

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 26 April 2012

COMMITTEE: Audit Committee

CHAIRMAN: Ms K Jenkins, Non-Executive Director

DATE OF COMMITTEE MEETING: 18 April 2012

This report is provided for the Trust Board's information in the absence of the formal Minutes, which will be submitted to the Trust Board on 28 May 2012.

RECOMMENDATIONS MADE BY THE COMMITTEE FOR CONSIDERATION BY THE TRUST BOARD:

- To approve the proposed changes to the Corporate Governance Policies (Paper S attached refers).

The Audit Committee discussed the following issues (in addition to that listed above) at its meeting on 18 April 2012:-

- Information Governance Strategy Update;
- NHSLA Accreditation Process;
- Local Security Management Annual Operational Plan 2012-13;
- 2012-13 Revenue and CIP Assurances;
- Annual Accounts Status and process for Signing;
- Annual Losses and Compensations 2011-12;
- Treasury Management Activity 2011-12;
- Discretionary Procurement Actions;
- Local Counter Fraud Specialist Progress Report 2011-12;
- Internal Audit Progress Report;
- Internal Audit Reviews;
- Internal Audit Annual Report;
- External Audit Interim Report;
- Audit Committee – Annual Review of Effectiveness;
- Draft Annual Governance Statement 2011/12, and
- Revised Terms of Reference – Audit Committee.

DATE OF NEXT COMMITTEE MEETING: 29 May 2012

Ms K Jenkins
18 April 2012

To:	Audit Committee										
From:	Stephen Ward, Director of Corporate and Legal Affairs										
Date:	18 th April 2012										
CQC regulation:	All										
Title:	REVIEW OF CORPORATE GOVERNANCE POLICIES										
Author/Responsible Director:	Director of Corporate and Legal Affairs										
Purpose of the report:	To update the Committee on proposed changes to the Corporate Governance Policies										
The Report is provided to the Audit Committee for:	<table border="1" style="width: 100%; text-align: center;"> <tr> <td>Decision</td> <td>√</td> <td>Discussion</td> <td>√</td> </tr> <tr> <td>Assurance</td> <td>√</td> <td>Endorsement</td> <td>√</td> </tr> </table>			Decision	√	Discussion	√	Assurance	√	Endorsement	√
Decision	√	Discussion	√								
Assurance	√	Endorsement	√								
Summary:	<ul style="list-style-type: none"> • Results of Review • Health and Social Care Act 2012/NHS Foundation Trust Status 										
Recommendations:	The Audit Committee is asked to comment upon the contents of this report										
Strategic Risk Register:	Performance KPIs year to date:										
N/A	N/A										
Resource implications (e.g. Financial, HR):	N/A										
Assurance implications:											
Patient and Public Involvement (PPI) implications:	N/A										
Equality impact:	N/A										
Information exempt from disclosure:	N/A										
Requirement for further review:	Annually										

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT TO: AUDIT COMMITTEE

DATE: 18th APRIL 2012

REPORT BY: DIRECTOR OF CORPORATE AND LEGAL AFFAIRS

SUBJECT: REVIEW OF CORPORATE GOVERNANCE POLICIES

1. INTRODUCTION

- 1.1 It is good practice to review annually the Trust's key corporate governance policies.
- 1.2 The following corporate governance policies have recently been so reviewed:
- Standing Orders;
 - Standing Financial Instructions;
 - Reservation of Powers to the Trust Board and Delegate of Powers;
 - Code of Business Conduct for Trust Staff;
 - Policy on Fraud.
- 1.3 The results of the reviews are set out below and, where appropriate, changes are recommended for approval by the Trust Board.

2. RESULTS OF REVIEW

- 2.1 Standing Orders
- 2.1.1 The Trust's Standing Orders have been reviewed.
- 2.1.2 It is proposed to replace the reference to "Head of Supplies," with references to "Head of Procurement".
- 2.1.3 No other amendments are deemed necessary at this stage.
- 2.2 Reservation of Powers to the Trust Board and Delegation of Powers
- 2.2.1 The Trust's Reservation of Powers to the Trust Board and Delegation of Powers have been reviewed.
- 2.2.2 Consistent with the recommendation set out at paragraph 2.1.2 above, it is proposed to replace all references to "Head of Supplies" with references to "Head of Procurement".

2.2.3 It is also proposed to revise Section 9 of Annex 4 dealing with Losses and Special Payments to make it clear that the Trust has the authority to write of losses and special payments but that any novel, contentious or repercussive case should be referred to the Department of Health for approval.

2.3 Standing Financial Instructions

2.3.1 The Trust's Standing Financial Instructions (SFI) have been reviewed.

2.3.2 Consistent with the recommendations set out at paragraph 2.1.2 and 2.2.2 above, it is proposed to replace the references to "Head of Supplies" with references to "Head of Procurement".

2.3.3 It is also proposed to revise Section 13.2, "Losses and Special Payments", to reflect the position identified at paragraph 2.2.3 above and, accordingly, SFIs 13.2.4 and 13.2.8 shall be replaced with new SFI 13.2.4 which will read as follows:

"The Trust can approve the writing off of losses and the making of special payments but any novel, contentious or repercussive case shall be referred to the Department of Health for approval".

2.3.4 The numbering of Section 13.2 shall be adjusted accordingly.

2.4 Code of Business Conduct for Trust Staff

2.4.1 The Trust's Code of Business Conduct for Trust staff has been reviewed. No amendments are deemed necessary on this occasion.

2.5 Policy on Fraud

2.5.1 The Trust's Policy on Fraud has been reviewed. No amendments are deemed necessary on this occasion.

3. HEALTH AND SOCIAL CARE ACT 2012/NHS FOUNDATION TRUST STATUS

3.1 The Trust's corporate governance documents shall continue to be the subject of review by the Director of Corporate and Legal Affairs in the light of the recent passing of the Health and Social Care Act 2012; and in the light of the Trust's preparations to submit its application for NHS Foundation Trust status.

3.2 Further reports on any changes deemed necessary will be submitted to the Audit Committee and/or Trust Board, as appropriate.

4. RECOMMENDATIONS

4.1 The Audit Committee is recommended to:

- (a) receive and note the contents of this report,
- (b) recommend the Trust Board to adopt formally the revisions to the Trust's corporate governance policies identified in section two of this report and authorise the Director of Corporate and Legal Affairs to publish the revised documentation accordingly, and
- (c) note that the Trust's corporate governance documents continue to be the subject of review in the light of the passage of the Health and Social Care Act 2012 and as the Trust prepares to submit its application for NHS Foundation Trust status and that further reports will be submitted to the Audit Committee and/or Trust Board as appropriate.

Stephen Ward
Director of Corporate and Legal Affairs

9th April 2012