

Board of Directors (in Public)

Item 2.1.3

Subject: Approval of Annual Report and Accounts 2016/17
Date of meeting: 30th May 2017
Prepared by: Claire Wilson/Chief Finance Officer
Presented by: Claire Wilson/Chief Finance Officer

BAF Ref	Impact on BAF
3.1	N/A

1. Introduction

As required by the NHS Act 2016, the Trust has prepared Annual Accounts; Foundation Trust Consolidation schedules (FTCs) and an Annual Report in accordance with the Department of Health Group Reporting Manual (DH GAM). The accounts were submitted to NHS Improvement and to Grant Thornton UK LLP, the Trusts external auditors on 26th April 2017.

Following the completion of the external audit, the final audited version of these documents are required to be submitted to NHS Improvement before 12.00 noon on 31st May 2017.

Following review by the Audit Committee, the Board of Directors is asked to approve the annual accounts as presented and authorise the Chief Executive to sign the letter of representation on behalf of the Board.

4. External Audit

Grant Thornton UK LLP has issued an unqualified opinion on the financial statements. All adjustments to bring the statements in line with the appropriate disclosure requirements and to improve the presentation of the accounts have been acted upon by the Trust.

5 Recommendations

Following review by the Audit Committee, the Board of Directors is asked to

- approve the annual report and accounts for the year 31st March 2017.
- Authorise the Chief Executive to sign the Management Representation Letter (annex 1)

*****LHCH Letterhead*****

Grant Thornton UK LLP
Royal Liver Building
Liverpool
L3 1PS

30 May 2017

Dear Sirs

Liverpool Heart and Chest NHS Foundation Trust

Group Financial Statements for the year ended 31 March 2017

This representation letter is provided in connection with the audit of the group financial statements of Liverpool Heart and Chest NHS Foundation Trust and its subsidiary undertaking, Liverpool Heart and Chest Hospital Charity for the year ended 31 March 2017 for the purpose of expressing an opinion as to whether the group and parent Trust financial statements give a true and fair view in accordance with International Financial Reporting Standards and the accounting policies detailed in the NHS Foundation Trust Annual Reporting Manual (the ARM) issued by NHS England.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Group Financial Statements

- i As Trust Board members we have fulfilled our responsibilities under the National Health Services Act 2006 for the preparation of group and parent Trust financial statements in accordance with the ARM, the Department of Health Group Accounting Manual 2016-17 (GAM) and International Financial Reporting Standards which give a true and fair view in accordance therewith.
- ii We have complied with the requirements of all statutory directions affecting the group and parent Trust and these matters have been appropriately reflected and disclosed in the financial statements.
- iii The Trust has complied with all aspects of contractual agreements that could have a material effect on the group and parent Trust financial statements in the event of non-compliance. There has been no non-compliance with requirements of the Care Quality Commission or other regulatory authorities that could have a material effect on the group and parent Trust financial statements in the event of non-compliance.

- iv We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
- v Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- vi We are satisfied that the material judgements used in the preparation of the group and parent Trust financial statements are soundly based, in accordance with International Financial Reporting Standards and the GAM, and adequately disclosed in the financial statements. There are no other material judgements that need to be disclosed.
- vii Except as disclosed in the financial statements:
 - a there are no unrecorded liabilities, actual or contingent
 - b none of the assets of the group or parent Trust has been assigned, pledged or mortgaged
 - c there are no material prior year charges or credits, nor exceptional or non-recurring items requiring separate disclosure.
- viii Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the GAM.
- ix All events subsequent to the date of the group financial statements and for which International Financial Reporting Standards and the GAM requires adjustment or disclosure have been adjusted or disclosed.

The group and parent Trust financial statements are free of material misstatements, including omissions.

- x In calculating the amount of income to be recognized in the financial statements from other NHS organisations we have applied judgement, where appropriate, to reflect the appropriate amount of income expected to be received by the group and parent Trust in accordance with the International Financial Reporting Standards and the GAM.
- xi Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the GAM.
- xii We acknowledge our responsibility to participate in the Department of Health's agreement of balances exercise and have followed the requisite guidance and directions to do so. We are satisfied that the balances calculated for the Trust ensure the group and parent Trust financial statements and consolidation schedules are free from material misstatement, including the impact of any disagreements.
- xiii We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the group and parent Trust financial statements.

Information Provided

- xiv We have provided you with:
 - a. access to all information of which we are aware that is relevant to the preparation of the group and parent Trust financial statements such as records, documentation and other matters;
 - b. additional information that you have requested from us for the purpose of your audit; and
 - c. unrestricted access to persons within the group and parent Trust from whom you determined it necessary to obtain audit evidence.
- xv We have communicated to you all deficiencies in internal control of which management is aware.
- xvi All transactions have been recorded in the accounting records and are reflected in the group and parent Trust financial statements.
- xvii We have disclosed to you the results of our assessment of the risk that the group and parent Trust financial statements may be materially misstated as a result of fraud.
- xviii We have disclosed to you all our knowledge of fraud or suspected fraud affecting the group and parent Trust involving:
 - a. management;
 - b. employees who have significant roles in internal control; or
 - c. others where the fraud could have a material effect on the group financial statements.
- xix We have disclosed to you all our knowledge of any allegations of fraud, or suspected fraud, affecting the group and parent Trust financial statements communicated by employees, former employees, regulators or others.
- xx We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing group and parent Trust financial statements.
- xxi We have disclosed to you the identity of all of the group's and the parent Trust's related parties and all the related party relationships and transactions of which we are aware.
- xxii We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the group and parent Trust financial statements.

Annual Report

- xxiii The disclosures within the Annual Report fairly reflect our understanding of the group's and the parent Trust's financial and operating performance over the period covered by the group financial statements.

Annual Governance Statement

xxiv We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Trust's risk assurance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS.

Approval

The approval of this letter of representation was minuted by the Trust's Audit Committee at its meeting on 19 May 2017.

Yours faithfully

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

Signed on behalf of the Board