

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 6 June 2019

COMMITTEE: Audit Committee

CHAIRMAN: Kiran Jenkins, Non-Executive Director

DATE OF COMMITTEE MEETING: 24 May 2019

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

- Annual Report and Accounts 2018/19 – for adoption – Minute 31/19

OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR CONSIDERATION/RESOLUTION BY THE PUBLIC TRUST BOARD :

- None

DATE OF NEXT COMMITTEE MEETING: 5 July 2019

**Kiran Jenkins
Non-Executive Director and Audit Committee Chair**

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON FRIDAY, 24TH MAY 2019 AT 9AM IN THE BOARD ROOM, VICTORIA BUILDING, LEICESTER ROYAL INFIRMARY

- Present:** Ms K Jenkins – Non-Executive Director (Chair)
Col (Ret'd) I Crowe – Non-Executive Director
Mr A Johnson – Non-Executive Director
- In Attendance:** Mr J Adler – Chief Executive – (for Minute 31/19)
Mr C Benham – Director of Operational Finance
Ms A Breadon – Head of Internal Audit, PwC (the Trust's Internal Auditor)
Mr S Choudhury – Head of Privacy (for Minute 39/19/1)
Mr B Collins – Emergency Planning Officer (for Minute 39/19/4)
Ms H Harrison – CQC Project Manager (for Minute 31/19)
Ms T Jones – Deputy Director of Communications and Engagement (for Minute 39/19)
Mr R Manton – Risk and Assurance Manager (for Minute 39/19/4)
Mr N Sone – Financial Controller
Mr M Stocks – Grant Thornton (the Trust's External Auditor)
Mr P Traynor – Chief Financial Officer
Mr S Ward – Director of Corporate and Legal Affairs
Mr T Webb – Service Delivery and Transition Manager (for Minute 39/19/4)
Ms C Wood – Senior Manager, PwC (the Trust's Internal Auditor)
Mrs H Wyton – Director of People and Organisational Development (for Minute 39/19/3)

RECOMMENDED ITEMS

ACTION

31/19 ANNUAL REPORT AND ACCOUNTS 2018/19

Papers C1 – C10 were presented for consideration by the Committee as follows:

- (a) paper C1 - Going Concern Statement 2019/20;
- (b) paper C2 – Draft Statutory Accounts 2018/19;
- (c) paper C3a – the External Audit findings for University Hospitals of Leicester NHS Trust for the year ended 31st March 2019;
- (d) paper C3c – Independent Auditor's report to the Directors of University Hospitals of Leicester NHS Trust;
- (e) paper C4 – referral under Section 30 of the Local Audit and Accountability Act 2014;
- (f) paper C5 – draft Letter of Representation (tabled);
- (g) paper C6 – Internal Audit Annual Report 2018/19, including the Head of Internal Audit Opinion;
- (h) paper C7 – Draft Annual Governance Statement 2018/19;

- (i) paper C8 – Draft Annual Report 2018/19;
- (j) paper C9 – Draft Quality Account 2018/19, including the Statement of Directors’ Responsibilities;
- (k) paper C10 – External Audit Report on the Quality Accounts 2018/19 and draft Letter of Representation.

(1) Going Concern Statement 2019/20

The Chief Financial Officer presented paper C1 noting that, while there remained material uncertainties related to the Trust’s financial sustainability with regard to profitability and liquidity, the analysis set out in the paper supported the recommendation that the Trust should prepare its financial statements on a going concern basis. The Chief Financial Officer invited the Committee to concur with his view that this would remain the case for at least 12 months from the date of the approval of the Annual Accounts.

The Chief Financial Officer responded to questions posed by the Chair and members of the Committee in relation to the planned in-month and cumulative deficit for 2019/20 (as shown in figure 3 of paper C1); in relation to the cost improvement programme (CIP) position of the Women’s and Children’s CMG for both 2018/19 and 2019/20; and in relation to the 2018/19 cash out-turn position.

Paragraph 5.4 of paper C1 noted that the Trust expected to return to a break-even financial position, in line with the ambitions of the NHS Long Term Plan, by 2023/24. The Chief Financial Officer confirmed that this ambition was predicated on the Trust’s current Long Term Financial Strategy (previously approved by the Trust Board), that this Strategy would be updated in 2019/20 and that it would dovetail with the Leicester, Leicestershire and Rutland Sustainability and Transformation Partnership financial strategy to be prepared during the course of that financial year.

The Committee agreed to recommend the Going Concern Statement 2019/20 to the Trust Board for approval.

(2) Paper C2 – Statutory Accounts 2018/19

Taking into account its consideration of the External Audit findings for the Trust for the year ended 31st March 2019 under (3) below, the Committee agreed to recommend the Trust Board to approve the Accounts at its meeting on the afternoon of 24th May 2019.

(3) Paper C3a – External Audit Findings for University Hospitals of Leicester NHS Trust for the Year ended 31st March 2019

Mr M Stocks, External Audit presented this paper and commented on a number of specific issues arising from the Audit that were significant to the responsibility of those charged with governance, as required by the International Standard on Auditing (UK) 260 and the Code of Audit Practice.

The Committee noted that External Audit had substantially completed its audit of the financial statements and, subject to outstanding queries being resolved (noted immediately below), External Audit anticipated issuing an unqualified audit opinion (as noted under paragraph 4 below):

- receipt of the Management Representation Letter,
- review of the final set of financial statements,
- resolution of final queries relating to sample testing, including income, expenditure, payables, receivables, journals,
- completion of the review of the agreement of balances mismatches,
- completion of work relating to Property, Plant and Equipment (PPE), including work on revaluation and depreciation,
- testing of the updated versions of the statement of cash flows and the financial instrument note,
- resolution of outstanding queries relating to pre-payments (including e-Quip), and testing of an additional sample of pre-payments due to the need to extend testing,
- resolution of audit queries on those elements of the Remuneration Report that were subject to audit,
- testing the consolidation of the group accounts,
- completion of group procedures for the National Audit Office as part of the Department of Health and Social Care consolidation.

External Audit briefed the Committee in detail on the contents of paper C3a, identifying the following issues in particular that they wished to draw to the Committee's attention:

- (a) adjusted errors – PPE valuation;
- (b) unadjusted errors (pre-payments; changes in asset lives; accrual of VAT recovery; inventory sample testing; MES finance lease; Accruals de minimis),
- (c) uncertainties (agreement of balances mismatches; provision for Section 106 liabilities; PPE additions),
- (d) significant findings – Going Concern,
- (e) significant findings – improper revenue recognition,
- (f) significant findings – management override of controls,
- (g) significant findings – valuation of land and building,
- (h) significant findings – judgements and estimates: land and buildings,
- (i) significant findings – judgements and estimates: property, plant and equipment – useful economic lives.
- (j) significant findings – judgements and estimates: sale of Glenfield paddock land,
- (k) significant findings – judgements and estimates: de minimis policy for accruals,
- (l) significant findings – judgements and estimates: pre-payments,
- (m) significant findings – judgements and estimates: accrual of VAT,
- (n) significant findings – other issues.

Section 3 of paper C3a set out External Audit's conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. The Committee noted 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.

During the course of the presentation of paper C3a by External Audit, the Chief Financial Officer commented on specific issues and, in particular, on the subject of unadjusted errors (accrual of VAT recovery, changes in asset lives, and Accruals de minimis).

The Chief Financial Officer noted that the application of the Trust's Accruals de minimis policy in 2018/19 at a value of £15,000 (increased from £10,000 in 2017/18) had resulted in an increase in the value of expenditure not accrued greater than had been expected. The Chief Financial Officer undertook to review the position and submit a report to the Committee on this policy during 2019/20.

External Audit noted that, through testing, it had been identified that a number of journals had not been authorised in line with the Trust's approval policies. This indicated a control issue, and the Chief Financial Officer undertook to ensure that Internal Audit reviewed the control environment in this area as part of its work in 2019/20.

The Committee noted External Audit's identification of manual adjustments made outside the ledger to correct the coding of deferred income relating to maternity pathways. The Chief Financial Officer confirmed that all adjustments should be processed through the general ledger, rather than being manual adjustments to the accounts, and undertook to put in place appropriate arrangements such that this was the case from now onwards.

The Committee noted 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 the following areas:

- useful lives of Property, Plant and Equipment;
- the appropriateness of the Modern Equivalent Asset (MEA) basis of valuation of land and buildings, including the specific judgements utilised by the Trust's Valuer with regard to land areas valued;
- the reasonableness of assumptions used by the Valuer in relation to indices used in the valuation of Property, Plant and Equipment in 2017/18 and 2018/19, and confirmation that a prior period adjustment was not required;
- the appropriateness of the revenue recognition for the sale of the Glenfield 'Paddock' land, the valuation of the related put option,

- and the provision relating to Section 106 liabilities;
- the appropriateness of the de minimis policy for accruals of expenditure;
- the reasons for not adjusting pre-payments to reflect audit adjustments identified;
- the collectability of NHS income.

At appendix A to paper C3a, External Audit had identified recommendations for the Trust as a result of issues arising during the course of the audit. The recommendations had been agreed with management, and the formal response of management would be incorporated within the final version of External Audit's findings (ie, an updated version of paper C3a), once issued.

At appendix B to paper C3a, External Audit noted that the Trust had yet to complete some of the recommendations identified arising from the audit of the Trust's 2017/18 financial statements. In discussion, External Audit confirmed that, in fact, the Trust had addressed the final point raised previously about the agreement of balances exercise and, consequently, this finding would be removed from the final version of External Audit's findings, once issued.

Responding to External Audit's comments on the reasons for the audit process being delayed, the Chief Financial Officer acknowledged the hard work of both the External Audit and the Trust's teams in undertaking such a large and complex audit within the relatively short amount of time allowed, while acknowledging that there were undoubtedly improvements that could be made at the Trust to make the process more straightforward in future. The Chief Financial Officer undertook to pursue these with his team, and in discussion with External Audit, over the next two weeks.

(4) Independent Auditor's Report to the Directors of University Hospitals Of Leicester NHS Trust

The Committee received and noted paper C3c, namely, a draft copy of the External Audit opinion noting that, subject to outstanding queries being resolved, External Audit anticipated issuing an unqualified audit opinion.

(5) Referral under Section 30 of the Local Audit and Accountability Act 2014

The Committee received a copy of paper C4, a draft letter addressed to the Secretary of State for Health and Social Care, which External Audit would send on completion of the 2018/19 audit. The Trust had delivered a deficit outturn for the past six financial years. It had also set a deficit budget for 2019/20. Therefore, 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. As such, External Audit had made a referral to the Secretary of State.

The Committee received and noted paper C4.

(6) Letter of Representation

As noted under paragraph 3 above, the Committee received a draft copy of a Letter of Representation requested from the Trust, including specific representations in respect of the group and in respect of the matters noted under paragraph 3 above.

Following discussion, External Audit undertook to revise clause (xxii) 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”.

(7) Internal Audit Annual Report 2018/19 and Head of Internal Audit Opinion

As set out in paper C6, the Head of Internal Audit’s Opinion was that the overall adequacy and effectiveness of the Trust’s framework of governance, risk management and control was “generally satisfactory with some improvements required”. Although medium and high risk rated weaknesses had been identified in individual Internal Audit reviews undertaken in 2018/19, these were not significant in aggregate to the system of internal control. Nor had any of the individual Internal Audit reviews carried an overall classification of ‘critical risk’.

The Committee noted that, in particular, there had been a significant reduction in the level of overdue actions arising from Internal Audit reviews in 2018/19, and welcomed this development.

The Committee received and noted the Internal Audit Annual Report 2018/19 and Head of Internal Audit Opinion.

(8) Draft Annual Governance Statement 2018/19

The Committee noted that the draft Annual Governance Statement 2018/19 (paper C7) took into account comments made by External Audit. The Committee agreed to recommend the Statement for adoption by the Trust Board at its meeting on the afternoon of 24th May 2019.

(9) Draft Annual Report 2018/19

The Deputy Director of Communications and Engagement introduced the draft Annual Report 2018/19 (paper C8).

The Chief Executive requested that the Remuneration Report be double-checked and this suggestion was adopted by the Committee.

The Committee agreed to recommend the draft Annual Report 2018/19 for approval by the Trust Board at its meeting on the afternoon of 24th

May 2019, noting that the Trust Board might wish to delegate authority to approve the final version of the Report by the Chairman and Chief Executive, if further time was required for the Report to be reviewed by Trust Board members.

(10) Draft Quality Account 2018/19

The Committee received paper C9 enclosing a copy of the draft Quality Account 2018/19, including the Statement of Directors' responsibilities in respect of the 2018/19 Quality Account.

The Committee noted External Audit's Report on the Quality Accounts (paragraph 11 below refers), noting also that, subject to obtaining a Letter of Representation from management, External Audit proposed to issue a qualified opinion on the Quality Account.

The Committee agreed to recommend the Trust Board to approve the Statement of Directors' responsibilities in respect of the Quality Account 2018/19.

(11) External Audit Report on the Quality Account 2018/19 and Letter of Representation

The Committee received paper C10 noting that External Audit had concluded that the Quality Account had been prepared, in all material respects, in line with the requirements of the Department of Health Regulations.

The Committee noted that External Audit had made a recommendation in relation to the Venous Thromboembolism (VTE) indicator as, via testing, it had been established that the Trust had reported an outcome that reflected a lower performance than actually achieved during the reporting period. Management had accepted the recommendation for improvement and it was noted that the Trust was in the process of implementing electronic VTE risk assessments in 2019/20. In the interim, the Trust would undertake periodic sample checking of cases to ensure that Patient Centre accurately reflected the VTE risk assessments recorded in patients' notes.

A query was raised about the statement on page 10 of the Quality Account 2018/19 that 'Red2Green' processes were followed in 90% of applicable clinical areas across Leicester's Hospitals. In response, the Chief Executive commented that he felt that the statement, in itself, was accurate; but that it had been recognised that there was much more work for the Trust to do to improve its discharge processes to ensure that they worked effectively for every patient, every time; consequently, safe and timely discharge featured as one of the Trust's key quality priorities for 2019/20.

Recommended – that (A) the Going Concern Statement 2019/20, now submitted (paper C1) be endorsed and recommended to the Trust Board for approval,

CFO

- (B) the draft Statutory Accounts 2018/19, now submitted (paper C2), be endorsed and recommended to the Trust Board for approval, CFO
- (C) External Audit's audit findings for the year ended 31st March 2019, now submitted (paper C3a), be received and noted and reported to Trust Board at its meeting on the afternoon of 24th May 2019, 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 C3c), be received and noted and reported to the Trust Board at its meeting on the afternoon of 24th May 2019, CFO
- (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 C4), be received and noted and reported to the Trust Board at its meeting to be held on the afternoon of 24th May 2019, CFO
- (F) the draft Letter of Representation, now submitted (paper C5), be received and noted and a revised version (to take into account the revisions made to paragraph (xxii)) be tabled at the Trust Board meeting on 24th May 2019 for approval, CFO
- (G) the Internal Audit Annual Report 2018/19 and Head of Internal Audit Opinion, now submitted (paper C6), be received and noted,
- (H) the draft Annual Governance Statement 2018/19, now submitted (paper C7), be recommended for adoption by the Trust Board at its meeting on the afternoon of 24th May 2019, DCLA
- (I) the draft Annual Report 2018/19, now submitted (paper C8), be received and noted and recommended for approval by the Trust Board at its meeting on the afternoon of 24th May 2019; DCLA
- (J) the draft Quality Account 2018/19, including the Statement of the Directors' Responsibilities in respect of the Quality Account, now submitted (paper C9), be recommended for approval by the Trust Board at its meeting on 6th June 2019, DCLA
- (K) External Audit's report on the Quality Account 2018/19, now submitted (paper C10), be received and noted and the Trust Board be recommended to approve the proposed Letter of Representation (paper C10, now submitted) when adopting the Quality Account 2018/19 at its meeting on 6th June 2019. DCLA

RESOLVED ITEMS

Resolved – that the appointment by the Trust Board of Col (Ret'd) I Crowe, Non-Executive Director as Deputy Audit Committee Chair be noted.

33/19 APOLOGY FOR ABSENCE

Resolved – that the apology for absence tendered on behalf of Mr M Traynor, Non-Executive Director be received and noted.

34/19 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 Ltd, respectively.

Resolved – that the position be noted.

35/19 MINUTES

Resolved – that the Minutes of the Audit Committee meeting held on 8th March 2019, now submitted (papers A1 and A2 refer), be confirmed as a correct record.

36/19 ACTION LOG

The Committee received and noted paper B, advising on progress of the actions and matters arising from previous Committee meetings.

The Director of Corporate and Legal Affairs undertook to update the action log in the light of the Committee's discussions and decisions at this meeting.

In particular, the Committee agreed to open a new action (replacing item 37 on the action log) to give consideration to timetabling an informal discussion between the Chief Financial Officer, Chair and members of the Audit Committee and External Auditor in early 2020, as part of the Annual Accounts process 2019/20.

Resolved – that (A) the action log, now submitted (paper B), be received, noted and updated by the Director of Corporate and Legal Affairs to reflect the updates made, and decisions taken, at this meeting of the Committee, and

DCLA

(B) a new action be opened to give consideration to timetabling an informal discussion between the Chief Financial Officer, Chair and members of the Audit Committee and External Auditor in early 2020, as part of the Annual accounts process 2019/20.

DCLA

37/19 INTERNAL AUDIT RISK ASSESSMENT AND PLAN 2019/20

Further to Minute 20/19/6 of 8th March 2019, Ms C Wood, Senior Manager, PwC (the Trust's Internal Auditor) introduced paper D, updating the Committee in relation to the proposed Internal Audit plan for 2019/20.

The Committee noted the proposed Internal Audit plan for 2019/20 (now submitted) and also noted those Principal Risks, quality and supporting priorities where no Internal Audit work was planned in 2019/20, as highlighted in appendices 3 and 4 of paper D.

The Chief Executive advised that further consideration was being given to the wording of the Principal Risks to feature on the Board Assurance Framework 2019/20, although this work was expected to be completed shortly.

The Committee Chair stated that, before approving the Internal Audit plan for 2019/20, the Committee/Trust Board should have the opportunity to review the sources of assurance for those areas identified in appendices 3 and 4 of paper D which were not scheduled for review by Internal Audit as part of the Internal Audit Plan 2019/20.

Consequently, the Committee agreed to endorse the Internal Audit Plan 2019/20 in principle at this stage, and agreed that the final plan would be ratified once the information on the alternative sources of assurance had been made available and reviewed alongside the proposed plan.

Discussion ensued on the approach adopted by Internal Audit to monitor the implementation of agreed actions, particularly those classed as high risk. The Chief Financial Officer and Director of Corporate and Legal Affairs confirmed that the Chief Executive ensured that all outstanding actions, including any high risk actions, were tracked rigorously on a monthly basis via Executive Board meetings or, occasionally, Executive Planning Meetings.

Resolved – that (A) the proposed Internal Audit Plan 2019/20, now submitted (paper D), be received and approved in principle, and

(B) the Internal Audit Plan 2019/20 be ratified once the Committee/Trust Board has had the opportunity to review the plan alongside a report detailing the sources of assurance for those Principal Risks which feature on the Board Assurance Framework 2019/20, and quality and supporting priorities, which are not scheduled for review as part of the Internal Audit Plan 2019/20.

CFO/DCLA

38/19 INTERNAL AUDIT CHARTER 2019/20

Ms C Wood, Senior Manager, PwC (the Trust's Internal Auditor) presented paper D1, appended to which was the Internal Audit Charter 2019/20, defining Internal Audit's activity, purpose, authority and responsibility.

Resolved – that the Internal Audit Charter 2019/20, now submitted (paper D1), be approved. CFO

39/19 INTERNAL AUDIT REVIEWS

39/19/1 Data Security and Protection Toolkit Review (Medium Risk Rating)

The Committee received a copy of the Internal Audit Data Security and Protection Toolkit Review (March 2019), and the Head of Privacy, who attended the meeting for this item, confirmed that those actions which had a completion date of 30th April 2019 had been implemented.

Resolved – that paper E1, Internal Audit's Data Security and Protection Toolkit Review (March 2019), now submitted, be received and noted.

39/19/2 Quality Commitment Review (Low Risk Rating)

Resolved – that Internal Audit's Quality Commitment Review (May 2019) (paper E2), now submitted, be received and noted.

39/19/3 Fraud Risk Assessment Validation and Financial System Reports Follow-Up (High/Medium Risk Rating)

Ms C Wood, Senior Manager, PwC (the Trust's Internal Auditor) introduced paper E3, Internal Audit's Review entitled, 'Fraud Risk Assessment Validation and Financial Systems Reports Follow-Up' (May 2019), submitted as paper E3.

The Director of People and Organisational Development attended the meeting for discussion of this report.

The Committee noted that the Fraud Risk Assessment Validation had been categorised as high risk; while the financial system reports follow-up had been classified as medium risk.

Discussion ensued on a particular Internal Audit finding in relation to the process and controls in place for ensuring that employee expenses were appropriately checked and authorised, prior to being processed for payment. In the light of the information now put forward by the Director of People and Organisational Development, the Senior Manager, PwC (the Trust's Internal Auditor) undertook to make a change to the wording of the report in relation to the finding on expenses, while noting that the remainder of the report remained unaltered, including the overall (high) risk rating.

The Committee also discussed Internal Audit's findings in relation to the process and controls in place for ensuring that employees who left the Trust returned any IT equipment and ID badges/access passes, and for ensuring that leavers were removed from the Trust's IT network on a timely basis.

Noting that some of the actions were due to be implemented by 31st July, and others by 31st December 2019, the Committee agreed to request the Responsible Directors (Acting Chief Information Officer, Director of People and Organisational Development and Director of Estates and Facilities) to present a joint report to the Committee in November 2019 with an update on progress in implementing the actions in question.

Resolved – that (A) Internal Audit’s review entitled ‘Fraud Risk Assessment Validation and Financial System Reports Follow-Up’ (May 2019), now submitted, be received and noted, and it be noted that an updated version will be issued by Ms C Wood, Senior Manager, PwC (the Trust’s Internal Auditor) in the light of the points raised at the meeting by the Director of People and Organisational Development in relation to the expenses finding, and

CW/IA

(B) the Acting Chief Information Officer, Director of People and Organisational Development and Director of Estates and Facilities be requested to submit a joint report to the November 2019 meeting of the Committee with an update on progress in implementing the actions due to be implemented by 31st July and 31st December 2019, relating to employees leaving the Trust.

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39/19/4 Business Continuity and Emergency Planning (Low Risk/High Risk Rating)

The Committee received Internal Audit’s Business Continuity and Emergency Planning Review (May 2019), submitted as Paper E4, which had been rated as low risk in respect of the Emergency Preparedness, Resilience and Response elements; and high risk in respect of IT disaster recovery.

Mr B Collins, Emergency Planning Officer, Mr R Manton, Risk and Assurance Manager and Mr T Webb, Service Delivery and Transition Manager attended the meeting for discussion of this report.

The Service Delivery and Transition Manager stated that he was confident that all of the actions relating to IT disaster recovery would be implemented in advance of the deadlines stated in the report. The Committee Chair welcomed this statement and asked that the Committee receive a report at its July 2019 meeting on the progress of actions to address the findings relating to IT disaster recovery.

Resolved - that (A) Internal Audit’s Business Continuity and Emergency Planning Review (May 2019), now submitted (paper E4), be received and noted, and

(B) the Acting Chief Information Officer and Service Delivery and Transition Manager be requested to submit a report to the July 2019 Committee meeting providing an update on actions taken to address the findings in relation to IT disaster recovery.

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SDTM

39/19/5 Workforce Planning (No Risk Rating)

Resolved – that Internal Audit’s Workforce Planning Review (May 2019), now submitted (paper E5), be received and noted.

40/19 COUNTER FRAUD ANNUAL REPORT 2018/19

The Head of Internal Audit introduced paper F, the Counter Fraud Annual Report 2018/19, appended to which was a copy of the Trust’s Self-Review Toolkit declaration and return 2018/19 submitted to the NHS Counter Fraud Authority by the deadline of 30th April 2019.

Resolved – that the Counter Fraud Annual Report 2018/19, now submitted (paper F), be received, noted and endorsed.

41/19 INTEGRATED RISK MANAGEMENT REPORT

Resolved – that the Integrated Risk Management report, now submitted (paper G), be deferred in the light of the further work in hand to revise the wording of the Principal Risks to feature in the Board Assurance Framework 2019/20, as noted at Minute 37/19 above.

42/19 DISCRETIONARY PROCUREMENT ACTIONS

The Director of Operational Finance introduced paper H summarising the occasions when, under Standing Orders, it had been necessary to waive the Trust’s ordinary procurement processes since the last meeting of the Committee.

The Director of Operational Finance amplified the background to cases of need 19/A/1230 and 1232 in particular.

Resolved – that paper H, the latest summary of discretionary procurement actions taken under Standing Order 9.5, now submitted (paper H), be received and noted.

43/19 ITEMS FOR NOTING

43/19/1 Response to Internal Audit Review of Self-Assessments against CQC Standards

Resolved – that paper I, setting out the Trust’s response to Internal Audit’s review of self-assessments against CQC standards, be received and noted.

43/19/2 Quality and Outcomes Committee (QOC)

Resolved – that the Minutes of the QOC meetings held on 28th February and 28th March 2019 be received and noted as papers J1 and J2.

43/19/3 People, Process and Performance Committee (PPPC)

Resolved – that the Minutes of the PPPC meetings held on 28th February and 28th March 2019 be received and noted as papers K1 and K2.

43/19/4 Finance and Investment Committee (FIC)

Resolved – that the Minutes of the FIC meetings held on 28th February and 28th March 2019 be received and noted as papers L1 and L2.

43/19/5 Charitable Funds Committee (CFC)

Resolved – that the Minutes of the CFC meeting held on 4th April 2019 be received and noted as paper M.

44/19 ANY OTHER BUSINESS

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

45/19 IDENTIFICATION OF ANY KEY ISSUES FOR THE ATTENTION OF THE TRUST BOARD

Resolved – that the following matters be brought to the attention of the Trust Board at its meeting on 24th May 2019:

- Minute 31/19 - Annual Report and Accounts 2018/19 (recommended item).

46/19 DATE OF NEXT MEETING

Resolved – that the next meeting of the Committee be held on Friday, 5th July 2019 from 9am in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 12.07pm

Stephen Ward
Director of Corporate and Legal Affairs

31st May 2019

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

<i>Name</i>	<i>Possible</i>	<i>Actual</i>	<i>%</i>
K Jenkins	1	1	100%
I Crowe	1	1	100%
A Johnson	1	1	100%
M Traynor	1	0	0%

Attendees:

<i>Name</i>	<i>Possible</i>	<i>Actual</i>	<i>%</i>
C Benham	1	1	100%
N Sone	1	1	100%
P Traynor	1	1	100%
S Ward	1	1	100%