

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**MINUTES OF AN EXTRAORDINARY MEETING OF THE TRUST BOARD HELD ON FRIDAY, 24TH MAY 2019
AT 1PM IN THE BOARD ROOM, VICTORIA BUILDING, LEICESTER ROYAL INFIRMARY****Voting Members Present:**

Mr K Singh – Trust Chairman
 Mr J Adler – Chief Executive
 Ms V Bailey – Non-Executive Director
 Col (Ret'd) I Crowe – Non-Executive Director
 Ms C Fox – Chief Nurse
 Mr A Furlong – Medical Director
 Ms K Jenkins – Non-Executive Director
 Mr A Johnson – Non-Executive Director
 Mr B Patel – Non-Executive Director
 Mr P Traynor – Chief Financial Officer

In Attendance:

Ms H Kotecha – Leicester and Leicestershire Healthwatch representative
 Ms D Mitchell – Deputy Chief Operating Officer (deputising for the Chief Operating Officer)
 Mr S Ward – Director of Corporate and Legal Affairs
 Mr M Wightman – Director of Strategy and Communications
 Ms H Wyton – Director of People and Organisational Development

ACTION**109/19 APOLOGIES**

Apologies for absence were received on behalf of Professor P Baker, Non-Executive Director, Ms R Brown, Chief Operating Officer, Mr A Carruthers, Acting Chief Information Officer, Mr D Kerr, Director of Estates and Facilities and Mr M Traynor, Non-Executive Director.

110/19 DECLARATIONS OF INTEREST

The Chief Financial Officer and Mr A Johnson, Non-Executive Director declared their interests as Non-Executive Director and Non-Executive Chair of Trust Group Holdings Group Ltd, respectively.

Resolved – that the position be noted.

111/19 MINUTES AND MATTERS ARISING LOG

Resolved – that it be noted that the Minutes and action log arising from the 2nd May 2019 Trust Board meeting will be submitted to the 6th June 2019 Trust Board meeting.

112/19 ANNUAL REPORT AND ACCOUNTS 2018/19

Papers A1 – A7 were presented for consideration and approval by the Trust Board as follows:-

- (a) paper A1 - Going Concern Statement 2019/20;
- (b) paper A2 – Draft Statutory Accounts 2018/19;
- (c) paper A3a – the External Audit findings for University Hospitals of Leicester NHS Trust for the year ended 31st March 2019;
- (d) paper A3c – Independent Auditor's report to the Directors of University Hospitals of Leicester NHS Trust;
- (e) paper A4 – referral under Section 30 of the Local Audit and Accountability Act 2014;
- (f) paper A5 – draft Letter of Representation (tabled);

- (g) paper A6 – Annual Governance Statement 2018/19;
- (h) paper A7 – draft Annual Report 2018/19.

The Audit Committee, which had met earlier on 24th May 2019, had reviewed the above-mentioned documents in detail, and had recommended them to the Trust Board for approval.

The Audit Committee Chair reported orally on the deliberations of, and decisions taken by, the Audit Committee and the Trust Board noted:

- (i) subject to outstanding queries being resolved, and conclusion of their work, External Audit anticipated issuing an unqualified audit opinion for the 2018/19 accounts,
- (ii) the adjusted errors, unadjusted errors and uncertainties identified by External Audit, as now summarised by the Audit Committee Chair,
- (iii) that, having considered paper A1, now submitted, the Committee had recommended the Board to prepare its financial statements on a going concern basis, and that this would remain the case for at least 12 months from the date of the approval of the accounts,
- (iv) that, because of the significance of the matters identified by External Audit in respect of the Trust's financial sustainability during 2018/19, External Audit was not satisfied that the Trust had made proper arrangements to secure economy, efficiency and effectiveness in the use of resources and proposed, therefore, to give a qualified, 'adverse' conclusion in this regard,
- (v) that, given that the Trust had delivered a deficit outturn for the past six financial years, and set a deficit for 2019/20, the Trust had breached the requirement under Section 30 of the Local Audit and Accountability Act 2014 to break-even, taking one year against another, over a three year rolling period: consequently, External Audit had made a referral to the Secretary of State for Health and Social Care,
- (vi) the Audit Committee had recommended the Board to adopt the Annual Governance Statement 2018/19, an updated version of which had been prepared to take into account comments made by External Audit,
- (vii) that External Audit had requested a Letter of Representation from the Trust, to include specific representations requested from management in respect of the significant assumptions used in making accounting estimates for a number of areas, a copy of which was tabled at the Board meeting,
- (viii) External Audit's comments on the reasons for the audit process being delayed; the Audit Committee Chair noted that External Audit and the Chief Financial Officer and his team were to meet to discuss the improvements to be made to make the process more straightforward in future, and that an update would be submitted to the Committee in the light of those discussions.

Ms V Bailey, Non-Executive Director commented on the content of paper A3a, External Audit Findings for University Hospitals of Leicester NHS Trust for the year ended 31st March 2019, and noted that it would be important for the Finance and Investment Committee, and Audit Committee, respectively, to ensure that the 'errors' and other matters touching upon internal control were addressed and resolved during the course of 2019/20. The Chief Financial Officer concurred with this view, and confirmed that appropriate actions would be taken to this end during 2019/20.

In response, the Audit Committee Chair confirmed that, at its meeting on 24th May 2019, the Audit Committee had agreed that it would receive update reports during the course of 2019/20 on both the 'error' matters and 'uncertainty' matters to ensure that such matters were appropriately tracked and resolved during the course of that financial year.

At the invitation of the Trust Chairman, the Chief Financial Officer took the Board through the contents of the (tabled) Letter of Representation, noting in particular the amendments made by External Audit to clause (xxii) in the light of discussions at the Audit Committee meeting on the morning of 24th May 2019 to state that, "pre-payments have been valued accurately and recognised in line with accounting standards such that the approach will not provide a material mis-statement".

The Board considered paper A7, namely, the draft Annual Report 2018/19. The Chief Executive emphasised the importance of ensuring the accuracy of the information included within the

Remuneration Report and, in response, the Director of People and Organisational Development and Chief Financial Officer undertook to check the information to ensure that it was accurate.

Following discussion, it was agreed that any further comments on the draft Annual Report 2018/19 should be submitted to the Director of Corporate and Legal Affairs by close of play on Monday, 27th May 2019, following which the final version of the Report would be agreed with the Chairman and Chief Executive.

Resolved – that (A) the oral report from the Chair of the Audit Committee on the deliberations of, and decisions taken by, that Committee at its meeting on the morning of 24th May 2019 be received and noted,

(B) the Going Concern statement 2019/20, now submitted (paper A1), be endorsed, CFO

(C) the Statutory Accounts 2018/19, now submitted (paper A2), be approved, CFO

(D) the Independent Auditor's report to the Directors of University Hospitals of Leicester NHS Trust on the audit of the financial statements, now submitted (paper A3c), be received and noted,

(E) the referral made by External Audit to the Secretary of State for Health and Social Care under Section of the Local Audit and Accountability Act 2014, now submitted (paper A4), be received and noted,

(F) the Letter of Representation, now tabled (paper A5), be approved, CFO

(G) the Annual Governance Statement 2018/19, now submitted (paper A6), be adopted, CFO

(H) the draft Annual Report 2018/19, now submitted (paper A7), be approved in principle and the final version be approved by the Chairman and Chief Executive in the light of:

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| (1) the further review of the Remuneration Report by the Director of People and Organisational Development and Chief Financial Officer to ensure the accuracy of information contained in that Report, and | DPOD/CFO |
| (2) any further comments on the draft Report to be submitted to the Director of Corporate and Legal Affairs by close of play on Monday, 27 th May 2019, | ALL/DCLA |

(I) taking into account the decisions at (A) to (H) above, approval be given to the signing of the documents identified below by members of the Trust Board (signatories shown in brackets): CE/CFO

- (1) Statement of Directors' responsibilities in respect of internal control (Chief Executive),
- (2) Annual Governance Statement 2018/19 (Chief Executive),
- (3) Directors' Statements – Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Trust (Chief Executive), Statement of Directors' Responsibilities in respect of the Accounts (Chief Executive and the Chief Financial Officer),
- (4) Statement of Financial Position (Chief Executive),
- (5) Letter of Representation (Chief Executive),
- (6) Annual Report 2018/19 (Chief Executive).

113/19 QUESTIONS FROM THE PUBLIC RELATING TO BUSINESS TRANSACTED AT THIS BOARD MEETING

A member of the public invited the Trust to energetically explore achieving economies of scale by working with neighbouring Trusts. In response, the Trust Chairman noted the recently confirmed new leadership arrangements at Leicestershire Partnership NHS Trust and commented on the Trust's commitment to working with all health and social care partners to achieve clinical and financial sustainability and to establish optimum care pathways for patients.

114/19 ANY OTHER BUSINESS

Resolved – that it be noted that no other business was transacted at this meeting of the Trust Board.

115/19 DATE OF NEXT MEETING

Resolved – that the next Trust Board meeting be held on Thursday, 6th June 2019 from 9am in Rooms A&B, Clinical Education Centre, Leicester General Hospital.

The meeting closed at 1.48pm

Stephen Ward
Director of Corporate and Legal Affairs

Cumulative Record of Attendance (2019-20 to date):

<i>Name</i>	<i>Possible</i>	<i>Actual</i>	<i>%</i>	<i>Name</i>	<i>Possible</i>	<i>Actual</i>	<i>%</i>
K Singh	3	3	100	A Furlong	3	3	100
J Adler	3	2	67	K Jenkins	3	3	100
V Bailey	3	3	100	A Johnson	3	3	100
P Baker	3	1	33	B Patel	3	3	100
R Brown	3	2	67	M Traynor	3	2	67
I Crowe	3	3	100	P Traynor	3	3	100
C Fox	3	3	100				

Non-Voting Members:

<i>Name</i>	<i>Possible</i>	<i>Actual</i>	<i>%</i>	<i>Name</i>	<i>Possible</i>	<i>Actual</i>	<i>%</i>
A Carruthers	3	2	67	S Ward	3	3	100
D Kerr	3	2	67	M Wightman	3	3	100
H Kotecha	3	3	100	H Wyton	3	3	100