



NHS Monthly Insight Report

February 2021

360 Assurance is a member of The Internal Audit Network (TIAN) which comprises the 10 NHS internal audit consortiums and in house teams operating in England. These organisations collaborate across a number of areas to leverage their collective knowledge and expertise and drive efficiency and effectiveness. The monthly insight report highlights key publications and is intended as a useful update and reference tool. This report is produced by TIAN and shared by 360 Assurance.

Monthly Insight Report

February 2021

Introduction

The Internal Audit Network (TIAN) comprises the 10 NHS internal audit consortiums and in house teams operating in England. These organisations collaborate across a number of areas to leverage their collective knowledge and expertise and drive efficiency and effectiveness. The monthly Insight Report is produced by CW Audit on behalf of TIAN and is shared across TIAN members and their clients.

Developments in the NHS

DHSC: Working together to improve health and social care for all

The white paper setting out legislative proposals for a Health and Care Bill was issued on 11 February 2021.

These proposals are designed to support our health and care system to work together to provide high-quality health and care, so that we live longer, healthier, active and more independent lives. Many of the proposals build on the NHS's recommendations in its Long Term Plan.

The white paper can be found here: <https://www.gov.uk/government/publications/working-together-to-improve-health-and-social-care-for-all>

For information

NHS Providers' briefing: Integration and Innovation: working together to improve health and social care for all

The White Paper marks an evolution of the proposals for legislative change originally brought forward by NHS England and NHS Improvement (NHSE/I) in Autumn 2019 following an engagement process with key stakeholders including NHS Providers, and NHSE/I's subsequent recent engagement process on Integrating Care with regard to system working. As this briefing sets out, the White Paper covers considerable ground and includes a number of provisions not previously considered by the sector.

The briefing can be found here, and it describes NHS Providers' perspective on the proposed changes.

<https://nhsproviders.org/media/690914/nhs-providers-otdb-dhsc-white-paper-final.pdf>

For information



Developments in the NHS

NHS Confederation: Member briefing: Integration and innovation: working together to improve health and social care for all

On 11 February 2021, the government published a white paper setting out a raft of proposed reforms to health and care. Many of the measures introduced under David Cameron's government through the Health and Social Care Act 2012 are set to be abolished, with a broad move away from competition and internal markets and towards integration and collaboration between services.

This briefing provides NHS Confederation's take on the proposals, summarises the key points of the 80-page white paper and outlines next steps for legislation. It can be found here: <https://www.nhsconfed.org/resources/2021/02/integration-and-innovation-health-and-care-bill>

For information

HFMA briefing: Summary of Integration and innovation: working together to improve health and social care for all

The Department of Health and Social Care published their legislative proposals for the NHS on 11 February 2021, in the Integration and innovation: working together to improve health and social care for all white paper. The proposals build on the NHS long term plan and the subsequent NHS's recommendations to Government and Parliament for an NHS bill. The proposals cover three key areas; working together and supporting integration; reducing bureaucracy; and enhancing public confidence and accountability. The white paper also contains additional proposals around social care, public health and quality and safety.

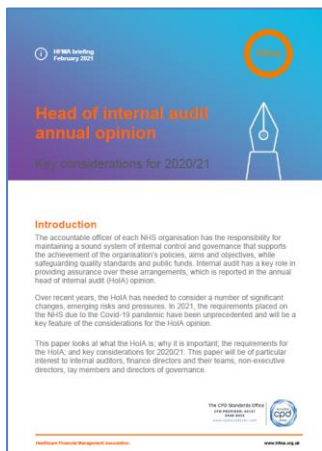
The white paper states that the proposed legislation is not intended to address all the challenges faced by the health and social care system, and that there are further reforms to be undertaken. These broader changes include proposals to reform social care, the future design of the public health system and modernising the Mental Health Act. The legislative proposals not only build on the NHS long term plan but are also designed to accelerate the positive changes in the health and care system that have come about through the pandemic. The white paper highlights that legislation is just one part of the change and much relies on having the right workforce, good leadership and getting the incentives and financial flows right. A supporting implementation programme will be developed for these areas and it is expected that the reforms outlined in the white paper will begin to be implemented in 2022.

This briefing (<https://www.hfma.org.uk/publications/details/summary-of-integration-and-innovation-working-together-to-improve-health-and-social-care-for-all>) sets out the key proposals for legislative change in the NHS. The white paper should be referred to for the full set of proposals.

For information

Developments in the NHS

HFMA briefing: Head of internal audit opinion: key considerations for 2020/21



The accountable officer of each NHS organisation has the responsibility for maintaining a sound system of internal control and governance that supports the achievement of the organisation's policies, aims and objectives, while safeguarding quality standards and public funds. Internal audit has a key role in providing assurance over these arrangements, which is reported in the annual head of internal audit (HoIA) opinion. The HoIA opinion is an integral piece of an organisation's governance framework, providing assurance to inform the AGS, and identifying improvement opportunities. It is informed by internal audit work throughout the year, as set out in the risk-based audit plan.

Over recent years, the HoIA has needed to consider a number of significant changes, emerging risks and pressures. In 2021, the requirements placed on the NHS due to the Covid-19 pandemic have been unprecedented and will be a key feature of the considerations for the HoIA opinion.

This paper looks at what the HoIA is; why it is important; the requirements for the HoIA; and key considerations for 2020/21. It will be of particular interest to internal auditors, finance directors and their teams, non-executive directors, lay members and directors of governance.

It can be found here: <https://www.hfma.org.uk/publications/details/head-of-internal-audit-opinion-key-considerations-for-2020-21>

For consideration by audit committees

HFMA briefing: The NHS external audit market: current issues and possible solutions

This briefing considers:

- the background to the current audit arrangements in the NHS
- recent events impacting the wider audit market, up to and including the Redmond review
- current issues for NHS bodies and their auditors based on the outcome of a survey of finance directors and discussions with auditors and other interested parties. The issues include the tendering process; audit interest; risk; capacity and fees.

The briefing concludes with some suggested ways forward including actions NHS bodies can take in the short term. However, the main intention of the briefing is to raise awareness of the problem and feed into the discussions that NHS bodies, auditors and regulators are having locally and nationally. The briefing can be found here: <https://www.hfma.org.uk/publications/details/the-nhs-external-audit-market-current-issues-and-possible-solutions>

For consideration by audit committees

Developments in the NHS

HFMA briefing: Costing and data quality: improving the quality of non-financial data required for costing



Good-quality data is fundamental to providing the right care to the right patient in the right place. Patient-level costing information is integral to the decisions that need to be made across multiple services, pathways and organisations in order to manage current services and determine the future models of care. It will also be key in understanding the underlying financial positions of systems and supporting the NHS when financial baselines are reset following the pandemic.

The quality of the activity data needed for costing is poor in key areas. The same data is used in Getting it Right First Time and the Model Hospital, and underpins service redesign and the monitoring of clinical quality.

This joint HFMA and Grant Thornton UK LLP briefing focuses on how NHS boards and system leaders need to focus on improving data quality to support value-based decision-making.

The briefing can be found here: <https://www.hfma.org.uk/publications/details/costing-and-data-quality-improving-the-quality-of-non-financial-data-required-for-costing>

For information

Developing the payment system for 2021/22

This document sets out the key payment system, and related contracting, policy areas that NHS England and NHS Improvement are developing for the statutory consultation on the next national tariff payment system (NTPS), due to take effect from 1 April 2021. The tariff policies are being developed to align with the wider NHS financial framework for 2021/22. The overarching aims of this framework are to:

- support recovery and restoration of NHS services
- deliver an affordable position within the NHS mandate
- build on the learnings of the COVID-19 emergency financial framework
- encourage and enable effective system working.

The 2021/22 financial framework is expected to build on this, focusing on appropriate financial governance and cost control while working at system rather than organisation level. This would involve measures including:

- issuing a system top-up allocation, alongside CCG allocations, so that a system has funding to cover the cost of delivering services efficiently (including previous central 'sustainability funding', such as the Financial Recovery Fund – FRF)
- moving towards blended payment and away from episodic and activitybased payment approaches.

This document describes the potential blended payment approach in more detail. <https://www.england.nhs.uk/publication/developing-the-payment-system-for-2021-22/>

For information

Developments in the NHS

New counter fraud standards to be implemented in April 2021	<p>From 1 April 2021, finance directors and audit committees across England and Wales will be required to oversee a revised set of counter-fraud actions, some of which are new. The updated requirements stem from the updated government functional standard on counter fraud, which replaces previous NHS standards for fraud, bribery and corruption. The new functional standard has now been interpreted by the NHS Counter Fraud Authority (NHS CFA), producing a list of 12 requirements that will apply from 1 April. (https://cfa.nhs.uk/government-functional-standard/introduction-and-overview). The 12 components include producing a counter-fraud, bribery and corruption strategy to be submitted to the counter-fraud body; introducing outcome-based metrics; and having an accountable board-level individual.</p> <p>The National Audit Office has challenged the government to take greater action against fraud. The standard is its response – developed by the Cabinet Office – to ‘ensure that government organisations have a robust and co-ordinated approach to protecting public services against the risk of fraud, bribery and corruption’.</p> <p>The new requirements apply to all NHS-funded bodies in England and Wales, including NHS trusts, foundation trusts, clinical commissioning groups, health boards, ambulance trusts, some independent sector providers, NHS England and NHS Improvement. If they meet qualifying criteria, trust subsidiary companies may also be subject to the new requirements.</p> <p><i>These standards must be implemented by all NHS-funded bodies in England & Wales.</i></p>
NHS foundation trust annual reporting manual 2020/21	<p>This document sets out the requirements for foundation trusts’ annual reports. It contains the formal accounts direction for foundation trusts and the requirements for the basic structure. It can be found here: https://www.england.nhs.uk/publication/nhs-foundation-trust-annual-reporting-manual-2020-21/</p> <p><i>For information</i></p>

Disclaimer: This briefing paper is intended to highlight recent developments and issues within the NHS that may be of interest to non-executive directors, lay advisers and NHS managers. It is not exhaustive and TIAN cannot be held responsible for any omission.