

**The Whittington Hospital NHS Trust
Action Plan arising from the Ernst & Young Stage 2 Due Diligence Review February 2008**

E&Y Ref:	E&Y assessment and Recommendations	Action identified by Trust	Timescale	Lead Director and support	Trust progress report	KPMG validation and assurance
	Corporate Governance No further recommendations					
	High level controls including financial controls and reporting					
Executive Summary (ES) ES P40 Ref: P52	The trust should ensure that the Board reviews the AF quarterly in line with recommended practice	Assurance Framework and related documents discussed at March 2008 Trust Board. Committee structure to be reviewed. AF policy approved incorporating requirement to report to Trust Board quarterly.	Immediate	SS	Proposals for revised committee structure discussed at TB 20 May Quarterly reporting of AF to be maintained. AF reviewed by Audit Committee 10 June and amended version to TB on 18 June 2008.	
ES P40 Ref: P52	The trust should develop detailed CIP plans for 2009-10 at the earliest opportunity. Where the split between income, pay and non-pay and recurrent v non-recurrent is provided.	Full year effects of 2008/09 plan to be confirmed, along with a programme of initial discussions with Directors over themes and potential areas of efficiency gain. Outline programme with indicative costing to be reviewed by ET before further detailed work takes place. SLR work to inform areas of low contribution.	April/May 2008	RM	SLR report to TB 20 May Regular CEO monitoring of 2008-09 in progress including assessment of full year effect in 2009-10. 2009/10 CIP discussed at ET away day on 8 May. Detailed planning of 2009/10 underway. Review progress at EC 15 July.	
ES P40 Ref: P 54	The trust should include within its monthly board reporting, its performance against Monitor's key financial ratios	Finance report and/or dash board to show components of risk rating	April 2008	RM	Actioned	

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	Risk management					
ES P40 Ref: P 61	The risks associated with achieving the Trust's strategic objectives should clearly map between the AF and IBP	Further review of section 2 of the IBP to be undertaken. Risks have been assigned to the 10 strategic objectives. Full audit and reconciliation of risk documentation throughout the Trust to be completed to allow comprehensive mapping between IBP, AF and Risk Register	End June 2008	SS	Work in progress. All committees and working groups with risk management responsibilities have been contacted and an audit of their terms of reference and lines of accountability is being undertaken. Strategic objectives reviewed at ET away day on 8 May. Directors' objectives mapped into corporate objective and reviewed by TB on 18 June 2008. Review of risk management processes indicates need for revised approach to be overseen by Audit Committee. Risk management presentation at July TB seminar and processes to be revised further following this.	
	Management reporting framework					
ES P40 Ref: P 67	The trust should ensure that the timetable for delivering dashboard reporting is met and that the systems and processes associated with its production are embedded	Development work to continue but basic format to be confirmed at April Trust Board as planned. Monthly reporting thereafter. Further work to refine drill down reports and to test appropriateness of proposed thresholds. ET to act as project board.	Review September 2008	SS	Populated dashboard discussed at the Trust Board on 16 April. NEDs paired with the relevant ED to focus on the development and use of each of the six domains. Further discussion at the Board away day. Monthly report to TB 20 May, 18	

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					<p>June and 16 July. Five of the six NED groups have met and revised dashboard report reviewed at TB on ongoing basis.</p>	
<p>ES p40,41 Ref: P 53,67</p>	<p>The trust needs to demonstrate that the processes associated with financial forecasting are embedded and working effectively.</p>	<p>Complete review of 2008/09 plans and beyond. Particular emphasis on audit trail between years and understanding the income changes. All assumptions/methodology to be shared widely during the process and agreed before being included in the LTFM.</p> <p>Cash flow forecasting already on a rolling 12 month basis with explanation of variances. Regular review of Debtor and creditor position as part of regular internal finance meetings.</p> <p>LTFM forecasts will test the cash impact of risks and planning assumptions against the working capital facility and the risk rating</p>	<p>April to July</p>	<p>RM</p>	<p>LTFM project plan developed. Assumptions developed via Business Planning Group and documented. These are being used to update LTFM.</p> <p>Available resources being reviewed.</p> <p>Individual tasks progressing e.g.</p> <p>LTFM updated for 07/08 audited accounts; update for detailed 08/09 budgets (re-set); revised activity assumptions modelled are costed and added to LTFM</p> <p>Cash flow forecasting already in place. Significant progress on older NHS debts. Cash flow reporting in place – within monthly report to Trust Board; detailed processes within finance updated for the FT regime; cash management / financial control meetings in place within finance</p> <p>“Fitness for Purpose” reviews of finance function being carried out by KPMG. Contact details</p>	

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					provided for survey & 1:1 meetings; information requirements specified; KPMG team on site from 17/06/2008 – expect draft report by mid July	
	IT arrangements					
ES	The trust should ensure that the IM&T strategy is ratified at the earliest opportunity	IM&T annual work plan agreed by ET and HMB. IM&T strategy to be submitted to the Trust Board.	15 May 2008	GW	Draft implementation plan submitted to TB on 18 June 2008. Final plan to be presented in September.	