

<b>To:</b>	Audit Committee
<b>From:</b>	CHIEF EXECUTIVE
<b>Date:</b>	27 <sup>th</sup> May 2015

<b>Title:</b>	<b>DRAFT ANNUAL GOVERNANCE STATEMENT (AGS) 2014/15</b>						
<b>Author/Responsible Director:</b>	Director of Corporate and Legal Affairs						
<b>Purpose of the report:</b>	To invite the Committee to review, confirm and recommend the Trust Board to approve the Annual Governance Statement 2014/15.						
<b>The report is provided to the Audit Committee for:</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">Decision <span style="float: right;">√</span></td> <td style="width: 50%; padding: 5px;">Discussion <span style="float: right;">√</span></td> </tr> <tr> <td style="padding: 5px;">Assurance <span style="float: right;">√</span></td> <td style="padding: 5px;">Endorsement <span style="float: right;">√</span></td> </tr> </table>			Decision <span style="float: right;">√</span>	Discussion <span style="float: right;">√</span>	Assurance <span style="float: right;">√</span>	Endorsement <span style="float: right;">√</span>
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Assurance <span style="float: right;">√</span>	Endorsement <span style="float: right;">√</span>						
<b>Summary:</b>	The draft AGS (attached at appendix A to the report) is submitted for consideration by the Committee ahead of its consideration by the Trust Board on 4 June 2015.						
<b>Recommendations:</b>	To invite the Committee to review, confirm and recommend the Trust Board to approve the Annual Governance Statement 2014/15.						
<b>Strategic Risk Register:</b>	N/A	<b>Performance KPIs year to date:</b>	N/A				
<b>Resource implications (e.g. Financial, HR):</b>	N/A						
<b>Assurance implications:</b>	The Audit Committee is charged with the responsibility of reviewing the adequacy of all risk and control related disclosure statements, including the AGS, prior to submission to the Trust Board for consideration and approval.						
<b>Patient and Public Involvement (PPI) implications:</b>	The AGS forms part of the Trust's Annual Accounts which are published alongside the Annual Report and received formally at the Trust's Annual Public meeting on 17 <sup>th</sup> September 2015.						
<b>Equality impact:</b>	N/A						
<b>Information exempt from disclosure?</b>	N/A						
<b>Requirement for further review?</b>	At Trust Board on 4 June 2015.						

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**REPORT TO:           AUDIT COMMITTEE**

**DATE:                 27<sup>th</sup> MAY 2015**

**REPORT BY:         CHIEF EXECUTIVE**

**SUBJECT:            DRAFT ANNUAL GOVERNANCE STATEMENT (AGS)  
2014/15**

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1.     At its meeting on 5<sup>th</sup> March 2015 (Minute 26/15 refers), the Audit Committee noted the guidance published by the Chief Executive of the NHS Trust Development Authority on the completion and submission of 2014/15 Annual Governance Statements (AGS).
2.     Following receipt of comments from Audit Committee members, the draft Trust AGS 2014/15 was submitted (as required) to the Trust's External Auditor and NHS Trust Development Authority on 23 April 2015.
3.     The draft Trust AGS 2014/15 – attached at appendix A to this report – has since been updated to take into account the conclusion of the Internal Audit plan 2014/15 and feedback from the Trust's External Auditor.
4.     The Audit Committee is charged with the responsibility of reviewing the adequacy of all risk and control related disclosure statements, including the draft AGS, prior to submission to the Trust Board for consideration and approval.
5.     The Committee is invited to review and confirm the draft AGS attached as an appendix to this report ahead of its consideration by the Trust Board on 4<sup>th</sup> June 2015.
6.     Subject to the outcome of the review of the draft statement by the Committee, the Trust Board will be invited to approve the AGS at its meeting on 4<sup>th</sup> June 2015.

John Adler  
Chief Executive

22 May 2015

## **DRAFT**

### **ANNUAL GOVERNANCE STATEMENT 2014/15**

#### **Executive Summary**

The annual governance review confirms that University Hospitals of Leicester NHS Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. The Trust recognises that the internal control environment can always be strengthened and this work will continue in 2015/16, as described below.

We have identified below significant control issues which have impacted on performance in 2014/15: this Statement gives an account of remedial action which has been, and is being, taken.

#### **Scope of Responsibility**

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports adherence to our policies and achievement of our aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Trust Accountable Officer Memorandum.

In undertaking this role I, and my team, have developed strong links with the NHS Trust Development Authority, local Clinical Commissioning Groups and other partner organisations.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of policies, aims and objectives of the Trust; and
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in University Hospitals of Leicester NHS Trust for the financial year ended 31 March 2015 and up to the date of the approval of the annual accounts.

#### **The Governance Framework of the Organisation**

##### ***Trust Board composition and membership***

Our Trust Board comprises 13 members: a Chairman, seven Non-Executive Directors and five Executive Directors. There have been a number of changes in the composition of the Board during 2014/15. Mr Richard Kilner stood down as Acting Trust Chairman on 30 September 2014 and was succeeded by Mr Karamjit Singh as substantive Chairman.

Dr Sarah Dauncey and Mr Martin Traynor joined the Trust as Non-Executive Directors on 2<sup>nd</sup> October 2014. Mr Mike Williams served as an Interim Non-Executive Director from 30<sup>th</sup> October 2014 until 31<sup>st</sup> March 2015. Richard Moore has succeeded Mike as a Non-Executive Director and as Chairman of the Audit Committee from 1 April 2015.

Ms K Jenkins' term of office as a Non-Executive Director ended on 30th June 2014. Professor David Wynford-Thomas stood down as a Non-Executive Director on 28<sup>th</sup> February 2015, and Mr Prakash Panchal, Non-Executive Director left the Trust on 31 March 2015. Two substantive replacement Non-Executive Directors will be appointed by the NHS Trust Development Authority during 2015/16.

Mr Andrew Seddon, Director of Finance left the Trust in April 2014. Mr Peter Hollinshead and Mr Simon Sheppard served, respectively, as Acting Directors of Finance during 2014 and Mr Paul Traynor joined the Trust as substantive Director of Finance on 3<sup>rd</sup> November 2014. Ms Rachel Overfield left her role as Chief Nurse on 28<sup>th</sup> February 2015 and Ms Carole Ribbins assumed the role of Acting Chief Nurse from 1 March 2015. Ms Julie Smith has been appointed as substantive Chief Nurse and will take up her appointment on 3 August 2015. Dr Kevin Harris stood down as Medical Director on 31<sup>st</sup> March 2015: Mr Andrew Furlong is currently the Acting Medical Director, a post he took up on 1<sup>st</sup> April and which is due for review in December 2015.

The Board is supported in its work by the Director of Human Resources, Director of Marketing and Communications, Director of Corporate and Legal Affairs and Director of Strategy who have standing invitations to attend its meetings, but not voting rights. Ms Emma Stevens became Acting Director of Human Resources on 1 January 2015 following the departure of Mrs Kate Bradley. Ms Louise Tibbert has been appointed Director of Workforce Organisational Development and will take up her appointment on 3 August 2015.

In summary, although there has been significant turnover at Board level in 2014/15, the process of making substantive appointments is now almost complete, creating a well-balanced Board to provide continuity of leadership going forward.

### ***Performance Management Reporting Framework***

To ensure that the Board is aware to a sufficient degree of granularity of what is happening in the hospitals, a comprehensive quality and performance report is reviewed at each monthly public Board meeting.

The monthly report:

- is structured across several domains: quality and patient safety; patient experience; operational performance; human resources; estates and facilities management; and research delivery;
- includes information on our performance against the NHS Trust Development Authority outcome and quality governance measures;
- includes performance indicators rated red, amber or green;
- is complemented by exception reports and commentaries from the accountable Executive Directors identifying key issues to the Board and, where necessary, corrective actions to bring performance back on track.

Importantly, the quality and performance report includes information on 'never events' and the Trust Board receives information on follow-up action.

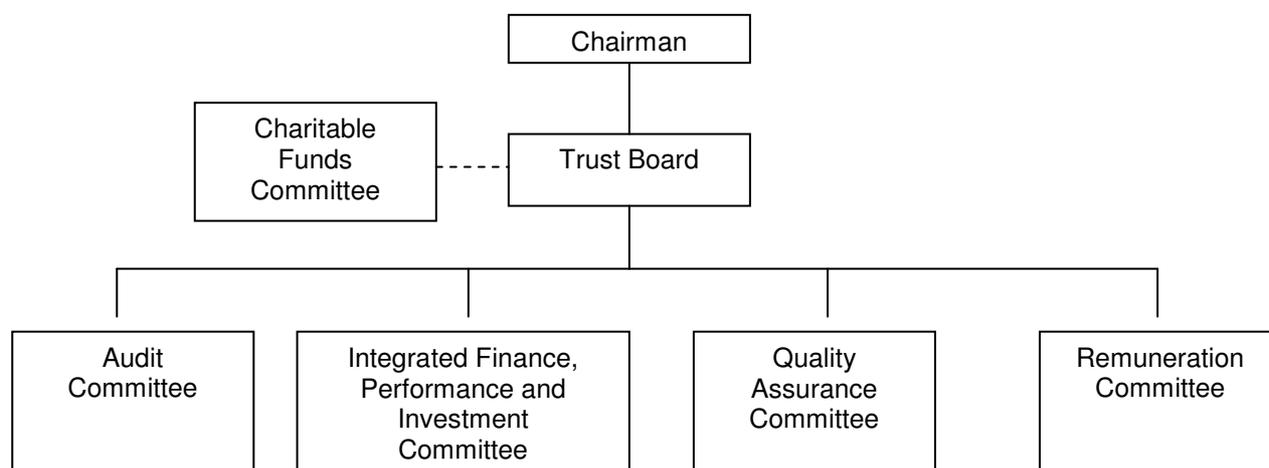
This formal Board performance management reporting framework is accompanied by a series of measures to achieve a more interactive style of governance, moving beyond paper reporting. Examples include:

- patient stories, which are presented in public at each Board meeting. These shine a light on individual experiences of care provided by the Trust and act as a catalyst for improvement; and
- Board members carry out patient safety walkabouts regularly.

These arrangements allow Board members to help model our values through direct engagement, as well as ensuring that Board members take back to the boardroom an enriched understanding of the lived reality for staff, public and patients.

### **Committee Structure**

We have operated a well-established committee structure to strengthen our focus on quality governance, finance and performance, and risk management. The structure has been designed to provide effective governance over, and challenge to, our patient care and other business activities. The committees carry out detailed work of assurance on behalf of the Board. A diagram illustrating the Board committee structure is set out below.



All of the Board committees are chaired by a Non-Executive Director and comprise a mixture of both Non-Executive and Executive Directors within their memberships. The exceptions to this are the Audit Committee and the Remuneration Committee, which (in accordance with NHS guidance) comprise Non-Executive Directors exclusively. All Non-Executive Directors are encouraged to attend all Board level Committee meetings, even if they are not voting members of those Committees.

The Audit Committee is established under powers delegated by the Trust Board with approved terms of reference that are aligned with the NHS Audit Committee Handbook. The Committee consists of four Non-Executive Directors and has met on five occasions throughout the 2014/15 financial year. It has discharged its responsibilities for scrutinising the risks and controls which affect all aspects of the organisation’s business. The Audit Committee receives a report at each of its meetings from the External Auditor, Internal Audit and the Local Counter-Fraud Specialist, the latter providing the Committee with assurance on our work programme to deter fraud.

The Integrated Finance, Performance and Investment Committee meets monthly and oversees the effective management of our financial resources and operational performance across a range of measures. The Quality Assurance Committee also meets monthly and seeks assurances that there are effective arrangements in place for monitoring and continually improving the quality of healthcare provided to patients.

The minutes of each meeting of our Board committees are submitted to the next available Board meeting for consideration. Recommendations made by the committees to the Trust Board are clearly identified in a cover sheet accompanying the submission of the minutes to the Board; the Chair of each committee personally presents a summary of the Committee’s deliberations and the minutes at the Board meeting, highlighting material issues arising from the work of the committee to Board members. In particular, the Chairs provide feedback to the Trust Board on their committees’ scrutiny of that month’s quality and performance report, thereby complementing the commentaries of the Executive Directors.

Each meeting of each Board committee was quorate during 2014/15.

### ***Attendance at Board and committee meetings***

The attendance of the Chairman, individual Non-Executive Directors, Executive Directors and Corporate Directors at Board and committee meetings during 2014/15 is set out in an appendix to this Statement. The table reflects instances of attendances for either the whole or part of the meeting, and applies to formal members and/or regular attenders as detailed in the terms of reference for each committee.

### ***Board Effectiveness***

On joining the Board, Non-Executive Directors are given background information describing the Trust and its activities. A full induction programme is arranged.

Our Board recognises the importance of effectively gauging its own performance so that it can draw conclusions about its strengths and weaknesses, and take steps to improve. The Board therefore undergoes regular assessment using third party external advisers to ensure that it is:

- operating at maximum efficiency and effectiveness;
- adding value; and
- providing a yardstick by which it can both prioritise its activities for the future and measure itself.

During 2014/15, the Trust Board embarked on a programme of work (supported by external consultants that we appointed) to improve Board and Board committee reporting. The aims of this work are to:

- align the Board agenda to our priorities and the things that matter most;
- stimulate more forward-looking and strategic conversations in the board room;
- reduce duplication and size of the Board pack whilst increasing visibility and insight;
- embed the tools, skills and capability to deliver high quality reports and executive summaries that meet the Board's information needs.

The Trust Board has held a workshop to explore these issues and extensive development work has been carried out during the year. Final recommendations were presented to the Board through a 'Thinking Day' in May 2015.

Outside of its formal meetings, the Board has held development sessions ('Thinking Days') throughout 2014/15. Amongst the topics considered were refreshing our organisation's vision and strategic objectives, quality governance; the development of our two year operational plan 2014/15 – 2015/16; refreshing our quality and safety commitment; and stakeholder engagement.

Our Chairman set objectives for the Chief Executive and Non-Executive Directors for 2014/15. In turn, the Chief Executive set objectives for the Executive Directors and Corporate Directors in relation to the delivery of the Annual Plan for 2014/15. Performance against objectives is reviewed formally on an annual basis by the Chairman and Chief Executive, respectively.

### ***Corporate Governance***

In managing the affairs of the Trust, the Board is committed to achieving high standards of integrity, ethics and professionalism across all areas of activity. As a fundamental part of this commitment, the Board supports the highest standards of corporate governance within the statutory framework.

We have in place a suite of corporate governance policies which are reviewed annually and updated as required. These include standing orders, standing financial instructions, a scheme of delegation, policy on fraud and code of business conduct.

The Board subscribes to the NHS Code of Conduct and Code of Accountability and has adopted the Nolan Principles, 'the seven principles of public life'. We have also adopted the Code of Conduct: "Standards for NHS Board members and members of Clinical Commissioning Group governing bodies in the NHS in England" (Professional Standards Authority : November 2012).

### ***Information Governance***

We recognise the importance of robust information governance. During 2014/15, the Director of Corporate and Legal Affairs assumed the role of Senior Information Risk Owner and the Medical Director continued as our Caldicott Guardian.

We took further actions during the year to secure improvement in our information governance arrangements. A Privacy Board monitors and oversees compliance with information governance requirements and we have adopted a 'Privacy by Design' approach to support improved performance in this field.

All NHS Trusts are required annually to carry out an information governance self-assessment using the NHS Information Governance Toolkit. This contains 45 standards of good practice. Our overall percentage score for 2014/15 was 90 per cent, compared to 83 per cent in 2013/14. This score is deemed to be a 'satisfactory – minimum level 2' standard across all of the information governance standards.

During the year we reported to the Information Commissioner's Office two serious untoward incidents involving lapses of data security. These related to the theft of medical records from a hospital site; and the loss of ward documentation. In both instances, full investigations were completed and actions implemented to prevent recurrence.

In respect of other personal data related incidents experienced during 2014/15, we have carried out investigations to ensure that the root causes are properly understood and addressed; in addition, patients have been contacted to inform them of the lapses and to provide them with assurance about the actions we have taken to prevent recurrence.

### **The Risk and Control Framework**

Our Board-approved Risk Management Policy describes an organisation-wide approach to risk management supported by effective and efficient systems and processes. The Strategy clearly describes our approach to risk management and the roles and responsibilities of the Trust Board, management and all staff.

Key strategic risks are documented in the Trust's Board Assurance Framework. Each strategic risk is assigned to an Executive Director as the risk owner and the Executive Team and Trust Board review the Framework on a monthly basis to identify and review our principal objectives, clinical, financial and generic. Key risks to the achievement of these objectives, controls in place and assurance sources, along with any gaps in assurance, are identified and reviewed.

Our Annual Operational Plan 2015/16 responds to and addresses the strategic risks we face. The current Board Assurance Framework has been updated to reflect risks in the 2015/16 plan and will continue to be reviewed at regular intervals by both the Executive Team and Trust Board.

Following the inspection of our hospitals by the Care Quality Commission in January 2014, the Trust Board approved a formal action plan to address the findings : progress against this plan has been monitored regularly by the Quality Assurance Committee on behalf of the Board during the year.

### ***Risk Assessment***

We operate a risk management process which enables the identification and control of risks at both a strategic and operational level. Central to this is our Risk Assessment Policy which sets out details of the risk assessment methodology used across the Trust. This methodology enables suitable, trained and competent members of staff to identify and quantify risks in their respective area and

to decide what action, if any, needs to be taken to reduce or eliminate risks. All risk assessments must be scored and recorded in line with the procedure set out in the Risk Assessment Policy. Completed risk assessments are held at Clinical Management Group and Corporate Directorate level and when they give rise to a significant residual risk must be linked to our risk register.

We use a common risk-scoring matrix to quantify and prioritise risks identified through the risk assessment procedure. It is based on the frequency or likelihood of the harm combined with the possible severity or impact of that harm. The arrangement determines at what level in the organisation a risk should be managed and who needs to be assured management arrangements are in place.

### **Annual Quality Account**

We are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. The Department of Health has issued guidance to NHS Trusts on the form and content of annual Quality Accounts which incorporates the above-mentioned legal guidance.

The Director of Clinical Quality, on behalf of the Chief Nurse, co-ordinates the preparation of our Annual Quality Account. This is reviewed in draft form by our Quality Assurance Committee, ahead of its eventual submission to the Trust Board for final review and adoption. In reviewing the draft Quality Account 2014/15, the Quality Assurance Committee has noted our internal controls and standards which underpin the Statement of Directors' responsibilities in respect of the Quality Account – which Statement is to be reviewed and signed by the Chairman and Chief Executive on behalf of the Board on 4<sup>th</sup> June 2015.

### **Review of the Effectiveness of Risk Management and Internal Control**

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors, Clinical Audit and the Executive Managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the draft Quality Account 2014/15 and other performance information available to me. My review is also informed by comments made by the External Auditors in their management letter and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, Integrated Finance, Performance and Investment Committee and Quality Assurance Committee. During 2014/15, each of these bodies has been involved in a series of processes that, individually and collectively, has contributed to the review of the effectiveness of the system of internal control.

In the Head of Internal Audit Opinion 2014/15, the Head of Internal Audit notes that Internal Audit have carried out eighteen reviews during the year which have resulted in one high-risk rated report – Governance around hosted services – Empath.

Empath was established by ourselves in partnership with Nottingham University Hospitals NHS Trust in 2013 to deliver pathology services through a Joint Venture Agreement.

Internal Audit's review identified concerns relating to non-compliance with a number of requirements stipulated within the Joint Venture Agreement; and in relation to financial management processes not working effectively.

We are taking action to address the high risk findings of Internal Audit and implementation of the actions in question will be reviewed by the Audit Committee during 2015/16.

The Head of Internal Audit is satisfied that sufficient internal audit work has been undertaken in 2014/15 to allow an opinion to be given as to the adequacy and effectiveness of governance, risk management and control. In giving this opinion, the Head of Internal Audit notes that assurance

can never be absolute – the most the Internal Audit service can provide is reasonable assurance that there are no major weaknesses in the system of internal control.

The Head of Internal Audit Opinion for 2014/15 is that improvement is required to enhance the adequacy and/or effectiveness of governance, risk management and control. I accept this finding and am committed to strengthening the internal control environment, as detailed in this Statement.

Using our Board Assurance Framework, which it reviews at each of its monthly public meetings, the Trust Board has also identified actions to mitigate other risks in the year in relation to:

- (a) progress in implementing our Quality Commitment;
- (b) implementing the Leicester, Leicestershire and Rutland emergency care improvement plan;
- (c) implementing our emergency care quality programme;
- (d) approving the emergency floor business case;
- (e) delivering the 'Referral to Treatment' improvement plan;
- (f) achieving effective patient and public involvement;
- (g) effectively implementing the Better Care Together strategy;
- (h) responding appropriately to specialised services specifications;
- (i) implementing network arrangements with partners;
- (j) developing an effective partnership with primary care and the Leicestershire Partnership NHS Trust;
- (k) meeting National Institute for Health Research performance targets;
- (l) retaining Biomedical Research Unit status;
- (m) providing consistently high standards of medical education;
- (n) a lack of effective partnership with universities;
- (o) adequately planning our workforce needs;
- (p) recruiting and retaining staff with appropriate skills;
- (q) improving levels of staff engagement;
- (r) effective leadership capacity and capability;
- (s) delivering our financial strategy (including cost improvement programmes);
- (t) delivering internal efficiency and productivity improvements;
- (u) maintaining effective relationships with stakeholders;
- (v) delivering the service and site reconfiguration programme and maintain the estate effectively;
- (w) implementing the IMT strategy and key projects effectively;
- (x) effectively implementing the Electronic Patient Record Programme.

Any changes in the current or target risk scores are highlighted to the Trust Board, and the Board also reviews and seeks assurances on the management actions in place to mitigate the identified risks.

## **Significant Control Issues**

### ***Key Financial Duties***

In respect of performance in 2014/15 against the key financial duties, we have :

- (a) delivered the planned deficit of £40.6m;
- (b) underspent against the (revised) External Financing Limit of £50.3m;
- (c) achieved the (revised) Capital Resource Limit of £50.5m.

At its meeting in July 2014, the Finance and Performance Committee (now Integrated Finance, Performance and Investment Committee) assessed the 'going concern' position of the Trust. The Committee's deliberations were aided by the preparation of a 2014/15 Working Capital Strategy, authored by the Interim Director of Finance.

The Committee endorsed the Working Capital Strategy, the key objectives of which were to:

- (i) maintain the cash balance as planned during 2014/15, including drawing down temporary and permanent borrowing and managing our other working capital balances;
- (ii) improve performance against the 'Better Payment Practice Code';
- (iii) achieve the External Financing Limit and Capital Resource Limit; and
- (iv) further develop monitoring and reporting processes to ensure that there were robust linkages between cash balances; revenue income and expenditure; and capital expenditure.

The Trust Board subsequently adopted the 2014/15 Working Capital Strategy at its meeting in August 2014, on the recommendation of the Finance and Performance Committee.

The Trust Board has also approved a 2015/16 Working Capital Strategy, at its meeting on 2<sup>nd</sup> April 2015.

The Board has agreed plans to deliver the agreed 2015/16 control total – a £36m deficit, which includes the delivery of a £43m Cost Improvement Programme. During 2015/16, the Board is to consider and approve our updated 5-year financial strategy which will set out the plan for the Trust to return the financial balance over the next four years.

### ***Emergency Care***

We failed to meet the A&E 4 hour standard in 2014/15, achieving performance of 89.1 per cent (88.4 per cent 2013/14). As a member of the Leicester, Leicestershire and Rutland Urgent Care Board, we are committed to working with our partners to improve performance against this standard in 2015/16, and have approved an action plan which includes components relating to:

- (a) demand management;
- (b) patient flow within A&E;
- (c) reducing emergency length of stay;
- (d) delayed transfers of care;
- (e) reducing ambulance turnaround times.

In parallel, the Trust Board has approved a Full Business Case for the development of a new Emergency Floor. This will significantly increase capacity to treat the number of patients attending the Trust and, subject to approval by the NHS Trust Development Authority, work will start in the Summer of 2015.

### ***Referral to Treatment Times (RTT)***

We have a Referral to Treatment (RTT) 18-week target. The target is that 90 per cent of admitted patients (patients requiring inpatient or day case treatment), 95 per cent of non-admitted patients (patients treated in an outpatient setting) and 92 per cent 'incompletes' (patients still waiting for treatment) are treated within 18 weeks.

We have faced challenges in meeting the targets during the year. Plans have been implemented by the Clinical Management Groups to address the delivery challenges which are being supported by additional use of the independent sector; ongoing validation of all RTT records; and additional in-house activity within hours and at weekends.

The plans agreed with the local Clinical Commissioning Groups for 2014/15 involved us treating considerably more patients than previously. Nevertheless, at the end of the financial year we achieved the 18-week targets for non-admitted and 'incompletes'; and we expect to achieve compliance with the admitted standard in quarter one 2015/16.

The accuracy of reporting RTT performance against targets is important not just for patient care and for monitoring by ourselves and by NHS England, but also for discussions with commissioners in the wider health economy.

Accordingly, we commissioned Internal Audit to carry out a review of the quality and accuracy of elective waiting time data and the risks to the quality and accuracy of this data.

Internal Audit's review has identified opportunities to make improvements in our processes and actions have been agreed to implement Internal Audit's recommendations during 2015/16.

### ***Cancer waiting time targets***

This year we have seen a significant increase in the number of patients being referred with suspected cancer. This has caused us a major challenge to delivering the national cancer standards. At the end of the financial year, we were almost compliant with the two week wait cancer standard (92.2 per cent performance against a target of 93 per cent); while compliance with the 31 day and 62 cancer waiting times standard is projected for June and July 2015, respectively.

### ***Contractual dispute***

We are in dispute with our facilities management contractor, Interserve, in respect of a number of issues. The contractual process for resolving these issues is in progress. We have reviewed our position and we are obtaining legal advice to inform our approach.

### ***Conclusion***

My review confirms that the University Hospitals of Leicester NHS Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives. The Trust recognises that the internal control environment can always be strengthened and this work will continue in 2015/16, as described above.

In addition to the specific issues identified above, further work will also be carried out in 2015/16 to review and strengthen our governance, risk management and internal control systems, policies and procedures. This work will contribute to our aim of submitting an application for authorisation as an NHS Foundation Trust in accordance with a timetable to be agreed with the NHS Trust Development Authority.

Signed.....

Chief Executive (on behalf of the Trust Board)

Date .....

### Trust Board and Committee attendance 2014-15

<b>Name</b>	<b>Trust Board</b> maximum – 13	<b>Audit Committee</b> maximum – 6	<b>Finance and Performance Committee</b> maximum – 12	<b>Quality Assurance Committee</b> maximum – 12	<b>Remuneration Committee</b> maximum – 6	<b>Charitable Funds Committee</b> Maximum – 5
Karamjit Singh – Chairman <b>(1)</b>	6/6	N/A	5/6	5/6	2/2	0/2
Richard Kilner – Acting Chairman <b>(2)</b>	7/7	N/A	6/6	N/A	4/4	1/3
Ian Crowe – Non-Executive Director <b>(3)</b>	12/13	5/6	11/12	4/6	6/6	2/5
Sarah Dauncey – Non-Executive Director <b>(4)</b>	11/13	3/4	4/5	11/12	5/6	0/5
Kiran Jenkins – Non-Executive Director <b>(5)</b>	4/4	2/2	N/A	N/A	2/2	0/2
Richard Moore – Non-Executive Director Designate <b>(6)</b>	1/1	1/1	1/1	0/1	0	0/2
Prakash Panchal – Non-Executive Director <b>(7)</b>	12/13	6/6	1/5	8/12	3/6	5/5
Martin Traynor – Non-Executive Director <b>(8)</b>	6/6	3/3	5/6	2/6	2/2	0/2
Mike Williams – Interim Non-Executive Director <b>(9)</b>	6/6	3/3	3/6	2/6	2/2	0/3
Jane Wilson – Non-Executive Director	10/13	3/3	11/12	10/12	4/6	1/5
David Wynford-Thomas – Non-Executive Director <b>(10)</b>	6/13	0/3	0/6	3/11	2/6	0/5
John Adler – Chief Executive	11/13	N/A	11/12	10/12	5/6	N/A
Kate Bradley – Director of Human Resources <b>(11)</b>	10/10	N/A	N/A	N/A	5/5	N/A

<b>Name</b>	<b>Trust Board</b> maximum – 13	<b>Audit Committee</b> maximum – 6	<b>Finance and Performance Committee</b> maximum – 12	<b>Quality Assurance Committee</b> maximum – 12	<b>Remuneration Committee</b> maximum – 6	<b>Charitable Funds Committee</b> Maximum – 5
Kevin Harris – Medical Director <b>(12)</b>	12/13	N/A	N/A	N/A	N/A	N/A
Peter Hollinshead – Interim Director of Financial Strategy <b>(13)</b>	4/4	2/2	3/3	N/A	N/A	1/2
Richard Mitchell – Chief Operating Officer	12/13	N/A	11/12	N/A	N/A	N/A
Rachel Overfield – Chief Nurse <b>(14)</b>	12/12	N/A	N/A	9/11	N/A	2/5
Simon Sheppard – Acting Director of Finance <b>(15)</b>	4/4	1/1	4/4	N/A	N/A	1/2
Emma Stevens Acting Director of Human Resources <b>(16)</b>	3/3	N/A	N/A	N/A	2/2	N/A
Paul Traynor – Director of Finance <b>(17)</b>	5/5	3/3	5/5	N/A	N/A	1/2
Carole Ribbins – Acting Chief Nurse <b>(18)</b>	1/1	N/A	N/A	1/1	N/A	N/A
Andrew Seddon – Director of Finance and Business Services <b>(19)</b>	-	-	-	-	-	-
Kate Shields – Director of Strategy	13/13	N/A	7/12	N/A	N/A	0/5
Stephen Ward – Director of Corporate and Legal Affairs	13/13	5/6	N/A	N/A	6/6	4/5
Mark Wightman – Director of Marketing and Communications	13/13	N/A	N/A	N/A	N/A	4/5

**Notes:-**

- (1) Trust Chairman from 1 October 2014
- (2) Left the Trust 30 September 2014
- (3) Audit Committee member from 30 January 2014
- (4) Non-Executive Director from 2 October 2014
- (5) Non-Executive Director until 30 June 2014
- (6) Joined as a Non-Executive Director designate February 2015, substantively from 1 April 2015
- (7) Non-Executive Director until 31 March 2015
- (8) Non-Executive Director from 2 October 2014
- (9) Left the Trust 31 March 2015
- (10) Non-Executive Director until 28 February 2015
- (11) Left the Trust 31 December 2014
- (12) Stepped down as of 31 March 2015
- (13) Left the Trust 18 July 2014
- (14) Left the Trust 28 February 2015
- (15) Left the Trust 31 October 2014
- (16) Acting Director of Human Resources from 1 January 2015
- (17) Joined the Trust 3 November 2014
- (18) Acting Chief Nurse from 1 March 2015
- (19) Left the Trust 13 April 2014