



NHS Monthly Insight Report

May 2022

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.

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Introduction

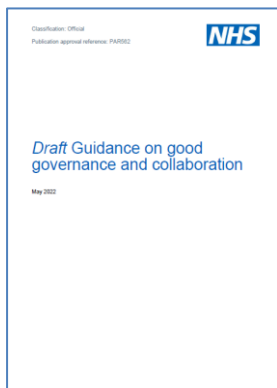
The Internal Audit Network (TIAN) comprises the 10 NHS internal audit consortiums and in house teams operating in England. These organisations collaborate across a number of areas to leverage their collective knowledge and expertise and drive efficiency and effectiveness. The monthly Insight Report is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

Developments in the NHS

<p>HFMA briefing: How to review and scrutinise the annual accounts: Guidance for board/audit committee members</p>	<p>Within the current financial context, good governance is more important than ever. Non-executive directors need to appropriately challenge financial reports during the year and at the year-end. This briefing sets out a series of questions that non-executive directors (NEDs) could ask at board and audit committee meetings to assess how things are going in financial and governance terms and to identify any areas of potential concern. It is important that NEDs feel able to ask questions and understand why they're asking them. Although some of the questions relate primarily to the annual accounts, they could also be used when reviewing the monthly or quarterly financial position.</p> <p>The questions are grouped under six headings, namely:</p> <ul style="list-style-type: none">• overall performance• accounts preparation• statement of comprehensive income/ statement of comprehensive net expenditure• statement of changes in taxpayer's equity• statement of financial position• statement of cash flows. <p>The briefing can be found here: https://www.hfma.org.uk/publications/details/how-to-review-and-scrutinise-the-numbers</p> <p>For information</p>
<p>HFMA Financial reporting watching brief 2021/22 and beyond</p>	<p>This briefing covers changes and developments in accounting standards, best practice in financial reporting and government reporting requirements. It covers the current financial year but also looks ahead to identify changes which will affect the NHS in the future. The briefing is produced for each accounting and standards committee meeting and is updated four times a year.</p> <p>It can be found here: https://www.hfma.org.uk/publications/details/financial-reporting-watching-brief-2021-22-and-beyond-(october-2021update)</p> <p>For information</p>

Developments in the NHS

NHS E/I issue draft guidance on good governance and collaboration for providers for consultation



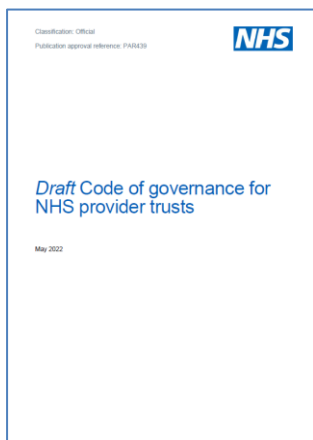
This guidance, issued under the NHS provider licence, sets clear expectations of collaboration by NHS trusts and foundation trusts and the governance characteristics that trusts must have in place to support this. The success of individual NHS trusts and foundation trusts will increasingly be judged against their contribution to the objectives of the integrated care system, in addition to their existing duties to deliver safe, effective care, and effective use of resources.

This guidance (<https://www.england.nhs.uk/publication/draft-guidance-on-good-governance-and-collaboration/>) sets expectations of providers in terms of collaboration in respect of three key areas – engaging consistently in shared planning and decision-making, consistently take collective responsibility with partners for delivery of services across various footprints including system and place, and consistently taking responsibility for delivery of agreed system improvements and decisions. It establishes five characteristics of governance arrangements which providers must have in place to support effective collaboration are detailed.

The consultation <https://www.engage.england.nhs.uk/consultation/guidance-on-good-governance-and-collaboration/> closes on 8 July so that finalised guidance can be issued in the summer.

For action: NHS trust and foundation trust boards must ensure that their organisations have in place the governance arrangements to support effective collaboration in line with the finalized guidance.

NHSE/I issues draft code of governance for NHS provider trusts for consultation



NHSE/I has issued a draft updated Code of governance for NHS provider trusts which sets out an overarching framework for the corporate governance of trusts, for consultation. It can be found here: <https://www.england.nhs.uk/publication/draft-code-of-governance-for-nhs-provider-trusts/>

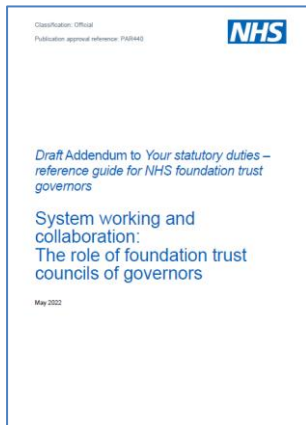
This code sets out a common overarching framework for the corporate governance of trusts, reflecting developments in UK corporate governance and the development of integrated care systems. Corporate governance is the means by which boards lead and direct their organisations so that decision-making is effective, risk is managed and the right outcomes are delivered. In the NHS this means delivering safe, effective services in a caring and compassionate environment while collaborating through system and place based partnerships and provider collaboratives to integrate care. Best practice is detailed in the following sections within the Code: Board leadership and purpose, Division of responsibilities, Composition, succession and evaluation, Audit, risk, and internal control, and Remuneration.

The consultation <https://www.engage.england.nhs.uk/consultation/code-of-governance-for-nhs-provider-trusts/> closes on 8 July so that finalised guidance can be issued in the summer.

For action: Once finalised, Trusts must comply with each of the provisions of the Code or, where appropriate, explain in each case why the trust has departed from the Code.

Developments in the NHS

NHSE/I consulting upon the revised duties of NHS foundation trust governors



NHS E/I has issued a draft new Addendum (<https://www.england.nhs.uk/publication/draft-addendum-to-your-statutory-duties-reference-guide-for-nhs-foundation-trust-governors/>) to the existing guide to the duties of NHS foundation trust governors which covers the impact of system working on councils of governors, for consultation.

This addendum is based on the existing statutory duties in the 2006 Act, and the principles regarding collaboration and system working in the June 2021 Integrated Care Systems: design framework. To support collaboration between organisations and the delivery of better, joined up care, councils of governors are required to form a rounded view of the interests of the 'public at large'.

Updated considerations are set out in respect to the following legal duties of councils of governors: holding the non-executive directors to account, representing the interests of trust members and the public, and approving significant transactions, mergers, acquisitions, separations or dissolutions.

This addendum only applies to a council of governors' statutory role within its own foundation trust's governance.

The consultation <https://www.engage.england.nhs.uk/consultation/code-of-governance-for-nhs-provider-trusts/> closes on 8 July so that finalised guidance can be issued in the summer.

For action: Once in place, NHS E/I will expect councils of governors to act in line with the principles in this addendum.

NHSE/I issues letter regarding enabling the workforce for elective recovery

Expanding workforce capacity, and allowing staff to recover, is going to be fundamental in achieving the ambitions set out in the elective recovery delivery plan. To help support, protect and retain staff, this letter (<https://www.england.nhs.uk/publication/enabling-the-workforce-for-elective-recovery/>) details a number of high impact enablers that providers should consider implementing to help improve staff experience. It also sets out a number of actions being taken forward at a national level with the aim of making the workload more sustainable for staff.

For consideration by NHS providers

Developments in the NHS

<p>The constitutions of Integrated Care Boards published by NHSE/I</p>	<p>Under the Health and Care Act 2022, 42 Integrated Care Boards (ICBs) will be established on 1 July 2022. Each ICB will have a constitution setting out the board membership and governance arrangements for the organisation. As required by the Act, Clinical Commissioning Groups, working with designate ICB leaders, have engaged with key local stakeholders in developing the constitutions for each ICB before proposing them to NHS England. NHS England will bring the ICB constitutions into effect through the order that will establish ICBs on 1 July 2022. All ICB constitutions can be found here: https://www.england.nhs.uk/publication/the-constitutions-of-integrated-care-boards/</p> <p>Each ICB's supplementary governance documents, for example details of committees it is establishing, will be made available on the relevant ICB website when live.</p> <p>For information</p>
<p>NHS England commissioning functions for delegation to Integrated Care Systems</p>	<p>In this letter (https://www.england.nhs.uk/publication/nhs-england-commissioning-functions-for-delegation-to-integrated-care-systems/) Mark Cubbon, Chief Delivery Officer, sets out the next steps for the delegation of NHS England direct commissioning functions for April 2023, including a roadmap about integrating specialised services within Integrated Care Systems.</p> <p>NHSE have previously set out their intentions for the delegation of certain direct commissioning functions to ICBs as soon as operationally feasible from April 2022. In line with legislation, on 1 July 2022 all ICBs will assume delegated responsibility for primary medical services (currently delegated to all CCGs) and 9 ICBs will also take on delegated responsibility for one or more pharmaceutical services, general ophthalmic services and dental services (primary, secondary and community).</p> <p>To support delegation, a new standard delegation agreement has been developed that covers pharmaceutical services, general ophthalmic services, and dental services, while continuing the current delegated arrangements for primary medical care. To enable the delegated arrangements for these functions to take effect all 42 ICBs will be required to sign the agreement. The delegation agreement received formal approval by the NHS England and NHS Improvement board on 19 May 2022. It will be signed by the relevant NHS England Regional Director by 17 June 2022 and by each ICB (chief executive officer or other duly authorised signatory) on 1 July 2022.</p> <p>From 1 April 2023, NHSE plan to delegate responsibility to all ICBs for all pharmaceutical, general ophthalmic and dental services and will delegate responsibility to all ICBs/multi-ICBs for specialised services that have been identified as suitable and ready for further integration subject to system readiness.</p> <p>For information</p>
<p>NHS Providers' briefings on draft code of governance, draft governance guidance and NHS FT governor duties</p>	<p>NHS Providers' has issued briefings on the consultation drafts issued by NHSE/I:</p> <p>https://nhsproviders.org/resources/briefings/consultation-on-draft-guidance-on-good-governance-and-collaboration https://nhsproviders.org/resources/briefings/consultation-on-the-new-draft-code-of-governance-for-nhs-provider-trusts https://nhsproviders.org/resources/briefings/consultation-on-draft-addendum-to-your-statutory-duties-reference-guide-for-nhs-foundation-trust-governors</p> <p>For information</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 members and NHS managers. It is not exhaustive and TIAN cannot be held responsible for any omission.