



Audit Highlights

Memorandum 2021-22

**Bradford District Care NHS
Foundation Trust Charitable Funds**

October 2022

DRAFT

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This report is made solely to the Corporate Trustee of Bradford District Care NHS Foundation Trust Charitable Funds ('the Charity') in accordance with the terms of our engagement. It has been released to the Corporate Trustee on the basis that this report shall not be copied, referred to or disclosed, in whole (save for the Corporate Trustees' own internal purposes) or in part, without our prior written consent. Matters coming to our attention during our audit work have been considered so that we might state to the Board of the Corporate Trustee those matters we are required to state to the Board in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Corporate Trustee, for our work referable to this report, for this report, or for the opinions we have formed.

Please note that that this report is confidential between the Corporate Trustee and this firm. Any disclosure of this report beyond what is permitted above will prejudice this firm's commercial interests. A request for our consent to any such wider disclosure may result in our agreement to these disclosure restrictions being lifted in part. If the Corporate Trustee receives a request for disclosure of this report under the Freedom of Information Act 2000, having regard to these actionable disclosure restrictions you must let us know and you must not make a disclosure in response to any such request without our prior written consent.

Summary

The purpose of this memorandum is to set out the significant issues that came to our attention during the course of the audit of Bradford District Care NHS Foundation Trust Charitable Funds for the year ended 31 March 2022.

Audit conclusion

We intend to issue an unqualified audit opinion on the accounts following the Board and Audit Committee adopting them and receipt of the management representations letter.

Accounting and auditing matters

No significant accounting issues arose during the course of our audit.

The financial statements adopted appropriate accounting policies and are in accordance with disclosure requirements of relevant charities legislation, UK GAAP (FRS 102) and the Statement of Recommended Practice.

We have undertaken our audit procedures as set out in our Audit Plan.

We are required under ISA 260 to communicate to you any matters specifically required by other auditing standards; and any other audit matters of governance interest.

We have not identified any other matters to specifically report on that have not been documented elsewhere in this Report.

Summary (cont.)

Audit adjustments

Under UK auditing standards (ISA (UK&I) 260) we are required to provide the Audit Committee with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements.

There were no unadjusted audit differences.

We are also required to report any adjusted audit differences, other than those that are "clearly trivial" to the Audit Committee.

We have not identified any adjusted audit difference except minor presentational changes for the financial statements and annual report as part of our work.

Further detail has been provided in Appendix 1.

Recommendations arising from our audit

We have not identified any recommendations to bring to your attention.

Audit approach and findings











We highlight the work conducted and our findings below in respect of the significant audit risks identified in our discussion with you at the audit planning and strategy stage.








Significant risks	Risk	Audit response
Significant risk area required by ISAs	Fraud risk from recognition of income	<p>Professional standards require us to make a rebuttable presumption that the fraud risk from income recognition is a significant risk.</p> <p>We performed the following procedures in order to respond to significant risk identified:</p> <ul style="list-style-type: none"> - We reviewed the terms of legacies and corresponding treatment to ensure the completeness, existence, accuracy and restriction of the income. - We considered the restricted or unrestricted nature of the funding to confirm they have been properly allocated within the financial statements. - We selected and agreed sample of donations to bank statements and source documentation. <p>Our work did not identify any material misstatement.</p>
	Management override of control	<p>Professional standards require us to communicate the fraud risk from management override of controls as significant. This is because management is typically in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>We have not identified any specific additional risks of management override relating to this audit.</p> <p>We performed the following procedures:</p> <ul style="list-style-type: none"> - Substantively tested identified high risk journals to supporting evidence. - Substantively tested all material post closing adjustments. - Assessed the appropriateness of the accounting for significant transactions that are outside the charity's normal course of business, or are otherwise unusual. <p>Our work did not identify any significant unusual transactions.</p>



Appendices

Required communications

Type	Response
Our draft management representation letter	 We have not requested any specific representations in addition to those areas normally covered by our standard representation letter for the year ended 31 March 2022.
Adjusted audit differences	 Except minor presentational changes, there were no adjusted audit differences.
Unadjusted audit differences	 There are no unadjusted audit differences.
Related parties	 There were no significant matters that arose during the audit in connection with the entity's related parties.
Other matters warranting attention by the Audit Committee	 There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Control deficiencies	 We have not identified any deficiencies in internal controls over financial reporting.
Actual or suspected fraud, noncompliance with laws or regulations or illegal acts	 No actual or suspected fraud involving management, employees with significant roles in internal control, or where fraud results in a material misstatement in the financial statements was identified during the audit.
Going concern assessment	 There are no significant matters affecting the entity's ability to continue as a going concern.

Type	Response
Significant difficulties	 No significant difficulties were encountered during the audit.
Modifications to auditor's report	 None.
Disagreements with management or scope limitations	 The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other information	 No material inconsistencies were identified related to other information in the annual report.
Breaches of independence	 No matters to report. The engagement team have complied with relevant ethical requirements regarding independence.
Accounting practices	 Over the course of our audit, we have evaluated the appropriateness of the accounting policies, accounting estimates and financial statement disclosures. In general, we believe these are appropriate.
Significant matters discussed or subject to correspondence with management	 We have not identified any significant issues from our audit procedures.

Appendix 1

Summary of audit differences

Under UK Auditing Standards (ISA (UK&I) 260) we are required to provide the Audit Committee with a summary of unadjusted audit differences (including disclosure misstatements) identified during the course of our audit, other than those which are 'clearly trivial', which are not reflected in the financial statements. In line with ISA (UK&I) 450 we request that you correct uncorrected misstatements. However, they will have no effect on the opinion in our auditor's report, individually or in aggregate. Detail of all unadjusted audit differences is shown below:

There are no unadjusted audit differences.

Under UK Auditing Standards (ISA UK&I 260) we are required to provide the Audit Committee with a summary of adjusted audit differences (including disclosures) identified during the course of our audit.

We have not identified any adjusted audit misstatement except minor presentational changes for the financial statements and annual report as part of our work.

We have completed the audit to a materiality of £3,500 and clearly trivial level of £175.

Confirmation of Auditor independence

We confirm that, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and that the objectivity of the Director and audit staff is not impaired.

To the Board of the Corporate Trustee

Assessment of our objectivity and independence as auditor of Bradford District Care NHS Foundation Trust Charitable Fund (the Charity)

Professional ethical standards require us to provide to you at the conclusion of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP Audit Partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

We are satisfied that our general procedures support our independence and objectivity

Appendix 2

Confirmation of Auditor independence

Independence and objectivity considerations relating to the provision of non-audit services

There were no additional significant professional services provided by us during the reporting period and therefore no additional fees were paid to us by the Charity.

Any additional services provided by KPMG to you are approved by management under delegated authority from the Corporate Trustees Board to ensure transparency. No such services were provided in the year to 31 March 2022.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgment, bear on our independence which need to be disclosed to the Corporate Trustees Board.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Partner and audit staff is not impaired.

This report is intended solely for the information of the Audit Committee/Corporate Trustee Board and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully

KPMG LLP



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