

# The Christie NHS Foundation Trust

Auditor's Annual Report for the  
year ended 31 March 2024

26 June 2024



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We are required under Schedule 10 paragraph 1(d) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Code of Audit Practice issued by the National Audit Office (NAO) requires us to report to you our commentary relating to proper arrangements.

We report if significant matters have come to our attention. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.



The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed for the purpose of completing our work under the NAO Code and related guidance. Our audit is not designed to test all arrangements in respect of value for money. However, where, as part of our testing, we identify significant weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose all irregularities, or to include all possible improvements in arrangements that a more extensive special examination might identify. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting, on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Introduction



## Purpose of the Auditor's Annual Report

This report brings together a summary of all the work we have undertaken for The Christie NHS Foundation Trust during 2023/24 as the appointed external auditor. The core element of the report is the commentary on the value for money (VfM) arrangements. Here we draw the reader's attention to relevant issues, recommendations arising from our work and how the Trust has responded to recommendations made in previous years. The responsibilities of the Trust are set out in Appendix A.

## Responsibilities of the appointed auditor

### Opinion on the financial statements

Auditors provide an opinion on the financial statements which confirms whether they:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023/24, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We also consider the Annual Governance Statement, the relevant disclosures within the Annual Report including the remuneration report and undertake work relating to the Whole of Government consolidation exercise.

### Value for money

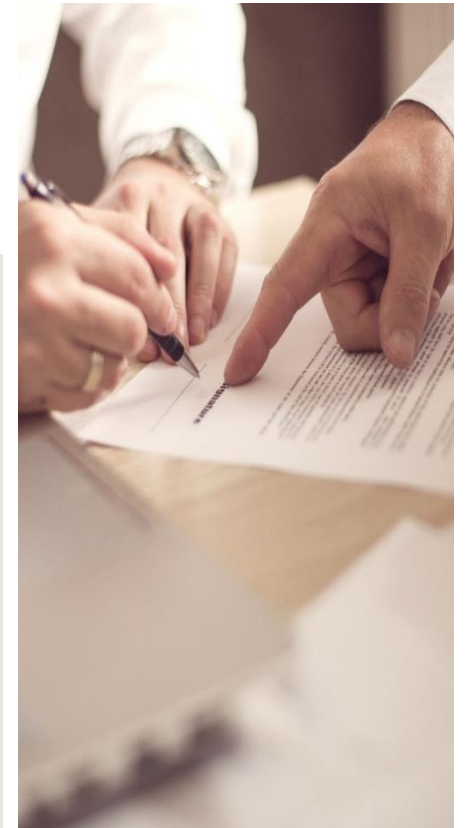
We report our judgements on whether the Trust has proper arrangements in place regarding arrangements under the three specified criteria:

- financial sustainability
- governance
- Improving economy, efficiency and effectiveness

### Other powers

Auditors of a Foundation Trust have a duty to consider whether there are any issues arising during their work that indicate possible or actual unlawful expenditure or action leading to a possible or actual loss or deficiency that should be referred to the relevant NHS regulatory body.

Auditors of Foundation Trusts also have the duty to consider whether to issue a report in the public interest (PIR), where it is appropriate to do so



The Value for Money Auditor responsibilities are set out in Appendix B.

# Executive summary



# Executive summary

Under Schedule 10 paragraph 1(d) of the National Health Service Act 2006, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (referred to as Value for Money). The National Audit Office (NAO) Code of Audit Practice ('the Code'), requires us to assess arrangements under three areas as set out below.



## Financial sustainability

The Trust has exceeded its 2023/24 financial plan, delivering a surplus of £5.5m and has a substantial cash balance of over £135m. The Trust hit its efficiency target of £12.5m for 2023/24, though this relied substantially on over-deliver of non-recurrent savings. The Trust is planning for a surplus in 2024/25. The Trust's risk management process identifies financial risks and reports them to the Board. A key risk currently is the challenges with system capital allocations, as the Trust considers it available funding insufficient. The Trust is actively working with the ICB and NHSE to address this issue.

We raise one improvement recommendation in relation to recurrent savings delivery.



## Governance

We identified a significant weakness in arrangements in 2022/23 after the Trust transacted a gift of £5.8 million to The Christie Charity without the required consultation and prior approval from HM Treasury. This was a significant departure from Managing Public Money principles. Based on our review in 2023/24 the Trust has accepted the need not to repeat this and we consider our recommendation closed. The Trust has effective risk management processes, uses Internal Audit findings to improve, and has an Anti-Fraud, Bribery, and Corruption Policy. It has developed plans to address recommendations from the 2023 CQC inspections. Our work has not identified evidence of significant weaknesses within the arrangements in place.

We make one improvement recommendation in relation to procurement waiver reporting.



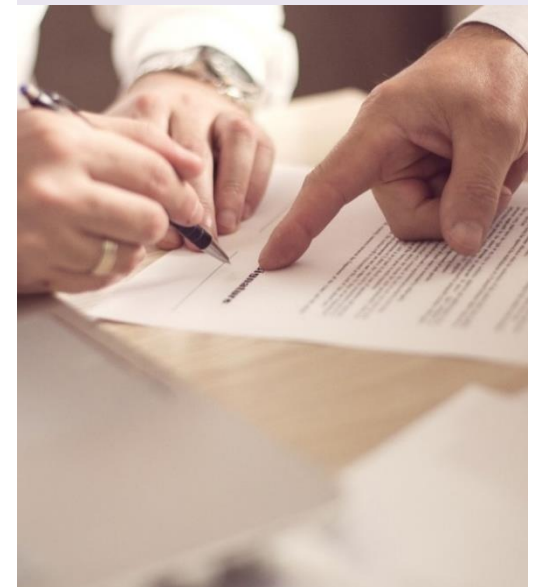
## Improving economy, efficiency and effectiveness

The Trust submits Integrated Performance Quality and Finance reports to the Board, providing near-real-time performance data. It could improve the analysis and narrative around staff turnover but is working to enhance data quality through the Clinical Outcomes Data Strategy. The Christie received a "Good" rating from the CQC in May 2023, submitted evidence of completing their action plan, and is reviewing its arrangements for raising concerns. The Trust has engaged with stakeholders to refresh The Christie Strategy 2023-28 and has arrangements to support effective collaboration with partners.

We make one improvement recommendation in relation to the presentation of the integrated performance, quality and finance report.



We have completed our audit of your financial statements and issued an unqualified audit opinion on XX June 2024, following the Audit Committee meeting on 26 June 2024. Our findings are set out in further detail on pages 7 to 9.



# Executive summary (continued)



## Overall summary of our Value for Money assessment of the Trust's arrangements

Criteria	2023/24 Risk assessment	2023/24 Auditor judgement on arrangements	2022/23 Auditor judgement on arrangements
Financial sustainability	No risks of significant weakness identified	A No significant weaknesses in arrangements identified. One improvement recommendation raised in delivery of recurrent savings.	A No significant weaknesses in arrangements identified, but one improvement recommendation was raised in relation efficiency and financial planning
Governance	A risk of significant weakness was raised because in 2022/23 a weakness was identified in relation to compliance with Managing Public Money requirements for charity gifts.	A No significant weaknesses in arrangements identified. One improvement recommendation raised in relation to waiver reporting.	R A significant weakness was identified in relation to compliance with Managing Public Money requirements for charity gifts and a key recommendation raised. An improvement recommendation was also raised in relation to monitoring of actions from the May 2023 CQC report.
Improving economy, efficiency and effectiveness	No risks of significant weakness identified	A No significant weaknesses in arrangements identified. One improvement recommendation raised in relation the presentation of the Integrated Performance Quality & Finance report.	A No significant weaknesses in arrangements identified. Improvement recommendation was raised in relation reporting of partnership activity and assurance over data systems underpinning key performance indicators.

**G** No significant weaknesses in arrangements identified or improvement recommendation made.

**A** No significant weaknesses in arrangements identified, but improvement recommendations made.

**R** Significant weaknesses in arrangements identified and key recommendations made.

# **Opinion on the financial statements and use of auditor's powers**



# Opinion on the financial statements



## Audit opinion on the financial statements

We intend to issue an unqualified opinion on the Trust's financial statements by 28 June 2024.

The full opinion is included in the Trust's Annual Report for 2023/24, which can be obtained from the Trust's website.

## Grant Thornton provides an independent opinion on whether the Trust's financial statements:

- give a true and fair view of the financial position of the Trust as at 31 March 2024 and of its expenditure and income for the year then ended
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2023/24, and
- have been prepared in accordance with the requirements of the National Health Service Act 2006

We conducted our audit in accordance with:

- International Standards on Auditing (UK)
- the Code of Audit Practice (2020) published by the National Audit Office, and
- applicable law

We are independent of the Trust in accordance with applicable ethical requirements, including the Financial Reporting Council's Ethical Standard.

## Findings from the audit of the financial statements

The Trust provided draft accounts in line with the national deadline.

Draft financial statements were of a reasonable standard and supported by detailed working papers.

## Audit Findings Report

We report the detailed findings from our audit in our Audit Findings Report. A final version of our report was presented to the Trust's Audit Committee on 26 June 2024. Requests for this Audit Findings Report should be directed to the Trust.





# Other reporting requirements and use of auditor's powers



## Remuneration and Staff Report

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to audit specified parts of the Remuneration and Staff Report included in the Trust's Annual Report for 2023/24. These specified parts of the Remuneration and Staff Report have been properly prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2023/24

## Annual Governance Statement

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to consider whether the Annual Governance Statement included in the Trust's Annual Report for 2023/24 does not comply with the guidance issued by NHS England, or is misleading or inconsistent with the information of which we are aware from our audit. We have nothing to report in this regard.

## Annual Report

Under the Code of Audit Practice (2020) published by the National Audit Office, we are required to consider whether, based on the work undertaken in the course of the audit of the Trust's financial statements for 2023/24, the other information published together with the financial statements in the Trust's Annual Report for 2023/24 is consistent with the financial statements. We have nothing to report in this regard.

## Whole of Government Accounts

To support the audit of Consolidated NHS Provider Accounts, the Department of Health and Social Care group accounts, and the Whole of Government Accounts, we are required to examine and report on the consistency of the Trust's consolidation schedules with their audited financial statements. This work includes performing specified procedures under group audit instructions issued by the National Audit Office. Our work did not identify any significant issues.

## We bring the following matters to your attention:

### Referrals to the relevant regulatory body

We did not make a referral under Schedule 10 paragraph 6 of the National Health Service Act 2006. We do not consider that any unlawful expenditure has been made or planned for.

### Public Interest Report

Under Schedule 10 paragraph 3 National Health Service Act 2006, auditors have the power to make a report if they consider a matter is sufficiently important to be brought to the attention of the audited body or the public as a matter of urgency, including matters which may already be known to the public, but where it is in the public interest for the auditor to publish their independent view.

We did not issue a report in the Public Interest with regard to arrangements at the Christie NHS Foundation Trust for 2023/24.

# **Value for Money Commentary on arrangements**



# The current NHS landscape



## National context

In 2023/24, the NHS has continued to show commitment to patient care and service delivery. Advancements in digital health technologies including virtual wards have the potential to support service redesign, reduce waiting times, and improve patient outcomes. Data published by NHS England in April 2024 indicates that performance against key metrics for elective waiting times, diagnostic tests access, and A&E 4 hour waits all improved year on year, though performance is still some way from target. These achievements demonstrate the resilience and adaptability of NHS staff amidst ongoing pressures. There are particular pressures for Mental Health Trusts including staffing, and ongoing pressure from Out of Area Placements.

Integrated Care Systems, established on 1<sup>st</sup> July 2022, remain at varying stages of maturity. Some systems have developed changes to patient pathways designed to improve outcomes, create efficiencies, tailor services to the needs of their local population and address local health inequalities. Most systems continue to face significant challenges, including workforce shortages, rising demand for healthcare services, and efficient resource management, all resulting in financial sustainability uncertainties.

Pay and productivity remain key challenges nationally. Staffing numbers have increased significantly since 2019/20 with staff costs now exceeding the funding available in many systems, exacerbated by industrial action costs. At the same time, activity growth has not kept pace, leaving a “productivity gap” that is not yet fully understood. This is further hampered by staff absences and pressures in social care staffing. NHS England has requested that all systems formally review the workforce increases seen over recent years. Many NHS bodies are already recognising an urgent need to manage down their temporary and agency staff costs, and recruit and retain the substantive staff they need to deliver services. There also needs to be a continued focus on quality and ensuring system governance is sound. Learning from public inquiry reports and maintaining high standards of behaviour is key to improving patient safety and building public trust.

These challenges are likely to make 2024/25 another challenging year for all local health services. However, the NHS is focusing on the recovery of core services through continuous improvement in access, quality, and productivity whilst transforming the way care is delivered and creating stronger foundations for the future.

## Local context

The Christie NHS Foundation Trust (the Trust) is a leading cancer care provider in the UK and the largest single site cancer centre in Europe, treating more than 60,000 patients a year. It provides a range of services including radiotherapy, chemotherapy, specialist surgery and advanced diagnostics to the people of Greater Manchester, Cheshire, the UK and beyond. The Trust engages in a range of commercial and other partnerships and undertakes collaborative research with a range of partners including the University of Manchester.

The Trust is hosted within the Greater Manchester Integrated Care system, working with NHS Greater Manchester Integrated Care Board (the ICB) and the statutory Greater Manchester Integrated Care Partnership (ICP). The Greater Manchester system covers a population of around 2.8 million, with a life expectancy and healthy life expectancy significantly lower than the England average and a high burden of poor health amongst its most deprived and marginalised communities. The ICS is seeking to deliver a rapid and substantial positive impact on its population’s health, while managing the challenges of returning the system from to financial balance and recovering the performance of core NHS services.

It is within this context that we set out our commentary on the Trust’s value for money arrangements in 2023/24 and make recommendations where any significant weaknesses or improvement opportunities in arrangements have been identified to support management in 2024/25.

# Financial sustainability



## We considered how the Trust:

## Commentary on arrangements

## Assessment

<p>identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them</p>	<p>The Trust appears to be in a financially stable position; it exceeded its financial plan to deliver a surplus of £5.5m and has a substantial cash balance of over £135m. Group cash reduced from £196.8m to £136.6m due the divestment of the charity from the group, with £54.4m was transferred to the newly established independent charity on the 1st April 2023. The Trust is facing challenges with the allocation of system capital, as the available CDEL funding is less than the Trust considers it requires. The Trust is working actively with the ICB and NHSE to reach a solution. It is important to note that this is a system-wide issue and does not reflect any weakness in the Trust's arrangements. Therefore, no specific recommendations are raised.</p>	<p>G</p>
<p>plans to bridge its funding gaps and identify achievable savings</p>	<p>The Trust hit its efficiency target of £12.5m for 2023/24, though this relied substantially on over-deliver of non-recurrent savings, with only £2m of a target of over £4m delivered recurrently. The Trust's recurrent target for 2024/25 is some £14m of a total of £21.4m. The Trust and its internal auditors, as well as our prior year reporting have clearly highlighted that the Trust needs to improve its ability to identify and transact recurrent efficiency savings. The Trust has now established the executive-led Investment and Capital Planning Committee (ICPC) which has as part of its remit the VIP efficiency programme. There is evidence that the ICPC is bringing more grip and challenge to Divisions to develop recurrent schemes. We raise an improvement recommendation to support this.</p>	<p>A</p>
<p>plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities</p>	<p>The Trust has integrated its strategies for Clinical, Research, Innovation, Education, and Clinical Outcomes Strategies following consultation. Capital planning is performed over a 5-year horizon. The Trust understands its costs and cost pressures, has completed its national cost collection 2023 submission, and compared itself with other relevant organisations.</p>	<p>G</p>
<p>ensures its financial plan is consistent 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</p>	<p>The Trust has implemented a people and culture plan for 2023-26, focusing on recruitment and retention. The Trust's is facing challenges related to limited access to capital may affecting its Green Plan aims for achieving net zero carbon emissions. As set out above, there is a need for consensus on capital prioritisation at a system level. The Trust is working actively with the ICB and NHSE to reach a solution and no specific recommendations for improvement in the Trust's own arrangements are raised.</p>	<p>G</p>
<p>identifies and manages risk to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions in underlying plans</p>	<p>The Trust's arrangements to identify and manage risks to financial resilience stem from the identification of risk within its annual financial planning process. Financial risks at both the organisational and system level are then reported through the year via routing financial reports to the Board and the Board Assurance Framework. The Trust has clearly flagged the system-wide allocation of capital as a key ongoing risk to its sustainability (financial and operational) but we do not consider this indicates weaknesses in the Trust's own arrangements for identifying and reporting risks.</p>	<p>G</p>

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.

# Financial sustainability (continued)



## Areas for improvement

### Recurrent savings

The Trust set a target of £12.5m in Cost Improvement Plan (CIP) efficiency savings for 2023/24. This programme was, however, not completely identified, and delivery was driven by non-recurrent savings above the amount expected.

Reporting of 2023/24 CIP progress clearly identifies identification of recurrent CIP as the key issue in this year, with around two thirds of the recurrent target of £6.25 million not identified near year end. In 2023/24 this was compensated for by an over-delivery of non-recurrent CIP by a corresponding amount.

The Trust's recurrent target for 2024/25 is some £14m of a total of £21.4m, implying a seven-fold improvement on 2023/24.

The Trust is aware from its own analysis, internal audit and our own prior year reporting that it cannot continue to rely on non-recurrent savings and needs to improve its ability to identify as well as transact recurrent efficiencies.

the Trust has now established the executive-led Investment and Capital Planning Committee which has as part of its remit the VIP efficiency programme. There is early evidence that the ICPC is bringing more grip and challenge to Divisions to develop recurrent schemes.

	2023/24 CIP delivery (£m)		
	2023/24 plan	2023/24 identified	2023/24 delivered
Recurrent CIP	6.25	2	2
Non-recurrent CIP	6.25	10.5	10.5
Total	12.5	12.5	12.5

**Improvement opportunity 1** – The Trust needs to deliver more recurrent savings. It should embed the improvements it has made to governance of its VIP efficiency programme and. It should monitor progress in this area closely, and devise recovery plans if previously identified efficiencies fail to materialise.

# Governance – commentary on arrangements



We considered how the Trust:	Commentary on arrangements	Assessment
monitors and assesses risk and how the Trust gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud	The Trust maintained effective risk management processes during the year and the Board Assurance Framework appropriately reflects key risks. Internal Audit services comply with relevant standards, and the Trust has shown an ability to use Internal Audit findings to improve, acting on its recommendations to improve risk management, for example. An Anti-Fraud, Bribery, and Corruption Policy is in place. NHS staff survey results are used to drive improvement in staff conditions and patient care, and the Trust has addressed recommendations from CQC inspections by taking action to promote a culture of speaking up, following CQC and other reviews including the Letby case. The Freedom to Speak Up (FTSU) policy was updated in May 2023, the Trust developed its Freedom to Speak Up Plan 2023/4 and it is promoting a better culture of speaking up. The overall People and Culture plan is overseen by the Workforce Assurance Committee and Board.	G
approaches and carries out its annual budget setting process	The Trust has maintained a robust annual budgeting process in 2023/24, including engagement with the ICB to work toward resolution of challenges. The Trust has a good recent track record of delivering on its financial plans.	G
ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information; supports its statutory financial reporting; and ensures corrective action is taken where needed, including in relation to significant partnerships	Financial reports to the Board provide appropriate detail to support review by management board and the Board of Directors. We identified a significant weakness in financial reporting arrangements in 2022/23 after the Trust transacted a gift of £5.8 million to The Christie Charity without the required consultation and prior approval from HM Treasury. Based on our assessment of the Trust's response to our 2022/23 Key recommendation we are content the Trust has appropriately recognised the need to not repeat the gifting of commercial surplus to its Charity. The Charity is now an independent body. We therefore consider it has put in place adequate arrangements to respond to our Key recommendation and therefore content to consider this recommendation closed. The Trust will of course wish to ensure it consults appropriately and seeks approval in advance for any future financial transactions that might require such approval.	G
ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency, including from audit committee	The Trust has appropriate procedures in place to ensure informed decisions are made based on appropriate evidence and allow for effective challenge. As noted above the Trust has demonstrated its commitment to addressing issues identified in the May 2023 CQC report, including the commission of an audit of its organisational culture and the launch of the 'Christie People & Culture Plan 2023-2026 in January 2023.'	G
monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of staff and board member behaviour	The Trust developed an action plan in response to the CQC's identified need for improvement in Fit and Proper Persons requirements. The Fit & Proper Person Test Compliance Report 2023/24 confirmed compliance with the NHSE FPPT framework and the approval of a new F&PPT Policy. The Trust has governance arrangements for procuring services, including waiver dashboards which are presented to the Audit Committee on a six-monthly basis. We suggest some improvements in this area.	A

- G No significant weaknesses in arrangements identified or improvement recommendation made.
- A No significant weaknesses in arrangements identified, but improvement recommendations made.
- R Significant weaknesses in arrangements identified and key recommendations made.

# Governance (continued)



## Areas for improvement

The Trust's use of benchmarking has shown that the level of waivers at the Christie is reasonably high since the Trust use a lot of specialist equipment and supplies, for some there is only one supplier. The executive Investment and Capital Planning Committee receives regular waiver reports.

Waiver dashboards are also presented to the Audit Committee on a six-monthly basis in line with the Trust's standing financial instructions and detail the number, value and reason for a waiver covering a 12 month rolling period. This provides an opportunity for challenge of management actions in this area.

In our 2022/23 Auditor's Annual Report we observed that the Audit Committee had asked for more information on waivers to be included. It is not clear from the February 2024 report that this has been progressed. More detailed or frequent reporting could enhance the level of focus and challenge in this area.

**Improvement opportunity 2** – We recommend the Trust consider reviewing its processes for reporting on waiver activity to the Audit Committee. This could involve: more frequent and detailed reporting.



# Improving economy, efficiency and effectiveness – commentary on arrangements



## We considered how the Trust:

## Commentary on arrangements

## Assessment

<p>uses financial and performance information to assess performance to identify areas for improvement</p>	<p>The Trust submits Integrated Performance Quality and Finance reports to the Board, providing near-to real-time performance data and charts. However, the report has been presented under Any Other Business without a cover sheet on recent occasions. The Trust could improve the analysis and narrative around staff turnover, which is a crucial metric. The Trust is working to improve data quality. There is evidence that the Trust is working to improve data quality through the Clinical Outcomes Data Strategy which includes a data quality workstream. This work is aligned to a risk identified on the BAF. The Trust benchmarks itself against similar organisations. While there are appropriate arrangements in place, we raise one improvement recommendation regarding the analysis of staff turnover.</p>	<p><b>A</b></p>
<p>evaluates the services it provides to assess performance and identify areas for improvement</p>	<p>The Christie received a "Good" rating from the CQC in May 2023, a downgrading from the previous "Outstanding" rating. The Trust submitted evidence of completing their action plan in October 2023, and a governance review focusing on assurance of CQC fundamental care standards is anticipated to be presented to the Board soon. As set out on page 14, the Trust has also reviewed its arrangements for raising concerns, drawing from experiences and feedback from the recent CQC inspection and the Lucy Letby case. The Trust remains in Segment 2 of the NHS Oversight Framework.</p>	<p><b>G</b></p>
<p>ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess whether it is meeting its objectives</p>	<p>The Trust engaged with stakeholders and partners to refresh of The Christie Strategy 2023-28, which was approved by the Board in 2023 after extensive consultation with staff, patients, the public, Governors, and the Board. The strategy aligns with the Greater Manchester Integrated Care Partnership strategy and GM cancer plan. The Trust report delivery of key strategy objectives to the Board, with each objective cross-referenced to key themes and Corporate Objectives. The Trust collaborates effectively with Christie Private Care, The Christie Pharmacy Company, and The Christie Pathology Partnership and partners across the Integrated Care System, including Cancer Research UK, the University of Manchester, Manchester Cancer Research Centre, and Health Innovation Manchester. Partnership Working is also monitored through the Board Assurance Framework.</p>	<p><b>G</b></p>
<p>commissions or procures services, assessing whether it is realising the expected benefits</p>	<p>The Trust is involved in multiple Joint Venture Partnerships (JVPs) with partners as listed above and performance updates are presented to the Board. The Christie Private Care partnership continues to perform well, while issues with the Christie Pathology Partnership have been escalated and are being managed. The Trust is currently re-procuring the Pathology Joint Venture. The Trust's website provides information on its procurement process and current contracts, though we did not see a link to the procurement policy and the Trust may wish to check this. Strategic Financial Initiatives (SFIs) were presented to the Board for approval in-year, detailing processes contracting for services or goods. The Trust's procurement strategy aligns with the national agenda and is dated 2021-2026.</p>	<p><b>G</b></p>

- G** No significant weaknesses in arrangements identified or improvement recommendation made.
- A** No significant weaknesses in arrangements identified, but improvement recommendations made.
- R** Significant weaknesses in arrangements identified and key recommendations made.



# Improving economy, efficiency and effectiveness (continued)



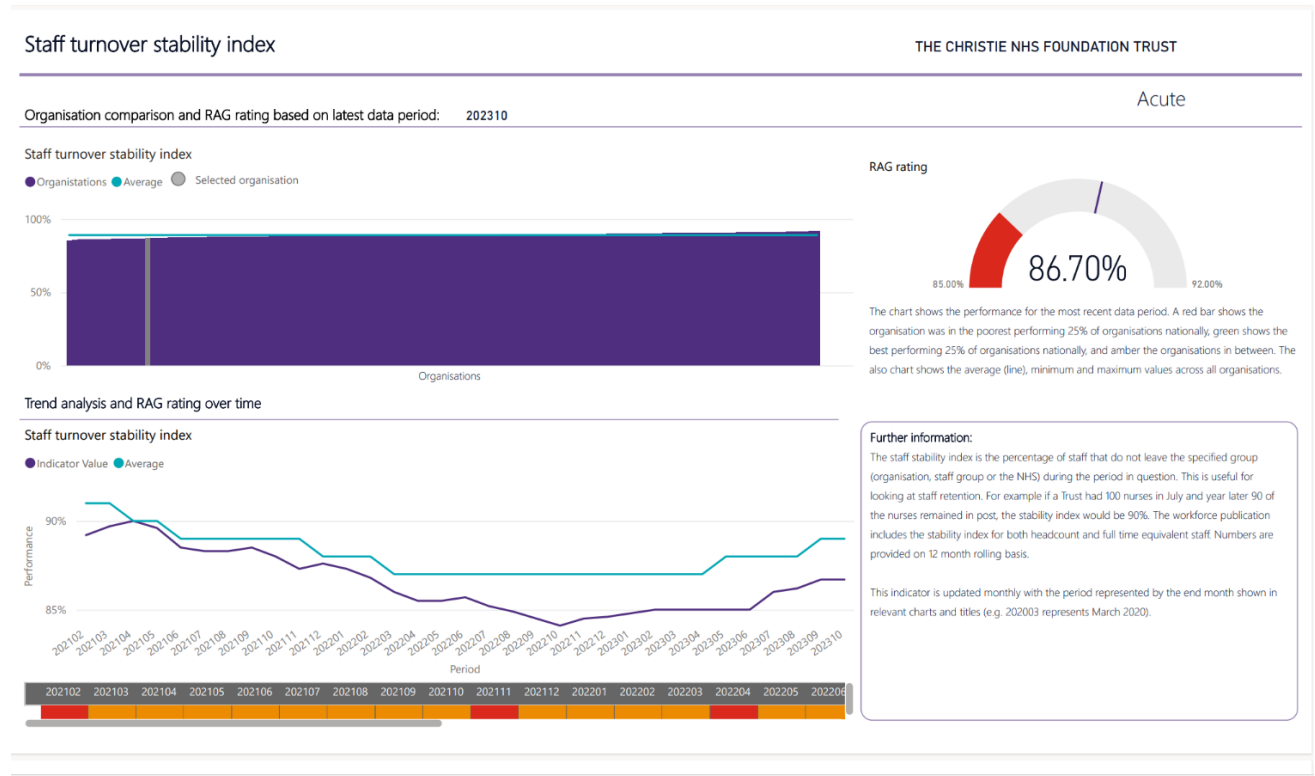
## Areas for improvement

### Reporting on staff turnover and links to strategic objectives

Integrated Performance Quality & Finance (IPQ&F) reports are submitted to the Board on a regular basis and provide a rounded picture of performance with data being reported close to real-time in many cases. For example, in January 2024, December 2023 activity was reported alongside incident data relating to January 2024. An executive summary provides narrative and highlights to support the dashboards, which give a visual representation of performance and activity using tables, statistical process control and other charts.

Staff turnover is a key metric within the IPQ&F report and an important indicator linked to the Trust's ongoing focus on people and culture. Based on our own benchmarking the Trust has been below average on this measure and in the lower performing 25% of comparator Trusts, meaning that there could still be scope to learn from benchmarking with comparator organisations as the Christie implements its People and Culture plan. The Trust does however note that the recent trend is improving.

**Improvement opportunity 3** – We recommend the Trust continues to monitor staff turnover closely as it continues to implement its People and Culture plan and considers whether there are additional insights to be gathered from benchmarking with similar organisations.



**Value for Money  
Recommendations raised in  
2023/24**



# Recommendations raised in 2023/24

Recommendation	Type of recommendation *	Criteria impacted	Evidence	Impact or possible future impact	Actions agreed by Management
1 The Trust needs to deliver more recurrent savings. It should embed the improvements it has made to governance of its VIP efficiency programme and. It should monitor progress in this area closely, and devise recovery plans if previously identified efficiencies fail to materialise	Improvement	Financial sustainability	Review of the Cost Improvement Programme indicates scope to improve delivery of recurrent savings	The lack of adequate saving plans and the inability to deliver recurrent savings will impact the Trust's ability to deliver sustainable financial balance.	<b>Action:</b> This is a key priority for Trust Divisions and the Board of Directors and are monitoring it closely through Divisional Service and Operational Reviews and monthly reporting. <b>Responsible Officer/Executive Lead:</b> Chief Operating Officer <b>Due Date:</b> quarterly targets assigned to Divisions which are reported and monitored throughout the financial year
2 We recommend the Trust consider reviewing its processes for reporting on waiver activity to identify potential improvements in the process. This could involve: more frequent and detailed reporting on Waiver activity to the Audit Committee; clarification of the role of the Investment and Capital Planning Committee in relation waiver monitoring.	Improvement	Governance	The Trust has a relatively high number of waivers and this could support more frequent and detailed reporting	Enhanced focus and scrutiny of compliance and any themes emerging	<b>Action:</b> The ICPC Terms of Reference will be amended to include waiver monitoring in their remit (this is currently part of the ICPC agenda but needs to be formalised on the ToR) <b>Responsible Officer/Executive Lead:</b> Director of Finance <b>Due Date:</b> July 2024
3 We recommend the Trust continues to monitor staff turnover closely as it continues to implement its People and Culture plan and considers whether there are additional insights to be gathered from benchmarking with similar organisations.	Improvement	Improving economy, efficiency and effectiveness	Key performance reports could make more mention of the staff turnover.	Enhanced ability to monitor the overall impact of culture development activities	<b>Action:</b> The Trust will continue to monitor staff turnover as recommended and consider benchmarking <b>Responsible Officer/Executive Lead:</b> Director of Workforce <b>Due Date:</b> July 2024

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Appendices

# Appendix A: Responsibilities of the NHS Trust

Public bodies spending taxpayers' money are accountable for their stewardship of the resources entrusted to them. They should account properly for their use of resources and manage themselves well so that the public can be confident.

Financial statements are the main way in which local public bodies account for how they use their resources. Local public bodies are required to prepare and publish financial statements setting out their financial performance for the year. To do this, bodies need to maintain proper accounting records and ensure they have effective systems of internal control.

All local public bodies are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. Local public bodies report on their arrangements, and the effectiveness with which the arrangements are operating, as part of their annual governance statement.

The directors of the Trust are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are required to comply with the Department of Health & Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. An organisation prepares accounts as a 'going concern' when it can reasonably expect to continue to function for the foreseeable future, usually regarded as at least the next 12 months.

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.



# Appendix B: Value for Money Auditor responsibilities



## Value for Money arrangements work

All NHS Trusts are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness from their resources. This includes taking properly informed decisions and managing key operational and financial risks so that they can deliver their objectives and safeguard public money. The Trust’s responsibilities are set out in Appendix A.

NHS Trusts report on their arrangements, and the effectiveness of these arrangements as part of their annual governance statement.

Under Schedule 10 paragraph 1(d) National Health Service Act 2006, we are required to be satisfied whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The National Audit Office (NAO) Code of Audit Practice (‘the Code’), requires us to assess arrangements under three areas:

### Financial Sustainability

Arrangements for ensuring the Trust can continue to deliver services. This includes planning resources to ensure adequate finances and maintain sustainable levels of spending over the medium term (3-5 years).

### Governance

Arrangements for ensuring that the Trust makes appropriate decisions in the right way. This includes arrangements for budget setting and management, risk management, and ensuring the Trust makes decisions based on appropriate information.

### Improving economy, efficiency and effectiveness

Arrangements for improving the way the Trust delivers its services. This includes arrangements for understanding costs and delivering efficiencies and improving outcomes for service users.

2023/24 is the fourth year that we have reported our findings in this way. We undertake and report the work in three phases as set out in the Code.

## Phase 1 – Planning and initial risk assessment

As part of our planning we assess our knowledge of the Trust’s arrangements and whether we consider there are any indications of risks of significant weakness. This is done against each of the reporting criteria and continues throughout the reporting period.

Information which informs our risk assessment	
Cumulative knowledge of arrangements from the prior year	Key performance and risk management information reported to the Board
Interviews and discussions with key officers	NHS Oversight Framework (NOF) rating
Progress with implementing recommendations	Care Quality Commission (CQC) reporting
Findings from our opinion audit	Annual Governance Statement including the Head of Internal Audit annual opinion

## Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weakness in arrangements we will undertake further work to understand whether there are significant weaknesses. We use auditor’s professional judgement in assessing whether there is a significant weakness in arrangements and ensure that we consider any further guidance issued by the NAO.

## Phase 3 – Reporting our commentary and recommendations

The Code requires us to provide a commentary on your arrangements which is detailed within this report. Where we identify weaknesses in arrangements we raise recommendations. A range of different recommendations can be raised by the Trust’s auditors as follows:

- **Key recommendations** – the actions which should be taken by the Trust where significant weaknesses are identified within arrangements.
- **Improvement recommendations** – actions which should improve arrangements in place but are not a result of identifying significant weaknesses in the Trust’s arrangements.

# Appendix C: Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
KR We recommended that the Trust puts arrangements in place to demonstrate and ensure compliance with Managing Public Money guidance including consultation with NHS England and HM Treasury to obtain appropriate approval in advance of making charitable gifts or other transactions requiring approval.	Key	Oct. 2023	Based on our assessment of the Trust's response to our 2022/23 Key Recommendation we are content the Trust has appropriately recognised the need to not repeat the gifting of commercial surplus to its Charity. The Charity is now an independent body. We therefore consider it has put in place adequate arrangements to respond to our Key recommendation and therefore content to consider this recommendation closed.	Yes	No
1 The Trust should build on its established arrangements to ensure that its financial plans are as tight as possible, by • including the "reality checks" from its divisional challenge process into its planning template; and • embedding similar reality checks an efficiency targets to ensure they as realistic as possible, as early as possible.	Improvement	Oct. 2023	The Trust has appropriate financial planning arrangements overall and has taken action to bring forward efficiency planning earlier in the year. However there remains scope to improve recurrent saving delivery.	Partly	Yes – see improvement recommendation 1 on page 13
2 The Trust should closely monitor the implementation of the CQC's recommendations.	Improvement	Oct 2023	The Trust submitted evidence of completing their action plan in October 2023, and a governance review focusing on assurance of CQC fundamental care standards is anticipated to be presented to the Board. As set out on page 14, the Trust has also reviewed its arrangements for raising concerns, drawing from experiences and feedback from the recent CQC inspection and the Lucy Letby case.	Yes	No
3 We recommend the Trust enhance the level of reporting and level of positive assurance over data quality assurance, particularly on data underpinning board-level Key Performance Indicators.	Improvement	Oct 2023	The Trust is working to improve data quality. There is evidence that the Trust is working to improve data quality through the Clinical Outcomes Data Strategy which includes a data quality workstream. This work is aligned to a risk identified on the BAF. The Trust benchmarks itself against similar organisations.	Yes	No

\* Explanations of the different types of recommendations which can be made are summarised in Appendix B.

# Appendix C:

## Follow-up of previous recommendations

Recommendation	Type of recommendation *	Date raised	Progress to date	Addressed?	Further action?
4 We recommend that the Trust considers expanding its periodic update to the Board covering the costs, benefits and risks of involvement in partnerships to cover a wider range of its partnership activity.	Improvement	Oct. 2023	The Trust is working to improve data quality. There is evidence that the Trust is working to improve data quality through the Clinical Outcomes Data Strategy which includes a data quality workstream. This work is aligned to a risk identified on the BAF.	Partly	See further improvement recommendation on page 17



