

## King's College Hospital NHS Foundation Trust Board of Directors

Minutes of the meeting of the Board of Directors

Held at 15.00 hrs on Tuesday, 03 June 2008 in the Dulwich Committee Room, King's College Hospital

<b>Present:</b>	Michael Parker (MP)	Chair
	Robert Foster (RF)	Non-Executive Director (Vice Chair)
	Rita Donaghy (RD)	Non-Executive Director
	Prof Alan McGregor (AM)	Non-Executive Director
	Dr Martin West (MW)	Non-Executive Director
	Dame Jacqueline Docherty (JD)	Acting Chief Executive
	Michael Griffin (MG)	Executive Director of Human Resources
	Simon Taylor (ST)	Executive Director of Finance & Information Services
<b>Non-voting Directors:</b>	Ahmad Toumadj (AT)	Director of Capital, Estates & Facilities
	Jane Walters (JW)	Director of Corporate Affairs
<b>In attendance:</b>	Sally Lingard (SL)	Ass Director of Communications and Marketing
	Rita Chakraborty (RC)	Assistant Board Secretary (minutes)
	Tara Adefope (TA)	Board Committee Assistant

Item	Subject	Action
08/82	<b>Apologies</b> John Moxham and Roland Sinker.	
08/83	<b>Declarations of Interest</b> None.	
08/84	<b>Chair's Action</b> The Chair confirmed that, since the last Board meeting, he had signed a contract for the Combined Heat and Power Scheme.	
08/85	<b>Accounts 01 April 2007 – 31 March 2008 and Auditor's Report</b>  ST introduced this item. Following initial discussion of the un-audited accounts at the 06 May Finance Committee, the Board had received and noted the minutes at their meeting on 20 May.  Following completion of the audit, the Audit Committee had considered the accounts and Auditor's Annual Governance Report earlier that day. ST summarised the committee's observations on the accounts:	

- Balance Sheet (p.9) - “Net Current Liabilities” should read “Net Current Assets/(Liabilities)”
- Notes to the Accounts
  - *1.3 Acquisitions and discontinued operations* (p.12): clarification of the definition of an acquisition if acquired outside of the public sector. The Auditor had responded that only assets, not activity, could be considered an acquisition.
  - *1.15 Provisions* (p.16): whether a 2.2% discount rate was sufficiently high. The Auditor responded that this level was specified in Monitor’s Financial Reporting policy, therefore must be the basis for Trust calculations.
  - *1.26 Consolidated Accounts* (p.20): Agnensis would be added and the company title would be corrected to “KCH Commercial Services Ltd”.
  - *27.4 Fair Value – notes* (p.38): increase point size
- Amendment to the Statement of Internal Control (p.5) para 2, 5th sentence - “Board Committees draw the Board’s attention...”

In the Annual Governance Report, the Auditor had drawn attention to the following issues:

- Ensuring reliable systems were in place in preparation for the full fixed asset revaluation in 2009/10. Establishment of the fixed asset register would assist with this.
- Annual review of the revaluation reserve and its compliance with the FReM.
- Trust should carry out a cyclical programme of asset verification.
- Preparation of financial information relating to private patients income as part of year-end processes.
- Undertake stock takes as near to the year-end as possible.
- Introduce a sample of stock stakes for pharmacy ward stocks.

The Auditor thanked Finance staff and confirmed that a letter would be issued shortly giving their unqualified opinion to the accounts.

A letter was tabled confirming the Trust’s representations to the Auditor having made appropriate enquiries of other directors and officers. The letter required signing by the Chair of the Audit Committee, Acting Chief Executive and the Executive Director of Finance.

On behalf of the Audit Committee, Martin West recommended adoption of the accounts. This was seconded by Alan McGregor.

The Board APPROVED the adoption of the accounts and signing of a letter of representation by the Chair of the Audit Committee, Acting Chief Executive and the Executive Director of Finance.

## **08/86 Annual Report 2006-07**

Sally Lingard introduced the item. This year's annual report reflected the first full year of reporting under Monitor's guidance for foundation trusts.

It was a requirement of Monitor that the Board of Directors approve the Trust's annual report. A separate compliance statement would accompany the report in response to the FT Code of Governance.

Comments received from Board members on the text had been incorporated into the current version. There were some image changes but, barring any errors within the copy, the document would be submitted to Monitor by 16 June, and a published document would then be presented to Parliament by July 8<sup>th</sup>.

MW reported that the Audit Committee had considered the text of the annual report at its earlier meeting and were happy with the content.

SL welcomed any final comments from the Board.

The Board noted and APPROVED the Annual Report 2007-08.

## **08/87 Compliance Statement**

JW introduced the item. This was the first reporting year when the Trust would be required to comply fully with the reporting requirements of the Code of Governance for Foundation Trusts.

The Board made the following comments:

A.3.2 – "...Professor Alan McGregor [add] is a representative of King's College, University of London..."

C.2.1 – change 2<sup>nd</sup> sentence to "The exception is the Executive Medical Director, who is appointed on a fixed term three-year contract, which may be renewed by agreement."

Subject to these changes, the Board noted and APPROVED the Compliance Statement.

[Following the Board meeting, Monitor confirmed that the Compliance Statement should be included within the annual report. The Chairman and Acting Chief Executive were notified and approved this change.]

**08/88 AOB**

Working Capital Facility

ST explained that the Trust's existing facility was due for renewal with NatWest. A copy of the letter setting out terms was circulated. Following a lengthy negotiation, the agreed terms were similar to those of the previous facility, the main difference being the length of the agreement – now 25 months. Other FTs had facilities with similar borrowing rates.

There was discussion about the likelihood of drawing on the facility to cover planned refurbishments and development of the site. Recently, there had been less reliance on the facility compared with the initial period following authorisation. The facility was regarded as most useful when responding to short-term cashflow volatility. In addition, investment decisions would take into consideration the need to maintain the Trust's risk rating of 4.

The Board APPROVED the Overdraft Facility and its signing by 2 Directors.

**08/89 Date of Next Meeting:**

Tuesday 24 June 2008 at 3.00 pm in the Dulwich Committee Room.