

## Trust Board Report

<b>Meeting Date:</b>	24 <sup>th</sup> June 2013
<b>Title:</b>	Annual Report and Quality Account 2012/13
<b>Executive Summary:</b>	The Department of Health requires NHS bodies to produce an Annual Report. For the last two financial years NHS providers have also been required to produce a Quality Account. For the financial year 2012/13 the Trust has taken the approach of many organisations and produced a single document covering the Annual Report and Quality Account.
<b>Action Requested:</b>	To give <b>delegated authority</b> to the Chair and Chief Executive to sign the Management Representation letter for the Quality Account on behalf of the Board. And to <b>approve</b> the submission of the documents to the Department of Health and NHS Choices.
<b>Report of:</b>	Chief Nursing Officer and Chief Financial Officer
<b>Author:</b> <b>Contact Details:</b>	Head of Strategy & Service Redesign Tel: 01902 694289 Email: <a href="mailto:Helen.davis4@nhs.net">Helen.davis4@nhs.net</a>
<b>Resource Implications:</b>	
<b>Public or Private:</b> (with reasons if private)	Public Session
<b>References:</b> (eg from/to other committees)	Audit Committee Meeting 6 <sup>th</sup> June 2013 Quality and Safety Committee meeting 18 <sup>th</sup> June 2013
<b>Appendices/ References/ Background Reading</b>	<p><b>Appendices:</b></p> <p>Appendix 1: PricewaterhouseCooper opinion on the Quality Account</p> <p>Appendix 2: Management Representation letter for the Quality Account</p> <p><b>References:</b></p> <ul style="list-style-type: none"> <li>• Manual for Accounts, Department of Health</li> <li>• Quality Account Toolkit, Department of Health</li> <li>• External Audit – Final ISA260 (External Auditor’s opinion on the Annual Accounts, Annual Report and Quality Account)</li> </ul>
<b>NHS Constitution:</b> (How it impacts on any decision-making)	<p>In determining this matter, the Board should have regard to the Core principles contained in the Constitution of:</p> <ul style="list-style-type: none"> <li>✚ Equality of treatment and access to services</li> <li>✚ High standards of excellence and professionalism</li> <li>✚ Service user preferences</li> <li>✚ Cross community working</li> <li>✚ Best Value</li> <li>✚ Accountability through local influence and scrutiny</li> </ul>

## Background Details

### 1 Introduction

## Background Details

	<p>The Department of Health requires NHS bodies to produce an Annual Report. For the last 3 financial years NHS providers have also been required to produce a Quality Account. For the financial year 2012/13 the Trust has again taken the approach of many organisations and produced a single document covering the Annual Report and Quality Account.</p>
<b>2</b>	<p><b>Development of the Document</b></p> <p>The primary driver for producing a combined document is to provide the reader with a more complete picture of the activities and achievements of the Trust over the past year and the plans for the coming year avoiding unnecessary duplication. The construction of the Annual Report and Quality Account is defined in the Department of Health guidance and the Audit Commission's requirements and as such some duplication remains.</p> <p>The Quality Account evolved through a process of consultation with clinical staff across the Trust, taking account of what patients and their families say about our services and the local and national requirements that feed into our contractual obligations. The Annual Report followed a similar process and was influenced by the Operating Plan submitted to the Trust Development Authority and the refresh of the Trust's Integrated Business Plan.</p> <p>In preparing the document consideration has been given to the presentation of information, particularly in the Quality Account, to reflect the performance of both hospital and community services.</p> <p>All components of the document have been subject to review by the Trust's External Auditors, PricewaterhouseCoopers who have issued an unqualified limited assurance report in respect of both the content of the Quality Account and the processes and controls for managing the tested performance indicators. The full report on their findings is attached at appendix 1 and opinion on the Annual Report and Accounts is provided in the External Audit – Final ISA 260 and Audit Letter. The Management Representation letter in respect of the Quality Account is attached at appendix 2</p>
<b>3</b>	<p><b>Consultation on the Draft Account</b></p> <p>In accordance with the Department of Health's requirements on the production of the Quality Account the Trust has circulated the relevant components of the combined document to its key stakeholders for comment. This year the Trust has also circulated the document to its shadow public and staff governors.</p>
<b>4</b>	<p><b>Next Steps</b></p> <p>The External Audit opinion is now available for inclusion and the final artwork will be complete in readiness for submission to the Department of Health by 28th June and publication on NHS Choices website (Quality Account requirement).</p>

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***The Royal  
Wolverhampton NHS  
Trust***  
**Quality Account 2012/13**

June 2013

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**Code of Audit Practice and Statement of Responsibilities of Auditors and of Audited Bodies**

In March 2010 the Audit Commission issued a revised version of the 'Statement of Responsibilities of Auditors and of Audited Bodies'. It is available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end and what is to be expected of the audited body in certain areas. Our reports and letters are prepared in the context of this Statement. Reports and letters prepared by appointed auditors and addressed to directors or officers are prepared for the sole use of the audited body and no responsibility is taken by auditors to any director or officer in their individual capacity or to any third party.

We have performed this work in accordance with the Audit Commission's *NHS Quality Accounts - Auditor Guidance 2012/13* issued in April 2013.

# A. Background and Scope

## Introduction and background

NHS trusts are required, under the Health Act 2009, to prepare and publish a Quality Account each year. The Quality Account has to be prepared in accordance with the legal requirements in the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended by the National Health Service (Quality Accounts) Amendment Regulations 2011 and the National Health Service (Quality Accounts) Amendment Regulations 2012) (“the Regulations”).

As your auditors, we are required to undertake work on your Quality Account under the Audit Commission’s Code of Practice and its detailed guidance, *NHS Quality Accounts – Auditor Guidance 2012/13*, which was published in April 2013.

The purpose of this report is to provide the Board of The Royal Wolverhampton NHS Trust (“the Trust”) with our findings and recommendations for improvements.

## Scope of our work

We are required by the Audit Commission to review the content of the 2012/13 Quality Account and two performance indicators. The results of this work are reported in a limited assurance report. This report is a formal, public document that requires us to conclude whether anything has come to our attention that would lead us to believe that:

- the Quality Account does not incorporate the matters required to be reported on as specified in the Regulations;
- the Quality Account is materially inconsistent with source documents specified by the Audit Commission; and
- the specified indicators have not been prepared in all material respects in accordance with the Criteria.

A limited assurance engagement is less in scope than a reasonable assurance engagement (such as the external audit of accounts). The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited compared to a reasonable assurance engagement.

## Content of the Quality Account

We are required to issue a limited assurance report in relation to the content of your Quality Account. This involves:

- reviewing the content of the Quality Account against the requirements of the Regulations; and
- reviewing the content of the Quality Account for consistency with the source documents specified by the Audit Commission in the detailed guidance to auditors.

## Performance indicators

We are required to issue a limited assurance report in respect of the following two indicators, included in the Quality Account, as follows:

1. Percentage of patient safety incidents resulting in severe harm or death; and
2. Rate of Clostridium difficile infections.

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The Audit Commission requires that we:

- confirm the definition and guidance used by the NHS trust to calculate the indicator;
- understand the systems used to produce the specified indicators and perform a walkthrough of the system to gain an understanding of the data collection process; and
- test the indicators substantively back to supporting documentation against the six data quality dimensions (completeness, validity, timeliness, accuracy, relevance and reliability).

## ***B. Summary of findings***

### **Content of the Quality Account**

No issues have come to our attention that led us to believe that the Quality Account has not been prepared in accordance with the Regulations.

No issues have come to our attention that led us to believe that the 2012/13 Quality Account is not consistent with the other information sources defined by the Audit Commission.

#### **Limited Assurance Report - conclusion**

**As a result of our work, we are able to provide an unqualified limited assurance report in respect of the content of the Quality Account.**

Our detailed findings in this area are set out on page 6.

### **Performance Indicators**

Our findings relating to the performance indicators are summarised as follows:

<b>Performance indicators included in our limited assurance report</b>	<b>Findings</b>
Percentage of patient safety incidents resulting in severe harm or death	No issues identified. No impact on our limited assurance opinion.
Rate of Clostridium difficile infections	Two minor control issues were identified and reported. No impact on our limited assurance opinion.

#### **Limited Assurance Report – conclusion**

**As a result of our work, we are able to provide an unqualified limited assurance report in respect of the performance indicators.**

Our detailed findings in this area are set out on page 7.

### **Annual Governance Statement**

We identified no issues relevant to the Quality Account. For further details, see page 9.

## *C. Detailed findings*

### **Review against the content requirements**

We reviewed the content of the 2012/13 Quality Account against the content requirements which are specified in the Regulations.

A number of amendments were made to the draft Quality Account as a result of the work we performed. These are summarised in Appendix A. Once the amendments were made by the Trust, no further issues came to our attention that led us to believe that the Quality Account has not been prepared in line with the Regulations.

We make recommendations for the consideration of the Trust in relation to these matters in Appendix A.

### **Review of consistency against specified source documents**

We reviewed the content of the 2012/13 Quality Account for consistency against the following source documents specified by the Audit Commission:

- Board minutes for the period April 2012 to June 2013;
- papers relating to the Quality Account reported to the Board over the period April 2012 to June 2013;
- the Trust's complaints report published under regulation 18 of the Local Authority, Social Services and NHS Complaints (England) Regulations 2009, dated 3 May 2013;
- the latest national patient survey (2012);
- the latest national staff survey (2012);
- the Head of Internal Audit's annual opinion over the Trust's control environment dated 3 April 2013;
- the Annual Governance Statement dated 6 June 2013;
- Payment by Results Data Assurance Framework Report (Audit Commission) dated May 2013; and
- Care Quality Commission quality and risk profiles dated 31 May 2013.

At the time of writing this report we have not been provided with the following information:

- feedback from the Commissioners;
- feedback from Local Healthwatch; and
- feedback from other named stakeholder(s) involved in the sign off of the Quality Account.

The conclusions that we have reached are based upon the assumption that there is no information contained within these documents which would alter our opinions.

We will be able to give an update on or before the Board meeting on 24 June 2013 on these matters as these are expected to have been received by that date.

No issues came to our attention that led us to believe that the Quality Account is not consistent with the other information sources detailed above.

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**Performance indicators on which we are required to issue a limited assurance conclusion**

As required by the Audit Commission we have undertaken sample testing of two performance indicators on which we will issue our limited assurance report:

- Percentage of patient safety incidents resulting in severe harm or death; and
- Rate of Clostridium difficile infections.

We are required to evaluate the key processes and controls for managing and reporting the indicators and sample test the data used to calculate the indicator back to supporting documentation. Our work is performed in accordance with the NHS Quality Accounts - auditor guidance 2012/13 which was issued by the Audit Commission in April 2013 and included:

- identification of the criteria used by the Trust for measuring the indicator;
- confirmation that the Trust has presented the criteria identified above in the Quality Account in sufficient detail that the criteria are readily understandable to users of the Quality Account;
- obtaining an understanding and/or updating our understanding of the key processes and controls for managing and reporting the indicator through making enquiries of Trust staff and through performing a walkthrough;
- reconciling the reported performance in the Quality Account to the data used to calculate the indicator from the Trust's underlying systems;
- testing a sample of relevant data used to calculate the indicator back to supporting documentation; and
- considering the completeness of the data reported and performing sample testing on this where relevant.

We only tested a sample of data, as stated above, to supporting documentation. In accordance with Audit Commission guidance, this sample is normally of 20 items. Therefore, the errors reported below are limited to this sample.

We have also not tested the underlying systems, for example the patient administration system and the data extraction and recording systems.

Our findings are set out on the following pages and recommendations arising from these findings are presented in Appendix B.

### Percentage of patient safety incidents that result in severe harm or death

#### Reported performance:

2012/13 Actual: 0.17%

#### Criteria identified:

We confirmed the Trust uses the following criteria for measuring the indicator for inclusion in the Quality Report.

The indicator is expressed as a percentage of patient safety incidents reported to the National Reporting and Learning Service (NRLS) that have resulted in severe harm or death, where :

- a patient safety incident is defined as ‘any unintended or unexpected incident(s) that could or did lead to harm for one of more person(s) receiving NHS funded healthcare’; and
- the ‘degree of harm’ for patient safety incidents is defined as follows: ‘severe’ – the patient has been permanently harmed as a result of the incident; and ‘death’ – the incident has resulted in the death of the patient.

#### Issues identified through work performed:

No.	Issue	Impact
1.	No issues were noted which would impact the reported rate of incidents.	No impact on our limited assurance report.

#### Conclusion:

**Our substantive testing of the indicator identified no issues that would impact on our limited assurance report.**

### Clostridium Difficile

#### Reported performance:

2012/13 Actual: 18.2 cases per 100,000 patients

#### Criteria identified:

We confirmed the Trust uses the following criteria for measuring the indicator for inclusion in the Quality Account.

Positive cases included have the following characteristics:

- only patients aged 2+ are included;
- a positive laboratory test result for CDI is recognised as a case according to the Trust's diagnostic;
- positive results on the same patient more than 28 days apart are reported as separate episodes, irrespective of the number of specimens taken in the intervening period, or where they were taken; and
- the Trust is deemed responsible. This is defined as a case where the sample was taken on the fourth day or later of an admission to that Trust (where the day of admission is day one).

#### Issues identified through work performed:

No.	Issue	Impact on limited assurance report
1.	No issues were noted which would impact the reported rate of cases.	No impact on our limited assurance report.

#### Overall Conclusion:

**Our substantive testing of the indicator identified no issues that would impact on our limited assurance report**

## Annual Governance Statement

The Department of Health requires trusts to refer in their Annual Governance Statement to the steps they have taken to assure themselves that the information reported in the Quality Account is accurate (DH Gateway reference 18561, 31 January 2013). The Annual Governance Statement is to be included in the Annual Report and Financial Statements 2012/13.

The Trust's 2012/13 Annual Governance Statement includes the following statement specific to the Quality Account:

### 7 Annual Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. Guidance has been issued to NHS Trust Boards on the form and content of annual Quality Reports.

Our priorities for 2012/13 were chosen after consulting both our staff and clinical teams who work in the Trust, and looking at what patients and members of the public say about us and our services in national and local surveys and in complaints and compliments. We have also taken account of what people say nationally about health services and where services need to improve.

The Department of Health Quality Accounts Toolkit 2012/13 has influenced the format and content of the Quality Account. The Trust's existing reporting structure has been the source for information, for example Datix for numbers and themes of complaints and incidents. Specific information has been validated by the key leaders in the Trust, for example Infection Prevention data provided by the Director of Infection Prevention and Control (DIPC), and incident data by the Head of Governance and Legal Services.

A draft version of the Quality Account is approved by Directors before being circulated to the local authority's Overview and Scrutiny Committee, Wolverhampton and Staffordshire LINK, and the Trust's Shadow Governors for comments. The Quality Account is approved by the Trust's external auditors before a final version is produced for publication. For the Year 2012/13, the Trust has produced a combined document incorporating the Annual Accounts, Annual Report and Quality Account.

### 8 Operational Performance

During the year under review, the Trust has maintained its strong track record in achieving the national priorities identified within the Operating Framework, alongside the local priorities defined by the commissioner. Performance is monitored weekly at the Chief Operating Officer's performance meeting and through subsequent meetings across the divisions. A detailed performance report is produced monthly; all exceptions are highlighted and reported separately to the Board for scrutiny. Examples of the Operating Framework targets can be evidenced below:

- This year has seen on-going achievement of the Referral to Treatment (RTT) measures; both admitted and non-admitted pathways have achieved in all specialties, and incomplete pathways has achieved in aggregate, where two specialties were less than 1% behind target.
- Accident and Emergency performance has been strong throughout quarters 1-3. However this was impacted upon in quarter 4 by the winter pressure period, and a rise in both attendances and ambulance conveyances. The Trust achieved the target of 95% for the year.
- The Trust reported a single MRSA breach in year, the first case in over 3 years, and further evidence of the strong approach to managing Health Care Acquired Infections (HCAIs) is seen by the delivery of the clostridium difficile objective.
- Cancer targets remain a high priority, with all targets achieving the standard throughout the year. Six of the nine targets maintained the standard in every month and the quarterly target was achieved for all targets.

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As part of our report on the financial statements we were required to:

- review whether the Annual Governance Statement reflects compliance with the Audit Commission's guidance; and
- report if it does not meet the requirements specified by the Audit Commission or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements.

The work we undertook on the Annual Governance Statement as part of our work on the financial statements identified no issues relevant to the Quality Account.

# *Appendices*

# Matters arising from our limited assurance review of the Trust's 2012/13 Quality Account: Content review

	Observation	Recommendation
	<b>Review of the content requirements</b>	
1.	<p>The first draft of the Quality Account was received in line with the agreed timetable at the start of our audit. The draft Quality Account did not incorporate all the matters required to be reported on as specified in the Regulations. These included the following:</p> <ul style="list-style-type: none"> <li>• where the exact wording of sentences and paragraphs were mandated, these had not been followed in a number of areas;</li> <li>• the national mandatory indicators were included in Part 3 and needed to be included in Part 2 and should follow the order set out in the Regulations;</li> <li>• the national mandatory indicators did not agree to the Heath and Social Care Information Centre (HSCIC) portal in all cases;</li> <li>• where the information contained on the portal for the national mandatory indicators is not for the current year, it was recommended that internally collected information be added for the 2012/13 year. This was not included in all cases; and</li> <li>• the results and data had not been updated for the 2012/13 year in all cases.</li> </ul> <p>The Trust updated the Quality Account in respect of the matters noted. As a result, there was no impact on our conclusion.</p>	<p>The Trust should work through the Regulations and ensure that the content is compliant in all aspects. The Trust should make it clear to those producing the Annual Report and Quality Account which wording is mandatory and cannot be amended.</p>

# Matters arising from our limited assurance review of the Trust's 2012/13 Quality Account: Performance indicators

	Observation	Recommendation
	<b>Performance Indicator 2 – Rate of Clostridium difficile infections</b>	
1.	9/10 items in the sample tested showed culture dates from the raw data which were found not to correspond with the data in the patient notes and ward system. This was due to the 1-3 day time lag between the sample being taken and results being received.	<p>The items noted did not impact upon the results reported and therefore have not impacted adversely upon our limited assurance report.</p> <p>The Trust should consider its internal processes to ensure that data recorded is accurate.</p>
2.	1/20 dates of birth were found to be incorrect. This was due to an admin error when the date is manually entered into C Difficile spreadsheet (raw data - C Difficile Trust Data 1213).	<p>The item noted did not impact upon the results reported and therefore has not impacted adversely upon our limited assurance report.</p> <p>The Trust should consider whether this matter is an isolated one and the potential impact of such errors on its data quality. Subject to this the Trust should consider whether further checks and or training arrangements need to be put in place to ensure that data quality is maintained.</p>

*In the event that, pursuant to a request which you have received under the Freedom of Information Act 2000 (as the same may be amended or re-enacted from time to time) or any subordinate legislation made thereunder (collectively, the "Legislation"), you are required to disclose any information contained in this report, we ask that you notify us promptly and consult with us prior to disclosing such information. You agree to pay due regard to any representations which we may make in connection with such disclosure and to apply any relevant exemptions which may exist under the Legislation to such information. If, following consultation with us, you disclose any such information, please ensure that any disclaimer which we have included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.*

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**For the attention of Mark Jones**

PricewaterhouseCoopers LLP  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

Dear Sir,

**Management Representation Letter with respect to the limited assurance engagement on The Royal Wolverhampton NHS Trust's Quality Account for the year ended 31 March 2013**

This representation letter is provided in connection with your limited assurance engagement to report on the The Royal Wolverhampton NHS Trust's ("the Trust's") Quality Account for the year ended 31 March 2013.

We are responsible for:

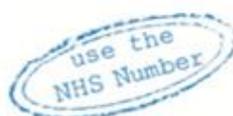
- Ensuring that the content of the Quality Account is in accordance with the legal requirements in the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended by the National Health Service (Quality Accounts) Amendment Regulations 2011 and the National Health Service (Quality Accounts) Amendment Regulations 2012) ("the Regulations");
- The consistency of the Quality Account with the documents specified in the Audit Commission's *NHS Quality Accounts – Auditor Guidance 2012/13*;
- Understanding, applying and, to the extent necessary, interpreting the criteria set out in the Audit Commission's *NHS Quality Accounts – Auditor Guidance 2012/13*;
- Reported performance against the specified indicators subject to assurance in accordance with the criteria; and
- The statements in the Statement of Directors' Responsibilities in respect of the content of the Quality Account and mandated indicators.

We understand that your limited assurance engagement on the Trust's Quality Account was conducted in accordance with the Audit Commission's *NHS Quality Accounts – Auditor Guidance 2012/13*. The engagement was designed for the purpose of expressing a limited assurance conclusion on the Quality Account for the year ended 31 March 2013 as required by the Audit Commission, and your tests of the records and other procedures were limited to those which you considered necessary for that purpose. We recognise that obtaining representations from us concerning information in this letter is a significant procedure in enabling you to form a conclusion on the Quality Account.

We confirm that the following representations are made on the basis of enquiries of management and staff of the Trust with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the following representations to you.

**Chairman: Richard Harris**  
**Chief Executive: David Loughton CBE**  
Preventing Infection - Protecting Patients

**A Teaching Trust of the University of Birmingham**  
WCA 531 02.11.12



We confirm, to the best of our knowledge and belief, and having made the appropriate enquiries, the following representations:

1. We have fulfilled our responsibilities, as required by the Health Act 2009 and the Regulations.
2. All relevant records have been made available to you for the purpose of your work on our Quality Account, and all the data has been properly reflected and recorded in these records. All other records and related information which might affect the completeness and accuracy of the Quality Account has been made available to you.
3. We have made all staff whose work impacts on the Quality Account available to you. We have responded fully to all enquiries made by you during your work on the Quality Account.
4. We acknowledge our responsibility for the application and interpretation of the criteria set out in the Audit Commission's *NHS Quality Accounts – Auditor Guidance 2012/13* and confirm that these criteria together with our interpretations are suitable for the intended users' purpose and will be made available to them in the Quality Account.
5. We have evaluated our performance against the specified performance indicators as defined by the Audit Commission and the Department of Health and believe our reported performance to be complete and accurate.
6. We have established and maintained adequate internal controls to facilitate the preparation of the Quality Account in accordance with the six dimensions of data quality (completeness, accuracy, relevance, reliability, timeliness and validity) so that it meets the requirements of the Regulations and we confirm that we have disclosed to you all significant deficiencies in the design or operation of internal control over the Quality Account subject matter information, particularly in respect of the mandated performance indicators.
7. There are no material sources of the information to be included in the Quality Account that have not been properly determined, based on the Trust's underlying records, and included in the reported Quality Account.
8. We are not aware of any uncorrected differences that would materially impact the information on our performance against the mandated performance indicators.
9. Any estimates or significant assumptions used by us in producing the Quality Account are reasonable.
10. No matters have come to our attention subsequent to the 31 March 2013 up to the present time which would materially impact the quantities, qualitative statements or disclosures included in the Quality Account.
11. We have disclosed to you any known events subsequent to 31 March 2013 that would have a material effect on the Quality Account.
12. Other than matters already disclosed to you, we are not aware of:
  - Allegations, either written or oral, of misstatements or other misapplication of reporting principles and/or deficiencies in internal control that could reasonably have a material effect on the Quality Account;
  - Any false statements made affecting the Quality Account;
  - Communications from regulatory agencies or other parties concerning non-compliance with, or deficiencies in, reporting practices or in the Trust's performance that could reasonably be expected to have a material effect on the Quality Account;
  - Significant violations of laws and regulations, the effects of which could reasonably have a material effect on the Quality Account.

As minuted by the board of directors at its meeting on [date].

.....  
(Chairman)

.....  
(Chief Executive)

For and on behalf of .....

Date .....