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Our ref NGH Trust AAL/201314

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To the Directors of Northampton General Hospital NHS Trust

### **Annual Audit Letter 2013/14**

We are pleased to submit our annual audit letter which summarises our 2013/14 audit for The Northampton General Hospital NHS Trust (“the Trust”). It summarises the key issues arising from our 2013/14 audit at the Trust. Although this letter is addressed to the Directors of the Trust it is also intended to communicate the issues arising from the audit of the Trust to external stakeholders, such as members of the public. It is the responsibility of the Trust to publish this letter on the Trust’s website at [www.northamptongeneral.nhs.uk](http://www.northamptongeneral.nhs.uk).

### **Scope of our audit**

The statutory responsibilities and powers of appointed auditors are set out in the Audit Commission Act 1998. Our main responsibility is to carry out an audit that meets the requirements of the Audit Commission’s Code of Audit Practice (“the Code”). On the 28 May 2014 we presented our ISA 260 report to those charged with governance to the Audit Committee which summarised our conclusions from the 2013/14 audit and outlined our auditor responsibilities under statute and the Code. Following the presentation of our ISA 260 report to the Audit Committee we have:

- issued an unqualified opinion on the Trust’s 2013/14 financial statements on 6 June meeting the Department of Health’s deadline of 3 June 2014;
- concluded that there were the following issues to report in respect of our use of resources work for the year ended 31 March 2014;
- We issued a qualified conclusion paragraph in relation to use of resources due to the Trust’s financial resilience primarily the delivery of a small surplus of £0.197m in 2013/14, after the receipt of £4.5m of non-recurrent financial support and the failure to deliver a number of operational targets throughout 2013/14, particularly the Accident and Emergency wait target. Finally, the Trust has budgeted for a deficit of £7.8m in 2014/15.

- issued an unqualified Group Audit Assurance Certificate to the National Audit Office regarding the Whole of Government accounts submission with no exceptions.

### **Quality Accounts**

At the Audit Committee on 28 May 2014 we highlighted the findings of our mandated work in regard to the Trust's Quality Accounts. The main conclusions can be summarised as:

- The Trust achieved a limited assurance opinion on compliance with the Quality Accounts Regulations.
- The Trust achieved a limited assurance opinion on consistency with other specified information.
- The Trust did not achieve a limited assurance opinion on the indicators in the quality account due to:
  - We were unable to confirm the accuracy and completeness of the Clostridium Difficile Infections indicator due non compliance with guidance provided. We were also unable to confirm the accuracy and completeness of the Friends and Family patient element score indicator due to a lack of retained audit evidence.

### **Public Interest Reporting**

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. There were no matters in the public interest that we needed to report or refer to the Secretary of State in 2013/14.

### **Key findings**

The Trust has generally sound processes in place for the production of the accounts and in relation to use of resources. We raised one medium priority recommendations relating to the Trust's pharmacy inventory system stock records. This is detailed within our ISA260 report to those charged with governance.

### **Fees**

Our fee for the 2013/14 external audit was £77,567 excluding VAT. This included £10,000 for our review of the Trust's Quality Accounts. This was above with the fee agreed at the start of the year with the Trust's Audit Committee due to additional work required as a result of the Trust ongoing financial resilience and value for money issues.

Our fee for non audit services for 2013/14 was £45,000 excluding VAT. This related to the Trust's purchase of the KPMG salary sacrifice system.

**Closing remarks**

I have discussed and agreed this letter with the Director of Finance of the Trust and confirmed that all Directors of the Trust have received a copy. I would like to thank the finance team, the Directors and the Audit Committee for their support and co-operation throughout the 2013/14 audit.

Yours sincerely



John Cornett  
Director