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

COUNCIL OF GOVERNORS
28th May 2013

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:	21st May 2013
Decision:	For Discussion

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External Audit

Background
Following a tender exercise in early 2012, the Council of Governors confirmed the re-appointment of KPMG as the Trust' 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 2012 to March 2013 has been as follows: -

18th July 2012	Apologies (agreed in advance)
17th October 2012	John Lester, Manager
23rd January 2013	Philip Johnstone, Director and John Lester, Manager
20th March 2013	John Lester, Manager

At the time of the tender Ross Tudor was the Trust's appointed engagement Director. In January 2013 Ross was seconded to Ealing Hospital NHS Trust as Interim Director of Finance, and Philip Johnstone was appointed by KPMG as lead engagement Director for the Trust.

KPMG have also attended several meetings of the Council of Governors, which are not listed separately here.

Reporting
At each Audit Committee meeting, (except the July 2012 meeting when there was nothing to report), KPMG have updated the Committee via Progress Reports. These reports have included technical updates on a variety of matters.

At the October meeting KPMG presented, and the Committee approved, the External Audit Annual Plan for 2012/13. The engagement letter confirmed unlimited liability. The Progress Report to the March 2013 meeting updated the Committee on the interim audit which had been completed and the recommendations arising from that audit.

Audit of the Accounts
The audit of the Annual Accounts and Quality Accounts for 2012/13 is largely completed with Audit Committee sign-off expected on 22nd May 2013, when KPMG will formally report their audit findings. The Accounts will then be approved by the Trust Board on 28th May 2013 prior to submission to Monitor by the end of May.

Fees
The fees for 2012/13 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.

Summary
The Audit Committee is satisfied with KPMG's performance to date and, in future, will provide further reports on an annual basis.