Trust Board Meeting: Wednesday 8 July 2015
TB2015.99

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Letter of Representation

Introduction

1. Monitor's *Guide for Applicants* requires that NHS Trusts applying for foundation trust status provide a letter of representation, signed by the Trust Board, which confirms that all relevant information has been provided to Monitor.

2. The letter below is based on a template provided by Monitor (Appendix B21 of the *Guide for Applicants*).

3. The Trust has provided Monitor with a Long Term Financial Model, most recently in April 2015; an Integrated Business Plan in October 2014, updated in April 2015; Board and committee papers as requested; and a range of other documentation in response to questions raised. Detailed discussion has taken place with Monitor's assessment team about the risks facing the Trust in implementing its plans and the actions it is taking or plans to take to mitigate them.

4. On this basis, it is recommended that the Board agree that all known material issues have been disclosed to Monitor.

Recommendation

5. The Board is asked to agree that the Letter of representation be signed on its behalf by the Chief Executive.

Andrew Stevens
Director of Planning and Information

Report prepared by:

Jonathan Horbury
Foundation Trust Programme Director

29 June 2015
Dear Martin

Application for NHS foundation trust status - management representations

This letter of representation is provided in connection with your assessment of Oxford University Hospitals NHS Trust’s (“the Trust”) application for foundation trust status, for the purpose of determining whether the Trust meets the authorisation criteria set out in section 5 of the Guide for Applicants (October 2013) (“the Assessment”).

The trust’s board of directors (“the Board”) tabled and agreed this letter at its meeting on 8 July 2015. I have been authorised to write to you on its behalf. The Board confirms that the representations it makes in this letter are in accordance with the definitions set out as an Appendix to this letter.

Representations

The Board confirms, to the best of its knowledge and belief at the date of this letter, having made such inquiries as it considered necessary for the purpose of informing itself, that:

Long-term financial model (LTFM) and integrated business plan (IBP)

1. Measurement methods and significant assumptions used by the Board in preparing the LTFM provided to Monitor have been disclosed and are reasonable.

2. The LTFM and IBP incorporate all known changes to service provision at the Trust and the Board has disclosed all known material risks to changes to service provision.

3. The assumptions underlying the LTFM are consistent with the Board’s knowledge of the business and the Trust’s operating environment.

4. All material events subsequent to the submission of the LTFM and IBP have been disclosed to Monitor.

5. The Board has disclosed all material risks and uncertainties impacting the Trust’s business plan, including key strategic, operational (including IT) and financial risks.
Relevant information

6. The Board has:
   a. Disclosed to you all information of which it is aware that is both relevant and material to the assessment of the Trust such as records, documents and other matters. For the avoidance of doubt, this includes all reports and peer review information (or latest draft where reports have not been finalised) commissioned either internally or externally covering governance arrangements or the quality of services at the Trust within the last two years; and
   b. Provided you with additional information requested in sections 5.2, 5.3 and 5.4 of the Guide for Applicants (October 2013).

Internal control

7. The Board acknowledges its responsibility for such internal control as it determines necessary for the conduct of the Trust’s business and the preparation of information, including that provided to Monitor, which is free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

8. The Board has disclosed to you the results of any assessment of the risk that the information it has reported to you may be materially misstated as a result of fraud.

9. There have been no instances of material fraud or suspected fraud that the Board is aware of, other than those already reported to Monitor as part of the assessment process, that involve:
   a. Management and, where appropriate, those charged with governance;
   b. Employees who have significant roles in internal control; or
   c. Other employees where the fraud could have a material effect on the information provided to Monitor.

Legal compliance

10. The Board has disclosed to you all known material instances of non-compliance or suspected non-compliance with laws and regulations which affect the matters considered as part of the assessment.

11. The Board has disclosed to you all known material actual or possible litigation and claims which affect the matters considered as part of the assessment.

Other matters

12. The Board has actively considered all information provided to Monitor and has not identified any other matters it deems material to the assessment.

Yours sincerely

Sir Jonathan Michael FRCP
Chief Executive

Signed for and on behalf of the Board,
8 July 2015.
Definitions

Material matters
Material omissions or misstatements of items are material if they could, individually or collectively, influence Monitor’s view on whether the Trust meets the authorisation criteria set out in section 5 in the Guide for Applicants (October 2013). Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor.

Fraud
Fraudulent reporting involves intentional misstatements including omissions of amounts or disclosures in the information provided to deceive the user of the information.

Error
An error is an unintentional misstatement in the information provided. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts.