

TRUST BOARD

Date of Meeting: 06/09/2011	Agenda Item No: 7.1	Enclosure: 9
Intended Outcome:		
For noting ✓	For information	For decision
Title of Report: Annual Governance Report Update		
Aims: To update the Trust Board on the key issues arising from the 2010/11 Annual Governance Report prepared by the Trusts external auditors, the Audit Commission.		
Executive Summary: <p>The Annual Governance Report (Appendix 1) which has been considered by the Trusts Audit Committee, provides the Trust with an unqualified opinion on its main Financial Statements and a qualified opinion on its delivery of Value for Money. The qualification is based upon the challenges associated with cost improvement delivery and the need to secure strategic support funding.</p> <p>The report also highlights a series of recommendations which will be delivered operationally by the Director of Finance and performance managed through the Trust's Audit Committee. The key recommendations indicate;</p> <ul style="list-style-type: none"> • The Trust must ensure that the financial statements and related disclosure notes are consistent with the underlying information and compliant with the requirements of the relevant accounting standards and the NHS Manual for Accounts. • The Trust should improve quality assurance processes to ensure that any errors in the financial statements and the underlying records are identified and corrected prior to the accounts being submitted for audit. • The Trust should ensure that payments associated with back to back equal value claims are recovered promptly from the PCT and that these transactions are properly recorded and accounted for including agreeing the balances with the PCT. • The Trust must resolve the differences regarding disputed amounts as soon as possible in order to minimise the risk that these monies are not paid and the Trust has an even bigger deficit to cover. • Trust management should ensure that they have sufficient information to support all significant accounting estimates at the beginning of the audit. 		
Specific implications and links to the Trust's Strategic Aims:		
Ensure we provide high quality, safe and effective care for all our patients including meeting essential standards of safety and quality as set out by the CQC		✓
Develop a viable integrated clinical strategy for secondary care services which is sustainable and affordable		
Develop a new healthcare facility in West Cumbria that is fit for the 21st century		
Achieve sustainable financial balance through the delivery of the Trust's internal Cost Improvement Programme, securing a viable contract income from our GP commissioners and contributing to the system wide cost reductions		
To develop and implement a successful merger or acquisition plan that enables the Trust to become part of an existing NHS Foundation Trust		
Recommendations: For the Trust Board to note the AGR, as reviewed by the Audit Committee and to note that the recommendations will be operationally delivered by the Director of Finance with performance management of delivery through the Audit Committee.		
Prepared by: Alistair Mulvey, Director of Finance/Deputy Chief Executive	Presented by: Alistair Mulvey, Director of Finance/Deputy Chief Executive	