



Annual Audit Letter 2016-17

East London NHS Foundation Trust

July 2017

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A. Summary of our reports issued	

The content of this report is based solely on the procedures necessary for our audit. This report is addressed to East London 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. The National Audit Office (NAO) has issued a document entitled Code of Audit Practice (the Code). 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.

Introduction

Background

The purpose of this Annual Audit Letter is to summarise the findings and key issues arising from our 2016-17 audit of East London NHS Foundation Trust (the Trust). We have reported all the issues in this letter to the Trust during the year and have provided a list of the reports we have issued in Appendix A. Although this letter is written for the directors and governors of the Trust, it can also be used to communicate key issues to relevant external stakeholders, including members of the public.

Scope of our audit

The statutory responsibilities and powers of appointed auditors are set out in the Local Audit and Accountability Act 2014. Our main responsibility is to carry out an audit that meets the requirements of the National Audit Office's Code of Audit Practice (the Code). This includes:

- Issuing an opinion on whether the financial statements give a true and fair view of the financial position of the audited body and its expenditure and income for the period in question; and
- concluding on the arrangements in place for securing economy, efficiency and effectiveness (value for money) in the Trust's use of resource

Adding value from the External Audit service

We have added value to the Trust from our service throughout the year through our:

- Attendance at meetings with members of the Executive Team and Audit Committee to present and discuss our audit findings and to provide insight in sector developments and examples of best practice;
- A proactive and pragmatic approach to issues arising in the production of the financial statements and the Annual Report which includes the Quality Report to ensure that our opinion is delivered by the deadline;
- Presenting our risk management benchmarking report to give you an insight into other FTs risk registers;
- Incorporation of data analytics into our programme of work to, for example, identify high risk journals for testing; and
- Continuing our strong and effective working relationship with Internal Audit to maximise assurance to the Audit Committee, avoid duplication and provide value for money.

Acknowledgement

We would like to take this opportunity to thank the officers of the Trust for their continued support throughout the year.

Headlines

This section summarises the key messages from our work during 2016-17.

Financial Statements audit opinion	<p>We issued an unqualified opinion on the Trust's accounts on 30 May 2017. This means that we believe the accounts give a true and fair view of the financial affairs of the Trust and of the income and expenditure recorded during the year.</p> <p>There were six non material adjustments which mainly related to reallocation within income and movements between creditors, debtors and provisions. This did not impact on the reported surplus. We also agreed minor presentational changes to the notes to the accounts with officers, mainly related to compliance with the Department of Health Group Accounting Manual 2016-17 and Annual Reporting Manual 2016-17 . There were two non material unadjusted audit differences which were classification differences within debtors and creditors, neither of which effected the overall debtor or creditor balance reported in the statement of financial position.</p> <p>There were no significant matters which we were required to report to 'those charged with governance'.</p> <p>The draft accounts were received by 25 April 2017 in accordance with the Department of Health's deadline and were in line with the requirements of Department of Health Group Accounting Manual 2016-17 and Annual Reporting Manual 2016-17. The accounts, and the working papers to support them, continued to be of a good standard.</p>
Value for Money conclusion	<p>We are required to report to you if we are not satisfied that the Trust has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Based on the findings of our work, we have nothing to report.</p>
Annual Governance Statement	<p>We are also required to report if the Annual Governance Statement does not reflect the disclosure requirements set out in the Department of Health Group Accounting Manual 2016-17 and Annual Reporting Manual 2016-17 is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements. We had nothing to report in respect of this.</p> <p>There were no significant adjustments required to the Annual Governance Statement.</p>
Whole of Government Accounts	<p>We reported that the figures included in the Trust's Consolidation schedules for the Whole of Government Accounts were consistent with the audited financial statements.</p> <p>There were no significant matters we were required to report to 'those charged with governance'.</p>
Public Interest Reporting	<p>We have a responsibility to consider whether there is a need to issue a public interest report or whether there are any issues which require referral to the Secretary of State. We did not issue a report in the public interest or refer any matters to the Secretary of State in 2016-17.</p>

Headlines (cont.)

Quality Report

We completed our audit of the Trust's Quality Report and issued a clean limited assurance opinion on the content of it.

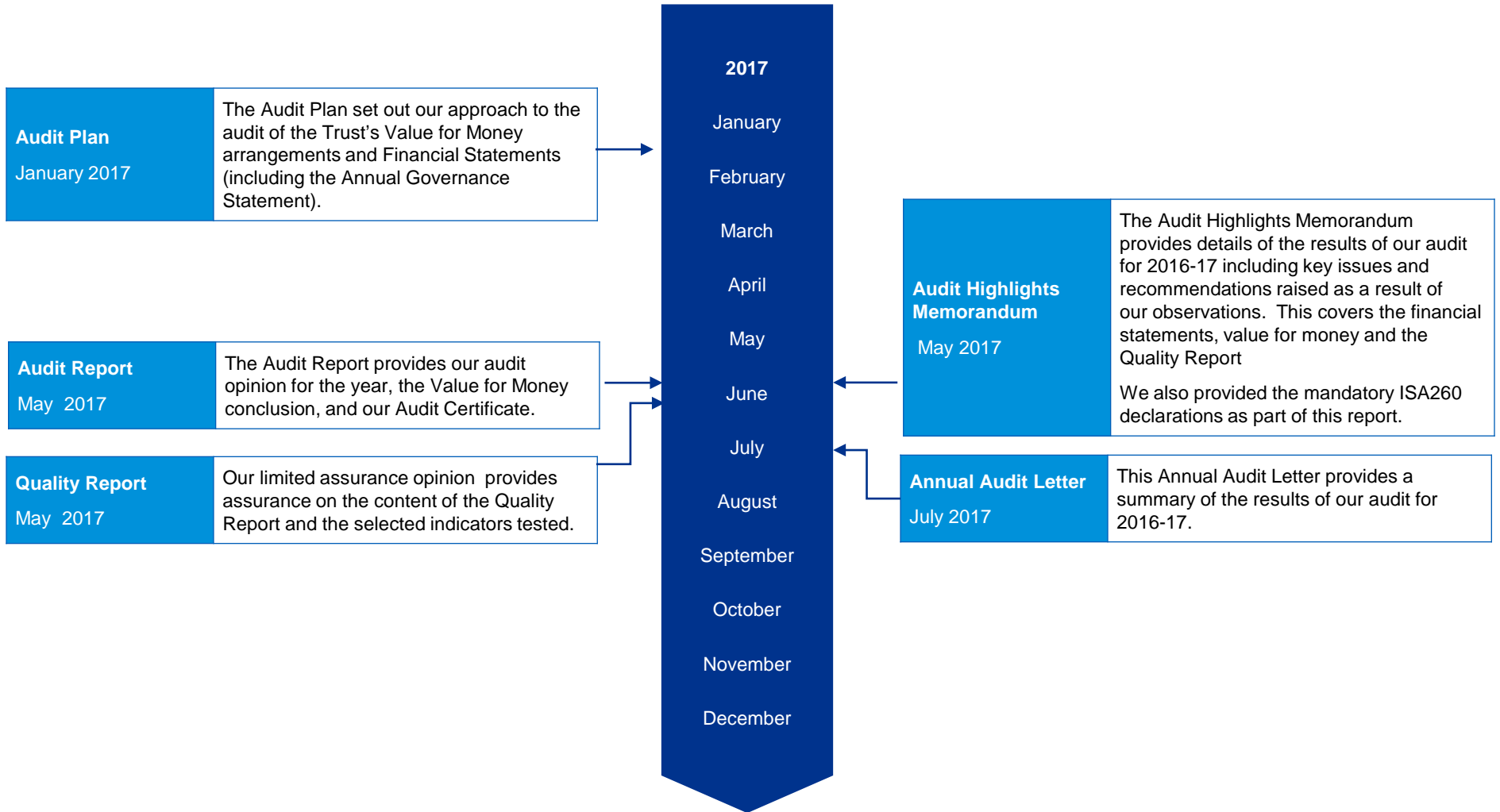
The draft Quality Report presented for audit this year was of a better quality than last year. We suggested a few minor changes for it to fully comply with the "Detailed Requirements for Quality Reports for Foundation Trusts in 2016/17" issued by NHSI which management incorporated.

This year we tested '100% Care Programme Approach (CPA) patients receive follow-up contact within seven days of discharge from hospital' and 'admissions to inpatient services had access to crisis resolution home treatment teams' as the two mandated indicators. Our detailed testing on the indicators has concluded that we were able to give a clean limited assurance opinion on the presentation and recording of these.

Our work on the local indicator 'minimising delayed transfer of care' as selected by Governors has indicated that we would have been able to issue an opinion providing assurance on this indicator if this were required.

We made one recommendation relating to slight discrepancies on the quarterly reported figures to the Board and those for the full year. This has occurred as quarterly figures are reported within two weeks of the quarter end and some data may not be captured within this period. Management are taking this forwards and considering on updating the Board during the year if the final figures for a quarter differ from those initially reported.

Summary of our reports issued





The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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