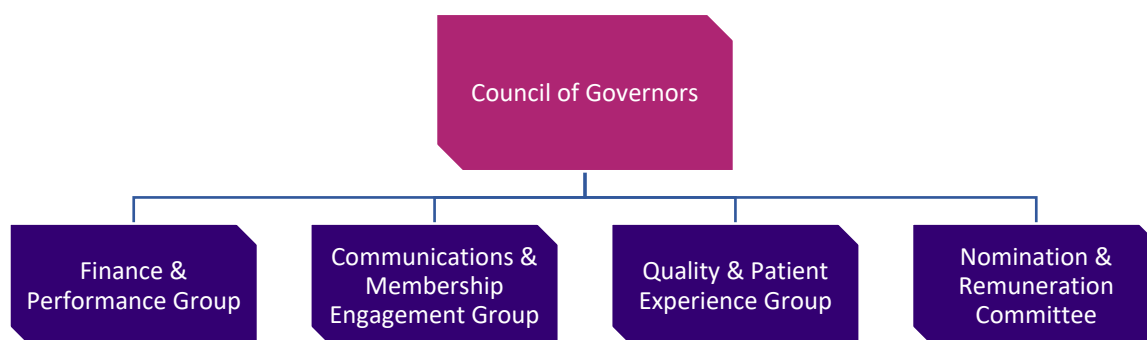


Council of Governors

28 July 2022, 5.30pm
Blair Bell Lecture Theatre &
Virtual Meeting, via Teams



Council of Governors - Public

Location	Blair Bell Lecture Theatre and Virtual via Teams
Date	28 July 2022
Time	5.30pm

AGENDA					
Item no. 22/23/	Title of item	Objectives/desire d outcome	Process	Item presente r	Time
PRELIMINARY BUSINESS					
025	Introduction, Apologies & Declaration of Interest	Receive apologies & declarations of interest	Verbal	Chair	17.30 (5 mins)
026	Meeting Guidance Notes	To receive the meeting attendees' guidance notes	Written	Chair	
027	Minutes of the meeting held on 12 May 2022	Confirm as an accurate record the minutes of the previous meeting	Written	Chair	
028	Action Log and matters arising	Provide an update in respect of on-going and outstanding items to ensure progress	Written	Chair	
029	Annual Report and Accounts 2021/22	To note the Annual Report and accounts and report from the Auditors	Written / Presentation	Trust Secretary / External Auditor	1735 (10 mins)
030	Chair's announcements	Announce items of significance not found elsewhere on the agenda	Presentation	Chair	17.45 (5 mins)
031	Chief Executive Report	Report key developments and announce items of significance not found elsewhere on the agenda	Presentation	Chief Executive	17.50 (5 mins)
MATTERS FOR CONSIDERATION					
032	Draft Minutes from the Governor Group Meetings. <ul style="list-style-type: none"> Finance and Performance Group Quality and Patient Experience Group. 	Receive minutes for assurance	Written	Group Chairs	17.55 (15 mins)

	<ul style="list-style-type: none"> Communications and Membership Engagement Group 				
033	2021 Staff Survey Results and Response	To discuss	Written	PPF Chair and Chief People Officer	18.10 (50 mins)
CONCLUDING BUSINESS					
034	Review of risk impacts of items discussed	Identify any new risk impacts	Verbal	Chair	19.00 (5 mins)
035	Chair's Log	Identify any Chair's Logs	Verbal	Chair	
036	Any other business & Review of meeting	Consider any urgent items of other business	Verbal	Chair	
037	Jargon Buster	For information and reference	Written	Chair	
Finish Time: 19.05					

Date of Next Meeting: 10 November 2022

Meeting attendees' guidance

Under the direction and guidance of the Chair, all members are responsible for ensuring that the meeting achieves its duties and runs effectively and smoothly.

Before the meeting

- Consider the most appropriate format for your meeting i.e. physical, virtual or hybrid. There are advantages and disadvantages to each format, and some lend themselves to particular meetings better than others. Please seek guidance from the Corporate Governance Team if you are unsure.

General considerations:

- Submit any reports scheduled for consideration at least 8 days before the meeting to the meeting administrator. Remember to try and answer the 'so what' question and avoid unnecessary description. It is also important to ensure that items/papers being taken to the meeting are clear and provide a proposal/recommendation to reduce unnecessary discussion time at the meeting.
- Ensure your apologies are sent if you are unable to attend and *arrange for a suitable deputy to attend in your absence
- Prepare for the meeting in good time by reviewing all reports
- Notify the Chair in advance of the meeting if you wish to raise a matter of any other business

*some members may send a nominated representative who is sufficiently senior and has the authority to make decisions. Refer to the terms of reference for the committee/subcommittee to check whether this is permitted.

Virtual / Hybrid Meetings via Microsoft Teams and other digital platforms

- For the Chair / Administrators:
 - Ensure that there is a clear agenda with breaks scheduled if necessary
 - Make sure you have a list of all those due to attend the meeting and when they will arrive and leave.
 - Have a paper copy of the agenda to hand, particularly if you are having to host/control the call and refer to the rest of the meeting pack online.
 - If you are the host or leader for the call, open the call 10-15 minutes before the start time to allow everyone to join in an orderly way, in case there are any issues.
 - At the start of the call, welcome everyone and run a roll call/introduction - or ask the meeting administrator to do this. This allows everyone to be aware of who is present.
 - Be clear at the beginning about how long you expect the meeting to last and how you would like participants to communicate with you if they need to leave the meeting at any point before the end.
- General Participants
 - Arrive in good time to set up your laptop/tablet for the virtual meeting
 - Switch mobile phone to silent
 - Mute your screen unless you need to speak to prevent background noise
 - Only the Chair and the person(s) presenting the paper should be unmuted
 - Remember to unmute when you wish to speak

- Use headphones if preferred
- Use multi electronic devices to support teams.
- You might find using both mobile and laptops is useful. One for Microsoft teams and one for viewing papers

At the meeting

General Considerations:

- For the Chair:
 - The chair will assume that all members come prepared to discuss agenda items having read through supporting papers, this obviates the need for leads to take up valuable time presenting their papers.
 - The chair will allow a free ranging debate and steer discussions to keep members on track whilst at the same time not being seen to overly influence the outcome of the debate.
 - The chair will provide a brief summary following presentation and discussion of the paper, confirming any key risks and / or assurances identified and whether there are any matters for the Chair's log.
 - The chair will question leads when reports have not been submitted within the Trust's standard template or within the required timeframe.
 - Ensure that correct people are in the room to 'form the meeting' with other attendees invited to attend only when presenting their item.
- General Participants:
 - Focus on the meeting at hand and not the next activity
 - Actively and constructively participate in the discussion
 - Think about what you want to say before you speak; explain your ideas clearly and concisely and summarise if necessary
 - Make sure your contributions are relevant and appropriate
 - Respect the contributions of other members of the group and do not speak across others
 - Ensure you understand the decisions, actions, ideas and issues agreed and to whom responsibility for them is allocated
 - Do not use the meeting to highlight issues that are not on the agenda that you have not briefed the chair as AoB prior to the meeting
 - Re-group promptly after any breaks
 - Take account of the Chair's health, safety and fire announcements (fire exits, fire alarm testing, etc)
 - Consent agenda items, taken as read by members and the minutes will reflect recommendations from the paper. Comments can still be made on the papers if required but should be flagged to the Chair at the beginning of the meeting.

Virtual / Hybrid Meetings via Microsoft Teams and other digital platforms

- For the Chair:
 - Make sure everyone has had a chance to speak, by checking at the end of each item if anyone has any final points. If someone has not said anything you might ask them by name, to ensure they have not dropped off the call or assist them if they have not had a chance to speak. In hybrid meetings, it can be useful to ask the 'virtual' participants to speak first.

- Remember to thank anyone who has presented to the meeting and indicate that they can leave the meeting. It can be easy to forget this if you can't see them.
- General Participants:
 - Show conversation: open this at start of the meeting.
 - This function should be used to communicate with the Chair and flag if you wish to make comment
 - Screen sharing
 - If you wish to share a live document from your desktop click on share and identify which open document you would like others to view

Attendance

Members are expected to attend at least 75% of all meetings held each year

After the meeting

- Follow up on actions as soon as practicably possible
- Inform colleagues appropriately of the issues discussed

Standards & Obligations

1. All documentation will be prepared using the standard Trust templates. A named person will oversee the administrative arrangements for each meeting
2. Agenda and reports will be issued 7 days before the meeting
3. An action schedule will be prepared and circulated to all members 5 days after the meeting
4. The draft minutes will be available at the next meeting
5. Chair and members are also responsible for the committee/ subcommittee's compliance with relevant legislation and Trust policies
6. It is essential that meetings are chaired with an open and engaging ethos, where challenge is respectful but welcomed
7. Where consensus on key decisions and actions cannot be reached this should be noted in the minutes, indicating clearly the positions of members agreeing and disagreeing – the minute should be sufficiently recorded for audit purposes should there need to be a requirement to review the minutes at any point in the future, thereby safeguarding organisational memory of key decisions
8. Committee members have a collective duty of candour to be open and honest both in their discussions and contributions and in proactively at the start of any meeting declaring any known or perceived conflicts of interest to the chair of the committee
9. Where a member of the committee perceives another member of the committee to have a conflict of interest, this should be discussed with the chair prior to the meeting
10. Where a member of the committee perceives that the chair of the committee has a conflict of interest this should be discussed with the Trust Secretary
11. Where a member(s) of a committee has repeatedly raised a concern via AoB and subsequently as an agenda item, but without their concerns being adequately addressed the member(s) should give consideration to employing the Whistle Blowing Policy
12. Where a member(s) of a committee has exhausted all possible routes to resolve their concerns consideration should be given (which is included in the Whistle Blowing Policy) to contact the Senior Independent Director to discuss any high-level residual concerns. Given the authority of the SID it would be inappropriate to escalate a non-risk assessed issue or a risk assessed issue with a score of less than 15

13. Towards the end of the meeting, agendas should carry a standing item that requires members to collectively identify new risks to the organisation – it is the responsibility of the chair of the committee to ensure, following agreement from the committee members, these risks are documented on the relevant risk register and scored appropriately

Speak well of NHS services and the organisation you work for and speak up when you have Concerns

Page 129 Handbook to the NHS Constitution 26th March 2013

Council of Governors

Minutes of the Council of Governors
held in the Neonatal Seminar Room and Virtually at 1730hrs on Thursday 12 May 2022

PRESENT

Robert Clarke	Chair
Iris Cooper	Public Governor (Rest of England and Wales)
Pat Denny	Public Governor (Central Liverpool)
Patricia Hardy	Appointed Governor (Sefton Council)
Cllr Lucille Harvey	Appointed Governor (Liverpool Council)
Evie Jefferies	Public Governor (Rest of England & Wales)
Pauline Kennedy	Staff Governor (Midwives)
Rebecca Lunt	Staff Governor (Scientists, Technicians & AHPs)
Sara Miceli-Fagrell	Public Governor (South Liverpool)
Peter Norris	Public Governor (Central Liverpool)
Ruth Parkinson	Public Governor (Central Liverpool)
Jane Rooney	Appointed Governor (Education Institutions)
Niki Sandman	Appointed Governor (University of Liverpool)
Jackie Sudworth	Public Governor (Knowsley)
Miranda Threfall-Holmes	Appointed Governor (Faith Organisations)

IN ATTENDANCE

Jackie Bird	Non-Executive Director
Matt Connor	Chief Information Officer
Tracy Ellery	Non-Executive Director
Marie Forshaw	Chief Nurse & Midwife
Lynn Greenhalgh	Medical Director
Mark Grimshaw	Trust Secretary
Louise Hope	Assistant Trust Secretary (minutes)
Eva Horgan	Chief Finance Officer
Gloria Hyatt	Non-Executive Director
Louise Martin	Non-Executive Director
Catherine McClennan	Director of Cheshire and Merseyside Women's Health & Maternity (WHaM) Programme
Susan Milner	Non-Executive Director
Tony Okotie	Non-Executive Director
Gary Price	Chief Operations Officer
Kathryn Thomson	Chief Executive
Michelle Turner	Chief People Officer
Sarah Walker	Non-Executive Director

APOLOGIES:

Carol Darby-Darton	Public Governor (Central Liverpool)
Carol Didlick	Public Governor (South Liverpool)
Annie Gorski	Public Governor (Sefton)
Kate Hindle	Staff Governor (Admin & Clerical)
Rebecca Holland	Staff Governor (Nurses)
Kiran Jilani	Staff Governor (Doctors)
Yaroslav Zhukovskyy	Public Governor (Sefton)

Core members	May	July	Nov	Feb
Peter Norris	✓			
Carol Darby-Darton	x			
Pat Denny	✓			
Ruth Parkinson	✓			
Sara Miceli-Fagrell	✓			
Carol Didlick	A			
Yaroslav Zhukovskyy	A			
Annie Gorski	A			
Jackie Sudworth	✓			
Evie Jefferies	✓			
Iris Cooper	✓			
Kiran Jilani	A			
Rebecca Holland	A			
Pauline Kennedy	✓			
Rebecca Lunt	✓			
Kate Hindle	A			
Cllr Lucille Harvey	✓			
Cllr Patricia Hardy	✓			
Niki Sandman	✓			
Rev Dr Miranda Threfall-Holmes	✓			
Jane Rooney	✓			

22/23/	
01	Introduction, Apologies & Declaration of Interest Apologies: noted above. Declaration of Interest: No new declarations received.
02	Meeting Guidance Notes Noted.
03	Minutes of previous meeting held on 11 November 2021 & 10 February 2022 The minutes of the previous meetings were reviewed by the Committee and agreed as an accurate record.
04	Action Log and matters arising The action log was noted.
05	Chair's announcements The Chair noted the following: <ul style="list-style-type: none"> • Key headlines from Trust Board Meeting held 05 May 2022 • National Call with National Chief Midwife held 05 May 2022 • Attended Liverpool against Racism conference on 26 April 2022. An externally facilitated Board development session had been planned to take place in June 2022 on how to progress EDI and cultural development within the Trust. • Potential for a briefing session for Governors on the progress with Future Generations in the last week of June 2022. • Sub-Group membership shared. It was clarified that all members of the Council can continue to attend the Sub-Group meetings. • Expressions of thanks offered to Tony Okotie and Susan Milner for their contribution to the Board of Directors and Council as their tenure of office as Non-Executive Directors approaches an end. The Council of Governors: <ul style="list-style-type: none"> • Received and noted the briefing from the Chair.

72	<p>Chief Executive Report</p> <p>The Chief Executive noted the following:</p> <ul style="list-style-type: none"> • Tributes being paid to renowned gynaecologist and obstetrician, Bob Atlay who had passed away. • New Director of Midwifery and Head of Midwifery appointments • The Trust has been successful in securing a successful bid for Liverpool to host the British Gynaecological Cancer Society Annual Scientific Meeting in 2024. Congratulations to Mr Mohamed Mehaseb and his team for putting together an excellent application. • The NHS Workforce Race Equality Standard (WRES) had been released. We are pleased to be the top performing Trust nationally in 2 of the 9 key indicators and in the top 10 nationally for a further 2 indicators, which is a great demonstration of Liverpool Women's becoming an organisation of equality. Focus will remain on achieving further improvements across the standard. • Stakeholder newsletter. Included in Appendix 1 for the Council is the first issue of the new quarterly newsletter from the Women's Health and Maternity (WHaM) Programme for Cheshire and Merseyside. WHaM has produced this to keep their partners and stakeholders informed about all the work they are driving forward in women's health and maternity services across Cheshire and Merseyside. <p>The Council of Governors:</p> <ul style="list-style-type: none"> • Received and noted the briefing from the Chief Executive.
07	<p>Declarations of Interest – Annual Review</p> <p>The Council of Governors was asked to formally review the Council of Governors Register of Interests.</p> <p>The Trust Secretary reminded the Governors that they are required to make a Declaration of Interests on election / appointment and to update their entry in the Register as and when interests change. Any new interests should be declared as soon as they arise and within 28 days at the latest. The Governors were requested to review their respective entries and advise of any amendments / changes required. No amendments recommended.</p> <p>The Council of Governors:</p> <ul style="list-style-type: none"> • Received and noted the content of the Council of Governors Register of Interests.
08	<p>Activity Report from the Governor Group Meetings</p> <p>Governors meet and spend time with NEDs and Executives to gain assurance on how the Board and the Non-Executive Directors manage issues and get their assurances.</p> <ul style="list-style-type: none"> • Finance and Performance Group held 28.03.22 Peter Norris, Public Governor reported the following matters to note: <ul style="list-style-type: none"> ○ financial position running at a deficit in Month 11. The primary driver of the deficit position was due to income. Adjustments would be made in Month 12 to offset deficits. ○ NHS request to increase activity by 10% against 2019/20 activity levels. ○ reflection on recently delivered internal finance training offered to governors. • Quality and Patient Experience Group held 25.04.22 Sara Miceli-Fagrell, Public Governor reported the following matters to note: <ul style="list-style-type: none"> ○ Trust's telephone triage issues continued to be a challenge. Noted that a task and finish group had been established to address the issues. ○ Noted a significant focus on recovery of cancer waiting times. ○ The NEDs were asked to describe how they were assured that all competing priorities for the Trust for example, Finance, Staffing, Ockenden etc. were viewed collectively rather than individually. • Communications and Membership Engagement Group held 28.04.22 Jackie Sudworth, Public Governor reported the following matters to note:

- Reflection on feedback received in response to the Member's Survey. Responses to the survey had been disappointing and could be indicative of a wider issue of engagement. Lessons could be learned to support future approaches.
- Future generations – Work continues to deliver the FG strategy, potential next steps would involve several engagement/ consultation events taking place across the city. Governor involvement would be requested for both the planning of these events and in participation to support the gathering of feedback and points of view.

The Council of Governors:

- Received and noted the reports from the Governor Sub-Group meetings.

09

Ockenden Report – Trust Response

The Council received an update report on the Trust's progress relating to the Ockenden Interim and Final Report outlining the immediate steps taken in March 2022, providing a comparison between the key areas of focus between the Interim and Final Reports.

A video link which provided a comprehensive overview of the key elements of the Ockenden Report had been shared with Governors to watch ahead of the meeting. The Governors were asked in light of the findings of the Ockenden Report to seek assurance that a) the Board had been adequately sighted and been given robust assurance on progress made to date and that there are processes in place for onward monitoring and b) provide views on how the Trust can best engage with and listen to the local public and those who use our maternity services.

Catherine McClennan, Director of Cheshire and Merseyside Women's Health & Maternity (WHaM) Programme informed the Council that a key priority for the Local Maternity System would be to ensure that actions were implemented by providers and to check and challenge on behalf of the national team. The Chief Executive declared her role as Senior Responsible Officer for the Cheshire and Merseyside Local Maternity System.

Iris Cooper, Public Governor, queried how close to meeting all recommendations was the Trust and how would it ensure that quality of care was maintained in the future. Tony Okotie, Non-Executive Director, responded that there was a challenge to finance the workforce to provide gold standard care. He advised that the work to ensure an appropriate culture would be key to the longevity of maintaining quality of care. The Chief Nurse and Midwife agreed methodical review would be needed to follow up actions from all external reports and that the Trust would need to clarify what was needed to become compliant, noting that this did not solely impact upon the clinical workforce as a key theme identified from the Ockenden Report related to culture and behaviour. The Medical Director noted that a multidisciplinary approach had been undertaken to address the culture of the entire workforce. Tracy Ellery, Non-Executive Director informed the Council that one reason for the Trusts' financial deficit position was due to the decision taken to fund posts to meet the Ockenden recommendations.

Peter Norris, Public Governor, asked how the Trust proposed to access and provide views of service users and the local public. The Chief Nurse and Midwife advised that feedback would be taken from various approaches including the Maternity Voices Partnership, newly appointed Trust roles for example, Patient Services Matron, Consultant for Patient Experience, Culture Midwife, and from better use of the Friends and Family Test questionnaire. The Chief Information Officer noted digital's role to explore other methods to collect feedback.

Jackie Sudworth, Public Governor, queried how assured was the Trust that Ockenden was being appropriately considered. Tony Okotie, Non-Executive Director and Chair of Quality Committee responded that the Quality Committee and Trust Board had received regular updates against the Ockenden report which included methodical action against each recommendation. Alongside this the Quality Committee and Board Committee's also

received reports that overlaid the Ockenden recommendations and provided triangulation in a systematic way. He advised that the Quality Committee had considered the underlying culture of the Trust when discussing the Ockenden recommendations. A NED Board Safety Champion added further assurance reporting quarterly into the Quality Committee. The Chief Nurse and Midwife informed the Council that positive external assurance of the Trust response to Ockenden had been received from a planned visit from the Regional Chief Midwife (RCMW) team and the Cheshire and Mersey Local Maternity System representatives (LMNS) which had provided assurance to the Trust Board. Tracy Ellery, Non-Executive Director, noted that a review on the Trust response to Ockenden had been added to the internal audit plan to provide additional independent assurance.

Sarah Walker, Non-Executive Director, noted the importance of the Governor Sub-Group to relay feedback from Governors, patients and staff to maintain momentum and a continuous closing of actions and learning.

Iris Cooper, Public Governor, referred to the financial position and historic issues of not receiving sufficient income for maternity services and asked would the tariff be improved. The Chief Finance Officer responded that additional funding had been received following the initial Ockenden report which had not covered cost pressures and the announced funding in response to the final report was also unlikely to cover cost pressures. She informed the Council that the Trust had lobbied nationally. The Chief Finance Officer confirmed that the Trust had recruited additional clinical staff to respond to the Ockenden recommendations at a risk to the Trusts financial position which would not be sustainable. The Chairman acknowledged the Board's commitment to do the right thing but also to ensure sustainability. Iris Cooper, Public Governor, noted that the inequality of different providers of maternity services had been highlighted within the Ockenden report and that if the government did not fund appropriately inequalities would continue to develop. The Chairman noted that a system review of pathways across the region would be needed to ensure front line services would not suffer.

Catherine McClennan, Director of C&M WHaM Programme, confirmed that resource and staffing was regularly discussed and had been escalated to the Integrated Care Board to review the model. She informed the Council that an area for the Trust to strengthen would be engagement with the Maternity Voices Partnership to maintain a patient and family viewpoint within decision making. Catherine McClennan advised that debate and challenge posed at other meetings such as the Council was important, and the Trust shouldn't rely on one-directional reporting to the Board.

The Council of Governors:

- noted the update for information.

10

2021/22 Year-End Update and 2022/23 look forward

The Trust received a presentation delivered by the Chief Finance Officer.

The Trust Secretary referred to the Provider Licence and asked the Governors to provide a view that training had been made available during 2021/22 as required to ensure they were equipped with the skills and knowledge needed to undertake their role. The Governors in attendance agreed that this had been provided. The Trust Board would self-certify against its licence conditions at its meeting on 16 June 2022.

The Chief Finance Officer informed the Council subject to audit, the Trust had achieved a small surplus in 2021/22 and had achieved its key financial targets.

In relation to the 2022/23 financial position the Trust had proposed a deficit plan of £5m. The deficit position was due to the CNST cost pressure and a shortfall in Ockenden funding. Cheshire and Merseyside would experience additional challenge due to a reduction in funding as a convergence factor had been applied to reduce funding. It was noted that the overall ask of the system of a cost reduction in excess of 4.5% had not been achieved by the NHS historically.

	<p>Tracy Ellery, Non-Executive Director and Chair of Audit Committee, referred to the year-end process and sign off of the Annual Report and Accounts. She advised that the Audit Committee would receive the external audit opinion on 16th June 2022 ahead of Trust Board sign-off of the Annual Report and Accounts.</p> <p>Louise Martin, Non-Executive Director and Chair of Finance, Performance & Business Development (FPBD) Committee referred to the Financial Plan for 2022/23 acknowledging the challenging and problematic scenario faced by the Trust to submit a deficit plan. She reported that the FPBD Committee had detailed discussions and been assured by projected plans and activity. Nikki Sandman, Appointed Governor, noted the significant deficit position and queried the impact of this position on future years. The Chief Finance Officer responded that any surplus provision the Trust had access to had been used to reach a break-even position in 2021/22 which meant that the Trust needed to increase the cash position to pay for the deficit. The Chairman informed the Council that a thorough debate and challenge had been led by the Non-Executive Directors who would not readily support an unfunded deficit position. The Chief Finance Officer informed the Council that the Trust was actively engaged regionally and nationally to lobby for appropriate income. It was noted that the Trust had written to the Integrated Care System to formally document the financial risks posed upon the Trust. Negotiations were ongoing.</p> <p>The Council of Governors:</p> <ul style="list-style-type: none"> noted the update for information; approved the provider licence recommendation.
11	<p>Council of Governor Nomination & Remuneration Committee & Sub-Group Terms of Reference</p> <p>The Council received the following Terms of Reference for approval:</p> <ul style="list-style-type: none"> Nomination & Remuneration Committee Finance and Operational Performance Group Quality and Patient Experience Group Communications and Membership Engagement Group <p>The Council of Governors:</p> <ul style="list-style-type: none"> approved the terms of reference of the Nomination & Remuneration Committee & Sub-Groups.
12	<p>Review of risk impacts of items discussed</p> <p>No changes to existing risks were identified as a result of business conducted during the meeting. The following risks were noted:</p> <ul style="list-style-type: none"> Financial Plan 2022/23 Ockenden Report actions on workforce and culture
13	<p>Chair's Log</p> <p>None</p>
14	<p>Any other business:</p> <p>None.</p> <p>Review of meeting:</p> <ul style="list-style-type: none"> Good discussions Informative Hybrid meeting had worked well

Action Log

Council of Governors - Public
July 2022

Key	Complete	On track	Risks identified but on track	Off Track
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Meeting Date	Ref	Agenda Item	Action Point	Owner	Action Deadline	RAG Open/Closed	Comments / Update
13 May 2021	21/22/07	Activity Report from the Governor Group Meetings.	Invite LMS Programme Director to attend a future Council meeting to provide an update on wider maternity issues, incorporate Ockenden review, LMS work with LWH.	Trust Secretary	February 2021 May 2022	Complete	LMS Programme Director invited to attend May 2022 meeting to participate in Ockenden discussion. LMNS briefing provided in CEO Report as appendix.
10 February 2022	21/22/74	Trust Strategy and 2022/23 Corporate Objectives	Patient journey mapping exercise to be undertaken.	Chief Nurse & Midwife	July 2022	On track	Significant piece of work underway to understand, analyse and improve the maternity experience at the Trust. Suggested that the outputs of this report to full Council or the sub-group at an appropriate time.
10 February 2022	21/22/75	Research Strategy	Chief People Officer, Head of Communications and Research & Development Manager to meet to discuss media engagement and promotion of research.	Chief People Officer	July 2022	On track	This will be aligned with the launch of the refreshed RD&I Strategy. Date to be confirmed at the meeting.

Council of Governors

COVER SHEET

Agenda Item (Ref)	2022/23/29	Date: 28/07/2022		
Report Title	Annual Report and Accounts 2021/22			
Prepared by	Mark Grimshaw, Trust Secretary			
Presented by	Mark Grimshaw, Trust Secretary			
Key Issues / Messages	The Council of Governors is asked to receive the Annual Report and Accounts for the year ended 31 March 2022.			
Action required	Approve <input type="checkbox"/>	Receive <input checked="" type="checkbox"/>	Note <input type="checkbox"/>	Take Assurance <input type="checkbox"/>
	To formally receive and discuss a report and approve its recommendations or a particular course of action	To discuss, in depth, noting the implications for the Board / Committee or Trust without formally approving it	For the intelligence of the Board / Committee without in-depth discussion required	To assure the Board / Committee that effective systems of control are in place
	Funding Source (If applicable): N/A			
	For Decisions - in line with Risk Appetite Statement – Y If no – please outline the reasons for deviation.			
	The Council of Governors is asked to receive the Annual Report and Accounts for the year ended 31 March 2022.			
Supporting Executive:	Mark Grimshaw, Trust Secretary			

Equality Impact Assessment (if there is an impact on E,D & I, an Equality Impact Assessment **MUST** accompany the report)

Strategy ☐ Policy ☐ Service Change ☐ Not Applicable ☒

Strategic Objective(s)

To develop a well led, capable, motivated and entrepreneurial workforce	<input type="checkbox"/>	To participate in high quality research and to deliver the most effective Outcomes	<input type="checkbox"/>
To be ambitious and efficient and make the best use of available resource	<input checked="" type="checkbox"/>	To deliver the best possible experience for patients and staff	<input type="checkbox"/>
To deliver safe services	<input type="checkbox"/>		

Link to the Board Assurance Framework (BAF) / Corporate Risk Register (CRR)

Link to the BAF (positive/negative assurance or identification of a control / gap in control) Copy and paste drop down menu if report links to one or more BAF risks	Comment:
5.2 Failure to fully implement the CQC well-led framework throughout the Trust, achieving maximum compliance and delivering the highest standards of leadership	
Link to the Corporate Risk Register (CRR) – CR Number: N/A	Comment:

REPORT DEVELOPMENT:

Committee or meeting report considered at:	Date	Lead	Outcome
N/A			

EXECUTIVE SUMMARY

This report is submitted to the Council of Governors to present the final Annual Report and Accounts for 2021/22. This follows external audit review completed by KPMG and subsequent approval by the Board of Directors.

MAIN REPORT

Background

This report presents the Trust's Annual Report and Accounts for the year ended 31 March 2022. The report follows the submission of the Annual Report and Accounts to NHS Improvement in June and to Parliament in July 2022.

The Annual Report and Accounts includes the following:

- a) overview of the Trust including risk management;
- b) a performance report / overview;
- c) an accountability report including the annual governance statement;
- d) Quality Report (included in this year's Annual Report – last year this was published separately due to the pressures of the pandemic)
- e) the annual accounts for 2020/21.

The Annual Report and Accounts 2021/22 can be viewed on the Trust website <https://www.liverpoolwomens.nhs.uk/about-us/corporate-documents/>

As part of the external audit, the Trust's external auditor provides a year-end report (known as a ISA260) and an Annual Audit Report. These outline the scope of the audit, the work undertaken and the overall findings. The Trust's external auditor will attend the meeting to present their key findings and the presentation slides follow this report.

Governors may find the document on the following link as a guide to the Annual Report and Accounts process (it is a little out of date in terms of the changes following the pandemic but still serves as a useful guide)

<https://nhsproviders.org/media/1078/annual-report-and-accounts-guide-for-gov.pdf>

Recommendation

The Council of Governors is asked to receive the Annual Report and Accounts for the year ended 31 March 2022.



Governors' presentation

Liverpool Women's NHS Foundation Trust

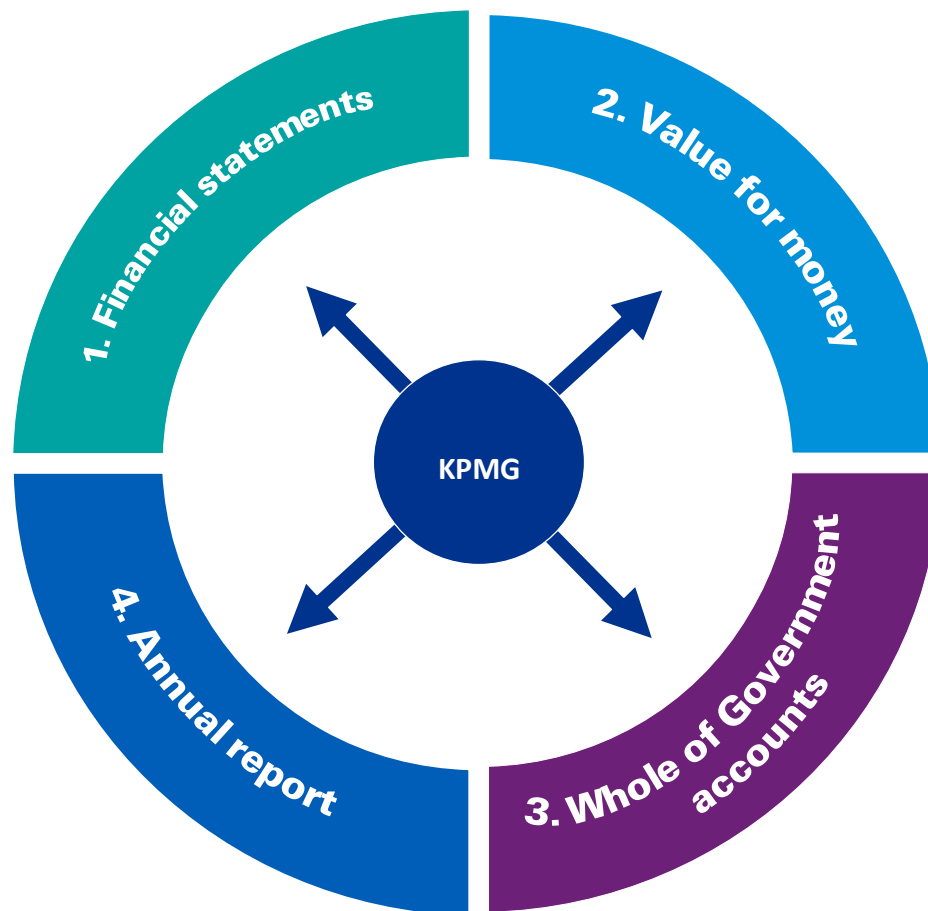
2021-22 Council of Governors' meeting

July 2022

Agenda

- **Our responsibilities**
- **Headlines from our work 2021/22**

Our responsibilities



Auditor's Annual Report

Requirements

- ***Report prepared in line with requirements of the Code of Audit Practice published by the National Audit Office***
- ***Publicfacing document to be published alongside the Trust's annual report and accounts on the Trust's website***

- ✓ The report summarises the findings and key issues arising from our audit.
- ✓ Includes the detailed commentary from the completion of our value for money assessment.

1. Financial statements

Requirements

- *The accounts are properly prepared in accordance with accounting standards*
- *The accounts give a true and fair view of the financial performance and position of the Trust.*

Trust outcome

- ✓ Issued an unqualified opinion in 2021/22.
- ✓ Accounts give a true and fair view of the Trust's performance during the year and of its year end financial position.
- ✓ Five unadjusted audit differences, below materiality in aggregate. Four of which were accruals or provisions related. One was income related.
- ✓ Two adjusted audit differences relating to the classification of liabilities on the balance sheet.
- ✓ There were also presentational adjustments to some disclosures including the Related Party note and the Remuneration Report.
- ✓ The Trust also made a number of adjustments from the first set of draft financial statements to the final set.
- ✓ Ten recommendations raised – three medium priority and seven low priority.

2. Value for money

Requirements

Assess whether there are significant weaknesses in the Trust's arrangements for achieving value for money.

Changes to responsibilities

New responsibilities were introduced in the previous year as a result of changes to the Audit Code of Practice.

- ✓ Increased depth to our assessment of whether there are significant risks, considering the design of a range of systems.
- ✓ Production of a commentary on the arrangements in place to be published on the Trust's website.
- ✓ Conclusion provided against each of the three domains, summarising the work performed and our findings.

Financial sustainability

How the body manages its resources to ensure it can continue to deliver its services.

Governance

How the body ensures that it makes informed decisions and properly manages its risks.

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.

2. Value for money

Reporting

Our reporting includes;

- ✓ A summary of our risk assessment against each of the three value for money criteria, setting out our view of the arrangements in place compared with industry standards;
- ✓ A summary of any further work undertaken against identified significant risks and the findings from this work; and
- ✓ Recommendations raised from the work undertaken and follow up of previous recommendations.

Trust outcome

- ✓ We did not identify any significant risks or weaknesses with regards to the Trust's arrangements.
- ✓ Copy of our commentary has been provided alongside this pack.
- ✓ We raised one low level recommendation following the completion of our work around monitoring of sub-contractors.

3. Whole of Government Accounts

Requirements

- *Confirm that the Trust's submission to NHS Improvement for production of the consolidated NHS provider sector accounts matches the financial statements.*

Trust outcome

- ✓ For 2021/22 we issued an unqualified consistency certificate.
- ✓ This means that we did not identify any inconsistencies between the financial statements and the information included in the consolidation schedules.

4. Annual Report

Requirements

- *Confirm that the information included within the annual report is consistent with our knowledge of the Trust; and*
- *Confirm that all requirements of the Annual Reporting Manual have been included.*
- *Verify the accuracy of certain remuneration disclosures.*

Trust outcome

- ✓ We confirmed that the Governance Statement had been prepared in line with the Annual Reporting Manual requirements.
- ✓ We did not identify any material inconsistencies with our knowledge of the Trust.
- ✓ We audited the information required to be checked as part of the remuneration report.
- ✓ Some presentational adjustments were made to the annual report to enhance the narrative around going concern and to update the Remuneration Report disclosures.



Q&A



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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Year end report 2021/22

Liverpool Women's NHS Foundation Trust

22 June 2022

I confirm that this is the final version of our ISA 260 Audit Memorandum relating to our audit of the 2021/22 financial statements for Liverpool Women's NHS Foundation Trust. This document was discussed and approved by the Trust's Audit Committee on 16 June 2022.

.....
Debra Chamberlain

Director for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square, Manchester, M2 3AE

22 June 2022

Our audit opinions and conclusions:

Financial Statements: **unqualified**

Use of resources: **no significant weaknesses identified**

Key contacts

Your key contacts in connection with this report are:

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Significant risks and other areas of focus	6
Key accounting estimates	18
Other significant matters	19
Value for money	20
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Introduction

To the Audit Committee of Liverpool Women's NHS Foundation Trust

We are pleased to have had the opportunity to meet with you on 16 June 2022 to discuss the results of our audit of the financial statements of Liverpool Women's NHS Foundation Trust (the 'Trust'), as at and for the year ended 31 March 2022.

We provided this report in advance of our meeting to enable you to consider our findings and hence enhance the quality of our discussions. This report should be read in conjunction with our audit plan and strategy report, presented on 20 January 2022 and the update presented on 24 March 2022. We will be pleased to elaborate on the matters covered in this report when we meet.

Our audit is complete. There have been no significant changes to our audit plan and strategy.

We expect to issue an unmodified Auditor's Report on the financial statements and have not identified any significant weaknesses in your arrangements to secure value for money. In addition to this opinion we have prepared our Auditor's Annual Report which contains a narrative summary of our findings to be published on the Trust's website. This is included in the papers for this meeting.

We draw your attention to the important notice on page 4 of this report, which explains:

- The purpose of this report;
- Limitations on work performed; and
- Restrictions on distribution of this report.

Yours sincerely,



Debra Chamberlain

22 June 2022

How we have delivered audit quality

Audit quality is at the core of everything we do at KPMG and we believe that it is not just about reaching the right opinion, but how we reach that opinion. We consider risks to the quality of our audit in our engagement risk assessment and planning discussions.

We define 'audit quality' as being the outcome when audits are:

- **Executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality controls** and
- All of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.

The National Audit Office (NAO) has issued a document entitled Code of Audit Practice (the Code). This summarises where the responsibilities of auditors begin and end and what is expected from the Trust.

External auditors do not act as a substitute for the Trust's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

Important notice

This report is presented under the terms of our audit engagement letter.

- Circulation of this report is restricted.
- The content of this report is based solely on the procedures necessary for our audit.

This report has been prepared for the Audit Committee, in order to communicate matters of interest as required by ISAs (UK), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this report, or for the opinions we have formed in respect of this report.

Purpose of this report

This report has been prepared in connection with our audit of the financial statements of Liverpool Women's NHS Foundation Trust (the 'Trust'), prepared in accordance with International Financial Reporting Standards ('IFRSs') as adapted by the Group Accounting Manual issued by the Department of Health and Social Care, as at and for the year ended 31 March 2022. This report summarises the key issues identified during our audit but does not repeat matters we have previously communicated to you.

Limitations on work performed

This report is separate from our audit report and does not provide an additional opinion on the Trust's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors. We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this report.

The matters reported are based on the knowledge gained as a result of being your auditors. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of our audit.

Status of our audit

Our audit is now complete.

Restrictions on distribution

The report is provided on the basis that it is only for the information of the Audit Committee of the Trust; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.

Liverpool Women's NHS Foundation Trust

Our audit findings

Significant audit risks

Page 6-11

Significant audit risk	Risk change	Our findings
Expenditure Recognition	Increase	The results of our testing were satisfactory. We considered the amount of expenditure recognised to be acceptable. We did identify 4 audit adjustments as set out in Appendix 3 and raised a control recommendation, see Appendix 2.
Valuation of land and buildings	Stable	The results of our testing were satisfactory. No audit misstatements identified.

Key accounting estimates

Page 18

Valuation of land and buildings	Neutral	We assessed the assumptions underpinning the valuation on which the carrying value of PPE is based. Assumptions were found to be neutral.
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Value for money

Page 20

Under the Code of Audit Practice we are required to report to you if we have identified a significant weakness in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources. We have nothing to report in this respect. Our Auditor's Annual Report contains our public commentary in regard to this work and is elsewhere on the agenda.

Whole of Government Accounts

Page 19

We intend to issue an unqualified Group Audit Assurance Certificate to the NAO regarding the Whole of Government Accounts submission, made through the submission of the summarisation schedules to Department of Health and Social Care.

Uncorrected audit misstatements

Page 42

Understatement/(overstatement)

We identified five misstatements that would improve the surplus position by £1.857m. See page 42 for further details.

Number of Control deficiencies

Pages 24-41

Significant control deficiencies

0

Other control deficiencies

11

Prior year control deficiencies remediated

5/9

Other matters

In auditing the accounts of an NHS body auditors must consider whether, in the public interest, they should make a report on any matters coming to their notice in the course of the audit, in order for it to be considered by Trust members or brought to the attention of the public. There are no such matters we wish to bring to your attention.

Audit risks

1

Expenditure recognition

Fraud risk related to misstatement of expenditure

Significant audit risk

The risk

As the Trust is required to achieve a breakeven position there is a risk that non-pay and non-NHS expenditure, excluding depreciation, may be manipulated in order to report that the breakeven position has been met.

The requirement to breakeven can create an incentive for management to overstate the level of non-pay expenditure compared to that which has been incurred.

We consider this would be most likely to occur through overstating accruals, if performance allows, for example to bring forward expenditure from 2022-23 to mitigate financial pressures. Therefore the risk specifically relates to the existence and accuracy in periods 12 and 13. In our plan we noted an increased risk. This is due to the unadjusted errors in the accruals balance that were identified in the previous year.

Upon receipt of the draft financial statements we have refined this risk to cover existence and accuracy of accruals and provisions and non-pay and non-NHS expenditure, excluding depreciation, in P12 and P13.

Our response

We performed the following procedures in order to respond to the significant risk identified:

- We assessed the design and implementation for the purchase ordering of goods and services and the accrual of information at the end of the year based on those that have been received;
- We assessed the design and implementation of controls for developing manual expenditure accruals at the end of the year to verify that they had been completely and accurately recorded;
- We inspected a sample of invoices of expenditure, in the period around 31 March 2022, to determine whether expenditure had been recognised in the correct accounting period;
- We selected a sample of year end accruals and inspected evidence of the actual amount paid after year end in order to assess whether the accrual existed at year end and had been accurately recorded;
- We inspected journals posted as part of the year end close procedures that increase the level of expenditure recorded in order to critically assess whether there was an appropriate basis for posting the journal and the value can be agreed to supporting evidence;
- We compared the items that were accrued at 31 March 2021 to those accrued at 31 March 2022 in order to assess whether any items of expenditure accrued for the first time have been done so appropriately.
- We selected a sample of provisions at the year-end and assessed their appropriateness against criteria as set out in the accounting standards.

(continued)

Audit risks

1

Expenditure recognition

Fraud risk related to misstatement of expenditure

Significant audit risk

The risk

As the Trust is required to achieve a breakeven position there is a risk that non-pay and non-NHS expenditure, excluding depreciation, may be manipulated in order to report that the breakeven position has been met.

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Upon receipt of the draft financial statements we have refined this risk to cover existence and accuracy of accruals and provisions and non-pay and non-NHS expenditure, excluding depreciation, in P12 and P13.

Our findings

- We assessed the design and implementation of controls surrounding the purchase ordering of goods and services as effective.
- While we are satisfied that the Trust has improved its control over the year end accruals review, following our recommendation in the prior year, it does not meet the requirements as defined by Auditing Standards to enable us to conclude it is designed and implemented effectively. Where a control addresses an area identified by auditors as a significant risk area there is an expectation that the Management Review Control (MRC) in place covers the following:
 - The objective of the MRC is identified and how it is intended to address the associated risk point;
 - Whether the control operator is independent and distinct from the process owner;
 - How management determines the reliability of the information used in the MRC;
 - Factors that affect the precision of the MRC are considered including consideration of:
 - The level of aggregation at which the MRC is performed;
 - The consistency of the MRC's performance each time it occurs;
 - The correlation of the MRC to the identified risk;
 - The criteria for investigation used in the MRC to identify significant differences from expectations;
 - The predictability of the expectations used in the MRC.
 - The steps in identifying, investigating and resolving significant differences from expectations.
- We consider the current control to currently not fully meet the requirements of the final two bullet points. As such we have not been able to place reliance on this control. Whilst we are not raising another formal control observation in this regard, and the Trust may consider its existing control to be proportionate to address the associated risk, as fraudulent expenditure recognition is a significant risk, we are required to bring this matter to your attention.

(continued)

Audit risks

1

Expenditure recognition

Fraud risk related to misstatement of expenditure

Significant audit risk

The risk

As the Trust is required to achieve a breakeven position there is a risk that non-pay and non-NHS expenditure, excluding depreciation, may be manipulated in order to report that the breakeven position has been met.

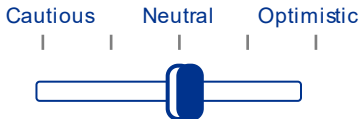
The requirement to breakeven can create an incentive for management to overstate the level of non-pay expenditure compared to that which has been incurred.

We consider this would be most likely to occur through overstating accruals, if performance allows, for example to bring forward expenditure from 2022-23 to mitigate financial pressures. Therefore the risk specifically relates to the existence and accuracy in periods 12 and 13. In our plan we noted an increased risk. This is due to the unadjusted errors in the accruals balance that were identified in the previous year.

Upon receipt of the draft financial statements we have refined this risk to cover existence and accuracy of accruals and provisions and non-pay and non-NHS expenditure, excluding depreciation, in P12 and P13.

(continued)

- We did not identify any misstatements over our reporting threshold on our sample testing of non-pay, non-NHS expenditure, excluding depreciation.
- We identified two audit adjustments through our testing on non-NHS accruals. We identified two accruals that do not meet the definition of an accrual. These two items relate to a possible payment to Band 2 HCA staff who should be paid at Band 3 level (£178k) and for some potential additional rates to be paid to the Council given the increase in the size of the hospital over the last couple of years (£233k). Both accruals fail on the basis that at the balance sheet date payment is not certain. See Appendix 3 for further detail.
- Through our testing of provisions, we identified two items that do not meet the requirements of IAS37 to be recognised as a provision. These two items relate to a provision for a tax liability (£820k) and for a restructuring provision (£332k). Both items fail to meet the recognition criteria for a provision as per IAS37 as there is no legal or constructive obligation at the balance sheet date. See Appendix 3 for further detail.
- We did not identify any further issues from those outlined above from our inspection of journals posted as part of the year end close procedures that increase the level of expenditure recorded.



2

Valuation of Land and Buildings

Risk of error relating to misstatement of asset valuations

Significant audit risk

The risk

Land and buildings are required to be held at fair value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with a 'modern equivalent asset'.

The value of the Trust's land and buildings at 31 March 2021 was £69.8m.

Judgemental assumptions are made by management with regards to identifying and applying impairment indicators to the property, plant and equipment. There is a risk that indicators of impairment are not identified by management that could impact the overall valuation of the estate at year end.

The Trust will engage professional valuers, Cushman and Wakefield, to perform a desktop valuation of its land and buildings at 31 March 2022. The last full revaluation took place on 31 March 2020.

Our response

We have performed the following procedures designed to specifically address the significant risk associated with the valuation:

- We critically assessed the independence, objectivity and expertise of Cushman and Wakefield, the valuers used in developing the valuation of the Trust's properties at 31 March 2022;
- We inspected the instructions issued to the valuers for the valuation of land and buildings to verify they are appropriate to produce a valuation consistent with the requirements of the Group Accounting Manual;
- We compared the accuracy of the data provided to the valuers for the development of the valuation to underlying information, such as floor plans, and to previous valuations, challenging management where variances are identified;
- We critically assessed the design and implementation of controls in place for management to review the valuation and the appropriateness of assumptions used;
- We considered the carrying value of the land and buildings; including any material movements from the previous revaluations. We challenged key assumptions within the valuation, including the use of relevant indices and assumptions of how a modern equivalent asset would be developed, as part of our judgement;
- We performed inquiries of the valuers in order to verify the methodology that was used in preparing the valuation and whether it was consistent with the requirements of the RICS Red Book and the GAM;
- We agreed the calculations performed of the movements in value of land and buildings and verify that these have been accurately accounted for in line with the requirements of the GAM;
- Disclosures: We considered the adequacy of the disclosures concerning the key judgements and degree of estimation involved in arriving at the valuation.

(continued)

Significant audit risk

The risk

Land and buildings are required to be held at fair value. As hospital buildings are specialised assets and there is not an active market for them they are usually valued on the basis of the cost to replace them with a 'modern equivalent asset'.

The value of the Trust's land and buildings at 31 March 2021 was £69.8m.

Judgemental assumptions are made by management with regards to identifying and applying impairment indicators to the property, plant and equipment. There is a risk that indicators of impairment are not identified by management that could impact the overall valuation of the estate at year end.

The Trust will engage professional valuers, Cushman and Wakefield, to perform a desktop valuation of its land and buildings at 31 March 2022. The last full revaluation took place on 31 March 2020.

(continued)

Our findings

- We have not identified any significant issues in relation to the valuation of land and buildings. We identified one control recommendation relating to this area. Please see Appendix 4 for further detail.
- While we are satisfied that the Trust has improved its control over the management review of the valuation, following our recommendation in the prior year, it does not meet the requirements as defined by Auditing Standards to enable us to conclude it is designed and implemented effectively. Where a control addresses an area identified by auditors as a significant risk area there is an expectation that the Management Review Control (MRC) in place covers the following:
 - The objective of the MRC is identified and how it is intended to address the associated risk point;
 - Whether the control operator is independent and distinct from the process owner;
 - How management determines the reliability of the information used in the MRC;
 - Factors that affect the precision of the MRC are considered including consideration of:
 - The level of aggregation at which the MRC is performed;
 - The consistency of the MRC's performance each time it occurs;
 - The correlation of the MRC to the identified risk;
 - The criteria for investigation used in the MRC to identify significant differences from expectations;
 - The predictability of the expectations used in the MRC.
 - The steps in identifying, investigating and resolving significant differences from expectations
- We consider the current control to currently not fully meet the requirements of the final two bullet points. As such we have not been able to place reliance on this control. Whilst we are not raising another formal control observation in this regard, and the Trust may consider its existing control to be proportionate to address the associated risk, as valuation of land and buildings is a significant risk, we are required to bring this matter to your attention.

3

Management override of controls^(a)

Fraud risk related to unpredictable way management override of controls may occur

Significant audit risk

The risk

Professional standards require us to communicate the fraud risk from management override of controls as significant.

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

We did not identify any specific additional risks of management override relating to this audit.

Our response

- We assessed the controls in place for the approval of manual journals posted to the general ledger to ensure that they are appropriate.
- We analysed all journals through the year using data and analytics and focus our testing on those with a higher risk, such as journals impacting revenue or expenditure recognition.
- We assessed the appropriateness of changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- We reviewed the appropriateness of the accounting for significant transactions that are outside the Trust's normal course of business, or are otherwise unusual.
- We assessed the controls in place for the identification of related party relationships and tested the completeness of the related parties identified. We verified that these have been appropriately disclosed within the financial statements.

Our findings

- We identified 85 journal entries and other adjustments meeting our high-risk criteria – our examination did not identify any inappropriate entries.
- We did not identify any changes compared to the prior year to the methods and underlying assumptions used to prepare accounting estimates.
- We did not identify any significant unusual transactions.
- Through our testing of the related parties transactions we identified three entities that were identified on the declarations of interests that were not included on the Register of Interests. We also identified three entities from the DHSC list with transactions that had not been disclosed in the related parties note. We further identified four entities with which the Trust had had transactions that not been disclosed. We have raised these as audit differences in Appendix 3 and raised a control recommendation in Appendix 2.

Note: (a) Significant risk that professional standards require us to assess in all cases.

Other area of audit focus

The risk

Professional standards require us to make a rebuttable presumption that the fraud risk from revenue recognition is a significant risk.

We recognise that the incentives in the NHS differ significantly to those in the private sector which have driven the requirement to make a rebuttable presumption that this is a significant risk. These incentives in the NHS include the requirement to meet regulatory and financial covenants, rather than broader share based management concerns.

Like in the previous year, during 2021/22 clinical income has come in the form of block payments from CCGs that have been calculated centrally and given to Providers and Trusts.

Unlike in years previous to 2020/21, there are no financial incentives awarded to the Trust upon achievement of an agreed control total. Therefore this reduces the incentive to manipulate the financial position. There is also a reduced opportunity as the majority of funding is received in advance as block payments.

(continued)

Our response

- We evaluated the design and implementation of controls in place for the Trust to engage in the agreement of balances exercise with other NHS providers and commissioners and follow up variances arising from the exercise;
- Contract agreement: We agreed commissioner income to the agreed block funding amounts with commissioners and select a sample of the largest balances to agree that they have been received in line with the agreement and payment has been received. We agreed that any amendments to the amount recorded compared to the agreed funding level are consistent with agreed variations;
- Income recognition: We carried out sample testing of invoices for income in the period prior to and following 31 March 2022 to determine whether income was recognised in the correct accounting period, in accordance with the amounts billed to the corresponding parties;
- Agreement of Balances: We assessed the outcome of the agreement of balances exercise with CCGs and other NHS providers and confirmed the values they are disclosing within their financial statements to the value of income captured in the financial statements. We sought explanations for any variances over £125k, and challenged the Trust's assessment of the level of income they are entitled to and receipts that can be collected;
- We agreed any additional specific funding due at the year end to the confirmation received from NHSE/I or the CCG and agreed that this was appropriately recorded in the financial statements; and

(continued)

Other area of audit focus

The risk

(continued)

Therefore we have rebutted the risk of fraudulent revenue recognition over NHS income streams.

We also rebut the risk of fraudulent revenue recognition over other material income streams as we do not believe there to be an incentive to manipulate these balances and due to their size in relation to materiality we do not believe there is a significant risk of material misstatement.

(continued)

- We carried out sample testing of year end income accruals in order to assess whether the actual value of income billed and received following 31 March 2022 agree to the amounts accrued.

Our findings

- Through our testing of the Agreement of Balances mismatch reports, we identified one instance in which the Trust should have accrued for £294k income. This income relates to a profit share from an arrangement with Wrightington, Wigan and Leigh NHS Foundation Trust. We have reported this in Appendix 3.
- Through our testing of the Agreement of Balances exercise, we identified one mismatch arising as a result of the Trust and the counter-party not having agreed whether they were going to be paying for recharges in the year. Whilst we understand why the Trust did not accrue for this income, because in 2020-21 all recharges were suspended and they assumed that this would be the case for 2021-22, we have raised a recommendation in relation to this area. See Appendix 3.
- Through our testing of deferred income, we identified that the Trust holds income of £1,530k that belongs to the Local Maternity System (LMS). In the draft financial statements, the Trust recognised this as 'deferred income: contract liabilities' however we believe it should be classified as 'receipts in advance'. We have reported this in Appendix 3.

(continued)

4

Fraud risk from revenue recognition

Other area of audit focus

The risk

(continued)

Therefore we have rebutted the risk of fraudulent revenue recognition over NHS income streams.

We also rebut the risk of fraudulent revenue recognition over other material income streams as we do not believe there to be an incentive to manipulate these balances and due to their size in relation to materiality we do not believe there is a significant risk of material misstatement.

(continued)

- Through our testing of deferred income, we identified £1,294k of revenue funding that was received for the Community Diagnostic Centre (CDC). The evidence provided to us states that where this funding has not been spent by the 31st March 2022, it will be clawed back. While we have seen no correspondence asking for this money back since the year end, this suggests the income should be held as an 'other payable' at year end rather than as 'deferred income' as it is in the draft financial statements. We have reported this in Appendix 3.

Other area of audit focus

The risk.

The GAM directs that your financial statements will be prepared on a going concern basis unless services are being transferred outside of the public sector or being discontinued.

Management are also required to assess if there are material uncertainties in respect of events or conditions that cast significant doubt upon the ability to continue meeting the Trust's liabilities.

Risks to your financial position are expressed through disclosure in the financial statements (which need to be complete and balanced) and consideration in our value for money responsibilities.

Key analysis of your future financial performance is contained in your submissions to NHSI which forecast both current and future years expected financial performance.

Our response

- We reviewed the overall financial position at the year end as part of our review of the financial statements. We considered the final outturn compared to the forecast position to assess the cause of any significant variances and the accuracy of management's financial planning in previous periods;
- In line with the requirements of ISA570 we reviewed management's assessment of the Trust's status as a going concern, the risks that have been identified to this status and any actions planned to be taken in response;
- We critically assessed the key assumptions made in determining the financial plans for the going concern period (being at least 12 months from the date of signing the financial statements) and the sensitivity to changes in those assumptions;
- We assessed the need for additional funding to be obtained in order to support the Trust in meeting its working capital obligations;
- We considered whether the Directors have appropriately identified any uncertainties in their future financial forecasts, and if material, that these are appropriately reflected within the financial statements;
- We critically assessed the level of disclosure provided within the basis of preparation accounting policy to consider whether sufficient information has been provided to enable readers to understand the risks and forecast financial performance for the following 12 months.

(continued)

5 Going concern

Other area of audit focus

The risk.

The GAM directs that your financial statements will be prepared on a going concern basis unless services are being transferred outside of the public sector or being discontinued.

Management are also required to assess if there are material uncertainties in respect of events or conditions that cast significant doubt upon the ability to continue meeting the Trust's liabilities.

Risks to your financial position are expressed through disclosure in the financial statements (which need to be complete and balanced) and consideration in our value for money responsibilities.

Key analysis of your future financial performance is contained in your submissions to NHSI which forecast both current and future years expected financial performance.

(continued)

Our findings

- We considered that management's assessment of its going concern included the required analysis to assess whether the going concern assumption was appropriate.
- The use of the going concern assumption was appropriate in the preparation and presentation of the financial statements.
- We asked the Trust to make some amendments to the going concern narrative in the Annual Report to make it more forward-looking as opposed to a retrospective review of 2020-21. See Appendix 3 where we have outlined adjustments to disclosures.
- It is probable that the Trust will require cash support in the 2022-23 financial period, as demonstrated in the Trust's cashflow forecasts. Therefore we asked the Trust to provide evidence from management at the CCG, who will become management of the Integrated Care Board (ICB) that they will provide this support if required. They confirmed that the Integrated Care System (ICS) will first take all available steps to address the issue given the level of cash available across the Cheshire and Merseyside system.

Other area of audit focus

The risk.

The delayed adoption of IFRS16 has been confirmed as taking place from 1 April 2022. Whilst full implementation is not required in the 2021/22 financial statements, the impact of the new standard is required to be included in the accounting policies.

The main source of this risk is that lease terms and lease payments are inappropriately determined. This is a particular risk for arrangements which are not subject to a formal contract such as property agreements with NHS Property Services without an agreed contract or term.

Other risks include that the discount rate used to measure the lease liability is inappropriately determined or that a lease liability is not appropriately remeasured when reassessment is required.

Linked to the above there is a potential risk that lease payments are not completely and accurately recorded, are not recorded in the correct accounting period or have not occurred.

Our response

- We evaluated the Trust's process for reviewing current arrangements and contracts to ascertain whether there is a lease falling within the remit of the standard;
- We tested the completeness and accuracy of the data collected by the Trust and used as part of the preparation of the disclosure note;
- We critically assessed the key decisions made about material contracts such as property leases, such as lease terms where not clear;
- We reviewed the discount rate used in the calculation of the lease liability;
- We reperformed the calculation of the lease liability and right of use asset for a sample of leases;
- We critically assessed the disclosure proposed for compliance with the requirements of the GAM.

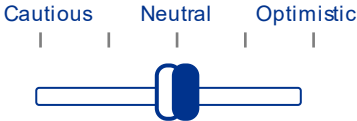
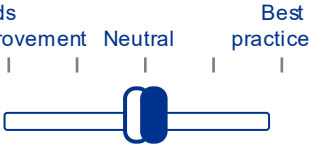
Our findings

- We did not identify any issues with our testing in this area.
- We are satisfied with the disclosure made by the Trust with regards to IFRS16 in the financial statements.

Key accounting estimates - Overview

Our view of management judgement

Our views on management judgements with respect to accounting estimates are based solely on the work performed in the context of our audit of the financial statements as a whole. We express no assurance on individual financial statement captions. Cautious means a smaller asset or bigger liability; optimistic is the reverse.

Asset/liability class	Our view of management judgement	Balance (£m)	YoY change (£m)	Our view of disclosure of judgements & estimates	Further comments
Asset 1 Valuation of land and buildings		75.3	5.5		<p>The Trust has used the services of a professionally qualified valuation expert to complete a desktop valuation of its land and buildings as at 31 March 2022. The valuation has been carried out in line with the DHSC Group Accounting Manual (GAM). The valuation is an estimate and involves various assumptions.</p> <p>We reviewed the assumptions used by the valuation expert and the valuation report for the year ended 31 March 2022. We compared that with the applicable accounting standards and consistent application of assumptions in relation to the Trust as well as the wider NHS sector. We also obtained assurance in relation to the competency and experience of the valuer to conduct such a valuation.</p> <p>We can confirm that the assumptions used by the valuer are reasonable and appropriate. We can also confirm that the valuer is professionally qualified and has the relevant expertise to carry out such a valuation on Trust's land and buildings as at 31 March 2022.</p> <p>We have not identified any issues to suggest that this judgement is materially misstated. Assumptions were found to be balanced.</p>

Other matters

Annual report

We have read the contents of the Annual Report (including the Accountability Report, Directors Report, Performance Report and Annual Governance Statement (AGS)) and audited the relevant parts of the Remuneration Report. We have checked compliance with the NHS Group Accounting Manual (GAM) issued by Department of Health and Social Care and Foundation Trust Annual Reporting Manual (the ARM). Based on the work performed:

- We have not identified any inconsistencies between the contents of the Accountability, Performance and Director's Reports and the financial statements.
- We have not identified any material inconsistencies between the knowledge acquired during our audit and the director's statements. As Directors you confirm that you consider that the annual report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.
- The parts of the Remuneration Report that are required to be audited were all found to be materially accurate;
- The AGS is consistent with the financial statements and complies with relevant guidance; and
- The report of the Audit Committee included in the Annual Report includes the content expected to be disclosed as set out in the GAM and ARM and was consistent with our knowledge of the work of the Committee during the year.

Whole of Government Accounts

As required by the National Audit Office (NAO) we are required to provide a statement to the NAO on your consolidation schedule. We comply with this by checking that your summarisation schedule is consistent with your annual accounts. We have completed that work and found no matters to report.

Independence and Objectivity

ISA 260 also requires us to make an annual declaration that we are in a position of sufficient independence and objectivity to act as your auditors, which we completed at planning and no further work or matters have arisen since then.

Audit Fees

Our fee for the audit was £85,040 plus VAT (£76,000 in 2020/21). This includes £5,000 for our work on the IFRS16 transition. In addition, we are seeking £7,000 in overruns due to the difficulties faced completing this audit.

Value for money

We are required under the Audit Code of Practice to confirm whether we have identified any significant weaknesses in the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources.

In discharging these responsibilities we include a statement within the opinion on your accounts to confirm whether we have identified any significant weaknesses. We also prepare a commentary on your arrangements that is included within our Auditor's Annual Report, which is required to be published on your website alongside your annual report and accounts.

Commentary on arrangements

We have prepared our Auditor's Annual Report and a copy of the report is included within the papers for the Committee alongside this report. The report is required to be published on the Trust's website alongside the publication of the Trust's annual report and financial statements.

Response to risks of significant weaknesses in arrangements to secure value for money

As reported in our risk assessment we did not identify any risks of a significant weakness in the Trust's arrangements to secure value for money.

Update of risk assessment

We performed follow up procedures to update our risk assessment presented in March 2022. These included reviewing minutes and papers of those charged with governance and assessing the progress in developing the 2022-23 financial plan. We did not identify any further significant risks.

Summary of findings

We have set out in the table below the outcomes from our procedures against each of the domains of value for money:

Domain	Risk assessment	Summary of arrangements
Financial sustainability	No significant risks identified	No significant weaknesses identified
Governance	No significant risks identified	No significant weaknesses identified
Improving economy, efficiency and effectiveness	No significant risks identified	No significant weaknesses identified

We confirm that we have not identified any significant weaknesses to be included within our value for money report.










Appendix

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Appendix One

Required communications with the Audit Committee

Type		Response
Our draft management representation letter		We have requested specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2022. These relate to cash support in 2022-23; management not being aware of any claw back of funding received in year; and funding being used for its intended purpose.
Adjusted audit differences		There were two adjusted audit differences with a nil net impact on the reported surplus. See Appendix 3.
Unadjusted audit differences		The aggregated impact on the reported surplus of unadjusted audit differences would be to increase by £1.857m. In line with ISA 450 we request that you adjust for these items. However, they will have no effect on the opinion in the auditor's report, individually or in aggregate. See Appendix 3.
Related parties		There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee		There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process/summarise any matters to raise to the Committee.
Control deficiencies		We communicated to management in writing all deficiencies in internal control over financial reporting of a lesser magnitude than significant deficiencies identified during the audit that had not previously been communicated in writing.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts		No actual or suspected fraud involving management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements was identified during the audit.
Make a referral to the regulator		If we identify that potential unlawful expenditure might be incurred then we are required to make a referral to your regulator. We have not identified any such matters.
Issue a report in the public interest		We are required to consider if we should issue a public interest report on any matters which come to our attention during the audit. We have not identified any such matters.

Appendix One

Required communications with the Audit Committee

Type		Response
Significant difficulties		No significant difficulties were encountered during the audit.
Modifications to auditor's report		None.
Disagreements with management or scope limitations		The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information		No material inconsistencies were identified relating to other information in the annual report, Strategic and Directors' reports. The Annual report is fair, balanced and comprehensive, and complies with the Annual Reporting Manual.
Breaches of independence		No matters to report. The engagement team has complied with relevant ethical requirements regarding independence.
Accounting practices		Over the course of our audit, we have evaluated the appropriateness of the Trust's accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management		There were no significant matters arising from the audit requiring to be discussed, or subject to correspondence, with management.
Certify the audit as complete		We are required to certify the audit as complete when we have fulfilled all of our responsibilities relating to the accounts and use of resources as well as those other matters highlighted above.
Provide a statement to the NAO on your consolidation schedule		We will issue our report to the National Audit Office following the signing of the annual report and accounts. We have summarised the differences to be reported in Appendix 3.
Provide a summary of significant weakness in arrangements to provide value for money		We are required to report significant weaknesses in arrangements. We have not identified any significant weaknesses.

Appendix Two

Control observations

The recommendations raised as a result of our work in the current year are as follows:

Priority rating for recommendations			
1	Priority one: issues that are fundamental and material to your system of internal control. We believe that these issues might mean that you do not meet a system objective or reduce (mitigate) a risk.	2	Priority two: issues that have an important effect on internal controls but do not need immediate action. You may still meet a system objective in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.
3	Priority three: issues that would, if corrected, improve the internal control in general but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.		

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
1	3	Valuation of inventory Through our testing of the year end accruals, we identified that the Trust had accrued for an increase in value of fuel and had therefore increased the value of the asset on the balance sheet. IAS2 states that inventories are required to be stated at the lower of cost and net realisable value and therefore there should be no upwards revaluation of fuel at the year end. There is a risk that the value of inventory is overstated as per accounting standards. We recommend that the Trust state the value of inventory at the lower of cost and net realisable value in line with accounting standards. This did not give rise to an error over our reporting threshold (125k) and thereby we have not reported this in our audit adjustments.	Management Response: Accepted. Officer: Financial Controller Due date: 31/03/2023

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
2	2	<p>Audit trail over judgemental areas</p> <p>Through our testing of judgemental areas we encountered difficulties in obtaining appropriate audit evidence.</p> <p><u>Deferred income</u></p> <p>The Trust holds significant amounts of deferred income. In order to defer income an entity needs to be able to demonstrate that the performance obligations associated with that income stream have not been met. Therefore we require third party evidence showing what the funding value is, what the funding is for and the associated performance obligations. We require evidence of receipt of any income in the year and any expenditure against this income. Where funding has not been spent in line with the original mandate from the funder, we require evidence to support that it is appropriate to continue to defer the income until it is spent and we need to see clear plans from the Trust of how they will do this.</p> <p>Through our testing in this area, we identified that the Trust does not always have a clear audit trail of these items and therefore we had to make multiple requests to obtain the evidence we required.</p> <p>There is a risk that the Trust defers income which should be released to the Statement of Comprehensive Income during the year, or could be clawed back as funds have not been spent as originally designated.</p> <p>We recommend that the Trust keeps a clear audit trail of all the items detailed above. It is essential that the Trust keeps all third party documentation as for audit purposes it is insufficient for us to place reliance on internally generated information.</p> <p><u>Accruals</u></p> <p>Through our testing of accruals, we identified that two accruals sampled (see Appendix 3) did not meet the definition of an accrual. There is a risk that the accruals balance is overstated. We recommend at the year end the Trust reviews each individual accrual to check that the supporting evidence shows the liability is certain.</p> <p>Supporting evidence for the accruals was often internally generated spreadsheets. Third party evidence should be provided to support the numbers used within the calculations.</p> <p>(continued)</p>	<p>Management Response:</p> <p>There were specific circumstances in place which impacted generally, e.g. unexpected absence and new starters in key posts. In addition, there were new developments and changes due to changes in the framework and financial regime. Specific responses are below.</p> <p>Deferred Income:</p> <p>This will be expected to reduce as key programmes are moved forward and income released. In some instances the Trust has pursued agreements but it is not always possible to get this agreed with counterparties, particularly when funding is agreed late in the financial year. However further efforts will be made to pursue this as vigorously as possible in 2022/23. A senior finance lead will be allocated to all significant work programmes where required.</p> <p>Accruals:</p> <p>The Trust does not concur with the assessment on the two specific items. Specific third party evidence may not always be available and in such instances the Trust will make an assessment using best available information.</p> <p>(continued)</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
2	2	<p>(continued)</p> <p><u>Provisions</u></p> <p>Through our testing of provisions, we identified two provisions that do not meet the IAS37 recognition criteria (see Appendix 3). There is a risk that the provisions balance is overstated. We recommend that the Trust performs a critical review of each provision at the year end against the criteria outlined in IAS37.</p> <p>Where there is judgement involved, we recommend that the Trust prepares a paper for presentation to the auditors prior to the year end. Papers have been presented this year, however they were not presented on a timely basis. Given the subjective nature of these balances, auditors must challenge these areas of judgement robustly and therefore sufficient time must be allowed for this.</p> <p>We recommend that, for such papers, management include all supporting evidence, particularly any third party evidence, to make the audit trail as clear as possible.</p> <p>We also recommend that these papers are prepared by one person and then reviewed by another so they are complete and accurate.</p> <p><u>Agreement of Balances</u></p> <p>Through our testing of the Agreement of Balances exercise, we identified a number of mismatches that we were required to follow up on as they were greater than our set threshold of £125k. Auditors need to see evidence to show that the balance as reported by the Trust is complete and accurate. Therefore we require supporting evidence to demonstrate this. We recommend that the Trust provides as much supporting evidence as possible to support their position rather than narrative explanations.</p>	<p>(continued)</p> <p>Management Response:</p> <p>Provisions:</p> <p>This is an area of judgement. The substance of both provisions in question had been discussed at Board or Executive level committees. However a paper will be prepared for auditors in advance of year-end for 2022/23 if required.</p> <p>Officer:</p> <p>Deputy Chief Financial Officer</p> <p>Due date:</p> <p>31/03/2023</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
3	3	<p>Accounting policies</p> <p>Through our review of the accounting policies, we identified that although they are factually accurate, they could be improved to better describe some of the specific arrangements in place at the Trust. Over the past few years, the Trust has entered into some unique arrangements such as the neonatal partnership with Alder Hey NHS Foundation Trust and hosting the Local Maternity System (LMS). It would be good practice to clarify the accounting policies that apply to these types of arrangements.</p> <p>There is a risk that the accounting policies are simply rolled forward year upon year and not updated to reflect current arrangements.</p> <p>We recommend that the Trust performs a full review of the accounting policies to ensure they're sufficiently detailed for the readers of the financial statements.</p>	<p>Management Response:</p> <p>Agreed and this will be amended to reflect the complexity of current arrangements particularly the hosting of the LMS.</p> <p>Officer:</p> <p>Deputy Chief Financial Officer</p> <p>Due date:</p> <p>31/03/2023</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
4	3	<p>Agreement of Balances – resolving mismatches with counter-parties</p> <p>Through our testing of the mismatches arising from the Agreement of Balances exercise, we identified an audit misstatement (see Appendix 3) where the Trust had not accrued for some income from another Trust relating to a profit share. We have seen evidence to support that the Trust had received correspondence from the counter party making them aware of that income and therefore it should have been included in the financial statements. This appears to be an isolated incident but we recommend the Trust reviews its internal processes to prevent this from happening.</p> <p>We also identified an instance where an income mismatch had arisen with another Trust. On this occasion, the Trust had not recognised any income, as at the date of preparing the financial statements, they were not aware that the counter party were willing to pay that income. The mismatch mainly related to a Service Level Agreement (SLA) for recharges. While we understand that the Trust did not feel it appropriate to expect payment for recharges, as during the pandemic, payment of such balances was suspended, we would expect that going forward the Trust would reach out to these counter parties to confirm this in advance of the year end, so they are fully informed when it comes to preparing the financial statements.</p> <p>There is a risk that mismatches arise and ultimately that the amount recognised by the Trust is not complete and accurate. We recommend that the Trust performs an exercise in advance of the year end to review all SLAs, profit shares and other such arrangements and then contacts the counter party to confirm amounts due/payable.</p>	<p>Management Response:</p> <p>The first mismatch was a one-off error where an email had been missed/misinterpreted. The second mismatch was beyond the Trust's control. A further review will be undertaken on this area in 2022/23 to ensure completeness.</p> <p>Officer:</p> <p>Head of Income and Contracts/ Head of Financial Management</p> <p>Due date:</p> <p>31/03/2023</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
5	2	<p>Local Maternity System (LMS) arrangements</p> <p>The Trust took over as the host of the Local Maternity System (LMS) as of the 1st April 2021. Therefore as part of our audit we sought to understand the arrangements in place and the associated accounting impacts. The Trust were unable to provide us with a copy of a contract with the LMS.</p> <p>There is a risk that, without a contract in place, the arrangement and performance obligations aren't clear for either party and to us as external auditors.</p> <p>We recommend that the Trust seeks to get some kind of formal contract in place.</p> <p>Through our testing of the LMS balances, we were able to see that the Trust accounts for this on an 'agency' basis as it essentially draws down the funds and then passes them on to the relevant parties. Therefore it accounts for the balances using net accounting. We sample tested the income that the Trust has recognised itself in the year (gross accounting). Through this testing we identified one draw down to the Trust that has then been deferred to pass on to other bodies. This is inconsistent with the net accounting treatment. It does not cause an issue in the financial statements as if that income was removed from the Trust's deferred income balance it would then move to the receipts in advance balance which would be a presentational difference only.</p> <p>We also found it quite difficult to get adequate supporting evidence over LMS arrangements and balances.</p> <p>We recommend that the Trust reviews its operating processes and governance of the LMS arrangements to ensure they are fit for purpose.</p>	<p>Management Response:</p> <p>A contract as such would not be appropriate as this is a hosting arrangement but an MoU or hosting agreement would be and can be put in place with the ICB once formed.</p> <p>Officer: Deputy Chief Financial Officer</p> <p>Due date: 31/12/2022</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
6	3	<p>Annual leave accrual</p> <p>Through our testing of the annual leave accrual, we identified that the process the Trust goes through to collect the relevant information could be improved.</p> <p>The Trust asks Medical staff to inform their line managers of how much annual leave they have to carry over. In 2021-22, the response rate was only 16% of these staff. Therefore this increases the estimation uncertainty in that accrual.</p> <p>There is a risk that the annual leave accrual is not complete and accurate or is overstated.</p> <p>We therefore recommend that the Trust reviews the process in place to ensure a better response rate and subsequently a more accurate accrual.</p>	<p>Management Response:</p> <p>Accepted and this will be escalated to Clinical Directors/ Deputy MD/ MD if required for medics.</p> <p>Officer:</p> <p>Head of Financial Management</p> <p>Due date:</p> <p>31/03/2023</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
7	3	<p>Staff rosters</p> <p>Through our testing of controls in the area of payroll, we identified that the staff variation list control only covers non-rostered staff. This control provides positive confirmation of employees working within the Trust.</p> <p>When inquiring about controls giving assurance over the completeness, existence and accuracy over rostered staff, the following issues were identified:</p> <ul style="list-style-type: none"> ▪ Not one month in the financial year where all rosters have been completed; ▪ For 10 out of 11 months sampled, there was at least one instance of managers' roster or bank shift roster not finalised; ▪ In some instances, rosters have not been published for staff to view their hours. <p>There is risk that the Trust does not have appropriately designed controls in place to cover existence of rostered staff and if staff were being overpaid it would not be identified.</p> <p>We recommend that the Trust review the controls in place over rostered staff.</p>	<p>Management Response:</p> <p>Accepted and this is an area where work is already underway through the Financial Recovery Board.</p> <p>Officer:</p> <p>Deputy Chief Financial Officer / Deputy Director of Workforce / Deputy Director of Nursing</p> <p>Due date:</p> <p>31/12/2022</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
8	2	<p>New starters testing</p> <p>Through our testing of the controls in place over new starters at the Trust we encountered a number of issues:</p> <ul style="list-style-type: none"> 7 out of 25 sampled could not be located on TRAC. We could therefore not conclude whether the position was requested through TRAC and the vacancy approved appropriately. We could also not determine whether the new starter checklist had been completed and all required pre-employment documentation such as right to work, references, etc. checked; 6 out of 25 sampled did not have sign off that HR/Recruitment had reviewed ID/Right to work documentation; 1 out of 25 sampled – evidence was not provided to show the vacancy was approved by the relevant department; 1 out of 25 sampled – evidence was not provided to show the new starter checklist had been completed; and 18 out of 25 did not have a signed contract on file. HR indicated this wasn't part of the process and the employee starting in role is taken as acceptance of the T&Cs of the contract, however we consider this a best practice point. <p>There is a risk that the Trust does not have sufficient controls in place over new starters. We recommend that the Trust reviews the controls in place and takes action to prevent the same issues noted above.</p>	<p>Management Response: Accepted.</p> <p>Officer: Deputy Director of Workforce</p> <p>Due date: 31/07/2022</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Financial Statements			
9	3	<p>Impairment review</p> <p>Through our testing of the Trust's impairment review, we identified some improvements that could be made.</p> <p>The Trust should include commentary on how they've assessed the value and potential impairment of plant and machinery in the year. This has a c.£10m net book value in the financial statement so the Trust should document their consideration of indicators of impairment on these assets.</p> <p>The Trust could also improve the narrative within the impairment review to include details of things that have changed between the years such as changes to the obsolescence factors and any challenges they have made of the valuers. This would give the Audit Committee greater assurance of the robustness of the impairment review.</p>	<p>Management Response:</p> <p>This work is undertaken but documentation could be improved. A report will be taken to Audit Committee to demonstrate this.</p> <p>Officer: Financial Controller</p> <p>Due date: 31/03/2023</p>
10	3	<p>Register of Interests</p> <p>Through our testing of the related parties transactions we identified three entities that were identified on the declarations of interests that were not included on the Register of Interests. We also identified four entities with which the Trust had had transactions that not been disclosed. The DHSC issued late guidance with some DH related parties. We also identified three entities from this DHSC list with transactions that had not been disclosed in the related parties note.</p> <p>There is a risk that if the Register of Interests is incomplete transactions with related parties will not be disclosed in the financial statements.</p> <p>We recommend that the Trust reviews the declaration of interests against the Register of Interests on a regular basis to ensure all interests are captured. We also recommend that the Trust review the transaction listing for transactions with any of these interests to ensure the disclosure is complete and accurate.</p>	<p>Management Response:</p> <p>Accepted.</p> <p>Officer: Financial Controller / Trust Secretary</p> <p>Due date: 31/07/2022</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date
Value for Money			
11	3	<p>Monitoring of sub-contractors</p> <p>The Trust has contracts in place with a number of other organisations. For example, all pathology services are outsourced to Liverpool University Hospitals NHS FT (LUFT). Sub-contractors are monitored through regular meetings and review of reports. Finance, Performance and Business Development Committee received a report in January 2022 providing assurance regarding third party service provider controls.</p> <p>The Trust recognises that there are some gaps in their assurance processes in relation to the monitoring of sub-contractors, and so has developed a series of actions to combat this.</p> <p>We recommend that the Trust monitors progress against this action plan to ensure these gaps are addressed as soon as possible.</p>	<p>Management Response:</p> <p>This work is underway through FPBD, an update will be provided and further work undertaken to strengthen this area.</p> <p>Officer:</p> <p>Deputy Chief Financial Officer / Head of Procurement and Contracts</p> <p>Due date:</p> <p>31/08/2022</p>

Control observations

We have also follow up the recommendations from the previous years audit, in summary:

Total number of recommendations	Number of recommendations implemented	Number outstanding (repeated below):
9	5	4

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2022)
Financial Statements				
1	3	<p>Valuation of land and buildings – enhancement of existing controls</p> <p>Through our work over the valuation of land and buildings, we identified that management prepared a workpaper comparing the values they expected for each of the buildings to the values determined by the Valuer, Cushman & Wakefield. This work paper was then sent to the Valuer. In year there was a large impairment. While management prepared a detailed paper to explain this impairment as part of our audit we recommend management challenge large movements until they are satisfied with the underlying reasons upon receipt of the valuation report.</p> <p>We recommend that management strengthens the existing controls by documenting a formal review of the valuers assumptions used on an annual basis, such as indices and functional obsolescence. We understand the short timeframe between receipt of the final valuation report and the audit so we recommend management consider whether elements of this formal review could be completed earlier in the year, for example when agreeing the instructions to the valuer, or shortly in advance of the valuer carrying out their fieldwork.</p>	<p>Accepted this will be undertaken by the Financial Controller for future valuations.</p> <p>Officer: Financial Controller</p> <p>Due date: 31 March 2022</p>	<p>While we are satisfied that the Trust has improved its controls in this area, it does not meet the requirements as defined by Auditing Standards to enable us to conclude it is designed and implemented effectively. As such we have not been able to place reliance on this control. Whilst we are not going to raise another formal control observation in this regard, and the Trust may consider its existing control to be proportionate to address the associated risk, as valuation of land and buildings is a significant risk, we are required to bring this matter to your attention. See page 10 for further detail.</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2022)
Financial Statements				
2	3	<p>Asset verification exercise</p> <p>Through our work over the existence of the Trust's assets we tested the Trust's asset verification exercise completed in the year. This requires budget holders to verify the existence of assets documented as being held with their departments. Due to the ongoing pandemic it was not possible to complete the exercise in full. The Trust worked hard to ensure 93% of the assets (by net book value) were verified.</p> <p>There is a risk that some of the lower value assets do not exist.</p> <p>We recommend the Trust ensure the verification exercise in 2021/22 covers all assets.</p>	<p>Accepted, those assets which were not physically verified in 20/21 will be verified prior to 21/22 accounts. This was also impacted by Covid-19 restrictions.</p> <p>Officer: Financial Accountant</p> <p>Due date: 31 March 2022</p>	<p>Implemented.</p> <p>The Trust have not verified all assets in the year but have verified the assets that had not been verified in the prior year. We recommend that as it is impractical to review everything every year, the Trust instead implements a rolling cycle of verification to ensure all assets are verified on a cyclical basis, for example every three years.</p> <p>Management have provided the following response:</p> <p>The Trust endeavours to verify all assets in the year and in 2021/22 has verified 97% of total assets on a NBV basis. Verifying 100% of all assets is not always practical. Therefore the Trust plans to verify all assets on a 3 year cyclical basis, ensuring that assets not verified in preceding financial years will be verified at least once every 3 years.</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2022)
Financial Statements				
3	3	<p>Formalisation of year-end accruals control</p> <p>As part of our audit we have considered the design and implementation of the controls associated with the preparation of month-end and year-end accruals. We identified that at both month end and the year-end, a review of accruals is undertaken however this control is not formal and therefore there is no audit trail.</p> <p>To ensure completeness, existence and accuracy of accruals posted throughout the year, the Trust should formalise the review of accruals at the month end and year end. We recommend the review includes a comparison against budget as well as prior year accruals to identify potential inaccuracy, stagnant accruals or incomplete accruals. Segregation of duties should be enforced and review of this control should be formally documented and reviewed by an appropriate member of the finance team.</p>	<p>This is undertaken in detail but the process will be formalised with Deputy Director of Finance sign off for all accruals at year end.</p> <p>Officer: Deputy Director of Finance</p> <p>Due date: 15th April 2022</p>	<p>While we are satisfied that the Trust has improved its controls in this area, it does not meet the requirements as defined by Auditing Standards to enable us to conclude it is designed and implemented effectively. As such we have not been able to place reliance on this control. Whilst we are not going to raise another formal control observation in this regard, and the Trust may consider its existing control to be proportionate to address the associated risk, as fraudulent expenditure recognition is a significant risk, we are required to bring this matter to your attention. See page 7 for further detail.</p> <p>Furthermore, given the extension of our significant risk to cover provisions, we also recommend that a similar process is undertaken at the year-end to review provisions recorded against the criteria set out in IAS37.</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2022)
Financial Statements				
4	2	<p>Hewitt Centre controls</p> <p>We identified two issues through our testing of private patient income controls within the Hewitt Centre.</p> <p><i>1. Daily banking reconciliations</i></p> <p>Through our testing of the daily banking reconciliation in the Hewitt Centre we identified that, for one out of fifteen days sampled, the daily banking pack could not be located. This meant that the audit team were unable to verify if the system report for income recorded reconciled with the till report from that day. Till reports are paper based/printed from the till each day and the sole copy held in the daily banking pack which is sent off to storage.</p> <p>There is a risk that income is overstated if the system says more income received than actually was taken by the till or income is understated and cash taken that day is not recorded - potential of missing cash (fraud risk).</p> <p><i>2. Monthly debtors checks.</i></p> <p>We were unable to perform a walkthrough of the control in place due to a lack of supporting evidence. Therefore we were unable to conclude that the control is designed and implemented correctly.</p> <p>There is a risk that debtors are not recovered on a timely basis before they are passed on to the debt collection agency.</p> <p>We understand the Finance team has reviewed the income controls that take place in the Hewitt Centre in the year.</p> <p>We recommend that the supporting evidence is maintained for the daily banking checks or an alternative process is put in place. We recommend that the monthly debtors checked are recorded so there is a clear audit trail of action taken by the Trust.</p>	<p>A number of changes to processes and procedures are underway with Hewitt Fertility Centre and this will form part of that. Further integration into the Trust Finance function will be in place.</p> <p>Officer: Deputy Director of Finance</p> <p>Due date: 31st March 2022</p>	<p>Not yet implemented.</p> <p>Management has provided the following update:</p> <p>This work has been subsumed as part of an overall review of Hewitt Fertility Centre. After the audit recommendation was agreed for 2020/21, a full commercial and strategic review was undertaken. As part of this, a number of more wide ranging recommendations were put in place and are being undertaken as part of an action plan. The recommendation from 2020/21 still stands but needs to be undertaken as part of the wider piece of work, e.g. ensuring the right structures, processes etc are in place.</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2022)
Financial Statements				
5	2	<p>Apportionment of value to assets under construction at the year end</p> <p>Where the Trust has a significant ongoing capital project at the year end where some of the assets involved are in use and some are considered an asset under construction we recommend the Trust carefully consider how to apportion the value of the works to the part of the asset still under construction.</p> <p>We understand it is a complex process to apportion value to the assets under construction. We recommend the Trust consider their approach in advance of year end and involve members of the Estates team to enable them to apportion works completed in the most appropriate way.</p> <p>This could be relevant in the 2021/22 financial year as a result of the ongoing Crown Street enhancement programme.</p>	<p>This will always be an estimate. However a number of options and discussion with the Estates Project Team will take place prior to 2021/22 accounts, particularly in relation to the Crown Street Enhancements programme.</p> <p>Officer: Deputy Director of Finance</p> <p>Due date: 15th April 2022</p>	<p>Implemented.</p> <p>We did not identify any issues with regard to assets under construction in our testing this year.</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2022)
Financial Statements				
6	3	<p>Calculation of Whole Time Equivalent (WTE) average staff numbers</p> <p>The Trust is asked to calculate the average number of employees. As per the NHS Foundation Trust Annual Reporting Manual 2020/21 the calculation should be performed using the following method:</p> <p><i>The average number of employees is calculated as the whole time equivalent number of employees under contract of service in each week in the financial year, divided by the number of weeks in the financial year. The “contracted hours” method of calculating whole time equivalent number should be used, that is, dividing the contracted hours of each employee by the standard working hours.</i></p> <p>Through our testing of this disclosure we identified that the Trust has calculated this disclosure using a yearly average. While we understand that it is onerous to calculate this on a weekly basis, we recommend that the Trust calculate this on a monthly basis instead.</p>	<p>Accepted. Note that monthly internal reporting of WTE is undertaken each month as part of budget monitoring. These monthly values will be used to calculate an average WTE in future years.</p> <p>Officer: Head of Financial Management</p> <p>Due date: 31st March 2022</p>	<p>Not yet implemented.</p> <p>Management has provided the following update:</p> <p>Accepted that this needs to be amended. There is a wider piece of work underway on pay reporting internally.</p>
7	2	<p>NHS mismatches incorrectly moved to non-NHS in the Trust Accounts Consolidation schedules</p> <p>Through our testing of the Agreement of Balances process we identified a number of balances with NHS counter-parties that were moved in the Trust Accounts Consolidation (TAC) schedules to the non-whole of government accounts (WGA) line in order to remove the mismatches that had arisen.</p> <p>There is a risk that mismatches over 300k exist that are reportable to the NAO are omitted from the TAC schedule. We have reported these on pages 40-41 and this will form part of our NAO return.</p> <p>We recommend that the Trust does not move balances to non-WGA lines in the TAC schedules and instead includes all NHS transactions within the NHS lines.</p>	<p>Accepted. This will be amended in the future.</p> <p>Officer: Financial Controller</p> <p>Due date: 31st March 2022</p>	<p>Implemented.</p> <p>We did not identify any such instances in our testing this year.</p>

Control observations

#	Risk	Issue, Impact and Recommendation	Management Response / Officer / Due Date	Current Status (June 2022)
Financial Statements				
8	2	<p>Contracts with Non-NHS Counterparts</p> <p>Our testing of the contracts in place with the non-NHS counterparts identified that none of the three contracts we tested had been signed before the start of the financial year. One was signed in July 2019 and the final one in March 2020.</p> <p>We recommend that contracts are signed in a more timely manner to ensure accurate and complete financial planning and monitoring can take place.</p>	<p>The new Head of Procurement & Contracts will be responsible for this area. The Contracts database will be used to proactively ensure contract signature.</p> <p>Head of Procurement & Contracts</p> <p>October 2020</p>	<p>Implemented.</p> <p>A contracts database is now in place and used to manage all non-NHS contracts.</p>
9	2	<p>NHS income adjustments classification</p> <p>At the beginning of each financial year, the Trust must make a number of adjustments for NHS income that it accrued for at the end of the previous financial year. Due to how the agreement of balances (AOB) submissions work, when the Trust sends out their income statements to commissioners/other Trusts for the current year's AOB, they have to exclude any invoices raised in the current year that actually relate to the previous year. They then journal the variance between what was accrued and what was actually received off the various NHS bodies onto this specific 'NHS but classified as non NHS' code so their statements only include current year income as raised on current year sales invoices. Therefore when the accounts are produced the adjustments to NHS income are posted as non NHS income. This is also the case for the NCA mismatch identified in Appendix 2. The majority of this balance is shown as non-NHS in the financial statements. The Trust has been able to demonstrate the net impact is 55k</p> <p>We recommend that the Trust reviews the current process to ensure that the income is classified into the correct categories in both the financial statements and the accounting consolidation schedules.</p>	<p>The Trust follows NHSI guidance to exclude prior year balances. The net values are not material. The Trust will seek further guidance and review the process in the 2019/20 year to determine whether changes are required.</p> <p>Officer: Deputy Director of Finance</p> <p>Due date: March 2020</p>	<p>Implemented.</p> <p>We did not identify any such instances in our testing this year.</p>

Audit Differences

Under UK auditing standards (ISA (UK) 260) we are required to provide the Audit Committee with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. As communicated previously with the Audit Committee, details of all adjustments greater than £125k are shown below:

Unadjusted audit differences (£m)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Accruals Cr Expenditure	- (0.178)	0.178 -	This is an accrual for Healthcare Assistants who are paid at Band 2 level but perform some Band 3 duties. There is no specific claim against the Trust at the balance sheet date. There is no commitment at the balance sheet date and payment is not certain therefore this does not meet the criteria for an accrual. There is no legal or constructive obligation at the balance sheet date and therefore this also does not meet the definition of a provision as per IAS37.
2	Dr Accruals Cr Expenditure	- (0.233)	0.233 -	This is an accrual for additional rates potentially payable to the City Council as a result of the increase in size of the hospital over the last few years. Payment is not certain and therefore this does not meet the criteria for an accrual. Payment is not probable at the balance sheet date and therefore this also does not meet the definition of a provision as per IAS37.
3	Dr Provisions Cr Expenditure	- (0.332)	0.332 -	This is a provision for restructuring. Only when a detailed form plan is in place and the entity has started to implement the plan, or announced its main features to those affected can a restructuring provision as per IAS37. A Board decision is insufficient. Therefore this provision does not meet the IAS37 criteria at the balance sheet date.
4	Dr Provisions Cr Expenditure	- (0.820)	0.820 -	This is a provision for a potential tax liability. The Trust has not made HMRC aware of this and HMRC has not started an investigation at the balance sheet date. Therefore this does not meet the IAS37 criteria as there is no legal or constructive obligation arising.
5	Dr Debtors Cr Income	- (0.294)	0.294 -	This is income relating to a profit share with Wrightington, Wigan and Leigh NHS Foundation Trust. The Trust was made aware of the counter-party's intentions to pay this money relating to 2021-22 in the financial year, however it was omitted from the financial statements in error.
Total		1.857	1.857	

Audit Differences

Under UK auditing standards (ISA UK 260) we are required to provide the Audit Committee with a summary of adjusted audit differences (including disclosures) identified during the course of our audit. The adjustments below have been included in the financial statements.

Adjusted audit differences (£m)				
No.	Detail	SOCI Dr/(cr)	SOFP Dr/(cr)	Comments
1	Dr Deferred income Cr Other payables	- -	1.294 (1.294)	Through our testing of deferred income, we identified £1,294k of revenue funding that was received for the Community Diagnostic Centre (CDC). The evidence provided to us states that where this funding has not been spent by the 31st March 2022, it will be clawed back. While we have seen no correspondence asking for this money back since the year end, this suggests the income should be held as an 'other payable' at year end rather than as 'deferred income' as it is in the draft financial statements.
2	Dr Deferred income Cr Receipts in advance	- -	1.530 (1.530)	Through our testing of deferred income, we identified that the Trust holds income of £1,530k that belongs to the Local Maternity System (LMS). In the draft financial statements, the Trust recognised this as 'deferred income: contract liabilities' however we believe it should be classified as 'receipts in advance.'
Total		-	-	

We have also asked the Trust to make presentation adjustments to the following disclosures:

- The Going Concern note in the Annual Report to include more prospective financial information.
- The Related Party note (recoding between NHSE departments and omitted transactions).
- The deferred income part of the Accounting Policies note.
- The Salary and Fees bandings in the Remuneration Report.

Audit Differences

The Trust has also made a number of presentational adjustments to the financial statements since preparing the financial statements. These are:

Section	Line	Was (£k)	Now (£k)	Movement (£k)	Reason
SOFP	Trade and other payables	- 20,386	- 23,210	2,824	Reclassification of LMS and CDC from deferred income
SOFP	Other liabilities	- 6,981	- 4,157	- 2,824	Reclassification of LMS and CDC from deferred income
SOCP	Increase / (decrease) in payables and other liabilities	5,464	5,544	- 80	Category changes on the payables note following LWH review and per the AoB mismatch work
SOCP	Purchase of Property, Plant and Equipment	- 10,222	- 10,302	80	Category changes on the payables note following LWH review and per the AoB mismatch work
AP	Additional wording regarding deferred income	N/A	N/A	N/A	As requested by KPMG during the audit due to new income streams in year e.g. LMS
Note 2	Block contract / system envelope income	123,029	124,029	1,000	Re-categorisation from ERF below
Note 2	Other NHS clinical income	1,790	483	- 1,307	Transposition error identified by LWH - offsets below
Note 2	Elective recovery fund**	2,599	1,599	- 1,000	Re-categorisation to system funding above
Note 2	Other clinical income	972	2,279	1,307	Transposition error identified by LWH - offsets above
Note 2	Condensed narrative underneath note	N/A	N/A	N/A	As requested by KPMG
Note 8	Salaries and wages	66,464	66,564	100	Transposition error identified by KPMG
Note 8	Employer's contributions to NHS pensions	10,254	10,154	- 100	Transposition error identified by KPMG

Audit Differences

Continued:

Section	Line	Was (£k)	Now (£k)	Movement (£k)	Reason
Note 21	Trade payables	4,589	6,017	1,428	Category changes on the payables note following LWH review and per the AoB mismatch work
Note 21	Capital payables	4,929	4,849	- 80	Category changes on the payables note following LWH review and per the AoB mismatch work
Note 21	Accruals	7,741	6,393	- 1,348	Category changes on the payables note following LWH review and per the AoB mismatch work
Note 21	Accruals	6,393	7,687	1,294	Reclassification of CDC from deferred income
Note 21	Receipts in advance and payments on account	-	1,530	1,530	Reclassification of LMS from deferred income
Note 21	Disclosure of current NHS	4,144	4,284	140	Category changes on the payables note following LWH review and per the AoB mismatch work
Note 21	Disclosure of current NHS	4,284	7,108	2,824	LMS/CDC movement (per above)
Note 22	Deferred income: contract liabilities	6,981	4,157	- 2,824	LMS/CDC movement (per above)
Note 27.3	Trade and other payables excluding non financial liabilities	17,631	18,925	1,294	Reclassification of CDC from deferred income
Note 27.4	Maturity of financial liabilities - In one year or less	21,486	22,780	1,294	Reclassification of CDC from deferred income
Note 28	Ex-gratia payments	138	68	- 70	Flowers - only disclose NHSE notified amount

Audit Differences

Continued:

Section	Line	Was (£k)	Now (£k)	Movement (£k)	Reason
Note 29	Related parties				
	<u>Receivables-</u>				
	Leeds Teaching Hospitals NHS Trust	-	4	4	Disclosure required per NHSI memo, May 2022
	Clatterbridge Cancer Centre NHS Foundation Trust	-	16	16	Disclosure identified per KPMG Declaration of Interest testing
	Liverpool John Moores University	-	3	3	Disclosure identified per KPMG Declaration of Interest testing
	<u>Payables-</u>				
	LUHFT	2,624	2,584	- 40	Movement as a result of AOB exercise
	Leeds Teaching Hospitals NHS Trust	-	4	4	Disclosure required per NHSI memo, May 2022
	Topwood Ltd	-	1	1	Disclosure required per NHSI memo, May 2022
	Clatterbridge Cancer Centre NHS Foundation Trust	-	9	9	Disclosure identified per KPMG Declaration of Interest testing
	Intuitive Surgical Ltd	-	25	25	Disclosure identified per KPMG Declaration of Interest testing
	British Telecommunications	-	3	3	Disclosure identified per KPMG Declaration of Interest testing
	Liverpool John Moores University	-	18	18	Disclosure identified per KPMG Declaration of Interest testing

Audit Differences

Continued:

Section	Line	Was (£k)	Now (£k)	Movement (£k)	Reason
Note 29	Related parties				
	<u>Income-</u>				
	NHS England - Core	10	173	163	Reclassification between two NHSE bodies - as a result of AOB exercise
	NHS England - North West Regional Office	25,119	24,956	- 163	Reclassification between two NHSE bodies - as a result of AOB exercise
	Leeds Teaching Hospitals NHS Trust	-	1	- 1	Disclosure required per NHSI memo, May 2022
	Clatterbridge Cancer Centre NHS Foundation Trust	-	59	59	Disclosure identified per KPMG Declaration of Interest testing
	<u>Expenditure-</u>				
	NHS Pension Scheme	10,254	10,154	- 100	Transposition error identified by KPMG
	Leeds Teaching Hospitals NHS Trust	-	7	7	Disclosure required per NHSI memo, May 2022
	Topwood Ltd	-	15	15	Disclosure required per NHSI memo, May 2022
	Vyaire Medical Products Ltd	-	9	9	Disclosure required per NHSI memo, May 2022
	Clatterbridge Cancer Centre NHS Foundation Trust	-	47	47	Disclosure identified per KPMG Declaration of Interest testing
	Intuitive Surgical Ltd	-	380	380	Disclosure identified per KPMG Declaration of Interest testing

Audit Differences

Intra-group error reporting

Further to the misstatements identified on page 42-43 we are required to report any identified errors in the reporting of intra-group balances with other Department of Health and Social Care entities exceeding £300,000 as part of our reporting on the Whole of Government Accounts to the National Audit Office. We do not have any such errors to report.

Confirmation of Independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Audit Committee members

Assessment of our objectivity and independence as auditor of the Liverpool Women's NHS Foundation Trust

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners/directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard.

As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications

- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity.

We have considered the fees charged by us to the Trust and its affiliates for professional services provided by us during the reporting period. Total fees charged by us can be analysed as follows:

	2021/22	2020/21
	£'000	£'000
Audit of Trust	92*	76
Total audit	92	76
Total non-audit services	0	0
Total Fees	92	76

This includes £7,000 for overruns due to the difficulties faced completing this audit.

Fee ratio

The anticipated ratio of non-audit fees to audit fees for the year at the time of planning is 0:1.

We do not consider that the total non-audit fees create a self-interest threat since the absolute level of fees is not significant to our firm as a whole.



Appendix Four

Confirmation of Independence

Application of the FRC Ethical Standard 2019

We communicated to you previously the effect of the application of the FRC Ethical Standard 2019. That standard became effective for the first period commencing on or after 15 March 2020, except for the restrictions on non-audit and additional services that became effective immediately at that date, subject to grandfathering provisions.

We confirm that as at 15 March 2020 we were not providing any non-audit or additional services that required to be grandfathered.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the partner and audit staff is not impaired.

This report is intended solely for the information of the Audit and Compliance Committee and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP

KPMG LLP

Appendix Five

FRC's areas of focus

The areas of focus from the [FRC's Annual Review of Corporate Reporting 2020/21](#), annual letter to CEOs, CFOs and audit committee chairs along with the five thematic reviews issued in 2021 should be considered for reporting in the current financial period. The reports identify where the FRC believes organisations should be improving their reporting. Below is a high level summary of the key topics. We encourage management and those charged with governance to read further on those areas which are significant to the Trust.

<u>Judgements and Estimates</u>	<p>In the current climate it is particularly important for entities to provide as much context as possible for the assumptions and predictions underlying the amounts recognised in the financial statements, including potential sensitivities or ranges of possible outcomes.</p> <p>Trusts should disclose the carrying amounts impacted by estimation uncertainty. Disclosures of key assumptions and sensitivities could be improved. Preparers are encouraged to clearly distinguish between sources of estimation uncertainty with a significant risk of a material adjustment in the following year and other, perhaps longer-term, uncertainties.</p> <p>Significant accounting judgements should be clearly explained along with factors considered.</p>
<u>Revenue</u>	<p>Having raised a considerable number of queries in relation to revenue recognition policies and related disclosure, the FRC strongly encourage preparers to read their thematic report which includes tips and examples of good and inadequate disclosure.</p> <p>Entities should disclose significant judgements made in accounting for revenue. This could include judgements in relation to performance obligations, transaction price and amounts allocated to performance obligations. Disclosures should clearly identify the methods used to estimate any variable consideration.</p>
<u>Statement of Cash Flows</u>	<p>Organisations need robust reviews of the cash flow statement to ensure consistency with other parts of the annual report and to ensure preparation in line with the accounting standard.</p> <p>Errors continue to be identified, including inappropriate classification of cash flows and inappropriate netting. The FRC also challenges organisations on the composition of cash equivalents and on incomplete or incorrect related disclosures.</p> <p>Organisations are reminded that even in the limited cases where borrowings can be included as a component of cash and cash equivalents in the cash flow statement, the IAS 32 'Financial Instruments: Presentation' criteria need to be applied to determine whether they can be presented on a net basis in the balance sheet.</p>
<u>Alternative Performance Measures (APMs)</u>	<p>APMs should not be given undue-prominence. Preparers should avoid statements appearing to provide APMs with more authority than IFRS measures and are reminded that meaningful commentary on the IFRS figures is required.</p> <p>APMs, including ratios, should be appropriately labelled and reconciled to the most directly reconcilable financial statement line item. It should be clear how reconciling items are determined and companies should explain clearly why amounts are excluded from adjusted measures. Adjusting items should include gains as well as losses, where relevant.</p>

Appendix Five

FRC's areas of focus

<u>Strategic Report</u>	<p>The annual report should provide a fair, balanced and comprehensive analysis of the development and performance of the business in the financial year and of its position at the end of the year. In particular companies are encouraged to include discussion of relevant significant matters and performance against key strategic objectives.</p>
<u>Provisions and contingencies</u>	<p>Provisions and contingencies should be clearly explained including the nature of the exposure, the timeframe and the basis for determining the amount. Any significant judgements and relevant assumptions should be disclosed clearly.</p> <p>There should be consistency between information provided in the annual report and accounts.</p> <p>If material provisions are dependent on the future performance of a business expected to be heavily impacted by climate change, this should be disclosed and detail provided on how climate change had been taken into account in the estimate.</p>
<u>Leases</u>	<p>Lessees and lessors are required to disclose information that gives a basis for users to assess the effect of leases on financial position, financial performance and cash flows. This could include information about variable payment features, for example. Judgements should be disclosed.</p> <p>Entity-specific accounting policies should be disclosed for material transactions.</p>
2021/22 priorities for FRC review: - <u>Impact of COVID-19</u>	<p>In addition to the topics summarised above, the FRC have indicated that routine monitoring for the 2021/22 cycle will include a focus on:</p> <ul style="list-style-type: none">- judgement and uncertainty in the face of continuing economic and social impact of Covid-19; and- climate-related risks and new disclosures. <p>Disclosure on judgements and assumptions about the future will remain important to users of reports, particularly when considering matters such as going concern and liquidity. Therefore as part of their routine 2021/22 routines, the FRC will continue to consider whether entities:</p> <ul style="list-style-type: none">- Explain the significant judgements and estimates made;- Provide meaningful sensitivity analysis or details of a range of possible outcomes;- Describe any significant judgements made in determining whether there is a material uncertainty about their ability to continue as a going concern; and- Ensure that assumptions used in the going concern assessment are compatible with those used elsewhere.

Appendix Six

ISA (UK) 315 Revised: Overview

Summary

ISA (UK) 315 *Identifying and assessing the risks of material misstatement* incorporates significant changes from the previous version of the ISA. These have been introduced to achieve a more rigorous risk identification and assessment process and thereby promote more specificity in the response to the identified risks. The revised ISA is effective for the 2022-23 financial year onwards.

The revised standard expands on concepts in the existing standards but also introduces new risk assessment process requirements – the changes will have a significant impact on our audit methodology and therefore audit approach.

Why have these revisions been made?

With the changes in the environment, including financial reporting frameworks becoming more complex, technology being used to a greater extent and entities (and their governance structures) becoming more complicated, standard setters recognised that audits need to have a more robust and comprehensive risk identification and assessment mechanism.

The changes are aimed at (i) promoting consistency in effective risk identification and assessment, (ii) modernising the standard by increasing the focus on IT, (iii) enhancing the standard's scalability through a principle based approach, and (iv) focusing auditor attention on exercising professional scepticism throughout risk assessment procedures.

What does this mean for an audit?

To meet the requirements of the new standard, auditors will be required to spend an increased amount of time across the risk assessment process, including more detailed consideration of the IT environment. We expect these changes to result in significantly increased audit effort levels which will, in turn, affect auditor remuneration. This additional effort is a combination of time necessary to perform the enhanced risk assessment procedures and the anticipated need to involve more technical specialists (particularly IT Audit professionals) in our audits.

Given the level of changes to the standard, debate remains ongoing about the extent of impact on application of some paragraphs. Global regulators have committed to providing further clarification in this area in advance of adoption, and there may therefore be some later updates to our initial assessment of relative impact.



Expected effect on audit effort	
Increased professional scepticism	
Understanding the entity	
Understanding internal control	
IT systems and communication	
Control activities	
Identifying and assessing risks	
Control risk	
Stand-back assessment and documentation	
TOTAL EFFORT	

ISA (UK) 315 Revised: Summary of key changes



Area	Impact on audit effort	Summary of changes and impact
Increased professional scepticism		Increased focus on applying professional scepticism – particularly the need for auditors not to bias their approach towards obtaining evidence that is corroborative in nature or excluding contradictory evidence, which requires more independent evidence to be sought. In all cases, there will be enhanced documentation requirements in this area.
Understanding internal control		The previous standard included requirements for understanding components of the entity's system of internal control. The revisions add another step by requiring auditors perform evaluation procedures over these. This may require additional effort to evaluate the entity's processes over risk assessment and monitoring activities over internal control systems to assess their appropriateness to the entity's size and complexity.
IT systems and communication		The requirements introduce an increased focus on understanding the entity's own management of IT. This may entail performing additional risk assessment procedures and taking a broader view across the IT environment, considering more systems and systems in greater depth, than previously. Given the complexity and specialist knowledge required to perform these procedures, increased use of technical IT Audit specialists will be a natural consequence of this revision.
Control activities		The revised standard enhances the way we identify IT applications and aspects of the IT environment that are subject to assessed risks arising from IT. This may result in significant expansion of risk assessment procedures to obtain and evaluate the necessary information. Further, the standard adds new requirements in control testing activities to mandate evaluation of general IT controls that address risks arising from IT associated with significant risks and certain journal entries. For these controls, the auditor is required to evaluate the design and implementation of the individual controls. This could result in a significant change in approach, with more emphasis and effort spent on evaluating control activities. Again, we anticipate integrating more specialised expertise into our audit team to meet the revised requirements.
Identifying and assessing risks		The changes require more detailed assessment of risks at both the financial statement and assertion levels for classes of transactions, account balances and disclosures than previously. Further, the revisions introduce an inherent risk spectrum and new inherent risk assessment factors, each of which the auditor evaluates to assess the level of risk and thereby shape the audit response. This will increase the audit effort needed to evaluate and document the risks of material misstatement.
Control risk		New requirement to assess inherent risk and control risk separately for each risk of material misstatement identified where the auditor plans to test the operating effectiveness of controls. The separation of assessments will require individual attention, increased documentation and is likely to affect sample sizes for substantive procedures.
Stand-back assessment		New requirement to perform a stand-back assessment for material classes of transactions, account balances or disclosures which have not been identified as significant, to assess whether this determination remains appropriate in the context of the overall audit. This will require increased consideration of aggregation risk and introduce additional documentation requirements.

ISA (UK) 240 Revised: Summary of key changes



Summary and background

ISA (UK) 240 *The auditor's responsibilities relating to fraud in an audit of financial statements* includes revisions introduced to clarify the auditor's obligations with respect to fraud and enhance the quality of audit work performed in this area. The revised ISA (UK) is effective for periods commencing on or after 15 December 2021. Unlike ISA (UK) 315 which mirrors updates in the international ISA, the updated UK fraud standard is not based on international changes by the IAASB.

The impact of the revisions to ISA (UK) 240 is less extensive compared to ISA (UK) 315, but will nevertheless result in changes to our audit approach. The table below summarises the main changes and our initial assessment of their impact.

Area	Summary of changes and impact	Effect on audit effort
Risk assessment procedures and related activities	<p>[1] Increased focus on applying professional scepticism – the key areas affected are:</p> <ul style="list-style-type: none"> the need for auditors not to bias their approach towards obtaining evidence that is corroborative in nature or excluding contradictory evidence, remaining alert for indications of inauthenticity in documents and records, and investigating inconsistent or implausible responses to inquiries performed. <p>[2] Requirements to perform inquiries with individuals at the entity are expanded to include, amongst others, those who deal with allegations of fraud.</p> <p>[3] Every audit now requires a specific determination as to whether to involve technical specialists (including forensics) to aid in identifying and responding to risks of material misstatement due to fraud. This will result in increased involvement of specialists and an expanded scope of work for these specialists, on audit engagements.</p>	
Internal discussions and challenge	Enhanced requirements for internal discussions among the audit team to identify and assess the risk of fraud in the audit, including a requirement to determine the need for additional meetings to consider the findings from earlier stages of the audit and their impact on our assessment of the risk of fraud.	
Communications with management / TCWG	New requirements for communicating matters related to fraud with management and those charged with governance, in addition to the reporting in our audit reports.	

What does this mean for an audit?

The changes introduce new requirements which will increase audit effort and therefore the audit fee. The additional work is largely the result of investing more time identifying and assessing the risk of fraud during risk assessment and involving specialists to aid with both risk identification and the auditor's response to risk.



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INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF LIVERPOOL WOMEN'S NHS FOUNDATION TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Liverpool Women's NHS Foundation Trust ("the Trust") for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and the Department of Health and Social Care Group Accounting Manual 2021/22.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of, the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the Directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Trust will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of management, the Audit Committee and internal audit as to the Trust’s high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Reviewing the Trust’s accounting policies.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet delegated targets, we performed procedures to address the risk of management override of controls and the risk that Trust management may be in a position to make inappropriate accounting entries.

In line with the guidance set out in Practice Note 10 Audit of Financial Statements of Public Sector Bodies in the United Kingdom we also recognised a fraud risk related to expenditure recognition, particularly in relation to year-end accruals.

On this audit we did not identify a fraud risk related to revenue recognition due to the block nature of the funding provided to the Trust during the year. We therefore assessed that there was limited opportunity or incentive for the Trust to manipulate the income that was reported.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries made to unrelated accounts linked to the recognition of expenditure and other unusual journal characteristics.
- Assessing the completeness of disclosed related party transactions and verifying they had been accurately recorded within the financial statements.
- Evaluating accruals and provisions posted as at 31 March 2022 and verifying accruals are appropriate and accurately recorded.

Identifying and responding to risks of material misstatement related to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the Trust is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Trust is subject to laws and regulations that directly affect the financial statements, including the National Health Service Act 2006 and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Trust is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information.
- in our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.
- in our opinion that report has been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2021/22.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2021/22. We have nothing to report in this respect.

Remuneration and Staff Reports

In our opinion the parts of the Remuneration and Staff Reports subject to audit have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2021/22.

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 103, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report if we identify any significant weaknesses in the arrangements that have been made by the Trust to secure economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Under Section 62(1) and paragraph 1(d) of Schedule 10 of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice and related statutory guidance having regard to whether the Trust had proper arrangements in place to ensure financial sustainability, proper governance and the use of information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if we refer a matter to the relevant NHS regulatory body under paragraph 6 of Schedule 10 of the National Health Service Act 2006 because we have reason to believe that the Trust, or a director or officer of the Trust, is about to make, or has made, a decision which involves or would involve the Trust incurring unlawful expenditure, or is about to take, or has taken, a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in this respect.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Liverpool Women's NHS Foundation Trust for the year ended 31 March 2022 in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice.



Debra Chamberlain
for and on behalf of KPMG LLP
Chartered Accountants
Liverpool

22 June 2022

Council of Governors Finance & Operational Performance Group

Minutes of the Council of Governors
Finance and Operational Performance Group
held Microsoft Teams at 5.30pm on Monday, 23rd May 2022

PRESENT

Peter Norris	(PN)	Public Governor (Chair)
Annie Gorski	(AG)	Public Governor
Rebecca Holland	(RH)	Staff Governor
Evie Jefferies	(EJ)	Public Governor
Jackie Sudworth	(JS)	Public Governor
Niki Sandman	(NS)	Appointed Governor
Pat Denny	(PD)	Public Governor

IN ATTENDANCE

Tracy Ellery	(TE)	Non-Executive Director
Mark Grimshaw	(MG)	Trust Secretary
Eva Horgan	(EH)	Chief Finance Officer
Gary Price	(GP)	Chief Operating Officer
Diane Cushion	(DC)	Executive PA (minutes)

APOLOGIES

Robert Clarke	(RC)	LWH Trust Board
Rebecca Lunt	(BL)	Staff Governor
Valerie Fleming	(VF)	Appointed Governor
Gloria Hyatt	(GH)	Non-Executive Director
Kate Hindle	(KH)	Lead Governor
Louise Martin	(LM)	Non-Executive Director

22/23/	
001	<p>Introduction, Apologies & Declaration of Interest</p> <p>Apologies were received and noted. There were no declarations of interest.</p>
002	<p>Virtual Meeting Guidance Notes</p> <p>The meeting guidance notes were reviewed for information.</p>
003	<p>Minutes from the last meeting held on 28 March 2022</p> <p>Subject to the following amendment, the minutes of the previous meeting held on 28 March 2022 were agreed as a true and accurate record:</p> <ul style="list-style-type: none"> Change of Rebecca Lunt's designation to Staff Governor from Public Governor
004	<p>Action Log and Matters arising</p> <p><u>21/22/036 Terms of Reference</u></p>

	<p>Discussion to be held regarding how Subgroups are working and whether they can be broadened to include engagement with Non-Executive Directors.</p> <p><u>21/22/019 Any other Business</u></p> <p>Joint training is being considered across the Liverpool region for all Governors; if this does not happen within two months LWH can run some training ourselves.</p> <p>Action: <i>MG to pursue pan Liverpool training for Governors and NEDs following cease of CCG and introduction of new operating framework (ICS/ICB)</i></p>
MATTERS FOR RECEIPT / APPROVAL	
005	<p>FPBD Committee and Audit Committee Reports</p> <p><u>Finance, Performance & Business Development (FPBD) Committee</u></p> <p>TE gave an update on the Finance, Performance & Business Development (FPBD) Committee that took place earlier that day. Plans had been submitted for 2021/22 showing a deficit; 2022/23 was also a planned deficit position but the extent was still being discussed. Group received Month 1 figures for 2022/23 financial year and noted the challenges faced having to deliver against a deficit. There continued to be issues with workforce and agency spend and performance against cancer referrals. FPBD and Quality Committee received the same data through a different lens, this was being used to help monitor and measure recovery.</p> <p>NS asked how assured the Committee was regarding the data for measuring performance. TE advised the meeting had discussed how the Trust could be challenged on progress for example setting milestones and trajectories.</p> <p>PN enquired about the financial implications of the Ockenden 2 report and how these could be kept within controllable boundaries. EH advised that costs relating to Ockenden had been factored into financial plans but confirmation of additional funding from the government, particularly in relation to Ockenden 2, had yet to be provided.</p> <p>PN queried whether there were systems in place to insulate inflation and rising costs such as energy prices. TE advised this was discussed at FPBD earlier. EH noted inflation had been discussed at FPBD and Board, there had been national acknowledgement of the challenges and there was potential to secure funding.</p> <p>JS enquired about the financial impact of Future Generations. TE advised the Business Case would be rewritten, EH noted this won't affect the current financial year as it would take approximately 2 years to complete Business Case due to the consultation process. If LWH was successful and receives the requested capital, it would be a number of years before we're up and running with a new hospital.</p> <p><u>Audit Committee</u></p> <p>TE noted that the Committee had recently received and approved the internal audit plan for 2022/23, received reports on counter fraud and completed a self-assessment. External audit reported back on interim audits leading to year end. They were continuing to audit accounts. External audit report would go to Audit Committee and Board 16 June before accounts were submitted 22 June 2022.</p> <p>Audit Committee recognised the issues surrounding the changes to Integrated Care System (ICS), the Committee would continue to monitor these issues via reports.</p>

	<p>The Divisions had presented to Audit Committee on rotation regarding their governance arrangements, the next round of presentations would follow a framework based on the well led framework to aid the committee monitoring the divisions and their maturity.</p> <p>The Committee had agreed to £472k write off for a one to one midwives related aged debt. Confirmation had been provided from administrators that there were no residual assets, negligible assets to recover so made sense to write it off.</p>
006	<p>2022/23 Budget – risks and key issues</p> <p>EH noted that it was unusual to still be undertaking planning process at this stage of the financial year. Working with other providers and ICSs to achieve a balanced plan. Completed internal expenditure budget setting, approved and signed off with divisions and board based on clinical requirements. Income and system funding work remained ongoing.</p> <p>GP commended the work the Finance Team had done. The Operational and Clinical Teams had had a difficult couple of years and asking more of them moving forward during their period of recovery. Working together would stand us in good stead moving forward.</p> <p>EH stated that a CIP programme was in place that areas would be held to, but no further savings requests would be made. RH requested reassurance that the finance team could assist the clinical and operational staff during workforce and budget reviews to make savings. EH advised the team has been stretched with sickness and turnover but there was a new Financial Business Partner for Hewitt Fertility Centre and extra support from a Band 7 as well as senior leadership changes which should provide further stability moving forward. GP pledged support to Hewitt Fertility Centre to aid them overperform their budget.</p> <p>PN queried whether the Community Diagnostic Centre (CDC) and CT Scanner would be used to deliver the performance target of 104% of 2012/20 activity or whether it could be utilised to earn income. EH advised that the CDC should be a benefit to the Trust this year and next financial year as the overheads were included as a Cost Improvement Plan. There was also an incentive for the Trust to over perform against the set target; once the 104% target was reached income could be earned on remaining performance.</p> <p>NS questioned whether agency staff were used to cover current staffing gaps and if so, had any measures been put in place to mitigate these gaps if agency was not used. EH noted that permanent staff were being invested in and there had been recruitment of permanent staff to maternity following Ockenden. JS noted that if sickness absence was an ongoing issue agency staff would be required to cover those absent shifts and therefore until these were lowered this would continue to be a pressure.</p>
007	<p>2022/23 Operational Planning – key national priorities</p> <p>GP advised that the way the Trust demonstrates it's achievements against national performance asks would be different as it was not what the Trust had been measured against historically.</p> <p>PN noted the increased level of referrals and increased capacity and questioned whether this would reduce the waiting list. GP advised there was a continual gap of approximately 3000 outpatient appointments; the Theatre staff were maintaining a status quo running 4 Theatres 5 days a week which was a significant improvement, but further investments at the front end on Consultants was required to see a reduction in this gap.</p> <p>PN asked for an update on the LWH target of 106% of 2019/20 activity. GP noted the cumulative ask is 104% but early figures indicate this had been met but it was not known how this would</p>

	translate into income. EH was working with the national team to gain clarity on this and noted there were some details to work through.
CONCLUDING BUSINESS	
008	Review of risk impacts of items discussed A review of risk impacts was discussed, no new risks were identified.
009	Jargon Buster PN requested that CNST to be added to the jargon buster. MG requested that any unknown acronyms are sent through so they can be added.
010	Any other business & Review of meeting The meeting was effective, and actions were progressed. MG advised that the issues raised in today's meeting would remain throughout the year and should be tracked and monitored over the next financial year. Today's meeting provided a baseline and following meetings could be utilised to see progress from this baseline and challenge Non-Executive Directors whether they were assured on the issues.

Date of Next Meeting: 25 July 2022 at 5.30pm on Microsoft Teams

Minutes of the Quality and Patient Experience Governor Sub-Group held virtually at 17:30hrs on Monday 29th June 2022

PRESENT

Peter Norris (Chair)	Public Governor
Jackie Sudworth	Public Governor
Ruth Parkinson	Public Governor
Jane Rooney	Appointed Governor
Pat Denny	Public Governor

IN ATTENDANCE

Sarah Walker	Non-Executive Director
Tony Okotie	Non-Executive Director
Robert Clarke	Chair of LWH Board
Michelle Turner	Chief People Officer
Gloria Hyatt	Non-Executive Director
Marie Forshaw	Chief Nurse & Midwife
Lynn Greenhalgh	Medical Director
Mark Grimshaw	Trust Secretary
Karen James	Executive Assistant/Minute Taker

APOLOGIES:

Niki Sandman	Appointed Governor
Yaroslav Zhukovskyy	Public Governor
Kate Hindle	Lead Governor / Staff Governor
Sara Miceli-Fagrell	Public Governor

22/23	Items Covered
011	Introductions, Apologies & Declarations of Interest Peter Norris (Chair) welcomed everyone to the meeting. Declarations of interest There were no declarations of interest. Apologies Noted as above.
012	Meeting Guidance notes Noted.
013	Minutes of the previous meeting held on 25th April 2022 The minutes of the meeting held on Monday 25 th April were approved.
014	Action Log and Matters Arising Updates to the action log were noted as follows: 22/23/007 Ockenden Final Report - MG noted that a governor session relating to Ockenden had been provided in May 2022. It was likely that no further national guidance

	<p>on next steps would be provided until other maternity investigation reports were published. Once further guidance was made available, governors would be appraised of the implications for the Trust.</p> <p>21/22/032 Quality Committee and Putting People First Committee Reports (Blood Sampling) - MG noted the Quality Committee would continue to maintain an overview on this issue. It was explained that whilst actions were in place to reduce the number of sampling errors, the underpinning reasons were multifaceted and would time to fully resolve. It was agreed to remove from the action plan whilst the Group would maintain a watching brief on the issue through the Quality Committee Chair's Reports.</p> <p>21/22/024 Maternity – Communication (Telephony) - MG stated that the Quality Committee were keeping an overview and an update would be available for the next Group meeting.</p> <p>20/21/29 Review of Meeting - Fair and Just Training - MT stated that this action remained relevant, and that training would be made available shortly (online).</p>
015	<p>Quality Committee and Putting People First Committee - Reports</p> <p>SW noted that the June meeting had been the first that she had Chaired. As there were new members in place, the opportunity would be taken to review Committee effectiveness and seek improvements where possible. One issue that required strengthening related to performance reporting and ensuring that there were adequate narrative explanations adjacent to the KPIs.</p> <p>Other issues considered by the Quality Committee were:</p> <ul style="list-style-type: none"> • A risk relating to patient wait times had been highlighted and a specific entry would be added to the Board Assurance Framework • The need to strengthen the triangulation process around serious incidents • The on-going challenge on ensuring that staff could be released to undertake mandatory training during times of pressure. <p>PN questioned if there were opportunities for the Trust to be proactive to quicken the reduction of waiting list times and referrals? SW explained that there was evidence that some patient referrals from GPs were being placed on inappropriate pathways, predominantly 2 week cancer pathways. This was creating additional pressures so the Trust was taking action to a) audit the waiting lists and triage and b) work with Primary Care to improve education. The Trust was also looking to recruit additional consultants to increase capacity.</p> <p>RP asked if there had been an update on the birth rate enquiry on racial injustice in maternity. MT informed that this issue would be considered at the Trust's EDI Committee, and that the Trust was in the process of developing an integrated dashboard to provide enhanced intelligence on workforce diversity and patient outcomes. This would filter through diversity and into both the Quality Committee also the Putting People First Committee (and Board) and therefore could be tracked with the ability to interrogate from the Council of Governors.</p>

	<p>GH advised that the main area of focus for the May 2022 Putting People First Committee had been the Trust's mandatory training compliance rate. It was also noted that the Committee would be maintaining a watching brief on the medical staffing position.</p> <p>MT noted that the staff survey results would be discussed in detail at the next scheduled full Council meeting. For 2021, there had been a drop in the overall staff engagement score from 7.1 (2020) to 6.9. There had also been drops in the number of staff recommending LWH as a place to work and as a place to come for care.</p> <p>MT provided an update on the 'big conversation' – this was a 24 hour period in which senior managers and leaders visited departments. It was noted that themes from feedback would report to the full Council.</p>
016	<p>Continuity of Carer</p> <p>MF reported that the Ockenden Final report letter dated 1st April received by LWH requested</p> <p><i>'All trusts must review and suspend if necessary, the existing provision and further roll out of Midwifery Continuity of Carer (MCoC)'</i></p> <p>Our assessment of current maternity services here at LW highlighted that we could not currently meet safe minimum staffing requirements for further roll out of MCoC in Quarter 1 following the receipt of our revised BirthRate Plus recommendations for safe staffing but could meet the safe minimum staffing requirements for existing MCoC provision.</p> <p>Therefore, it had been recommended to the Board that further roll out of Phase 2 commence in January 2023, following the commencement and orientation of Midwives recruited to date. This approach had been discussed with the NED Maternity Safety Champion. National guidance required quarterly monitoring of this plan, and therefore an update would be provided to Board on a quarterly basis for review.</p>
CONCLUDING BUSINESS	
017	<p>Review of risk impacts of items discussed</p> <p>No new risks noted.</p>
018	<p>Any other business and review of meeting</p> <p>No other items of business.</p> <p>Meeting was effective and ran to time.</p>

Date of next meetings: 26 September 2022

Council of Governors Communication and Membership Engagement Group

Minutes of the Council of Governors Communication and Membership Engagement Group
held virtually at 1730hrs on Monday 4 July 2022

PRESENT

Jackie Sudworth	Public Governor
Peter Norris	Public Governor
Iris Cooper	Public Governor
Annie Gorski	Public Governor

IN ATTENDANCE

Robert Clarke	Chair of LWH Board
Jackie Bird	Non-Executive Director
Zia Chaudhry	Non-Executive Director
Andrew Duggan	Head of Communications and Marketing
Mark Grimshaw	Trust Secretary (minutes)

APOLOGIES:

Rebecca Lunt	Staff Governor
Kate Hindle	Lead Governor / Staff Governor

22/23/	Items Covered
010	<p>Introduction, Apologies and Declarations of Interest. Jackie Sudworth (Chair) welcomed everyone to the meeting.</p> <p>Declarations of interest There were no declarations of interest.</p>
011	<p>Meeting Guidance notes Noted.</p>
012	<p>Minutes of the previous meeting held on 28 April 2022 The minutes of the meeting held on 28 April 2022 were approved.</p>
013	<p>Action Log and Matters Arising 21/22/35(a) & (b) – Mark Grimshaw noted that limited progress made against this action that more detail would be provided in item 014.</p>
014	<p>Membership Strategy Update The Group received an annual update on the year one Membership Strategy 2021-25 objectives. The Trust Secretary noted that the aim of the year one objectives was to create a baseline and a set of processes from which more effective and efficient membership engagement could launch from.</p> <p>Whilst there had been some areas of progress, on the whole, a majority of the aims and objectives and not been fully achieved. The impact of the pandemic was acknowledged as an issue but there was agreement that the Trust would need to think differently about the approach being utilised. There was acceptance that resource was not in place for the Trust to design and deliver bespoke membership activity and would be better placed to a) utilise available patient experience and demographic intelligence to understand areas for attention b) locate existing forums to engage with and c) develop methods to close feedback loops to build trust and engagement.</p>

	<p>The agreement that year one objectives should be rolled for as the achievement of these would support the triple aim described above.</p> <p>Group Chair, Jackie Sudworth, noted that it could be challenging to maintain momentum for engagement activity between the quarterly meetings of the Group. To ensure that activity was developed and progress did not slip, it was agreed that the Group Chair would be meet with the Trust Secretary on a more regular basis.</p> <p>Action: Group Chair and Trust Secretary to meet between Group meetings to check on the progress of key actions and ensure that membership engagement activity is planned.</p> <p>The Group noted the update.</p>
015	<p>Upcoming / Planned Engagement Events inc. Future Generations – Summer of Events</p> <p>Andrew Duggan reported that, in anticipation of potential progress being made with the Trust's aim to move from an isolated site, arrangements continued to be made to prepare the Trust for a period of public consultation. This was being termed as 'Future Generations – Summer of Listening' and would involve several engagement events taking place across the City.</p> <p>It was noted that governor involvement would be requested for both the planning of these events and in participation to support the gathering of feedback and points of view.</p> <p>Iris Cooper asserted that it would be useful for governor to attend the patient reference groups as observers to strengthen understanding of the public views.</p> <p>The Group noted the update.</p>
016	<p>Pan-Liverpool Membership Forum</p> <p>Mark Grimshaw noted that a Pan-Liverpool Membership Forum had been suggested by a Liverpool NHS Company Secretarial Group. The aim of such a forum would be to pool resource and ideas for membership engagement, recognising that often, the public did not distinguish between trusts but rather saw services under a more general NHS banner.</p> <p>The ask had been to send an officer and governor representative on a quarterly basis. The Committee agreed that Mark Grimshaw and Jackie Sudworth would attend for the Trust.</p>
017	<p>Review of risk impacts of items discussed</p> <p>The risk of ensuring effective communication of the Trust's Future Generations Strategy during the 'summer of listening' was noted.</p>
018	<p>Any other business & Review of Meeting</p> <p>No comments made.</p>

Council of Governors

COVER SHEET

Agenda Item (Ref)	22/23/33	Date: 28/07/2022		
Report Title	2021 Staff Survey Results and Response			
Prepared by	Rachel Cowley, Head of Culture and Staff Experience			
Presented by	Gloria Hyatt, Putting People First Committee Chair and Non-Executive Director			
Key Issues / Messages	This report outlines the 2021 Staff Survey Results and provides an overview of the work undertaken by the Board to firstly, receive analysis of the data and secondly, receive assurance that an adequate response has been put into place by the Trust.			
Action required	Approve <input type="checkbox"/>	Receive <input type="checkbox"/>	Note <input type="checkbox"/>	Take Assurance <input checked="" type="checkbox"/>
	To formally receive and discuss a report and approve its recommendations or a particular course of action	To discuss, in depth, noting the implications for the Board / Committee or Trust without formally approving it	For the intelligence of the Board / Committee without in-depth discussion required	To assure the Board / Committee that effective systems of control are in place
	Funding Source (If applicable): N/A			
	For Decisions - in line with Risk Appetite Statement – N/A If no – please outline the reasons for deviation.			
	The Council of Governors is asked to receive the report and the assurances outlined regarding the Board's response to the 2021 Staff Survey.			
Supporting Executive:	Michelle Turner, Chief People Officer			

Equality Impact Assessment (if there is an impact on E,D & I, an Equality Impact Assessment MUST accompany the report)			
Strategy <input checked="" type="checkbox"/>	Policy <input type="checkbox"/>	Service Change <input type="checkbox"/>	Not Applicable
Strategic Objective(s)			
To develop a well led, capable, motivated and entrepreneurial workforce	<input checked="" type="checkbox"/>	To participate in high quality research and to deliver the most effective Outcomes	<input checked="" type="checkbox"/>
To be ambitious and efficient and make the best use of available resource	<input checked="" type="checkbox"/>	To deliver the best possible experience for patients and staff	<input checked="" type="checkbox"/>
To deliver safe services	<input checked="" type="checkbox"/>		
Link to the Board Assurance Framework (BAF) / Corporate Risk Register (CRR)			
Link to the BAF (positive/negative assurance or identification of a control / gap in control) Copy and paste drop down menu if report links to one or more BAF risks 1.2 Failure to recruit and retain key clinical staff		Comment:	
Link to the Corporate Risk Register (CRR) – CR Number:		Comment:	

REPORT DEVELOPMENT:

Committee or meeting report considered at:	Date	Lead	Outcome
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PPF	March 22	CPO	Initial presentation of data (was embargoed at the time)
Board	May 22	CPO	Outline of main findings
PPF	June 22	CPO	Workshop held to consider main themes from 'Big Conversation'
Board	Jul 22	CPO	Outcomes, themes and next steps from 'Big Conversation' reported.

EXECUTIVE SUMMARY

Define the issue

The annual staff survey has shown a reduced level of positive recommendation and engagement scores - a trend seen across the NHS but Liverpool Women's has dipped slightly more. The Board takes this extremely seriously and have taken a number of actions to both understand and initiate action, which are described in this report.

What is a 'staff survey'?

Each autumn everyone who works in the NHS in England is invited to take part in the NHS Staff Survey. The survey offers a snapshot in time of how people experience their working lives, gathered at the same time each year. Its strength is in capturing a national picture alongside local detail, enabling a range of organisations to understand what it is like for staff across different parts of the NHS and work to make improvements.

Research suggests that situating staff experience (as well as patient experience) centre stage may be one of the best things senior leaders could do. A study led by the National Nursing Research Unit at King's College London identified variation in patient experience within trusts and suggests this is significantly influenced by staff wellbeing at work and work experiences. Published ahead of Robert Francis QC's report, the research echoes some of the key issues he identified.

It is therefore important that the Board takes interest in the staff survey results on seeks assurance that robust action is being taken on areas identified as requiring improvement.

Key Findings

The Board and the Putting People First Committee have received regular updates on the 2021 Staff Survey, either through detailed written reports, personal attendance at events or workshop sessions.

Outline of the 'Big Conversation' provided in Appendix 1

Outline of Staff Survey Findings provided in Appendix 2

Recommendations

The Council of Governors is asked to receive the report and the assurances outlined regarding the Board's response to the 2021 Staff Survey.

MAIN REPORT

INTRODUCTION

The 2021 National Staff Survey was conducted from September to December 2021, with the results being published nationally in March 2022. The survey is carried out by all NHS organisations using a nationally agreed set of questions. As in previous years, the Trust surveyed all its staff rather than just the required minimum sample, and the survey was undertaken by Quality Health.

The annual staff survey has shown a reduced level of positive recommendation and engagement scores a trend seen across the NHS but Liverpool Women's has dipped slightly more. The Board takes this extremely seriously and have taken a number of actions to both understand and initiate action, and what follows is an outline of the assurance processes undertaken by the Board and the Putting People First Committee.

Putting People First Committee – 21 March 2022

The Committee received the data ahead of the embargo being lifted which meant that full benchmarking was not available at this point.

Key issues raised included:

- For the last 2 years we have seen a decline in our response rate, in 2021 it was 53% compared to 55% in 2020. The median response rate for acute specialist Trusts was 54%. In previous years our response rate has been more than 60%.
- There had been an overall trend of decline, with 22 statistically significant decreases and 6 increases.
- Our overall 'staff engagement' score has reduced from 7.1 in 2020 to 6.9 in 2021, following a pattern of gradual increase over the previous years.
- Responses for other questions remained comparable to with the 2020 results.

The Committee was informed that as the staff survey results were published on 30th March, later than usual, a national picture was not yet available for context or comparison. The results for our comparator groups of specialist trusts did show a general trend of decline. In Cheshire and Merseyside, anecdotally, most Trusts had reported a decrease in positive scores.

The Committee was assured that as in previous years, the staff survey results would be communicated at a Trust and divisional / departmental level. The results would form a key component of the Divisional People Plans, which are the strategic and operational workplans for each Division.

Work was to be undertaken to review the actions taken in 2021 with the Divisional Teams and Departmental Heads against the key themes and assess whether such actions have had a positive/negative/neutral impact and therefore what further action was required.

Communication of the staff survey would be undertaken via a number of forums

- Executive Team
- Divisional Boards – via March and April, to support development of divisional actions

- Whole Trust – via the next Listening Event which will enable wider discussion of the staff survey themes and identify 3 or 4 top priority areas of focus for 22/23.
- Partnership Forum – to gain buy in to Trust wide actions
- Individual Teams – Facilitated sessions will be offered to individual teams via the HR and L&D/OD team to allow teams to have further discussion on key issues for them and support going forward. Specific interventions will be undertaken where there is a specific need

Trust Board – 5 May 2022

Benchmarked results were reported to the Board – see section below for further detail on this.

The Board acknowledged that the results were disappointing and that they gave reason to reflect on whether the initiatives utilised during the preceding year to support staff had been the right ones or if they had been deployed correctly.

It was noted that the comparative data and overall trends were concerning and the evidence that poor staff morale often impacted a range of quality and experience metrics was referenced. There was agreement that understanding the key drivers of the results would be important to ensure that actions put into place would improve underlying long-term concerns rather than being seen as peripheral offers and short-term fixes. It was also asserted that it would be important for staff to be assured that the Board acknowledged the level of dissatisfaction being expressed and that it was taking the issue seriously.

Putting People First Committee – 20 June 2022

The Committee had a workshop session (rather than a formal meeting) to consider the initial findings from the 'Big Conversation' event (more detail on this below). A key focus of the workshop was exploring how to ensure that there was a genuine feedback loop to ensure staff felt that providing feedback had been worthwhile and would produce outcomes.

Trust Board – 7 July 2022

Outputs from the 'Big Conversation' event reported to the Board.

There was agreement that the model of engagement had worked well, and the Board was assured that management had learned lessons from previously less successful 'listening events' (for which attendance had been low). The Board observed that a lack of kindness was a disappointing theme from the survey. It was explained that anecdotally, there had been an indication that this was more peer to peer (and area to area) than manager to direct report. This was partly the reason why local ownership of improvement actions is important.

The Board agreed that it is essential that when feeding back to staff and managers that we check we have understood / interpreted what they have told us correctly as well as checking if plans / initiatives would work before we implement the action.

A decision was taken for the following model to be used for all feedback we offer to staff and managers at LWH moving forward:

Closing the Loop of Feedback at LWH



Putting People First Committee – 18 July 2022

The Committee considered the key themes and was provided evidence of local initiatives to communicate the findings from the 'Big Conversation'. The Committee was assured that the Trust would continue to build on the relationships developed during the initial event.

The Committee was also informed of other engagement activities put into place -

1. **Great Place to Work Group**

Liverpool Women's **Great Place to Work Group** was developed in May 2021 and whilst it was recognised by this group that not all staff currently feel the Trust is a Great Place to Work, the ambition of the group is to improve communication channels and staff engagement with the Leaders in the Trust, ensure the staff voice is listened to and the Trust learns from staff experience.

2. **Recognition / Celebration Boards**

The Trust currently has '**how are we doing**' and '**reasons to be proud**' boards near the Costa Coffee shop on the ground floor. The 'how we are doing board has different information about the Trust and it's progress, this includes CQC rating, the Trusts response to covid, Infection, Prevention and Control Service statistics and other Trust messages.

Based on feedback from the Big Conversation it is clear that the Trust needs to clearly demonstrate how it is taking action following staff feedback using a '**you said / we did**' approach., Appropriate, highly visible boards will be identified and located to do this at a Trust level.

3. **Three Key Messages**

Three Key Messages has been rolled out from April 2022, a new message is shared in each area every fortnight. The 3 key messages include a Trust wide message,

divisional message and a departmental / team message. Each department / team is encouraged to print and visually display the 3 key messages within their staff areas and to talk about these in their huddles / handover meetings. It is clear from the big conversation that this happens well in some areas however more work is still required for this to be successful in all areas.

4. Staff Surveys

Quarterly Let's Talk survey is survey developed as a regular method of taking a 'temperature check' of staff engagement, staff can complete online during the months of April, July and January. There is no Let's Talk in October as during this time the Trust participates in the National Staff Survey.

5. Improved Staff Environments

Upgrading of Staff Facilities has been considered and will be supported as outlined in the 'We Care' Health and Wellbeing offer for staff, this includes upgrades to our staff outdoor spaces with the introduction of beehives, wild flower garden and a zen garden, as well as an upgrade to the conservatory space and staff rooms that require refreshing.

In addition to this there are plans for an improved Junior Doctors Mess, with a proposal for a new location which would be more suitable and accessible following engagements with Junior Doctors.

Some of this work commenced in 2021 however there are actions to continue and complete in 2022.

6. Review of Healthcare Support Worker Roles

7. Investment in Retention and Development Roles

8. Increasing the profile of the People Agenda within management and divisional structures

The Committee was also informed about the next steps to be taken. The planned feedback and communications include:

- Initial thank you for getting involved – In the Loop 21.06.22
- Communicating common themes to the Governors – 27.06.22
- Thank you, initial headline themes, timeline for local feedback Exec video - w/c 27.06.22
- Communicating the big themes & feedback timeline to the wider organisation – w/c 27.06.22
- Identifying & sharing the feedback for corporate or divisional level action – w/c 04.07.22
- Sharing the local findings with local teams & their managers – w/c 04.07.22 onwards
- Supporting local managers to develop interventions/response to that feedback - ongoing
- Ensuring ongoing feedback locally & organisational - ongoing
- Actively demonstrating you said/we did - over summer months

- Plan another Big Conversation immediately prior to the Staff Survey issue (early 09.22)

Success with the Divisional themes and actions will be monitored through Divisional Boards and SLT's as well as staff feedback to the big.conversation@lwh.nhs.uk email address and Great Place to Work Group representatives.

RECOMMENDATION

The Council of Governors is asked to receive the report and the assurances outlined regarding the Board's response to the 2021 Staff Survey.

Appendix 1 – Big Conversation Outline

Appendix 2 – Staff Survey Findings summary

Appendix 1

'BIG CONVERSATION'

Background

For a number of years Liverpool Women's hosted quarterly Listening events which were face to face in the Blair Bell, and then virtually during Covid. Low numbers and inadequate representation from clinical staff and those at lower bands, indicated that a new approach needed to be adopted.

A decision was taken for Liverpool Women's to host a **24 hour Big conversation** from 8am on 15 June until 8am, on 16 June 2022. This would require volunteers from Executive team, Non-Executive Directors, Senior Leaders and the Workforce team to visit different teams / departments throughout the 24 hour period, also to host specific staffing group listening events in the Blair Bell. In addition to this Kathy Thomson, CEO, had bookable meetings during this period for staff who wished to speak with her directly.

Common Themes Raised

The common themes identified Trust wide are outlined below, and have been communicated out to all staff and managers in the initial feedback following the Big Conversation.

- Lack of Kindness – managers & colleagues
- Silo working across departments and some feel undervalued by the organisation
- Processes – unwieldy, unclear, unresponsive & slow things down
- Staffing levels
- Equipment – shortages, hard to replace
- Environment – staff facilities, space, changing facilities
- Poor communication particularly in clinical areas
- Poor Flexibility in clinical areas
- Lack of awareness of career progression / development in clinical areas
- Recognition/appreciation/feeling valued
- Need forum for innovation and good ideas
- Safety in raising concerns

Liverpool Women's

NHS Foundation Trust



Divisional ownership of the Big Conversation actions is essential. Each Divisional Senior Leadership Team has received detailed feedback pertinent to their area. Divisions have begun the process of communicating with their teams.

Divisional managers will develop divisional You Said / We Did documents to check what has been heard with staff and ensure any actions/interventions are right before they are implemented. The You Said / We Did documents will be updated and communicated to divisional staff on a monthly basis so staff are well informed about progress with plans.

Appendix 2

Staff Survey Findings Summary

1. Introduction

The 2021 National Staff Survey was conducted from September to December 2021, with the results being published nationally in March 2022. The survey is carried out by all NHS organisations using a nationally agreed set of questions. As in previous years, the Trust surveyed all its staff rather than just the required minimum sample, and the survey was undertaken by Quality Health. As always, there is a very small window to demonstrate improvement from survey publication in March to the distribution of the next survey in September, therefore results and trends are better compared over a longer period.

As in previous years, our comparator group is 'specialist acute Trusts' (a group of 13) and we are benchmarked against these organisations, despite the majority of our services being akin to an acute Trust.

For the last 2 years we have seen a decline in our response rate, in 2021 it was 53% compared to 55% in 2020. The median response rate for acute specialist Trusts was 54%. In previous years our response rate has been in excess of 60%. The end of the survey period did coincide with the major incident of 14/11 but unfortunately, we were only granted a small extension to the survey window.

The Staff Survey has this year included a number of new questions including questions relating to employee's experiences of the covid pandemic.

Questions have been group to align to the 'NHS People Promise' themes.

- We are compassionate and inclusive
- We are recognised and rewarded
- We each have a voice that counts
- We are safe and healthy
- We are always learning
- We work flexibly
- We are a team

In addition to previous key themes

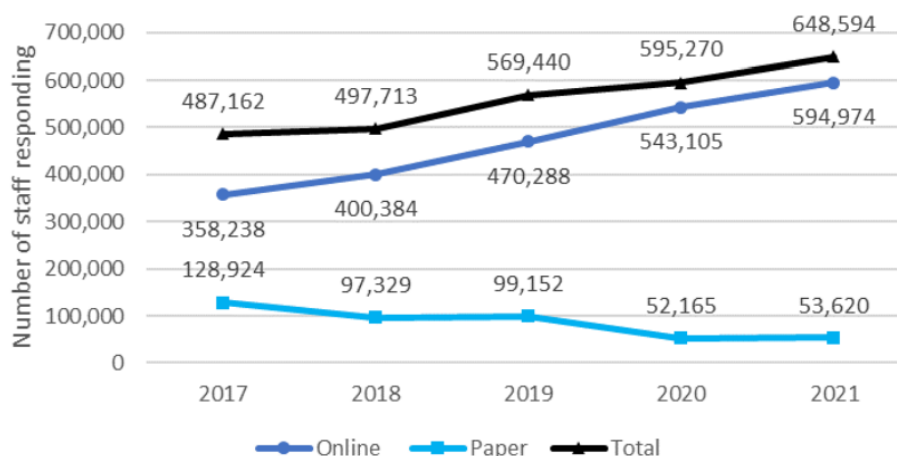
- Staff engagement
- Morale

The results are shown as a score out of ten for each theme.

2. National Picture

The national picture has reported a decline in many of the scores from questions with some being at their lowers in the past 5 years. The national average response rate was 48% and the graph below demonstrates the national responses over the past 5 years.

Mode of survey completion over the last 5 years



Interestingly the graph shows a decline in responses from paper surveys and LWH used a paper survey as they have in previous years.

The results for our comparator groups of specialist trusts shows a general trend of decline. In Cheshire and Merseyside, most Trusts have reported a decrease in positive scores.

3. Results

There are **110 core questions in the staff survey** plus 3 additional questions.

In analysing the results, the areas where there has been a statistically significant change (+/- 5%) have been focused on.

There were 22 questions where there was a statistically significant decline in the score and 6 questions where there had been a statistically significant improvement in the score.

Our overall '**staff engagement**' score has reduced from **7.1** in 2020 to **6.9** in 2021, following a pattern of gradual increase over the previous years.

Responses for other questions remained comparable to with the 2020 results.

As the questions have been grouped under the People Promise themes for the first time in 2021, direct comparison with the theme scores in 2020 is not possible. It is however, evident that LWH scores below the average score (for the 13 comparator Trusts) across all 9 themes.

People Promise and Theme Results



Covid has undoubtedly increased pressure on staff and the LWH has experienced staff shortages to unprecedented degrees in the last 12 months, as has every NHS organisation. However, there remain a number of ongoing themes that have been present consistently over a longer time frame.

- **Getting the basics right.** We recognise that in some areas, improvements are needed in respect of medium-term workforce and succession planning. At a local level there are variable practices around recruitment, roster management and establishment planning. Over the last 12 months, Investment in posts such as the Deputy Chief Operating Officer, embedding of the divisional team structures through the 'Reach for the Stars Programme' (development programme for the senior divisional teams), nursing and midwifery senior leadership presence including additional scrutiny of rosters and sharing of good practice have all led to some improvements which should be reflected in future surveys
- **Management and Leadership Vacancies** in some key operational and N&M posts have created leadership vacuums and pressures on more junior staff in some areas. These issues have largely been resolved. A number of positive programmes have launched this year including the Leadership Programme and Coaching and Mentoring programmes.
- **Culture** the continued roll out and embedding of the Fair & Just Culture, captured under the Be Kind banner has continued in 2021 and this year sees the roll out of manager training to over 200 managers.
- **Employee offer** there has been focused work in 2021 to simply and relevantly communicate the Trust strategy and ensure that there are clear objectives flowing from the executive team

through all levels of the organisation. The LWH employee brand and employment offer will be further developed in 2022.

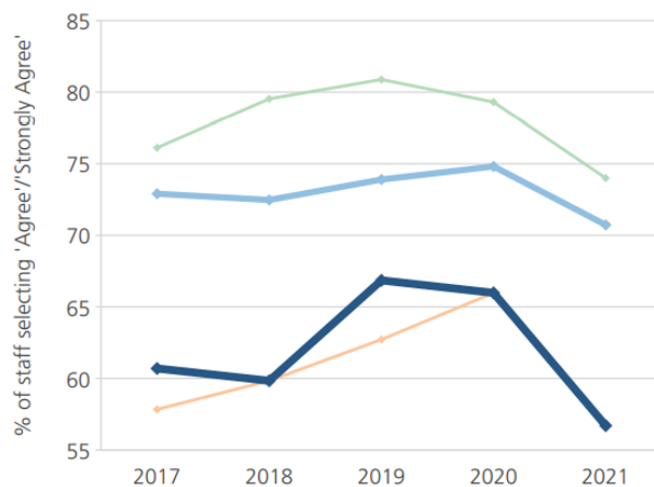
4. Key areas to highlight from the results

As previously noted, out of 113 questions, there were 28 questions which had a statistically significant change.

We have in previous years paid particular attention to the questions ***'would you recommend the organisation as a place to work'*** and ***'if a friend or relative needed treatment, would you be happy with the standard of care in this organisation'***.

By their nature, these questions are a good barometer of how employees feel about Liverpool Women's as a whole. These questions, along with questions relating to morale, job satisfaction and employee voice, are combined to create the overall 'Staff Engagement Score'. Both these questions have seen a statistically significant decrease in positive scores, and we are the lowest scoring specialist Trust in both categories.

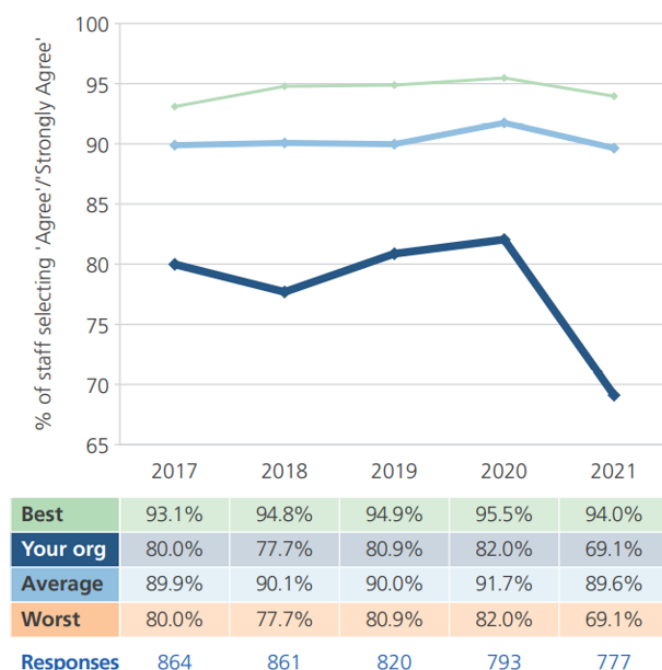
Q21c) I would recommend my organisation as a place to work



Best	76.1%	79.5%	80.9%	79.3%	74.0%
Your org	60.7%	59.8%	66.9%	66.0%	56.7%
Average	72.9%	72.5%	73.9%	74.8%	70.7%
Worst	57.8%	59.8%	62.7%	66.0%	56.7%
Responses	863	866	820	790	778



Q21d) If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation



Another question of note, was the question '**there are enough staff in this organisation for me to do my job properly**'. **24.9%** of staff at LWH said there were, compared to 40.7% in 2020 and an average score for the comparator group of 34.7%. There was also a decline in the number of staff who felt they looked forward going to work and were enthusiastic about their job.

It proved unsurprising that the number of staff who had a PDR in the last 12 months declined from 90% to 84%.

The number of staff feeling ill with **work related stress** has increased from 34.4% to 43.7%, against a comparator group score of 42.3%.

The number of staff reporting experiencing **bullying and harassment from colleagues** has increased from 13.2% to 18.4%, and this represents a bigger increase for LWH than is reflected in the national trend.

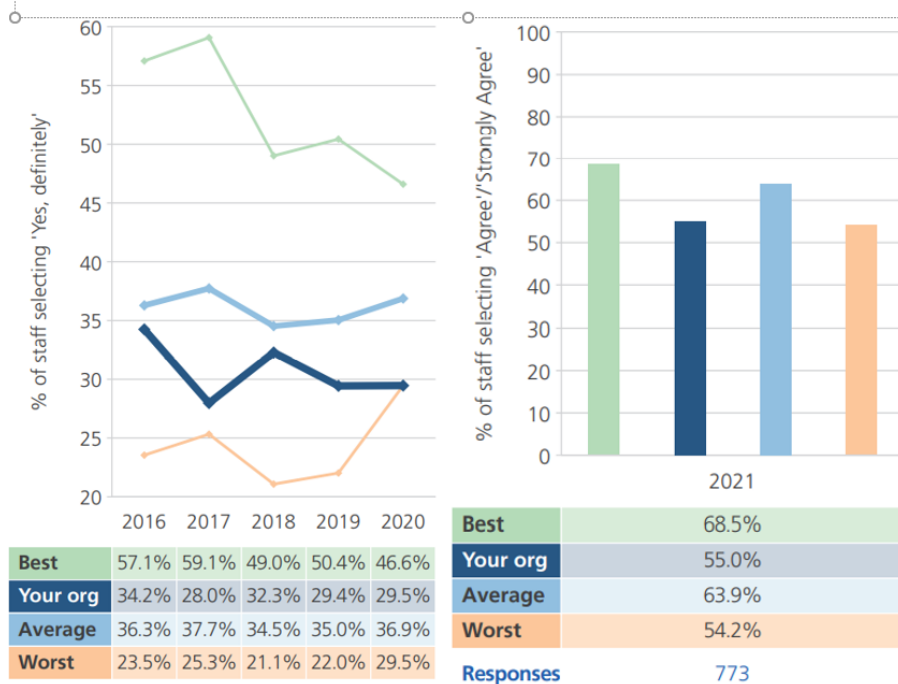
There has been an increase in **BAME staff experiencing discrimination from patients / service users** from 8.8% to 16.7%.

In terms of positive indicators, although the wording is different this year, and we are still not meeting the average for the comparator group, there has been a positive increase in the number of staff feeling like the organisation cares for their health and wellbeing

Q11a) My organisation takes positive action on health and well-being

Note in 2020 question was wording slightly differently;

Q11a) Does your organisation take positive action on health and well-being?



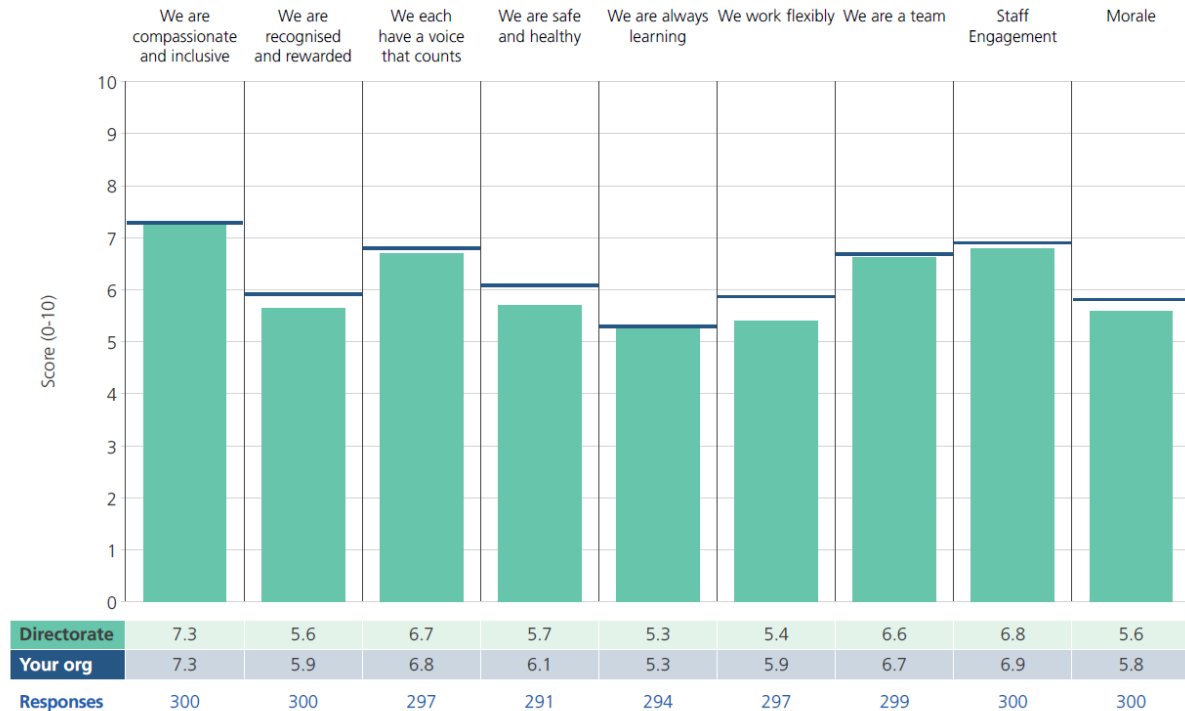
There were also positive increases in the areas of **incident reporting** with the number of staff feeling secure raising concerns about unsafe clinical practice rising from 70.3% to 75.5%

5. Results by Division and Staff Group

Results by Staff Group

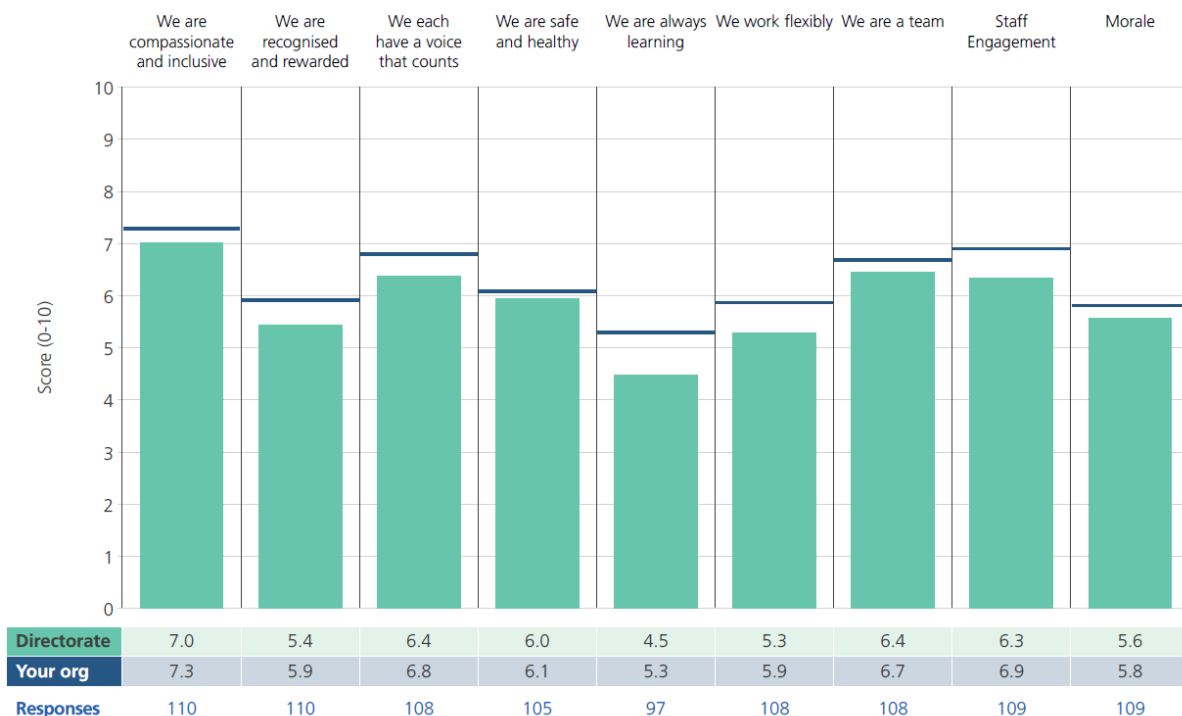
Survey
Coordination
Centre

2021 NHS Staff Survey Results > Directorates 2 > Nursing and Midwifery Registered



Survey
Coordination
Centre

2021 NHS Staff Survey Results > Directorates 2 > Additional Clinical Services



As in previous years, our largest staff group, **Nursing and Midwifery registered** have scored lower than the average score for the Trust in all areas with the exception of 'We are always learning' and 'we are compassionate and inclusive' where the score was the same as the LWH score. **Healthcare Assistants** (additional clinical services) also scored lower than the Trust average across all areas, particularly in the area 'we are always learning'. This marks a change, as we have seen in previous years, a trend of HCAS reporting more positive scores than registered staff.

Across the other professional groups **Scientific and Technical staff** reported the same as or in excess of Trust average figures with the exception of 'we work flexibly' and 'morale'

Additional Scientific and Technical staff reported scores lower than the Trust average across all themes (with the exception of 'we are always learning').

Administrative and clerical staff scored higher than the Trust average across all scores. This broadly reflects 2020 results. Whilst this staff group encompasses a range of roles, it should be noted that there has been focused improvement work within the admin and access teams which may be reflected in the scores.

Allied health professionals presented a mixed picture, but were interestingly significantly below the Trust average for 'we are always learning' (4.4 against Trust average of 5.3)

Estates and Ancillary broadly reflected Trust average scores, again with the exception of 'we are always learning' (4.4 against Trust average of 5.3)

As in all previous years **Medical and Dental Staff** reported more positive scores than the Trust average. This is the same for corporate areas including **Finance** and **HR, IT and Governance**.

Results by Division

Genetics reported more positively than the LWH average on most questions but significantly lower on the 'we work flexibly' question (3.9 compared to a Trust average of 5.9).

Gynaecology were generally in line with the Trust average score across the 9 themes with the exception of 'we are always learning' and 'we are recognised and rewarded' where they were slightly lower.

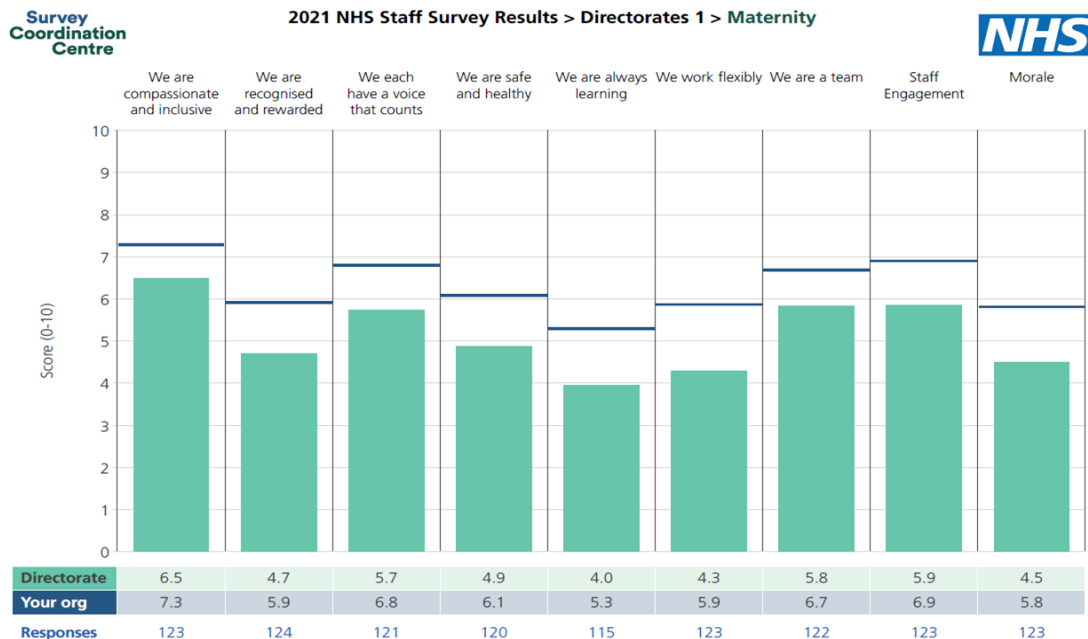
Surgical services were at or above the Trust average across the 9 themes with the exception of 'we work flexibly'.

Hewitt Fertility Centre were slightly below the Trust average across all 9 themes. There is a significant improvement project currently ongoing in Hewitt which is addressing a range of operational and workforce issues.

Pharmacy was consistently below the Trust average across all 9 themes. Over the past 5 years, there have been a number of interventions with the pharmacy workforce to improve morale and engagement, the effectiveness of these interventions clearly needs to be reviewed.

Neonatal were above the Trust average on all themes with the exception of 'we are recognised and rewarded'.

Maternity Reflecting a consistent trend over a number of years, the results for maternity are significantly below the Trust average. During Covid, the maternity service has experienced unprecedented pressures, compounding underlying vacancies and high rates of sickness. The Division has had executive support through the oversight process and has made considerable progress in terms of recruitment and engagement. Appointments into key roles will consolidate the green shoots of improvement.



Jargon Buster

We know that the language used in healthcare can sometimes be quite confusing, especially when acronyms are concerned. To make life a little easier, we will try to ensure that we spell out acronyms in full at first mention and then put the abbreviation in brackets, for example, Strategic Clinical Network (SCN) in our reports and minutes.

We've also put together a list of acronyms that you might see throughout our documentation. If you spot a gap, please email our Trust Secretary on mark.grimshaw@lwh.nhs.uk.

The following webpage might also be useful - <https://www.england.nhs.uk/participation/nhs/>

A		
A&E	Accident & Emergency	hospital department specialising in the acute care of patients who arrive without a prior appointment with urgent or emergency trauma
AC	Audit Committee	a committee of the board –helps the board assure itself on issues of finance, governance and probity
AGM	Annual General Meeting	a meeting to present and agree the trust annual report and accounts
AGS	Annual Governance Statement	a document which identifies the internal controls in place and their effectiveness in delivering effective governance
AHP	Allied Health Professionals	health care professions distinct from dentistry, optometry, nursing, medicine and pharmacy e.g. physiotherapists, radiographers, speech therapists and podiatrists
AHSC	Academic Health Science Centre	a partnership between a healthcare provider and one or more universities
AHSN	Academic Health Science Network	locally owned and run partnership organisations to lead and support innovation and improvement in healthcare
ALOS	Average Length of Stay	the average amount of time patients stay in hospital
AMM	Annual Members Meeting	a meeting that is held every year to give members the opportunity to hear about what the trust has done in the past year; could be part of the AGM
AO	Accountable Officer	senior person responsible and accountable for funds entrusted to their trust; for NHS provider organisations this person will be the chief executive
ALB(s)	Arms Length Bodies	an organisation that delivers a public service but is not a ministerial government department; these include HEE, HSCIC, HRA, HTA, NHSE, NICE, Monitor, NHSBSA, NHSBT, NHSI, NHSLA, MHPRA, CQC, PHE (See individual entries)
	Agenda for Change	the NHS-wide grading and pay system for NHS staff, with the exception of medical and dental staff and some senior managers; each relevant job role in the NHS is matched to a band on the Agenda for Change pay scale

B		
BAF	Board Assurance Framework	the key document used to record and report an organisation's key strategic objectives, risks, controls and assurances to the board
BCF	Better Care Fund	this fund creates a local single pooled budget to incentivise the NHS and local government to work more closely together in local areas
BMA	British Medical Association	trade union and professional body for doctors
BAME	Black Asian Minority Ethnic	terminology normally used in the UK to describe people of non-white descent
BoD	Board of Directors	executive directors and non-executive directors who have collective responsibility for leading and directing the trust
	Benchmarking	method of gauging performance by comparison with other organisations

C		
CAMHS	Child and Adolescent Mental Health Services	specialise in providing help and treatment for children and young people with emotional, behavioural and mental health difficulties
CapEx	Capital Expenditure	an amount spent to acquire or improve a long-term asset such as equipment or buildings. Typically, capital is raised via a loan, but it can come from reserves and is paid back/written off over a number of years from revenue income. This is a contrast with revenue spend which is always from in-year income
CBA	Cost Benefit Analysis	a process for calculating and comparing the costs and benefits of a project
CBT	Cognitive Behavioural Therapy	a form of psychological therapy used mostly in depression but increasingly shown to be a useful part of the treatment for schizophrenia
CCG	Clinical Commissioning Group	groups of GPs, clinicians and managers who are responsible for commissioning local health services in England (all GP practices must belong to a CCG)
CDiff	Clostridium difficile	a bacterial infection that most commonly affects people staying in hospital
CE / CEO	Chief Executive Officer	leads the day-to-day management of a foundation trust, is a board member and the accountable officer for the trust.
CF	Cash Flow	the money moving in and out of an organisation
CFR	Community First Responders	a volunteer who is trained by the ambulance service to attend emergency calls in the area where they live or work
CHC	Continuing Healthcare	Whereby those with long-term or complex healthcare needs qualify for social care arranged for and funded by the NHS
CIP	Cost Improvement Plan	an internal business planning tool outlining the Trust's efficiency strategy
CMHT	Community Mental Health Team	A team of mental health professionals such as psychiatrists,

		psychologists, social workers, community psychiatric nurses and occupational therapists, who work together to help people manage and recover from mental illness.
CoG	Council of Governors	the governing body that holds the non-executive directors on the board to account for the performance of the board in managing the trust, and represents the interests of members and of the public
COO	Chief Operating Officer	a senior manager who is responsible for managing a trust's day-to-day operations and reports to the CEO
CPD	Continuing Professional Development	continued learning to help professionals maintain their skills, knowledge and professional registration
CPN	Community Psychiatric Nurse	a registered nurse with specialist training in mental health working outside a hospital in the community
CQC	Care Quality Commission	The independent regulator of all health and social care services in England
CQUIN	Commissioning for Quality and Innovation	a sum of money that is given to providers by commissioners on the achievement of locally and nationally agreed quality and improvement goals
CSR	Corporate Social Responsibility	A business practice which incorporates sustainable goals, usually positive impacts on environmental, economic and social factors, into a business model
CT	Computed Tomography	A medical imaging technique
CFO	Chief Finance Officer	the executive director leading on finance issues in the trust
CNST	Clinical Negligence Scheme for Trusts	The Clinical Negligence Scheme for Trusts (CNST) handles all clinical negligence claims against member NHS bodies where the incident in question took place on or after 1 April 1995 (or when the body joined the scheme, if that is later). Although membership of the scheme is voluntary, all NHS Trusts (including Foundation Trusts) in England currently belong to the scheme.
	Caldicott Guardian	A board level executive director responsible for protecting the confidentiality of patient and service-user information and enabling appropriate information-sharing. Each NHS organisation is required to have a Caldicott Guardian

D		
DBS	Disclosure and barring service	conducts criminal record and background checks for employers
DBT	Dialectical behavioural therapy	A type of psycho-therapy, or talk therapy, which has been developed from CBT to help those experiencing borderline personality disorder
DGH	District General Hospital	major secondary care facility which provides an array of treatment, diagnostic and therapeutic services, including A&E
DHSC	Department of Health and Social Care	the ministerial department which leads, shapes and funds health and care in England
DN	Director of Nursing	The executive director who has professional responsibility for services provided by nursing personnel in a trust

DNA	Did Not Attend	a patient who missed an appointment
DNAR	Do Not Attempt Resuscitation	A form issued and signed by a doctor, which tells a medical team not to attempt CPR
DPA	Data Protection Act	the law controlling how personal data is collected and used
DPH	Director of Public Health	a senior leadership role responsible for the oversight and care of matters relating to public health
DTOCs	Delayed Transfers of Care	this refers to patients who are medically fit but waiting for care arrangements to be put in place so therefore cannot be discharged
	Duty of Candour	a legal duty on hospital, community, ambulance and mental health trusts to inform and apologise to patients if there have been mistakes in their care that have led to significant harm

E

E&D	Equality and Diversity	The current term used for 'equal opportunities' whereby members of the workforce should not be discriminated against because of their characteristics. This is promoted by valuing diverse characteristics in a workplace.
ED(s)	Executive Directors or Emergency Department	senior management employees who sit on the trust board or alternative name for Accident & Emergency department
EHR	Electronic Health Record	health information about a patient collected in digital format which can theoretically be shared across different healthcare settings
EOLC	End of Life Care	support for patients reaching the end of their life
EPR	Electronic Patient Record	a collation of patient data stored using computer software
ESR	Electronic staff record	A collation of personal data about staff stored using computer software

F

FFT	Friends and Family Test	a single question survey which asks patients whether they would recommend the NHS service they have received to friends and family who need similar treatment or care
FOI	Freedom of Information	the right to ask any public sector organisation for the recorded information they have on any subject
FT	Foundation Trust	a public benefit corporation, which is a legal body established to deliver healthcare to patients / service users and has earned a degree of operational and financial independence
FTE	Full Time Equivalent	a measurement of an employee's workload against that of someone employed full time e.g. 0.5 FTE would be someone who worked half the full time hours
FTSU	Freedom to speak up	An initiative developed by NHS Improvement to

		encourage NHS workers to speak up about any issues to patient care, quality or safety
	Francis Report	the final report, published in 2013, of the public inquiry into care provided by Mid Staffordshire NHS FT chaired by Sir Robert Francis QC

G		
GMC	General Medical Council	the independent regulator for doctors in the UK
GDP	Gross Domestic Product	the value of a country's overall output of goods and services
GDPR	General Data Protection Regulations	The legal framework which sets the guidelines for collecting and processing personal information from individuals living in the European Union

H		
HCAI	Healthcare Associated Infection	these are infections that are acquired in hospitals or as a result of healthcare interventions; MRSA and Clostridium difficile can be classed as HCAIs if caught whilst in a healthcare setting
HCA	Health Care Assistant	staff working within a hospital or community setting under the guidance of a qualified healthcare professional
HDU	High Dependency Unit	an area in a hospital, usually located close to the ICU, where patients can be cared for more extensively than on a normal ward, but not to the point of intensive care, e.g. patients who have had major surgery
HEE	Health Education England	the body responsible for the education, training and personal development of NHS staff
HR	Human Resources	the department which focusses on the workforce of an organisation including pay, recruitment and conduct
HRA	Health Research Authority	protects and promotes the interests of patients and the public in health research
HSCA 2012	Health & Social Care Act 2012	an Act of Parliament providing the most extensive reorganisation of the NHS since it was established, including extending the roles and responsibilities of governors
HSCIC	Health and Social Care Information Centre	the national provider of information, data and IT systems for commissioners, analysts and clinicians in health and social care
HTA	Human Tissue Authority	regulates the removal, storage, use and disposal of human bodies, organs and tissue for a number of scheduled purposes such as research, transplantation, and education and training
HWB / HWBB	Health & Wellbeing Board	a local forum to bring together partners from across the NHS, local government, the third sector and the independent sector, led by local authorities
	Health Watch	A body created under the Health and Social Care Act 2012

		which aims to understand the needs and experiences of NHS service users and speak on their behalf.
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I		
IAPT	Improved Access to Psychological Therapies	an NHS programme rolling out services across England offering interventions approved by the National Institute of Health and Care Excellence for treating people with depression and anxiety disorders
IG	Information Governance	ensures necessary safeguards for, and appropriate use of, patient and personal information. Key areas are information policy for health and social care, IG standards for systems and development of guidance for NHS and partner organisations
ICP	Integrated Care Pathway	a multidisciplinary outline of care, placed in an appropriate timeframe, to help a patient with a specific condition or set of symptoms move progressively through diagnosis and treatment to positive outcomes
ICS	Integrated Care system	Groups of NHS providers, commissioners and local authorities working together to improve health and care in the local area
ICT	Information Communications Technology	an umbrella term that includes any communication device or application, encompassing: radio, television, cellular phones, computer and network hardware and software, satellite systems, as well as the various services and applications associated with them
ICU or ITU	Intensive Care Unit Intensive therapy unit	specialist unit for patients with severe and life threatening illnesses
IP	Inpatient	a patient who is hospitalised for more than 24 hours
IT	Information Technology	systems (especially computers and telecommunications) for storing, retrieving, and sending information
IV	Intravenous	treatment which is administered by injection into a vein

K		
KLOE(s)	Key Line of Enquiries	detailed questions asked by CQC inspectors which help to answer the five key questions to assess services: are they safe, effective, caring, responsive and well-led?
KPIs	Key Performance Indicators	indicators that help an organisation define and measure progress towards a goal
	King's Fund	independent charity working to improve health and health care in England

L		
LD	Learning Disability	a disability which affects the way a person understands information and how they communicate
LGA	Local Government Association	the national voice of local government in England and Wales. It seeks to promote better local government and maintains communication between officers in different local authorities to develop best practice
LOS	Length of Stay	a term commonly used to measure the duration of a single episode of hospitalisation

M		
M&A	Mergers & Acquisitions	mergers bring together two or more bodies to form a new legal entity and disband the merging bodies. acquisitions are take-overs of one body by another
MD	Medical Director	a member of the board who has a clinical background and has professional responsibilities for doctors and dentists in the trust
MHPRA	Medicines and Healthcare Products Regulatory Agency	an executive agency of DHSC which is responsible for ensuring that medicines and medical devices work and are acceptably safe
MIU	Minor Injuries Unit	A unit which treats injuries or health conditions which are less serious and do not require the A&E service
MoU	Memorandum of Understanding	describes an agreement between two or more parties
MRI	Magnetic Resonance Imaging	a medical imaging technique
MRSA	Methicillin-Resistant Staphylococcus Aureus	a bacterium responsible for several difficult-to-treat infections in humans
MSA	Mixed Sex Accommodation	wards with beds for both male and female patients

N		
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NAO	National Audit Office	an independent Parliamentary body in the United Kingdom which is responsible for auditing central government departments, government agencies and non-departmental public bodies. The NAO also carries out Value for Money audits into the administration of public policy
NED	Non Executive Director	directors who are appointed, but not employed by the trust; they have no executive responsibilities and are responsible for vetting strategy, providing challenge in the boardroom and holding the executive directors to account
NHSBSA	NHS Business Services Authority	a Special Health Authority of DHSC which provides a range of services to NHS organisations including: NHS Prescription Services, NHS Pensions, Help With Health Costs, Student Services, NHS Dental Services, European Health Insurance Card, Supplier Management (including NHS Supply Chain) and NHS Protect
NHSBT	NHS Blood and Transplant	a Special Health Authority of DHSC responsible for providing a reliable, efficient supply of blood, organs and associated services to the NHS
NHSE	NHS England	an executive non-departmental public body with a mandate from the Secretary of State to improve health outcomes for people within England
NHSI	NHS Improvement	The Independent regulator of NHS Foundation Trusts
NHSLA	NHS Leadership Academy	national body supporting leadership development in health and NHS funded services
NHSP	NHS Professionals	provides bank (locum) healthcare staff to NHS organisations
NHSX		A unit designed to drive the transformation of digital technology in the NHS
NICE	National Institute for Health and Care Excellence	provides national evidence-based guidance and advice to improve health and social care
NIHR	National Institution for Health Research	The largest funder of health and social care research in the UK, primarily funded by the Department of Health and Social Care
NMC	Nursing and Midwifery Council	nursing and midwifery regulator for England, Wales, Scotland and Northern Ireland
	Never Event	serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented. NHS England defines the list of never events every year

	NHS Digital	The information and technology partner to the NHS which aims to introduce new technology into services
	NHS Providers	NHS Providers is the membership organisation for NHS public provider trusts. We represent every variety of trust, from large acute and specialist hospitals through to community, ambulance and mental health trusts.
	Nolan Principles	key principles of how individuals and organisations in the public sector should conduct themselves comprising of: selflessness, integrity, objectivity, accountability, openness, honesty, leadership. Set by the Committee for Standards in Public Life, an independent advisory non-departmental public body set up to advise the prime minister on ethical standards
	NHS Resolution	not-for-profit part of the NHS which manages negligence and other claims against the NHS in England on behalf of their member organisations. Also, an insurer for NHS bodies
	Nuffield Trust	independent source of evidence-based research and policy analysis for improving health care in the UK, also a charity

O

OD	Organisational Development <i>or</i> Outpatients Department	a systematic approach to improving organisational effectiveness <i>or</i> a hospital department where healthcare professionals see outpatients (patients which do not occupy a bed)
OOH	Out of Hours	services which operate outside of normal working hours
OP	Outpatients	a patient who is not hospitalized for 24 hours or more but who visits a hospital, clinic, or associated facility for diagnosis or treatment
OPMH	Older People's Mental Health	mental health services for people over 65 years of age
OSCs	Overview and Scrutiny Committees	established in local authorities by the Local Government Act 2000 to review and scrutinise the performance of public services including health services
OT	Occupational Therapy	assessment and treatment of physical and psychiatric conditions using specific activity to prevent disability and promote independent function in all aspects of daily life

P		
PALS	Patient Advice & Liaison Service	offers confidential advice, support and information on health-related matters to patients, their families, and their carers within trusts
PAS	Patient Administration System	the automation of administrative paperwork in healthcare organisations, particularly hospitals. It records the patient's demographics (e.g. name, home address, date of birth) and details all patient contact with the hospital, both outpatient and inpatient
PbR	Payment by Results or 'tariff'	away of paying for health services that gives a unit price to a procedure
PCN	Primary care network	A key part of the NHS long term plan, whereby general practices are brought together to work at scale
PDSA	Plan, do, study, act	A model of improvement which develops, tests and implements changes based on the scientific method
PFI	Private Finance Initiative	as a scheme where private finance is sought to supply public sector services over a period of up to 60 years
PHE	Public Health England	a body with the mission to protect and improve the nation's health and wellbeing and reduce health inequalities
PHSO	Parliamentary and Health Service Ombudsman	an organisation which investigates complaints that individuals have been treated unfairly or have received poor service from government departments and other public organisations and the NHS in England
PICU	Psychiatric Intensive Care Unit <i>or</i> Paediatric Intensive Care Unit	a type of psychiatric in-patient ward with higher staff to patient ratios than on a normal acute admission ward <i>or</i> an inpatient unit specialising in the care of critically ill infants, children, and teenagers
PLACE	Patient-Led	Surveys inviting local people going into hospitals as
	Assessments of the Care Environment	part of a team to assess how the environment supports patient's privacy and dignity, food, cleanliness and general building maintenance
PPI	Patient and Public Involvement	mechanisms that ensure that members of the community --- whether they are service users, patients or those who live nearby --- are at the centre of the delivery of health and social care services
PTS	Patient Transport Services	free transport to and from hospital for non-emergency patients who have a medical need

	Primary Care	the first point of contact with the NHS for most people and is delivered by a wide range of independent contractors, including GPs, dentists, pharmacists and optometrists, it also includes NHS walk-in centres and the NHS 111 telephone service

Q		
QA	Quality assurance	monitoring and checking output to make sure they meet certain standards
QI	Quality improvement	A continuous improvement process focusing on processes and systems
QIA	Quality Impact Assessment	A process within NHS trusts which ensures the quality of service is systematically considered in decision-making on service changes
QUI	Qualities and Outcomes Framework	The system for performance management and payment of GP's in the NHS

R		
R&D	Research & Development	work directed towards the innovation, introduction, and improvement of products and processes
RAG	Red, Amber, Green classifications	a system of performance measurement indicating whether something is on or better than target (green), below target but within an acceptable tolerance level (amber), or below target and below an acceptable tolerance level (red)
RGN	Registered General Nurse	a nurse who is fully qualified and is registered with the Nursing and Midwifery Council as fit to practise
RoI	Return on Investment	the benefit to the investor resulting from an investment of some resource. A high RoI means the investment gains compare favourably to investment cost. As a performance measure, RoI is used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments.
RTT	Referral to Treatment Time	the waiting time between a patient being referred by a GP and receiving treatment

S		
SALT	Speech and Language Therapist	assesses and treats speech, language and communication problems in people of all ages to help them better communicate
SFI	Standing Financial Instructions	Policy used for the regulation of the conduct of an NHS trust in relation to all financial matters
SHMI	Summary Hospital Level Mortality Indicator	reports mortality at trust level across the NHS in England using standard and transparent methodology
SID	Senior independent Director	a non-executive director who sits on the board and plays a key role in supporting the chair; the SID carries out the annual appraisal of the chair, and is available to governors as a source of advice and guidance in circumstances where it would not be appropriate to involve the chair
SIRO	Senior Information Risk Officer	a senior manager who will take overall ownership of the organisation's information risk policy
SITREP	Situation Report	a report compiled to describe the details surrounding a situation, event, or incident
SLA	Service Level Agreement	an agreement of services between service providers and users or commissioners
SoS	Secretary of State	the minister who is accountable to Parliament for delivery of health policy within England, and for the performance of the NHS
SRO	Senior Responsible officer	A leadership role which is accountable for the delivery and outcome of a specific project
STP	Sustainability and Transformation Partnership	Partnerships formed between local councils and NHS services to help plan and run services, and agree system-wide priorities
SUI	Series Untoward Incident / Serious Incident	A serious incident which resulted in one or more of the following: unexpected or avoidable death, a never event, a prevention of organisation's ability to continue to deliver healthcare services, abuse, or loss of confidence in a service
SWOT	Strengths, Weaknesses, Opportunities, Threats	a structured planning method used to evaluate the strengths, weaknesses, opportunities and threats involved in a project or in a business venture
	Secondary Care	NHS health service provided through hospitals and in the community

T		
TTO	To Take Out	medicines to be taken away by patients on discharge

	Tertiary Care	healthcare provided in specialist centres, usually on referral from primary or secondary care professionals
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V		
VTE	Venous Thromboembolism	a condition where a blood clot forms in a vein. This is most common in a leg vein, where it's known as deep vein thrombosis (DVT). A blood clot in the lungs is called pulmonary embolism (PE)
VfM	Value for Money	used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it

W		
WLF	Well Led Framework	a set of indicators that seek to identify how well led an organisation is, also used as a framework for board governance reviews
WRES	Workforce Race Equality Standard	a metric to demonstrate progress against a number of indicators of workforce equality, including a specific indicator to address the low levels of black and minority ethnic (BME) board representation
WTE	Whole-time equivalent	See FTE

Y		
YTD	Year to Date	a period, starting from the beginning of the current year, and continuing up to the present day. The year usually starts on 1st April for financial performance indicators