

# North Cumbria University Hospitals

NHS Trust

**MINUTES OF A PUBLIC TRUST BOARD  
MEETING HELD ON  
WEDNESDAY, 3 JUNE 2015 AT 9.00AM IN  
THE BOARD ROOM, CUMBERLAND  
INFIRMARY, CARLISLE**

**Present:** Ms G Tiller, Chair  
Ms L Robson, Non Executive Director  
Mr M Cook, Non Executive Director  
Mr N Mundy, Board Advisor/Interim Audit Chair  
Mrs A Farrar, Chief Executive  
Mr S Shanahan, Director of Finance  
Dr J Rushmer, Medical Director  
Dr D Freake, Director of Strategy

**In Attendance:** Mrs H McDonnell, Assistant Director of Finance  
Mrs J Stockdale, Head of Corporate Affairs/Acting Company Secretary

## **TBP32/15 APOLOGIES AND DECLARATIONS OF INTEREST**

Apologies for absence were received from Mrs R Duguid, Mrs H Ray, Mrs G Naylor, Professor R Barton and Mr L Morgan.

Declarations of interest were declared by Mrs A Farrar, Dr J Rushmer and Dr D Freake, as secondees from Northumbria Healthcare NHS Foundation Trust, and a declaration from Dr Freake as a partner of Gibson, Freake Edge.

Mr Mundy also declared an interest as Non Executive Director and Chair of Audit Committee and IM&T Committee of Northumbria Healthcare NHS Foundation Trust.

## **TBP33/15 ANNUAL ACCOUNTS 2014/15**

Mr Mundy presented the Annual Accounts for 2014/15 to the Board. He reported that an Audit Committee had been held the previous evening with the Trust's External Auditors and Internal Auditors, at which the Annual Accounts had been adopted and recommended for Board approval.

The opinion of the Head of Internal Audit had been reported to the Board earlier on the 2<sup>nd</sup> June 2015.

Mr Mundy was pleased to report that all the internal control issues from the previous year had been dealt with and the External Auditors were to issue an unqualified opinion in relation to the financial statements.

Mr Mundy drew attention to an adjustment, which Management has decided, not to process in the final set of financial accounts. It relates to the PFI Contract: although the External Auditors and he understood the Board's position, they were of the opinion that in the absence of formal agreement by the PFI provider the sum currently "netted off" in the accounts should not be treated as income in the 2014/15 Accounts. However, as the sum is not material, they had confirmed that this would not affect their opinion.

In relation to Value for Money: the External Auditors had highlighted issues which gave rise to a qualified adverse conclusion due to the deficit from the previous year and the forecast for the current year; the cost improvement programme not being achieved within the last year; cash flow issues and the Better Payments Code not being matched (despite this being better than the previous year).

There was one issue still to be finalised before the External Auditors could file the accounts, as follows:

- Critical Judgements in applying accounting policies – Section 1.4.1:  
The Audit Committee had debated the wording in relation to 'the Trust's ability to continue as a going concern' and the External Auditor had provided a suggested form of words. The TDA and Trust had still to agree that wording however Mr Mundy was confident that this would be resolved to everyone's satisfaction and would not affect the Auditor's opinion.

Mr Mundy outlined the content Letter of Representation, which the Audit Committee had reviewed with the Auditors.

He informed the Board that the Audit Committee would be considering an action plan, at its next meeting, in relation to the recommendations set out in the External Auditors and Internal Auditors Reports.

Following discussion, and a recommendation from the Audit Committee, the Board **APPROVED** the Annual Accounts for 2014/15 and the Letter of Representation.

On behalf of the Audit Committee, Mr Mundy extended his sincere thanks and appreciation for all the hard work undertaken on the accounts by Mr Shanahan, Mr Gardiner, Mrs McDonnell and the Finance Team; to the Auditors for their continued highly valued role working with the Trust and to Audit Committee colleagues.

**There being no further business to discuss, the meeting closed at 9.30am.**