

## COUNCIL OF GOVERNORS' MEETING

11 MAY 2017

Paper Title:	Quality Review of Audits
Lead Director:	Liz Romaniak, Director of Finance, Contracting and Facilities
Paper Author:	Stella Jackson, Deputy Trust Secretary
Agenda Item:	13
Presented For:	Information

### 1. PURPOSE OF THIS PAPER:

To provide Governors with the result of a quality audit undertaken by the Quality Assurance Directorate of the Institute of Chartered Accountants of England and Wales ('QAD'). There is no action to be taken by the Council of Governors as a result of this letter.

### 2. BACKGROUND

The NHS Act 2006 requires external auditors of NHS foundation trusts to comply with a monitoring regime established by the Secretary of State for Health. The Secretary of State issued a direction delegating this to NHS Improvement (NHSI), in exercise of Monitor's legal functions.

Under these arrangements, QAD was commissioned by NHSI to review a sample of audits relating to the period ended 31 March 2016 for nine NHS foundation trusts. The sample was selected to give a broad coverage of auditors of NHS foundation trust accounts. KPMG LLP, the trust's external auditor, was selected for review.

### 3. OUTCOME OF THE AUDIT

The QAD has concluded its audit and has provided a report on its findings to NHS providers. The Trust has received a letter (attached at Annex A) confirming that there were no issues requiring the Trust's attention and providing assurance in relation to the quality of audit work undertaken by KPMG LLP.

NHSI will shortly be publishing an anonymised summary of QAD's findings from across their nine reviews, and will make this available on their website.

The Council of Governors is responsible for the appointment (and if necessary, removal) of the external auditor, and NHSI has requested that the letter be shared with Governors.

## **6. RECOMMENDATIONS**

That the Council of Governors:

- Notes the content of the letter from Quality Assurance Directorate of the Institute of Chartered Accountants of England and Wales ('QAD') and assurance that this provides.