

**Board of Directors (public)**  
**Item 6.3**

**Board  
Report**

**Subject:** Board Self-Certifications 2015  
**Date of Meeting:** 26<sup>th</sup> May 2015  
**Prepared by:** Lucy Lavan, Associate Director of Corporate Affairs  
**Presented by:** Lucy Lavan, Associate Director of Corporate Affairs

Data Quality Rating	BAF Ref	Impact on BAF
n/a	all	n/a

**1. Executive Summary**

In accordance with Monitor's *Risk Assessment Framework*, the Board of Directors is required to complete and submit to Monitor two self-certification templates as follows:

- Declaration of compliance with General condition 6 of the NHS provider licence - due 29 May 2015 (Appendix 1)
- Declaration of compliance with the corporate governance statement, AHSCs and training of governors - due 30 June 2015 (Appendix 2)

**2. General Condition 6**

General Condition 6 states that:

*The Licensee shall take all reasonable precautions against the risk of failure to comply with:*

- (a) the Conditions of this Licence,*
- (b) any requirements imposed on it under the NHS Acts, and*
- (c) the requirement to have regard to the NHS Constitution in providing health care services for the purposes of the NHS*

The Trust has in place robust systems for ensuring compliance with licence conditions. In March 2015, the Audit Committee undertook a comprehensive review of compliance with the provider licence and continues to review on a quarterly basis, an updated compliance checklist of key provisions with the aim of confirming continued compliance and / or identifying any emerging risks. The Board's governance arrangements including the Committee structure support compliance and risks are escalated to the Board with any gaps in controls and assurances reflected in the Board Assurance Framework.

On an annual basis the Board receives a comprehensive report on compliance with the requirements of the NHS Constitution. This report will be considered by the Quality Committee on 19<sup>th</sup> May 2015, before receipt by the Board at its May meeting.

The Board is asked to consider the attached declarations of compliance (Appendix 1), confirm its satisfaction with the systems in place for compliance with license conditions and support the recommended responses of 'confirmed', noting the inclusion of a suggested explanatory note in relation to the Trust's failure to comply with the 18 week RTT target in Quarters 2-4 of 2014/15.

### **3. Corporate Governance Statement**

In order to comply with the governance conditions of the licence, the Board is required to provide a 'corporate governance statement' (Appendix 2) setting out any risks to compliance with the governance condition and actions taken or being taken to maintain future compliance. In respect of each statement, the Board must respond '*confirmed*' or '*not confirmed*', setting out any risks and planned mitigating actions. Any responses of '*not confirmed*' must include explanatory information and may prompt further investigation by Monitor.

It is critical that the Board is satisfied with the controls and assurances in place to support the Corporate Governance Statement as Monitor could call into question the self-declaration process, in the event that there is a breach or potential risk of breach of the governance conditions within the provider licence.

In order to inform the Board's self-certification process, Mersey Internal Audit Agency (MIAA) was asked to review the adequacy and sufficiency of evidence available to support each of the statements and to provide an assurance report to the Board on these. MIAA also reviewed progress on actions identified by KPMG in the previous Corporate Governance Statement review, undertaken in 2014.

MIAA's report is attached (Appendix 3) for the Board's consideration. There are two amber rated assessments and a number of recommended actions but in conclusion, the review found that '*taking into account the issues identified, the Board can take reasonable assurance that the processes upon which the organisation relies for preparing and assessing compliance with the Corporate Governance Statement are appropriately designed and consistently applied.*'

The Board is asked to consider the attached declarations of compliance (Appendix 2), confirm its satisfaction with the assurance provided by MIAA in relation to its evaluation of the adequacy and sufficiency of evidence provided in respect of each statement and support the recommended responses of 'confirmed', noting the inclusion of a suggested explanatory note (Statement 4) in relation to the action plan in place to achieve sustained compliance with the RTT target from Quarter 2.

### **4. Academic Health Science Centres and Training of Governors**

The Board is required to declare compliance with other certifications relating to AHSCs and training of governors.

The Trust is not involved in a major joint venture or Academic Health Science Centre (AHSC) and therefore it is recommended that this statement is certified as '*confirmed*'. As in previous year's, narrative has been included to note the Trust's involvement in Liverpool Health Partners, but this does not meet Monitor's definition of an AHSC.

The Board has previously received assurance on the provision of training to Governors in 2014/15, through the annual review of the Council of Governors undertaken in November 2014 and as part of the review of compliance with Monitor's Code of Governance (March 2015) and disclosures within the Trust's annual reports. In March 2015, a paper on the Board certifications was presented to the Council of Governors and this included a summary of the training provided to Governors in the last 12 months. Governors confirmed their satisfaction with the training provided. It is recommended that this statement is certified as '*confirmed*'.

The Board should note that in March 2015, the Council of Governors was invited to review the Board declarations and give views for the Board to consider. No issues were raised.

## **5. Recommendation**

The Board of Directors is asked to :

- i) Review the Board declarations in relation to General Condition 6 (Appendix 1) ) and support the recommendation that both statements can be '*confirmed*', with inclusion of the suggested narrative in relation to RTT, for submission to Monitor by 29<sup>th</sup> May 2015
- ii) Review the external assurance report provided by MIAA and schedule of supporting evidence underpinning the 2015 Corporate Governance Statement (Appendix 3) ;
- iii) Review the Corporate Governance Statement (Appendix 2) and support the recommendation that all statements can be '*confirmed*' (with inclusion of proposed narrative on RTT action plan – Statement 4) ; and / or identify any further assurances required; and/ or further risks and mitigations to be declared to Monitor as part of the self- certification submission at the end of June 2015.