

EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST**REPORT TO: COUNCIL OF GOVERNORS – 16 MARCH 2015****REPORT FROM: AWG LEAD GOVERNOR REPORT****PURPOSE: Information****Audit Working Group discussion:**

The working group met on 26th February 2015 but unfortunately was not quorate. However as KPMG were present those at the meeting agreed to look at the External Audit Plan 2014/15 on the understanding that no decisions could be made by the group. It was noted that the plan had been signed off, electronically, by IAGC.

To ensure financial statements are appropriately prepared:-

- KPMG will complete their systems and governance audit to confirm the controls that are in place to facilitate the production of the annual accounts.
- KPMG will consider management's assessment as part of the accounts production process of the Trust's ability to continue as a going concern.
- KPMG will also provide a certification to the National Audit Office (NAO) to confirm that the balances you have prepared for consolidation into the Whole of Government Accounts (WGA) are not inconsistent with our other work.
- KPMG will provide a long form audit report in relation to their financial statements audit opinion. This will include details of materiality, risks and our response to those risks within our opinion, we have included an illustrative opinion based on your 2013/14 audit

The judgements from this work will be presented in the audit opinion included within the Trust's financial statements, to be published after the Annual Report and Accounts are laid before Parliament.

To identify that the Trust have proper arrangements to secure economy, efficiency and effectiveness in use of resources:-

- The Trust will be required to prepare an Annual Governance Statement (AGS). We will ensure that it is consistent with KPMG's audit knowledge of the Trust and the guidance published by Monitor and other regulators and stakeholders.
- KPMG will consider whether there is an impact in relation to their use of resources assessment particularly given the likely financial implications of implementing actions to come out of special measures.
- KPMG will complete any other work we consider necessary to satisfy ourselves that you have made proper arrangements in your use of resources.

The judgements reached from this work will be presented in KPMG's audit certificate which demonstrates they were able to complete all necessary audit work. If they consider that the AGS is inconsistent with their knowledge or there is insufficient evidence to demonstrate appropriate use of resources, they qualify the audit certificate.

To complete the mandated review of the Trust's Quality Report and issue an assurance opinion on overall arrangements and specific indicators:-

- KPMG are awaiting guidance in relation to the external assurance requirements of Quality Accounts in 2014/15. They expect the requirements to be in line with the previous year. This includes a limited assurance opinion on the content of the Quality Account, a limited assurance opinion on two mandated indicators from the Operating Framework and a review on a local indicator with the scope yet to be determined. They will present a separate terms of reference to the Trust later in the year to describe their planned work in this area.

The judgements from this work will be presented in an assurance opinion to be included in the Trust's Quality Report, to be published after the Trust's Annual Report and Accounts are laid before Parliament.

KPMG explained to the group how they were to go about the above processes. Following question on and clarification of the plan it was noted by the group.

SUMMARY OF COMMITTEE'S FORWARD PLANS:

The AWG will meet again on 18th August 2015 to receive the outcomes of the above audits.

Signed C P Wells.
March 2015.