

a focus would be necessary as the year end approaches, this should not have been at the expense of looking beyond the current year.

39. It was not until February 2017 that FIC received a paper setting out an update to the 2017/18 STP-related risks. The paper made it clear that workstreams were not progressing as quickly as necessary and that the plans to allow delivery in 2017/18 were not in place. However, the minutes of FIC do not show significant discussion on these material points, and the subsequent report from FIC to the Board did not reference them. This suggests that both FIC and the Board were not sufficiently focused on the risks to 2017/18 financial plan delivery, which is a significant governance concern.
40. We have sought to understand how risk management processes informed the Board's oversight of STP delivery risks. The Board did not receive the Board Assurance Framework (BAF) between accepting the control total in November 2016 and the beginning of the 2017/18 financial year, because it was being re-written. It is therefore unclear how the Board was kept abreast of the trust's key strategic risks, including delivery of significant savings by the STP, over this period.
41. The trust's risk register did include a new risk on the lack of detail behind commissioner QIPP schemes when it went to the Board in February 2017. The score assigned to this risk was 12 out of 25, defined as 'medium'. This appears low given the importance of these savings to delivery of the 2017/18 financial plan and the significant lack of assurance that plans were progressing as necessary at this point. Furthermore, the action to mitigate this risk was stated to be simply 'ongoing monitoring'. This is not sufficient to provide any assurance of mitigation. Overall, the Board's risk management reporting over this period did not support the robust consideration of the key risks to the trust's financial position. We recognise that the trust has since been developing its BAF and risk registers.

### **3.3. Compliance with NHSI policies**

42. We have identified instances of non-compliance with NHS Improvement's policies on consultancy spend and high cost agency appointments. We found three instances in 2017-18 where external approval for consultancy spend has not been sought. In a further case, submission of a robust business case to NHS Improvement has not been timely, and our view is that uncertainties about total cost and funding source for this work were not adequate reasons for delaying the business case submission. We found two instances where the trust did not seek necessary approvals for off-payroll appointments earning above £750 per day. Details of all breaches are provided in Annex 1.
43. We have significant concerns regarding the procurement of support from Transformation Nous. Our understanding is that the firm is not on a procurement framework, and given the value of this work to date (approaching £2m) the trust