



East Suffolk and North Essex NHS Foundation Trust

Auditor's Annual Report: Year ended 31 March 2022
Report to the Audit and Risk Committee

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Welcome

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This Auditor's Annual Report provides a summary of the key issues arising from our audit of East Suffolk and North Essex NHS Foundation Trust (the 'Trust') for the year ended 31 March 2022.

Financial statements

We issued an unqualified opinion on the Trust's financial statements on 21 September 2022. This means that we consider that the financial statements give a true and fair view of the financial position and its expenditure and income for the year.

Key points relating to the audit of the financial statements are set out on page 5.

Value for money

We have not identified any significant weaknesses in respect of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources having regard to the specified criteria in the Code.

Other reporting

We did not consider it necessary to use our auditor powers or report on other matters.

The contents of this report relate only to those matters which we are required to report under the NAO Code of Audit Practice (April 2020). This report has been prepared solely for the use of the Trust and should not be shown to any other person without our express permission in writing. In preparing this report we do not accept or assume responsibility for any other purpose or to any other person.



David Eagles
Partner

e: david.eagles@bdo.co.uk
m: 07967 203431



Kirsty Slater
Manager

e: Kirsty.slater@bdo.co.uk
t: +44(0)207 893 3794

Purpose and responsibilities

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Purpose of the Auditor's Annual Report

This Auditor's Annual Report summarises the key issues arising from the work that we have carried out in respect of the year ended 31 March 2022.

It is addressed to the Trust but is also intended to communicate the key findings we have identified to key external stakeholders and members of the public.

Responsibilities of the Trust

It is the responsibility of the Trust to ensure that proper arrangements are in place for the conduct of its business and that public money is safeguarded and properly accounted for.

The Trust is also responsible for preparing and publishing its financial statements, annual report and governance statement.

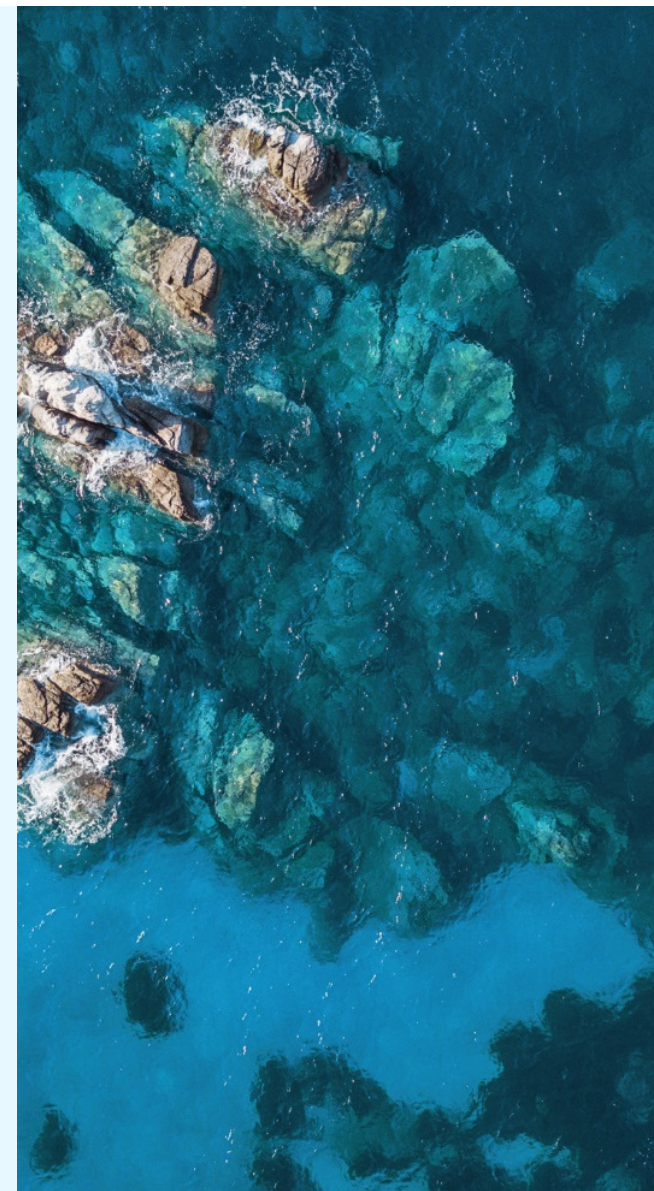
Responsibilities of auditors

Our responsibility is to plan and carry out an audit that meets the requirements of the National Audit Office's (NAO's) Code of Audit Practice - April 2020 (the 'Code').

Under the Code, we are required to review and report on:

- Whether the financial statements give a true and fair view of the financial position of the Trust and of its income and expenditure for the year and have been properly prepared in accordance with the relevant legislation;
- Whether the other information published together with the financial statements is consistent with the financial statements;

- Whether the auditable parts of the remuneration and staff report are properly prepared;
- Whether the governance statement complies with the guidance issued;
- Whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; and
- Where appropriate, make statutory recommendations, referral matters to the Secretary of State or issue a Public Interest Report.



Financial statements

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Audit conclusion

We issued an unqualified audit opinion on the financial statements on 21 September 2022. This means that we consider that the financial statements give a true and fair view of the financial position and its expenditure and income for the year.

We reported findings whilst the audit was in progress in our report circulated to the Audit and Risk Committee (ARC) on 26 May 2022 and on 20 June 2022. Our final Audit Completion Report was presented to ARC on 21 September 2022.

Audit differences

The audit identified no material misstatements.

There were 9 unadjusted audit differences identified by our 2021/22 audit work which would increase the deficit for the year of £5.632m by £775,000. Brought forward unadjusted errors would increase the deficit by a further £898,000. The overall impact would be an increase in expenditure of £1.673m for 2021/22. Management did not adjust the financial statements for these items as the impact was not material (and our materiality level set for 2021/22 was £16.7m).

Notable issues from the audit

The following issues had the most significant impact on our audit for 2021/22:

- Income testing was challenging in 2021/22 due to the commissioning regime in place for the year and the consequent absence of signed contracts, such that there is no clear third-party audit trail to document the income that is expected to be received. However, the Trust had monitored and documented income receivable in regular meetings with commissioners throughout the year, enabling sufficient assurance.
- Testing of capital expenditure cut-off identified a number of cases where vesting certificates had been used as a means of achieving transferred ownership without physical delivery, but where the transfer of title outlined in the vesting certificate did not adequately reflect the substance of the transaction; which had not yet transferred control of the asset over to the Trust. The same type of errors were also found in the testing of capital additions. The total error identified due to this issue was £6.699m. A further £403,000 extrapolated error was identified for items which had not been fully receipted despite records suggesting that they had been.
- Revised fair pay disclosures (new for 2021/22) had not included agency and bank staff as required. This information was subsequently received from the relevant third parties and the disclosures were revised.
- Significant work had been done by the Trust in respect of disclosures in preparation for the implementation of IFRS16 Leases from 2022/23. Our review did not identify any significant issues in the Trust's underlying workings, which represented a notable volume of complex assessments and calculations.



Value for Money

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Scope

We are required to review and report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where we identify significant weaknesses in these arrangements we are required to report this in the auditor's report included in the financial statements and to make recommendations for improvement in the Auditor's Annual Report.

Specified criteria

The NAO has issued guidance for auditors to report against three specified reporting criteria:

- Financial sustainability - planning and managing resources to ensure the Trust can continue to deliver its services
- Governance - informed decisions and properly managing risks
- Improving economy, efficiency and effectiveness - using information about costs and performance to improve the way the Trust manages and delivers its services.

The NAO guidance also includes a number of further areas for review within each criteria to allow the auditor to assess those arrangements.

Risk assessment

Our risk assessment has not identified any areas of potential significant weakness.

Funding and contracting arrangements for 2021/22

During the first half (H1) of 2021/22, in the context of the COVID-19 pandemic, system envelopes were in place, comprising adjusted CCG allocations, system top-up and COVID-19 fixed allocations with block payment arrangements in place for relationships between NHS commissioners (NHSE/I and CCGs) and NHS providers.

While the funding arrangements for the second half (H2) remained broadly consistent, the general efficiency requirement for NHS providers increased from 0.28% to 0.82% and while there continues to be COVID-19 fixed allocations, these have reduced.

While elements of centralised funding continue, these tend to be based on the achievement of specific conditions, such as the Elective Recovery Funding which rewarded systems for meeting specific targets based on "pre-Covid" activity modelling. In addition, from 2022/23 the requirement for providers to formally identify and report against CIP has returned.

Audit conclusion

We have not identified any significant weaknesses in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We had no matters to report by exception in the audit report on the financial statements. We also have no matters to report in our closing audit certificate, on completion of our work on the Trust's value for money arrangements.



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Areas reviewed

- *How significant financial pressures relevant to short and medium-term plans are identified and built into plans;*
- *Plans to bridge funding gaps and to identify achievable savings*
- *Whether financial plans support the sustainable delivery of services in accordance with strategic priorities*
- *The consistency of financial plans with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system*
- *Identification and management of risks to financial resilience e.g. unplanned changes in demand, including challenge of assumptions underlying its plans.*

The national financial regime, mandated in response to the pandemic, remained in place for 21-22. Financial planning was done in two halves following national guidance that was published in March for H1 and September for H2

The Suffolk and North East Essex (SNEE) Integrated Care System (ICS) agreed how the system envelope would be allocated between organisations.

The Trust forecast a breakeven position but highlighted potential risks to the Trust board when planning for H1. The expectation leading into 2021/22 was that a number of the services which had been stopped or reduced significantly in 2020/21 because of the pandemic, should once again be provided at pre-pandemic levels, although funding was not materially different from the prior year. A risk that inflation could exceed the uplift that had been reflected in the system envelope was also flagged as a risk in May 2021.

The Trust anticipated that H2 guidance would require an even greater step towards pre-pandemic expectations. Pre-planning took place based on information provided to Chief Finance Officers at national and regional briefings. High level financial modelling also took place, with assumptions based on any known information, in an attempt to illustrate the potential implications of various funding possibilities. The expectation was that the Trust would still be able to breakeven. The Trust also prepared and supplied capital bids for Targeted Investment Fund (TIF) to NHSE/1 in September 2021, ahead of the formal guidance release for this potential additional funding.



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Once the H2 allocation was known, the Trust forecast that it would be able to support £13.6 million of additional costs for seasonal variation schemes and still deliver an end of year balanced revenue position within the H2 allocation. The plans were approved by the Performance Assurance Committee (PAC) and the Trust Board of Directors.

The Trust reported an outturn surplus of £8.2m for 2021/22 (after adjusting for non-control total items) against the plan to breakeven. This was primarily due to additional income received over and above the planned allocation, such as elective winter funds. The surplus position was agreed with NHSE/I to help support the overall health economy/ICS position, as other system organisations had forecast a deficit. Despite the position not falling to the original agreed plan, the Trust is able to identify the additional income it received and the additional cost pressures it faced that resulted in the final outturn, because of its close monitoring of variances against budget.

In terms of Cost Improvement Programme (CIP) performance, the Trust developed a plan despite no formal reporting being required under the financial regime for the period. During the year, £18 million of cost improvements were delivered against a target of £27.8 million (based on a 2.5% efficiency target set by the Trust). Management consider that this objective was a stretch in the context of the pandemic, as some of the original savings plans were no longer viable as the Trust remained focused on COVID-19 and its related challenges, but necessary to maintain progress in other areas. The Performance Assurance Committee (PAC) and

the Board have had oversight of CIP performance throughout the year and have discussed that some schemes could not practically be delivered and that the operational capacity to actually implement planned changes was compromised with covid-19 ongoing.

We have seen evidence of the Trust looking forwards in preparation for 2022/23. Two funding scenarios for the next financial year were modelled in September 2021 for the PAC. This shows that the Trust is pro-actively working through the implications of the most likely scenarios, ahead of final guidance being issued.

The 2021/22 business plan sets out the Trust's strategic objectives, along with national priorities, and provides a detailed plan with measurable targets for how to achieve these. The plan is split into: service delivery; quality; workforce and organisational development; and finance, capital and charity. This seeks to ensure that all plans are consistent and aim to deliver the same key objectives. Some capital schemes identified in the plan were revised in response to the pandemic and the new guidance issued in respect of it (e.g. requiring new ventilation and air handling designs). This has therefore delayed some plans. However, a number of projects were commenced and completed in the 2021/22 year.

The Trust's plans are built in the context of the system objectives and ICS financial plans. National guidance required the Trust to focus on: service delivery transformation; accelerating the restoration of elective services and cancer care; and managing the increasing demand on mental health services.



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The Trust agreed to be an accelerator site and deliver additional elective activity to help restore elective waiting times - a weekly operational hub was established for this purpose which reported to the Suffolk and North East Essex (SNEE) elective Board. The focus on these objectives has been maintained throughout the year, as evidenced by discussion at committee meetings.

The Trust's strategic plan has been monitored by the Board of Directors in the year. The 3-year plan was refreshed in July 2020, but throughout the financial year projects have been removed or added in light of covid. The plan is monitored by individual scheme and any that are considered to be at risk or late to deliver were discussed in an update at the March 2022 Board meeting.

Progress against the plan continues despite the impact of the pandemic. However, priorities have had to revolve primarily around elective recovery programmes. The Trust received £14.1 million of Elective Recovery Funding as a direct result of planning to recover elective care activity levels against a pre-covid benchmark levels, and then achieving this. The elective accelerator programme monitored activity in specific areas to reach the planned targets.

The Trust set and monitored progress against its capital plan during the year. Updates to the capital plan, actual spend and forecasts are reported in the monthly finance reports to the PAC. The plan was adjusted as necessary during the year for changes in approved external funding, e.g. for the accelerator scheme and TIF.

The capital plan was £66 million. The Trust ultimately exceeded its capital target by £7.5 million, spending £73.5 million with £42 million

of this being spent in March 2022.

NHSE/I had previously confirmed that the Trust could report an allowable overspend of £6.4 million. The further overspend was therefore notified to NHSE/I and was ultimately encouraged, given other systems reporting shortfalls in capital expenditure.

The large spend in March 2022 was required as a result of late allocations. Most notably, this included capital allocations for Sustainability and Transformation Partnership (STP)/ICS capital schemes and TIF of £17 million, which were received in late February/early March 2022.

The Trust achieved such high expenditure in the final month of the year, in part, by engaging with a number of suppliers to secure plant and machinery by way of 'vesting certificates'. This arrangement was intended to enable ownership to pass to the Trust in advance of physical delivery. As at 31 March 2022, vesting certificates supported £16m of PPE purchases. The financial statement audit has reported unadjusted errors of £7 million linked to this, where there were issues identified with the way the vesting certificates operated, and where assets were not actually controlled by the Trust at year end and so should not have been recognised as acquisitions in 2021/22.

The PAC were informed about the challenges and monitored the capital spend. The late spend was primarily driven by late allocations that were out of the Trusts control; but managed once known.

The Trust has adequate arrangements in place to plan and monitor its financial resources so that it can deliver services.



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- *Risks are assessed and monitored to gain assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud.*
- *The annual budget setting process is appropriate.*
- *Effective systems and processes are in place to ensure budgetary control, support statutory financial reporting requirements and ensure corrective action is taken where needed.*
- *The Trust makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency*
- *The Trust monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour.*

The Trust's risk management policy was reviewed and updated in July 2021 to incorporate recommendations from a review performed by Internal Audit in the previous financial year, and following the refreshing of the Board of Director's risk appetite statement. The policy was approved by the Audit and Risk Committee (ARC) and helps ensure effective governance and compliance with best practice.

The Accounting Officer and the Board have overall accountability for reviewing the effectiveness of internal controls and maintaining governance and risk management systems. However, delegated responsibility sits with the Director of Governance, who leads on the development and implementation of the risk management system, and ensures that processes are in place to provide detailed risk reports to the Board and its committees. This includes maintaining the Corporate Risk Register and Board Assurance Framework (BAF) to ensure that the Board is provided with accurate information on which to base their decisions.

Each operational group in the Trust captures and records risk assessments locally, with escalation to the Division Risk Register, the Corporate Risk Register and the BAF as necessary. The Executive Risk Oversight Committee have met regularly during the year to moderate risk scores and review divisional risks for escalation to the Corporate Risk Register.

The BAF has been carefully considered throughout the year by ARC in the context of the pandemic and it outlines the risk, key controls to mitigate the risk, details of how those controls are measured and; any gaps that need to be monitored. The BAF also details the various methods of assurance that have been received in relation to each risk.

Assurance over the effectiveness of the system of internal control is also provided by ARC. We have seen evidence of ARC receiving assurance from internal and external sources.



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Internal Audit provide assurance to ARC that controls are adequate and effective. The Head of internal audit opinion for the 2021/22 financial year confirmed that *"The Trust has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective."*

During the year, Internal Audit issued a substantial opinion on the Trust's budget-setting and monitoring processes. Internal Audit found that the Trust had an accountability framework and oversight and escalation model, and that annual guidance was provided to staff involved in the budget setting process. Evidence was also seen that the Trust had updated its underlying budget assumptions in accordance with national guidance and that subsequent approval was received from the Board.

Internal Audit also issued a partial assurance report covering governance, specifically in the Women's and Children's Services division. Issues identified related to CIP identification and development, risk monitoring and the tender process in the division. ARC are also monitoring progress against this action plan. As of March 2022, 6 of the 9 Internal Audit actions remained open, with 3 of these being past the due date. Again, implementation is ongoing and revised dates have now been set to monitor in 2022/23.

Monthly Divisional Board meetings are used to review performance, including the review of poor budgetary control and variances from plan. Divisional Accountability Meetings (DAMs)

recommended in their role to review budget performance from June 2021, after being paused as a result of the pandemic. These meetings ensure that each division's financial performance is monitored by the executive.

The PAC have received monthly finance reports which also review actual performance against budget. The Trust Board also receives finance reports to monitor performance against budget (since May 2021 - before this, responsibility had sat with the Integrated Assurance Board during the pandemic).

The Trust has Standing Financial Instructions (SFIs) and a scheme of delegation to define the roles and responsibilities of staff who have a role in budget setting and monitoring. In September 2021, the annual review was performed on the Trusts SFIs to ensure that these were up to date and remained relevant. The ARC approved the changes.

Decisions made by the Trust are done so in the context of the strategic plan, and the risks to delivery are identified and monitored through the BAF. The Board is the overall decision maker, but responsibility is delegated to various committees in line with the Trust's constitution and scheme of delegation, or to executive management.



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The key decision-making committees for 2021/22 were:

- Audit and Risk Committee
- Performance Assurance Committee (sat twice as Integrated Assurance)
- Quality and Patient Safety Committee
- People and Organisational Development Committee
- Innovation Committee
- Charitable Funds Committee
- Remuneration and Nomination Committee
- Executive Management Committee

Both financial and non-financial reports are taken to committees as relevant, as the basis for decisions to be made upon.

During the pandemic, governance structures have been created to more effectively respond to COVID-19 and the new challenges that have been presented.

- A strategic incident management team (SIMT) was set up to provide strategic direction in response to COVID-19. This group was chaired by the deputy chief executive;
- Tactical incident management groups implemented the decisions made at the SIMT;
- A Strategic workforce group was set up to coordinate staff and volunteers;
- A Clinical reference group reviewed guidance issued by national bodies in relation to COVID-19 on behalf of the SIMT; and
- Clinical ethics and advisory group considered the wider ethical implications of the decisions made.

We consider it appropriate, during a major incident, that governance structures were re-considered so that decisions could be made as efficiently as possible, and remained in place whilst the pandemic continued.

The Trust's main regulators are NHS England / NHS Improvement (NHSE/I), and the Care Quality Commission (CQC).

The CQC's last inspection of the Trust's services was June/July 2019. The CQC also performed a "well-led" review of the senior leadership team (covering the Board of Directors and the senior leadership team, down to associate director level), which was rated 'good'. Overall, the Trust was rated 'requires improvement'

CQC carried out an inspection of the maternity services at both Colchester and Ipswich hospitals at the end of the financial year and the services were rated "requires improvement". The Trust has responded to these inspections and this is discussed further in the final "Improving VFM" section of this report.

On an annual basis, the Trust is also required to self-certify that it is in compliance with the terms of the Provider Licence issued by NHSE/I. ARC reviewed the declaration on 26 May 2022 which confirmed compliance.



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The constitution sets out the standards and responsibilities in relation to conflicts of interest and declarations of interest. We have seen that declarations of interest are a standing item on committee minutes and a register of interests is maintained.

The Trust is required to comply with *Managing Conflicts of Interest in the NHS*; guidance published by NHS England. The guidance sets out declaration obligations for all Trust staff and specifically “decision-making staff” with regards to gifts, hospitality, other ownership interests etc. In May 2022, ARC reviewed a report on compliance with the declaration requirements for the 2021/22 financial year. Only 27% of those in the “decision-making” staff group had logged into the staff record system to make their declarations. Actions have therefore been proposed to ensure that people know how and when to record their declarations, so as to improve performance in 2022/23.

The Trust have published an anti-fraud and bribery statement, which sets out the Trust’s position and individual responsibilities in relation to fraud for all staff, contractors, the public and patients. The Trust are required to meet the NHS Counter Fraud Authority’s counter fraud functional standards (CFFS) and engage a counter fraud specialist who is trained in handling investigations in response to suspected fraud.

The counter fraud specialist helps to prevent and detect issues by actively training staff and providing relevant resources to deter fraud occurrences.

The counter fraud functional standards (CFFS) set the expectations for practices that should be in place to manage counter fraud, bribery and corruption activity. NHS bodies produce an annual summary of counter fraud work to meet the requirements of the functional standard and submit this to the MHS Counter Fraud Authority. The CFFS return resulted in an overall rating of “amber” for the Trust, meaning the Trust was partially compliant with the requirements during 2021/22. Management actions were agreed to improve compliance and reported to the ARC in March 2022.

The Trust has adequate arrangements in place to identify and monitor risks and to make informed decisions.



Improving economy, efficiency and effectiveness

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- *Financial and performance information has been used to assess performance to identify areas for improvement.*
- *Services provided are evaluated to assess performance and identify areas for improvement.*
- *The Trust delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve*
- *Where the Trust commissions or procures services, this is done in accordance with relevant legislation, professional standards and internal policies, and assesses whether it is realising the expected benefits of officer or member behaviour.*

Financial and performance information is reviewed and challenged by both the PAC and the Trust Board.

The PAC receives executive assurance reports covering operational performance, workforce, patient safety, patient experience and finance.

Operational performance reports summarise performance against key targets for the month. This includes: urgent care standards, admissions, inpatients data, cancer performance, referral to treatment waiting times (RTT) performance and

recovery.

Performance is considered at both the Ipswich and Colchester hospital sites and trends are monitored across the year. This allows PAC to review negative movements or positive improvements against the prior month and they are informed of any specific contextual issues that may help to explain this. Scores are often rated - red, amber or green - so that priorities can be easily identified.

The Trust has reported that a number of operational standards remain below the national target as a result of handling covid pressures during the year. The national and local focus going forwards, remains on recovery to pre-pandemic levels.

Finance reports present the Trust's overall performance against its control total for the month, an update on the capital programme, informational about divisional performance, pay costs, and an update on CIP delivery. Again, performance is considered against the prior month to identify positive and negative trends. Actual figures for the month and year to date are compared to the plan. Key variances are explained for the committee in the reports so that the reasons behind the movements can be discussed and challenged.

Patient experience reports set out details of complaints and lessons learned from the feedback; including actions put in place to respond. They also include Patient Advice and Liaison Service (PALS) data which illustrates the key themes being raised by patients; and Friends and Family Test scores.



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Patient safety reports provide data covering reported incidents across each division and track the movement in the number of incidents over a period time to help identify trends. Significant incidents are reported in more detail with the key changes that need to be implemented identified, and recommended actions to respond.

We have seen evidence of the PAC challenging the information provided to it and discussing and recommending actions to take away for improvement.

In addition to the financial and operational reports being used to identify areas for improvement, Internal Audit provide assurance over the processes and controls that are in place in specific areas of the Trust, provide recommendations for improvement and agree follow-up actions with relevant owners.

During the year, Internal Audit issued a report on medical devices management that received minimal assurance. Later in the year, they performed another review on the medical devices management to follow-up on the original findings, the focus being to assure the ARC and Trust Board that progress was being made.

The second report received partial assurance. ARC has followed the issues throughout the year, receiving specific updates directly from the department and monitoring the action plans that have been created. As at March 2022, 5 management actions had been implemented as agreed, but of the 10 remaining actions, 4 were in progress but overdue (2 high, 2 medium).

Revised implementation dates have now been agreed for the remaining actions that relate to the maintenance and decommissioning of

devices.

In February 2021, maternity services at both Colchester and Ipswich hospitals were inspected by the CQC and rated 'requires improvement'. A major project was put in place to improve maternity services called "Every Birth Every Day" and progress has been reported directly to the Trust Board during the year.

During the year, the Trust was also required to implement the immediate and essential actions noted in the Ockenden report relating to maternity. The actions are intended for all providers of maternity services, nationally. The Board has challenged progress and monitored the successful implementation of many actions, with the 'maternity assurance and assessment tool' being submitted to NHSE/I in January 2021.

From February to June 2021, a project was implemented to progress on the outstanding requirements that had not yet been achieved and reported as in progress on the January 2021 tool. Further guidance was issued by NHSE/I as to how compliance should be achieved and measured, and the Trust's plans were updated to reflect those requirements. By June 2021, NHSE/I feedback showed that 28 of the 41 criteria were green, 11 amber and 2 red. The updated tool, taken to the March 2022 Trust Board, shows that no red actions remain.

Maternity services have remained an area of focus throughout the year and we have seen evidence of data being reported to the PAC to enable the Trust to measure key maternity performance indicators and progress against the improvement plans that have been developed.



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The Trust operates within the Suffolk and North Essex ICS and the organisations within the ICS are considered key partners of the Trust. The ICS Partnership Board has representatives from each of the organisations and meets monthly. During the year, the Partnership Board has considered the system finances, and, taken on other initiatives, such as developing the ICS green plan. High level ICS strategy forms the context for decisions made at the Trust, and meeting regularly ensures that all partners are working towards the same high level goals for the system.

The Clacton Community Diagnostic Centre (CDC) is an example of a significant ongoing project where proposals were developed by the ICS partners. The CDC is delivered through a range of partners including: the Trust (Cardio-Respiratory services and CT), NHS Property Services (for support with estate development), General Practice Primary Choice (for Phlebotomy Services), ERS (diagnostics transport support), Diagnostic Healthcare Limited (community ultrasound provider via the NEE Community Services Contract), and Alliance Medical (for mobile CT and MRI services). Proposals for 3 CDCs were discussed via the CDC Programme Groups, the local Alliances, and the ICB executives and Estates strategy groups. An ICB Elective Care Transformation programme also oversees the delivery of the CDC programme.

Where the Trust procures or commissions services from a supplier, a Contract Management Framework is in place that sets out how the Trust will manage contracts, including the procurement, award, performance management and closure of each contractual relationship they enter into. The Trust also has a number of key documents that help ensure that contracts are

managed effectively. We have reviewed documents that include the standard Tender Waiver Form (Single tender waivers are reported to the ARC), a Procurement Project Initiation Document designed for departments that require procurement support; and a Tender Evaluation and Award Report.

We have also reviewed specific examples of operational and contract management meetings for services procured from suppliers, where KPIs are monitored. We have also seen evidence of Change Control Notices being used to alter the original contractual arrangements in order to secure new equipment with greater efficiency and reduced pricing.

Patients are also considered key stakeholders, and a number of patient groups exist so that feedback can be received and responded to. Arrangements are in place to ensure that patient experience and safety information is analysed and remains a key focus of the Trust. Patient presentations and stories relating to quality priorities and service risks are delivered to the Board at meetings. The NHS Friends and Family Test (FFT) collects responses from patients using key pathways in the Hospitals. FFT reports are sent to the Trust's divisions and wards, results are discussed and reviewed by the Patient Experience Group, then reported to the Quality and Patient Safety Assurance Committee and PAC. Complaints are reviewed at divisional clinical governance meetings so that lessons can be learnt and changes made to practice.

The Trust has adequate arrangements in place to use information about its costs and performance to improve the way it manages services.



For more information:

David Eagles, Partner

e: david.eagles@bdo.co.uk

m: +44(0)7967 203431

The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the company and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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