Ashford and St. Peter's Hospitals NHS
NHS Foundation Trust

COUNCIL OF GOVERNORS
23rd June 2014

TITLE	**External Audit**
EXECUTIVE SUMMARY	This report from the Audit Committee outlines the performance of the external auditor over the past year since re-appointment in May 2012.
The Council is asked to:	Discuss the report.
Submitted by:	Terry Price, Non-Executive Director and Audit Committee Chair
Date:	23rd June 2014
Decision:	For Discussion

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External Audit

Background

The Council of Governors re-appointed KPMG as the Trust's external auditors for a period of three years from May 2012, (with the option to extend, subject to satisfactory performance). This report from the Audit Committee outlines the performance of the external auditor over the past year.

Attendance

Attendance at Audit Committee meetings by KPMG over the period June 2013 to May 2014 has been as follows: -

17th July 2013	Philip Johnstone, Director
23rd October 2013	John Lester, Manager
22nd January 2014	John Lester, Manager and Jennifer Garven, Assistant Manager
19th March 2014	Philip Johnstone, Director and John Lester, Manager
21st May 2014	John Lester, Manager

KPMG presented the Annual Audit Letter and technical update to the Council of Governors in 2013. They also observed a meeting of the Council of Governors and subsequently fed back their comments at the following meeting.

Reporting

At each Audit Committee meeting KPMG have updated the Committee via Progress Reports. These reports have included technical updates on a variety of matters.

At the January 2014 meeting KPMG presented, and the Committee approved, the External Audit Annual Plan for 2013/14. The engagement continued on the basis of unlimited liability. The Progress Report to the March 2014 meeting updated the Committee on the interim external audit which had been completed and the two recommendations arising from that audit.

Audit of the Accounts

The audit of the Annual Accounts and Quality Accounts for 2013/14 was completed with Audit Committee sign-off on 21st May 2014, when KPMG formally reported their audit findings in their ISA260 report. The Accounts were then approved by the Trust Board on 27th May 2014 prior to submission to Monitor on 29th May 2014.

Fees

The fees for 2013/14 totalling £54,450 plus VAT, covering the audit of the Annual Accounts and Quality Accounts were in line with the amount agreed as a result of the tender.

Apart from the audit of the Trust's accounts, the only other work that KPMG undertook was the audit of the Trust's Charity accounts for 2012/13. The fee for this work was £5,600.

Summary

The Audit Committee is satisfied with KPMG's performance to date.