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2013/14 Annual Audit Report to the Council of Governors

Ashford & St. Peter's Hospitals NHS
Foundation Trust

July 2014

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This report is addressed to the Governors of Ashford and St. Peter's NHS Foundation Trust (the Trust) and has been prepared for your use only. We accept no responsibility towards any member of staff acting on their own, or to any third parties. Monitor has issued a document entitled Audit Code for NHS Foundation Trusts. This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. We draw your attention to this document.

External auditors do not act as a substitute for the audited body'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.

If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Philip Johnstone who is the engagement lead to the Trust, telephone 020 7311 2091, or email philip.johnstone@kpmg.co.uk, who will try to resolve your complaint.

Purpose of this report

The purpose of this Annual Audit Report is to summarise the key issues arising from our audit of Ashford and St. Peter's Hospitals NHS Foundation Trust (the Trust) for Governors. All the issues summarised in this report have previously been reported to the Trust's management and Audit Committee.

Responsibilities of the auditor

The statutory responsibilities and powers of appointed auditors for Foundation Trusts are set out in the National Health Service Act 2006 ('the Act'). In discharging these specific statutory responsibilities and powers, we are required to carry out our work in accordance with *Monitor's Audit Code for NHS Foundation Trusts* (the Code) which is available from www.monitor-nhsft.gov.uk. 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.

The scope of our work

Under the Monitor Code of Audit Practice we are required to review and report on:

- the **accounts** – that is the financial statements and the Statement on Internal Control.
- the **use of resources** – that is whether the Trust have made proper arrangements for securing economy, efficiency and effectiveness (value for money) in its use of resources.
- The **Quality Report** – We carried out work on two mandated indicators, chosen by the Trust from a list of three available indicators as specified by the Monitor in its guidance (C.Difficile and Emergency re-admissions within 28 days of discharge from hospital) In addition, we carried out work on a locally selected indicator chosen by the Council of Governors (hospital acquired pressure ulcers grade 2 and above).

This report summarises the significant issues arising from each of these areas of work.

Fees

Our fee for the audit in 2013/14 was £ 445,450 plus VAT. Our fee for the external assurance on the quality report in 2013/14 was £7,500 plus VAT.

Section Two

Key Messages

Key messages for Governors

Key Message	
Financial Statements opinion	<p>We issued a satisfactory (unqualified) audit opinion on the Trust's financial statements for the year ended 31 March 2014 on 29 May 2014.</p> <p>We received a complete draft accounts on 23 April 2014 in accordance with Monitor's deadline. There were some minor presentational amendments made to these accounts before the audit started. However, none of these amendments significantly hindered the progress of the audit.</p> <p>The accounting policies, accounting estimates and financial statement disclosures were in line with the requirements of Monitor.</p> <p>One change in accounting policy to the prior year that we would like to bring to Governor's attention is with regards to the accounting of the Charitable Fund. As per IAS 27, NHS Charities, from 1 April 2013, were required to be consolidated into the Trust's financial statements. The Trust's Charitable Fund's transactions are considered to be immaterial in the context of the Trust group and therefore transactions have not been consolidated. We were comfortable with this approach.</p> <p>Trust finance staff were available throughout the audit visit to answer our queries as they arose.</p> <p>We were thankful to the finance team for their co-operation throughout the visit which allowed the audit to progress smoothly and be completed within the allocated timeframe</p>
Use of Resource Opinion	<p>Based on the findings of our work, we also concluded that the Trust had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.</p> <p>There are no specific matters arising from this work that we would like to bring to the attention of Governors.</p>
Quality Accounts	<p>The Trust has achieved a limited assurance opinion on the content of the Quality Report and achieved a limited assurance opinion on the reasonableness of the mandated performance indicators subject to a limited assurance report in all material respects in accordance with Monitor's <i>NHS Foundation Trust Annual Reporting Manual 2013/14</i>. 'Limited assurance' is the highest level of assurance possible given the nature of the work we were required to perform by Monitor.</p> <p>We have provided a separate more detailed report on the Trust's Quality Report for Governors.</p>



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