

7. The investigation was undertaken through:

- desktop review of key trust documents, including minutes, agendas and papers of the Board, the Finance and Investment Committee (FIC); and
- interviews with members of the trust's board, two individuals who were board members at the time of the 2017/18 control total decision but are no longer at the trust, the senior finance team and the STP Programme Director.

8. To a large extent this report considers arrangements at a point in time, and therefore does not necessarily reflect any work that the trust has since done to address the underlying issues identified. We would welcome the trust making reference to such actions in its response to this report.

9. This report covers only the scope of work set out above and is therefore not a complete commentary on financial governance, or on the work that the trust needs to do in order to improve its financial position.

10. We request that the trust considers this report and sets out to NHS Improvement what steps it intends to take in response. This in turn will inform NHS Improvement's regulatory approach and support offer.

## **2. Executive Summary**

11. This investigation has identified concerns about the ability of the Board to reflect, recognise weaknesses and act to address them. We have identified some significant governance failings which, coupled with the findings of other recent governance reviews, demonstrate that major improvements need to be made. The trust's response to this report will help us assess the Board's ability to acknowledge and act to address its weaknesses.

12. There were significant risks to achieving the control total at the time it was accepted by the Board in November 2016. In particular there was almost no assurance at the time that STP-related savings, that were material to the financial plan, would be delivered. There were no detailed delivery plans in place and no assurance that they would be put in place quickly enough to produce the savings required in 2017/18.

13. Our view is that it was not reasonable to assume that the control total was deliverable, based on the information available at the time, and that this represents an error of judgement by the Board.