



## October 2021

# Scope of our work

## Accounts and Annual Report

- Identification and testing of the key risk areas.
- Performance of sample testing and analytical review.
- Testing of the auditable sections of the Remuneration Report.
- Review of the work of relevant regulatory bodies.
- Review of:
  - ❑ The Annual Report for consistency with the content of the Financial Statements.
  - ❑ The Annual Governance Statement.

## Value for Money

- The Code of Audit Practice 2020 revised the VFM requirements.
- Undertake a risk assessment to identify whether there are any risks of significant weaknesses in arrangements and perform procedures where necessary.
- Assess arrangements in three areas:
  - ❑ Financial sustainability
  - ❑ Governance
  - ❑ Improving, economy, efficiency and effectiveness
- Issue an Auditor's Annual Report.

## Quality Report

- As part of the response to covid-19, NHSI cancelled the assurance work in respect of the Quality Report by auditors. The Trust was required to submit their Quality Report by 30 June 2021 however, as reported to the Audit Committee the Trust expects to submit this before 31 August 2021.
- The mandating of testing of quality indicators has now been withdrawn and future testing will be at the discretion of the Trust.

**'True and Fair'  
Opinion  
on Accounts**

**Value for Money &  
Going Concern**







**Consistency of the  
Consolidation  
Schedules**

**Confirmation to  
National Audit Office  
over content  
of WGA schedules**

**All opinions were unmodified**

# Key Findings

# Significant risks of Material Misstatement




Risk	Fraud risk	Planned approach to controls	Controls conclusion	Consistency of judgements with Deloitte's expectations
Accounting for capital expenditure			Satisfactory	
Management Override of Controls			Satisfactory	

Overly prudent, likely to lead to future credit



Overly optimistic, likely to lead to future debit.

### Controls approach adopted

-  Assess design & implementation
-  Test operating effectiveness of relevant controls
-  Involvement of IT specialists

# Audit Findings

## Accounting Performance

The Trust submitted its draft and audited Annual Report and Accounts ahead of the NHSI timetable.

Regular meetings have been held with management through the year.

The working papers produced to support the draft accounts continue to be of a good standard.

As part of our audit we identified one misstatements which remained uncorrected.

Had this been corrected the impact would have been to decrease property, plant and equipment and capital payables by £2,309k.

## Annual governance statement

The review of the Trust's Annual Governance Statement identified no significant issues.

## Annual Report

The Trust provided a draft of the annual report upon which we provided feedback and management incorporated all of the significant changes required.

We reported that the information given in the Performance Report and Accountability Report for the year ended 31 March 2021 is consistent with the financial statements.

## Controls findings

We raised four control findings arising from our audit work concerning classification of accruals and creditors, journal authorisation, IT systems and nil NBV items held on the fixed asset register.

## Accounting policies and financial reporting

We reviewed the Trust's accounting policies and found them to be consistent with sector norms.

We provided comments to the Trust on presentational matters which were reflected in the final version of the financial statements.

# Value for Money Findings

## The Trust's arrangements to secure Value for Money

### Financial Sustainability

*How the body plans and manages its resources to ensure it can continue to deliver its services*

- The Trust recognised a surplus on the provision of services for the year ended 31 March 2021 of £873,000 (2019/20: £5,536,000)
- In a normal year the Trust has a thorough annual financial planning and forecasting process, however this process has been more limited in the current year due to the impact of Covid-19. The Trust has set out a financial plan for 20/21 as well a long-term financial plan covering 2019/20-2023/24
- The Trust reports its financial position on a monthly basis which includes an analysis of the actual expenditure incurred compared to budget.
- Based on the work performed we did not identify any significant weaknesses and are satisfied the Trust has sufficient arrangements in place to ensure financial sustainability.
- We raised one recommendation in relation to the Trust focusing going forward on delivering recurrent savings.

### Governance

*How the body ensures that it makes informed decisions and properly manages its risks*

- The Trust has in place a risk management strategy, however its approach was amended during 2020/21 as a result of Covid-19, for example the Integrated Governance & Risk Committee was disbanded, and its functions have been managed by the Executive Team and the Regulation & Assurance Committee, which reports to the Board of Directors on a regular basis.
- The Trust has an established Board governance framework that supports the implementation of this strategy. The Board of Directors is accountable for the delivery of this risk management strategy. This accountability is underpinned by an assurance sub-structure. The delivery of elements of the strategy is supported by an inter-related sub-committee infrastructure. The sub-committees have a range of responsibilities and specialist support functions.
- The Trust's response to the Covid-19 pandemic has included changes to its approval and monitoring arrangements.
- Based on the work performed we are satisfied the Trust has sufficient governance arrangements in place for the size and functions of the Trust and we did not identify any significant weaknesses.
- We raised one recommendation for the Trust to ensure that the governance framework is updated where the Trust is entering into novel arrangements in the future.

### Improving economy, efficiency and effectiveness

*How the body uses information about its costs and performance to improve the way it manages and delivers its services*

- The Trust assesses its performance regularly through meetings with the Executive team in which a balanced scorecard of performance is reviewed. This balanced scorecard reviews performance against Quality, Workforce, Performance and Financial metrics. This ensured a wide range of financial and non-financial metrics were considered in combination to fully understand the Trust's position.
- Based on the work performed we did not identify any significant weaknesses and we are satisfied the Trust has sufficient arrangements to improve economy, efficiency and effectiveness in place for the size and function of the Trust.
- Noted that it is important that the Trust adapts its arrangements appropriately to incorporate new duties and responsibilities whilst maintaining the existing rigour over the its current arrangements.



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