consider developing twelve-month rolling cash flow reports as part of the monthly board reporting	6 – 12 months	<ul style="list-style-type: none"> Further development of cash flow forecasts including comparison of previous forecasts with actuals 	RM	Complete E&Y Stage 2 – the trust needs to demonstrate that the processes associated with financial forecasting are embedded and working effectively.
ES P7 Ref: P 45	The trust should consider reporting key ratio performance as part of the monthly board reporting	6 – 12 months	<ul style="list-style-type: none"> Development of key ratio reports to be discussed at F&PC 	RM	Key ratios and computation of financial risk rating to be presented to TB March 2008 E&Y Stage 2 – the trust should include within its monthly board reporting, its performance against Monitor’s key financial ratios

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	Risk management				
ES P7 Ref: P 47	The trust needs to evidence how it has weighted and reflected the risks outlined in the IBP within its assurance framework, where it is appropriate to do so	3 – 6 months	<ul style="list-style-type: none"> Reconciliation of IBP risk analysis and Assurance Framework <p>Reconciliation and/or revision of risk analysis in Section 2 (trust profile) of the IBP with Assurance Framework</p>	MB SS	<p>Review of section 2 IBP completed. Risks assigned to the 10 strategic objectives. Consistency with and completeness of the Assurance Framework assessed. Full reconciliation needs to be continuously monitored.</p> <p>E&Y Stage 2 – the trust should ensure that the Board reviews the AF quarterly in line with recommended practice</p>
ES P7 Ref: P48	Against each of the seven risks outlined in the IBP within its Assurance Framework, as well as the risks associated with delivering the ten strategic objectives, the trust should consider how it will evidence robust mitigation	3 – 6 months	<ul style="list-style-type: none"> ET to review and discuss the mitigation strategy. Lead directors to identify actions to mitigate. Trust Board to review mitigation strategy 	All DS	<p>Risks and mitigations identified in the IBP fully explored as part of the Board statement on working capital. To the extent that the risks identified as applying to the 10 strategic objectives are not covered by the IBP sensitivity analysis, this will be completed by the BPG by July 2008</p> <p>E&Y stage 2 – The risks associated with achieving the Trust's strategic objectives should clearly map between the AF and IBP</p>
	Management reporting framework				Ernst & Young position at stage 2 in bold
ES P7 Ref: P 52	The trust should review its board reporting so that the Board can focus more effectively on strategic as well as operational issues facing the business	3 – 6 months	<ul style="list-style-type: none"> F&PC to make recommendations to Trust Board Introduction of the Dashboard report 	JL/DS SS	<p>Discussed at TB on 19 Dec, 16 Jan and will be further reviewed by the executive in March 2008. Fully comprehensive coverage at TB in FY 2008-09</p> <p>E&Y stage 2 – the trust should ensure that the timetable for delivering</p>

